



29 JULY 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 JULY 2021**
 DATE:

RE: **[E] LETTER FROM PNOC TO GCG RE SUBMISSION OF
 MONITORING REPORT OF PERFORMANCE TARGETS
 FOR THE SECOND QUARTER OF 2021**

The said document was officially received by the Governance Commission on 29 July 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: **0-1249-29-07-2021-011018.**

THIS RECEIPT IS COMPUTER GENERATED AND DOES NOT REQUIRE SIGNATURE.

Received by:

Signature over Printed Name

Date and Time

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July 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

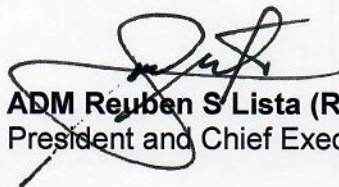
Dear Chairman Dagpin:

We are pleased to submit PNOC's "Monitoring Report of Performance Targets" for the Second Quarter of 2021.

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
MONITORING REPORT OF CY 2021 PERFORMANCE TARGETS
SECOND QUARTER REPORT**

Strategic Perspective	Strategic Objective	Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter		3rd Quarter	4th Quarter	
					2021	Actual	Target	Actual	Target	Target	
SOCIAL IMPACT	SO 1	Contribute to Energy Security Targets									
	SM 1	Petroleum Products Sourcing, Storage and Distribution Project	Actual Accomplishment	5%	All or Nothing	Hiring of Detailed Feasibility Study (DFS) Consultant for the SPR Project	Submitted the updated TOR to the PNOC Board, thru its Risk Management Committee, on March 19, 2021. The PNOC Board approved the Updated TOR and Evaluation Criteria on March 29, 2021.	Continuation of Bidding for the Engagement of the DFS Consultant Evaluation of Bidders	Held pre-bid meeting for the Engagement of TA. The revised TOR, as approved by the President, was submitted to BAC on April 26, 2021. Published EOI in PhilGEPS, and PNOC received eligibility documents from one potential bidder. However, bids for the engagement of TA failed. Revisited TOR to determine and identify areas for improvement. See Annex 1	Preparation of DFS Consultancy Services Contract and Approval by PNOC Board	Award of DFS Contract and Commencement of Conduct of DFS
STAKEHOLDERS	SO 2	Establish a Comprehensive Relationship Management for Mutually Beneficial Linkages with Key Stakeholders									
	SM 2	Percentage of Satisfied Customers	Number of satisfied customers / Total number of customers	10%	Actual over Target If less than 80% = 0%	90% Satisfied Customers (Lessees, PNOC Industrial Park Locators & ESB Customers)	-	Prepared Terms of Reference and Work Order Requisition for the Conduct of PNOC Customer Satisfaction Survey for CY 2021	Prepared Terms of Reference and Work Order Requisition for the Conduct of PNOC Customer Satisfaction Survey for CY 2021 See Annex 2	Procure/Bid Consultant for the Conduct of Customer Satisfaction Survey for CY 2021	Engage Consultant for the Conduct of the Customer Satisfaction Survey for CY 2021
FINANCE	SO 3	Maintain a Sound Financial Condition									
	SM 3	Net Income	Income from Operations <i>Add/deduct: Forex Gains/Loss, Other Income, Income Tax & Unrealized Gain/Loss</i>	25%	Actual over Target	P231.21 Million	P 64.27 Million	P57.80 Million	P75.71 Million See Annex 3	P57.80 Million	P57.81 Million
INTERNAL BUSINESS PROCESS	SO 4	Develop Energy Infrastructure									
	SO 5	Maintain Efficient Management of PNOC Energy Facilities									
	SM 4	Compliance to Integrated Management System (IMS) Standards - PNOC Industrial Park	Actual Accomplishment	10%	All or Nothing	Pass 2nd Surveillance Audit	Submitted Action Plans as corrective actions to the 1st Surveillance Audit observations. Continuous monitoring is being implemented. Processed 6 Document Creation/Change Requests as part of the continuous review and improvement of the IMS Manual.	IMS Management Review and Conduct of IMS Training	PIP IMS Internal Audit Team attended two trainings, i.e., Lead Auditor Course and Advanced IMS Training. Processed 12 DCCRs as part of the continuous review and improvement of the PIP IMS Manual. See Annex 4	Conduct of IMS Internal Audit and Conduct of Management Review	Conduct of 2nd Surveillance Audit

