

# 3 ALLIANCES FOR DEVELOPMENT

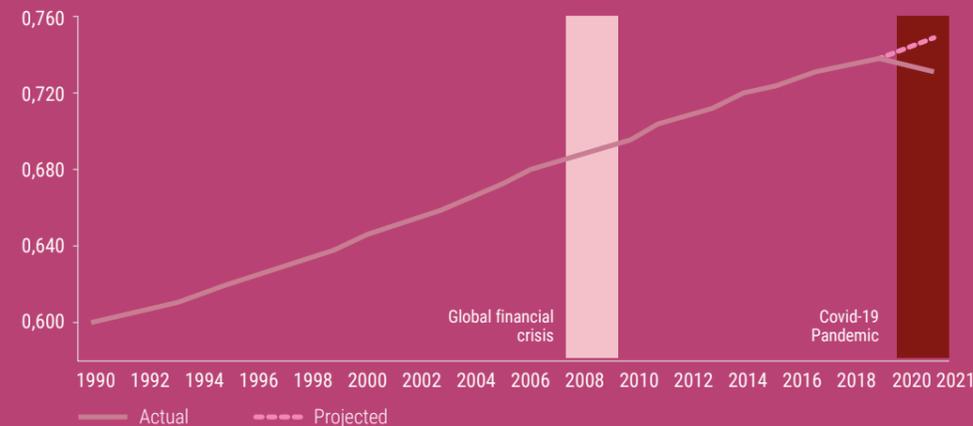
The Alliances for sustainable development, in line with Eni's decarbonisation strategy and the 2030 Agenda, contribute to the creation of value for all stakeholders and support Eni's action for a Just Transition, focused on people and which requires technological, cultural, social and economic change. According to the so-called "Dual Flag" approach, the action of Eni is based on a profound respect for the single individual, on knowledge of local issues and on the willingness to work alongside Countries to promote sustainable development also through partnerships with nationally and internationally recognized players. Eni implements initiatives with a long-term perspective taking into account the promotion and the respect for human rights, the challenges of countering the effects caused by climate change and by population growth.

Eni as a local development player	92
Access to energy	94
Context analysis and Stakeholder engagement	96
Impact analysis and Human rights in communities	97
Local Development Programme	98
Local Development Projects	100
Local Content and its evaluation	105
Partnerships for development	106

## REFERENCE CONTEXT: CHALLENGES AND OPPORTUNITIES

**For the first time since its publication, the Human Development Index (HDI) has decreased globally for two consecutive years (2020 and 2021), back to 2016 levels**

Pandemic, war in Ukraine and climate change are the main causes of the global regression in terms of access to education, life expectancy and income. Almost 90% of Countries registered a decline in HDI score in 2020 or 2021. In 2020, 85% of the Countries saw a reduction of the per capita income and 70% a reduction of the life expectancy at birth which has intensified with the health crisis and 2/3 of Countries recorded a further decline. The recovery is uneven; Latin America, Sub-Saharan Africa and South Asia are particularly affected by the crisis.



Source: International Energy Agency (2022), World Energy Outlook 2022, IEA, Paris.

### Other challenges for sustainable development

The 2022 Sustainable Development Goals (SDGs) report describes the turnaround of years of progress and highlights the severity and breadth of today's challenges.

**25%**

globally, primary schools (2019-2020) lack electricity, drinking water, basic sanitation

**147 mln**

children, it's estimated, missed more than half of their in-person instruction over the past two years

**24 mln**

are at risk of not returning to school

Meeting drinking water, sanitation and hygiene targets by 2030 requires a increase in the pace of progress. At current rates, at 2030:

**1.6 bln**

will lack safely managed drinking water

**2.8 bln**

will lack safely managed sanitation

**1.9 bln**

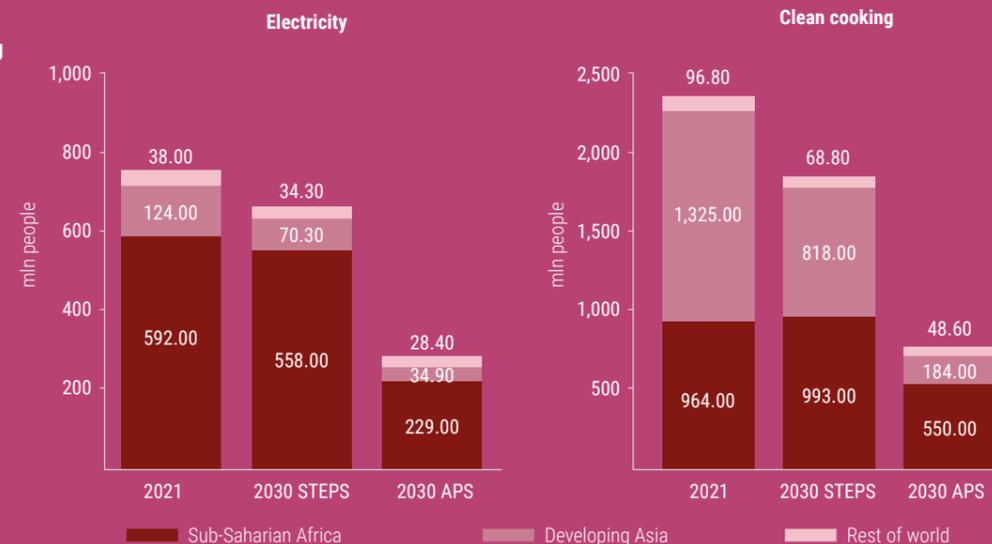
will lack basic hand hygiene facilities

Source: The Sustainable Development Goals Report 2022, United Nations publication issued by the Department of Economic and Social Affairs (DESA), © 2022 United Nations. Used with the permission of the United Nations.

### People without access to Electricity and to Clean cooking

In 2021 more than 750 million people were without access to electricity and 2.4 billion without access to clean cooking. Due to the combination of the pandemic and the current energy crisis, the IEA estimates that 75 million people that recently gained access to electricity are likely to lose the ability to pay for it, and that 100 million people that have gained access to cooking with clean fuels may forgo it on cost grounds, returning instead to the use of traditional biomass.

Source: International Energy Agency (2022), World Energy Outlook 2022, IEA, Paris.



# Eni as a local development player



## WHY IS IT IMPORTANT TO ENI?

The Alliances for Development represent Eni's commitment to an equitable energy transition towards global human development models to achieve global and sustainable human development accessible to all. Where it operates, Eni launches long-term community-based initiatives in collaboration with local Authorities and international development players to promote inclusive growth consistent with National Development Plans and the UN 2030 Agenda. One example is in Côte d'Ivoire, where a Local Development Programme has started with initiatives to promote access to improved cooking systems, education, community health, water and sanitation, and land conservation.

| NICOLA MAVILLA – MANAGING DIRECTOR ENI COTE D'IVOIRE |

2022 PROGRESS vs. Eni for 2021 commitments	SHORT-TERM COMMITMENTS (2023)	MEDIUM-TERM COMMITMENTS (2024-2026)	LONG-TERM COMMITMENTS (2030 AND BEYOND)
--	-------------------------------	-------------------------------------	---

### EDUCATION

63,400 new students (out of an expected 23,000) benefit from enhanced services and schools built or improved by Eni initiatives ▲ REACHED	18,200 new students will benefit from enhanced services and schools built or improved by Eni initiatives	44,700 new students will benefit from enhanced services and schools built or improved by Eni initiatives	Ensuring access to quality and inclusive education for students from local communities
--	--	--	--

### ACCESS TO WATER

71,700 people (out of an expected 70,000) have access to clean and drinking water ▲ REACHED	49,600 people will have access to clean and drinking water	47,700 people will have access to clean and drinking water	Promoting access to clean and drinking water for local communities, including awareness-raising activities
--	--	--	--

### ECONOMIC DIVERSIFICATION

7,800 people (out of an expected 3,500) professionally trained and supported for economic empowerment ▲ REACHED	6,100 people will receive vocational training and support for economic empowerment	20,000 people will receive vocational training and support for economic empowerment	Promoting training and professional support activities to foster employment and economic activities
--	--	---	---

### COMMUNITY HEALTH

120,000 people (out of an expected 100,000) with access to improved health services ▲ REACHED	200,000 people will have access to improved health services	280,000 people will have access to improved health services	Protecting and promoting the health of local communities with a focus on strengthening health systems
--	---	---	---

### POLICIES AND OTHER REGULATORY INSTRUMENTS

Eni's Statement on Respect for Human Rights; Alaska Indigenous Peoples Policy; Eni's Code of Ethics.

