

COMPANY PROFILE

2023



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COMPANY HISTORY



THE BAMBOO INDUSTRY



Since the late 90s, government led by the Department of Environment and Natural Resources (DENR) has been promoting the propagation of giant bamboo in Bukidnon as an alternative to traditional timber products (normally being poached in any scale) as a protective measure against soil erosion & flood control. However, sustaining the propagation of giant bamboo meant providing economic opportunities to those planting and maintaining these “plantations” has always been the biggest challenge

Despite government’s efforts, economic opportunities for bamboo in Bukidnon were still limited to propping for banana plantations, which is now losing market as some banana plantation operators have started implementing innovations and took out banana props to save on costs, and a niche market as construction material and home-style products are still not enough to support an industry. While the most practical of all economic opportunities for bamboo is in the construction industry, the investment needed to “kick-start” was still absent since there has been no acceptable model (in the Philippines) for financing institutions (including government) to consider, and most institutions still require “tried and tested” strategies such as hard cash invested on the ground. The only clear acceptable market to venture on was the export market since in the Philippines, while bamboo is being widely promoted, more than 90% of all finished products are imported.

HOW BGB STARTED

The idea started when Mr. Roberto V. Tinsay, Jr. (Bob) met Filipino representatives working for bamboo manufacturing companies in Vietnam during a BIMP EAGA business mission to Makassar, Indonesia in 2017, and were willing to do business with him. Business planning started almost immediately resulting to several business missions led by the principals of the Vietnam-based companies coming over to Malaybalay City several times to validate and develop a working business model of transforming bamboo into the new timber industry in the Philippines with emphasis on Environmental, Social, and Governance (ESG) business foundation. After more than a year of validation, re-validation and business planning, the next move was to prove such business model.

The BGB Team





Trial Shipments

Initial Trial - The preliminary challenge was to comply with technical specifications beginning with the proper species, moisture content and pest control. Several months of trials and re-trials were done until there were enough poles for a trial shipment to Vietnam for processing. In late October of 2018, the trial shipment of poles arrived in Vietnam for testing, of which, the recovery after processing was deemed “very satisfactory.”



Trial runs - The first trial shipment of locally produced slats using available second hand equipment (designed for timber) had to be done in order to continue securing data for business modeling of which, in early March 2019, the first batch of bamboo slats reached Vietnam, and again, with “very satisfactory” results amid the equipment used and the facilities limited to a make-shift factory and make shift solar drier. Surprisingly, with the results of the first trial being



above everyone’s expectations, the principals of the Vietnam-based company decided to do a trial run to a direct market, a company in the USA. This time, several quality assurance issues were flagged as the local facility practically lacked all of the needed facilities and the right equipment to produce an acceptable product and volume.

L: Slats being loaded; R: Cargo being fumigated (June 2019)

Despite all these, all still agreed to continue the trial shipment, and again, to everyone’s surprise, buyer’s response was that, after further processing, said products imported from Bukidnon passed the standards set by the International Code Council[1] (ICC) on building material safety.

With this breakthrough, Mr. Tinsay (President /CEO and principal partner Mr. Roderico Bioco (Chairman) were able to convince the buyers to finance their investment for a commercial scale production of which, the buyers decided to assist Mr. Tinsay and his group in providing financial resources and equipment in order to roll out a proper facility. Thus, Bukidnon Giant Bamboo Resources Corporation (BGBRC) was formally organized and the first industrial scale bamboo post-harvest facility went operational in Aglayan, Malaybalay City Bukidnon, February 2020. Recent milestone was a successful export shipment of 25000 pcs of dried, treated, planned slats to Vietnam on March 26, 2020

With still a sizeable inventory during the year-long operations under the makeshift shed, a third and final trial of slats was shipped to Vietnam in October 2019, with a higher recovery rate after said slats were properly kiln dried in a commercial kiln drier in Tagoloan, Misamis Oriental.



OUR MISSION

- 1 Build **Sustainable Environment** and **Resilient Communities** by expanding bamboo plantation to regenerate the soil, rehabilitate watershed areas, and geo-hazard protection;
- 2 Build **Inclusive Business with local communities** mainly as the major supplier of bamboo materials and related services
- 3 Develop bamboo as **key component** for the housing, paper, textile, power and transportation industries;



We aim to partner with global bamboo market, civil societies, industry associations and government institutions to advocate proper policies for the prosperity of the bamboo industry and use bamboo as a strategic tool to mitigate environmental deterioration and reduce poverty incidence.

