

We thank all our stakeholders this year, as our company celebrates forty years since it was formed. As part of the anniversary celebrations we decided to reaffirm that PFB supports sustainability to all our stakeholders: our customers, our 400 employees, our shareholders and the communities of which we are part.

Climate change is an issue that has become of increasing significance to everyone. PFB supports sustainability in two ways: by manufacturing products that assist our customers in improving the operational energy efficiency of buildings, and by recognizing our responsibilities in reducing our own carbon emissions and waste in our operations.

This year, we are inaugurating sustainability disclosures of baseline measures against which we can try to improve in future. In future reports we expect to be able to provide more comprehensive data as our reporting system progresses. As a company we are committed to the concepts of sustainable development and of regular sustainability reporting to our stakeholders where we are accountable to them for the success of our continuous improvement efforts.

The PFB product offering represents "Better Building Ideas" because our brands, when used alone or more effectively integrated together as building systems, provide excellent insulating qualities in a cost effective way that reduce energy consumption in the heating and cooling of buildings in which they are incorporated. All our products coupled with our policy to pursue sustainable development goals in all our activities, will provide economic and environmental benefits to all our stakeholders.

We have worked hard to achieve ISO quality management standards and continue a policy of environmental management at our major manufacturing sites. We do extensive work in providing technical training and advice to our customers, which helps to extend the useful life of our products and reduce risks in their installation.

At PFB, we are professionals who strive for excellence in the workplace by providing the best in service and the highest measures of quality in all our products. Those that use our insulating product brands can enjoy the economic benefits that arise from reduced energy consumption in their buildings and thereby reduce their release of carbon emissions into the atmosphere. We are committed to sustainable development and are doing all we can to support the principles of sustainability reporting to our stakeholders.

Incorporated in this Sustainability Report by reference is our "2007 Annual Report." It contains the economic impact of our operations and in can be referenced at www.pfbcorp.com or a copy obtained upon request from our head office at 100, 2886 Sunridge Way NE, Calgary, Canada T1Y 7H9.

C. Alan Smith
Chief Executive Officer



2008
SUSTAINABILITY
report

PFB Corporation brands are innovative, high-quality insulating building products and technologies that provide the core for energy-efficient, residential and commercial structures. These products, coupled with our policy to pursue sustainable development goals in all our activities, will provide economic and environmental benefits to all our stakeholders.

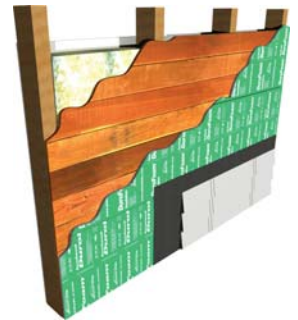
To the building industry and to the end user, PFB offers a wide range of building solutions from insulating building materials, to insulating foundations, walls, and roof systems, to full timber frame structures. We design all of our products for best installed value. Our people understand the building process and provide application support to ensure optimal results and end user satisfaction.

PFB, through its wholly-owned subsidiaries, is a vertically-integrated manufacturer of proprietary insulating building products based on expanded polystyrene (EPS) technology. Our products are manufactured in ten facilities in Canada and in two facilities in Michigan, USA. We distribute our products to industrial, commercial and residential customers, and to the retail market.



Plasti-Fab, EPS Product Solutions, are provided within the following product groups: PlastiSpan and DuroFoam insulation boards; flotation for marine construction applications, geotechnical applications where unstable soils are replaced with lightweight fill and compressible fill for in-ground construction projects; and shaped and fabricated component solutions for inclusion by manufacturers in their manufactured products.

Architects and engineers specifying rigid building insulation rely on Plasti-Fab to provide the best thermal resistance ratings and product quality at comparable cost. Plasti-Fab has built its leadership position in the expanded polystyrene insulation industry based on fulfillment of a promise for quality, service and its expertise in providing EPS product solutions.