### MANAGEMENT AND ORGANISATION MODELS

Sustainability contact person at local level, who interfaces with the Company headquarters to define Local Development Programmes in line with national development plans integrating business processes. Application of the ESHIA (Environmental Social & Health Impact Assessment) process to all business projects. Stakeholder Management System platform aimed at managing and monitoring relationships with local stakeholders and grievances. Sustainability management process in the business cycle and design specifications according to international methods (e.g. Logical Framework).

### FOR MORE INFORMATION

- ▶ [Eni for 2022 - Sustainability Performance](#)
- ▶ [eni.com](#)
- ▶ [Eni's Code of Ethics](#)
- ▶ [Eni's Statement on respect for human rights](#)
- ▶ [Seeds for Energy](#)
- ▶ [Energy for development](#)

## INTEGRATING SUSTAINABILITY INTO BUSINESS

Sustainability is an integral part of all Eni's business activities since the early stages of entry in a new Country, along the entire life of the projects up to decommissioning activity. Eni's commitment to the **Just transition** passes through the adoption of different and gradual solutions, depending on the specific contexts and internal constraints of the host Countries. Eni strongly feels these imperatives: balancing the need to **ensure universal access to energy** for a growing population with the urgency of tackling climate change, accelerating the transition process towards a sustainable mix that is at the same time socially just. In promoting a Just Transition, it is therefore crucial to adopt different approaches between Countries with advanced economies and Countries with emerging economies, where the transition will be primarily about overcoming energy poverty also through the development of renewable energy. Eni tackles the energy challenge, wherever it is present and with whatever business, by acting to ensure access

to energy both with its own industrial projects and with projects dedicated to the development of local communities.

For communities' projects Eni uses a methodology for the definition of priority areas for local development intervention, in line with the SDGs, and which allows the identification of the objectives for the four-year Strategic Plan:

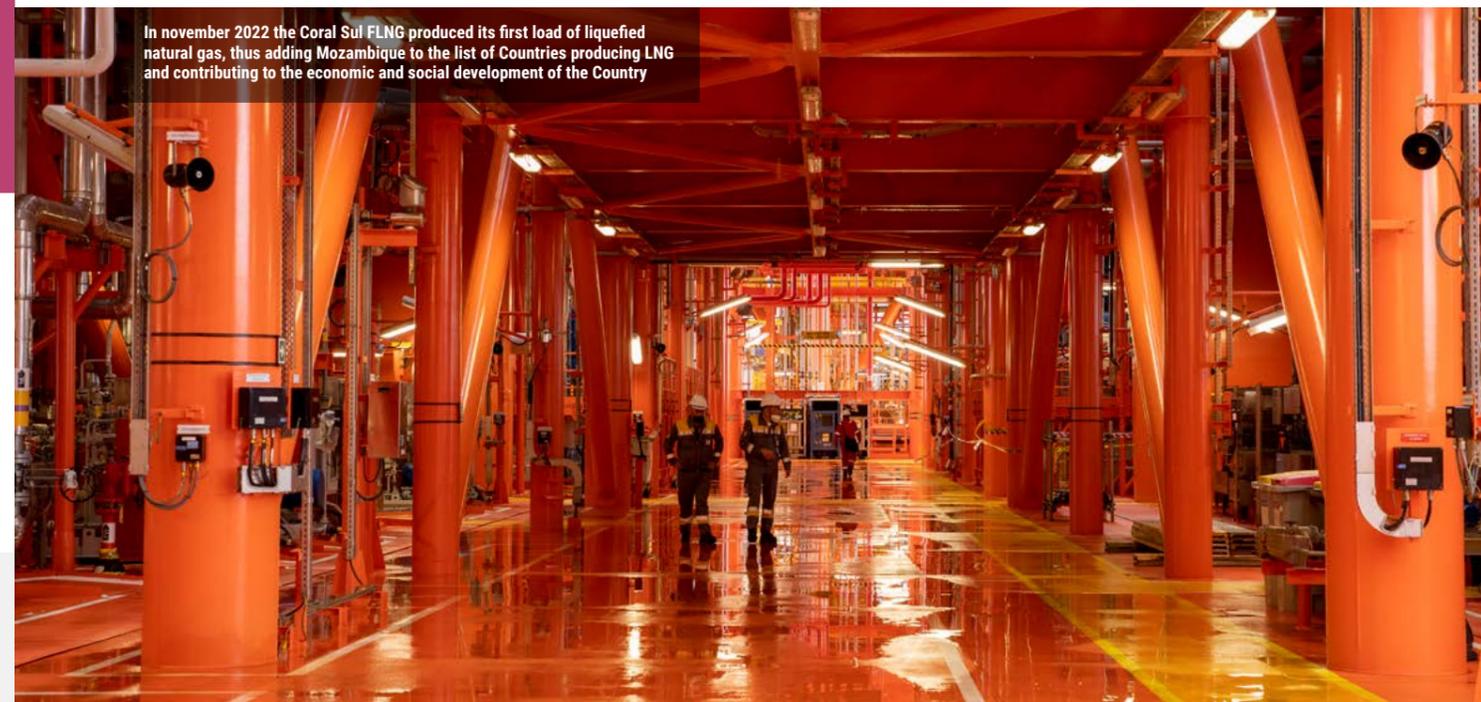
1. **knowledge of the Country's socio-economic, environmental and cultural contexts** through the application of internationally recognised instruments and the Global Multidimensional Poverty Index (MPI);
2. **direct or indirect involvement with local stakeholders**, which allows analysis of their requirements (and/or possible grievances), the understanding of local needs and expectations and the consolidation of mutual trust;
3. **analysis and mitigation of the potential impacts of activities** on the environment, health and people, including human rights, to identify critical issues, opportunities and risks;
4. **definition and implementation of Local Development Programmes** consistent with the Country Development Plans,

the 2030 Agenda, the Nationally Determined Contributions and local needs analysis;

5. **assessment and measurement of local development generated** ("learn and adapt") through the use of instruments and methodologies, both own ones and those developed in collaboration with academic institutions such as the Eni Local Content Evaluation (ELCE) and shared at an international level and adopted by Eni, such as the Logical Framework Approach (LFA), the results-based management approach and the project cycle management.

In this context, the **many collaborations** with national and international institutions, cooperation agencies and local stakeholders allow a useful approach to identify key interventions to reduce the needs of communities and contribute to improve their development. This approach makes it possible to materialize the commitments to a Just Transition in a path of anticipating of needs that could lead to a review of operational practices, for any Eni's activities, and also to the integration of new business purposes (e.g. agri-business in Congo).

Eni defines priority interventions for local development in line with National Development Plans, Nationally Determined Contributions and the 2030 Agenda by working with local stakeholders, institutions and cooperation agencies



# Access to energy

Access to energy is a necessary prerequisite for the satisfaction of primary needs

## THE FIGHT AGAINST ENERGY POVERTY

Access to energy is a necessary prerequisite for the satisfaction of basic needs related to health, education, economic diversification and to support local businesses and create new job opportunities. The 2030 Agenda, especially the SDG No. 7, targets universal access to affordable prices, reliable and modern energy services. The target considers the aspects of access to electricity and access to clean fuels and technologies for cooking purposes. The fight against energy poverty is therefore the main challenge in the transition process towards a low carbon future, to which Eni contributes with its industrial activities and local development projects as an integral part of its business model. Energy access

initiatives include infrastructure for natural gas production and transport, LPG distribution, thermoelectric power plants, renewable energy plants and the distribution of improved cookstoves.

