



PNOC CODE OF CONDUCT AND ETHICAL STANDARDS

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PNOC CODE OF CONDUCT AND ETHICAL STANDARDS

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I. TITLE

This shall be known as the 2024 PNOC Code of Conduct and Ethical Standards. It shall be referred herein as “this Code.”

II. PURPOSE OF THE CODE

This Code serves to provide guidelines and principles governing the actions and conduct of PNOC employees. This Code fulfills several important purposes:

1. To provide guidance to all employees in conducting themselves in a manner that will merit and inspire public trust and confidence in the Philippine government.
2. To set and maintain a professional culture and environment among officials and employees of PNOC.
3. To define and punish acts that are deemed inconsistent with this Code.

III. PREAMBLE

The Philippine National Oil Company (PNOC), a government-owned and controlled corporation, adheres to the policy of the state to promote a high standard of ethics and professionalism in public service.

PNOC employees are accountable to the Filipino people. They shall discharge their duties with utmost responsibility, integrity, competence, loyalty, act with patriotism and justice, lead modest lives appropriate to their positions and income, and uphold public interest over personal interest as embodied in Republic Act No.6713, otherwise known as the Code of Conduct and Ethical Standards for Public Officials and Employees.

This Code outlines the standards of behavior and ethical principles that all PNOC employees are expected to abide to foster a culture of respect and accountability, ensuring the continued success of the Company and the well-being of the employees, providing rewards for exemplary behavior through



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PNOC's Program on Awards and Incentives for Service Excellence (PRAISE), and imposition of sanctions and for errant behavior.

Commitment to implementing a Code of Conduct is crucial for ensuring its effectiveness and impact within an organization. The PNOC Code of Conduct and Ethical Standards outlines fundamental values and requires our collective commitment to conduct ourselves and every aspect of our business with integrity, ensuring honest and ethical behavior. Violations of these standards will result in disciplinary action, including termination of employment.

It is the responsibility of every employee to know and live by this Code in order to totally fulfill his or her role as a public servant and to support PNOC in its purpose to be The Energy Company for the Filipino.

IV. REPEALING CLAUSE

This supersedes the 2003 Code of Ethical Conduct of PNOC, and all memorandum circulars and implementing rules and regulations inconsistent with this 2024 Code.

V. REFERENCES AND NON- EXCLUSIVITY

This Code incorporates and refers to existing PNOC policies and procedures that are consistent with this 2024 Code; the Republic Act No. 6713 or Code of Conduct and Ethical Standards for Public Officials and Employees; and the 2017 Rules on Administrative Cases in the Civil Service or the "RACCS."

This Code outlines key principles but does not cover all PNOC policies and procedures. Employees are required to familiarize themselves with all relevant laws, Company policies, rules, and procedures related to their roles.

VI. COVERAGE

This Code applies to the following: all PNOC employees, who, for purposes of this Code, shall include all rank-and-file, management, and members of the Board of Directors. This Code



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applies regardless of employment status such as permanent, coterminous, temporary and internal Contract of Service.

VII. DEFINITIONS

- a. Bad faith** - Bad faith imports a dishonest purpose or some moral obliquity and conscious doing of a wrong, a breach of known duty through some motive or interest or ill will that partakes of the nature of fraud.
- b. Company Assets** - Company assets shall include technology and equipment procured by PNOC, as well as proprietary information on feasibility studies, memoranda, products, designs, and data used and/or generated in the course of its business. Company assets also include employee inventions” which consist of information and other materials generated by PNOC employees during, in the course of, or as a result of their official duties.
- c. Confidential information** - This refers to information or materials pertaining to projects and programs, trade secrets, and such other non-public information that is utilized by PNOC in its business. Confidential information excludes:
- Information that has become publicly known and widely available through no wrongful act of the employee.
 - Information that the employee is required to disclose in the course of their duties.
 - Information that the employee is required to disclose by law, court order, or subpoena.

Information shall only be considered public once it is approved by the management to be published on the PNOC website or other similar public platforms.

