



17 JULY 2026

HON. FRANZ JOSEF GEORGE E. ALVAREZ

President and Chief Executive Officer

PHILIPPINE NATIONAL OIL COMPANY (PNOC)

PNOC Building 6, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City

ACKNOWLEDGEMENT RECEIPT

LETTER **15 JULY 2026**

DATE:

RE: **[E] EMAIL FROM PNOC TO GCG RE SUBMISSION OF
MONITORING REPORT OF PERFORMANCE TARGETS FOR
Q2 2026**

The said document was officially received by the Governance Commission on 17 July 2026 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: **0-1213-17-07-2026-020398**.

THIS RECEIPT IS COMPUTER GENERATED AND DOES NOT REQUIRE SIGNATURE.

Received by:

Signature over Printed Name

Date and Time

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July 15, 2026

ATTY. MARIUS P. CORPUS

Chairperson

Governance Commission for GOCCs

3/F BDO Paseo Towers (Formerly Citibank Centre),

Paseo de Roxas Avenue, Makati City

Subject: **PNOC's Monitoring Report of Performance Targets for 2nd Quarter 2026**

Dear **Chairperson Corpus**,

We are pleased to submit PNOC's Monitoring Report of Performance Targets for 2nd Quarter 2026.

We trust that the submitted documents are in order. Should you have any questions, clarifications, or require additional information, please coordinate with our focal person, Ms. Alma B. Taganas, Department Manager A of the Strategy Management Office. She may be reached via email at abtaganas@pnoc.com.ph.

Thank you.

Very truly yours,


FRANZ JOSEF GEORGE E. ALVAREZ

President and Chief Executive Officer 

**MONITORING REPORT OF CY 2026 PERFORMANCE TARGETS
2ND QUARTER REPORT**

Component						2nd Quarter		3rd Quarter	4th Quarter	
	Objective/Measure	Formula	Weight	Rating System	CY 2026	Target	Accomplishment	Target	Target	
CUSTOMERS/ STAKEHOLDERS	SO 1	Act as Strategic Catalvst to the Energy Sector in partnership with the Private Sector								
	SM 1	Batangas Onshore Wind Power Project	Actual Accomplishment	5%	All or Nothing	Notice of Award		Ongoing procurement of consultant for the conduct of Detailed Feasibility Study		Notice of Award
				5%	All or Nothing	Energy Virtual One-Stop Shop (EVOSS) Application for Service Contract				Energy Virtual One-Stop Shop (EVOSS) Application for Service Contract
	SM 2	Memorandum of Understanding (MOU) on Energy Ventures	Actual Accomplishment	15%	Actual over Target	MOU for three (3) energy ventures	Sign MOU to Explore Possible Partnership	PNOC secured four (4) Memorandum of Understanding (MOUs) for energy ventures with Provincial Government of Tawi-Tawi, BERGS Energy Solutions and Technology Corporation (BESTC), Sustainable Energy Association of Singapore (SEAS), and Maharlika Investment Corporation.		
							See Annex A			
	SM 3	Procurement and Importation of Critical National Fuel Reserves/ Liquefied Petroleum Gas (LPG)	Actual Accomplishment	10%	Actual over Target	Importation of 21,000 metric tons of LPG	Importation of 21,000 metric tons of LPG	PNOC has successfully procured 21,000 MT of LPG, which arrived on May 30, 2026.		
							See Annex B			
	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	450,000 kWh Electricity Generation	O & M of Rooftop Solar PV Systems	245,491.62 kWh Electricity Generation See Annex C	O & M of Rooftop Solar PV Systems	O & M of Rooftop Solar PV Systems
	SO 3 Provide Responsive Services to PNOC Stakeholders									
INTERNAL PROCESS	SM 5	Customer Satisfaction Survey (CSS)	No. of Satisfied Respondents over Total No. of Respondents	10%	Actual over Target <i>(0% = less than 80%)</i>	90% ¹	Consolidation of CSM Surveys for 2nd Quarter	Consolidated the ARTA Client Satisfaction Measurement (CSM) Survey results for January to June 2026. The overall average for the ARTA CSM Surveys was 99.23%. The ratings were 100% for January–March 2026 and 98.45% for April–June 2026. See Annex D	Consolidation of CSM Surveys for 3rd Quarter	Consolidation of CSM Surveys for 4th Quarter Conduct of Analysis of the Results of CSM Surveys CSM Report Preparation, Approval and Submission to ARTA
	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	100% attainment of 2026 Deliverables as submitted to MITHI (information systems and software only)	50% attainment of Deliverables based on the Amended 2026 ISSP	Achieved 100% of deliverables based on the 2026 ISSP submitted to MITHI. Human Resource Information and Payroll System and the Real Estate Assets Management System awarded on April 27, 2026, and June 15, 2026. See Annex E		
	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										

