



**11 MARCH 2024**

**OLIVER B. BUTALID**  
*President and CEO*  
**PHILIPPINE NATIONAL OIL COMPANY (PNOC)**  
 Bldg. 6 Energy Center, Rizal Drive  
 Bonifacio Global City, Taguig

**ACKNOWLEDGEMENT RECEIPT**

LETTER **06 MARCH 2024**  
 DATE:

RE: **[E] LETTER FROM PNOC TO GCG SUBMITTING ITS  
 4TH QUARTER AND ITS ANNUAL MONITORING  
 REPORT OF PERFORMANCE TARGETS FOR 2023**

The said document was officially received by the Governance Commission on 11 May 2024 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: **0-1130-11-03-2024-005818.**

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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](mailto:privacy@gcg.gov.ph). You may lodge your complaint or submit an incident report form in the same email address.





March 6, 2024

**ATTY. MARIUS P. CORPUS**  
Chairperson

**ATTY. BRIAN KEITH F. HOSAKA**  
Commissioner

**ATTY. GERALDINE MARIE BERBERABE-MARTINEZ**  
Commissioner

Governance Commission for GOCCs  
3/F BDO Paseo Towers (Formerly Citibank Centre),  
Paseo de Roxas Avenue, Makati City

Dear Chairperson and Commissioners:

We are pleased to submit PNOC's 4<sup>th</sup> Quarter and its Annual Monitoring Report of Performance Targets for 2023.

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, Manager of the Strategy Management Office (email: [abtaganas@pnoc.com.ph](mailto:abtaganas@pnoc.com.ph)).

Thank you.

Very truly yours,

  
**OLIVER B. BUTALID**  
President and Chief Executive Officer

**PHILIPPINE NATIONAL OIL COMPANY**  
**MONITORING REPORT OF CY 2023 PERFORMANCE TARGETS**  
**FOURTH QUARTER & ANNUAL PERFORMANCE REPORT**

Strategic Perspective	Strategic Objective		Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	ANNUAL PERFORMANCE REPORT
						2023	Actual	Actual	Actual	Actual	
SOCIAL IMPACT	SO 1	Contribute to Energy Security Targets									
	SM 1	Development of Decentralized Energy System through the Use of Renewable Energy Technology (Solar PV Technology)	Actual Accomplishment	10%	All or Nothing	Board-Approved Detailed Feasibility Study (DFS) on Decentralized Energy Systems (DES) Using Renewable Energy (Solar PV Technology)	Commenced preparation of the Detailed Feasibility Study on the Decentralized Energy Systems (DES) using Renewable Energy (Solar PV Technology)	The DFS for the development of DES Project (using solar PV technology) in PNOC ESB has been drafted and targeted to be presented to PNOC Board in July 2023.	The DFS was revised to reflect the change in location from ESB in Batangas to PNOC Building 6 in Taguig City, based on the directive of the new President & CEO.  The DFS was endorsed to the PNOC Board on September 20, 2023 for approval.	Secured approval of PNOC Board on the Detailed Feasibility Study on October 20, 2023.	Secured Board approval for the Detailed Feasibility Study on Decentralized Energy Systems Utilizing Renewable Energy (Solar PV Technology).  <b>See Annex A</b>
CUSTOMERS/STAKEHOLDERS	SO 2	Establish a Comprehensive Relationship Management for Mutually Beneficial Linkages with Key Stakeholders									
	SM 2	Percentage of Satisfied Clients	Number of satisfied respondents over Total number of respondents	10%	Actual over Target  If less than 80% = 0%	90% Satisfied Customers (External Customers Only)		Issued memo re: Advisory on Harmonized Client Satisfaction Measurement and Client Satisfaction Survey Requirements for GOCCs  Collection of accomplished survey forms of PNOC external services, both online and onsite ongoing.	Results of PNOC ARTA CSM as of Sept. 30, 2023 showed overall satisfaction (SQD0 ) rate of 98.92%.  Conducted orientation re: Guidelines on the Harmonized Client Satisfaction Measurement.  Collection of accomplished survey forms of PNOC external services, both online and onsite	Compiled the completed survey forms from PNOC external services, comprising both online and onsite submissions, for the 4th quarter.  Preparation of PNOC ARTA CSM Detailed Report ongoing.	Results of PNOC ARTA CSM as of December 31, 2023 showed overall satisfaction (SQD0) rate of <b>98.77%</b> .  <b>See Annex B</b>
	SO 3	Maintain a Sound Financial Condition									

