



25 JANUARY 2023

JESUS CRISTINO P. POSADAS
President and CEO (PCEO)
PHILIPPINE NATIONAL OIL COMPANY (PNOC) - EC

ACKNOWLEDGEMENT RECEIPT

LETTER **19 JANUARY 2023**
 DATE:

RE: **[E] LETTER FROM PNOC-EC TO GCG
 SUBMITTING A COPY OF PNOC MONITORING
 REPORT OF PERFORMANCE TARGETS FOR THE
 4TH QUARTER OF 2022**

The said document was officially received by the Governance Commission on 25 January 2023 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: **0-0155-25-01-2023-001422.**

THIS RECEIPT IS COMPUTER GENERATED AND DOES NOT REQUIRE SIGNATURE.

Received by:

 Signature over Printed Name

 Date and Time

PRIVACY NOTICE: Any or all personal data you provided will only be used to process your transaction with the GCG and for other compatible purposes. All collected data will be kept secure and confidential, unless otherwise authorized by law. They will be disposed of as soon as the purpose for their use has been achieved. Only aggregate or anonymized data shall be subject to further processing. We respect your rights under the Data Privacy Act. Should you wish to invoke any such rights in relation to our processing of your personal data, or have questions or clarifications relative to privacy and data protection, you may contact the GCG – Data Privacy Team at privacy@gcg.gov.ph. You may lodge your complaint or submit an incident report form in the same email address.

“Upholding a Transparent and Responsive GOCC Sector for the Filipino People”



January 19, 2023

Justice Alex L. Quiroz, Chairperson
Atty. Gideon D.V. Mortel, Commissioner
Atty. Geraldine Marie Berberabe-Martinez, Commissioner

Governance Commission for GOCCs
3/F BDO Paseo Towers, Paseo de Roxas Avenue
Makati City

Dear Chairperson and Commissioners:

We are pleased to submit PNOC's "Monitoring Report of Performance Targets" for the Fourth Quarter of 2022.

We hope you find our submitted documents in order. Our focal person for your staff to coordinate with should you have any questions, clarifications or need additional information, is Ms. Alma B. Taganas, Officer in Charge of the Strategy Management Office (email: abtaganas@pnoc.com.ph).

Thank you.

Very truly yours,



JESUS CRISTINO P. POSADAS
President and CEO

PHILIPPINE NATIONAL OIL COMPANY
MONITORING REPORT OF CY 2022 PERFORMANCE TARGETS
FOURTH QUARTER REPORT

Strategic Perspective	Strategic Objective	Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		
					2022	Actual	Actual	Actual	Target	Actual	
SOCIAL IMPACT	SO 1	Contribute to Energy Security Targets									
	SM 1	Petroleum Products Sourcing, Storage and Distribution Project (Strategic Petroleum Reserve Program)	Actual Accomplishment	2.50%	All or Nothing	President Approved Inception Report and Work and Financial Plan on Strategic Petroleum Reserve (SPR) Program	Revised the Terms of Reference (TOR) to include DOE's recommendation of incorporating a short-term implementation plan in the scope of work. Submitted to DOE the revised TOR in Feb. 2022 for review and approval, in compliance to the requirements of DOE DC No. 2021-09-028. Award of contract will slide to a later date this year.	Secured DOE Endorsement on the Revised TOR for the engagement of Transaction Advisor on June 27, 2022	PNOC President approved the revised TOR and work order for the engagement of Transaction Advisor. Conducted procurement activities thru PNOC Bids and Awards Committee. The scheduled opening of best and final offer on August 23 was postponed, per directive from PNOC Management. On Sept. 9, 2022, a meeting was held between the PNOC President and DOE Secretary where guidance and directives were given on the current PNOC projects and initiatives, including that for SPR.	Conduct of Technical Feasibility Study (continuation from Q3) Receipt, Review and Acceptance of Technical Feasibility Study Commencement of the conduct of Full Detailed Feasibility Study	The PNOC Board, during its regular meeting on October 21, 2022, took note of the PNOC Management report on the DOE directive to suspend all activities relevant to the development and pursuance of the Strategic Petroleum Reserve (SPR) and Targeted Fuel Relief Program (TFRP) initiatives. Based on guidance given, oil is a sunset industry and considering this, the SPR and TFRP shall be subjected to policy and financial viability review. See Annex A
	SM 2	Development of Decentralized Energy System through the Use of Waste to Energy Technology (DES-WTE Project)	Actual Accomplishment	2.50%	All or Nothing	President Approved Concept Study/Paper on Decentralized Energy Systems (DES) Using Waste to Energy Technologies	Completed the DES Project Concept Paper. Submitted and approved by the PNOC President on March 16, 2022.	Preparation of the Pre-Feasibility Study in the Development of Decentralized Energy Systems (DES) project ongoing.	Completed the initial draft on the Pre-Feasibility Study on the Development of another DES Project in PNOC Energy Supply Base (2 MW Solar Facility).	Development of Project Framework/Pre-Feasibility Study (continuation)	Submitted the Pre-Feasibility Study to the Office of the Senior Vice President for Energy Investment for review on October 28, 2022. See Annex B