## INFRASTRUCTURE FOR GAS

Eni invests in the construction of infrastructure to produce and transport the gas and a substantial share of the extracted gas is transferred locally to the Countries where the resource is produced, thus contributing to electricity generation and the economic and industrial development of the Country itself. In 2022, Eni supplied 77% of the gas produced from its fields to local markets, for a total of approximately 64 billion Sm<sup>3</sup>. Considering the African continent alone, the gas intended

for domestic markets is by about 90%. For example, in Egypt Eni supplied 37 billion Sm<sup>3</sup> of gas to the local market; 61% of the gas produced in the Country is used to generate electricity (source: IEA), with Eni contributing 38,700 GWh/year of electricity or 28.6% of final consumption. In Libya, Eni supplied 6.9 billion Sm<sup>3</sup> of gas to the domestic market where the share of gas used to produce electricity is about 78% (source: IEA), which brings Eni's contribution to the Country to over 50%.

## LIQUEFIED LPG GAS

Eni contributes to SDG No. 7 also through the local distribution of LPG for domestic use. For example, during 2022, Eni produced about 1 million barrels in Egypt, which were totally distributed to the domestic market.

## THERMOELECTRIC POWER PLANTS

With the construction of thermoelectric power plants in sub-Saharan Africa, Eni has contributed to improve access to electricity thanks to the increase of the capacity installed and the valorization of the associated gas to diversify the energy mix and increase the quality of the network and the affordability of electricity supply. In Nigeria, the Okpai power plant generated about 2,000 GWh of electricity in 2022. Natural gas produced by Eni's local plants was also supplied to the Omoku power plant, operated by a third party, with an installed capacity of 150 MW, for the production of 326 GWh of electricity. In 2022, therefore, Eni's total contribution to Nigerian electricity production was about 7.3%, calculated on IEA data. Also in Congo, the Centrale Électrique du Congo (CEC) in Pointe Noire, which started up in 2010, with a total capacity of 484 MW, produced 2,190 GWh of electricity

during the year, ensuring more than half of the Country's electricity production (IEA). In Iraq, Eni is helping to provide access to reliable and secure energy with a Permanent Power Generation (PPG) Plant, with four gas turbines capable of generating a maximum electrical power of 600 MW. Two of the four gas turbines are dedicated to supplying energy to the national grid for the benefit of the local population, with a corresponding capacity of 300 MW.

## RENEWABLE ENERGY

The **business of renewables** in 2022 reached an installed renewable installed capacity of 2.3 GW, doubling last year's result. To contribute to the energy transition also in non-OECD Countries, Eni is increasing photovoltaic installations, both for self-consumption and to provide electricity to local communities enabling CO<sub>2</sub> reduction. The current installed capacity for this type of plant is 41 MW, of which 21.5 MW is off-grid. Two examples of this are: (i) the Abu

Rudeis plant (6 MW) in Egypt connected to Eni's facilities, which avoids the use of electricity from the Egyptian national grid and (ii) Tatouine (10 MW) in Tunisia, inaugurated at the end of 2022, provides the national grid with 20 GWh per year of energy, equivalent to a saving of 6,500 tonnes of CO<sub>2</sub> per year.

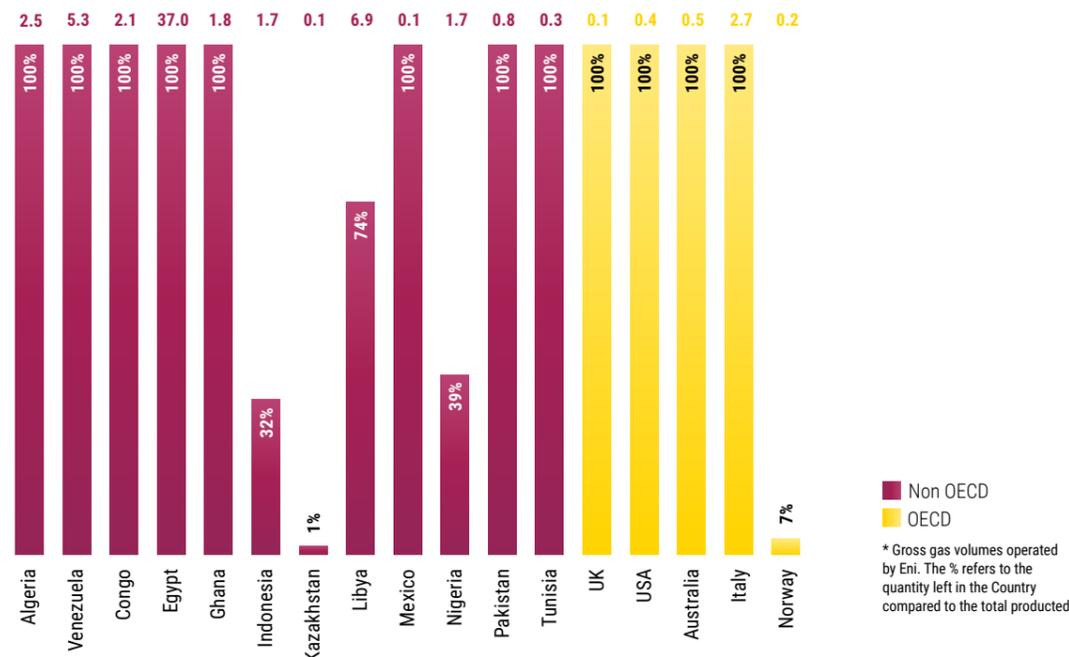
## CLEAN COOKING

Through local development projects, Eni also promotes access to modern cooking solutions for vulnerable households through the replacement of traditional cookstoves with improved models that help reduce household pollution, limiting people's health problems and reducing CO<sub>2</sub> emissions. Furthermore, it supports entrepreneurship at local level, contributing to business start-ups and creating new jobs. In 2022, the production and distribution of 25,643 improved cookstoves in Côte d'Ivoire, Ghana and Mozambique was achieved, benefiting about 128,000 people.

Eni helped increase access to electricity in Congo and Nigeria

**25,643**  
improved cookstoves produced and distributed in Sub-Saharan African Countries

GAS SALES TO THE LOCAL MARKET\* (bln Sm<sup>3</sup>/year)



**64 bln**

of Sm<sup>3</sup> gas sold to local markets in 17 Countries

### FOCUS ON

## Clean cooking in Côte d'Ivoire

**CONTEXT:** 60% of the population in the Country still uses traditional methods to cook food, requiring large amounts of woody biomass and with serious health consequences due to the fumes emitted by combustion.

**PROJECT AND OBJECTIVES:** in April 2022, a project was launched to promote the distribution of improved cookstoves, produced by a local company, which reduce biomass consumption and associated emissions. This environmental benefit results in the generation of carbon credits (Verified Carbon Units - VCUs) certified by international standards that will offset the residual Scope 1+2 emissions of the Baleine development. It is planned to distribute at least 70,000 cookstoves in 3 years (2022-2024) reaching about 350,000 people, and over 150,000 cookstoves in 6 years, generating 2 million VCU.

**RESULTS:** in 2022, more than 20,000 cookstoves were distributed in just six months, reaching more than 100,000 people in the Gbêkê region. Another 25,000 will be distributed in 2023. Furthermore, thanks to the project, the local producer increased its production capacity by 150% by purchasing new machinery and hiring five new workers.



# Context analysis and Stakeholder engagement

Particular attention is paid to the analysis of women and vulnerable groups

## UNDERSTANDING THE LOCAL CONTEXT

For the definition of an effective local development strategy, Eni starts with an in-depth knowledge of the context in which it operates. Depending on the level of maturity of its presence in the Country, different types of analysis are developed to support the various stages of the business and at the same time to understand the real needs of local communities. The main issues more closely examined are Nutrition and Food Security, Education, Health, Access to Water and Sanitation, Access to Energy and Clean Cooking; furthermore, National Development Plans are analysed, which are also necessary for identifying potential synergies and collaborations with strategic national and international players. Particular attention is paid to analysing the

status of women, identifying the most critical geographical areas and vulnerable groups. With regard to local context analyses, the Global Multidimensional Poverty Index, which compares acute poverty for more than 100 Countries in terms of access to education, health and standard of living, is a constant reference for acquiring information on the deprivations affecting the poorest segments of the population residing in a specific region. Furthermore, a pilot project was launched in 2022 to survey the multidimensional poverty index at the local level in a Sub-Saharan African Country. All these analyses provide a more complete view of the specific context and are instrumental in defining the most appropriate local development projects for meeting local needs and creating long-term value.

