



28 JULY 2022

JESUS CRISTINO P. POSADAS
President and CEO
PHILIPPINE NATIONAL OIL COMPANY (PNOC)
 PNOC Building 6, Energy Center, Rizal Drive,
 Bonifacio Global City Taguig City

ACKNOWLEDGEMENT RECEIPT

LETTER **26 JULY 2022**
 DATE:

RE: **[E] LETTER FROM PNOC TO GCG RE SUBMISSION OF MONITORING REPORT OF PERFORMANCE TARGETS FOR 2ND QUARTER OF 2022**

The said document was officially received by the Governance Commission on 28 July 2022 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: **0-0122-28-07-2022-013373.**

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Received by:

Signature over Printed Name

Date and Time

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July 26, 2022

HON. JOHANN CARLOS S. BARCENA

Officer In Charge
Governance Commission for GOCCs
Office of the President of the Philippines
3/F Citibank Center, Citibank Plaza
8741 Paseo De Roxas
Makati City

Dear Atty. Barcena:

We are pleased to submit PNOC's "Monitoring Report of Performance Targets" for the Second Quarter of 2022.

Our focal person for your staff to coordinate with is our Strategy Management Office OIC-Manager, Ms. Maria Belinda L. Cubelo. Her contact number is 8789-7653 and her e-mail address is mblcubelo@pnoc.com.ph.

Thank you.

Very truly yours,

JESUS CRISTINO P. POSADAS
President and CEO


GMB/EBA/RCC/mblc

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**PHILIPPINE NATIONAL OIL COMPANY
MONITORING REPORT OF CY 2022 PERFORMANCE TARGETS
SECOND QUARTER REPORT**

Strategic Perspective	Strategic Objective	Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter		3rd Quarter	4th Quarter	
					2022	Actual	Target	Actual	Target	Target	
SOCIAL IMPACT	SO 1	Contribute to Energy Security Targets									
	SM 1	Petroleum Products Sourcing, Storage and Distribution Project (Strategic Petroleum Reserve Program)	Actual Accomplishment	2.50%	All or Nothing	President Approved Inception Report and Work and Financial Plan on Strategic Petroleum Reserve (SPR) Program	Revised the Terms of Reference (TOR) to include DOE's recommendation of incorporating a short-term implementation plan in the scope of work. Submitted to DOE the revised TOR in Feb. 2022 for review and approval, in compliance to the requirements of DOE DC No. 2021-09-028. Award of contract will slide to a later date this year.	Receipt, Review and Acceptance of the Transaction Advisor's Inception Report and Work and Financial Plan Submission and Presentation to the President, for approval	Secured DOE Endorsement on the Revised TOR for the engagement of Transaction Advisor on June 27, 2022 See Annex A	Conduct of Technical Feasibility Study	Conduct of Technical Feasibility Study (continuation from Q3) Receipt, Review and Acceptance of Technical Feasibility Study Commencement of the conduct of Full Detailed Feasibility Study
	SM 2	Development of Decentralized Energy System through the Use of Waste to Energy Technology (DES-WTE Project)	Actual Accomplishment	2.50%	All or Nothing	President Approved Concept Study/Paper on Decentralized Energy Systems (DES) Using Waste to Energy Technologies	Completed the DES Project Concept Paper. Submitted and approved by the PNOC President on March 16, 2022.	Preparation/ Development of Project Framework/Pre-Feasibility Study	Preparation of the Pre-Feasibility Study in the Development of Decentralized Energy Systems (DES) project ongoing.	Development of Project Framework/Pre-Feasibility Study (continuation)	Development of Project Framework/Pre-Feasibility Study (continuation)
STAKEHOLDERS	SO 2	Establish a Comprehensive Relationship Management for Mutually Beneficial Linkages with Key Stakeholders									
	SM 3	Percentage of Satisfied Customers	Number of satisfied respondents /Total number of respondents	10%	Actual over Target If less than 80% = 0%	90% Satisfied Customers (Lessees, PNOC Industrial Park Locators & ESB Customers)		Prepare Terms of Reference and Work Order Requisition for the Conduct of PNOC Customer Satisfaction Survey for CY 2022	Submitted to Procurement Management Division the approved Terms of Reference and Work Order Requisition for the engagement of consultant in line with the conduct of the PNOC Customer Satisfaction Survey for 2022 See Annex B	Procure/Bid Consultant for the Conduct of Customer Satisfaction Survey for CY 2022	Engage Consultant for the Conduct of the Customer Satisfaction Survey for CY 2022