Advantage ICF Systems are insulating building blocks that lock together as a wall assembly and stay-in-place after being filled with poured concrete. The result is a concrete wall that is fully insulated both inside and outside. This provides a highly energy-efficient building foundation or building envelope. It reduces the time required by professionals to install building foundations and results in a higher quality outcome. Advantage ICF Systems are ideal for use in residential and commercial construction. The Advantage ICF System is designed for use by construction professionals but is easy to install after on site training provided by us.





www.insulspan.com

Insulspan Structural Insulating Panel Systems (SIPS) consist of pre-cut panel units that are ready to be installed as structural wall, floor or roof components suitable for many residential and commercial building applications. Each Insulspan panel consists of a core of expanded polystyrene insulation with engineered oriented strand board structurally laminated to the inside and outside faces. Insulspan panel components are connected together on the jobsite to form an energy-efficient building envelope. Our design service capability provided to our customers forms an important component of the Insulspan SIPS ready to assemble product. Insulspan SIPS represent the highest quality design, making on-site assembly faster, easier and of higher structural integrity.



www.riverbendtf.com

Riverbend Timber Framing provides strong high-quality timber frame structures with natural wood beauty and traditional joinery with a precise engineered fit. Riverbend Timber Frame structures enclosed by Insulspan SIPS and supported on Advantage ICF System foundations are a highly energy-efficient approach to building. A dedicated and experienced design team creates custom designs and on-site crews install the timber frame structure to the highest standards.



EMPLOYEE PROGRAMS

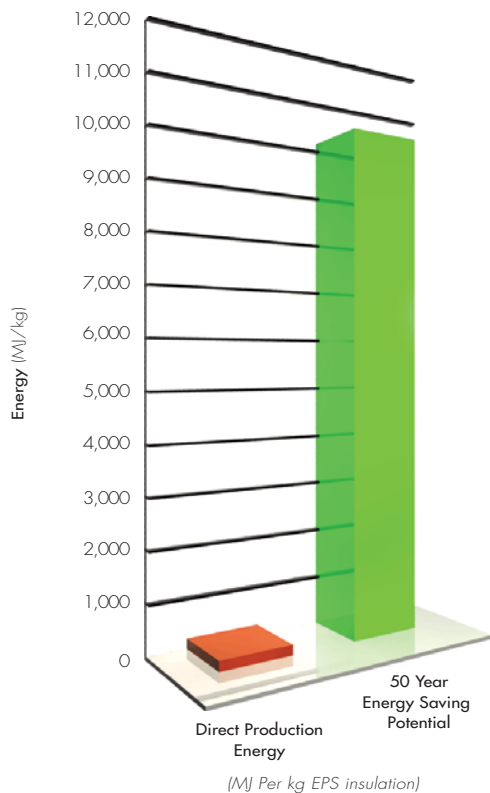
- All employees receive health and safety orientation, safety manual and extensive training when they commence employment and throughout their career with PFB. PFB is committed to ensuring that all employees are properly trained to complete each and every task in a safe and timely manner.
- Health and Safety Committees comprised of hourly, salaried and management representatives meet regularly to review results and develop improvements in safe work procedures.
- PFB offers an educational reimbursement program for employees to support individual education and development.
- Training employees is a key component in enhancing our future success in delivering our brand promise and generating results aligned with our sustainability focus. We offer competency-based training and development opportunities anchored to individual developmental goals coupled with job profiles, career progression and performance management processes.
- Employees receive a comprehensive and competitive benefit package paid by the company.

ENVIRONMENTAL STEWARDSHIP

At PFB Corporation, we are concerned with the future of the planet and the effects that modern life styles may be having on climate change. PFB Corporation is committed to conducting our operations responsibly, mindful of the economic, environmental and social impacts of our operations. We have always placed environmental protection at the highest level of importance in our products, our processes and our practices. It is our intention to focus on improving our performance related to conversion of inputs, such as materials, energy, and water; into outputs, such as products, emissions, effluents and waste through a process of continuous improvement.

In this report we present our initial baseline performance from measurements recorded in 2006 and 2007. We plan to expand disclosure over time and measure our efforts against this baseline to be accountable for improvement in future reports.

