



Renewables  
Corporation

# ANNUAL REPORT 2022



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# INTRODUCTION

**PNOC RENEWABLES CORPORATION (PNOC RC)** is the only government agency mandated to promote and undertake research, development, utilization, manufacture, sale, marketing, distribution and commercial application of new renewable, non-conventional and environment-friendly energy sources and systems and of energy systems that use new renewable and any energy sources applying new and efficient energy conversion and/or utilization technologies for commercial application and promote their efficient utilization.

PNOC RC is committed to be the government's arm in the development and implementation of renewable energy (RE) and energy efficiency and conservation (EEC) projects. Its main strategic objective is to promote Carbon Development Strategies in order to contribute in CO<sub>2</sub> (tCO<sub>2</sub>e) avoidance/reduction towards mitigating the effects of climate change.

The company's current portfolio includes operation and maintenance of existing RE and EEC facilities, joint exploration and development of RE projects through Joint Venture Program or Technical Services Program and retention of minority interest in big ticket RE projects.



# CORPORATE PROFILE

In 2022, the Organization has been proactive in partnering with government agencies (NGAs, LGUs, SUCs and GOCCs) to campaign and promote EEC in government buildings and facilities, and with various private RE Developers to explore and develop the tremendous and untapped potentials of the country's clean energy resources.

As it continues its journey, PNOC RC is motivated to pursue its goals with enthusiasm of its partner agencies that have chosen to join its worthwhile undertakings. It is optimistic that reaching the summit of climate change mitigation through sustainable development will be a shared goal for everyone.

## OUR MANDATE

To promote and undertake research, development, utilization, manufacture, sale, marketing, distribution and commercial application of new renewable, non-conventional and environment-friendly energy sources and systems including but not limited to solar, wind, water heat, steam, ocean, tidal, biomass, biogas, chemical, mechanical, electrical, synthetic, agricultural, and other natural fossil or non-fossil fuel based, artificial, organic or otherwise, and of energy systems that use new renewable and any energy sources applying new and efficient energy conversion and/or utilization technologies for commercial application and promote their efficient utilization.

## OUR VISION

PNOC RC is the government arm for the development and implementation of sustainable Renewable Energy and Energy Efficiency Programs; to achieve operational excellence, superior stakeholder satisfaction, and robust financial performance in the Philippines by 2030.



# CORPORATE PROFILE

## OUR MISSION

- To provide renewable energy and promote energy efficiency to improve the quality of life of the Filipino people.
- To enhance customer and stakeholder interests, employee welfare, environmental stewardship, and community well-being.

## CORE VALUES

We pursue EXCELLENCE  
We promote result-driven PERFORMANCE  
We accept ACCOUNTABILITY  
We demonstrate STEWARDSHIP  
We cultivate SOCIAL RESPONSIBILITY



# CORPORATE OBJECTIVES

Strategy map is a visual representation of the key drivers of an organization's success and shows how specific goals and plans in each area are linked.

The strategy map illustrates five (5) key areas that contribute to PNOC RC's long-term success – learning and growth, internal processes, financial performance, customers/stakeholders service, and social impact and how the various goals and plans in each area link to the other areas.

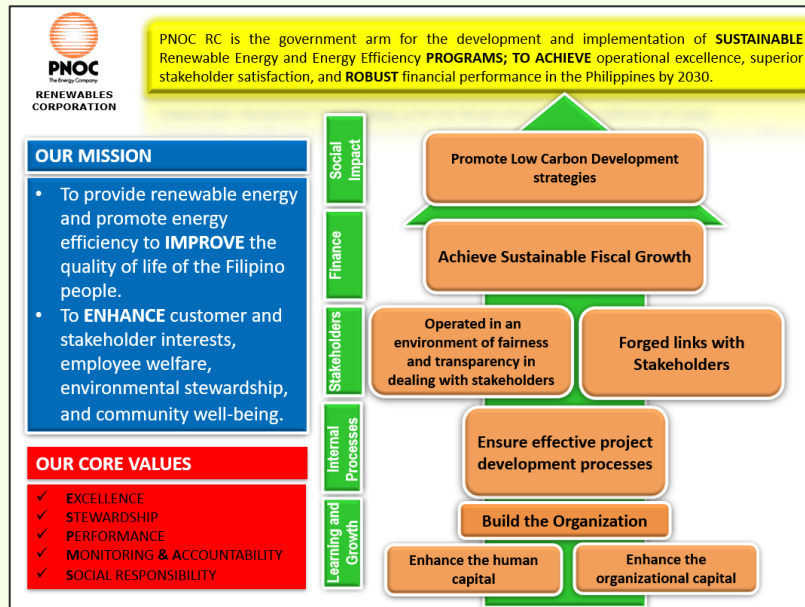
Learning and growth goals serve as a foundation to help achieve goals for excellent internal business processes. Meeting business process goals, in turn, enables the organization to meet goals for customers' satisfaction, which helps the organization achieve its financial goals and optimize its value to its stakeholders. Lastly, achieving the first four goals would result to the national and community - wide impact (socio-economic) of the services delivered by PNOC RC which is shown in the social impact perspective.

In the strategy map, the organization has learning and growth goal that includes developing a highly competent and engaged workforce. Achieving this will help the organization build internal business processes that promote good relationships with partners, improving the quality and flexibility of operations, and excel at developing innovative products and services.

Accomplishing internal processes goals, in turn, enables the organization to increase revenues, and grows through selling products and services and serving new markets segments. In achieving the financial goal thru effective development processes will help achieve strong relationships with customers and stakeholders. At the top of the strategy map, the accomplishment of these lower-level goals helps the organization meet its goal which is to promote low carbon development strategies and achieve sustainable fiscal growth.



# CORPORATE OBJECTIVES



## PERFORMANCE SCORECARD

The Performance Scorecard translates the Strategic Objectives in the Strategy Map into critical success indicators. This contains a set of metrics and performance indicators that will measure progress and guide the decision making of the GOCC towards its Vision.

## STRATEGIC OBJECTIVES AND MEASURES

The balanced scorecard is a strategic planning and management system that is used to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals.

The scorecard has four (4) components: strategic objectives, strategic measures, targets and strategic initiatives.

Strategic Objectives are strategic priorities that the organization must undertake within the key facets of operations to achieve the Vision. These strategic objectives are mutually reinforcing and linked leading to the Vision. An objective is not a project; rather, it is a principle. These are not immediate outputs.

# CORPORATE OBJECTIVES

A Strategic Measure quantifiably defines and substantiates the objectives and tells whether the strategy's goals have been attained. It is sometimes referred to as success measure, metric, indicator or key performance indicator.

Target refers to the level of performance or rate of improvement needed whilst strategic initiatives are key innovative action programs required to achieve objective.

The strategic objectives and measures drafted by RC's technical working group are discussed with GCG's technical working group. The final scorecard is agreed by both GCG and PNOC RC.

PNOC RC's Performance Scorecard for 2022 is shown below.

P	Component			Weight		Rating System	Target Annual	Actual 2022
	Strategic Objectives (SO)/Strategic Measure (SM)	Formula		TARGET	ACTUAL			
Social Impact	<b>SO 1</b>	<b>Promote Low Carbon Development Strategies</b>						
	SM 1	Amount of CO2 (tCO2e) Reduced/Avoided	Absolute Amount	15.00%	15.00%	Actual over Target	2,837.34	2,837.34
	<i>Subtotal</i>			15.00%	15.00%			
Finance	<b>SO 2</b>	<b>Achieve Sustainable Fiscal Growth</b>						
	SM 2	Gross Revenue in PhP	Absolute Amount	20.00%	20.00%	Actual over Target	20,400,000.00	30,532,189.00
	SM 3	Amount of investment by PNOC RC and/or partners (in PhP)						
	SM 3a	Amount of investment by PNOC RC and/or partners (in PhP)	Actual Accomplishment	0.00%	0.00%	All or Nothing	Submission of Update report	None
	SM 3b	Budget Utilization Rate	Actual Disbursement Total Approved COB (Both Net of PS Cost)	5.00%	4.37%	Actual over Target	90%	79%
	<i>Subtotal</i>			25.00%	24.37%			
Stakeholders	<b>SO 3</b>	<b>Operated in an Environment of Fairness and Transparency in Dealing with Stakeholders</b>						
	SM 4	Percentage of Satisfied Customers	Total Number of Respondents who gave at least <u>Satisfactory Rating</u> Total Number of Respondents	10.00%	0.00%	Actual over Target  (If less than 80% = 0%)	90%*	75%
	<i>Subtotal</i>			10.00%	0.00%			
	<b>SO 4</b>	<b>Forged Links with Stakeholders</b>						
	SM 5	Number of Signed RE/EE-related projects (MOU/NDA/MOA)	Actual Accomplishment	15.00%	15.00%	Actual over Target	3	4
<i>Subtotal</i>			15.00%	15.00%				