Strategic Perspective	Strategic Objective		Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		
						2022	Actual	Actual	Actual	Target	Actual	
STAKEHOLDERS	SO 2	Establish a Comprehensive Relationship Management for Mutually Beneficial Linkages with Key Stakeholders										
	SM 3	Percentage of Satisfied Customers	Number of satisfied respondents / Total number of respondents	10%	Actual over Target If less than 80% = 0%	90% Satisfied Customers (Lessees, PNOC Industrial Park Locators & ESB Customers)		Submitted to Procurement Management Division the approved Terms of Reference and Work Order Requisition for the engagement of consultant in line with the conduct of the PNOC Customer Satisfaction Survey for 2022	Notice of Award (NOA) for the Conduct of CSS 2022 was forwarded and signed by the Third Party Consultant	Engage Consultant for the Conduct of the Customer Satisfaction Survey for CY 2022	Results of PNOC CSS for 2022 showed 96.23% rate of satisfied customers/ respondents See Annex C	
FINANCE	SO 3	Maintain a Sound Financial Condition										
	SM 4	Net Income	Income from Operations <i>Add/deduct: Forex Gains/Losses, Other Income, Income Tax & Unrealized Gains/Losses</i>	25%	Actual over Target	P104.50 Million	P551.69 Million	P723.97 Million	P1,052.86 Million	P 13.74 Million	P646.03 Million <i>(October to November 2022)</i> See Annex D	
	SM 5	Budget Utilization Rate (BUR)	Actual Disbursement over Total Approved Budget for CO and MOOE	5%	Actual over Target	90%	CO = 0.004% MOOE = 11%	CO = 2% MOOE = 22%	CO = 2% MOOE = 35%		CO = 8.38% MOOE = 60.19% See Annex E	
INTERNAL BUSINESS PROCESS	SO 4	Develop Energy Infrastructure										
	SO 5	Maintain Efficient Management of PNOC Energy Facilities										
	SM 6	Compliance to Integrated Management System (IMS) Standards for PNOC Industrial Park	Actual Accomplishment	5%	All or Nothing	Pass Re-Certification	Issued Special Orders for the composition of the Management Review Committee, IMS Team and Audit Team. Ongoing Review and updating of IMS Documents and Manuals	Reviewed and updated the IMS Manuals and documents Conducted the Internal Quality Audit last April to May 2022 Attended the "Action/Root Cause" Workshop	Passed Re-Certification Audit conducted by Socotec	Conduct of Re-Certification Audit by CB Issuance of Certificate by CB	Passed Re-certification Audit Attestation Certificate Issued by Socotec See Annex F	