ENERGY USED IN MAKING PFB PRODUCTS VS. ENERGY SAVED BY CUSTOMERS USING PFB PRODUCTS

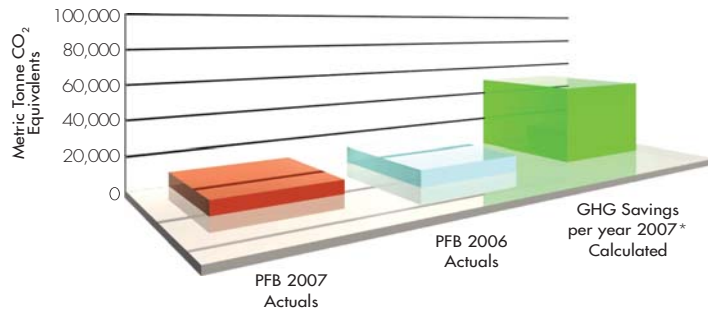


*Estimated energy savings due to the installation of plastic foam insulation products based on data in "The Contribution of Plastic Products to Resource Efficiency", by GUA - Gesellschaft für umfassende Analysen (Corporation for Comprehensive Analyses), Final Report January 2006. Energy savings based on reduction in energy required for heating when insulation installed as per assumptions in GUA report. Other insulation materials will provide comparable reduction in energy if installed to the same level of thermal performance.

** Direct production energy includes PFB production energy and energy required to manufacture raw materials "Energy and Environmental Profile of the US Chemical Industry", May 2000 by Energetics Inc. for US Department of Energy.

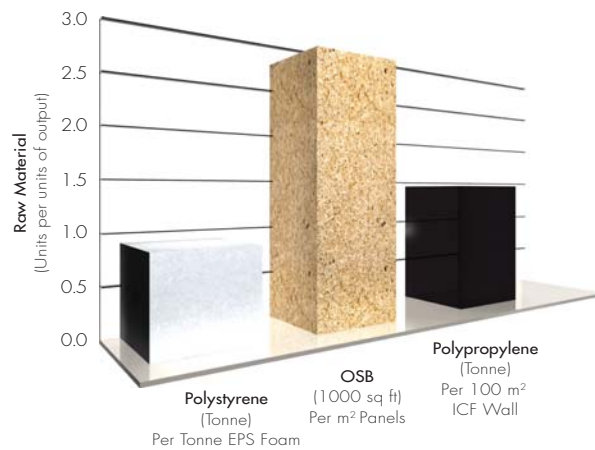
PFB EMISSIONS COMPARED TO CUSTOMERS' EMISSION SAVINGS

Carbon dioxide, the principal green house gas, emitted by PFB is from the burning of natural gas and other fuels used in our production facilities. Our insulating products provide our customers with the means to reduce their energy consumption and consequently their energy requirements and green house gas emissions. PFB customers experience a large reduction in GHG emissions when using our products due to reduced fuel consumption. The reduction is much larger than PFB emissions when manufacturing the product.



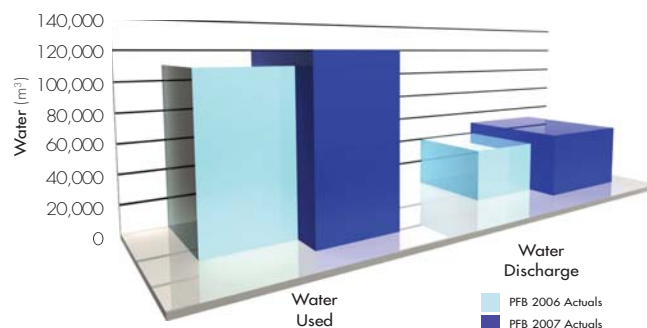
*Estimated GHG emissions savings in 2007 due to the installation of PFB foam insulation products based on the volume of EPS Insulation products sold by PFB and data in "The Contribution of Plastic Products to Resource Efficiency", by GUA - Gesellschaft für umfassende Analysen (Corporation for Comprehensive Analyses), Final Report January 2006. GHG savings based on reduction in energy required for heating when insulation installed as per assumptions in GUA report. Other insulation materials will provide comparable reduction in GHG emissions if installed to the same level of thermal performance.

YIELD FROM MATERIALS CONSUMED 2007

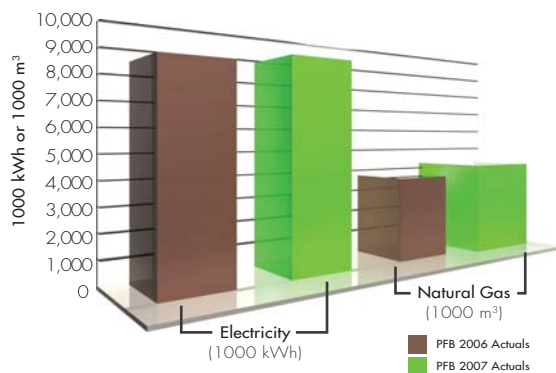


PFB strives towards improving our conversion efficiency to reduce our impact on resource usage and generation of waste products. Every m² of SIPS requires 2m² of OSB because OSB is laminated to both faces of the EPS foam core. PFB consumed 4,849 m³ of lumber and timber in 2007 (not shown in chart above because units are not comparable).

