



14 February 2022

MR. ALFONSO G. CUSI

Chairman and DOE Secretary

ATTY. GRACIELA M. BARLETA

Office-in-Charge (OIC)

PHILIPPINE NATIONAL OIL COMPANY (PNOC)

PNOC Bldg. 6, Energy Center, Rizal Drive

Bonifacio Global City, Taguig

RECEIVED
FEB 18 2022

TIME: 2:00 PM DATE: 2/18/22

**RE : VALIDATION RESULT OF PNOC'S
2020 PERFORMANCE SCORECARD**

2/21/22

Dear Secretary Cusi and OIC Barleta,

This is to formally transmit the validation result of PNOC's 2020 Performance Scorecard. Based on the Governance Commission's validation of the GOCC's documentary submissions, PNOC obtained an over-all score of **98.41%** (See **Annex A**). The same is to be posted on PNOC's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.¹

In relation to the grant of 2020 Performance-Based Bonus (PBB) to eligible officers and employees, PNOC can grant such incentive only upon receipt of a confirmation letter from the Governance Commission. In this regard, the Board is reminded that any unilateral action to release the PBB before the confirmation will be considered as a violation of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149.²

FOR PNOC'S INFORMATION AND GUIDANCE.

Very truly yours,

Digitally signed by:
CHAIRMAN SAMUEL G. DAGPIN, JR.

Digitally signed by:
COMMISSIONER MICHAEL P. CLORIBEL

Digitally signed by:
COMMISSIONER MARITES C. DORAL

cc: COA Resident Auditor – PNOC

¹ "Code of Corporate Governance for GOCCs," dated 28 November 2012.

² GOCC Governance Act of 2011.

Philippine National Oil Company



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PHILIPPINE NATIONAL OIL COMPANY (PNOC)
Validated 2020 Performance Scorecard

Component		Rating	Target	Submission		GCG Validation		Supporting Documents	Remarks																						
Objective/Measure	Formula	Wt.	System	2020	Actual	Rating	Score	Rating																							
SO 1 Contribute to Energy Security Targets																															
SM 1	Petroleum Products Sourcing, Storage and Distribution Project	Actual Accomplishment	5%	All or Nothing	Board-Approved Targeted Fuel Relief Program Study	Board-Approved Targeted Fuel Relief Program Study	5%	Board-Approved Targeted Fuel Relief Program Study	5%	<ul style="list-style-type: none">• Concept Study: PNOC's Study on Emergency Targeted Fuel Relief Program• Secretary's Certificate dated 04 July 2020 signed by Atty. Jannerfer Pelayo <p>By the yearend, PNOC reported completing the study on Targeted Fuel Relief Program which was approved by the PNOC Board on 27 May 2020.</p>																					
Sub-total		5%				5%		5%																							
SO 2 Establish a Comprehensive Relationship Management for Mutually Beneficial Linkages with Key Stakeholders																															
SM 2	Percentage of Satisfied Customers	No. of Satisfied Respondents over Total Number of Respondents	10%	Actual over Target If less than 80% = 0%	90% Satisfied Customers	89.60%	4.80%	89.60%	9.96%	<ul style="list-style-type: none">• 2020 CSS Final Report• 10 Sample Accomplished Questionnaires• PNOC CSS 2020 Interview Log Sheet <p>Below is the breakdown:</p> <table><tr><th>Satisfaction</th><th>No. of Respondent</th><th>%</th></tr><tr><td>Very Satisfied</td><td>15</td><td>31.3%</td></tr><tr><td>Satisfied</td><td>28</td><td>58.3%</td></tr><tr><td>Neither</td><td>5</td><td>10.4%</td></tr><tr><td>Dissatisfied</td><td>0</td><td>0.0%</td></tr><tr><td>Very Dissatisfied</td><td>0</td><td>0.0%</td></tr><tr><td>TOTAL</td><td>48</td><td>100%</td></tr></table> <p>PNOC respondents composed of eleven (11) Lessees, thirteen (13) PNOC Industrial Park Locators, and twenty-four (24) Energy Supply Base Customers.</p>	Satisfaction	No. of Respondent	%	Very Satisfied	15	31.3%	Satisfied	28	58.3%	Neither	5	10.4%	Dissatisfied	0	0.0%	Very Dissatisfied	0	0.0%	TOTAL	48	100%
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STAKEHOLDERS																															
SOCIAL IMPACT																															

STAKEHOLDERS

SOCIAL IMPACT

INTERNAL BUSINESS PROCESS										FINANCE																															
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Objective/Measure								2020		Actual				Score																											
SO 3 Maintain a Sound Financial Condition																																									
SM 3 Net Income		Income from Operations Add/deduct: Forex Gains/Loss, Other Income, Income Tax and Unrealized Gain/Loss		30%		Actual over Target		P 317 M		P 555.24 M		-		P 522.54 M		30%		• Net Income (NI) 2020 Actual Accomplishment Report • 2020 COA Audited Financial Statements		<table><tr><td colspan="2">In Millions</td></tr><tr><td>Total Revenues</td><td>1,192.26</td></tr><tr><td>Total Operating Expense</td><td>510.85</td></tr><tr><td>Net Income Before Tax</td><td>681.41</td></tr><tr><td>- Income Tax Expense</td><td>156.95</td></tr><tr><td>- Other Comprehensive Loss</td><td>0.53</td></tr><tr><td>Comprehensive Income</td><td>P523.94</td></tr><tr><td>+(-): Unrealized Losses (Gains)</td><td>-0.53</td></tr><tr><td>Less: Dividends from operating subsidiaries</td><td>1.93</td></tr><tr><td>NI before dividends from operating subsidiaries</td><td>P522.54</td></tr></table>		In Millions		Total Revenues	1,192.26	Total Operating Expense	510.85	Net Income Before Tax	681.41	- Income Tax Expense	156.95	- Other Comprehensive Loss	0.53	Comprehensive Income	P523.94	+(-): Unrealized Losses (Gains)	-0.53	Less: Dividends from operating subsidiaries	1.93	NI before dividends from operating subsidiaries	P522.54
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SO 4 Develop Liquefied Natural Gas (LNG) Projects																																									
SO 5 Maintain Efficient Management of PNOOC Industrial Park																																									
SM 4 Compliance to Integrated Management System (IMS) Standards		Actual Accomplishment		10%		All or Nothing		Pass PNOOC Industrial Park Surveillance Audit		Passed 1 st Surveillance Audit for ISO 9001:2015, ISO 14001:2015 and ISO 450001:2018		10%		Passed 1 st Surveillance Audit for ISO 9001:2015, ISO 14001:2015 and ISO 450001:2018		10%		• Attestation dated 29 December 2020 issued by SOCOTEC Certification Philippines, Inc.		Annual Surveillance audit was conducted on 15 December 2020. The Attestation provides that the audit covers the requirements for ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.																					

Component		Objective/Measure	Formula	Wt.	Rating System	Target	Submission		GCG Validation		Supporting Documents	Remarks
						2020	Actual	Rating	Score	Rating		
SM 5	Compliance to Quality Management Systems (QMS) Standards for ESB Operations (Systems and Procedures)	Actual Accomplishment	10%	All or Nothing	Pass Certification for ISO 9001:2015	Passed Certification for ISO 9001:2015 and ISO 45001:2018	10%	Passed Certification for ISO 9001:2015 and ISO 45001:2018	10%	• Attestation dated 29 December 2020 issued by SOCOTEC Certification Philippines, Inc.	The Certificate states that PNOC ESB "has been assessed by SOCOTEC Certification Philippines in accordance with the requirements of ISO 9001:2015 and ISO 45001:2018 and has been recommended for certification."	
Sub-total		20%					20%		20%			
SO 6 Optimize Asset Productivity												
SM 6	Operation of Energy Supply Base (ESB)- Warehouse Occupancy Rate	Total of No. of sqm occupied over 23,600 sqm available space	5%	Actual over Target	90% occupancy of the total 23,600 sqm	99.99%	5%	99.99%	5%	• Warehouse Occupancy Report (January to December 2020) • Sample Billing Statements for the 4th of 2020 • Billing statement of Philodrill Corp (1st Quarter and 4th Quarter)	Validated accomplishment for the subject measure is 99.99%. It is noted that all warehouses were occupied in all months except for December where PNOC reported 99% occupancy for Warehouse No. 1.	

