



13 July 2026

HON. FRANZ JOSEF GEORGE E. ALVAREZ
President and Chief Executive Officer (PCEO)
PHILIPPINE NATIONAL OIL COMPANY
PNOC Building 6, Energy Center, Rizal Drive
Bonifacio Global City, Taguig City

**RE: TRANSMITTAL OF 2026 CHARTER STATEMENT AND
STRATEGY MAP AND 2026 PERFORMANCE SCORECARD**

Dear PCEO Alvarez,

This is to formally transmit the 2026 Charter Statement and Strategy Map (***Annex A***) and the 2026 Performance Scorecard (***Annex B***) of the **PHILIPPINE NATIONAL OIL COMPANY (PNOC)**, to be posted on the PNOC's website in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.¹

The PNOC's proposed Charter Statement and Strategy Map were **RETAINED**, while the Performance Scorecard, submitted through a letter dated 13 October 2025,² was **MODIFIED** based on: (i) the discussions during the Technical Panel Meeting (TPM) held on 16 December 2025; (ii) evaluation of revised documents submitted through the PNOC's letters dated 21 January 2026,³ 13 April 2026,⁴ and 02 June 2026;⁵ and (iii) discussions during a meeting held on 25 June 2026.

Pursuant to Item 9 of GCG M.C. No. 2024-01,⁶ GOCCs are required to accomplish and submit the requisite Quarterly Monitoring Reports (*i.e.*, PES Form 4) for the calendar year, detailing their progress in accomplishing their performance targets. The Quarterly Monitoring Reports shall likewise disclose any substantial changes in circumstances that were unforeseen during the TPM that may affect the timely achievement of the targets.

FOR THE PNOC'S INFORMATION AND COMPLIANCE.

Very truly yours,

ATTY. MARIUS P. CORPUS
Chairperson



ATTY. BRIAN KEITH F. HOSAKA
Commissioner

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

¹ CODE OF CORPORATE GOVERNANCE FOR GOCCs, dated 28 November 2012.

² Officially received by the Governance Commission on 17 October 2025 [Barcode No. 2025-027917].

³ Officially received by the Governance Commission on 27 January 2026 [Barcode No. 2026-002367].

⁴ Officially received by the Governance Commission on 15 April 2026 [Barcode No. 2026-011911].

⁵ Officially received by the Governance Commission on 04 June 2026 [Barcode No. 2026-017025].

⁶ ENHANCED PERFORMANCE EVALUATION SYSTEM (PES) FOR THE GOCC SECTOR, dated 28 June 2024.



PHILIPPINE NATIONAL OIL COMPANY (PNOC)



STRATEGY MAP

"THINK GLOBAL, ACT LOCAL - ALWAYS WITH PARTNERS"

MISSION

To complement the efforts of the private sector in developing energy sources and in broadening the adoption of renewable energy technologies in the most cost effective manner.

VISION

By 2028, PNOC is recognized as a **strategic niche player** in the Philippine energy industry

CORE VALUES



Productivity - oriented



Resourceful



Innovative



Determined



Enthusiastic



CUSTOMER

- C.1.** Act as Strategic Catalyst to the Energy Sector in partnership with the private sector
- C.2.** Provide Energy-Related Services to Government Entities
- C.3.** Provide Responsive Services to PNOC Stakeholders
- C.4.** Create Awareness about the complexities of the Energy Sector through Innovative Communication Activities



CORE PROCESS

- P.1.** Create Organizational Efficiency in all aspects
- P.2.** Establish an Enterprise Risk Management Program across the organization
- P.3.** Institutionalize a Partner Engagement Program (Private & Government)
- P.4.** Implement a Principle-Based Quality Management System



LEARNING & GROWTH

- L.1.** Create a Robust Knowledge Management Framework
- L.2.** Create a PNOC Talent and Resources Pool (Internal and External)
- L.3.** Institutionalize a Responsive Performance Management System
- L.4.** Strengthen the ARMILY Culture