Internal Processes	<b>SO 5</b>	<b>Ensure Effective Project Development Processes</b>						
	SM 6	Number of Technical Studies Conducted	Actual Accomplishment	15.00%	15.00%	Actual over Target	3	3
	<i>Subtotal</i>			15.00%	15.00%			
Learning and Growth	<b>SO 6</b>	<b>Build the Organization</b>						
	<b>SO 7</b>	<b>Enhance the Organizational Capital</b>						
	SM 7	Compliance to Quality Standards	Actual Accomplishment	5.00%	5.00%	All or Nothing	ISO 9001:2015 Certification	ISO 9001:2015 Certification (TUV SUD PSB)
	SM 8	Maintain a Disaster Recover (DR) System on Company's Critical Electronic Files	Actual Accomplishment	10.00%	10.00%	Actual over Target	Submission of Quarterly Monitoring Reports to the PCEO	Quarterly submission of DR monitoring reports
	<i>Subtotal</i>			15.00%	15.00%			
	<b>SO 8</b>	<b>Enhance the Human Capital</b>						
	SM 9	Percentage of Employees with Required Competencies Met	<u>No. of Employees with Required Competencies Met</u> Total employees	5.00%	5.00%	Actual over Target	85%	89%
<i>Subtotal</i>			5.00%	5.00%				
<b>TOTAL</b>			<b>100.00%</b>	<b>89.37%</b>				



# RISK MANAGEMENT PLAN AND ANALYSIS

PNOC RC ensures the annual review of the relevant risks and issues faced by the company in its operations. In the strategic and operational planning workshop conducted in July 2022, the PNOC RC Board of Directors and the Management agrees on a risk management plan and make sure that controls are in place and adequate to mitigate if not eliminate the risk identified.

## PROPOSED ACTIONS TO RISKS/OPPORTUNITIES

Opportunities	Proposed Actions to Risk/Opportunities
Potential technical consultancy services for big ticket projects	Vigorously pursue and close deals. Put in place a provision for upfront payment from signing of service.
Fresh mandate from new administration and new opportunity to align with the Companys trusts	Coordinate with the Office of the President to pursue development of renewable energy projects and appeal for additional funding through PNOC/DOE
Green Energy Management Program (GEMP) of the Department of Energy (DOE)	Partnership with the DOE in the implementation of the GEMP pursuant to The Energy Efficiency and Conservation Act (Republic Act No. 11285)
Risk	Proposed Actions to Risk/Opportunities
Low employee morale due to diminishing capitalization	<p>Work towards adding new revenue streams to increase useable capital, e.g. offering technical energy audit services</p> <p>Implement cost efficiency or reduction strategies to preserve capital investment</p>
High turnover rate of employees	Explore measures to help reduce turnover rate, e.g. ensure even distribution of workload to prevent employee exhaustion and over exertion as well as ensuring proper compensation.



# RISK MANAGEMENT PLAN AND ANALYSIS

Risks	Opportunities	Proposed Actions to Risk/Opportunities
Depletion of internal funds needed to support the investment requirement and operation		<ul style="list-style-type: none"> <li>• Cost-cutting measures</li> <li>• Partner or offer services to the private sector to secure funding or income to be invested for future projects</li> <li>• Liquidation of unserviceable assets or idle real property to acquire additional funds</li> </ul>
	Availability of loans/grants from financial institutions	<ul style="list-style-type: none"> <li>• Submission of feasibility study to financial institutions</li> <li>• Negotiation to acquire favorable terms</li> </ul>
	Infusion of capital from national government	Request for additional seed money for future investments for PNOC RC to fulfill mandate
	Partnering with other government agencies for projects or technical services	Send letters to government institutions to work together to improve energy efficiency in their offices and aid in the development and implementation of renewable energy projects, e.g. solar rooftop
Incapacity to loan due to high interest rates, volatility of FOREX, standing of the Company before the GCG-DOF and the requirement to secure second approval from PNOC		Coordinate with GFI's for possible lower interest rate and appeal for the assistance of PNOC on possible financial guaranty



# PHYSICAL AND FINANCIAL ACCOMPLISHMENTS

For the year ending December 31, 2022, the Company's renewable energy (RE) and energy efficiency and conservation (EEC) projects generated 2.0MW with equivalent revenue of PhP15.6 million. Details are broken down as follows:

<b>Solar Rooftop Projects</b>		
Agency/Building	Annual Generation (in kWh)	Annual Revenue (in PhP)
1. Philippine Heart Center	79,322	651,431
2. Department of Science and Technology	51,360	429,025
3. Department of Environment and Natural Resources – EMB	60,030	509,183
4. Philippine Coconut Authority	87,896	711,355
5. University of the Philippines – Diliman	210,114	1,611,891
6. Commission on Audit – PIDS/Dorm	204,800	1,621,071
7. Bangko Sentral ng Pilipinas – EDPC Bldg. & Security Plant Complex	561,720	4,237,977
8. LGU – Naga Cebu	122,976	1,028,376
9. Philippine International Convention Center	607,940	4,589,982
<b>Subtotal</b>	<b>1,986,158</b>	<b>15,390,291</b>
<b>Hydropower Project</b>		
1. NIA Rizal (PRISMC) Hydropower Plant (50% - owned) <sup>1</sup>	44,651	189,707
<b>Subtotal</b>	<b>44,651</b>	<b>189,707</b>
<b>Total</b>	<b>2,030,808</b>	<b>15,579,997</b>

<sup>1</sup>Equivalent to 50% share of PNOC RC in the joint operation for Rizal Hydropower Project.

<b>Energy Efficiency Lighting Project</b>		
Agency/Building	Energy Savings (in PhP)	Annual Revenue (in PhP)
1. Philippine Public Safety College	77,740	310,959
<b>Total</b>	<b>77,740</b>	<b>310,959</b>



# PHYSICAL ACCOMPLISHMENTS

Below are PNOC RC's completed RE/EEC projects under Operation and Maintenance as of December 31, 2022.

## SOLAR ROOFTOP PROJECTS

### Philippine Heart Center (PHC)

Brief Background	On 11 May 2015, PNOC RC and Philippine Heart Center (PHC) signed a Memorandum of Agreement wherein the former will install a Solar PV System on one of the buildings of PHC and the latter will pay the system through a lease agreement for fifteen (15) years. After the lease agreement the ownership of the solar system will be transferred to PHC.
Location	East Avenue, Quezon City
Solar System	Grid Tied Solar PV
Installed Capacity	100kWp
EPCC Completion	April 2016
Own-use Application	July 2016
Commercial Operation	December 2015



## Department of Science and Technology (DOST)



Brief Background	On 02 June 2015, PNOC RC and Department of Science and Technology (DOST) signed a Memorandum of Agreement wherein the former will install a Solar PV System on one of the buildings of DOST and the latter will pay the system through a lease agreement for fifteen (15) years. After the lease agreement the ownership of the Solar PV System will be transferred to DOST.
Location	Bicutan, Taguig City
Solar System	Grid Tied Solar PV
Installed Capacity	100kWp
EPCC Completion	March 2016
Net-Metering Application	January 2017
Commercial Operation	February 2016

## Department of Environment and Natural Resources – Environmental Management Bureau (DENR-EMB)

Brief Background	On 01 December 2015, PNOC RC and DENR-EMB signed a Memorandum of Agreement wherein the former will install a Solar PV System on one of the buildings of DENR-EMB and the latter will pay the system through a lease agreement for fifteen (15) years based on the energy produced by the system and consumed by DENR-EMB and/or exported to Meralco. After the lease agreement the ownership of the solar system will be transferred to DENR-EMB.
Location	Diliman, Quezon City
Solar System	Grid Tied Solar PV
Installed Capacity	100kWp
EPCC Completion	September 2016
Net-Metering Application	On-going
Commercial Operation	September 2016



## Philippine Coconut Authority (PCA)



<b>Brief Background</b>	On 29 March 2016, PNOC RC and PCA signed a Memorandum of Agreement wherein the former will install a Solar PV System on the rooftop of PCA Building and the latter will pay the system through a lease agreement for fifteen (15) years. After the lease agreement the ownership of the Solar PV System will be transferred to PCA.
<b>Location</b>	Diliman, Quezon City
<b>Solar System</b>	Grid Tied Solar PV
<b>Installed Capacity</b>	80kWP
<b>EPCC Completion</b>	February 2017
<b>Net-Metering Application</b>	November 2021
<b>Commercial Operation</b>	February 2017

## University of the Philippines – Diliman Campus (UP Diliman)

<b>Brief Background</b>	On 01 March 2016, PNOC RC and UP - Diliman signed a Memorandum of Agreement wherein the former will install a Solar PV System on the rooftop of Quezon Hall, Melchor Hall, and Palma Hall of UP-Diliman and the latter will pay the system through a lease agreement for fifteen (15) years. After the lease agreement the ownership of the Solar PV System will be transferred to UP-Diliman.
<b>Location</b>	Diliman, Quezon City
<b>Solar System</b>	Grid Tied Solar PV
<b>Installed Capacity</b>	240kWP
<b>EPCC Completion</b>	March 2017
<b>Net-Metering Application</b>	November 2021
<b>Commercial Operation</b>	March 2017