Environmental, Social, and Governance (ESG) Values

01

Environmental

sustainable practices,
climate change mitigation,
carbon sequestration

02

Social

Inclusive business,
poverty alleviation,
resilient communities

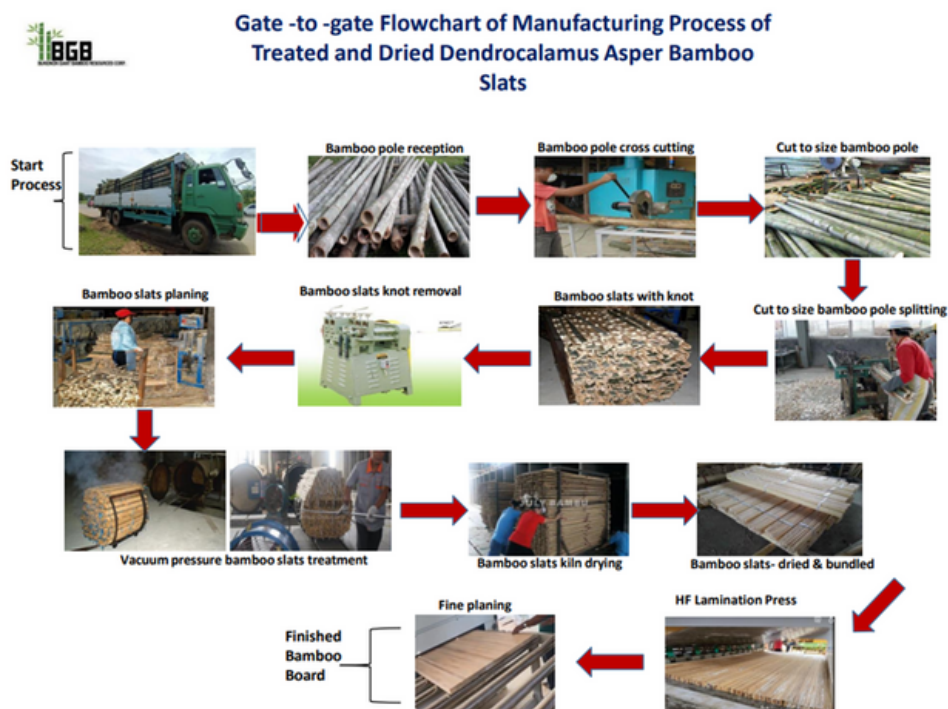
03

Governance

integrity, excellence,
innovation, efficiency and
competitiveness,
transparency, traceability,
equitable pricing, safe
workplace and best
shareholder returns

Business Process

- Raw materials sourcing from various communities already verified by their respective Community Environment and Natural Resources Office (CENRO)
- Harvesting methods adopted from DENR which as acceptable rules in forest and wildlife management
- Treatment using organic compounds acceptable to market and phyto-sanitary standards
- Splitting and planning (buyer specifications)
- Kiln drying (buyer specifications)
- Bundling (buyer specifications)
- Shipment/deliveries (buyer instructions)





BUILDING MATERIALS



veneers

Sliced from laminated "billets" into veneers within the market range thicknesses of 0.3mm to 1.2mm, this is the indicated product for "face lay-up panel production within the hardwood plywood, architectural millwork component, furniture manufacture and specialty product sectors.



Laminated Panels

Focused on the markets' standards for a net 3/4" finished thickness, this product range parallels veneer consumption needs with "solids" across the cabinetry, furniture, millwork, floor- ing and retail sectors.

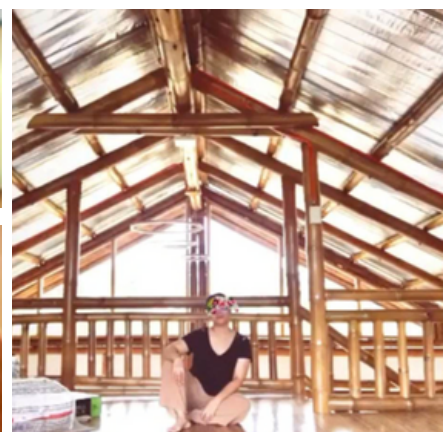
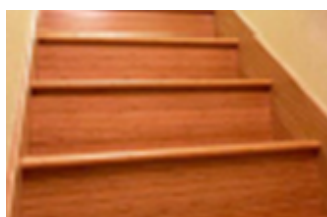


ENGINEERED DIMENSION STOCK

Within the laminated "billet" production concept this broad range of product outputs addresses demand within retail, millwork, furniture and specialty sectors for engineered lumber, squares and reduced in thickness through "re-sawing" to ideal dimensions for flooring and other non-standard thickness consumptions.

FINISHED PRODUCTS

BGB's expanded processing capabilities will include manufacture of a range of finished product components (coming from the standard raw material conversion) including drawer fronts/parts, furniture parts, stair treads, moldings, door parts/frame stock and specialty products; all for direct distribution





The Development Bank of the Philippines (DBP) selected Bukidnon Giant Bamboo Resources Corporation (BGB) to feature in its 2021 Annual and Sustainable Development Report.

