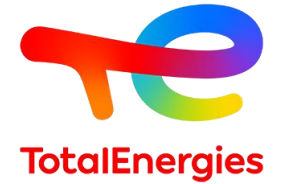


A journey through Local Content - A strategic component and a structured approach



ACP Energies forum - 27th January 2023
Vincent Nicolini

Local Content : definition & stakes



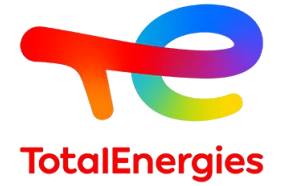
A business reality in most of our projects



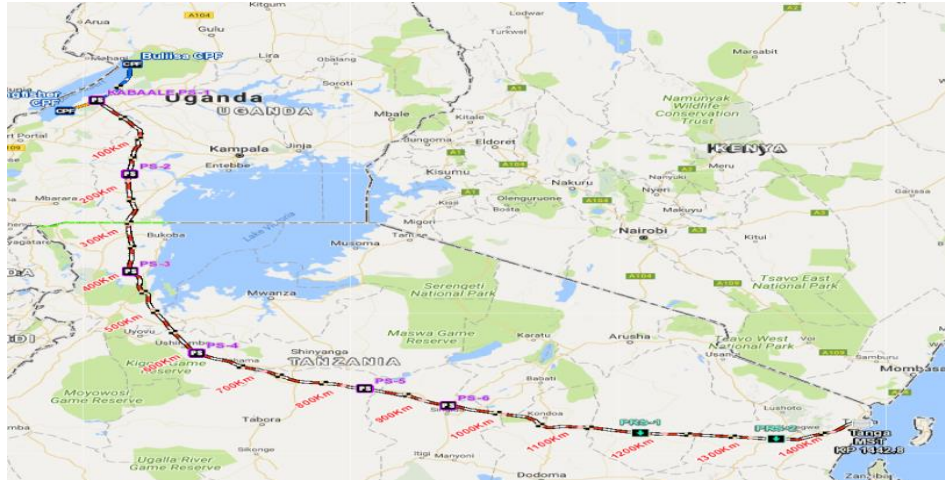
- 1. Compliance** with local regulations and expectations
- 2. Performance:**
 - Avoid risks (extra costs, delays and penalties),
 - Business development: seize opportunities
- 3. Sustainability:** A strategic commitment : “create value for local society > generate shared prosperity “

Build a competitive Local Content that creates sustainable local value in countries we operate

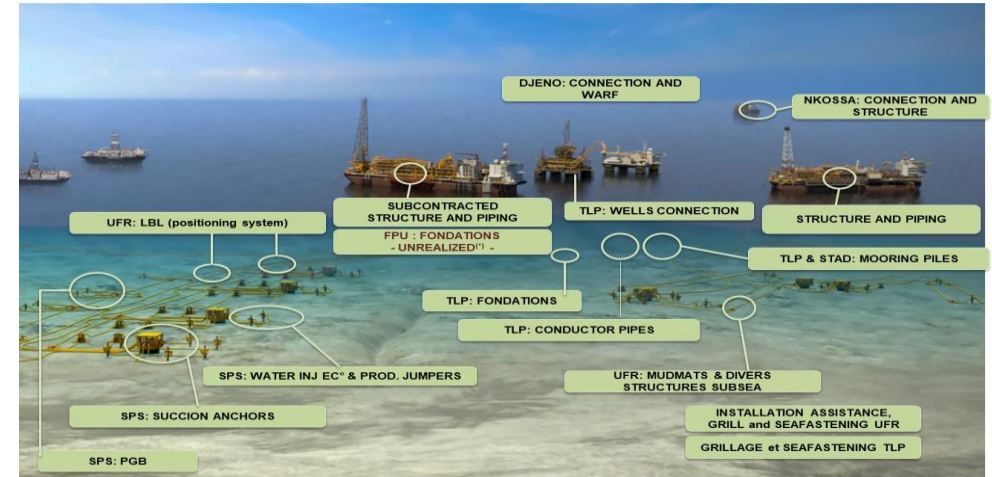
Main focus on industrial projects



Onshore: Tilenga, Eacop, Irak



Offshore: Angola, Suriname, Namibia ...



