



Office of the President of the Philippines
GOVERNANCE COMMISSION
FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS
3/F, Citibank Center, 8741 Paseo De Roxas, Makati City, Philippines 1226



29 JANUARY 2021

ADM REUBEN S. LISTA (RET)
President & CEO
PHILIPPINE NATIONAL OIL COMPANY (PNOC)
PNOC Bldg. 6, Energy Center, Merritt Rd.
Bonifacio Global City, Taguig

ACKNOWLEDGEMENT RECEIPT

LETTER **26 JANUARY 2021**
DATE:

RE: **[E] LETTER FROM PNOC TO GCG RE SUBMISSION OF
MONITORING REPORT OF PERFORMANCE TARGETS
FOR 4TH QUARTER OF CY 2020**

The said document was officially received by the Governance Commission on 29 January 2021 and has been forwarded to the responsible GCG Officer for appropriate action.

To follow-up for further action on the document, you may contact us through telephone numbers (02) 5328-2030 or (02) 5318-1000. Please cite the GCG Document Management System (DMS) Barcode Number: **0-0842-29-01-2021-001588**.

THIS RECEIPT IS COMPUTER GENERATED AND DOES NOT REQUIRE SIGNATURE.

Received by:

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Date and Time

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January 26, 2021

HON. SAMUEL G. DAGPIN, JR.

Chairman

Governance Commission for GOCCs
Office of the President of the Philippines
3/F Citibank Center, Citibank Plaza
8741 Paseo De Roxas
Makati City

Dear Chairman Dagpin:

We are pleased to submit PNOC's "Monitoring Report of Performance Targets" for the Fourth Quarter of 2020.

If you have any questions or clarifications relative to our submission, please do not hesitate to coordinate with Ms. Maria Belinda L. Cubelo, Officer-in-Charge of our Strategy Management Office. Her contact number is 8789-7653 and her e-mail address is mblcubelo@pnoc.com.ph.

Thank you.

Very truly yours,



ADM Reuben S. Lista (Ret.)
President and Chief Executive Officer



GMB/EBA/RCC

Philippine National Oil Company



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**PHILIPPINE NATIONAL OIL COMPANY
MONITORING REPORT OF CY 2020 PERFORMANCE TARGETS
(FOURTH QUARTER REPORT)**

Strategic Perspective	Strategic Objective		Formula	Weight	Rating System	GCG Approved Targets	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		
						2020	Actual	Actual	Actual	Target	Actual	
INTERNAL BUSINESS PROCESS	SO 5	Maintain Efficient Management of PNOC Energy Facilities										
	SM 4	Compliance to Integrated Management System (IMS) Standards (Industrial Park)	Actual Accomplishment	5%	All or Nothing	Pass PNOC Industrial Park 1st Surveillance Audit	Commenced review/revision of the IMS Manual based on the reorganization	Turned over IMS documents from the 2019 Recertification for the reference of the new Internal Audit Head. Briefed Internal Audit Head on findings that are to be resolved. (IMS Training tentatively scheduled on July 25)	Conducted Occupational Health and Safety Seminar on August 5. Conducted IMS Internal Audit Training on Sept. 1, 2, 7, 8, 9, 10, 11, 14, & 20. Conducted IMS Internal Audit on Sept. 29, 30, Oct.1 & 2.	Conduct of IMS 1st Surveillance Audit	Passed 1st Surveillance Audit for ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 See Annex 4	
	SM 5	Compliance to Quality Management Systems (QMS) Standards for ESB Operations (Systems and Procedures)	Actual Accomplishment	10%	All or Nothing	Pass Certification - ISO 9001:2015	Development, review and processing of Operations and Procedures Manuals ongoing.	Finalization of PNOC ESB IMS Manual (ESB Manual Controlled Copies Acknowledgement)	Conducted IMS meetings in July, August & Sept. 2020 Conducted IMS Internal Audit Training on Sept. 1, 2, 7, 8, 9, 10, 11, 14, & 20 for new personnel of ESB. Conducted ESB IMS Internal Audit on Sept 7 to	Review of QMS Manual based on a) Results of CSS b) Results of Internal Audit	Passed Certification for ISO 9001:2015 and ISO 45001:2018 See Annex 5	
	SO 6	Optimize Asset Productivity										
	SM 6	Operation of Energy Supply Base (ESB)	Actual Accomplishment	5%	All or Nothing	Board-Approved Detailed Engineering Design (DED) for ESB Master Plan	Completed 50.28% on the Conduct DFS and DED on ESB Master Development Plan	Completed 57.87% on the Conduct DFS and DED on ESB Master Development Plan	Finalized the Detailed Feasibility Study for the ESB Master Development Plan	-	Completed Conduct of DFS, DED and EIA for ESB Master Development Plan See Annex 6	
INTERNAL BUSINESS PROCESS	SM 7	ESB Warehouse Occupancy Rate	Actual Accomplishment	5%	Actual over Target	90% occupancy of the total 23,600 sqm.	100% occupancy of the total 23,600 sqm.	100% occupancy of the total 23,600 sqm.	100% occupancy of the total 23,600 sqm.	100% occupancy of the total 23,600 sqm.	99.99% occupancy of the total 23,600 sqm. See Annex 7	
	SM 8	Number of PDMC Assets Utilized/Disposed at a Gain	Number of PDMC Assets Utilized/Disposed at a Gain	5%	Actual over Target	Disposal through sale of 5 additional Costa Verde Properties	Deeds of Absolute Sale for 6 Costa Verde properties were processed: Block 17 Lot 20 Block 32 Lot 21 Block 32 Lot 23 Block 38 Lot 9 Block 38 Lot 10 Block 58 Lot 15	Deeds of Absolute Sale for 2 Costa Verde properties were processed: Block 37 Lot 17 Block 10 Lot 3	N/A		Deeds of Absolute Sale for 4 Costa Verde properties were processed: Block 6 Lot 4 Block 7 Lot 8 Block 7 Lot 10 Block 38 Lot 15 See Annex 8	