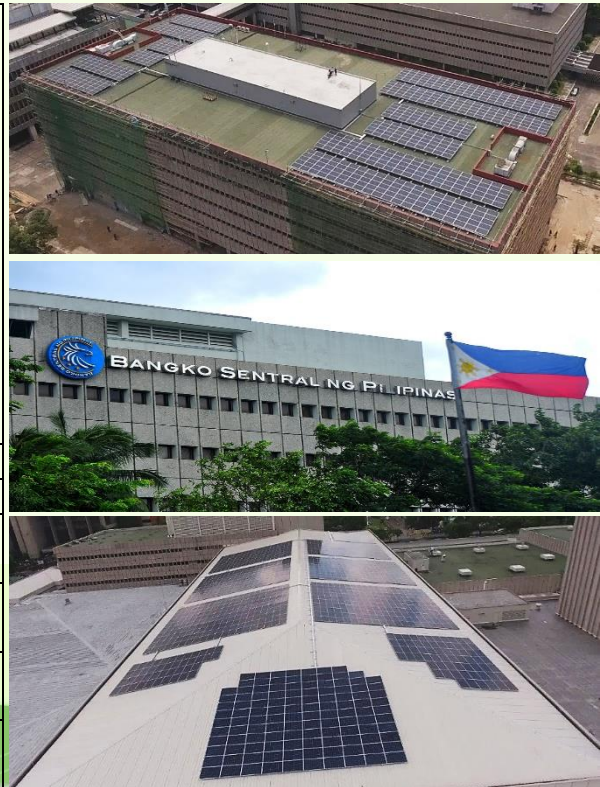
## Commission on Audit (COA)



Brief Background	On 30 May 2016, PNOC RC and COA signed a Memorandum of Agreement wherein the former will install a Solar PV System on the rooftop of COA Gym & PIDS Building and the latter will pay the system through a lease agreement for fifteen (15) years. After the lease agreement the ownership of the Solar PV System will be transferred to COA.
Location	Commonwealth Avenue, Quezon City
Solar System	Grid Tied Solar PV
Installed Capacity	200kWp
EPCC Completion	March 2017
Net-Metering Application	November 2021
Commercial Operation	March 2017

## Bangko Sentral ng Pilipinas (BSP) EDPC & BSP Security Plant Complex (SPC)

Brief Background	On 09 February 2017, PNOC RC and Bangko Sentral ng Pilipinas – EDPC & SPC signed a Memorandum of Agreement wherein the former will install a Solar PV System on the rooftop of BSP Buildings and the latter will pay the system through a lease agreement for fifteen (15) years. After the lease agreement the ownership of the Solar PV System will be transferred to BSP.
Location	City of Manila/ Quezon City
Solar System	Grid Tied Solar PV
Installed Capacity	400kWp/ 200kWp
EPCC Completion	July 2017
Own-use Application	On-going
Commercial Operation	July 2017



## Local Government Unit (LGU) of City of Naga, Cebu



<b>Brief Background</b>	On 19 September 2017, PNOC RC and LGU Naga, Cebu signed a Memorandum of Agreement wherein the former will install a Solar PV System on the rooftop of Enan Chiong Activity Center and the latter will pay the system through a lease agreement for fifteen (15) years. After the lease agreement the ownership of the Solar PV System will be transferred to the LGU Naga.
<b>Location</b>	Naga City, Cebu
<b>Solar System</b>	Grid Tied Solar PV
<b>Installed Capacity</b>	100kWp
<b>EPCC Completion</b>	June 2018
<b>Net-Metering Application</b>	July 2018
<b>Commercial Operation</b>	June 2018

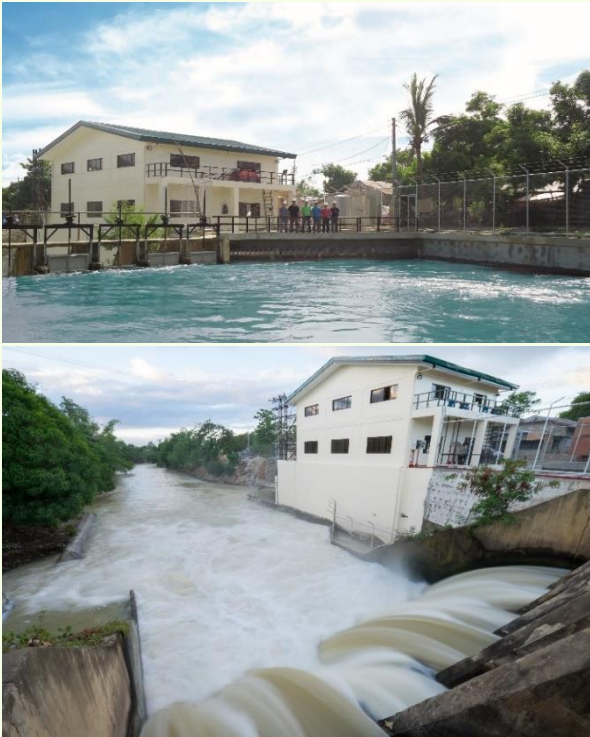
## Philippine International Convention Center

<b>Brief Background</b>	On 15 August 2017, PNOC RC and BSP – PICC signed a Memorandum of Agreement wherein the former will install a Solar PV System on the rooftop of BSP Buildings and the latter will pay the system through a lease agreement for fifteen (15) years. After the lease agreement the ownership of the Solar PV System will be transferred to BSP.
<b>Location</b>	PICC Complex, Pasay City
<b>Solar System</b>	Grid Tied Solar PV
<b>Installed Capacity</b>	1050kWp
<b>EPCC Completion</b>	September 2019
<b>Own-use Application</b>	On-going
<b>Commercial Operation</b>	January 2019



Energy Efficiency Lighting Project  
**HYDROPOWER PROJECT**

**NIA Rizal (PRISMC) Hydropower Plant**



Brief Background	A Memorandum of Agreement (MOA) between National Irrigation Administration (NIA) and PNOC RC was signed on November 7, 2012 for the development of initial six (6) sites along the NIA irrigation canal.
Location	Pampanga River Irrigation System (PRIS) Main Canal, Brgy. Poblacion West, Rizal, Nueva Ecija
Award of Service Contract	February 19, 2014
Completion of Feasibility Study	July 16, 2013
Completion of EPCC	June 30, 2016
Commercial Operation	July 1, 2016
Installed Capacity	1.0 MW

**ENERGY EFFICIENCY LIGHTING PROJECT**

**Philippine Public Safety College (PPSC)**

Brief Background	<p>On March 21, 2016, PNOC RC and PPSC, signed a Memorandum of Agreement (MOA) regarding the lease of Energy Efficient Lighting (EEL) System to be installed by PNOC RC at the premises of Philippine National Police Academy (PNPA) and the National Police College (NPC) located at Camp Castañeda, Silang, Cavite.</p> <p>On 03 November 2016, PNOC RC and PPSC signed the MOA Addendum for the Phase 3 of the EEL project at PNPA and NPC, Camp Castañeda Silang, Cavite.</p>
Location	Silang, Cavite
Completion of Installation	<p>Phase 1 &amp; 2 – 11 December 2017</p> <p>Phase 3 – 02 August 2017</p>



# GEOTHERMAL POWER PROJECT

## Maibarara Geothermal, Inc.



Photo Source: <https://petroenergy.com.ph/>

On May 19, 2010, PNOC RC signed a JV agreement/ partnership with PetroGreen Energy Corporation and Trans-Asia Oil and Energy Development Corporation, now AC Energy Corporation, for the development of Maibarara Geothermal Fields located in the western foot of Mt. Makiling, Sto. Tomas, Batangas, Philippines.

On August 11, 2010, Maibarara Geothermal Inc. (MGI) was registered under Securities and Exchange Commission with the following stockholders and respective percentage share:



65%



(formerly Trans-Asia Oil and Energy Development Corporation)

25%



10%

MGI has a combined capacity of 32MW and started its commercial operation with following details:

Power Plant	Capacity	Commercial Operation
M1	20 MW	February 2014
M2	12 MW	April 2018



## GOVERNMENT ENERGY MANAGEMENT PROGRAM (GEMP)

The Department of Energy and PNOC RC agreed under the March 18, 2022 MOA to conduct energy audits and solar demonstration projects, pursuant to RA 11285 or the Energy Efficiency and Conservation Act and its IRR to cover Local Government Units.

### TECHNICAL SERVICES WITH GOVERNMENT AGENCIES

#### House of Representatives



PNOC RC and the House of Representatives (HRep) signed a Memorandum of Agreement in May 2021 for Phase 1 (Solar PV installation) and Phase 2 (E-Vehicle with charging station).

The services to HRep includes but not limited to: (1) preparation of public bidding documents for the project's two phases (Infra for solar installation and goods for e-vehicle), (2) assistance to HRep's technical evaluation during the entirety of the bidding process, (3) owner's engineer in the supply, delivery, installation, testing and commissioning of the solar rooftop, and (4) operation and maintenance of the installation for two (2) years.