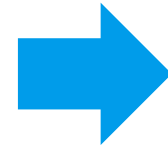
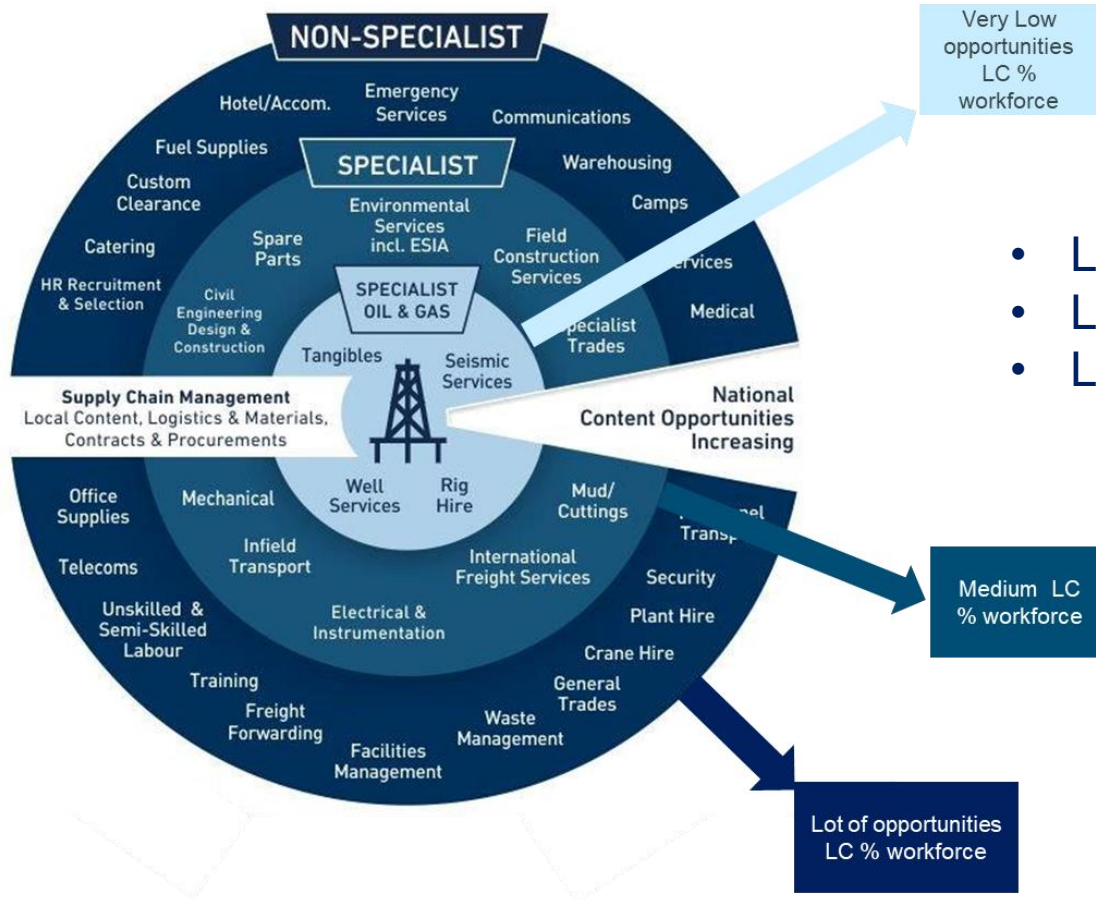
Renewables: Offshore Wind / Solar / H2



Mix: Onshore/offshore: Papua LNG
Oil/Gaz/Ren: Irak



Where do we find Local Content?



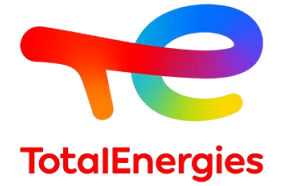
Local Content can be found in all our supply chains

- LC evaluated in all CFTs with potential local subcontracting
- LC obligations in all our contracts
- LC performance measured and monitored