## RELATIONSHIP WITH STAKEHOLDERS

The knowledge of the context implies the involvement of local stakeholders to understand their needs and expectations, to analyse their requests and to establish a relationship of mutual trust, collaboration and transparency. To better manage relations with local stakeholders, Eni has equipped itself with the Stakeholder Management System (SMS) application, which maps stakeholder relations, monitors the progress of projects, the results achieved, and tracks grievances received, i.e., complaints or grievances relating to accidents or damage or other real or perceived environmental or social impacts caused by Eni's activities or those of its contractors or suppliers.

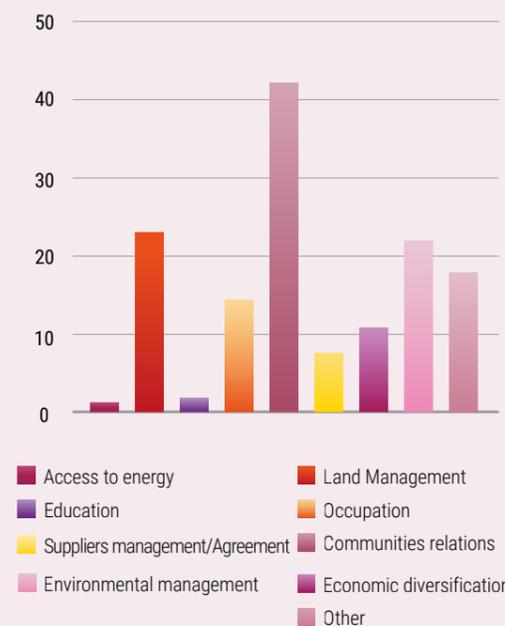
**FOCUS ON**

## Grievance management

**GRIEVANCE MECHANISM PROCESS:** subsidiaries are responsible for developing the Grievance Mechanism management process, analysing and agreeing the solution with complainants, whether individuals or communities, by virtue of their improved context knowledge, allowing for appropriate channels of access, and specific modes for of dialogue and management of any conflict. In the design of the mechanism, Eni companies conduct consultations with local communities, especially indigenous peoples, in cases of relocation of the same communities and in cases where, from knowledge of the context or previous activities, it is assumed that a large number of grievances will be received. The subsidiaries may also request feedback from the claimants involved on the level of satisfaction with the process operation. Eni also requires its suppliers, contractors and subcontractors to make their own Grievance Mechanism available to the workers and communities they interact with on behalf of Eni.

**GRIEVANCE MANAGEMENT:** all grievances, monitored both centrally and at the subsidiary level from their receipt to resolution, are classified by issue and relevance and mapped according to: resolution status, management timeliness, recurrence of associated issues and their possible evolution towards litigation. There were 141 grievances received during the year, of which 61 (or 43%) have already been resolved with a proposal agreed between the parties. Complaints mainly related to: community relations management (most recurrent category), environmental management, land management, employment development, economic diversification.

GRIEVANCE BY ISSUE (number)



# Impact Analysis and Human rights in communities

## IMPACT ANALYSIS

Eni is committed to preventing possible negative impacts due to its presence by carrying out studies that comprehensively assess impacts (ESHIA), conducted before starting any kind of operation. These analyses provide an understanding of the impacts of projects, according to various aspects and viewpoints ranging from environmental to health, social and human rights implications, and aim to reduce risks and increase opportunities for all stakeholders.

## HUMAN RIGHTS IN COMMUNITIES

In 2018, Eni adopted a risk-based prioritisation model that classifies upstream business projects according to potential human rights risk, which was then extended from 2020 to the evaluation of **renewables projects**. Projects considered to be at higher risk are the subject of specific studies, Human Rights Impact Assessment (HRIA) and Human Rights Risk Analysis (HRRRA), which include a preliminary analysis of the local context and the possible engagement of "right holders". Through these studies,

potential negative impacts, recommendations and prevention and management measures are identified and translated into concrete Action Plans. In 2022, such studies were conducted on agri-feedstock projects in Kenya and Congo, where Eni has launched a series of initiatives to develop the supply chain of high-quality biofuels produced from raw materials obtained from marginal land, which are not in direct competition with food and fodder crops. Considering the large number of agri-processing plants and agri-hubs that will be built, Eni estimates that these projects will have a significant positive impact on communities, involving thousands of farmers, and that the benefits will affect more than one million households (from 2027) living in difficult African contexts. In the development of such projects, it is essential to manage from the outset, the elements capable of generating critical issues and negative impacts such as, for example, potential competition with food production, farmers' working conditions, land and value chain management and reputational risk due to the ab-

sence of adequate involvement of all stakeholders. Furthermore, in 2022, HRIA and HRRRA Action Plans were also implemented on exploration projects in Angola, the United Arab Emirates, Albania and Oman.

Projects which present a high risk on human rights are subject to a Human Rights Impact Assessment (HRIA)



Visit to agricultural fields in Kenya as part of consultations aimed at developing a high-quality biofuel supply chain

**FOCUS ON**

## Relations with indigenous peoples

**CONTEXT:** in some Countries, such as Australia and Alaska, Eni operates in areas where there are indigenous peoples, towards whom it has adopted specific policies to protect their rights, culture, traditions, institutions and links with their homelands. In its **Eni's Statement on respect for human rights**, Eni has made specific commitments to indigenous peoples and manages the relationship in compliance with international and local norms governing their involvement and prior, free and informed consultation.

**ACTIVITIES:** in Australia's Northern Territory, having activities in the Wadeye community, Eni regularly interfaces with local administrative bodies that protect the rights of Aboriginal peoples, implementing local development and environmental conservation projects; In Alaska, activities are conducted in the northern end of the Country, North Slope, where native peoples live on subsistence activities (hunting and fishing). In 2020, Eni adopted a policy on respecting the rights of indigenous peoples, renewed in 2021, in the conduct of its activities and operations in Alaska, with the aim of making specific commitments to the villages located near its operations, as well as to the cooperatives and corporations that supply goods and services to the companies operating in the territory. During the year, there were no reports through local grievance mechanisms on human rights issues.

# Local Development Programme

The Local Development Programme (LDP) envisage activities, defined in coherence with the National Development Plans, and contribute as a whole to the achievement of the ob-

jectives set by the Country in relation to the 2030 Agenda and the Paris Agreement (Nationally Determined Contributions - NDCs) to improve the well-being of local communities.

The Programme is divided into five action lines: 1) stakeholder engagement; 2) human rights; 3) local content; 4) land management; 5) local development projects.

## THE FIVE ACTION LINES OF THE LDPs

- 1 HUMAN RIGHTS IN COMMUNITIES**  
Commitment to ensuring that its activities do not adversely impact the lives of people affected by its business activities, using a risk-based model to classify business projects.
- 2 LAND MANAGEMENT**  
Project development may require the acquisition and/or use of land (or waters) and the subsequent physical and/or economic displacement. It is necessary to minimise the socio-economic impacts on their lives by limiting as far as possible the loss of assets or access to assets, which generates the loss of income or livelihood resources.
- 3 LOCAL CONTENT**  
A tool that supports dialogue with local Authorities and provides a useful assessment to guide investment decisions to promote local development, represents the added value brought to the Countries on three lines of action: transfer of skills and knowledge; activation of local economic sectors in the supply chain; interventions to foster growth and diversification of the local economy.
- 4 STAKEHOLDER ENGAGEMENT**  
Eni tracks and examines all requests received by its stakeholders in order to implement development initiatives, shared with local communities, and consistent with sustainable development. Key elements in the process are openness to listening, mutual exchange, inclusion, understanding of stakeholders' points of view and expectations as well as sharing of choices and decisions.