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FINANCE	SO 3	Maintain a Sound Financial Condition									
	SM 4	Net Income	Income from Operations <i>Add/deduct: Forex Gains/Losses, Other Income, Income Tax & Unrealized Gains/Losses</i>	25%	Actual over Target	P104.50 Million	P551.69 Million	P35.18 Million	P723.97 Million See Annex C	P38.83 Million	P 13.74 Million
	SM 5	Budget Utilization Rate (BUR)	Actual Disbursement over Total Approved Budget for CO and MOOE	5%	Actual over Target	90%	CO = 0.004% MOOE = 11%		CO = 2% MOOE = 22% See Annex D		
INTERNAL BUSINESS PROCESS	SO 4	Develop Energy Infrastructure									
	SO 5	Maintain Efficient Management of PNOC Energy Facilities									
	SM 6	Compliance to Integrated Management System (IMS) Standards for PNOC Industrial Park	Actual Accomplishment	5%	All or Nothing	Pass Re-Certification	Issued Special Orders for the composition of the Management Review Committee, IMS Team and Audit Team. Ongoing Review and updating of IMS Documents and Manuals	Review and updating of IMS Manual Attendance to Trainings	Reviewed and updated the IMS Manuals and documents Conducted the Internal Quality Audit last April to May 2022 Attended the "Action/Root Cause" Workshop See Annex E	Review and updating of IMS Manual Conduct of Internal Audit Conduct of Management Review	Conduct of Re-Certification Audit by CB Issuance of Certificate by CB

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INTERNAL BUSINESS PROCESS	SM 7	Pass Certification - ISO 9001:2015 Quality Management Systems for ESB Operations (Systems and Procedures) and ISO 45001:2018 Occupational Health and Safety Management System **	Actual Accomplishment	5.0%	All or Nothing	Pass 2nd Surveillance Audit	Conducted 3 IMS Meetings: Jan. 25, 2022 Feb. 28, 2022 Mar. 28, 2022 Commenced review and update of HIRAC.	Conduct IMS Meeting (6/12 Minutes of Meeting) Conduct Process Review	Conducted 3 IMS Meetings: April 22, 2022 May 31, 2022 June 27, 2022 Completed review of HIRAC on May 31, 2022 Completed review of 3 processes: document approval and 2 emergency preparedness See Annex F	Conduct IMS Meeting (9/12) Conduct Internal Audit Review/revisit HIRAC/FMEA	1. Conduct of Management Review and 2. Conduct of 2nd Surveillance Audit
	SO 6	Optimize Asset Productivity									
	SM 8	Operation of Energy Supply Base (ESB)	Total No. of DOS conducted over Total No. of Berthed Foreign Vessels	5%	Actual over Target	100% Conduct of the Declaration of Security (DOS) within 18 hours upon berth of foreign vessel at ESB Pier	Conducted 9/9 DOS of foreign vessels berthed at ESB. Ave = 3 hours and 7 minutes	100% Conduct of DOS within 18 hours upon berth of foreign vessel	Conducted 11/11 DOS of foreign vessels berthed at ESB. Ave = 2 hours and 57 minutes See Annex G	100% Conduct of DOS within 18 hours upon berth of foreign vessel	100% Conduct of DOS within 18 hours upon berth of foreign vessel
	SM 9	Improvement/Upgrade of ESB's Facility	Actual Accomplishment	5%	All or Nothing	Completion of Repair of damaged RIP-RAP	Completed 100% repair of damaged RIP-RAP				