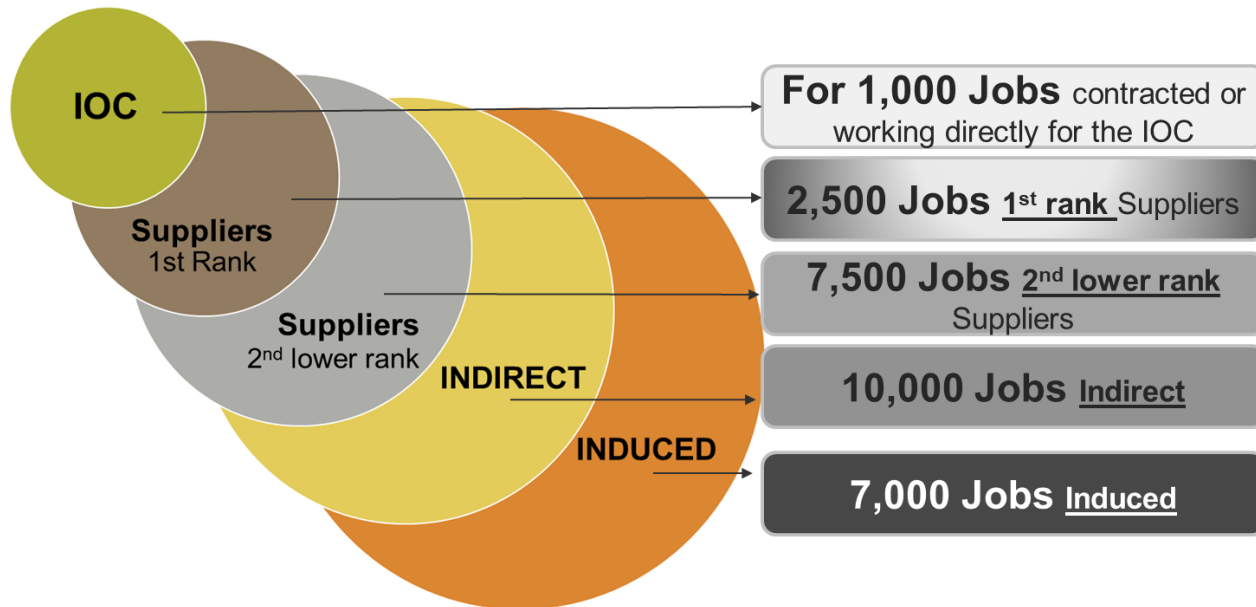
For local authorities Local Content is not an escape game!!

Host countries objectives are ours

- Sustainable value creation (jobs, economic activity)
- Minimize risks harming projects profitability

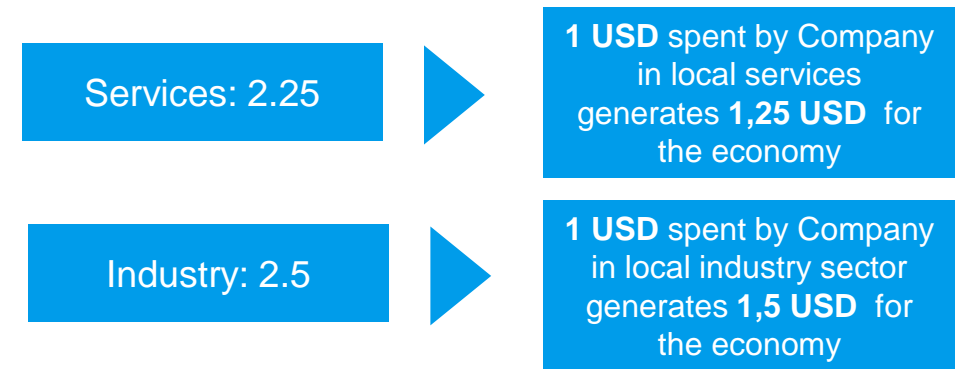


DIRECT, INDIRECT & INDUCED IMPACTS



Specific example: source Steward Red Queen, 2010 Socio-Economic impact of Newmont Ghana (2009 data)

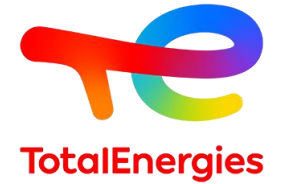
Impact of our Local Content (capex & opex)