The solar rooftop project was tested and commissioned during the last weeks of March. The project was inaugurated last May 18, 2022.

### TECHNICAL SERVICES WITH PRIVATE RE COMPANIES

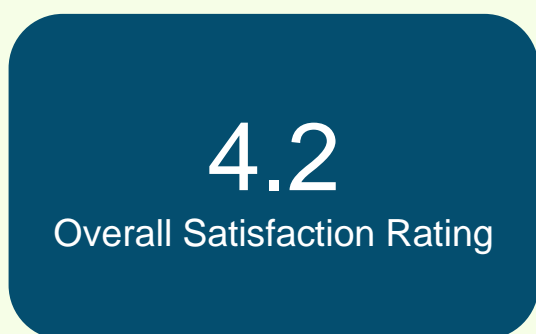
In 2022, PNOC RC signed a MOA with Private RE Companies to develop big ticket renewable energy projects. PNOC RC will act as the Industrial Partner to undertake the pending pre-development activities of the project and in return the Private RE Company shall pay PNOC RC for its services.

As an Industrial Partner, PNOC RC shall render its services in implementing the pre-development activities of the RE project which include the following: (1) Securing of Service Contract; (2) Securing of relevant permits and licenses; (3) Preparation of pre-feasibility study; (4) Preparation of feasibility study (optional); (5) Assistance in the application and processing of interconnection agreement; (6) Assistance in the negotiation of power supply agreement; and (6) Assistance in securing project funding (optional).

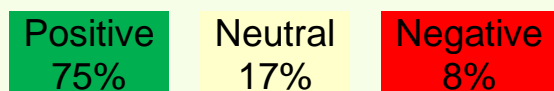
# CUSTOMER SATISFACTION SURVEY

The Company outsourced third-party service provider to conduct the 2022 Customer Satisfaction Survey following the “Enhanced Standard Methodology for the Conduct of the Customer Satisfaction Survey” prescribed by the GCG (Annex A) and the “Additional Guidelines in the Conduct of the CSS for 2020 in the GOCC Sector” issued by the GCG on 14 August 2020, the applicability of which has been extended per notice issued by GCG in January 2022 (Annex B).

Using the Likert scale of 1 to 5, PNOC RC’s overall average customer satisfaction rating is 4.2. The level of overall customer satisfaction rating is relatively low with a 75% overall positive rating (a score of 4 or 5). Total respondents for the survey are only 12 (client agencies)



Response Category	No. of Respondents	%
Very Satisfied (VS)	6	50
Satisfied (S)	3	25
Neither S nor DS	2	17
Dissatisfied (DS)	1	8
Very Dissatisfied (VDS)	0	0
<b>TOTAL</b>	<b>12</b>	<b>100</b>



Type of Service	Average Rating	% of Positive	No. of Respondents
Solar Rooftop	4.2	80%	10
Technical Services for Solar Rooftop	3.0	0%	1
Energy Efficiency Lighting	5.0	100%	1
<b>OVERALL</b>	<b>4.2</b>	<b>75%</b>	<b>12</b>

*Technical Note:*

% of positive pertains to the percentage of respondents who gave an overall rating of 4 or 5 (on a scale of 1 to 5). Similarly, % neutral is the percentage of respondents who gave an overall rating of 3 while % negative is the percentage of respondents who gave a rating of 1 or 2.



# ISO 9001:2015 CERTIFIED



One of PNOC RC's 2022 performance commitment to the GCG is compliance to Quality Standards.

PNOC RC was able to pass the ISO 9001:2015 Certification Audit conducted by TÜV SÜD PSB Philippines last 18 November and 7 December 2022. The scope of the certification is the Provision of Technical Services for Renewable Energy and Energy Efficiency and Conservation Programs.

From this milestone, PNOC RC is committed to undertake certification of its various management system and processes towards improved efficiency, productivity and customer satisfaction.



## QUALITY POLICY STATEMENT

"PNOC Renewables Corporation is committed to be the government arm in the development and implementation of Renewable Energy and Energy Conservation Programs through the provision of quality Technical Services, satisfying applicable requirements, and continuously improving the QMS."



# ORGANIZATIONAL DEVELOPMENT

**As of 31 December 2022, 32 out of 36 employees met the required relevant competencies, which is equivalent to eighty-nine percent (89%).**

In support of organizational goals, the Human Resources Department (HRD) works on improving human capital through the conduct and facilitation of learning interventions targeted at enhancing compliance and implementation of the Quality Management System, strengthening collaboration and group dynamics, promoting gender perspective in company processes, and advancing knowledge and skills of employees in their respective functions. Both face-to-face and virtual approaches were employed in the administration of learning programs to address learning needs of employees.

For the 1<sup>st</sup> quarter, the HRD conducted the Orientation on Return to Office Protocols from a Work-From-Home Arrangement due to COVID-19 and facilitated the participation of technical personnel to the Basic Pollution Control Officer (PCO) Training Course and Basic Occupational Safety Health (BOSH) Seminar.

For the 2<sup>nd</sup> quarter, the HRD conducted an orientation on the Quality Management System to create/reinforce awareness of employees geared towards achieving ISO 9001:2015 certification in 2022. A Gender Analysis Workshop was also held in Batangas to enhance appreciation of gender analysis concepts and methods and to participate in the client-focused activity of the company. Employees likewise joined courses organized by external training providers. These encompass subjects on leadership, strategic HROD, Basic Occupational Safety and Health for the public sector, and clean energy finance and investment consultation.

In the 3<sup>rd</sup> quarter, the HRD company conducted a Strategic Planning Workshop attended by the Board and the Management to discuss the corporate direction and business plans for 2022 and the ensuing year. This provided company officers with insights and updates on the proposed and ongoing programs and projects on renewable energy and energy efficiency and conservation. The HRD, in coordination with the Government Procurement Policy Board - Technical Support Office, also organized a Seminar on the Revised Republic Act No. 9184 and its 2016 Revised Implementing Rules and Regulations for Bids and Awards Committee (BAC) members, BAC Secretariat, BAC Technical Working Groups, and proponents. Moreover, company officers and employees attended external courses focusing on people management, updates on specific professions (law, taxation), internal auditing, and technical trainings covering the project cycle.

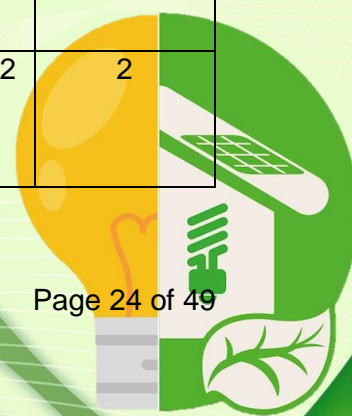
For the 4<sup>th</sup> quarter, the HRD conducted learning sessions on Code of Conduct and Plant O & M to our RHPP employees and Lastly, the HRD facilitated the participation of employees to available virtual training courses offered by private organizations.

# ORGANIZATIONAL DEVELOPMENT

## SUMMARY OF ACTUAL TRAININGS ATTENDED BY EMPLOYEES

### A. Core Training Programs

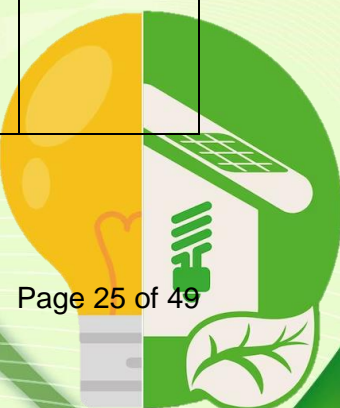
Participants	Title	Description/Coverage	Date(s) of Attendance	No. of Training Hours
Employees	Orientation on Return to Office Protocols from a WFH Arrangement due to COVID-19	Effective transition of employees from a work-from-home perspective due to COVID-19 considerations to the regular office work arrangement	March 7, 2022	2.5
	QMS Orientation	Concepts and requirements of ISO 9001:2015 Quality Management System; PNOC RC QMS structure and implementation in the organization	April 22, 2022	2
	Gender Analysis Workshop	Appreciation of gender analysis as the process of asking essential questions to understand the differences of women and men in terms of gender needs, and interests, capabilities, roles and responsibilities, access to and control of resources, benefits, and opportunities as well as constraints to participation and decision making	May 25, 2022	8
	New Employee Orientation	This covers the company profile, office rules and regulations, company benefits, QMS overview, workplace safety protocol, and pertinent departmental procedures	July 4, 2022, and September 1, 2022	2
	Orientation on Proposed Skeleton Manpower	Learning session on the revised manpower assignment at the plant	March 31, 2022	2



	Assignment at the RHPP			
	Learning Session on the Code of Conduct	Increases awareness of a wide range of ethical and legal issues in the workplace	November 10, 2022	2