## 5 LOCAL DEVELOPMENT PROJECTS IN 6 SECTORS OF INTERVENTION

 <b>ACCESS TO OFF-GRID ENERGY</b> Promoting local production and marketing of certified, quality cooking systems, by creating employment opportunities and local micro-entrepreneurship and replacing traditional cooking systems with more modern ones.	 <b>LIFE ON LAND</b> Enhance and protect the local natural heritage, also with support activities to waste management for communities e restore the ecosystem with reclamation activities focused on recovering the native vegetation.	 <b>ECONOMIC DIVERSIFICATION</b> Promoting food security, the development of entrepreneurial, agricultural, fishing and infrastructure activities, in a long-term perspective, favouring the creation of new job opportunities for people and businesses, the empowerment of women and young people.
 <b>ACCESS TO WATER AND SANITATION</b> Ensuring the availability and sustainable management of water and sanitation for the local population.	 <b>EDUCATION</b> Promoting equitable and inclusive access to quality education and learning opportunities.	 <b>COMMUNITY HEALTH</b> Promoting access to health and combating the spread of disease through prevention and treatment.



Eni supports Country Development Plans, including through public-private partnerships and by adopting internationally recognised standards, methodologies and tools



## FOCUS ON

### Local Development Programme in Côte d'Ivoire

Eni has been present in Côte d'Ivoire since the 1960s; in 2015, it resumed operations in the Country by acquiring several offshore exploration blocks which led to the discovery of the Baleine oil and associated gas, which will be the first Net Zero development in Africa (Scope 1+2), through the use of the best available technologies to minimise GHG emissions and a combination of residual emissions offsetting initiatives, through improved cookstoves distribution projects and forest resource conservation. To accompany the project, in December 2021, Eni signed a Memorandum of Understanding (MoU) with the Government to promote sustainable development and Eni's decarbonization strategy in the Country. In 2022, the Local Development Programme was drafted and the first projects were launched.

## THE LDP FIVE LINES OF ACTION IN CÔTE D'IVOIRE

- 1 Human rights:** the prioritisation model assessed phase 1 of the Baleine project as "medium" risk, so specific measures were taken to prevent and manage potential negative impacts: such as respect for human rights by third-party workers and contractors and impacts on community rights in land management processes. Workers' rights clauses have been included in the contracts of major suppliers and measures for vulnerable groups have been included in the impact management plan.
- 2 Land Management:** the optimisation of the impacts related to the installation of the pipeline to transport gas from the offshore site avoided any kind of physical displacement, limiting the impacts to economic activities only. An action plan developed with the support of the Bureau National d'Etudes Techniques et de Développement and formulated in accordance with Eni policies and the Performance Standards of the International Finance Corporation has been prepared to manage these impacts. The plan outlines actions to assess the impacts on the local population and coastal communities and to establish appropriate compensation and indemnification measures. In 2022, 847 of the 1,662 people affected by the project were compensated.
- 3 Local content:** Eni's Local Content strategy is in line with national law. In December 2021, an MoU was signed with the Institut National Polytechnique Felix Houphouet Boigny for the joint development of vocational training activities for local people, which was followed by two specific agreements, launched in 2022, for a technical training programme for operators and maintenance personnel for offshore production and for the implementation of two upstream and downstream Master's degree courses. In 2023, the **Eni Local Content Evaluation** model will be applied to assess the socio-economic impact of the activities in the Country, quantifying the direct, indirect and induced effects of Baleine's development, and highlighting the economic and social benefits.
- 4 Stakeholder Engagement:** in 2022, Eni engaged key local stakeholders, including Government institutions and supervisory bodies, civil society, research centres and academic institutes, contractors, suppliers, business partners and local communities, with the public consultations and surveys required by the ESHIA to analyse any critical issues. The main requests that emerged concern the strengthening of public services (e.g. schools, hospitals), the recruitment of local labour and the mitigation of potential negative impacts on livelihoods and the environment.
- 5 Local Development Projects:** the sectors identified for interventions are as follows:

 <b>ACCESS TO OFF-GRID ENERGY</b> In April 2022, a project was launched to distribute at least 70,000 improved cookstoves over three years <b>Clean cooking in Côte d'Ivoire.</b>	 <b>ECONOMIC DIVERSIFICATION</b> Support to micro-entrepreneurship and professional integration for at least 150 young people by 2023.	 <b>COMMUNITY HEALTH</b> Improving the health system by focusing on prevention, infection control and maternal and child nutrition. It is estimated that around 200,000 people will have access to improved services.
---	--	---

### EDUCATION TIMELINE and GOAL

September 2022-August 2025. Promote access to quality education and help improve learning for students of primary schools located in Port-Bouët (Abidjan) and in the Sud-Comoé region.

**ACTIVATED AND BENEFICIARIES:** 20 schools will be subject to renovation to ensure access to basic services (water, electricity, sanitation). The project it also provides for the supply of school material, the organization of remedial courses, the promotion of education in the community by involving families and the strengthening of teachers' skills and of the ministerial supervisory bodies. The renovations, inaugurated in December 2022 in the first 8 schools, will be completed in all the 20 schools in 2023. In 3 years the beneficiaries will be 8,500 primary school students, 120 teachers and 2,000 parents.



# Local Development Projects

€328 mln

planned investments for local development for the 2023-2026 period

€76.4 mln

investments for local development

## PROJECTS IN THE WORLD

Eni defines and implements interventions to support local populations, oriented to promote global human development, which support access to essential rights such as energy, water, food, education and health and are developed in **collaboration with various players**, including institutions, local stakeholders and international players to pool resources and human capital. Furthermore, Eni implements initiatives aimed at economic diversification (e.g. agricultural projects, access to micro-credit, promotion of entrepreneurial and infrastructure activities), land protection and vocational training to create new employment opportunities. In defining and implementing projects, Eni also adopts instruments and methodologies in line with the main international standards; e.g. the Logical Framework Approach is used to structure interventions on the territories and the Monitoring, Evaluation and Learning management instrument to monitor them and, if necessary, revise them to maximise benefits for communities. In

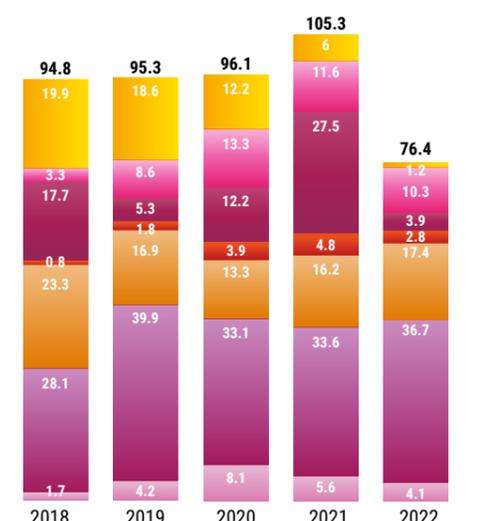
line with international standards, Eni is reinforcing the gender perspective within the project cycle by ensuring its adoption in the technical assessment phase, as, for example, for the Cabinda integrated project in Angola, where it had already been considered in the context analysis to identify inclusive interventions geared towards meeting the needs of all.

## SOME EXAMPLES OF INITIATIVES IN 2022

The various initiatives implemented in 2022 in support of a Just Transition include those in Côte d'Ivoire, Mozambique, Ghana and Angola to promote access to clean cooking, in Kazakhstan for the refurbishment and **energy efficiency of a school**, in Indonesia initiatives for access to water and renewable energy. During the year, Eni promoted the right to education in Congo, Ghana, Iraq, Mexico, Mozambique and Egypt where the Company also inaugurated the Zohr Applied Technology School with the aim of significantly increasing the number of young

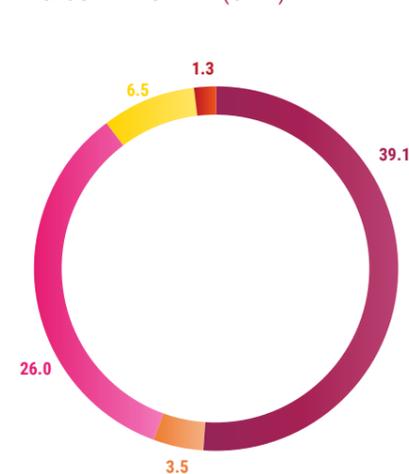
people with adequate technical and professional skills in terms of energy and technological. Special attention is paid to projects for **health improvement**, for example, in Angola, Libya and Tunisia. In Iraq and Nigeria, projects have contributed to improving access to water for local populations; circular economy projects were also developed, such as the canteen waste composting project under CATREP in Congo, to education, training, economic diversification and entrepreneurship development (Ghana, Egypt and Mozambique). Furthermore, the promotion of entrepreneurship is also supported through Joule, which supported six startups from Kenya and Uganda by giving them the opportunity to present their business proposals to investors and mentors and to discuss energy transition issues. In Iraq, the Sustainable Agri-Energy initiative was launched in cooperation with UNIDO and LVenture Group to develop an entrepreneurial mindset and formulate innovative ideas and projects in the water, energy and agricultural sectors.

LOCAL DEVELOPMENT INVESTMENTS (€ mln)



- Compensation and resettlement
- Access to water and sanitation
- Education and vocational training
- Community health
- Access to off-grid energy
- Economic diversification
- Life on land
- Total

LOCAL DEVELOPMENT INVESTMENTS BY GEOGRAPHIC AREA (€ mln)



- Africa
- Asia
- Italy
- Americas
- Rest of Europe

## FOCUS ON

### Education access initiatives

**APPROACH:** Eni promotes the right to education in Congo, Ghana, Iraq, Mexico, Egypt and Mozambique in line with the Human Rights Based Approach (HRBA) methodology which recognises and aims to empower all beneficiaries of development projects as rights holders and to strengthen the capacity of States and other duty bearers to respect, protect and enforce human rights.

**ACTIVITIES:** projects, carried out in cooperation with national Governments and in line with ministerial plans, contribute to increasing the availability of training provided by qualified personnel. Depending on the context, the infrastructures created are equipped with different services (drinking water, solar electricity, canteens, separate toilets for boys and girls, laboratories, extracurricular activities and scholarships). To promote access to education, an inclusive approach is adopted right from the construction/renovation stage of schools, adapting them to the needs of children with disabilities and the different needs of girls and boys. Eni also promotes a sense of ownership to the school and contributes to strengthening the responsibility of parents and communities on various issues such as child protection, education, sports, environment, nutrition, health, hygiene, equal opportunities, etc. Furthermore, using the HRBA approach, the activities aim to make teachers aware of their educational duty by enhancing their capacities to ensure the protection of children's rights and inclusiveness.

**RESULTS:** in the various Countries where it operates, in 2022 Eni supported the training of 593 national school officials (teachers, school managers and headmasters) to improve their professional and transversal skills, including child protection practices and teaching methodologies for children with disabilities. The schools benefiting from this approach showed a higher school attendance rate than the national average (source: World Bank): Mexico 100% vs. 95%, Republic of Congo 90% vs. 88%, Ghana 100% vs. 86%, Mozambique 98.5% vs. 94%.

**AN EXAMPLE IN MOZAMBIQUE:** within the Integrated Education Project in the province of Cabo Delgado, Eni has built two primary schools in the communities of Paquitiquete. In these two new schools, as well as in kindergartens of Santo Agostinho and in the Jardim Infantil of Pemba, meals were distributed daily. In elementary schools it was also provided educational materials, distribute school supplies, the toilets were improved and initiatives were held to raise awareness on various topics such as engagement parents active in the educational activities of the children, road safety, civic education, environmental issues and child protection. In total more than 4,000 children, of which 50% girls, have benefited from the improved educational services in these elementary schools (1,390 new in 2022), while more than 150 teachers and school staff (90 in 2022) have undergone training courses aimed at improving their performance professional. Finally, 348 adults took courses of literacy. Furthermore, in partnership with the Institute Superior Don Bosco (ISDB) and the Industrial Institute and Commerciale of Pemba (IICP) and in collaboration with "Colleges and Institutes Canada", Eni is supporting a technical training professional programme in order to initiate their students to practice of specific professions (tourism and hotel). In addition to having guaranteed, from the beginning of the project, the training and certification of a total of 90 teachers and managers of the IICP, in 2022 Eni created and equipped a laboratory that benefited 667 male and female students who attended the courses professionals, 150 of whom received scholarships by Eni.



The educational activities carried out by Eni in Pemba, Cabo Delgado province, commenced in 2013 and continued also in 2022

# Local development projects around the world

## SECTORS OF INTERVENTION

	Access to off-grid energy	
	Life on land	
	Economic diversification	
	Access to water and sanitation	
	Education	
	Community health	

MEXICO

UNITED KINGDOM

ITALY

MONTENEGRO

ALBANIA

TUNISIA

ALGERIA

LIBYA

EGYPT

LEBANON

IRAQ

BAHRAIN

EMIRATES

OMAN

PAKISTAN

MYANMAR

VIETNAM

INDONESIA

TIMOR-LESTE

GHANA

IVORY COAST

NIGERIA

GABON

CONGO

KENYA

ANGOLA

MOZAMBIQUE

### ACCESS TO OFF-GRID ENERGY

#### KAZAKHSTAN ENERGY EFFICIENCY

**OBJECTIVE:** to help ensure access to clean and sustainable energy through the installation of solar panels and other energy efficiency measures at a secondary school in the Turkestan region.

**RESULTS AND BENEFICIARIES:** contributed to the installation of a 50 kW photovoltaic system, which reduced electricity costs and carbon emissions by 20%. Thermostats and energy saving insulation film were installed, an educational awareness campaign was also conducted for students and school personnel with seminars on energy efficiency and energy renewable sources, and distribution of information material. The seminars had an audience of 1,400 people: 1,200 students and 200 teachers. Project beneficiaries: 1,900 students.

### ECONOMIC DIVERSIFICATION

#### EGYPT AGRICULTURAL PROJECT

**OBJECTIVE:** improve the living conditions of the Bedouin communities of Meleiha, through the sustainable management of natural resources.

**RESULTS AND BENEFICIARIES:** at the end of 2022, 214 people achieved access to improved irrigation systems, 140 people improved access to drinking water and 45 women participated in the literacy programme. It is planned to increase the productivity of land and to improve water management with 50 cisterns, 15 wells and 20 reservoirs. At agricultural level, activities will focus on optimising women's skills and economic empowerment. Expected beneficiaries: 604 families of which 450 farmers/breeders and 200 women involved in literacy courses.

### LIFE ON LAND

#### NIGERIA - AWARENESS-RAISING AND TRAINING

**OBJECTIVE:** raise awareness of the risks associated with potential pollution from oil spills, provide training on human rights and support communities in developing sustainable agricultural practices.

**RESULTS AND BENEFICIARIES:** awareness campaigns were organised on human rights instruments and legislation, involvement in media campaigns on the risks of oil spill pollution, awareness was raised in communities on child protection issues and processes and people's food security was monitored. The beneficiaries of this project are 72 rural communities in the state of Bayelsa with a total of 43,200 direct beneficiaries.

### ACCESS TO WATER

#### INDONESIA - ACCESS TO DRINKING WATER

**OBJECTIVE:** to improve the quality of life of local communities through the supply of drinking water in the Muara Jawa and Samboja districts of East Kalimantan Province.

**RESULTS AND BENEFICIARIES:** to provide local communities with access to water, the project drilled four wells, supplied four reservoirs and five water pumps/engines, and installed a 772-metre water pipeline. The project reached 1,600 beneficiaries in the Muara Jawa and Samboja districts. Awareness was also raised in the local community on good practices for well maintenance, the importance of access to clean water and proper hygiene practices to create greater awareness among the beneficiaries.

### EDUCATION

#### MEXICO - SUPPORT TO EDUCATION

**OBJECTIVE:** to help ensure quality, effective and inclusive long-term primary education for students, aged between 6 and 14 years, in 13 schools in School Zone 46, in the municipality of Cardenas, Tabasco state (1,500 students).

**RESULTS AND BENEFICIARIES:** 2 refurbished school infrastructures. Beneficiaries: 335 new students. 14 awareness-raising events held for parents, including a Parents' School that assists them in understanding different aspects of their children's growth, development, education and socialisation. Over 800 extracurricular activities organised for the most vulnerable children. 10 events held to promote school participation; constant involvement of teachers in officially recognised training activities.

### COMMUNITY HEALTH

#### IRAQ - ACCESS TO ONCOLOGY HEALTH SERVICES IN BASRA

**OBJECTIVE:** to support, develop and improve quality health services in Basra, with a focus on cancer care.

**RESULTS AND BENEFICIARIES:** construction work on the New Nuclear Medicine Centre continued and a machine for oncological and cardiological diagnostics (Cyclotron) was installed. Furthermore, construction continued on the new paediatric oncology wing of the Children's Oncology Hospital in Basra. Thanks to previous renovations and the construction of the new wing, the facility will offer 30 additional beds and new examination rooms. The beneficiary will be not only the population in the Basra area, but the entire population of southern Iraq, estimated at around 9,000 adults and 3,000 children.

€6.5 mln  
invested in Italy

**PROJECTS IN ITALY**

Eni works in Italy to promote local development by collaborating with private entities, third sector organisations and local institutions. In the area of economic diversification, Eni has developed several initiatives to promote local startups both by providing co-working spaces ► **“coLABoRA” initiative - in Italian only**), as well as with entrepreneurship training programmes such as the “Cresco Award” for students in Romagna and by providing economic incentives to new business initiatives. For example, in Ravenna, in 2022, in collaboration with Mind the Bridge, Joule launched the ORa! - Outpost Ravenna for

Energy Transition project, which aims to support the energy transition of local businesses through technological innovation, while in Basilicata, in synergy with the Agricultural Centre of Experimentation and Training (Centro Agricolo di Sperimentazione e Formazione - CASF) project, it promoted the development and application of innovative technologies in the AgriTech and Agri-energy sectors. In the **agricultural sphere**, in the CASF project Eni developed various training activities involving hundreds of students and agricultural operators in the area; with Coldiretti, the promotion of the activities of local companies continued through sup-

port for the improvement of agricultural logistics, training activities and certification of the Lucanian companies involved. Eni also promotes environmental sustainability activities for the protection of the territory, as in Ravenna, and to support environmental monitoring at its operational sites in Basilicata, Sannazzaro and Taranto. In the field of **education**, together with Fondazione Eni Enrico Mattei and the Associazione Nazionale Presidi, Plenitude launched the “Più conosco, meno consumo” (The more I know, the less I consume) initiative to promote the culture of energy sustainability for students in 12 schools across the Country.

**FOCUS ON**

**The transformation of the Gela biorefinery and the benefits for the territory**



**GELA CONTEXT and PROTOCOL:** industrial transformation is an example of regenerative circular economy that not only supports the decarbonization and diversification process, but also continues to support the Gela territory where Eni has been present for over 70 years, thanks to a series of interventions that have had significant employment, economic and social repercussions on the territory. The path was accompanied by discussions with Institutions, Trade Unions, Confindustria and all social partners, leading in 2014 to the signing of the Memorandum of Understanding with an investment of €2.2 billion.



**INDUSTRIAL DEVELOPMENT:** the plant, which started up in 2019 with a processing capacity of up to 750,000 tonnes/year, can progressively process high quantities of used and fried vegetable oils, animal fats, and waste/residues and vegetable oils from crops not competing with the food chain to produce high-quality biofuels. From 2021, thanks to technical interventions, the biorefinery has been able to use up to 100% biomass, using edible oils, fats from fish processing and meat produced in Sicily, with the aim of creating a zero-kilometre circular economy model to produce hydrotreated vegetable oil (HVO).

**EMPLOYMENT DEVELOPMENT:** Eni is committed to preserving the employment and skills conversion of employees and to safeguard employment levels (including indirect employees). Today, almost 400 people work in the biorefinery: over 450 workers have been redeployed to support the development of new activities of Eni and other Group companies in the Gela area and about 200 people have been permanently relocated to other Eni sites outside Sicily or supported with solutions to facilitate their retirement. To support employment levels, the creation of the **Safety Competence Centre (SCC)** was fundamental. The SCC has also fostered professional retraining in the fields of health and safety, and over the years it has trained around 160 specialists in HSE supervision and control activities for Eni’s operating activities in Italy and abroad.

**TERRITORY DEVELOPMENT:** the Protocol envisages an investment of around €32 million to promote local development initiatives in support of the Gela community. In addition, Eni supports the Region of Sicily and the Municipality of Gela in the implementation of sustainable development initiatives in the renewable energy sector and for urban and cultural redevelopment works in the town which include, among others, interventions to enhance the town’s archaeological and artistic heritage.

**Local Content and its evaluation**

Local Content for Eni is the added value brought by its activities and projects to the socio-economic context of the host Country, in terms of development of the local workforce, industrial and technological development, transfer of skills and enhancement of local communities and their cultural heritage. Eni’s approach focuses on three intervention lines: (i) skills and knowledge transfer, through training and development of local people, particularly in energy and technological innovation; (ii) involvement of the local procurement chain, to increase the level

of competitiveness of local companies and increase their capacity to support Eni’s activities; (iii) local development programmes to support communities to foster growth and economic diversification. For Eni, the development of the workforce and local procurement chains is a priority within the integrated business model. This is why Local Content is a key issue, even in Countries where there are no minimum requirements dictated by local legislation or agreements with Authorities. Since 2016, Eni has been using the Eni Local Content Evalua-

tion (ELCE) model, validated by the Milan Politecnico, to get a quantitative view of the impact of its activities on the Country of presence, measuring the impacts generated, in terms of benefits brought to the economy, society and local communities, over the entire life of a development project or production site. The application of ELCE is spreading across various contexts and industries, expanding the areas of interest, such as CCS Ravenna Phase 1, analysed during 2022, and the Congo LNG and Baleine projects in Côte d’Ivoire.

	DIRECT EFFECT	INDIRECT EFFECT	INDUCED EFFECT
<b>IMPACTS ON PRODUCTION</b>	<b>Eni’s local purchases:</b> increased production due to purchases made directly by Eni through national suppliers	<b>Local purchases along the supply chain:</b> increase from production due to purchasing from Eni’s suppliers through national suppliers	<b>Consumption:</b> expenditure on goods, works and services generated by wages paid by Eni and its entire supplier chain <b>Value of production</b> of goods, works and services provided by the national economic system to meet the consumption demand generated by wages paid
<b>IMPACTS ON EMPLOYMENT</b>	<b>Local FTEs employed by Eni</b> in business activities and related wages	<b>Local FTEs employed along the supply chain</b> and related wages	<b>Local FTEs associated with induced production</b> and related wages
<b>IMPACTS ON TAX REVENUE</b>	<b>Local taxes:</b> taxes paid by Eni to the Country	<b>Local taxes along the supply chain:</b> taxes associated with production of goods and services along the supply chain	<b>Local taxes associated with induced production</b>

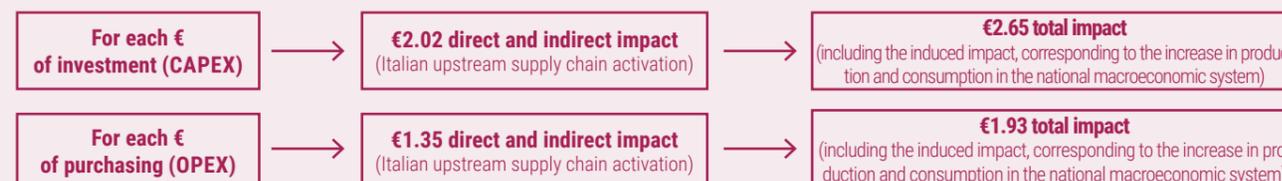
**FOCUS ON**

**Application of the ELCE model in Ravenna**

**CONTEXT:** phase 1 of the Ravenna CCS project envisages the capture of 25,000 tonnes of CO<sub>2</sub> from the Eni power plant in Casalborsetti, transported, through existing pipelines, to the depleted gas field in Porto Corsini and its injection into it for permanent geological storage. The project obtained permits for CO<sub>2</sub> storage at the beginning of 2023 and the injection start-up is scheduled for early 2024.

**STUDY:** in 2022, the ELCE model was applied in a study of the economic impacts generated by the project both during the Construction period (which lasted 2 years) and during a 6-month Operation period.

**RESULTS:** the analysis showed that purchases made directly by Eni only concern Italian suppliers and therefore the impacts on production fall 100% on the national territory. On an economic level, the results of the study can be summarised as follows: for every euro spent in the Construction phase (Capex), the project generates an impact of approximately €2 on production, considering only direct and indirect effects. The impact increases to about €2.65 when including induced effects. Similarly, for the period of Operation of the plants, for every euro spent there are spin-offs of about €1.35 directly and indirectly and about €2 including induced effects.



# Partnerships for development

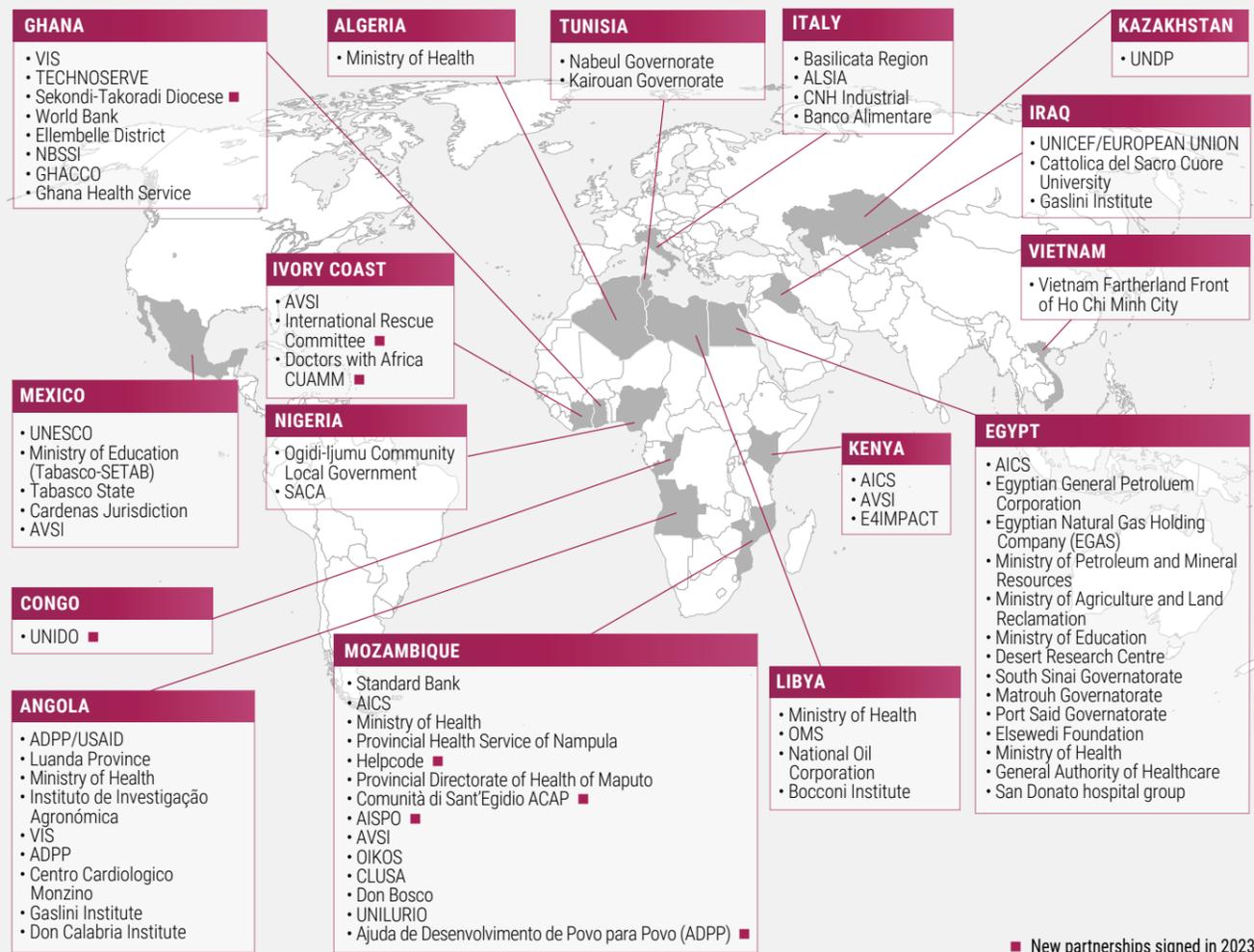
30 agreements signed for socio-economic development and health initiatives

To foster sustainable socio-economic growth in the Countries where it operates, Eni relies on strategic partners. In line with Sustainable Development Goal No. 17 "Strengthen the means of implementation and revitalise the global partnership for sustainable development", Eni intends to strengthen local initiatives with the unique and highly specialised contributions of civil society organisations, United Nations

agencies, funds and programmes, national and regional development cooperation organisations, financial institutions and private sector representatives. These partnerships leverage resources and form an integral part of the third pillar of the business model: Alliances for Development. Together with the "Dual Flag" approach, job creation and know-how transfer, public-private partnerships make it possible to best meet the

needs of communities in the Countries where Eni operates, always in line with National Development Plans and the 2030 Agenda. These collaborations, also inspired by the Paris Agreement and the Guiding Principles on Business and Human Rights, multiply the impacts of the initiatives launched in the Countries and accelerate the progress towards achieving the objectives of the 2030 Agenda.

## PARTNERS FOR LOCAL DEVELOPMENT



GLOBAL ALLIANCES						
• CNHi & Iveco Group	• E4Impact	• Carbon Sink	• Cassa Depositi e Prestiti	• UNIDO	• AVSI	• Doctors with Africa CUAMM
• VIS						

### THE ALLIANCE WITH UNDP FOR PROMOTE SOLAR ENERGY IN KAZAKHSTAN

The project promoted by Eni and UNDP Kazakhstan aimed at improving the energy efficiency of a secondary school in Turkestan was commissioned in May 2022. What are its most important outcomes?

We know that providing heat and power to educational institutions is a major cost in the education sector and burden on local budgets. I think the implementation of the pilot project at the school in Turkestan is a good example of how companies can help local communities invest in a greener future, contribute to the achievement of the SDGs, and underline the urgency of a green transition. However, such examples need to be expanded and require a more systematic approach. Unlocking "green" investment is essential if we are to achieve the 2030 Agenda for Sustainable Development and meet the ambitious target of carbon neutrality by 2060. The Ministry of National Economy of the Republic of Kazakhstan estimates that such a transformation will require US \$ 647.5 billion

in investment over the next 40 years. Most importantly, significant resources will be needed both to create the regulatory framework and to build the financial and physical infrastructure. And the private sector is expected to provide 96.5 per cent of the funding.

In your opinion what is the added value generated for local development by a collaboration between an international organization with a private company? What are the key factors that can bring success to such partnerships and what do think are the areas of improvement?

As UNDP, we support the Country's Government to find sustainable pathways and define clear strategies for low carbon growth, with a focus on transforming the energy sector. Therefore, we see great value in partnerships with the private sector to encourage new investments in the green economy, which can be an accelerator for knowledge-based economic transformation - a forward-looking perspective on how to support green sectors and promote the knowledge economy with new skills and technologies. If more of these opportunities are seized, it

could lead to kick-starting the green innovation machine and driving an efficient, innovative, and productive economy that benefits the whole economy.

Pooling together resources, knowledge and sustainability goals can elevate the level of results. Moving forward, what potential lies in the future of the collaboration between Eni and UNDP in Kazakhstan?

Only an integrated agenda of Governments, the private sector, international organisations and international financial institutions, underpinned by the SDGs, can contribute to the energy transition. We look forward to further large-scale interventions with Eni and other development partners to bend the curve of global warming and address the urgent crisis of climate change. As UNDP, we therefore call for bold collective action involving a broad network of like-minded actors for sustainable and prosperous development for all.



Interview with Mr. Sukhrob Khojimatov, UNDP Deputy Resident Representative in Kazakhstan.

In collaboration with UNDP and the Governorate of Turkestan, Eni has applied various measures of energy efficiency in a secondary school of the region. (Local development projects around the world)



Inauguration of a secondary school in Turkestan, Kazakhstan