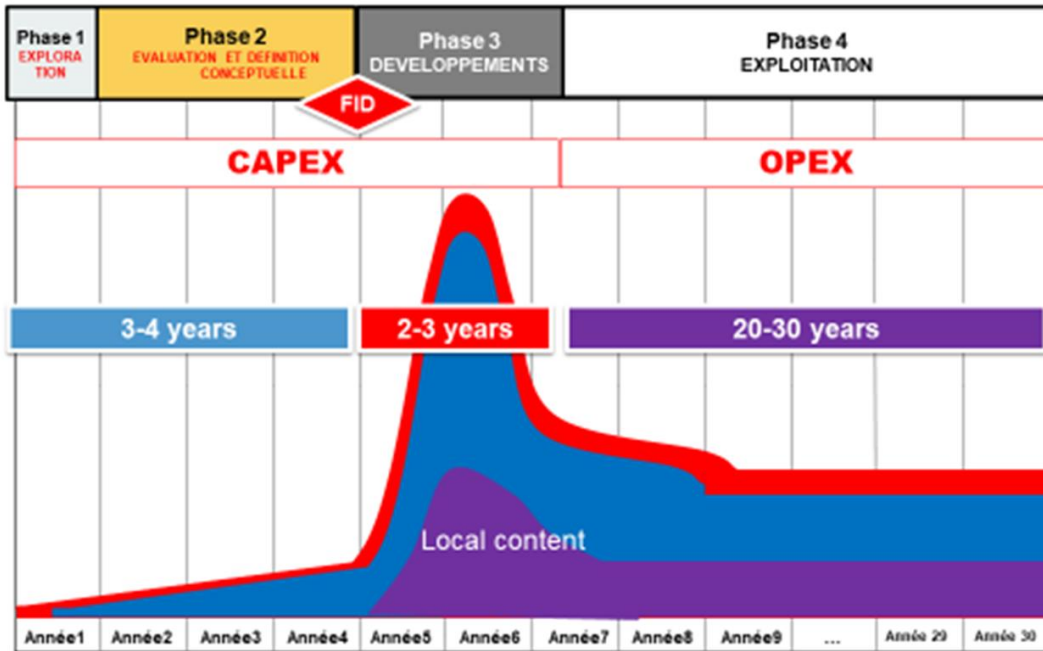
Huge impact in local economy and GDP on large projects , high level of expectations from our host countries

A sound Local Content program can have a huge multiplier effect on local activity

A matter of sustainability



Local Content is a long lead item concerns the entire Life of Field



- Local Content in Operations = Local Content of a project
- Creating value takes time (training technicians and engineers, SME development programs)

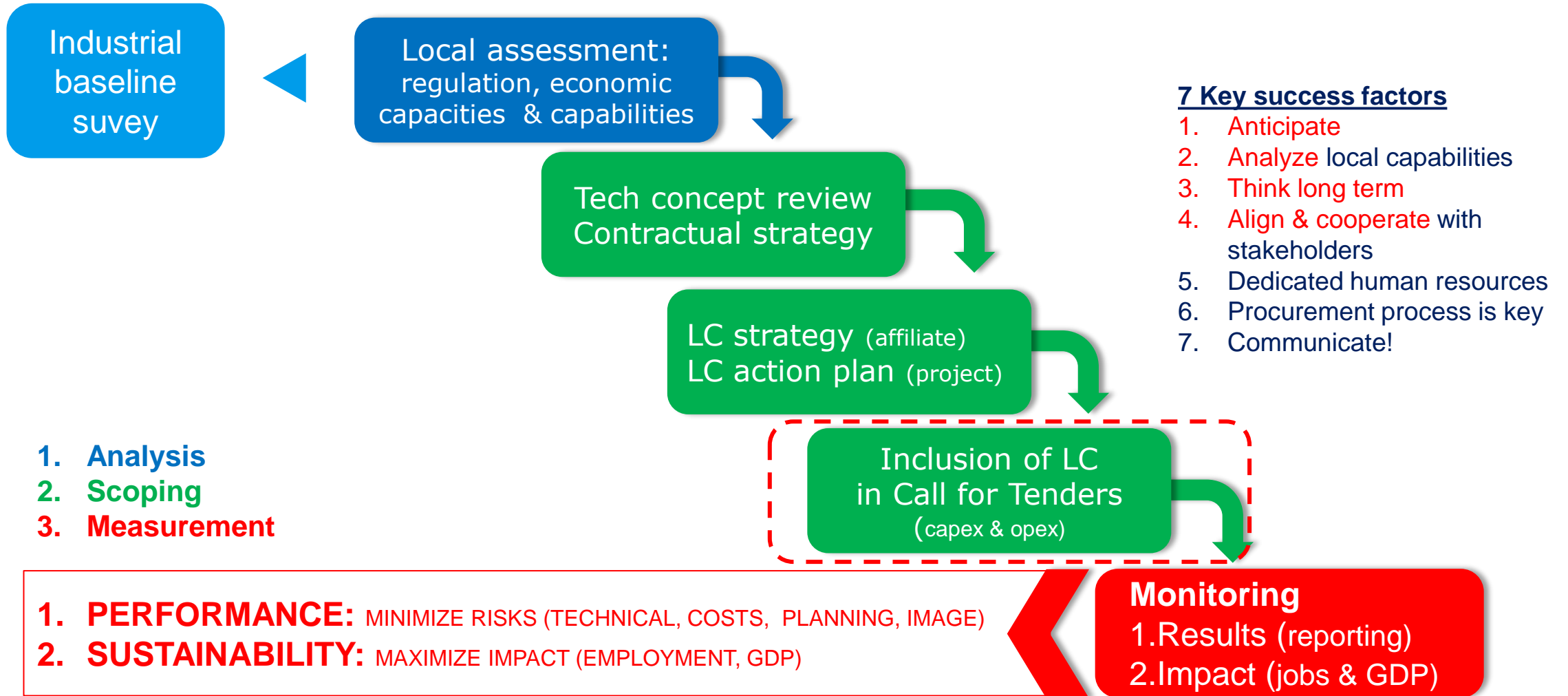
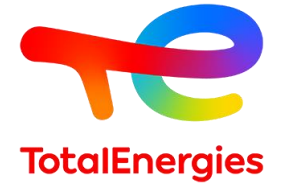
Integrating SDGs into our strategy