Strategic Perspective	Strategic Objective		Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	ANNUAL PERFORMANCE REPORT
						2023	Actual	Actual	Actual	Actual	
FINANCIAL	SM 3	Net Income	Income from Operations  <i>Add/deduct:</i> Forex Gains/Losses, Other Income, Income Tax & Unrealized Gains/Losses	25%	Actual over Target	P1,987 Million	P678.87 Million	P965.56 Million	P906.84 Million	P928.30 Million	P3,479.57 Million  <b>See Annex C</b>
	SM 4	Budget Utilization Rate (BUR)	Actual Disbursement over Total Approved Budget for CO and MOOE	5%	Actual over Target	90%	CO = 1.00% MOOE = 21.13%  Total: <b>8.87%</b>	CO = 9.42% MOOE = 51.38%  Total: <b>25.83%</b>	CO = 9.63% MOOE = 64.83%  Total: <b>31.21%</b>	CO = 11.38% MOOE = 83.23%  Total: <b>39.86%</b>	CO = 11.38% MOOE = 83.23%  Total: <b>39.86%</b>  <b>See Annex D</b>
	SO 4	Develop Energy Infrastructure									
	SO 5	Maintain Efficient Management of PNOG Energy Facilities									
INTERNAL PROCESS	SM 5	Compliance to Integrated Management System (IMS) Standards for PNOG Industrial Park	Actual Accomplishment	5%	All or Nothing	Pass 1st Surveillance Audit	Issued Special Order for the composition of the IMS Secretariat.  Review and updating of IMS Manual ongoing.	Review and updating of the IMS Manual ongoing.  Completed conduct of Internal IMS Audit.  Implemented 11 DCCRs.	Approved and implemented DCCRs are as follows:  - MNT02-F9 - MNT02-F8  First Surveillance Audit was conducted by Socotec last August 29, 2023.  Park Management passed the surveillance audit for continued certification for ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.	Continuous review and updating of the IMS Manual are being conducted.  Implemented 13 DCCRs  Passed First Surveillance Audit conducted by Socotec.	Passed 1st Surveillance Audit  <b>See Annex E</b>

Strategic Perspective	Strategic Objective		Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	ANNUAL PERFORMANCE REPORT
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INTERNAL PROCESSES	SM 6	Pass Certification - ISO 9001:2015 Quality Management Systems for ESB Operations and ISO 45001:2018 Occupational Health and Safety Management System	Actual Accomplishment	5%	All or Nothing	Pass Re-Certification	<p>Conducted 3 IMS Meetings:</p> <p>Jan. 27, 2023 Feb. 28, 2023 Mar. 24, 2023</p> <p>Review of IMS Manual and HIRAC ongoing.</p>	<p>Conducted 3 IMS Meetings:</p> <p>Apr. 27, 2023 May 23, 2023 June 30, 2023</p> <p>Completed Review of HIRAC on May 31, 2023</p> <p>Processed 3 DCCRs.</p>	<p>Conducted 3 IMS Meetings:</p> <p>July 28, 2023 Aug. 29, 2023 Sept. 26, 2023</p> <p>Needs and expectations of interested parties and internal/ external issues finalized on June 21, 2023. Processed 35 DCCRs.</p> <p>HIRAC and FMEA finalized on June 30, 2023.</p> <p>Completed conduct of internal quality audit (IQA) on July 31, 2023 and Management Review (MR) on Aug. 16, 2023</p> <p>All preparations for the recertification were completed on Aug. 30, 2023. This is in line with the third-party audit scheduled on Sept. 15, 2023 by</p>	<p>Conducted 3 IMS Meetings:</p> <p>Oct. 25, 2023 Nov. 28, 2023 Dec. 20, 2023</p> <p>Passed Recertification Audit Conducted by Socotec.</p>	<p>Passed Re-Certification</p> <p><b>See Annex F</b></p>
	SO 6	Optimize Asset Productivity									
	SM 7	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 14 hours upon berth of foreign vessel at ESB Pier	<p>Conducted 15/15 DOS of foreign vessels berthed at ESB.</p> <p>Ave = 4 hours and 26 minutes</p>	<p>Conducted 19/19 DOS of foreign vessels berthed at ESB.</p> <p>Ave = 2 hours and 12 minutes</p>	<p>Conducted 15/15 DOS of foreign vessels berthed at ESB.</p> <p>Ave = 5 hours and 12 minutes</p>	<p>Conducted 10/10 DOS of foreign vessels berthed at ESB.</p> <p>Ave = 5 hours and 20 minutes</p>	<p>Conducted 100% (59/59) DOS of foreign vessels berthed at ESB.</p> <p>Ave = 4 hours and 3 minutes</p> <p><b>See Annex G</b></p>