Strategic Perspective	Strategic Objective		Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
						2022	Actual	Actual	Actual	Target	Actual
INTERNAL BUSINESS PROCESS	SM 7	Pass Certification - ISO 9001:2015 Quality Management Systems for ESB Operations (Systems and Procedures) and ISO 45001:2018 Occupational Health and Safety Management System **	Actual Accomplishment	5.0%	All or Nothing	Pass 2nd Surveillance Audit	Conducted 3 IMS Meetings: Jan. 25, 2022 Feb. 28, 2022 Mar. 28, 2022 Commenced review and update of HIRAC.	Conducted 3 IMS Meetings: April 22, 2022 May 31, 2022 June 27, 2022 Completed review of HIRAC on May 31, 2022 Completed review of 3 processes: document approval and 2 emergency preparedness	Conducted 3 IMS Meetings: July 29, 2022 Aug. 31, 2022 Sept. 27, 2022 Conducted IMS Internal Audit on August 8 to 12, 2022. Conducted Management Review on Sept. 28, 2022	1. Conduct of Management Review and 2. Conduct of 2nd Surveillance Audit	Conducted 3 IMS Meetings: Oct. 17, 2022 Nov. 28, 2022 Dec. 27, 2022 Passed 2nd Surveillance Audit for PNO C ESB's ISO 9001:2015 and ISO 45001:2018 Attestation Certificate Issued by Socotec See Annex G
	SO 6	Optimize Asset Productivity									
	SM 8	Operation of Energy Supply Base (ESB)	Total No. of DOS conducted over Total No. of Berthed Foreign Vessels	5%	Actual over Target	100% Conduct of the Declaration of Security (DOS) within 18 hours upon berth of foreign vessel at ESB Pier	Conducted 9/9 DOS of foreign vessels berthed at ESB. Ave = 3 hours and 6 minutes	Conducted 11/11 DOS of foreign vessels berthed at ESB. Ave = 2 hours and 57 minutes	Conducted 10/10* DOS of foreign vessels berthed at ESB Ave = 3 hours and 5 minutes	100% Conduct of DOS within 18 hours upon berth of foreign vessel	Conducted 16/16 of DOS of foreign vessels berthed at ESB * plus 1 additional DOS for Sept. 2022 Ave = 4 hours and 45 minutes See Annex H
	SM 9	Improvement/Upgrade of ESB's Facility	Actual Accomplishment	5%	All or Nothing	Completion of Repair of damaged RIP-RAP	Completed 100% repair of damaged RIP-RAP				
		Improvement/Upgrade of ESB's Facility	Actual Accomplishment	5%	All or Nothing	Completion of Construction of Ingress/Egress Ramp at ESB Main Gate	Completed 100% construction of Ingress/Egress Ramp at ESB Main Gate				