WATER USE 2007

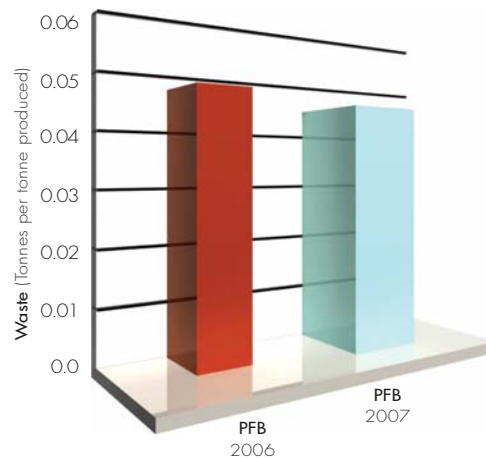


DIRECT ENERGY CONSUMED



PFB continues to upgrade equipment and improve our processes in an effort to reduce consumption of fossil fuels. Although we experienced an increase in direct energy 2007 over 2006 this was offset by a decrease of indirect energy and now forms a baseline for us to improve. Our objective in 2008 will be to maintain energy usage per unit production.

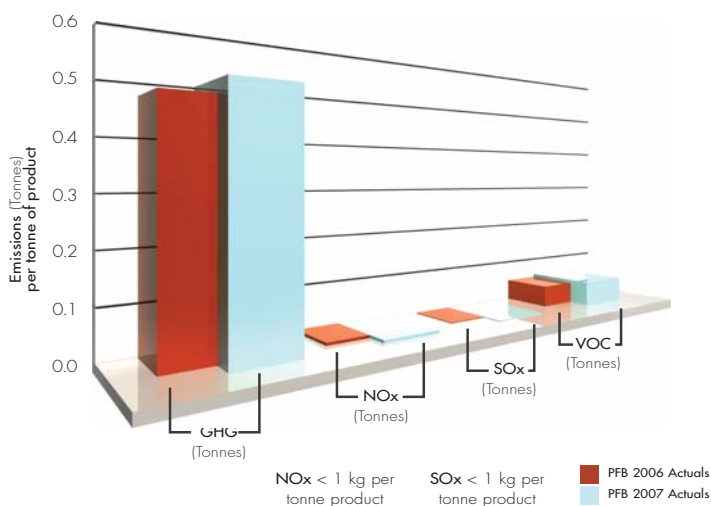
WASTE MANAGEMENT



Landfill waste created per unit output

Landfill waste is a growing concern and PFB is working towards reducing our impact. We will focus our attention on detailed characterization of our waste stream and implementation of reduction and recycling strategies.

EMISSIONS TO THE ATMOSPHERE



NOx < 1 kg per tonne product
SOx < 1 kg per tonne product

COMPLIANCE

Our compliance with environmental regulations are audited by a third party consultant. We continue to monitor our operations for compliance and ensure we meet or exceed all regulatory requirements.



Plasti-Fab has developed a certification listing under Environment Canada's Environmental Choice™ Program (ECP). Plasti-Fab recognizes that our products are key components in creating an energy efficient building envelope. See our listings under ECP as emphasizing our commitment to environmental responsibility in the manufacture and use of our products

DEFINITIONS

Green House Gas (GHG) – greenhouse gases are those gases which contribute to global warming. According to the Kyoto protocol significant greenhouse gases, emitted by human activity, include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆).

Ozone Depleting Substance (ODS) – A chemical compound that reaches the stratosphere and is capable of reacting with stratospheric ozone causing it to be depleted. Stratospheric ozone protects the earth from harmful UV radiation. PFB does not emit harmful ozone depleting substances from our manufacturing processes.