## B. Leadership Training Programs

Participants	Title	Description/Coverage	Date(s) of Attendance	No. of Training Hours
Executives, Managers, Officers-in-Charge	Energy Within Environmental Constraints	This covers the basic engineering, environmental science, and economics of our energy system. Focuses on the environmental impacts of the energy system, focusing on air pollution, climate change, and land use and techniques for estimating monetary costs and carbon impacts	April – July 2022	30
	Strategic Planning Workshop	This covers the corporate direction, strategies, and business plans in preparation for the transition to the new administration	July 22, 2022	8
	Risk Management in the Age of COVID-19	Appropriate tools to help boards monitor and manage their risks, sustain value creation in a crisis by embedding risk management into business strategies	April 28, 2022	4
	Finance for Directors	Finance and Accounting basics which provides directors and senior executives the ability to quickly interpret and assess a company's financial condition – a skill that helps drive board decisions	May 10, 2022	4
	MCLE Course	Updates in law jurisprudence, maintain the ethics of the profession, and enhance the standards of the practice of law	August 3, 10, 17, 24 & 31, 2022	40

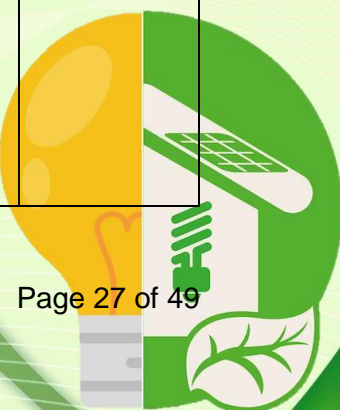


Manager's Role in Capacity Building	Role of people managers in developing competent, engaged, and high performing workforce through Office Development Plan	August 9, 12, 16, 19 & 23, 2022	14
Project Finance	This covers assessment of viability and bankability of large scale and capital-intensive projects; potential risks associated with proposed projects; structure appropriate financing schemes for selected projects; identify sources of special financing programs offered by funding institutions and legal documentation required for proposed project finance transactions	October 8 & 15, 2022	16
Workplace Planning with Career Development & Succession Management	Enable the participants to develop, install, maintain, and implement programs for career development and succession management that is anchored on a Strategic Workforce Planning Framework that integrates all HR functions from talent acquisition or the staffing plan, to talent development or the L and D, and up to the engagement plan	July 19, 21, 25, 27 & 29 August 2, 4 & 9, 2022	24
ISO 9001:2015 Internal Audit Training (Using ISO 9001:2018 Guidelines)	Concepts and framework for the conduct of internal audit in the organization to comply with ISO 9001:2015 requirements	August 9-10, 2022	16
Lean Six Sigma Yellow Belt	Development of critical thinking skills by understanding the fundamentals of Lean Six Sigma, and be able to apply various tools for effective problem solving	November 23-25, 2022	24

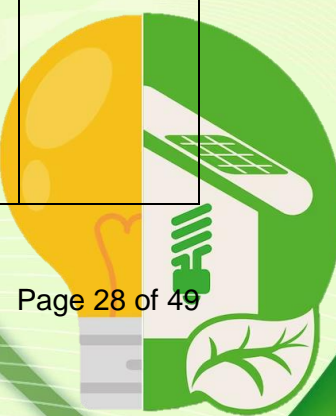


### C. Functional/Technical Training Programs

Participants	Title	Description/Coverage	Date(s) of Attendance	No. of Training Hours
Employees	RA 9184 and its 2016 Revised IRR	This covers Government Procurement 101; Efficient Procurement measures During a State of Calamity or Implementation of Community Quarantine or Similar Restriction; Simplified Posting and Electronic Submission of Procurement Reports; Procurement Planning and Budget Linkage including Early Procurement Activities; Preparation of Technical Specifications, Scope of Work, and Terms of Reference; Preparation of Cost Estimates; and Alternative Methods of Procurement	September 19-23, 2022	13
	Common Errors in the Field of Taxation	Provide solutions/remedies for error prevention or correction in Taxation	September 30, 2022	8
	DOE Energy Audit Orientation	Seminar regarding RA 11285 also known as "Energy Efficiency and Conservation Act"	March 4, 2022	2
	Strategic HROD Series 1: Design Thinking in HR	Applying creative problem-solving which focuses on understanding the human needs involved, reframing the problem in human-centric ways and creating innovative solutions which can they test in order to improve the employee experience and to increase the effectivity and performance of the employees	May 13, 2022	4
	Strategic HROD Series 2: HR Analytics	Enabling HR practitioners to understand and apply HR Analytics in own context such that HR data are optimized and actions, recommendations and/or decisions pertaining employee strategies are supportive of agency goals	May 20, 2022	4



	Strategic HROD Series 3: Paradigm Shifts in L&D	Concepts of digital learning tools and technologies, describing the latest developments, trends, and solutions that will enable L & D practitioners to become more effective, creative, and engaging for a better online learning experience	June 17, 2022	4
	Learning & Development Planning	Acquiring competencies which will help L & D practitioners translate Learning Needs Analysis results to learning interventions and prioritize and schedule them for implementation	August 9, 11, 12 & 15, 2022	16
	1 <sup>st</sup> Clean Energy Finance and Investment Consultation Workshop	Featured lectures and workshops on the safety and health hazards; roles of safety officers; hazard identification, risk assessment, and control; work environment measurement; development of control measures; accident causation and investigation; OSH program development; workplace emergency preparedness; Covid-19 response in the workplace; and the Employees Compensation Program	May 31 – June 1, 2022	16
	Online Basic Pollution Control Officer (PCO)	Pollution Control Officer roles in an establishment, relevant laws and circular pertaining to pollution control, basis of PCO requirement, and DENR online platform for online monitoring of PCO relevant reports	January 10-14, 2022	40
	BOSH for Public Sector	Featured lectures and workshops on the safety and health hazards; roles of safety officers; hazard identification, risk assessment, and control; work environment measurement; development of control measures; accident causation and investigation; OSH program development; workplace emergency preparedness; Covid-19	May 16-20, 2022	40



		response in the workplace; and the Employees Compensation Program		
	Electro- Pneumatics with Basic PLC (Siemens)	This covers Electro- pneumatics wiring, electrical components such as sensors and relays, programmable logic controller wiring and PLC programming, simulation and demonstration	Aug. 27, Sept. 3, 10 & 17, 2022	32
	The Future Energy Show	The Show covers sessions on large scale solar, smart grid/ T & D, rural electrifications, rooftop solar, alternative renewables and energy storage	September 7-8, 2022	13
	Learning Session on Plant O&M	Refresher session on Operations and Maintenance of the Plant	November 10, 2022	4



# GENDER AND DEVELOPMENT PROGRAM

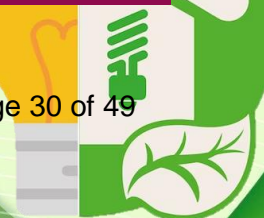
The Magna Carta of Women (Republic Act No. 9710) defines Gender and Development Program (GAD) as the development perspective and process that is participatory and empowering, equitable, sustainable, free from violence, respectful of human rights, supportive of self-determination and actualization of human potentials. It seeks to achieve gender equality as a fundamental value that should be reflected in development choices and contends that women are active agents of development, not just passive recipients of development.

GAD focuses on Gender Mainstreaming or a strategy for:

- Making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring, and evaluation of policies, programs and projects in all social, political, civil, and economic spheres so that women and men benefit equally.
- Assessing the implications for women and men of any planned action, including legislation, policies or programs in all areas and at all levels

The implementation of GAD in government agencies, including GOCCs, finds basis in various laws and Presidential issuances.

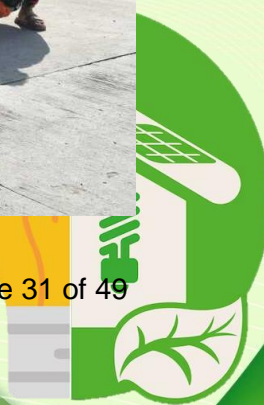
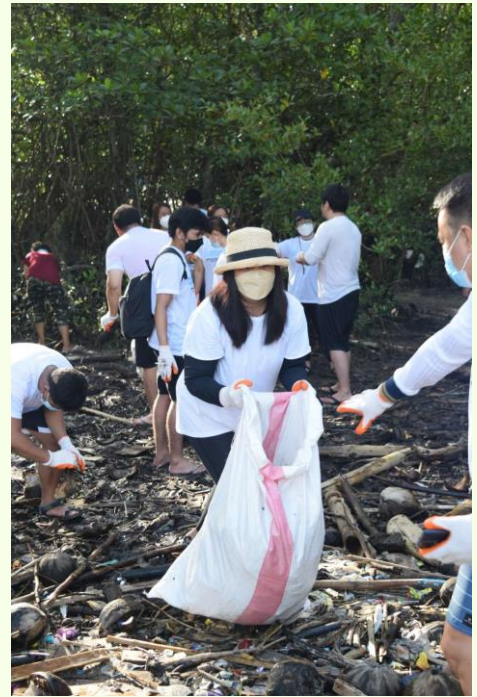
PNOC RC HRD conducted Gender Analysis and Strengthening Inter-group Dynamics Workshop last 25-26 May 2022 in San Juan, Batangas.