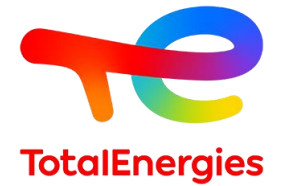
A Company's commitment

Local Content is part of TGP's responsible procurement road map

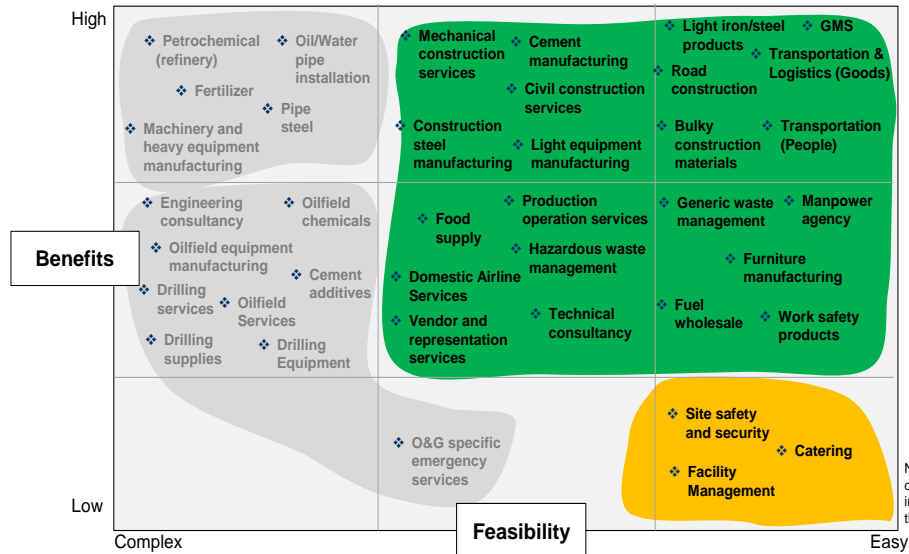
A structured approach has been defined to develop and monitor Local Content (for most of situations)



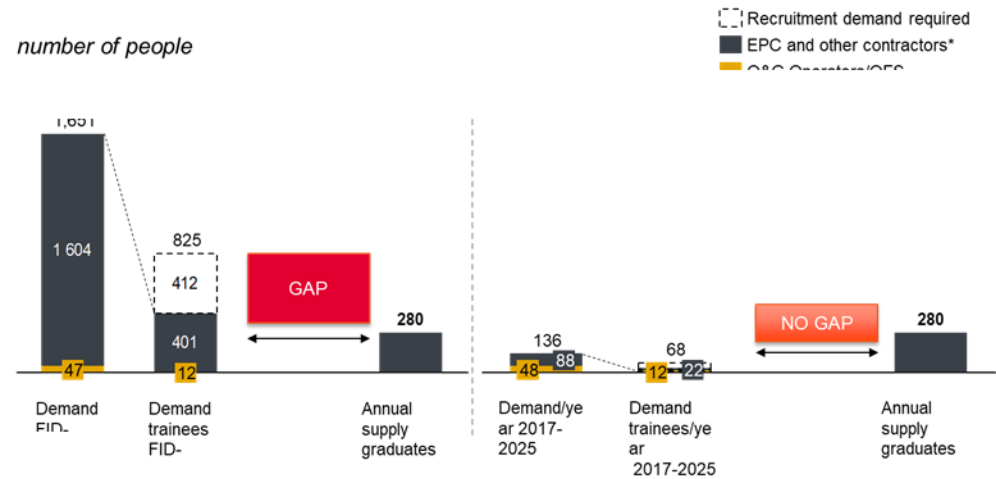
Industrial Baseline Survey have been more largely deployed to understand local potential (i.e., suppliers' and workforce's capacity)



MAPPING OF INDUSTRIES ON BENEFITS-FEASIBILITY MATRIX
Green and Yellow areas are the scope of the supply survey

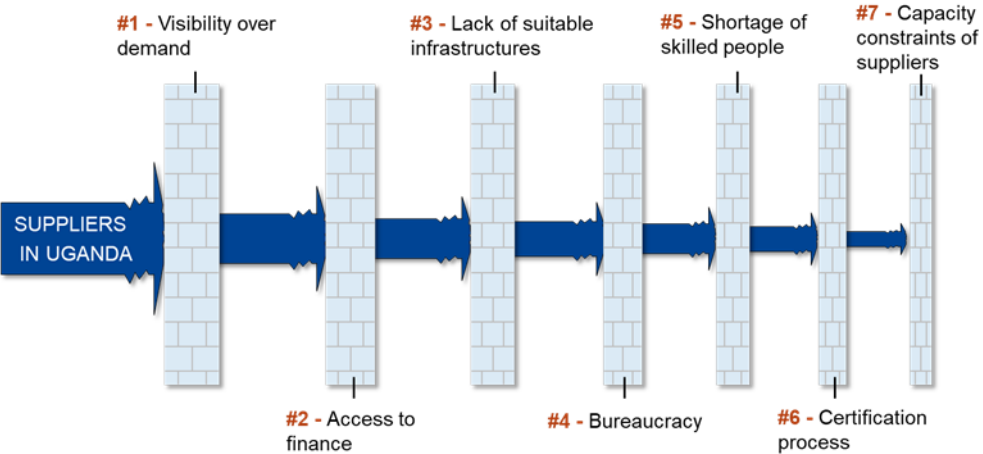


FORECAST FOR SUPPLY OF NEW MECHANICAL TECHNICIANS

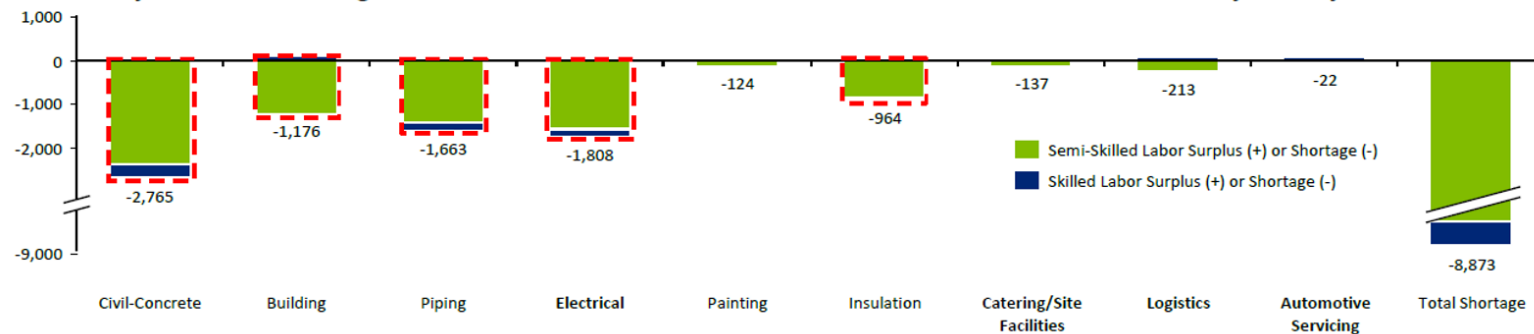


MAIN BARRIERS TO DEVELOPMENT REPORTED BY SUPPLIERS

In descending order as per suppliers answers



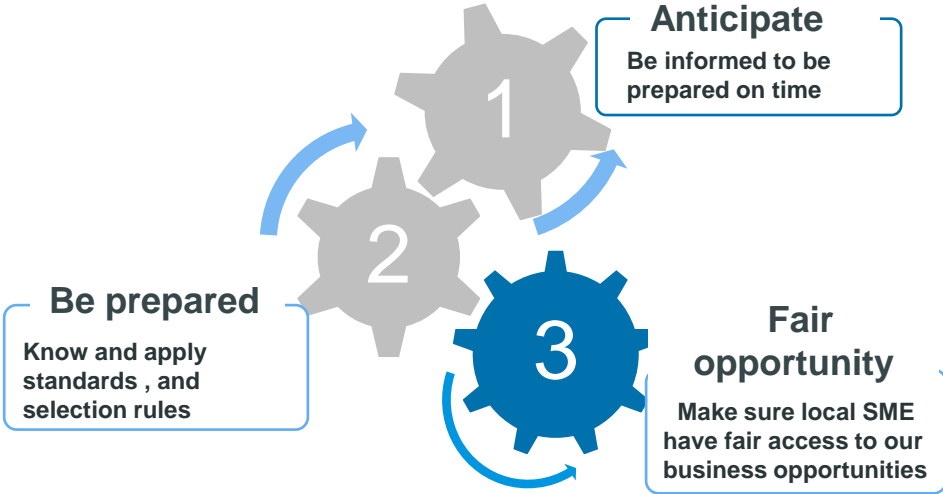
Projected Labor Shortages in the Market at Peak PNG Labor Demand – Based on Other Industrial Projects Projected Demand



Local industries development: identify, onboard and help local SMEs



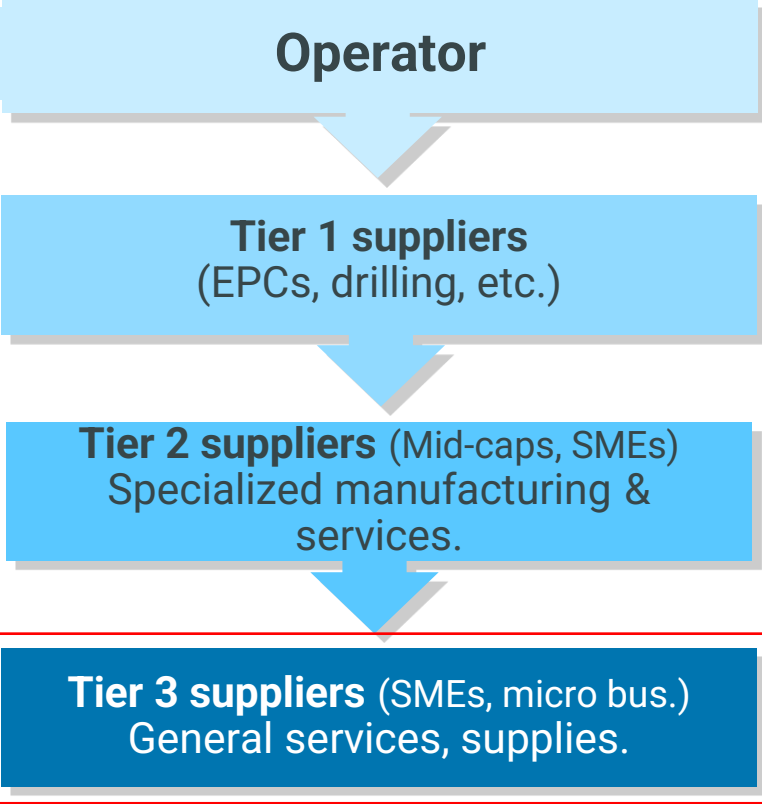
A proactive approach



Identify >> Inform >> Qualify >> Select >> Support

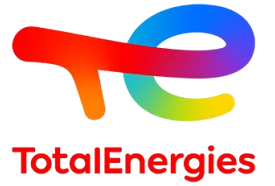


Principle is to cascade down the Local Content obligations to all the supply chain



Local Content is rolled out through CFT specifications and contractual obligations clearly defined

Local Content and our Fundamental Principles of purchasing



Respecting human rights at work

Ethical
Human rights
Anticorruption

Protecting health, safety and security

Protecting the environment

Complying with competition law

Promoting economic and social development



Even to comply with Local Content obligations, local suppliers are never selected at the expense of the Company's Fundamental Principles of Purchasing