- d. Conflict of interest** - There is possible conflict of interest when:
- Public official or employee is a board member, officer, substantial stockholder or owner of a private



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corporation, or has substantial interest in a business related to the businesses of PNOC; and

- The private interest may be opposed or affected by the faithful performance of official duty.

e. Dishonesty - Dishonesty refers to the “concealment or distortion of truth, which shows lack of integrity or a disposition to defraud, cheat, deceive or betray and an intent to violate the truth.”

It is considered serious dishonesty when the acts cause serious damage and grave prejudice to the government such as when the integrity of the office is tarnished or its operations are affected; those exhibiting moral depravity regardless of whether the act is in connection with the performance of duties or not; and those involving civil service examination irregularity or fake civil service eligibility.

It is considered Less Serious Dishonesty when the acts cause less serious damage and prejudice to the government; those involving sums of money or government property where the respondent is not an accountable officer; taking advantage of one’s position in committing the dishonest act but not for personal gain or benefit; or taking advantage of one’s position in committing the dishonest act but nonetheless benefiting from it.

Simple Dishonesty include those that have no direct relation to or does not involve the duties or responsibilities of the respondent, and did not cause damage or prejudice to the government; or falsification of any official document where the act did not cause damage or prejudice to the government or the information falsified is not related to one’s employment. If the respondent did not take advantage of his/her position in committing the dishonest act, and the act did not result in any personal gain or benefit nor caused



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damage and prejudice to the government, it may also be considered as Simple Dishonesty.¹

f. Gambling – Gambling shall refer to definition in Republic Act No. 9287, which shall include activities such as illegal numbers games, online gambling, etc.

g. Grossly Immoral Conduct – Conduct that includes not just sexual matters but also conduct that is inconsistent with rectitude, or indicative of corruption, indecency, depravity, and dissoluteness, or is willful, flagrant, or shameless, so much so that it shows a moral indifference to the opinion of the good and respectable members of the community. It must be conduct that is "so corrupt and false as to constitute a criminal act or so unprincipled as to be reprehensible to a high degree."² This includes illicit affairs or cohabitating with a person other than his or her spouse. If the affair is between two PNOC employees, both shall be guilty of gross immorality.

h. Gross Insubordination - Insubordination refers to "a refusal to obey some order, which a superior officer is entitled to give and have obeyed. The term imports a willful or intentional disregard of the lawful and reasonable instructions of the employer."³

It shall be considered as simple insubordination when there is proven good faith in the refusal to obey the subject order.

i. Gross Neglect of Duty – That neglect which, from the gravity of the case or the frequency of instances, becomes so serious in its character as to endanger or threaten public welfare.⁴

j. Harassment – Defined as the demeaning treatment of a person or a group of persons that causes mental or emotional anguish, public ridicule, or humiliation. It may

¹ <<https://www.csc.gov.ph/fake-credentials-an-offense-of-serious-dishonesty-csc>>

² *Dela Cueva v. Omega*, A.M. No. P-08-2590

³ *Borcillo v. Maghinay*, G.R. No. 246542

⁴ *Clemente v. Bautista*, A.M. No. P-10-2879



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include verbal abuse, intimidation, humiliation, oppression, sexual harassment, bullying, threats of committing unlawful or unjust acts, or assault. It may occur in a face-to-face setting or online.

k. Inefficiency and gross incompetence in the performance of official duties – Unjustified failure to perform the duties and tasks assigned to the PNOC employee, demonstrating a lack of industry, effort, enthusiasm, and determination, without any acceptable reason. This may be found when the employee does not really change to improve their work attitude and ethic.⁵

l. Nepotism - Defined as an appointment issued in favor of a relative within the third civil degree of consanguinity or affinity of any of the following: (1) appointing authority; (2) recommending authority; (3) chief of the bureau or office; and (4) person exercising immediate supervision over the appointee.

By way of exception, the following shall not be covered by the prohibition: (1) persons employed in a confidential capacity; (2) teachers; (3) physicians; and (4) members of the Armed Forces of the Philippines.⁶

m. Misconduct – A violation of this Code shall be tantamount to misconduct. Misconduct is considered **grave (as opposed to simple misconduct)** if it involves any of the additional elements of corruption, willful intent to violate the law or to disregard established rules, which must be established by substantial evidence.⁷

n. Moral turpitude - Has been defined as everything which is done contrary to justice, modesty, or good morals; an act of baseness, vileness or depravity in the private and social duties which a man owes his fellowmen, or to society in general.⁸

⁵ *Malubay v. Hon. Guevata*, A.M. No. P-18-3791.

