

Bright Kindle Resources & Investemts, Inc.

2019 Sustainability Report



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Corporate History and Business Context

BRIGHT KINDLE RESOURCES AND INVESTMENTS INC. ("BKR" or the "Company") is a holding company listed in the Philippine Stock Exchange with corporate offices at 16th Floor Citibank Tower, 8741 Paseo de Roxas, Makati City.

Originally called Bankard, Inc., the credit card subsidiary of Rizal Commercial Banking Corporation was listed in the Philippine Stock Exchange in March, 1995.

In 2013, RCBC sold its collective stake to investors led by RYM Business Management Corporation. With the new ownership and management, the Company changed its corporate name to Bright Kindle Resources and Investments Inc. and realigned its primary

business purpose to a holding company engaged in the purchase, exchange, assignment, and holding of investments.

BKR has no substantial operations at present. Its primary investment is in Marcventures Holdings Inc. (MHI), also a publicly-listed company, the latter being the parent company of Marcventures Mining and Development Corporation (MMDC) which operates a nickel mining tenements across the municipalities of Cantilan, Carrascal and Madrid in Surigao del Sur. MHI also has its own Sustainability Report in line with its practice of good corporate governance.

Responsible Investment Management

BKR contributes to sustainable development by observing good corporate practices particularly through the responsible stewardship of the Company's various investments.

CORPORATE GOVERNANCE STEWARDSHIP

In particular, BKR and its subsidiary MHI maintain an independent and autonomous Board of Directors. Only a minority of the seats in the companies' respective Boards are occupied by the same officers, including independent directors (ID), Atty. Carlo Alfonso T. Ocampo, a founder of Ocampo & Manalo Law Firm. Mr. Felix Cesar L. Zerrudo, the Company's other ID, currently serves as President and Chief Operating Officer of Asian Appraisal Company Inc. and President of Asian Asset Insurance Brokerage Corporation, Amalgamated Project Management Services Inc. and the Professional Funding Services Inc. BKR's IDs are actively involved in the companies' key committees and their independence and expertise ensure added value to crafting corporate strategies and policies.

By keeping an autonomous and independent Board of Directors, BKR ensures that checks



and balances are in place and that it promotes self-determination for both companies. Moreover, BKR maintains the right mix of competent and qualified directors thereby ensuring that its primary purpose, which is that of a holding company, is best catered.

BKR likewise exercises oversight functions over MHI in line with its commitment to good corporate governance. BKR sets the tone at the top as it substantively challenges MHI's management to develop its revenue sources beyond its primary nickel mining operations.

CURRENT ECONOMIC VALUE GENERATED

Through its subsidiary, MHI, the Company is focused on promoting economic growth as well as full and productive employment for all.

Currently, BKR's revenue is derived mainly from interests on bank deposits. As a non-operating company, there were no recorded employees' wages and benefits, nor dividends given to stockholders and interest payments or in investments to the community for FY2019.

While BKR is a holding company and has no business activities that substantially impact society outside its investment management functions, the Company's economic activities

do generate some economic value. In 2019, expenditures for suppliers and other related operating costs amounted to ₱5.1 Million. On the basis of the results for the year in review, the Company has also translated over ₱16 Thousand in government benefits in the form of royalties and taxes. BKR believes that such economic value created is indeed material even if the impact on the economy, environment, or society is not that substantial.

CAPABILITY-BUILDING FOR FUTURE BUSINESS GROWTH

BKR continues to be guided by the principles of good corporate governance as it lays the groundwork for its future investment prospects. BKR is currently actively looking for potential investments via partnerships,

Observing good corporate practices is the major contribution of BKR to sustainable development.

acquisitions, joint ventures and other opportunities which could arise in the light of improving economic conditions, keeping in mind that all investments shall be made with a view to enhancing sustainable business practices.

DATA PRIVACY

Responsible stewardship also engages in responsible data security, a vital material topic as the company continues to search for other investment opportunities that could diversify its sources of revenue and add to shareholder value.

All assets are secure and kept confidential, with data security measures being properly enforced. Corporate services is handled by MHI, and BKR has assigned a Data Privacy Officer in charge of implementing confidentiality measures to comply with Philippine Data Privacy Laws. MHI itself, BKR's subsidiary follows a strict policy on Protection of Confidential Information.

Materiality Assessment and Sustainability Reporting Process

To further demonstrate its commitment to good corporate governance best practices, BKR produced this initial Sustainability Report for its fiscal year beginning 1 January and ending 31 December 2019. The Company expects to further develop its sustainability reporting matrix going forward particularly should it increase the pace of its investment activities.

To initiate its sustainability reporting processes, the Company engaged the services of Atty. Teodoro Kalaw IV, who is certified both as a sustainability trainer by the Global Reporting Initiative and a sustainability report assurer by the Institute of Certified Sustainable Practitioners. Atty. Kalaw is also the first Filipino to graduate with a Masters degree in Sustainability Leadership from the University of Cambridge.

Atty. Kalaw facilitated an extensive sustainability orientation and materiality assessment workshop for key officers

and staff of the Company. As a result of the orientation and workshop and in light of the fact that BKR is not currently operating substantially as a going concern, workshop participants determined that most of the prospective material topics in the economic, environmental and social domains described in SEC Memorandum Circular No. 4 s. of 2019 are presently not significant. As the Company further develops its sustainability reporting processes in the next two or three years, BKR hopes to collect information that will more specifically demonstrate its contributions to the Sustainable Development Goals promoted by the United Nations through the Company's investment activities.

To better and specifically demonstrate the Company's consideration of prospective

material topics highlighted in SEC Memorandum Circular No. 4 s. of 2019, BKR itself does not foresee being substantially affected by climate change because of the minimal nature of its current business activities. Climate risk is also not material at present primarily because there is no significant earnings from its own operations. BKR is also not engaged in any business operation that impacts Procurement and Anti-Corruption. Resource management is minimal as it has nominal resources because of its limited operations within and from the offices of an operating subsidiary. There are no products in production and so there are no environmental issues. It does not have a union, hence topics on Employee Management, Training and Development, Diversity and Equal Opportunity and Supply Chain are not considered material.

CORPORATE STRUCTURE



¹ Sustainability Reporting Guidelines for Publicly-Listed Companies

Index of Material Topics

Pursuant to Annexes A (Reporting Template) and B (Topic Guide) of the SEC Memorandum Circular No. 4 (Sustainability Reporting Guidelines for Publicly-Listed Companies), the following are the topics BKR has identified as material for the reporting period and which were addressed in this report:

The Company continues to search for other investment opportunities that could diversify its sources of revenue and add to shareholder value.

TOPIC	PAGE NUMBER IN ANNEX A OF THE SEC GUIDELINES	PAGE NUMBER IN THIS REPORT
Data Privacy and Security Protection	41	3
Economic Performance	19	2
UN SDG 8: Decent Work and Economic Growth	14	2