# CORPORATE SOCIAL RESPONSIBILITY

## COASTAL CLEANUP

In partnership with the Department of Environment and Natural Resources (DENR) – 4A (CALABARZON) in Batangas City, PNOC RC participated in the coastal cleanup at Port Subukin, San Juan, Batangas last 26 May 2022.



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Officer IV*  
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# BOARD OF DIRECTORS



**RAPHAEL P.M. LOTILLA**  
Secretary, Department of Energy  
Chairman, PNOC RC



**MYLENE C. CAPONGCOL**  
Assistant Secretary, Department of Energy  
Permanent Alternate Chairperson



**JOHN J. ARENAS**  
President & CEO, PNOC RC



**ABBIN S. DALHANI**  
Director, PNOC RC



**DANTE G. GUEVARRA**  
Director, PNOC RC



# BOARD OF DIRECTORS



**REX ANTHONY R. VILLEGAS**  
Director, PNOC RC



**MALOU C. ANDRADA**  
Director, PNOC RC



**VICTOR EMMANUEL C. MARTIR**  
Director, PNOC RC



**EDMUND DANTE E. JANDA**  
Director, PNOC RC



# BOARD COMMITTEES

## EXECUTIVE COMMITTEE

### **Chairperson:**

*Sec. Alfonso G. Cusi / ASec. Mylene C. Capongcol*

### **Members:**

*PCEO John J. Arenas  
Rex Anthony R. Villegas  
Dir. Abbin S. Dalhani  
Dir. Dante S. Guevarra  
Victor Emmanuel C. Martir  
Edmund Dante E. Janda*

### **Secretariat:**

*Atty. Arolf E. Suyom*

## GOVERNANCE COMMITTEE

### **Chairperson:**

*Sec. Alfonso G. Cusi / ASec. Mylene C. Capongcol*

### **Members:**

*PCEO John J. Arenas  
Dir. Abbin S. Dalhani  
Victor Emmanuel C. Martir  
Edmund Dante E. Janda*

### **Secretariat:**

*Atty. Arolf E. Suyom*



# BOARD COMMITTEES

## **Nominations and Remunerations Committee**

### **Chairperson:**

*Victor Emmanuel C. Martir*

### **Members:**

*PCEO John J. Arenas  
Dir. Malou C. Andrada  
Rex Anthony R. Villegas  
Dir. Dante G. Guevarra*

### **Secretariat:**

*Ms. Joy N. Garcia*

## **Risk Committee**

### **Chairperson:**

*Dir. Abbin S. Dalhani*

### **Members:**

*PCEO John J. Arenas  
Dir. Dante G. Guevarra  
Rex Anthony R. Villegas  
Dir. Malou C. Andrada  
Victor Emmanuel C. Martir  
Edmund Dante E. Janda*

### **Secretariat**

*Ms. Sittie Shahani U. Udasan*

## **Audit Committee**

### **Chairperson:**

*Rex Anthony R. Villegas  
Dir. Dante G. Guevarra  
Edmund Dante E. Janda  
Victor Emmanuel C. Martir  
Dir. Malou C. Andrada  
Dir. Abbin S. Dalhani*

### **Secretariat**

*Ms. Christina R. Reyes*



# CORPORATE GOVERNANCE CONFIRMATION STATEMENT

PNOC Renewables Corporation (PNOC RC) firmly adheres to the principles of good corporate governance and is fully compliant with the Company's Manual for Corporate Governance/Code of Corporate Governance. As a Government-Owned and Controlled Corporation (GOCC) subject to government rules and regulations, we strictly adhere to the said manual and does not tolerate non-compliance thereof. PNOC RC is hereby confirming that its Board of Directors, officials and employees strictly comply with the Manual for Corporate Governance issued by the GCG and as made operational through the PNOC RC Code of Corporate Governance.

The strict observance of the Manual for Corporate Governance is implemented by the Board of Directors through its various committees who exercise oversight on the whole aspect of operations of PNOC RC as required in the Code of Corporate Governance. The Board of Directors annually meet and discuss the Corporate Strategy of PNOC RC as proposed and presented by the PNOC RC Management Committee. The Board of Directors aligns these strategies with the policies and directives of the Department of Energy and the PNOC. The output of these planning sessions is then translated into a Performance Scorecard, which is PNOC RC's commitment with the GCG.

As part of its good governance and best corporate practices, PNOC RC also has an Approvals Manual which is benchmarked with other subsidiaries within the PNOC group of companies. The Board of Directors through the Internal Control Department exercises oversight and strict implementation of the Manual.

PNOC RC's good governance processes also extends to its officers and employees. A Code of Ethics and Whistle blowing Policy is approved by the Board and is part of the initial training provided to new employees. PNOC RC also conducts an annual orientation program on the Code of Ethics and Code of Corporate Governance. Employees are assured of strict confidentiality and non-retaliation in relation to their complaints against any member of the Board of Directors, Management and fellow employees.

PNOC RC also strictly complies with the provisions of Republic Act 9184 otherwise known as the Government Procurement Reform Act and its implementing rules and regulations. The Bids and Awards Committee as well as the Technical Working Group regularly attends seminars and workshops for the proper implementation of the procurement law.

PNOC RC's commitment to the principles of good governance and best corporate practices remains steadfast and unwavering. Through the guidance of its Board of Directors and Management it will continue to safeguard the interest of all its stakeholders and the public in ensuring full accountability and transparency.

# WHISTLEBLOWING POLICY

## A. OVERVIEW/INTRODUCTION

It is the State's policy that the governance of Government Owned and Controlled Corporations (GOCCs) are carried out in a transparent, responsible and accountable manner with the utmost degree of professionalism and effectiveness. As a GOCC, integrity and accountability are necessary to maintain public trust and restore credibility in the public service. Whistleblowers are the primary vehicle through which misconduct is exposed. However, witnesses to misconduct are oftentimes subject to retaliation for speaking out. This retaliation creates a chilling effect on the willingness of the people to come forward and bring to light misconducts.

The GCG has implemented Memorandum Circular No. 2014-04 entitled "Whistleblowing Policy for the GOCC Sector" pursuant to R.A. No.10149, otherwise known as "The GOCC Governance Act of 2011". This framework serves as a guide in implementing in crafting the Whistleblowing Policy of PNOC Renewables Corporation.

The Code of Ethics and Conduct of the PNOC Renewables Corporation requires the Board of Directors, executives, officers and rank-and-file employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities; practice honesty and integrity in fulfilling one's responsibilities and comply with all applicable laws and regulations. It is the responsibility of all the Board of Directors, executives and employees to comply with the Code of Ethics and Conduct and to report violations or suspected violations in accordance with the Whistleblower Policy.

The purpose of this Whistleblowing Policy is to enable any concerned individual to report and provide information, anonymously if he/she wished and even testify on matters involving the actions or omissions of the employees, officers, executives and directors of PNOC Renewables Corporation and protect the identity of the Whistleblower from retaliation.

## B. DEFINITION

Company – refers to PNOC Renewables Corporation, also known as PNOC RC.

Employer – means any individual or group of persons acting directly or indirectly who has supervision and control and direction of an employee for wages or remuneration.

Employee – refers to any individual who performs services for or under the control and direction of an employer for wages or other remuneration. For purposes of this

Whistleblowing Policy, it shall also include rank-and-file, regular or contractual, job order or plantilla employees, supervisors, officers, executives and Board Directors.

Reporting Channels – refers to any of the following PNOC RC Whistleblowing Committee email and complaint drop box

Retaliatory Action – means the discharge, suspension, demotion, harassment, blacklisting or the refusal to hire an employee, or other adverse employment action taken against an employee in the terms and conditions of employment, or other actions which interfere with an employee's ability to engage in protected activities set forth under this policy.

Whistleblowing – refers to the process whereby employees are encouraged to report suspected violations, complaints or concerns involving financial disclosures, accounting, internal control, code of conduct and ethics or policies. Whistleblowing encourages employees to bring unethical or illegal practices to the forefront and addressing them before they become fatal to the organization. Whistleblowing is a key defense against override of internal controls and thus, can help improve corporate governance.

### **C. OBJECTIVES OF AN INTERNAL WHISTLEBLOWING POLICY**

A whistleblowing program is an important element of internal audit and control. Its main objective are as follows:

1. To encourage employees to bring suspected malpractices, ethical and legal violations they are aware of to an internal authority.
2. To avoid exposing the company to risk or damage that may occur when employees circumvent internal control mechanism or violate certain code of conduct. A strong whistleblowing program is one of the best means of reducing the impact of fraud and serious misconduct.
3. To help promote and develop a culture of openness, accountability and integrity within the Company. The policy supports and assists staff who have genuine concern to bring it to the attention of people within the Company who can take appropriate actions.