⁶ Section 59, Chapter 1, Title A, Book V of the Administrative Code of 1987.

⁷ *OCA v. Del Rosario*, A.M. No. P020-4071.

⁸ *Teves v. COMELEC*, G.R. No. 180363.



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o. Oppression - Also known as grave abuse of authority, which is a misdemeanor committed by a public officer, who under color of his office, wrongfully inflict upon any person any bodily harm, imprisonment or other injury. It is an act of cruelty, severity, or excessive use of authority.⁹

p. Personal data - Refers, collectively, to *Personal information* and sensitive personal information.

Personal information refers to any information whether recorded in a material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual.¹⁰

Sensitive personal information refers to personal information:

(1) About an individual's race, ethnic origin, marital status, age, color, and religious, philosophical or political affiliations;

(2) About an individual's health, education, genetic or sexual life of a person, or to any proceeding for any offense committed or alleged to have been committed by such person, the disposal of such proceedings, or the sentence of any court in such proceedings;

(3) Issued by government agencies peculiar to an individual which includes, but not limited to, social security numbers, previous or current health records, licenses or its denials, suspension or revocation, and tax returns; and

(4) Specifically established by an executive order or an act of Congress to be kept classified. ¹¹

q. Prejudicial conduct that gravely besmirches or taints the reputation of the service - Refers to acts

⁹ *Office of the Ombudsman v. Caberoy*, G.R. No. 188086.

¹⁰ Republic Act No. 10173, Section 4 (i)

¹¹ *Id.* at Section 4(1).



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that tarnish the image and integrity of public office without a direct relation to or connection with the performance of one's duties.¹²

- r. Processing of personal data** - refers to any operation or any set of operations performed upon personal information including, but not limited to, the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure or destruction of data.¹³
- s. Red Tape** – Any procedure that is ineffective or detrimental in achieving intended results and negatively affect social outcomes.¹⁴
- t. Sexual Harassment** - an act, or a series of acts involving any unwelcome sexual advances, request or demand for a sexual favor, or other verbal or physical behavior of a sexual nature or through the use of technology or through any forms of information and communication systems, committed by an officer or employee of PNOC a work- related or training-related environment. Both men and women can be victims of sexual harassment. A single act can constitute sexual harassment.
- u. Substantive Evidence** – Refers to the quantum of evidence to successfully establish an administrative offense is substantial evidence, or where there is a reasonable ground to believe, based on the evidence presented, that the respondent is responsible for the misconduct complained of.

It need not be overwhelming or preponderant, as is required in an ordinary civil case, or evidence beyond reasonable doubt, as is required in a criminal case, but the evidence must be enough for a reasonable mind to support a conclusion.

¹² *Office of the Ombudsman v. Castro*, G.R. No. 17637

¹³ Republic Act No. 10173, Section 4(j).

¹⁴ Republic Act No. 11032 (Ease of Doing Business and Efficient Government Service Delivery Act of 2018).



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VIII. STANDARDS OF PROFESSIONAL RESPONSIBILITY

RESPONSIBILITY TO THE COMPANY

1. Dress Code

To enhance and heighten the dignity and prestige of PNOC, employees are required to maintain a neat, clean and professional appearance according to PNOC's Corporate Image standards. In the absence of a company uniform, PNOC employees shall follow these dress code standards:

- a. They must be dressed appropriately, preferable business clothes. Party attire, sandals, t-shirts should not be worn at work.
- b. The use of tightfitting, seductive, micro-mini and gauzy or transparent dresses shall be prohibited.
- c. Walking shorts, pedal pushers, leggings, tights, jogging and maong pants shall be prohibited, provided, *maong* pants may be allowed on *wash day* or when otherwise announced ; provided further, that *maong* must not be those that appear shredded or with holes and be worn with collared t-shirts.
- d. The use of too much costume jewelry, flashy bangles, and similar accessories shall be prohibited. Ostentatious display of expensive jewelry is discouraged except for special occasions and office celebrations.
- e. The wearing of sports-appropriate rubber shoes, slippers, sandals, and open-toed footwear is banned. Only appropriate office footwear shall be allowed.
- f. Other existing policies such as the unicolor scheme shall continue unless otherwise announced.