Volatile Organic Compounds (VOC) – any organic compound that can become vaporized under normal atmospheric conditions. VOC can contribute to the creation of ground level smog around urban centers. PFB releases VOC's as part of our foam insulation production processes and we are sensitive to this issue and are actively working towards reductions in the amount of VOC's we emit.

PFB OBJECTIVES FOR 2009-2010

Reduce waste to landfill

- Improvement in production yields.
- Alternate uses of in-process and customer returned materials.
- Explore other technologies for recycling waste materials.
- Find ways to recycle all raw material packaging.

Reduce energy consumption

- Conduct energy audits and determine opportunities for improvement.
- Improve efficiency of equipment and buildings.

Reduce emissions to atmosphere

- Research is currently underway by our technical center to develop a raw material that uses less VOC.

INDUSTRY AND COMMUNITY LEADERSHIP

Our **supply chain links** are with major corporations that support the Responsible Care® Initiative. At the interface with them, our operating practices are subject to audit by them. Which helps the industry to operate safely, profitably and with care for future generations. We train and expect our employees to be experts in their field. We support numerous industry trade associations and expect our employees to participate in them including Expanded Polystyrene Manufacturers Association (EPSMA), Structural Insulated Panel Association (SIPA), American Society for Testing and Materials (ASTM), Construction Specifications

Canada, local Home Builders Associations, local Built Green programs, regional building supply associations, regional roofing associations. We are active in our communities. To ensure the appropriate use of our products we provide on-site technical advisory services and product knowledge training to our customers. We provide professional instruction courses for credit with Architectural AIA, as well as ICF University and SIP School for builders, and Home Planning Seminars for consumers.

Habitat for Humanity Owen Sound

PFB Corporation participated in a Habitat for Humanity project located in Owen Sound, Ontario where twenty Grey-Bruce students helped build housing as part of a fast-tracked carpentry apprenticeship pilot program at Georgian College.

Three duplex dwellings were built. All the exterior walls and adjoining walls of the three duplexes were made of the Advantage ICF System which, when filled with concrete provided a solid concrete building enclosure. Using the Advantage ICF System for the walls of this project will reduce heating and cooling operating costs from conventional construction.

Okanagan Home for Learning Project

PFB is proud to be a sponsor of the 2007 South Okanagan Home for Learning Project, where we supplied PlastiSpan under slab insulation and Advantage ICF System.

The Home for Learning project provided college students the opportunity to expand their skills and their knowledge of energy efficient building systems. This home is Built Green certified and meets federal R-2000 and EnerGuide ratings. The project won several provincial Environmental Awards.

Skilled building professionals, with knowledge of new insulation solutions, are in very high demand. PFB is pleased to help the students of the Okanagan College Trades and Apprenticeship Programs improve their skills and enhance their marketability.

Burnside House

Michigan's first platinum-level LEED (Leadership in Energy and Environmental Design) award has been awarded to "Burnside's Inn," a home designed by Riverbend Timber Framing, in Blissfield, and built by Robert Burnside's Fireside Home Construction company.

The LEED Green Building Rating System, nationally recognized benchmark for high-performance green buildings, bases its certifications on sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality. PFB believes that our Better Building Ideas products, when used in the construction of the building envelope, are an enabling technology that supports the certification of LEED designed buildings and Net Zero Energy houses.

PFB involvement in recent LEED projects

PFB has been involved in a number of LEED projects across North America which are outlined in more detail on our websites. Please visit www.PFBCorp.com for more information.

Net Zero Energy Home

Two noteworthy research and demonstration projects in which PFB participated by providing Insulspan SIPS panels, are to the BASF NZE Demonstration House in Patterson, New Jersey and to a Habitat for Humanity research project at the Oak Ridge National Laboratory in Tennessee. The objective for a NZE house is to balance, over a year time horizon, the generation of energy by the structure with consumption of energy in the structure. The energy efficiency of PFB products makes them enabling technologies in NZE building construction.

Holmes Foundation

PFB Corporation has been actively involved with several charitable organizations. A recent partnership has formed with The Holmes Foundation. Having worked with Mike Holmes on an episode of his show, we had a chance to see firsthand how passionate he is about the industry. This was a natural fit because his concern for well-trained tradesmen supports our jobsite training initiatives. PFB donated a percentage of our sales from a local trade show to the Holmes Foundation.