### **D. SCOPE OF THE PROGRAM**

1. The program shall apply to all employees of PNOC RC as defined in this program.
2. The following concerns and issues shall encompass reporting by concerned employees:
  - a. Violations of the provisions of the following rules and regulations to wit:
    - i. R.A. No. 6713 “Code of Conduct and Ethical Standards for Public Officials and Employees”;
    - ii. R.A. No. 3019 “Anti-Graft and Corrupt Practices Act”
    - iii. R.A. No. 7000 as amended, “The Plunder Law”;
    - iv. Book II, Title VII Crimes Committed by Public Officers, The Revised Executive Order No. 292 s.1987, “Administrative Code of 1987”;
    - v. R.A. No. 10149 “The GOCC Governance Act of 2011”;
    - vi. GCG MC No. 2012-05 “Fit and Proper Rule”;

- vii. GCG MC No. 2012-6 “Ownership and Operations Manual Governing the GOCC Sector”;
  - viii. GCG MC No. 2012-07 “Code of Corporate Governance for GOCCs”;
  - ix. Code of Corporate Governance of PNOC RC; and
  - x. Other Circulars and Orders and applicable laws and regulations.
- b. Fraud, financial malpractice or negligence;
  - c. Failure to comply with a legal or regulatory obligation;
  - d. Criminal offense has been, is being, or is likely to be committed;
  - e. Breach of the Company's Code of Conduct or Professional ethics as provided in the Personnel Manual:
    - i. Work Behavior
    - ii. Prohibited Activities
    - iii. Serious Misbehavior
    - iv. Sabotage, Espionage and Violation of Trade Security
    - v. Breach of Security and Safety Measures
    - vi. Disorderly Conduct
    - vii. Betrayal of Trust
    - viii. Neglect of Duty

## **E. PROTECTED ACTIVITIES**

An employer shall not take any retaliatory action against an employee because the employee does any of the following:

1. Discloses, threatens to disclose, or is about to disclose to his immediate superior or through any means under this policy an activity, policy or practice of the employer, co-employee, Director, that the employee reasonably believes is in violation of a law, regulation or policy.
2. Provides information to or testifies before any panel duly constituted under this policy or competent court of jurisdiction conducting an investigation, hearing or inquiry into any violation committed or under the scope of this program or of any law, rule, regulation or policy.
3. Discloses, threatens to disclose or is about to disclose to a superior or through any means provided under this policy or public officer, a policy or practice of an employer, co-employee or Director that the employee reasonably believes is incompatible with a clear mandate of public policy concerning the public safety or welfare or protection of the environment.
4. Assist or participates in any activity, policy or practice which the employee reasonably believes:
  - i. Is in violation of a law or a rule or regulation promulgated pursuant to law or policy
  - ii. Is fraudulent or criminal
  - iii. Is incompatible with a clear mandate of the board and/or public policy.
5. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

## F. POLICIES

1. A confidential reporting channel/mechanism shall be established wherein whistleblowers may convey or communicate their concerns and/or complaints.
2. The Code of Ethics and Conduct addresses PNOC RC's open door policy and suggests that employees share their questions and concerns.
3. All reports must state the specific conditions/s, action/s and/or omission/s being complained about, as well as the corresponding laws, rules or regulations allegedly violated. If possible, documentary and other evidence in support of the allegation must be submitted for evaluation.
4. All reports by whistleblowers shall be treated fairly, properly and confidentially to the greatest extent possible. As such, the process allows for anonymous reporting. The Whistleblower who informs against any wrongdoing may choose to maintain his anonymity and provide a manner by which he/she can be contacted without jeopardizing his anonymity. If any employee is making an identity disclosure, said employee shall retain his/her anonymity unless he/she agrees otherwise.
5. The anonymity is limited and exclusive only to the whistleblower. All respondents or those complained of must be clearly identified by their full names and positions. Furthermore, the alleged violations, actions and/or omissions must be clearly identified, together with the law, rule and regulation violated.
6. In the event that the whistleblower withdraws or desist from providing additional information, the investigation shall continue provided that the evidence gathered is sufficient as determined by the Whistleblowing Committee.
7. In the event that the complained employee resigns prior to the final resolution of the case against him, the investigation shall still continue provided that the evidence gathered is sufficient as determined by the Whistleblowing Committee.
8. The filing of a case in a court of competent jurisdiction does not affect the conduct of the investigation to determine administrative liability, if any.
9. The whistleblowing program intends to provide warnings and promote ethical conduct in the Company. In this manner, the whistleblower may raise matters of concern or issues that are within the scope of the program enumerated per letter D above.
10. The Company shall ensure that no employee shall be at risk of suffering some form of retribution as a result of reporting or raising a concern.
11. Employees shall be responsible to raise only genuine concerns, in good faith and without an ulterior motive. The process should not be used to support personal grievances about conditions of employment or disputes.
12. The Audit, Ethics and Compliance Committee of the Board of Directors shall create and appoint a "Whistleblowing Committee" that would handle the overall responsibility for the implementation and maintenance of the program.
13. The Whistleblower may directly file the Complaint to the Governance Commission for GOCCs, in case he/she is not comfortable in reporting the alleged illegal or unethical behavior through the ways and means provided for by the Company.

## G. ACCOUNTING AND AUDITING MATTERS

The Audit, Ethics and Compliance Committee of the Board of Directors shall address all reported concerns or complaints regarding corporate accounting principles, internal controls

or auditing. The Compliance Officer shall immediately notify the Audit, Ethics and Compliance Committee of any such complaint and work with the Committee until the matter is resolved.

## **H. OTHER CONCERNS**

1. The outcome of an investigation which may result to disciplinary action under the Company's Code of Conduct/Ethics Handbook will remain confidential.
2. It is the role of the Internal Auditor to periodically evaluate the design and effectiveness of the whistleblowing as a whole. The program should reflect changes in operation and remain current with best practices.
3. All communication made through the whistleblowing process shall be treated with due diligence and properly investigated.

## **I. AMENDMENT OF THE POLICY**

The Audit, Ethics and Compliance Committee shall revise and review periodically the significance of the Whistleblowing Policy for approval by the Board of Directors



# 2022 UNAUDITED FINANCIAL REPORT

## PNOC Renewables Corporation

(A Wholly-Owned Subsidiary of Philippine National Oil Company)

### STATEMENT OF FINANCIAL POSITION

December 31, 2022

(In Philippine Peso)

	2022	2021
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	40,162,282	8,428,702
Receivables	22,483,378	9,775,547
Other Current Assets	39,212,027	39,290,958
<b>Total Current Assets</b>	<b>101,857,687</b>	<b>57,495,207</b>
<b>Non-Current Assets</b>		
Financial Assets	130,805,388	127,567,850
Investments in Associates	161,820,200	161,820,200
Other Investments	0	21,200
Receivables	51,955,902	51,955,902
Investment Property	273,082,350	277,529,750
Property, Plant and Equipment	108,531,003	119,880,918
Other Non-Current Assets	3,498,855	4,772,782
<b>Total Non-Current Assets</b>	<b>729,693,698</b>	<b>743,548,602</b>
<b>TOTAL ASSETS</b>	<b>831,551,384</b>	<b>801,043,809</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Financial Liabilities	4,519,729	3,454,629
Inter-Agency Payables	37,780,760	5,855,964
Trust Liabilities	10,699,384	10,641,318
Other Payables	21,987,918	8,927,775
<b>Total Current Liabilities</b>	<b>74,987,792</b>	<b>28,879,686</b>
<b>Non-Current Liabilities</b>		
Deferred Credits/Unearned Income	6,290,826	6,267,701
Deferred Tax Liabilities	15,835,989	16,098,840
<b>Total Non-Current Liabilities</b>	<b>22,126,816</b>	<b>22,366,541</b>
<b>TOTAL LIABILITIES</b>	<b>97,114,607</b>	<b>51,246,227</b>
<b>EQUITY</b>		
Revaluation Surplus	248,097,163	252,215,149
Retained Earnings/(Deficit)	111,367,614	122,610,433
Stockholders' Equity	374,972,000	374,972,000
<b>TOTAL EQUITY</b>	<b>734,436,777</b>	<b>749,797,582</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>831,551,384</b>	<b>801,043,809</b>

For the year ending 2022, cash and cash equivalents of the company increased by P31.73million or equivalent of 376% is attributed to the company set-up of fund downloaded for the implementation of Government Energy Management Program (GEMP) by Department of Energy (DOE). With the implementation of GEMP projects, receivables also

increase as accruals of various transactions pertaining to this project are still unpaid. The decrease in investment property by 2% or P4.44 million, is due to the disposal of investment property located in Bauan, Batangas. The changes in property, plant, and equipment by 9% is directly attributable to the depreciation of assets from its day to day uses.

Inter-agency payables increased by 545% was related to the company set up of liability for the implementation of GEMP projects. The increase of 68% in other payables is due to the accrual of unpaid transactions for both GEMP and normal company operations. The revaluation surplus decreased by 2% is charged to the disposal of investment property. The decrease in Equity is mainly due to losses incurred by the company for 2022 operation.

## **PNOC Renewables Corporation**

(A Wholly-Owned Subsidiary of Philippine National Oil Company)

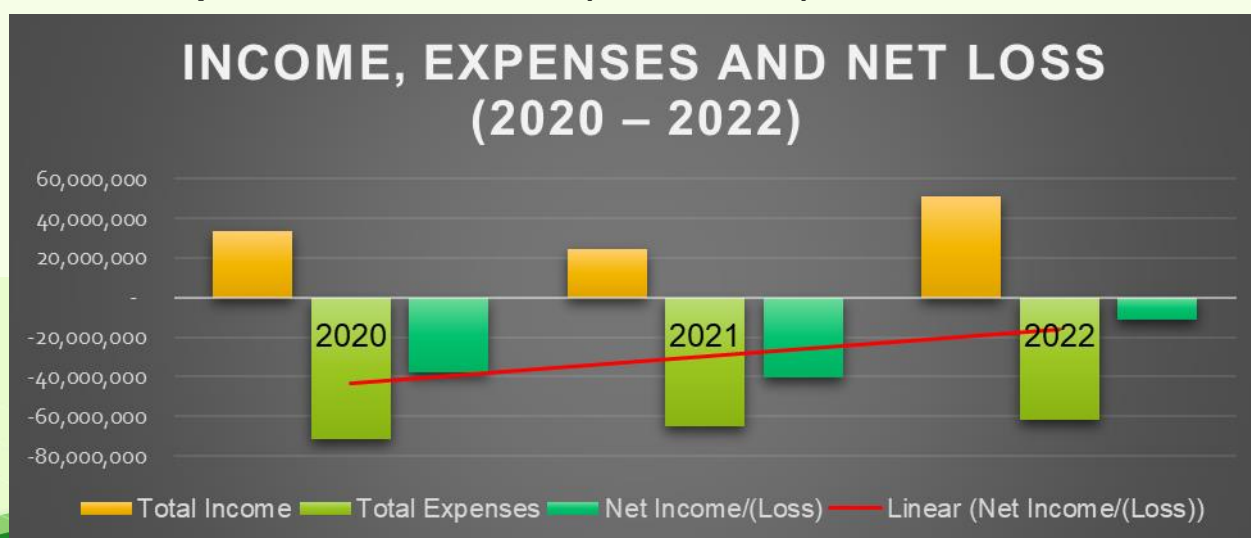
### **STATEMENT OF COMPREHENSIVE LOSS**

For the year ended December 31, 2022

(In Philippine Peso)

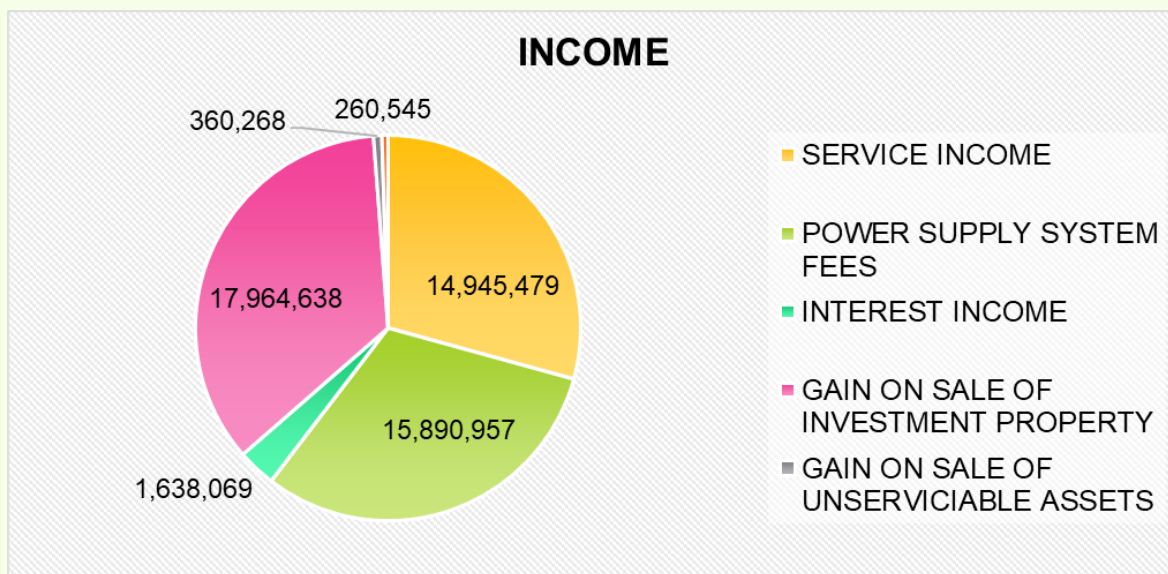
	<u>2022</u>	<u>2021</u>
Revenue		
Business Income	32,474,505	24,622,905
Gains	18,330,221	-
Other Non-Operating Income	255,230	2,454
<b>Total Income</b>	<b>51,059,956</b>	<b>24,625,360</b>
Expenses		
Personnel Services	(31,191,516)	(37,063,652)
Maintenance and Other Operating Expenses	(15,479,940)	(13,310,121)
Financial Expenses	(89,509)	(303,969)
Direct Costs	(11,764,086)	(11,284,827)
Non-Cash Expenses	(3,283,487)	(3,239,575)
<b>Total Expenses</b>	<b>(61,808,537)</b>	<b>(65,202,144)</b>
<b>Loss Before Tax</b>	<b>(10,748,581)</b>	<b>(40,576,784)</b>
Income Tax Expense/(Benefit)	(217,194)	(51,817)
<b>Net Income/(Loss)</b>	<b>(10,965,775)</b>	<b>(40,628,601)</b>
Other Comprehensive Income for the Period	-	-
<b>Total Comprehensive Income/(Loss)</b>	<b>(10,965,775)</b>	<b>(40,628,601)</b>

### **Income, Expenses and Net Loss (2020 – 2022)**



As shown in the bar graph, PNOC RC's efforts in implementing its turn-around plans is now becoming fruitful. These efforts include maximizing revenue of existing RE projects, using new business models in promoting and developing RE and EEC projects, selling unservicable and idle assets, monetizing its investment property to fund new RE and EEC projects and effecting cost cutting measures.

### Sources of 2022 Income



### PNOC Renewables Corporation

(A Wholly-Owned Subsidiary of Philippine National Oil Company)

### STATEMENT OF CASH FLOWS

For the year ended December 31, 2022

(In Philippine Peso)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash Inflows</b>		
Proceeds from Sale of Goods and Services	30,836,436	13,597,779
Collection of Income/Revenue	1,765,632	838,311
Collection of Receivables	1,273,927	2,937,079
Receipt of Inter-Agency Fund Transfers	31,491,138	-
Other Receipts	642,013	2,454
<b>Total Cash Inflows</b>	<b>66,009,147</b>	<b>17,375,624</b>
<b>Cash Outflows</b>		
Payment of Expenses	(37,894,152)	(37,985,692)
Grant of Cash Advances	-	(50,000)
Remittance of Personnel Benefit Contributions and Mandatory Deductions	(8,332,912)	(8,055,641)
<b>Total Cash Outflows</b>	<b>(46,227,064)</b>	<b>(46,091,333)</b>
<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>19,782,083</b>	<b>(28,715,709)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash Inflows</b>		
Proceeds from Sale/ Disposal of Investment Property	17,964,638	-
Receipt of Cash Dividends	-	8,000,000

Proceeds from Matured Investments/Redemption of Long-term Investments/Return on Investments	256,624,928	191,411,377
<b>Total Cash Inflows</b>	<b>274,589,566</b>	<b>199,411,377</b>
<b>Cash Outflows</b>		
Purchase/Construction of Property, Plant and Equipment	(2,648,039)	(737,041)
Purchase of Investments	(259,990,029)	(265,314,278)
<b>Total Cash Outflows</b>	<b>(262,638,068)</b>	<b>(266,051,319)</b>
<b>Net Cash Provided By/(Used In) Investing Activities</b>	<b>11,951,497</b>	<b>(66,639,942)</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>31,733,581</b>	<b>(95,355,651)</b>
CASH AND CASH EQUIVALENTS, JANUARY 1	8,428,702	103,784,353
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>40,162,282</b>	<b>8,428,702</b>



# GRI REPORTING STANDARDS

“PNOC RC complies with standards in implementing its projects through its operations and compliance monitoring. It abides with the requirements set forth by the regulatory agencies particularly in the use of prescribed reports. Among these regulatory agencies are DOLE, DENR, DOE, COA, and BOI, among others. PNOC RC strives to use the topic-specific GRI Standards on Environmental and Social topics together with GRI Management Approach.

Selected GRI Standards was used as a set to prepare a sustainability report that is in accordance with the Standards. In its succeeding requirements starting 2021, PNOC RC shall prepare a report in accordance with the GRI Standards (core or comprehensive) and report on contextual information about its operations and its sustainability reporting practices. In this 2021 report, selected GRI Standards, or parts of the content of environmental and social was used.”



# PNOC RC TEAM



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