Failure to observe these shall be considered as the light offense of violation of reasonable office rules and regulations, punishable by reprimand for the first offense; suspension of one (1) to thirty (30) days for the second offense; and dismissal from the service for the third time.¹⁵

¹⁵ Rule 10, Section 50 (F), 2017 RACCS



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2. Performance of Duties

(a) Loafing. In the performance of duties, PNOC employees are expected to be diligent, dedicating full attention to their responsibilities during working hours. Loafing from duty, defined as idling time away by loitering, extended conversing on non-work matters, surfing the internet for non-work matters, breakfast, snack or coffee breaks outside of the office exceeding twenty (20) minutes, is a grave offense;¹⁶ *provided*, that this does not apply during lunch break.

(b) Inefficiency and Incompetence in the performance of official duties may be punishable by Demotion. In this case, the guilty person shall suffer a diminution in salary corresponding to the next lower salary grade with the same salary step.¹⁷

(c) Discourtesy in the Course of Official Duties. As a public officer and a trustee for the public, it is the responsibility of PNOC employees to demonstrate courtesy and civility in his official actuations with the public, be it the Filipino citizens, public and private partners, or fellow employees in the civil service. Under the Constitution, a public office is a public trust and that all public officers and employees shall serve with the highest degree of responsibility, integrity, loyalty and efficiency.¹⁸ This prohibition on discourtesy applies whether in a face to face, telephone, or online setting. Any violation of this is considered a grave offense punishable by suspension of one (1) month and one (1) day to six (6) months for the first offense; and dismissal from the service for the second offence.¹⁹

(d) Gross neglect of duty, as defined in Section VII, is a grave offense punishable by dismissal.

(e) Prejudicial conduct that gravely besmirches or taints the reputation of the service is a grave offense

¹⁶ Rule 10, Section 50 (B), 2017 RACCS

¹⁷ Rule 10, Section 50 (C), 2017 RACCS

¹⁸ *Abenojar v. Lopez*, A.M. No. P-2221

¹⁹ Rule 10, Section 50(D), 2017 RACCS



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punishable by suspension of six (6) months and one (1) day to one (1) year for the first offense and dismissal from the service for the second offense.

(f) No red tape. Following Republic Act no. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, PNOC employees shall provide prompt, efficient, total and quality service.

Employees shall follow the prescribed processing times for each transaction:

- Three (3) days for a simple transaction, defined as those which only require ministerial actions on the part of the agency, or that which present only inconsequential issues for resolution;
- Seven (7) days for a complex transaction, or those which necessitate evaluation in the resolution of complicated issues.
- Twenty (20) days for highly technical application, or those that require the use of technical knowledge specialized skills, or training in the processing or evaluation.

3. Conflict of Interest

Public office is a public trust. PNOC Board of Directors, officers and employees must maintain independence and avoid conflicts of interest in the performance of their duties. Employees must promptly disclose any real or potential conflicts to the management, or if part of the management, to the PNOC Board of Directors, to ensure transparency and integrity.

PNOC Officials and employees shall not:

1. Have any direct or indirect financial interest in any business, contract, or transaction they are involved in through their official capacity.
2. Solicit or accept any gift, loan, gratuity, discount, favor, hospitality, or service intended to influence their performance of official duties.



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3. Have any consulting or employment relationship with, significant ownership interest in, or financial arrangement with any supplier, customer and development partner.
4. Disclose any confidential or private information acquired in the performance of their duties.

Any violation of this is a less grave offense punishable suspension of one (1) month and one (1) day to six (6) months for the first offense; and dismissal from the service for the second offense.²⁰

4. Non-Disclosure Policy

PNOC employees must not disclose any confidential information acquired during their employment to unauthorized person.

a. Use, Protection, and Release of Information

1. Employees must not use or share information acquired through their official position before it is publicly released.
2. "For Official Use Only" material must not be examined, released, or discussed with anyone unless specifically authorized or required for official duties. Confidential information should only be disclosed if it is necessary for work, or with appropriate authority.

b. Personal Opportunities

PNOC employees shall not disclose or misuse confidential or classified information officially known by reason of one's office and not made available to the public, to further one's private interests or give undue advantage to anyone, or to prejudice the public interest.²¹

²⁰ Rule 10, Section 50(D), 2017 RACCS

²¹ Rule 10, Section 50 (B)(13) 2017 RACCS



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c. Company Assets

Company assets shall include technology and equipment procured by PNOC, as well as proprietary information on feasibility studies, memoranda, products, designs, and data used and/or generated in the course of its business. Company assets also include "Employee Invention" which consist of information and other materials generated by PNOC employees during, in the course of, or as a result of their official duties.