Strategic Perspective	Strategic Objective		Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
						2022	Actual	Actual	Actual	Target	Actual
INTERNAL BUSINESS PROCESS	SM 10	Number of PDMC Assets Utilized/Disposed at a Gain	Number of PDMC Assets Utilized/Disposed at a Gain	4%	Actual over Target	Disposal through sale of 5 additional Costa Verde and/or El Pueblo Properties	-	Disposed through Sale 6 Costa Verde and 1 El Pueblo Properties	Disposed through Sale 1 Costa Verde Property	Disposal through sale of 1 additional Costa Verde and/or El Pueblo Properties	Disposed through Sale 1 El Pueblo Property See Annex I
		Number of PDMC Assets Utilized/Disposed at a Gain	Actual Accomplishment	4%	Actual over Target	Disposal through sale of 10 Socialized Housing Program Lots	Disposed through sale 8 Socialized Housing Program Lots	-	Disposed through sale 1 Socialized Housing Program Lot	Disposal through sale of 2 Socialized Housing Program Lots	Disposed through sale 7 Socialized Housing Program Lots See Annex J
	SM 11	PNOC/PAFC/PSTC Property Utilized/ Leased/Disposed	Actual Accomplishment	2%	Actual over Target	Utilization/Lease/ Disposal of any one (1) PNOC/PAFC/ PSTC Property	Leased to Philippine Reclamation Authority office spaces at PNOC Building 4A, Energy Center, Bonifacio Global City.	Disposed through sale 3 PNOC Properties	Disposed through sale 6 PNOC Properties in Batangas, Bulacan and Tarlac City	Utilization/Lease/ Disposal of any one (1) PNOC/PAFC/ PSTC Property	
	SM 12	Disposal of Banked Gas	Actual Accomplishment	5%	5% - 3 Petajoules (PJ) or more of banked gas delivered 3% - more than 1PJ up to less than 3 PJ of banked gas delivered 1% - more than 0.50 PJ of banked gas delivered	Delivery of 3 Petajoules (PJ) of Banked Gas	Approved by the PNOC Board the GSPAs with two buyers on Nov. 11, 2021. Signed GSPAs with two buyers last December 24, 2021. Delivered a total of 2.51 PJ as of March 26, 2022.	Final key terms of a new GSPA with a new buyer was approved by PNOC Board on June 22, 2022. The same was signed on June 23, 2022. Delivered a total volume of 2.74 PJ (March 26 to June 25, 2022) Total delivery for 1st semester equals 5.25 PJ	Delivered a total volume of 2.97 PJ (June 26 to Sept. 25, 2022) Total delivery for the first to third quarters equals 8.221 PJ	Delivered a total volume of 2.86 PJ (Sept. 26 to December 25, 2022) Total delivery for the contract year of 2022 equals 11.08 PJ See Annex K	

Strategic Perspective	Strategic Objective		Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		
						2022	Actual	Actual	Actual	Target	Actual	
	SO 7	Acquire, Develop, Retain and Motivate Talents for Peak Performance										
LEARNING & GROWTH	SM 13	Percentage of employees with required competencies met	Targeted Number of Employees with Required Competencies over Total Number of Targeted Employees	5%	All or Nothing	Increase from 2021 Baseline Employees for competency matching will meet their required baseline competency by end of 2022	Disseminated to employees trainings /seminars offered by training institutions to address their competency gaps. Facilitated attendance of employees to trainings/ seminars: In-house = 7 Local Training = 44	Disseminated to employees trainings /seminars offered by training institutions to address their competency gaps. Facilitated attendance of employees to trainings/ seminars: In-house = 2 Local Training = 14	Disseminated to employees trainings /seminars offered by training institutions to address their competency gaps. Facilitated attendance of employees to trainings/ seminars: Local Training= 81	Submit the 4th Quarter Summary of Employee Competency Gap Monitoring Report (ECGMR), and Summary of Employee Baseline Competency Report;	3 additional employees met their required competencies vis-à-vis position held for CY 2022 See Annex L	
	SO 8	Develop, Implement and Maintain Efficient and Effective Systems										
	SM 14	PNOG Compliance to Quality Standards (PNOG ISO Certification)	Actual Accomplishment	10%	All or Nothing	Pass 2nd Surveillance Audit	Issued Internal Audit Itinerary and Special Order for the composition of the Internal Quality Audit Team.	Conducted the Internal Quality Audit on June 1-10, 2022 Preparation of documentation and implementation requirements for the 2nd Surveillance Audit ongoing	Passed 2nd Surveillance Audit Submitted to Socotec the Customer Feedback Form	Conduct Customer Satisfaction Survey	Passed 2nd Surveillance Audit for PNOG HO ISO 9001:2015 Attestation Certificate Issued by Socotec See Annex M	
		Total Weight		100%								

*** Per coordination with GCG, the latter acknowledged that ESB obtained ISO Certification for both 9001:2015 Quality Management Systems and ISO 45001:2018 Occupational Health & Safety Management System for its operations / systems and procedures and for its occupational health and safety management system. They noted that this will have a total weight of 5%. . GCG further noted that they will consider the certification of both in their validation of the PNOG's 2022 Accomplishments.