INTERNAL BUSINESS PROCESS

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Component		Objective/Measure	Formula	Wt.	Rating System	Target 2020	Submission Actual	Rating	GCG Validation Score	Rating	Supporting Documents	Remarks														
SM 7	Operation of Energy Supply Base (ESB) – Terms of Reference (TOR) for the use of PNOC ESB Facilities signed 30 Minutes after Pre-Operational Meeting	Total number of TORs signed within 30 mins. From pre-operational meeting over all TORs for the use of the ESB	5%	Actual over Target	100%	100%	100%	5%	100%	5%	• 12 sample of TORs • Summary of TORs signed (Jan-Dec 2020)	All 302 TORs in 2020 were signed within 30 minutes from the pre-operational meeting.														
SM 8	No. of PDMC Assets Utilized/ Disposed at a Gain	No. 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 Properties	4 Costa Verde Properties	5%	4 Costa Verde Properties	4%	• Deeds of Absolute Sale for four (4) Costa Verde properties	<table><thead><tr><th>Name of Buyer</th><th>Date of Execution</th><th>Price (P)</th></tr></thead><tbody><tr><td>1 Evangeline C. Merriado; Roldan P. Asma and Rodelyn M. Asma</td><td>05 Nov 2020</td><td>P4.96 M</td></tr><tr><td>2 Arnella M. Aziz and Sallani B. Hadji Aziz Jr.</td><td>05 Nov 2020</td><td>P4.26 M</td></tr><tr><td>3 Roldan P. Asma and Rodelyn M. Asma</td><td>05 Nov 2020</td><td>P4.26 M</td></tr><tr><td>4 Maria Socorro V. Au</td><td>15 Dec 2020</td><td>P0.70 M</td></tr></tbody></table>	Name of Buyer	Date of Execution	Price (P)	1 Evangeline C. Merriado; Roldan P. Asma and Rodelyn M. Asma	05 Nov 2020	P4.96 M	2 Arnella M. Aziz and Sallani B. Hadji Aziz Jr.	05 Nov 2020	P4.26 M	3 Roldan P. Asma and Rodelyn M. Asma	05 Nov 2020	P4.26 M	4 Maria Socorro V. Au	15 Dec 2020	P0.70 M
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SM 9	Disposal of Banked Gas	Actual Accomplishment	5%	All or Nothing	Board-Approved MOU/NDA with Potential Buyer of Banked Gas	Board-Approved MOU/NDA with Potential Buyer of Banked Gas	5%	Board-Approved MOU/NDA with Potential Buyer of Banked Gas	5%	• Board-Approved MOU/NDA with Potential Buyer of Banked Gas	As validated, the PNOC Board authorized the signing of the MOU and NDA between PNOC and PSALM on 9 November 2020.															
Sub-total			20%				20%		19%																	

Component		Rating	Target	Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Wt.	System	2020	Actual	Rating	Score	Rating		
SO 7 Acquire, Develop, Retain and Motivate Talents for Peak Performance										
SM 10	Percentage of employees with required competencies met	Number of Employees with Required Competencies over Total Number of Employees	5%	Actual over Target	80% of total number employees with required competencies met	68.47% (76 out of 111)	5%	71.20% (79 out of 111)	4.45%	<ul style="list-style-type: none">Summary of Baseline Competency Profile as of December 2020Person Profiling Report as of 31 December 2020 <p>PNOC initially reported 68.47% or 76 out of 111 employees met the required competencies. However, upon validation of the subsequent submission, PNOC achieved 71.20% or 79 out of 111 employees. The variance was due to three employees who were initially marked as "no rating sheet" but were found in the subsequent submission.</p>
SO 8 Develop, Implement and Maintain Efficient and Effective Systems										
SM 11	Compliance to Quality Standards	Actual Accomplishment	10%	All or Nothing	Pass ISO 9001:2015 Recertification Audit	Passed ISO 9001:2015 Recertification Audit	10%	Pass ISO 9001:2015 Recertification Audit	10%	<ul style="list-style-type: none">Attestation dated 29 December 2020 issued by SOCOTEC Certification Philippines, Inc.Certificate dated 04 January 2021 issued by SOCOTEC Certification International <p>The ISO Certification is valid until 09 October 2023.</p>
Sub-total		15%				15%		14.45%		
TOTAL		100%				-		98.41%		

LEARNING AND GROWTH