PNOC Employees shall not transfer or disclose such proprietary information without authority.

A violation under this Non-Disclosure Policy may constitute a grave offense punishable by suspension of six (6) month and and one (1) day to one (1) year for the first offense and dismissal from the service for the second offense.²²

5. Protection of Company Property and Third-Party Property on Site

a. Protection of Company Property. Company assets are to be used solely for official purposes, as per Company policy or Management approval. The use of Company property for personal profit or any unlawful, unauthorized, or unethical purpose is prohibited.

All PNOC officials and employees must safeguard Company property from damage, loss, wastage, or destruction and prevent dishonesty, including theft, fraud, embezzlement, and unauthorized use of resources.

A violation of this policy may be considered as simple or grave misconduct, depending on the factual circumstances, and will be punished accordingly.

²² See, Rule 10 Section 50 (B), 2017 RACCS



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b. Intellectual Property of Others

The use of intellectual property of external parties for PNOC's business shall be in accordance with the Intellectual Property Code and other relevant rules and regulations.

6. Information Communications and Technology (ICT) Acceptable Use Policy

a. System Access Limitations

All devices to be connected to the network shall require prior approval from unit concerned thru a memo or job order request.

Access to PNOC's IT facilities and resources is granted through the unique log in credentials of the assigned employee. Users must safeguard their passwords, keeping them confidential and not shared or stored online.

b. Use of Internet During Work Hours

PNOC employees use Internet access solely for work communication, research, and information gathering. Employees shall not access, create, store or transmit material that is prohibited by law.

Prohibited acts include:

1. Sending, downloading, or sharing sexually explicit, pornographic, racist, offensive, or unlawful material.
2. Engaging in cyberslacking, such as playing games, chatting, or sending mass mailings.
3. Using IT facilities for criminal activities under the Revised Penal Code and special laws.
4. Piracy or unauthorized use of copyrighted material.
5. Damaging IT facilities' integrity, reliability, or confidentiality, including:
 - Introducing viruses or malware.
 - Attempting to crash or overload IT services.
 - Concealing or altering access data.



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c. E-mail and other Inter-office Electronic Communication Facilities

The Company reserves the right to monitor and log all network activities and access individual terminals and official accounts under investigation. Users must provide passwords, files, and other resources when requested by authorized management.

All employees, upon signing their conformé to the PNOC Code of Conduct, conform with the PNOC Information and Communication Technology (ICT) acceptable use policy as stated above.

d. Responsible Use of social media²³

A PNOC employee shall uphold the dignity of public service in all social media interactions in a manner that enhances the people's confidence in the government, as well as promote its responsible use.

A PNOC employee shall have the duty to understand the benefits, risks, and ethical implications associated with the use of social media.

They shall ensure that their online posts, whether made in a public or restricted privacy setting that still holds an audience, uphold the dignity of being a public servant and shield it from disrepute, as well as maintain respect for the government.

PNOC employees shall not knowingly or maliciously post, share, upload or otherwise disseminate false or unverified statements, claims, or commit any other act of disinformation, especially about PNOC.

Grievances about company policies or directives about PNOC must be formally filed with the PNOC Grievance Mechanism.

A PNOC employee shall not create, maintain or operate accounts in social media to hide his or her identity for the purpose of circumventing the law or the PNOC Code of Conduct.

²³ See, Code of Professional Responsibility and Accountability



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A PNOC employee shall not reveal, directly or indirectly, in their online posts confidential information obtained from their work at PNOC.

7. Data Privacy and Protection

All PNOC employees shall comply with Republic Act No. 10173 or the Data Privacy Act of 2012. Given this, they shall process personal data when there is a lawful purpose for it, and in such case, shall observe the privacy principle of proportionality by only processing what is relevant and necessary for the purpose.

