

DUTY FREE PHILIPPINES CORPORATION (DFPC)
Result of Revalidation of 2020 Performance Scorecard

	Objective/Measure	Component			Target	DFPC Submission		GCG Validation		Supporting Documents	GCG Remarks
		Formula	Weight	Rating Scale		Actual	Rating	Actual	Rating		
SOCIAL IMPACT	SO 1 Showcase Premium Local Products to International Travelers										
	SM 1	Increase the Sales of Local Products	Absolute Amount	10%	(Actual / Target) x Weight	\$2 Million	\$1.9 Million	9.5%	\$1,908,913.17	9.54%	Local Products Sales Report from DFPC's Merchandising Division
SO 2 Contribute to Tourism Programs and Projects											
SM 2	Percentage of Net Profit Remitted to Department of Tourism ¹	Amount of fund remitted to DOT / Previous year's Net Profit	15%	All or Nothing	At least 50% of the previous year's net profit ²	₱58,045,000	Measure deferred	12.5% of the previous year's net profit	0%	2020 COA Annual Audit Report Board Resolution No. 5-9-24-20 Check and Official Receipt <u>Customs Administrative Order No. 05-2021</u> <u>Board Resolution No. 2-5-29-20</u> <u>DOJ Letter dated 09 July 2020</u> <u>OGCC Opinion No. 250, series of 2020</u> <u>DFPC Letter to DOH and IATF for the Management of Emerging Infectious</u>	Request _____ for reconsideration is DENIED . DFPC <u>still</u> failed to provide DOT's approval to defer the 2 nd to 4 th quarter remittance. Board Resolution No. 5-9-24-20, though signed by a majority of the Board of Directors, was not signed by DOT. Finally, in its 2020 Audit Report, COA recommended that DFPC remit the remaining ₱174.132 Million to DOT.

¹ Section 93 of Republic Act No. 9593 (An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth and National Development, and Strengthening the Department of Tourism and its Attached Agencies to Effectively and Efficiently Implement that Policy, and Appropriating Funds Therefor).

² The Governance Commission will take into consideration the DOT's decision on the deferment of the remittance.

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									<u>Diseases dated 23 October 2020</u> <u>IATF Letter dated 11 January 2021</u> <u>OGCC Opinion No. 143, series of 2020</u> <u>OGCC Opinion No. 188, series of 2020</u>		
Sub-total		25%				9.5%		9.54%			
SO 3 Achieve Continuous Growth and Sustainability											
SM 3	Increase Total Revenues from Sales	Absolute Amount	10%	(Actual/Target) x Weight	\$55 Million	\$62,508,979	10%	\$62,508,809	10%	Summary of Net Sales in Dollars for All Locations	Target met.
SM 4	Improve EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	Absolute Amount	10%	All or Nothing	Break-even	Net Loss of ₱193,235,582.44	0%	₱56,308,699	10%	2020 COA Annual Audit Report	DFPC originally proposed to target net loss for 2020, which is counterintuitive and contradictory to the principles of the Performance Evaluation System. However, to consider the effects of the pandemic, the GCG adopted the proposed recalibrated target of "Net Loss" but assigned a corresponding weight of 0%. Considering that DFPC was able to realize net income despite its initial projection, the original weight is reinstated, and

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Objective/Measure	Component		Rating Scale	Target	DFPC Submission		GCG Validation		Supporting Documents	GCG Remarks	
	Formula	Weight			Actual	Rating	Actual	Rating			
										the target is revised accordingly. Validated actual is based on the audited FS.	
		Sub-total	20%				10%		20%		
SO 4 Enhance the DFPC Brand as a Standard for Quality and Sustainable Shopping Experience											
SM 5	Improve Top of Mind Awareness Rating	-	-	-	Measure excluded	-	-	-	-	-	-
SM 6	Percentage of Satisfied Customer										
	Increase Overall Satisfaction		7.5%	Actual/Target) x Weight If less than 85% = 0%	94%	Conduct of Customer Satisfaction / Market Survey deemed impractical due to absence of valid respondents.	Measure deferred	-	-	2020 COA Annual Audit Report Pax Count Report	Measure excluded. Considering the insufficient funds for the conduct of the survey and the limited respondents considering DFPC's limited operations since March 2020, the Governance Commission <u>GRANTS</u> DFPC's request to exclude this measure.
	Increase Availability of Promo Items	Total Number of Respondents who gave a Rating of at least Satisfactory / Total Number of Respondents	2.5%		94%						
	Ensure Value for Money of Products		2.5%		94%						
	Offer Competitive Prices		2.5%		92%						
SO 5 Address Customer Needs and Expectations											
SM 7	Increase Market Penetration Rate	-	-	-	Measure excluded	-	-	-	-	-	-
SM 8	Increase Average Purchase per Customer	-	-	-	Measure excluded	-	-	-	-	-	-
		Sub-total	15%				N/A		-		

CUSTOMERS

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	Objective/Measure	Component				DFPC Submission		GCG Validation		Supporting Documents	GCG Remarks	
		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
	SO 6 Enhance Marketing Strategies											
	SM 9	Ensure Positive Return on Marketing Investment	-	-	-	Measure excluded	-	-	-	-	-	-
	SO 7 Enhance Quality Management System											
INTERNAL PROCESS	SM 10	Attain ISO 9001:2015 Certification	Actual Accomplishment	5%	All or Nothing	Re-certification of ISO 9001:2015 for all processes	The application for ISO 9001:2015 Certification had to be deferred as most stores were closed/operated on an irregular schedule	Measure deferred	-	-	2020 COA Annual Audit Report	<p>Considering the insufficient funds for the conduct of the third-party audit and DFPC's limited operations since March 2020, the Governance Commission <u>GRANTS</u> the Corporation's request to exclude this measure.</p> <p>However, this does not exclude DFPC from the requirements under EO No. 605 and Memorandum Circular No. 2020-1 issued by the Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems (AO 25 IATF) as well as the Other Conditions and Requirements of the Governance Commission as provided under GCG M.C. No. 2019-02.</p>
			Sub-total	5%				N/A		-		

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LEARNING & GROWTH	SO 8 Build a Team of Highly Motivated, Competent, and Productive Employees											
	SM 11	Establish Competency Framework	Actual Accomplishment	5%	All or Nothing	Board-Approved Competency Framework ³	Development of competency-based job descriptions based on present positions / organizational structure was impractical as such would require unnecessary spending and allocation of human resources.	Measure deferred	No Board-Approved Competency Framework	0%	-	Request <u>for reconsideration is DENIED.</u> It should be emphasized that hiring a third-party at any stage of the development of the Competency Framework is not a requirement of the GCG. The DFPC has the option to develop its competency framework internally, using its current manpower and available resources, without additional cost to the corporation.
	Sub-total			5%				N/A		0%		
TOTAL			60%				19.50%		29.54% out of 50% 59.08% out of 100%			

³ Includes Competency Catalogue, Competency Table, Competency Matrix, Position Profiles and Competency-Based Job Description