LEARNING AND GROWTH	SM 7	Compliance to Quality Standards (ISO QMS)	Actual Accomplishment	5%	All or Nothing	1st Surveillance Audit Passed (Head Office)	Conduct of Document Review Conduct of Internal Quality Audit	PNOC reconstituted its Quality Management System (QMS) Team through the issuance of Special Order No. 2026-03-014 on March 2, 2026 and March 26, 2026. Conducted Quality Management System (QMS) Awareness Training on June 15, 2026, and Internal Auditors QMS Training on June 22-23, 2026. See Annex F	Conduct of Management Review Conduct of 1st Surveillance Audit	Issuance of Attestation by Certifying Body
	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	Increase from 2025 Competency Level	Submit the 2nd Quarter Summary of ECGMR	Submitted Summary Competency Monitoring Report for Q2 2026. Based on the report and the original baseline figures, seven (7) employees were identified as having one or more competency gaps. Of these, three (3) remain in pending status, while four (4) are currently categorized as work in progress. See Annex G	Submit the 3rd Quarter Summary of ECGMR	Submit the 4th Quarter Summary of ECGMR
	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	Implementation of Public Service Continuity Plan (PSCP) Deliverables	Submission of 2nd Quarter Monitoring Report	Completed two (2) of the five (5) planned activities (drills/ seminar) for the year. See Annex H	Submission of 3rd Quarter Monitoring Report	Implementation of PSCP

FINANCIALS	SO 13	Optimize Assets for Improved Income Streams								
	SM 10	Disposal of Banked Gas	Actual Accomplishment	5.0%	Actual over Target	Delivery of 2.5 PJ of Banked Gas	Continuation of GSPA Administration/ Delivery of Contracted Banked Gas Submission of Delivery Reportorial Requirement to DOE	Submitted Delivery reports to DOE (January to June 2026) Delivered a total of 2.912 PJ (covering a period of January 1 to 25 June 2026) See Annex I	Continuation of GSPA Administration / Delivery of Contracted Banked Gas Submission of Delivery Reportorial Requirement to DOE	Continuation of GSPA Administration/ Delivery of Contracted Banked Gas Submission of Delivery Reportorial Requirement to DOE
	SM 11	Optimize Real Property Assets	Actual Accomplishment	7.5%	All or Nothing	Board-approved Optimization Plan	Plan Execution	The Board approved the Optimization Plan for 2026 (Disposal of twenty-three (23) PNOC owned properties and the rest of the inventory of PDMC properties in El Pueblo Condominium and Costa Verde Subdivision) See Annex J	Plan Execution	Plan Execution
	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	5.0%	Actual over Target	90%		CO = 20.64% MOOE = 9.27% Total: 12.94% See Annex K		90%
	SM 13	Net Profit Margin	Total Revenues less Total Expenses over Total Revenue	10.0%	Actual over Target	51% ³		As of May 31, 2026, PNOC achieved a net profit margin of 72.21% See Annex L		51%
	TOTAL			100%						

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

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

³ Subject to actual disbursement of De-Risk Program