Within a short period of time, BGB in partnership with the **Indigenous Peoples of Bukidnon**, established **1,600 hectares** of Giant Bamboo plantations. Moreover, with financing from DBP to procure industrial equipment, BGB transformed bamboo poles into internationally accepted products with very satisfied customers. In featuring BGB, the banking giant also recognized the company's potential to **sequester 30 million Metric Tons of Carbon Dioxide**. A hectare of bamboo can capture more than **1,000 MT of Carbon Dioxide equivalent**. Those early experiments facilitated a stronger partnership with DBP in the next phase to scale up the industrialization of the bamboo supply chain in 2022.

The bamboo industry highlights the power of investing in nature-based solutions. The strategies include rewarding investment drivers, standardizing bamboo agroforestry, and preparing for natural resource value chain governance. While the local bamboo industry achieved significant development in recent years, more investments, regulations, and regulatory government backing are required to fulfill its full potential. It is only one of many business opportunities that must be scaled up to meet the increasing global demand.

With this scenario, the DBP provides financing options for the local bamboo industry that farmers and manufacturers can use. It has pledged Php1.2 billion to assist in helping to fund the Mindanao bamboo industry development program. This program is designed to protect watersheds and provide a means of subsistence for farmers and communities located in remote areas. One of the Mindanao-based companies that has taken advantage of this financial support is the Bukidnon Giant Bamboo Resources Corporation (BGB).

The company's primary focus is on the acquisition of bamboo poles from local farmers and the subsequent transformation of those poles into slats of varying widths and thicknesses in line with the purchase orders placed by the company's local and foreign customers. As a byproduct of the process, BGB's facility can also produce charcoal which would increase the amount of revenue brought in by the project.

BGB chose to establish a core business of bamboo stations, which they presented to DBP. These stations would be used to expand bamboo plantations to rehabilitate watershed regions to create a sustainable environment

and resilient populations. The company has three projects involving 1,600 hectares of giant bamboo in the indigenous people areas in Bukidnon, who are also the target beneficiaries of these projects. BGB believes sustainability is understanding how to manage the risks and opportunities related to environmental, social, and governance issues. Thus, as a company, it focuses on ESG values when accomplishing its projects.

The partnership between DBP and BGB began in 2018 when the company received technical assistance from the Bank to prepare a solid business case to scale up the industrialization of the bamboo value chain. Then in 2019, BGB was granted an initial funding of Php3 million to support its experimental bamboo post-harvest treatment and processing facility. Using a portion of the funds, BGB put a deposit on new equipment. It also plans to plant 30,000 hectares and construct ten facilities in the succeeding years.

The potential sequestration of the 30,000 hectares bamboo expansion is around 30 million MT of CO₂ equivalent (a hectare of bamboo can capture more than 1,000MT of CO₂e) and eligible to register 15 million MT of carbon credits worth more than USD150 million as demand from various Net Zero Initiatives is increasing. The potential to create value from the sale of carbon credits is a mechanism to enable investment in green initiatives to mitigate the effects of Climate Change as well as create prosperity among the stakeholders especially rural and disadvantaged communities. Additionally, this project will produce 200,000 opportunities for women. The impact of these initiatives has started, but the road map to success will take a decade of careful planning and hard work.





CLIENT/PROJECT: **NORTH ZEN VILLAS**



CLIENT/PROJECT: **CLAVERIA HOUSE PROJECT**



CLIENT/PROJECT: **ILIMAM ARCHITECTURE**





Officers

- Mr. Roderico R. Bioco, Board Chairman
- Mr. Roberto V. Tinsay, Vice-Chairman, President and CEO
- Atty. Burt M. Estrada, Secretary and Chief Legal Officer
- Mr. Allan Cuenca, Chief Innovation Officer
- Engr. Roger V. Navarro, Chief Business Development Officer

Compliances (duly registered/accredited as of March 2020)

- Securities and Exchange Commission
- Malaybalay LGU – business permit
- Bureau of Internal Revenue
- Bureau of Customs (as exporter)
- Bureau of Customs (as importer)
- Bureau of Plant Industry's National Plant Quarantine Service
- DENR Provincial Environment and Natural Resources - Bukidnon
- DENR Environmental Management Bureau (Environmental Compliance) – for approval

Business Affiliations

- Member, Confederation of Philippine Exporters Foundation Region 10 Chapter, Inc. (PhilExport CDO)
- Member, Philippine Exporters Confederation, Inc. (PHILEXPORT National)
- Member, Bukidnon Kaamulan Chamber of Commerce and Industry, Inc.

Other certifications/accreditations (being worked out)

- *Forest Stewardship Council (FSC) Certification*

Milestones (duly registered/accredited as of March 2020)

- *Outstanding purchase order from buyer enough to run for at least one year.*
- *In-house financing for community-based plantations in nearby areas, duly coordinated with DENR-CENRO.*
- *Start of commercial operations*

Current challenge

- *Additional facilities and equipment for value-added products e.g. bamboo lamination equipment to address buyer's request for additional products other than raw slats.*

Bank Reference: Development Bank of the Philippines – Malaybalay Branch