FINANCIAL

- F.1.** Optimize Assets for Improved Income Streams
- F.2.** Mobilize Partner Resources to Achieve PNOC's Goals
- F.3.** Establish an effective COB Planning and Approval Process that is aligned to PNOC's Strategic Objectives

127

2026 PERFORMANCE SCORECARD (ANNEX B)

PHILIPPINE NATIONAL OIL COMPANY (PNOC)

Component					Baseline		Targets	
	Objective/Measure	Formula	Weight	Rating System	2023	2024	2025	2026
CUSTOMERS/ STAKEHOLDERS	SO 1	Act as Strategic Catalyst to the Energy Sector in partnership with the Private Sector						
	SM 1	Batangas Onshore Wind Power Project	Actual Accomplishment	5%	All or Nothing	N/A	N/A	N/A
				5%	All or Nothing	N/A	N/A	N/A
	SM 2	Memorandum of Understanding (MOU) on Energy Ventures	Actual Accomplishment	15%	Actual over Target	N/A	N/A	N/A
	SM 3	Procurement and Importation of Critical National Fuel Reserves/ Liquefied Petroleum Gas (LPG)	Actual Accomplishment	10%	Actual over Target	N/A	N/A	N/A
	SO 2	Provide Energy-Related Services to Government Entities						
	SM 4	Total Electricity Generated (in kWh) from PNOC-installed Rooftop Solar PV Systems for Partner Government Agencies	Actual Accomplishment	10%	Actual over Target	N/A	N/A	N/A
	SO 3	Provide Responsive Services to PNOC Stakeholders						
	SM 5	Customer Satisfaction Survey (CSS)	No. of Satisfied Respondents over Total No. of Respondents	10%	Actual over Target (0% = less than 80%)	98.77%	97.80%	90%
	SO 4	Create Awareness About the Complexities of the Energy Sector through Innovative Communication Activities						
Subtotal			55%					

¹ Based on GCG – ARTA Joint Memorandum Circular No. 1, s. 2023. Covers external customers only.



Component					Baseline		Targets		
	Objective/Measure	Formula	Weight	Rating System	2023	2024	2025	2026	
INTERNAL PROCESS	SO 5	Create Organizational Efficiency in All Aspects							
	SM 6	Percentage of Implementation of the ISSP	Number of Deliverables Due for 2026 Completed over Total Number of Deliverables Due for 2026	5%	Actual over Target	N/A	Awarded contract for the development and implementation of 1 System (AIMS)	100% attainment of Deliverables based on the Amended 2025 ISSP	100% Attainment of 2026 Deliverables as submitted to MITHI (information systems and software only)
	SO 6	Establish an Enterprise Risk Management Program Across the Organization							
	SO 7	Institutionalize a Partner Engagement Program (Private & Government)							
	SO 8	Implement a Principle-Based Quality Management System							
	SM 7	Compliance to Quality Standards (ISO QMS)	Actual Accomplishment	5%	All or Nothing	Passed Re-Certification	The 1 st Surveillance Audit was not undertaken	ISO 9001:2015 Certification	1 st Surveillance Audit Passed (Head Office)
	Subtotal		10%						
LEARNING AND GROWTH	SO 9	Create a Robust Knowledge Management Framework							
	SO 10	Create a PNOC Talent and Resources Pool (Internal and External)							
	SM 8	Percentage of Employees with Required Competencies Met	Competency Level ² 2026 – Competency Level 2025	5%	All or Nothing	86.54%	90.22%	Increase from 2024 Competency Level	Increase from 2025 Competency Level
	SO 11	Institutionalize a Responsive Performance Management System							
	SM 9	Development and Implementation of Disaster Risk Reduction and Management (DRRM) Plan	Total Number of Exercise/Drills/Tests Conducted in 2026 over Total Number of Exercises/Drills/Tests Scheduled in 2026	2.5%	Actual over Target	N/A	N/A	Board-Approved Public Service Continuity Plan (PSCP)	Implementation of Public Service Continuity Plan (PSCP) Deliverables
	SO 12	Strengthen the ARMYLY Culture							
	Subtotal		7.5%						

² Competency Level = Total Number of Employees with Required Competencies Met over Total Number of Employees

15

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Component					Baseline		Targets	
	Objective/Measure	Formula	Weight	Rating System	2023	2024	2025	2026
FINANCIALS	SO 13	Optimize Assets for Improved Income Streams						
	SM 10	Disposal of Banked Gas	Actual Accomplishment	5%	Actual over Target	11.485 PJ	8.956 PJ	Delivery of 9 PJ of Banked Gas
	SM 11	Optimize Real Property Assets	Actual Accomplishment	7.5%	All or Nothing	N/A	N/A	Board-approved Optimization Plan
	SO 14	Mobilize Partner Resources to Achieve PNOC's Goals						
FINANCIALS	SO 15	Establish an effective COB Planning and Approval Process that is aligned to PNOC's Strategic Objectives						
	SM 12	Budget Utilization Rate	Actual Disbursement of Capital Expenditure & MOOE over Approved COB for Capital Outlay and MOOE	5%	Actual over Target	27.52%	22.21%	90%
	SM 13	Net Profit Margin	Total Revenues less Total Expenses over Total Revenue	10%	Actual over Target	N/A	-18.28%	53%
			Subtotal	27.5%				
			TOTAL	100%				

³ Subject to actual disbursement of De-Risk Program.

BONUS STRATEGIC MEASURES AND TARGETS								
Component					Baseline		Targets	
	Objective/Measure	Formula	Wt.	Rating System	2023	2024	2025	2026
INTERNAL PROCESS FINANCIAL	GAD Budget Utilization Rate	Total Actual GAD-related Activities Disbursement over Total COB	1%	All or Nothing	N/A	N/A	5% of Total Budget	5% of Total Budget
	ISO Certification on any of the following standards:							
	Environmental Management System Certification	Actual Accomplishment	1%	All or Nothing	N/A	N/A	ISO 14001:2015 Certification	ISO 14001:2015 Certification
	Business Continuity Management System (BCMS)	Actual Accomplishment		All or Nothing	N/A	N/A	ISO 22301:2019 Certification	ISO 22301:2019 Certification

For GCG:


ATTY. MARIUS P. CORPUS
Chairperson

For PNOC:


MR. FRANZ JOSEF GEORGE E. ALVAREZ
President and Chief Executive Officer (PCEO)

Computation of the Net Profit Margin (NPM)

Particulars	PNOC-Submitted	GCG Computation	Assumption
Revenues			
Service and Business Income	1,721,936.00	1,721,936.00	
Rent/Lease Income	297,917.00	297,917.00	
Sales Revenue - Banked Gas	746,670.00	746,670.00	2.5 PJ Banked Gas
Business Income - New Revenue Stream	5,636.00	5,636.00	
Share in Profit/Revenue of Affiliate/Associate			
Interest Income	533,265.00	533,265.00	
Other Business Income - Energy Supply B.	58,024.00	58,024.00	
Other Business Income - Industrial Park	72,511.00	72,511.00	
Other Business Income - PMDC	7,913.00	7,913.00	
Other Non-Operating Income	2,000.00	2,000.00	
Total Income	1,723,936.00	1,723,936.00	
Expenses			
Personnel Services	237,232.00	237,232.00	
MOOE	1,041,330.00	560,850.00	Less De-Risk Program
FinEx	7,972.00	7,972.00	
Non-Cash Expenses	36,482.00	36,482.00	
Total Expenses	1,323,016.00	842,536.00	
Profit Before Tax	400,920.00	881,400.00	
NPM	23.26%	51.13%	

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29