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	SM 5 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	10%	All or Nothing	Pass 1st Surveillance Audit	IMS Meetings conducted on January 25, February 26 and March 29, 2021. Completed closure of all Corrective Action Requests on February 11, 2021.	-	Conducted 6 IMS Meetings Conducted PNOC ESB Internal Audit Opening Meeting on May 12, 2021 Conducted review on two processes and submitted three (3) DCCRs. See Annex 5	-	1. Implementation of the IMS Policies and Manual 2. Conduct of Internal Audit 3. Conduct of Management Review and 4. Conduct of 1st Surveillance Audit
INTERNAL BUSINESS PROCESS	SO 6 Optimize Asset Productivity									
	SM 6 Operation of Energy Supply Base (ESB)	Total No. of sqm occupied over 23,600 sqm available space	5%	Actual over Target	90% occupancy of the total 23,600 sqm.	98.90% occupancy of the total 23,600 sqm. (23,339 out of 23,600 sqm)	50% occupancy of the total 23,600 sqm.	98.90% occupancy of the total 23,600 sqm. (23,339 out of 23,600 sqm) See Annex 6	70% occupancy of the total 23,600 sqm.	90% occupancy of the total 23,600 sqm.
	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 24 hours upon berth of foreign vessel at ESB Pier	Total of 17 DOS conducted out of 17 berthed foreign vessels. Average response time for DOS - One hour and twenty nine minutes (1 hr & 29 min) upon berthing of foreign vessel	100% Conduct of DOS within 24 hours upon berth of 10 foreign vessel	Conducted 32 DOS out of 32 berthed foreign vessels at ESB. Average response time for the conduct of DOS was one hour and forty four minutes (1 hr & 44 min) upon berthed of foreign vessel. See Annex 7	100% Conduct of DOS within 24 hours upon berth of 10 foreign vessel	100% Conduct of DOS within 24 hours upon berth of 8 foreign vessel
	SM 8 Improvement/Upgrade of ESB's Facility	Actual Accomplishment	5%	All or Nothing	Completion of Construction of New Fence at Main Gate	Completed 70% of construction of New Fence at Main Gate.	Laying/Installation Works Clearing and Removal of Existing Structures	Completed 98% of construction of New Fence at Main Gate. See Annex 8	-	Completion of Construction of New Fence
SM 9 Number of PDMC Assets Utilized/Disposed at a Gain	Number of PDMC Assets Utilized/Disposed at a Gain over Target 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 of 1 Costa Verde Property	Disposal through sale of 2 additional Costa Verde and/or El Pueblo Properties	Disposed through sale of 1 Costa Verde Property See Annex 9	-	Disposal through sale of 1 additional Costa Verde and/or El Pueblo Property	

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	SM 10	Disposal of Banked Gas	Actual Accomplishment	5%	All or Nothing	Board Approved Term Sheet	Final Contract Endorsement of MOU & NDA, between PNOC and PSALM, transmitted to PSALM in January 2021	Continuation of the negotiation of the Term Sheet	PNOC and PSALM signed MOU and NDA on June 7, 2021 Discussion with PSALM on the proposed sale ongoing. Latest meeting held with PSALM was on June 17, 2021. Conducted meetings with other interested buyer on their intent to purchase banked gas on June 2 and June 30, 2021. See Annex 10	Finalization of the Term Sheet	Approval of the Board of the Term Sheet
	SO 7	Acquire, Develop, Retain and Motivate Talents for Peak Performance									
LEARNING & GROWTH	SM 11	Percentage of employees with required competencies met	Targeted Number of Employees with Required Competencies over Total Number of Targeted Employees	5%	Actual over target	85% of targeted personnel for competency matching will meet their required baseline competency	Updated the Summary of Baseline Competency Monitoring Report. Total number of employees for profiling were reduced from 111 in CY 2020 to 102 due to the separation/retirement of 9 employees. Based on 102 total personnel, the 85% target will now be equivalent to 87 employees. From the number of employee profiled, 71 out of 87 target employees, or 70% have met the baseline competencies of their position for 1st Quarter.	Coordinate/monitor with the department, the completion of the employees' Individual Development Plan (IDP); Prepare Employee Baseline Competency Monitoring Report	Issued memorandum to all employees with gap (-) competencies to revise their IDP to include training interventions that would address the gaps Facilitated attendance to training of 91 employees.	3rd Quarter Summary of Employee Baseline Competency Monitoring Report	4th Quarter Summary of Employee Baseline Competency Monitoring Report; Conduct Employee Competency Assessment

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	SO 8	Develop, Implement and Maintain Efficient and Effective Systems									
LEARNING & GROWTH	SM 12	PNOC Compliance to Quality Standards (PNOC ISO Certification)	Actual Accomplishment	10%	All or Nothing	Pass 1st Surveillance Audit	Completed pre-training requirements and documentations (budget, participants, invitation and confirmation of training provider- FCU) for the IMS Lead Auditors' Training scheduled on April 10 to May 8, 2021.	Conduct Internal Audit, Management Review, Prepare documentation and implementation requirements for the 1st Surveillance Audit	Conducted 4 trainings from April to June 2021 (Documentation and Document Control Workshop, Advance IMS Course, Lead Auditors' Course and IMS Implementation and Audit Course) QMS Meetings conducted on June 16, 2021 (Orientation Meeting with IQA Auditors) and June 30, 2021 (IQA Opening Meeting) in preparation for the July IQA.	Pass the 1st Surveillance Audit	
		Total Weight		100%							