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						2023	Actual	Actual	Actual	Actual	
INTERNAL PROCESSES	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 and/or El Pueblo Properties	Disposed through sale 4 Costa Verde and El Pueblo Properties:  <u>2 Costa Verde</u> - Blk 38 Lot 64 - Blk 38 Lot 65  <u>2 El Pueblo</u> - Unit C 442 - Unit C 714	-	Disposed through sale one El Pueblo Property (Unit C 406)	-	Disposed through sale <b>5</b> Costa Verde and El Pueblo Properties:  <u>2 Costa Verde</u> - Blk 38 Lot 64 - Blk 38 Lot 65  <u>3 El Pueblo</u> - Unit C 442 - Unit C 714 - Unit C 406  <b>(DOAS submitted in Q1 &amp; Q3)</b>
		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 10 Socialized Housing Program Lots	-	Disposed through sale 7 Socialized Housing Program Lots	Disposed through sale 7 Socialized Housing Program Lots  Deed of Absolute Sale (DOAS) notarized	-	Disposed through sale <b>7</b> Socialized Housing Program Lots  <b>(DOAS submitted in Q3)</b>
	SM 9	PNOC/PAFC/PSTC Property Utilized/Leased/Disposed	Actual Accomplishment	5%	Actual over Target	Utilization/Lease/Disposal of any one (1) PNOC/PAFC/ PSTC Property	Executed Locator Agreement bet. PNOC (as administrator of PAFC) and Natural Resources Development Corporation (NRDC) for the lease of 7,629,909 sqm. at the PNOC Industrial Park	-	Executed Land Lease Agreement bet. PNOC (as administrator of PAFC) and Samat LNG Corporation for the lease of 45,000 sqm. at the PNOC Industrial Park	-	Executed Lease Agreements:  1. PNOC & NRDC  2. PNOC & Samat LNG Corp.  <b>(Lease Agreements submitted in Q1 &amp; Q3)</b>

Strategic Perspective	Strategic Objective		Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	ANNUAL PERFORMANCE REPORT	
						2023	Actual	Actual	Actual	Actual		
	SM 10	Disposal of Banked Gas	Actual Accomplishment	10%	Actual over Target	Delivery of 5 Petajoules (PJ) of Banked Gas	Submitted delivery reports to DOE (January to March 2023)  Delivered a total of <b>2.577 PJ</b> (Covering a period of 26 Dec. 2022 to 25 March 2023)	Submitted delivery reports to DOE (April to June 2023)  Delivered a total of <b>5.754 PJ</b> (Covering a period of 26 Dec. 2022 to 25 June 2023)	Submitted delivery reports to DOE (July to Sept. 2023)  Delivered a total of <b>8.620 PJ</b> (Covering a period of 26 Dec. 2022 to 25 Sept. 2023)	Submitted delivery reports to DOE (October to December 2023)  Delivered a total of <b>11.485 PJ</b> (Covering a period of 26 Dec. 2022 to 25 Dec. 2023)	Delivered a total of <b>11.485 Petajoules</b> of Banked Gas  <b>See Annex H</b>	
	SO 7	Acquire, Develop, Retain and Motivate Talents for Peak Performance										
LEARNING & GROWTH	SM 11	Percentage of Employees with Required Competencies Met	Number of Employees with Required Competencies Met over Total Number of Employees	5%	All or Nothing	Increase from 2022 Baseline	Disseminated to employees the list of trainings /seminars offered by training institutions to address their competency gaps.  Facilitated attendance of employees to trainings/ seminars:  Local = 31 In-House = 2	Submitted the 2nd Quarter Summary of Employee Competency Gap Monitoring Report (ECGMR).  Disseminated to employees the list of trainings offered by training institutions to address their competency gaps.  Facilitated attendance of employees to trainings/ seminars:  Local = 43	Submitted the 3rd Quarter Summary of ECGMR.  Facilitated attendance of employees to trainings/ seminars:  Local = 47 In-House = 3	Submitted the 4th Quarter Summary of ECGMR.  Facilitated attendance of employees to trainings/ seminars:  Local = 7 In-House = 4	Increased from the 2022 baseline by an additional 5 employees who matched their competency gap:  1. NJPMS 2. NFS 3. GSM 4. FJC 5. RVR  <b>See Annex I</b>	
	SO 8	Develop, Implement and Maintain Efficient and Effective Systems										



Strategic Perspective	Strategic Objective		Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	ANNUAL PERFORMANCE REPORT
						2023	Actual	Actual	Actual	Actual	
	SM 12	Compliance to Quality Standards	Actual Accomplishment	5%	All or Nothing	Pass Re-Certification	Completed Terms of Reference (TOR) for the engagement of a Training Provider on QMS Appreciation	Completed conduct of QMS Appreciation Training on May 29, 31 and June 2, 2023.  Conducted document review and completed conduct of Internal Quality Audit from June 15 to July 17, 2023.	Completed conduct of Management Review on Aug. 22 to 23, 2023.  All preparations for the recertification of PNOC Head Office were all completed on August 30, 2023. This is in line with the third-party audit scheduled on September 18, 2023 by Socotec.  PNOC PASSED RECERTIFICATION AUDIT conducted by Socotec.	Coordinated with Socotec on the finalization of Audit Report and issuance of Certificate for PNOC's ISO 9001:2015	Passed Re-certification audit  <b>See Annex J</b>
		<b>Total Weight</b>		<b>100%</b>							