Office of the President of the Philippines
GOVERNANCE COMMISSION
FOR GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS
3/F, BDO Towers Paseo, 8741 Paseo De Roxas, Makati City, Philippines 1226

BAGONG PILIPINAS

20 October 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 Date: **13 October 2026**

Re: **[E] Letter from PNOC to GCG re Submission of its Monitoring Report of Performance Targets for Third Quarter 2026**

The said document was officially received by the Governance Commission on 20 October 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: **0-0126-20-10-2026-027323**.

This receipt is computer generated and does not require signature.

Received by:

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Date and Time

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PNOC
The Energy Company

BAGONG PILIPINAS

October 13, 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 3rd Quarter 2026**

Dear **Chairperson Corpus,**

We are pleased to submit PNOC's Monitoring Report of Performance Targets for 3rd 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

PHILIPPINE NATIONAL OIL COMPANY (PNOC)
MONITORING REPORT OF CY 2026 PERFORMANCE TARGETS
3RD QUARTER REPORT

Component						2nd Quarter	3rd Quarter		4th Quarter
	Objective/Measure	Formula	Weight	Rating System	CY 2026	Actual	Target	Actual	Target
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	Notice of Award	Ongoing procurement of consultant for the conduct of Detailed Feasibility Study		The Notice to Proceed was issued on 15 September 2026 to Airnergy & Renewables Inc. for the Consulting Services Contract on the Pre-development Study of the Onshore Wind Farm Project. **See Annex A**	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	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.		PNOC secured additional one (1) Memorandum of Understanding (MOU) for energy ventures with Department of Energy (DOE). **See Annex B**	
	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	PNOC has successfully procured 21,000 MT of LPG, which arrived on May 30, 2026.		As of 10 August 2026, PNOC has sold the 21,000 MT of LPG to South Pacific Inc. and Lucena Sales Gas Inc.	
	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	245,491.62 kWh Electricity Generation	O & M of Rooftop Solar PV Systems	**345,368.81 kWh** Electricity Generation **See Annex C**	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 *(0% = less than 80%)*	90%[1]	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.	Consolidation of CSM Surveys for 3rd Quarter	Consolidated CSM Surveys for 3rd Quarter The Overall Rating for PNOC ARTA CSM Surveys is **98.28%** **See Annex D**	Consolidation of CSM Surveys for 4th Quarter Conduct of Analysis of the Results of CSM Surveys CSM Report Preparation, Approval and Submission to ARTA

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	100% attainment of 2026 Deliverables as submitted to MITHI (informarion systems and software only)	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.	75% attainment of Deliverables based on the Amended 2026 ISSP	Achieved 100% of deliverables based on the 2026 ISSP submitted to MITHI.	100% attainment of Deliverables based on the Amended 2026 ISSP
	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 1st Surveillance Audit (Head Office)	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.	Conduct of Management Review Conduct of 1st Surveillance Audit	Passed the 1st Surveillance Audit on 19 August 2026. **See Annex E**	Issuance of Attestation by Certifying Body
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	Increase from 2025 Competency Level	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.	Submit the 3rd Quarter Summary of ECGMR	Increased from the 2025 baseline by **one (1) additional employee** who met the required competencies for his position. **See Annex F**	Submit the 4th Quarter Summary of ECGMR

LEARNING AND GROWTH	**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	Completed two (2) of the five (5) planned activities (drills/ seminar) for the year.	Submission of 3rd Quarter Monitoring Report	Completed **five (5)** of the five (5) planned activities (drills/seminar) for the year. **See Annex G**	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	Submitted Delivery reports to DOE (January to June 2026) Delivered a total of 2.912 PJ (covering a period of 1 January to 25 June 2026)	Continuation of GSPA Administration / Delivery of Contracted Banked Gas Submission of Delivery Reportorial Requirement to DOE	Submitted Delivery reports to DOE (July to Sept 2026) Delivered a total of 3.56 PJ (covering a period of 1 January to 25 September 2026) **See Annex H**	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	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)	Plan Execution	The revised Asset Optimization Plan was presented to the PNOC Risk Committee and endorsed for Board approval on the next Regular Board Meeting.	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	5.0%	Actual over Target	90%	CO = 20.64% MOOE = 9.27% Total: 12.94%		CO = 22.68% MOOE = 12.04% Total: **15.47%** **See Annex I**	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 proft margin of 72.21%		As of 31 August 2026, PNOC achieved a net proft margin of **70.60%** **See Annex J**	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