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INTERNAL BUSINESS PROCESS	Improvement/Upgrade of ESB's Facility	Actual Accomplishment	5%	All or Nothing	Completion of Construction of Ingress/Egress Ramp at ESB Main Gate	Completed 100% construction of Ingress/Egress Ramp at ESB Main Gate	100% Accomplishment consisting of continuation of preparation of sub-base course, preparation of base course, concrete pouring of pavement and demobilization			
	SM 10 Number of PDMC Assets Utilized/Disposed at a Gain	Number of PDMC Assets Utilized/Disposed at a Gain	4%	Actual over Target	Disposal through sale of 5 additional Costa Verde and/or El Pueblo Properties	-	Disposal through sale of 1 additional Costa Verde and/or El Pueblo Properties See Annex H	Disposed through Sale 6 Costa Verde and 1 El Pueblo Properties	Disposal through sale of 1 additional Costa Verde and/or El Pueblo Properties	Disposal through sale of 1 additional Costa Verde and/or El Pueblo Properties
	Number of PDMC Assets Utilized/Disposed at a Gain	Actual Accomplishment	4%	Actual over Target	Disposal through sale of 10 Socialized Housing Program Lots	Disposed through sale 8 Socialized Housing Program Lots	Disposal through sale of 3 Socialized Housing Program Lots	-	Disposal through sale of 3 Socialized Housing Program Lots	Disposal through sale of 2 Socialized Housing Program Lots
	SM 11 PNOC/PAFC/PSTC Property Utilized/ Leased/Disposed	Actual Accomplishment	2%	Actual over Target	Utilization/Lease/ Disposal of any one (1) PNOC/PAFC/ PSTC Property	Leased to Philippine Reclamation Authority office spaces at PNOC Building 4A, Energy Center, Bonifacio Global City.		Disposed through sale 3 PNOC Properties See Annex I		Utilization/Lease/ Disposal of any one (1) PNOC/PAFC/ PSTC Property

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	SM 12	Disposal of Banked Gas	Actual Accomplishment	5%	5% - 3 Petajoules (PJ) or more of banked gas delivered 3% - more than 1PJ up to less than 3 PJ of banked gas delivered 1% - more than 0.50 PJ of banked gas delivered	Delivery of 3 Petajoules (PJ) of Banked Gas	Approved by the PNOC Board the GSPAs with two buyers on Nov. 11, 2021. Signed GSPAs with two buyers last December 24, 2021. Delivered a total of 2.51 PJ as of March 26, 2022.	Signing of the GSPA Submission of signed GSPA to SPEX as PNOC banked gas administrator Commence Administration of GSPA/Delivery of Contracted Banked Gas	Final key terms of a new GSPA with a new buyer was approved by PNOC Board on June 22, 2022. The same was signed on June 23, 2022. Delivered a total volume of 2.74 PJ (March 26 to June 25, 2022) Total delivery for 1st semester equals 5.25 PJ See Annex J	Continuation of GSPA Administration/ Delivery of Contracted Banked Gas Submission of Delivery Reportorial Requirement to DOE	
	SO 7	Acquire, Develop, Retain and Motivate Talents for Peak Performance									
LEARNING & GROWTH	SM 13	Percentage of employees with required competencies met	Targeted Number of Employees with Required Competencies over Total Number of Targeted Employees	5%	All or Nothing	Increase from 2021 Baseline Employees for competency matching will meet their required baseline competency by end of 2022 (2021 - 90.74%) 98 out of 108 total number of employees, or 90.74% have met their required competencies vis-à-vis position held.	Disseminated to employees trainings /seminars offered by training institutions to address their competency gaps. Facilitated attendance of employees to trainings/ seminars: In-house = 7 Local Training = 44	Submit the 2nd Quarter Summary of Employee Competency Gap Monitoring Report (ECGMR)	Disseminated to employees trainings /seminars offered by training institutions to address their competency gaps. Facilitated attendance of employees to trainings/ seminars: In-house = 2 Local Training = 14 See Annex K	Submit the 3rd Quarter Summary of Employee Competency Gap Monitoring Report (ECGMR)	Submit the 4th Quarter Summary of Employee Competency Gap Monitoring Report (ECGMR), and Summary of Employee Baseline Competency Report;

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	SO 8	Develop, Implement and Maintain Efficient and Effective Systems									
	SM 14	PNOC Compliance to Quality Standards (PNOC ISO Certification)	Actual Accomplishment	10%	All or Nothing	Pass 2nd Surveillance Audit	Issued Internal Audit Itinerary and Special Order for the composition of the Internal Quality Audit Team.	Conduct Internal Audit, Management Review, Prepare documentation and implementation requirements for the 2nd Surveillance Audit	Conducted the Internal Quality Audit on June 1 to 10, 2022 Preparation of documentation and implementation requirements for the 2nd Surveillance Audit ongoing See Annex L	Pass the 2nd Surveillance Audit	Conduct Customer Satisfaction Survey
		Total Weight		100%							

*** Per coordination with GCG, the latter acknowledged that ESB obtained ISO Certification for both 9001:2015 Quality Management Systems and ISO 45001:2018 Occupational Health & Safety Management System for its operations / systems and procedures and for its occupational health and safety management system. They noted that this will have a total weight of 5%. GCG further noted that they will consider the certification of both in their validation of the PNOC's 2022 Accomplishments.*