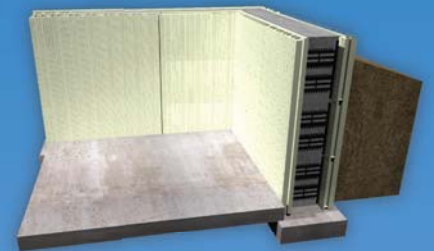
1 Riverbend Home

- High quality timber frame home with relaxing open space
- Built with **Insulspan SIPs** wall and roof panels, **Advantage ICF** foundations to provide energy efficiency
- Other buildings using **Riverbend Timber Frames** include; club houses, recreation centres, restaurants, retail stores



2 Advantage ICF Residential Multi-Family

- Provides highly energy-efficient building envelope, with comforting quiet living
- Foundation, above grade and partition walls built with **Advantage ICF**
- **Advantage ICF** System is also used in commercial buildings such as restaurants, retail strip malls, warehouses



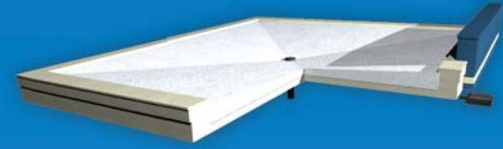
3 Insulspan Walls and Roofs in Residences

- Structural Insulating panels used in single family and multi-family application with the option of Ready to Assemble panels
- Provides job site labour savings
- Ideal for cottages and cabins as well as commercial projects such as club houses, restaurants, retail stores



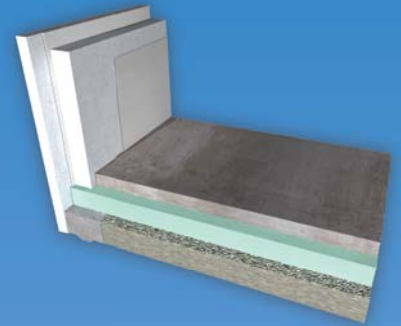
4 **PlastiSpan** Roofing insulation for Schools

- School boards have trusted **PlastiSpan** insulation for roofs for decades
- Other commercial buildings which commonly use **PlastiSpan** insulation on roofs include; warehouses, big box stores, shopping centres.



5 **PlastiSpan** Floor and Wall Insulation for warehouses

- **PlastiSpan** insulation is ideal for Cold Storage warehouses
- **PlastiSpan** roofing insulation is used in these facilities as well
- Under slab floor and wall insulation used extensively in Big Box stores, skating and curling rinks in recreational centres



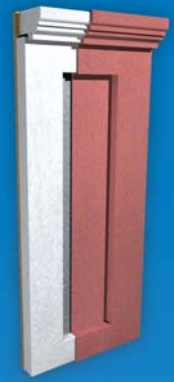
6 **DuroFoam Insulation** available at Big Box Stores and other Building Supply stores

- **DuroFoam** is the next generation of rigid insulation made of EPS Insulation with a thin film laminated to top and bottom surfaces for extra strength and durability
- Used extensively as insulation in new and retrofit residential and commercial projects for exterior walls, basement walls and with radiant floor systems
- Eligible for federal ecoEnergy and provincial energy savings grants



7 Exterior Insulation Finishing Systems (EIFS) in Retail Strip Malls

- **EIFS** is an exterior cladding system composed of EPS insulation with a synthetic stucco coat applied to the exterior face
- Architects and builders are attracted to **EIFS** because the EPS insulation used in this product is easily shaped and sculpted and is cost effective
- **EIFS** enhances the curb appeal of retail malls, hotels, recreation centres, stadiums and residences



8 GeoSpec Lightweight Fill used Above Parkade Structures

- **GeoSpec** material allows the landscape architect to reduce the structural loading above parkades, yet provide sufficient soil to permit the growth of trees, shrubs, or grass.
- Other applications for **GeoSpec** include bridge embankments and soil stabilization
- Another geotechnical application for EPS is as compressible fill material beneath structural members in commercial buildings



9 Buoyancy Applications for Marinas

- **PlastiSpan** flotation billets are encapsulated as a flotation medium for a variety of designs for docks and marinas
- Floating docks using **PlastiSpan** billets exhibit excellent rebound characteristics with minimal rocking
- Concrete encased PlastiSpan EPS is used to support floating homes and other structures