Given this, PNOC employees shall share personal data only to authorized persons and entities; and shall properly dispose documents containing personal data (*i.e, shredding*).

8. Public Relations

PNOC employees shall not disclose confidential or business information through casual or public discussions. Only authorized representatives may speak to the media. Employees should immediately refer media inquiries to the appropriate department.

9. Discrimination

Discrimination in the public service and in rendering public service due to party affiliation or preference is a less grave offense punishable by suspension of one (1) month and one (1) day to six (6) months for the first offense; and dismissal from the service for the second offense. ²⁴

10. Occupational Safety, Health and Environment

PNOC is committed to complying with occupational safety, health and environmental regulations and best practices. Employees should report work hazards, accidents, and unsafe conditions promptly. Security management involves tailored precautions and a proactive approach to risks to the persons and property within PNOC. Disaster preparedness and response require collective efforts.

²⁴ Rule 50 (F), 2017 RACCS



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PNOC who experience any known symptoms of COVID, tuberculosis, or other infectious and viral diseases must exercise utmost prudence and undergo testing. Failure to take precautions may be grounds for being cited for negligence.

11. Drugs and Alcohol

PNOC maintains a drug-free workplace to ensure employee health, safety, and productivity. Possessing; using; selling, distributing, transporting any illegal drugs or any related paraphernalia is considered grave misconduct and is punishable by dismissal from the service.

Consumption of alcoholic substances before or during work hours, or on Company premises is considered a light offense punishable by reprimand for the first offense and suspension of one (1) to thirty (30) days for the second offense ; *provided*, that the PNOC management can suspend this rule during company occasions.

a. Fitness-for-Duty Evaluation and Testing:

- Employees may be subject to fitness-for-duty evaluation, urine, and/or breath testing when:
 1. Selected for mandatory, random, and suspicionless drug testing;
 2. There are reasons to believe that drug or alcohol use is adversely affecting job performance;
 3. Involved in an accident with a Company vehicle resulting in property damage, injury, or death.

A positive test result for dangerous drugs, alcohol, or similar substances is considered grave misconduct and is punishable by dismissal from the service. Refusal to undergo testing will be deemed insubordination and is likewise a serious offense that is a grave offense punishable by dismissal; *provided*, legally obtained medications prescribed by a medical practitioner are exempt if used as directed. Employees must disclose any medical use before drug testing.



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12. Violence and Weapons

Workplace violence, including threatening, abusive, or hostile behavior, regardless of whether the conflict is work-related or personal, is considered grave misconduct that is punishable by dismissal. This includes assault, coercion, intimidation, and any form of violence on company premises, during any company business activity, or at job sites.

Weapons are strictly prohibited on company premises at all times, except for authorized security personnel. The possession or use of weapons is considered grave misconduct that is punishable by dismissal.

13. Gambling

Gambling including activities like online/offline sports betting, casinos, poker is strictly prohibited on PNOC premises and in public areas at all times. This prohibition upholds the values of dignified work and discourages the misconceptions and social problems associated with instant monetary gains.

B. RESPONSIBILITY TO FELLOW PNOC EMPLOYEES

Employees are PNOC's greatest asset. Interactions must be based on mutual trust and for the dignity of the co-workers. Positive contributions, innovative problem-solving, and open, honest communication are essential. Courtesy, fairness, and sincerity are expected from all employees. Unprofessional behavior such as bullying, screaming, use of inappropriate or abusive language, and other inappropriate language are unacceptable.

1. Courtesy to Fellow PNOC Employees

- a. Notoriously Undesirable**– A person is considered notoriously undesirable when they are unable to work well with others, are quarrelsome and difficult to work with, are rude, discourteous toward colleagues or supervisors, and disrespects their immediate supervisors.

In determining this, a two-fold test shall be followed: (1) whether it is common knowledge or generally known as



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universally believed to be true or manifest to the world that the employee committed the acts imputed against him; and (2) whether he had contracted the habit for any of the enumerated misdemeanors.²⁵

Being notoriously undesirable is a grave offense punishable by dismissal.²⁶

- b. Harassment** - Acts of harassment, as defined in Section VI of this Code, may be a ground for a determination of notorious undesirability.