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						2020	Actual	Actual	Actual	Target	Actual
INTERNAL BUSINESS PROCESS	SM 9	Disposal of Banked Gas	Actual Accomplishment	10%	All or Nothing	Signed Gas Sales Purchase Agreement (GSPA)	Negotiation meeting was held with PSPC on 19 February 2020. PSPC has yet to submit counter offer on PNO's offered terms	PSPC has communicated that the COVID19 pandemic will have the effect on the ongoing negotiations. They have disclosed that as the proposed additional volume is intended for the use of an additional PSPC facility currently undergoing construction, the delay in the completion of the facility caused by the quarantines imposed will also push back the draw out date for the addition volume of banked gas requirement. Also, the shutdown of their operations due to the oil supply glut from COVID19 has caused them to accumulate unutilized volume of gas from the current GSPA. This will not only affect the volume of additional gas to be contracted anew but also the previous urgency to conclude a GSPA on PSPC's part. They have admitted that they are currently reassessing their targets, priorities and requirements under the COVID19 impact and scenario. Meanwhile, PNO continues to engage in discussions with PSPC in pursuit of the sale of an additional volume of its banked gas and the execution of a new GSPA with PSPC.	PNO sent a letter dated 17 August 2020 to PSALM to follow up its review of PNO's proposed MOU and NDA	Recalibrated Target	Signing of MOU and NDA with potential buyer approved by the PNO Board on November 9, 2020
						Recalibrated Target				Board-Approved MOU/NDA with potential buyer	See Annex 9
LEARNING & GROWTH	SO 7	Develop, Implement and Maintain Efficient and Effective Systems									
	SM 10	Compliance to Quality Standards	Actual Accomplishment	5%	All or Nothing	Pass ISO 9001:2015 Re-Certification Audit	Finalized Terms of Reference for Certification Services for PNO's QMS ISO 9001:2015 and conducted Technical Evaluation of Certifying Bodies Bid Proposals	QMS Manual Preparation under new Table of Organization ongoing. Conducted QMS Meeting on May 14, 2020	QMS Manual Preparation under new Table of Organization ongoing. Conducted IMS Internal Audit Training on Sept. 1, 2, 7, 8, 9, 10, 11, 14, & 20.		Passed ISO 9001:2015 Re-Certification Audit
	SO 8	Acquire, Develop, Retain and Motivate Talents for Peak Performance									
	SM 11	Percentage of employees with required competencies met	Number of Employees with Required Competencies Met over Total Number of Employees	5%	Actual over target	80% of total number of employees with required competencies met	Conducted orientation on Competency Assessment Method and Procedure to employees. Conducted orientation on the	Completed the Employee Competency Assessment Form (ECA) for dissemination to supervisors and managers. Provided employees copy of local and international online programs relevant to the employees' developmental requirements.	73 out of 111 target employees or 65.77% have met their required competencies vis-à-vis position held	80% of total number of employees with required competencies met	76 out of 111 target employees or 68% have met their required competencies vis-à-vis position held See Annex 11
	Total Weight			100%							