- c. Oppression** - As defined in Section VI of this Code, includes physical or verbal abuse, either in a face-to-face or online setting, or over the phone. Oppressive conduct is a grave offense that is punishable by suspension of six (6) months and one (1) day to one (1) year for the first offense and dismissal from service for the second offense.

2. Fraternalization Policy

PNOC values positive employee morale and harmonious working relationships. All employees must exercise proper discretion and professionalism to maintain these standards.

PNOC employees must steer clear of any relationship, influence or activity that could compromise or appear to compromise their objectivity or impartiality in the performance of their duties.

- a. Illicit relationships** in the context of PNOC's corporate setting are defined as romantic or sexual relationships between employees where at least one is married. Both employees in the illicit relationship shall be guilty of grossly immoral conduct which is a grave offense that is punishable by dismissal.

- b. Romantic relationships** between unmarried employees that could result to favoritism and bias, particularly if one party has supervisory authority over the other, is considered disgraceful conduct which a grave offense punishable by

²⁵ Escano v. Manaois, A.M. No. 16-02-01-CTA.

²⁶ Rule 10, Section 50 (A) (4).



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suspension of six (6) months and one (1) day to one (1) year for the first offense and dismissal from the service for the second offense. Employees in a romantic relationship are encouraged to disclose for transparency to avoid violation of the Code.

c. Nepotism, as defined in Section VII of this Code, is a grave offense punishable by dismissal.²⁷

Personal relationships with vendors, clients, or business partners that could influence business decisions or lead to conflicts of interest must also be disclosed and shall be ground for inhibition from the transaction.

3. Sexual Harassment

Work-Related Sexual Harassment is committed under any of the following circumstances:

- When sexual favor is made as a condition in any employment decision affecting the applicant/employee;
- The act/series of acts have the effect of interfering with the complainant's work performance, or creating a hostile or offensive work environment; and/or
- The act/series of acts is expected to cause discrimination, insecurity, discomfort, offense or humiliation to a complainant

Any employee shall also be liable for sexual harassment when he/she:

- directly participates in the execution of any act of sexual harassment;
- induces or directs another or others to commit sexual harassment;
- cooperates in the commission of sexual harassment by another through an act without which the sexual harassment would not been accomplished and through previous or simultaneous acts

²⁷ Rule 10, Section 50, 2017 RACCS.



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Acts that are considered as sexual harassment may be punished as a grave offense, less grave offense, or light offense under the 2017 RACCS, as the facts may establish.

IX. PENALTIES, ADMINISTRATIVE SANCTIONS, REMEDIES

For meting out penalties, the imposition of administrative sanctions, and the employee’s exercise of remedies, this Code adopts the 2017 RACCS, particularly: Rule 10 of (Administrative Offenses and Penalties) ; Rule 11 (Remedies); Rule 12 (Motion for Reconsideration in Disciplinary Cases); Rule 13 (Appeal in Disciplinary Cases); Rule 14 (Payment of back wages and other similar benefits); and Rule 15 (Removal of Administrative Penalties).

X. RESPONSIBILITY AND OVERSIGHT

Employees must read, understand, and adhere to the PNOC Code of Conduct and Ethical Standards. The Management is responsible for overseeing compliance. Employees are encouraged to report violations of this Code without fear of retaliation.

XI. POLICY REVISIONS

PNOC recognizes the importance of keeping a dynamic and competitive work environment through policy reform, while fostering sustainable growth through policy stability. To harmonize the need for responsiveness and continuity, revisions to the Policy shall be introduced to reflect statutory and regulatory changes, to formalize policy directives from oversight agencies, to address economic and financial issues, and to incorporate societal and technological developments relevant in obtaining PNOC’s strategic objectives.



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ACKNOWLEDGMENT

I, _____, acknowledge that I have received, read, and understood the Code of Conduct and Ethical Standards of the Philippine National Oil Company. I shall faithfully comply with the policies, rules, and principles set forth therein, including the provisions outlined in the Code of Discipline.

I understand that if I have a concern about a possible violation of this code, I must promptly report it to the Officer in charge of this code.

Signature:

Name:

Position:

Date:
