

2019 Sustainability Report



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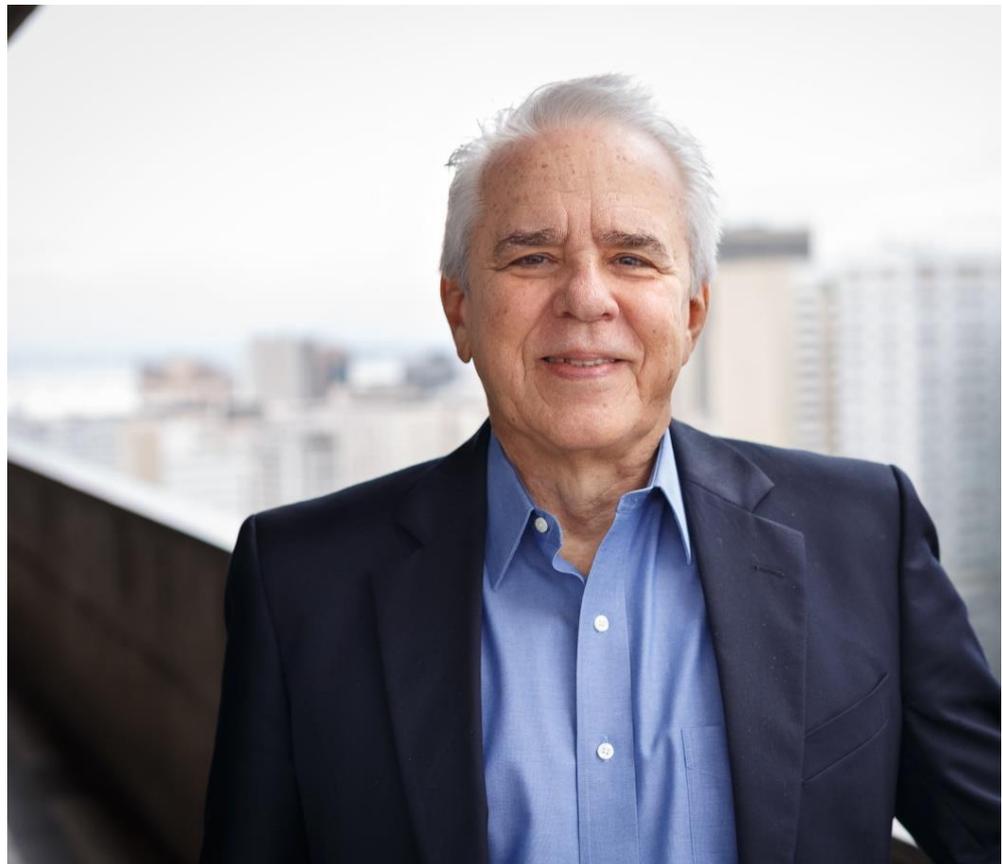
Message from the CEO

The outbreak of the covid-19 pandemic and the measures necessary to contain the virus transformed 2020 into an unusual year. In line with our commitment to people, the environment, and safety, we are engaged in a struggle to mitigate the effects of this pandemic, the largest in the last 100 years. We acted quickly and adopted a series of measures to preserve the health of our employees in the operational and administrative areas. The initiatives are in line with the recommendations of the World Health Organization and the Ministry of Health and seek to contribute to efforts to mitigate the risks of the disease.

Measures were adopted in a timely manner such as telecommuting, reduction of shift size in operations to reduce the number of professionals circulating, strict workplace hygiene, and distribution of personal protection equipment, testing of suspected cases, body temperature measurement, and rapid testing before boarding oil platforms, medical monitoring, and access to telemedicine services.

"A crisis like the one we are living in usually teaches many lessons.

Our actions reinforce our commitment to the health and safety of our employees, suppliers, and society in general."



Additionally, we are monitoring the security measures adopted by the companies responsible for chartered units and service providers. We launched a broad support front for developing solutions to fight coronavirus, in a coordinated effort with our business partners, universities, science and technology institutes, and social organizations, using our technological infrastructure, resources and responsiveness.

In addition to donating fuel, coronavirus diagnostic tests, and hygiene products, we have the solidarity of our employees and the support of our network of socio-environmental projects to raise funds and benefit the communities surrounding our operations. These actions reinforce our commitment to the health and safety of our employees, suppliers, and society in general.

The pandemic forced oil companies to protect their cash in the face of a contraction in demand associated with the collapse in oil prices. Therefore, while we are concerned about the health of our employees and the safety of our operations, we acted quickly to preserve the company's financial health.

We are confident in our ability to overcome challenges, which allowed us achieve extremely positive results in 2019. The results reflect the implementation of five strategic pillars: maximizing return on capital, reducing the cost of capital, a relentless pursuit of low costs, meritocracy, and respect for people, the environment, and safety.

Regarding our financial results, we reduced our gross debt by USD 24 billion, from USD 111 billion to USD 87 billion, and the cost of our debt fell from 6.1% per year in 2018 to 5.9% in 2019. We had a record profit of BRL 40 billion and returned to society a record amount of BRL 246 billion in royalties, taxes, and subscription bonuses, which consolidates the company's position as the largest taxpayer in Brazil.

Respect for people, the environment, and safety, as observed in our strategy, is confirmed by our indicators. Safety is our top priority and, in 2019, we reached the lowest historic recordable injury rates (TRI) level. There were 0.76 accidents/million man-hours, a 24.7% decrease when compared to 2018. Despite the achievement, we will not stop there. We continue to pursue the goal of zero fatalities, but with deep regret, we recorded two fatalities in 2019.

Environmental responsibility is an ethical imperative of our business, and in 2019, we established our 10 Sustainability Commitments, six of which are focused on carbon. We are associated with the Oil and Gas Climate Initiative (OGCI) and prioritize the decarbonisation of our operations, with goals and actions to reduce CO₂ and methane emissions and increase carbon capture. Our Exploration & Production operations emit 17.3 kg of carbon equivalent per barrel of oil, which puts us in second

place among the major oil companies in the world. We continue to invest in research in the development of more sustainable fuels and in the acquisition of skills so that, in the future, we can enter the renewable business in a position to win. Thanks to the quality of our oil, we are producing and selling marine fuel (bunker oil) with a sulfur content of 0.5%, as required by the standards of the International Maritime Organization 2020.

In 2019, we voluntarily supported 23 projects focusing on the conservation of Brazilian species and ecosystems, especially marine and coastal biodiversity. These projects are responsible for the protection of 56 fauna species threatened with extinction, and share our acquired knowledge, contributing to society and the conservation of the environment.

In the social realm, we launched the Petrobras Early Childhood Initiative in August 2019, with the implementation of a series of actions aimed at the protection, education, and development of children from zero to six years old - a period when the social return rate is high. This reinforces our commitment to the future generations in the communities where we operate.

Our strategy includes a permanent commitment to respect human rights, in accordance with the principles of the United Nations Global Compact and inspired by the Sustainable Development Goals. This special care we have with our stakeholders, as well as the set of ethical principles and conduct commitments that permeate our relationships, have allowed the development of a culture of integrity, which goes beyond fighting corruption and strengthening our internal controls and our corporate governance.

Our efforts have been recognized, and in 2019, we achieved a score of 46.6% on the Corporate Human Rights Benchmark, higher than the average of 29% for companies in the mining and oil sector.

A crisis like the one we are living in usually teaches many lessons. And the knowledge acquired will contribute to leaving us stronger and healthier. The current situation reinforces the importance of our five strategic pillars, which should continue to be pursued with even more focus. We will continue to operate with high productivity, low costs, and respect for people, the environment and safety, with the objective of being the best energy company when it comes to generating value over the long term, making a positive contribution to society and to Brazil.

Roberto Castello Branco
Petrobras CEO

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About the Report

The 2019 Sustainability Report meets the requirements of Law 13,303/16 and covers the period from January 1, 2019 to December 31, 2019, with the addition of relevant data regarding the history or facts that occurred in the first months of 2020, especially regarding the consequences of the Covid-19 pandemic. Therefore, we have included a specific chapter in the opening of the report gathering information about our operations through May 14, 2020, due to the social and economic context that came about. Even though some information regarding 2020 may be mentioned occasionally throughout the report, when this occurs the time period is stated.

The opening chapters, in addition to the aforementioned topic, show how the report is organized and presents our strategy for generating business value, as well as our key indicators. After that, due to the nature of this report, governance, environmental, and social aspects deserve their own chapters, presenting our main initiatives, management practices, and indicators.

The scope of information includes our activities in Brazil and abroad, including data on subsidiaries and companies in other countries, when material to the Parent Company.

In the case of the subsidiary Petrobras Distribuidora S.A., on July 29, 2019, we stated the material fact of the closing of the secondary public offering of common shares issued by us. With the completion of the transaction, our holdings were reduced to 37.50% of the subsidiary's capital. Therefore, the BR data contained in the 2019 Sustainability Report refer only to the period prior to the closing of the public offering.

We have adopted the Global Reporting Initiative (GRI Standards) sustainability reporting guidelines, in the Comprehensive option. The GRI Summary can be found at the end of this document. For the first time, we used the IPIECA Oil and Gas Industry Guide for Voluntary Reporting as a supplementary reporting methodology. IPIECA is the global oil and gas industry association for advancing environmental and social performance. We also presented the correlation of our activities with the Global Compact Principles and the United Nations Sustainable Development Goals (SDGs).

This report was approved by our Executive Board.

KPMG was responsible for the limited assurance service for the information in the 2019 Sustainability Report.

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NOTICE TO THE READER

This document contains forecasts that are only a reflection of management expectations. The terms "anticipates", "believes", "expects", "forecasts", "intends", "plans", "projects", "targets", "shall", as well as other similar terms, seek to identify such forecasts, which obviously involves risks or uncertainties that we may or may not predict.

Therefore, the future results of our operations may differ from current expectations, and the reader should not rely solely on the information contained herein. We do not obliged to update such forecasts in light of new information or their future developments.

Subsequent Events: Socioeconomic Context and Impacts of Covid-19

Our Sustainability Report deals with facts and data that occurred in 2019. However, the impacts of the Covid-19 pandemic (coronavirus) and the sharp drop in oil prices led us to report the main risks and uncertainties arising from this new scenario, including our position and the actions taken in early 2020 (until May 14, 2020), in accordance with our transparent profile with investors and our other stakeholders. The scenario presented in this period is unprecedented due to a combination of new factors. We are experiencing, on the one hand, an overwhelming public health issue that causes a strong contraction of global demand for oil and fuels, and on the other hand, the surplus supply of these products on the market. Therefore, it was up to us to make decisions in an agile and responsible manner, focused on two priorities: first to preserve the health of workers and contribute to society during this sensitive moment, and secondly to preserve our liquidity, counting on teamwork and prioritizing operational safety.

Health of Workers and Society

Since the beginning of the pandemic, we have adopted preventive measures in line with the recommendations of health authorities and regulatory bodies, prioritizing the protection of people's health and ensuring the safety and operational continuity of our activities. These measures are proposed by the Organizational Response Structure (EOR), which daily monitors the evolution of the global health situation caused by Covid-19, proposing preventive actions in a timely manner.

In addition to reinforcing hygiene measures and cleaning routines in our facilities, we provide continuous instructions regarding safe distancing among individuals. We adopt telecommuting for employees with administrative activities that can be performed remotely and for professionals that are part of a risk group in any activity. At our operational units, we have reduced staff to the minimum necessary to ensure continuity of operations and safety, with adjustments to work schedules.

For the offshore sector, considering the special confinement characteristic, we have adopted even more rigorous measures, always maintaining constant contact with regulatory bodies, service companies, and other entities in this sector to align

practices. We implemented monitored home isolation and medical screening on pre-boarding platforms, suspending boarding for those who showed any symptoms in the previous seven days. We evaluated, through a dedicated medical team, all employees with respiratory symptoms on board, and even if they didn't match the Covid-19 clinical description, we provided for their unboarding.

All employees were instructed to report any symptoms immediately. We shared specific communication channels (24-hour call center and e-mail), as well as an online form for self-reporting of suspected symptoms. We monitored suspected cases since the first symptom report, taking all preventive measures to avoid contagion and instructing employees and their families. We also applied RT-PCR (Reverse Transcriptase–Polymerase Chain Reaction) test to symptomatic employees, when indicated by the healthcare staff.

In addition to the already implemented measures, we started to provide non-professional facial masks for employees in operational activities. We started carrying out rapid tests before boarding, in a staggered manner, as this measure depends on the availability of inputs and services on the market.

In order to ensure that the best practices are also adopted by our suppliers, we monitored the measures and plans of the companies responsible for chartered units and the companies providing services.

In a coordinated effort with our business partners, universities, science and technology institutes, and social organizations, we launched a broad support front to fight the coronavirus with actions that mobilized our employees, researchers, and partners, using our technological infrastructure, resources, and capacity to respond for the benefit of society during this pandemic. These initiatives range from scientific cooperation with our technological network in search of agile solutions in the areas of prevention, treatment of disease, and hospital support, to initiatives to donate equipment and Covid-19 detection tests. Below is a list of the main actions we developed:

- We created the Scientific Response Structure (ECR) to generate solutions that help combat the Covid-19 pandemic, taking into account the urgency, the synergy with our technological skills, and the impact on society. ECR is connected to the Social Responsibility initiatives linked with EOR;
- We support Coppe-UFRJ (Federal University of Rio de Janeiro) in the production of prototypes for mechanical ventilators;
- We directed part of the processing capacity of high-performance computers (HPC) - the so-called "supercomputers" - to collaborate with research to combat the

coronavirus, through the Folding@Home project, in partnership with the Department of Chemistry at Stanford University, in the USA;

- We adapted our infrared or thermographic control cameras - originally used for equipment inspection - to identify the body temperature of our employees;

- We mobilized all our employees to send ideas that can help to expand our scientific front to fight the coronavirus, with a focus on Covid-19 prevention, treatment for the disease combined with the search for a cure, and hospital support.

We also focused our efforts to help society get through the crisis. In this sense, in addition to donations from the company to combat the coronavirus, we count on the solidarity of our employees and the support of our network of socio-environmental projects to benefit the communities surrounding our operations.

- We provided approximately 22 thousand safety items and hygiene products from the inventory of our Research Center (Cenpes) to universities and hospitals in Rio de Janeiro and Três Lagoas (MS) and to the Health Department of the State of Amazonas;

- We donated 600 thousand RT-PCR type tests for Covid-19 diagnosis to the Ministry of Health and to the Department of Health of the State of Rio de Janeiro;

- We donated about 3 million liters of fuel to supply ambulances, medical transport vehicles, as well as public and philanthropic hospitals linked to state health departments across the country. It was enough to meet the demand from public entities to fight the pandemic for the period up to three months;

- We donated anhydrous alcohol for the production of hand sanitizer, connectors for pulmonary respirators, personal protection equipment, and hygiene items for domestic hospitals;

- We made a financial donation to the Hospital das Clínicas of the Medical School of USP (University of São Paulo) to implement a Covid-19 diagnostic platform;

- Through our corporate volunteer program, we promote financial donations from the workforce to partner institutions of the Petrobras Socio-environmental Program for the distribution of food, hygiene, and cleaning materials to the communities that are the most vulnerable and risk-exposed to Covid-19.

Resilience and Liquidity Preservation

As of March 2020, we adopted a series of measures to reduce disbursements and preserve cash as a measure to preserve our financial health. These measures include optimizing oil production, postponing cash disbursements, and reducing costs. We hibernated our platforms that operate in shallow water fields, with higher extraction costs per barrel, and adjusted the processing of our refineries in line with fuel demand. We reduced costs with well interventions, optimized production logistics, and postponed significant new hires.

We also had initiatives to accelerate the reduction of operating expenses, with an additional decrease of USD 2 billion, with emphasis on the reduction and postponement of spending on human resources, working capital optimizations, and ultimately a reduction in investments scheduled for 2020 from USD 12 billion to USD 8.5 billion, of which USD 7 billion is from the cash perspective.

We used the disbursement from Revolving Credit Lines for approximately USD 8 billion and postponed the payment of BRL 1.7 billion in dividends (proposal pending approval by the Annual General Meeting on July 31, 2020).

On March 26, we announced the hibernation of 62 platforms in shallow water fields in the Campos, Sergipe, Potiguar and Ceará basins. The stoppage of these units corresponds to a production cut of 23 thousand barrels of oil per day. These platforms did not have the economic conditions to operate at low prices, and 80% of them were not inhabited.

Initiatives of our Subsidiaries

Petrobras Biocombustível adopted several protection measures for its employees and for the maintenance of operational continuity. Remote access was made available with telecommuting for employees, respecting the specific activities of each position. In the plants, a health security protocol was implemented to allow access by the external public. Intercoms and open tents for truck drivers were installed, as well as the service hours for the external public were organized in order to avoid more than 20 people in shared environments. In the production units, the 12-hour shift regime and relay schedules were also adopted to reduce the number of employees during business hours.

Transpetro, our wholly-owned subsidiary, in addition to adopting measures aimed at the health of its employees, also approved a resilience plan, which includes measures

to reduce the cost structure, both for operating expenses and investments, postponing or optimizing disbursements, in the amount of BRL 507 million in 2020.

In view of the impacts caused by the Covid-19 pandemic and the oil crisis, it was necessary to review the baseline scenario and oil price projections, as presented in our results for the 1st quarter of 2020, released on May 5, 2020. Updates regarding our position in relation to this crisis, including strategic and business decisions, can be followed and accessed on our portal and especially through the following channels:

- Our Energy Portal: www.petrobras.com.br/nossaenergia
- Blog Facts and Data: www.petrobras.com.br/fatos-e-dados
- New Paths Portal: novoscaminhos.petrobras.com.br
- Investor Relations: www.investidorpetrobras.com.br/en/

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Materiality

The 15 material issues that make up our matrix are the result of the process of identifying, evaluating, and prioritizing relevant topics that may affect our generation of value in the short, medium, and long term. In 2018, our materiality was revised and we prioritized the issues that most impact our business, using our stakeholders as reference.

Validated by Senior Management in February 2019, the material issues were maintained and the matrix that guided the preparation of the 2019 Sustainability Report presents the following issues:



Our activities and operations contribute to several of the 17 Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda. Our material issues are mainly linked to the following SDGs:



Throughout our report, our contributions to the achievement of the SDGs can also be found:



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Petrobras by the Numbers

We are a publicly traded company with operations in the oil, natural gas, and energy sector. We are recognized worldwide for our oil exploration technology in ultra-deep waters. However, our business goes beyond the reach of the field and oil and gas extraction. This means a long process where we transport oil and gas to our refineries and natural gas treatment units, which must be equipped and constantly evolving to supply the best products.

We have a large proven reserve base, and operate and produce most of Brazil's oil and gas. Most of our proven reserves in the domestic market are located in the Campos and Santos sea basins in southeastern Brazil, which allows us to optimize our infrastructure and limit our development and production costs for our new discoveries. In addition, we have developed exploration and production knowhow in deep and ultra-deep waters from almost 50 years developing Brazilian sea basins. The Santos Basin is the main source of our future growth in proven reserves and oil production.

We operate most of Brazil's refining capacity, most of which is concentrated in the Southeast, a region where the country's most populous and industrial markets are located, and adjacent to the sources of most of our crude oil. We are also involved in the production of petrochemicals through holdings in several companies. Our main products sold in Brazil and globally are petroleum, diesel, gasoline, natural gas, aviation kerosene, LPG, naphtha, and fuel oil.

We are responsible for the largest natural gas powered thermoelectric park in Brazil. Our plants have an important role in the flow and monetization of our own gas, and the portfolio management of the power generation complex undergoes permanent evaluation. Regarding Natural Gas, our industry includes the flow, processing, transport, distribution, LNG regasification, and supply of gas for our own and third party consumption, but natural gas transportation and distribution activities are currently undergoing a divestment process.

To serve the consumer market, we process natural gas derived from our onshore and offshore production (mainly from fields in the Campos, Espírito Santo and Santos Basins), import natural gas from Bolivia, and import LNG through our regasification terminals as necessary. We participate in the Brazilian energy market mainly through our investments in gas, fuel oil, diesel oil, and renewable energy plants.

We also have activities in eight countries. In Latin America, our operations range from exploration and production to marketing, retail services, and natural gas. In North America, we produce oil and gas through a joint venture, and until January 2019, we had refining operations in the United States. We have subsidiaries in England (London), The Netherlands (Rotterdam), USA (Houston) and Singapore that support our commercial and financial activities. These units are responsible for market intelligence and oil trading, oil products, and natural gas, in addition to shipping and vessel operations.

Changes begin to materialize our Strategic Plan

SIGNIFICANT STRUCTURAL CHANGES

For us, investing in technology is essential to add value to business and build competitive advantages for our sustainability. In 2019, the main changes in our organizational structure were the extinction of the Strategy, Organization, and Management System Area and the creation of the Institutional Relationship Area, due to the relevance of internal and external relationship activities, the need for closer proximity to the CEO in strategic and portfolio management decisions, and the opportunity to maximize synergies through the rearrangement of structures.

In addition, the Digital Transformation and Innovation Area was created, considering our strategy to prepare for a more competitive environment, seeking efficiency and increased productivity, as well as accelerating the journey of digital transformation and innovation in the coming years.

As of May 2020, we will have a new departmental configuration, with the creation of the Logistics Area and the extinction of the Corporate Affairs Area. The changes seek to generate greater efficiency in the management of logistics assets, eliminating operational and commercial inefficiencies, reducing costs, seeking excellence, and generating value in the use of services.

On July 29, 2019, we closed the sale of our subsidiary Petrobras Distribuidora, carried out through a follow-on on the stock exchange as part of our portfolio management program. With the exercise of the Supplementary Batch Option, the number of shares offered was increased by 43,687,500 shares, under the same conditions and at the same price per share initially offered. With the full placement of the Supplementary Batch Shares, the offering amounted to BRL 9,633,093,750.00 and our participation was reduced to 37.50% of the subsidiary's capital. The impacts were quantified in our cash, with the entry of the purchase of the securities, in the reduction of Petrobras Distribuidora's debt, revenue, and costs.

With the sale, our supply chain was modified, especially regarding the production of lubricant oil packaging and the supply of food sold by gas station convenience stores.



2,770

Mboed, of which

82

Mboed is foreign and

2,688

Mboed in domestic

2,172

Mboed of oil and LGN and

516

Mboed of natural gas.

96%

Gas Utilization Rate.

107

operational platforms.

6,587

producing wells.



1,873

Mbpd of derivative products. Of which

1,779

Mbpd in Brazil at

13

refineries and

1

shale unit and

94

Mbpd abroad in

1

refinery.*

*refinery sold in April 2019 (volume corresponds to that date).

928,400

m³ of biodiesel.

4

biodiesel production units.

87,764

m³ of ethanol,

1

ethanol production Unit.



567.2

millions of m³ of oil and oil products travelling through pipelines and terminals operated by the Transpetro subsidiary.

66.7

million m³ of natural gas travelling in gas pipelines operated by the Transpetro Subsidiary.

93.1

million metric tons travelling on ships operated by the Transpetro subsidiary.

9,190*

km of gas pipelines.

7,719

km of oil pipelines.

45

company ships.

83

chartered ships.

47

company terminals:

20

on land

24

on water

3

LNG regasification terminals

*7,155 km operated by the Transpetro subsidiary.



91,224,439

m³ of diesel, gasoline, aviation querosene, LPG naphtha and fuel oil sold domestically.



2,028

average MW of electricity generation by Petrobras in Brazil.

20

thermoelectric power plants, data regarding generation from the thermolectric power plants we manage.

6,447

MW (total installed capacity) in

20 thermolectric power plants

1 solar and

1 photovoltaic

+11 participations in

5 TPPs

4 Wind Power Plants and

2 SHP

SHP: Small Hydropower Plant. TPP: Thermal Power Plants. LNG: Liquefied Natural Gas. AVK: Aviation Kerosene LPG. LPG: Liquefied Petroleum Gas.

Highlights

Our strategic plan has three top metrics, focusing on people's safety, debt reduction, and value generation:



*TRI: Total Recordable Injury Rate;

** Top metric changed by the Board of Directors on April 28, 2020 since it is a more direct reflection of the company's indebtedness, substituting the previous target Net Debt/EBITDA;

*** EVA: Economic Value Added;

**** Target value updated by the Board of Directors on April 28, 2020 to maintain the correct incentive and encourage target guidance after the Covid-19 crisis.

PRODUCTION INDICATOR

Indicator	Performed					Goal 2019	%**	Goal 2020
	2015	2016	2017	2018	2019			
Total oil, LNG, and natural gas (MMboed) *	2.79	2.79	2.77	2.63	2.77	2.7	102,6%	2.7

* Disclosure of the production target is made in millions of boed (barrels of oil equivalent per day), with a variation of 2.5%, up or down.

** 2019 performance (percentage of 2019 achievement related to the 2019 goal).

SOCIAL AND ENVIRONMENTAL INDICATORS

Indicators	2015	2016	2017	2018	2019
Environment					
Oil and oil product spills (m ³)	71.6	51.9	35.84	18.47	415.34
Energy consumption (terajoule - TJ)	1,115,185	899,487	947,645	852,600	840,400
Greenhouse gas emissions (million metric tCO _{2e})	78	66	67	62	59
Emissions of carbon dioxide – CO ₂ (million metric tons)	74	62	63	58	55
Emissions of methane – CH ₄ (thousand metric tons)	150	145	133	127	130
Emissions of nitrous oxide – N ₂ O (metric tons)	2,332	1,820	1,761	1,629	1,514
Atmospheric emissions - NO _x (thousand metric tons)	267	235	281	239	217
Atmospheric emissions - SO _x (thousand metric tons)	120	131	135	139	138
Particulate material (thousand metric tons)	19	15	15	14	13
Freshwater withdrawal (million m ³)	213.3	191.6	177.7	182.3	156.9
Discharge of water effluents (million m ³)	277.1	281.8	293.2	289.1	271.6
Safety and Health					
Occupational Health and Safety					
Fatalities ¹	16	3	7	6	2
Lost Time Injury Frequency Rate (TFCA)	0.76	0.59	0.58	0.57	0.48
Total Recordable Injuries Rate (TRI)	2.15	1.63	1.08	1.01	0.76
Safety Process					
Number of Process Safety Anomalies Level 1 (Nasp Tier 1)	51	24	27	24	23
Contributions to Society					
Investments in socio-environmental projects (million BRL)	271	120	60	87	116
Investments in socio-environmental projects (million BRL)	139	71	61	38.3	37.3
Investments in sport projects (million BRL)	86	50	21	79.7	70.9

FINANCIAL AND OPERATIONAL INDICATORS

Indicators	2017	2018	2019
Operations			
Proven reserves of oil, condensate, and natural gas (Biboe)	9.8	9.6	9.6
Oil and LNG production (Mbpd) ¹	2,217	2,099	2,222
Natural production less liquefied (Mbpd) ¹	549	529	548
Sales volume in domestic market (thousand bpd) ²	1,835	1,807	1,754
Sales volume in foreign market (thousand bpd) ²	669	592	735
Consolidated Financial Information			
Sales revenue (million of BRL) ³	283,695	310,255	302,245
Gross profit (million of BRL) ³	91,595	118,687	122,105
Operating profit (loss) (million of BRL) ³	35,624	60,545	81,154
Adjusted Ebitda (million of BRL)	76,557	114,852	129,249
Net profit (loss) - Petrobras Shareholders (million BRL)	(446)	25,779	40,137
Net profit (basic and diluted loss) per share (BRL)	(0.03)	1.98	3.08
Free cash flow (million BRL)	44,064	55,450	73,232
Net Debt (million BRL)	280,752	268,824	317,867
Net Debt (excluding IFRS 16 effects) (million BRL) ⁴	280,752	268,824	222,403
Net Debt / Adjusted Ebitda	3.67x	2.34x	2.46x
Net Debt / Adjusted Ebitda (excluding IFRS 16 effects) ⁴	3.67x	2.34x	1.99x
Investments (million BRL) ⁵	48,219	49,370	111,120

¹As of 2019, the unit of measurement of gas production is thousands of barrels per day (mboed)

²Due to the divestment of Petrobras Distribuidora (2019), the data for the 2015-2019 period do not consider its sales.

³The 2018 and 2017 income statements were restated in 2019, due to the fact that the additional sale of the stake in BR is considered "discontinued operation" as of June 2019, meeting CVM (Comissão de Valores Mobiliários - Brazilian Securities Commission) and SEC (Securities and Exchange Commission) requirements.

⁴The effects of the adoption of IFRS 16 occurred as of January 1, 2019, when the standard went into effect.

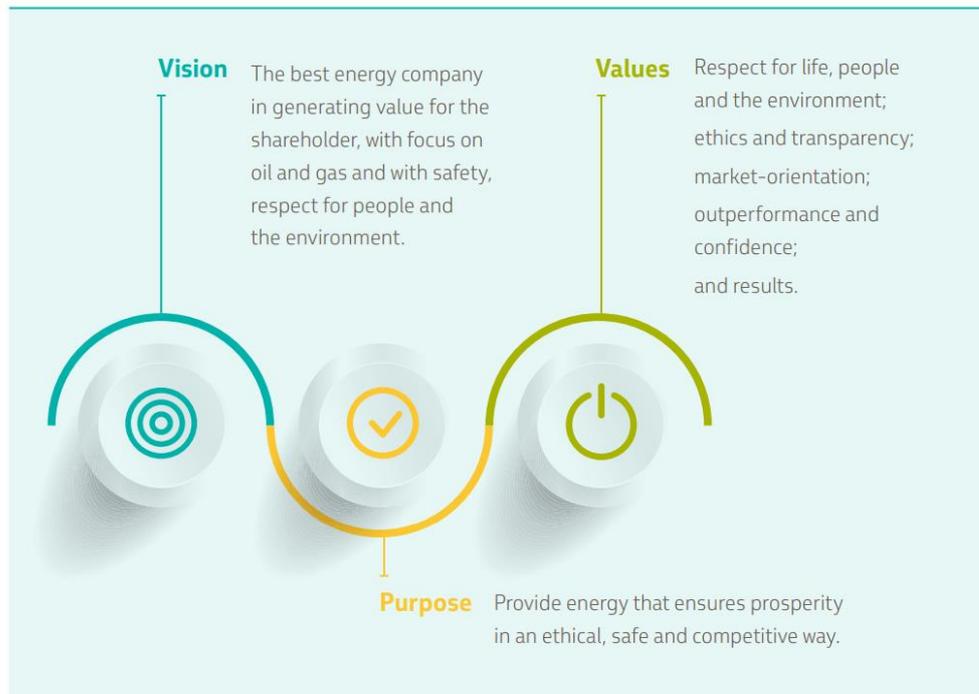
⁵Amount considers acquisition bonus of BRL 68,612 million

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Who We Are

We are a Brazilian company with more than 46 thousand employees committed to generating more value for our shareholders and for society. We are one of the largest oil and gas producers in the world, primarily dedicated to exploration, production, refining, generation, and sale of energy. We have acquired experience in exploration and production in deep and ultra-deep waters as a result of almost 50 years spent in the development of Brazilian basins, making us world leaders in this segment.

We seek to provide energy that ensures prosperity in an ethical, safe, and competitive manner. To do this, market orientation, persistence, and trust are our values, as well as ethics, transparency, and respect for life, people, and the environment. In this sense, social, environmental, and governance issues are decisive for our business, as we understand that the generation of value does not come only from the operation of our assets, but from the way we do it.



102-4; 102-6; 202

Where We Are



Main countries where we have operations

- A ARGENTINA
- B BOLIVIA
- C COLOMBIA
- D UNITED STATES
- E NETHERLANDS
- F UNITED KINGDOM
- G SINGAPORE
- H URUGUAY

E&P ACTIVITIES

- LAND BASINS
- SEA BASINS

REFINERIES

- | | | | |
|---|--|--|--|
| <p>1 REMAN
(ISAAC SABÁ)</p> <p>2 LUBNOR
(LUBRIFICANTES E DERIVADOS DE PETRÓLEO DO NORDESTE)</p> <p>3 UN-RNCE-PROD-RN
(ATIVO INDUSTRIAL DE GUAMARÉ-AIG)</p> | <p>4 RNEST
(ABREU E LIMA)</p> <p>5 RLAM
(LANDULPHO ALVES)</p> <p>6 REGAP
(GABRIEL PASSOS)</p> | <p>7 REDUC
(DUQUE DE CAXIAS)</p> <p>8 REPAR
(PRES. GETÚLIO VARGAS)</p> <p>SIX
(SUPERINTENDÊNCIA DA INDUSTRIALIZAÇÃO DO XISTO)</p> <p>9 REFAP
(ALBERTO PASQUALINI)</p> | <p>10 RPBC
(PRES. BERNARDES)</p> <p>REVAP
(HENRIQUE LAGE)</p> <p>REPLAN
(PAULÍNIA)</p> <p>RECAP
(CAPUAVA)</p> |
|---|--|--|--|

103-1; 103-2; 103-3

How We Generate Value

Our strategies are geared toward the creation of value for our stakeholders in all businesses and scenarios. Our transformational agenda is supported by five pillars: maximizing return on capital, reducing the cost of capital, a relentless pursuit of low costs, meritocracy and respect for people, safety and the environment.

In an increasingly complex and competitive business context, we will become stronger through active portfolio management, an efficient cost and investment structure with the development and implementation of innovative technologies that use digital transformation as a significant driver, and through robust sustainability commitments.

Our portfolio management seeks to allocate capital efficiently, recommending the necessary actions to reduce our debt levels and generate more shareholder value. Thus, our focus is to evaluate asset efficiency and the ability to generate results, even in a scenario with low oil prices. We are directing our portfolio to the E&P segment, especially in deep and ultra-deep waters, and we are moving towards opening up the natural gas and refining markets. For this reason, we focus on the pre-salt layer, which should receive most of the USD 76 billion that we plan to invest between 2020 and 2024.

This path reflects the trajectory that has made our company a world leader in deep water exploration, as well as having a technical capacity that makes us the company with the greatest capability to extract the maximum from these assets, with an estimated production of the equivalent of 3.5 million barrels of oil per day until 2024.

103-1; 103-2; 103-3; 201; OG1

Portfolio Management, Cost Structure, and Investment

Portfolio Management

Our business portfolio is defined annually during the preparations of the Strategic Plan for a five-year period. Our strategies are monitored in forums, which have periodic meetings and performance evaluation by Senior Management (directors and executive managers).

Our portfolio management includes continuous and integrated analysis of our assets and projects, ensuring our sustainability in the short term and generating value and competitiveness over the medium/long term. Thus, we allocate our investments so as to ensure that they generate the highest return, while simultaneously balancing different strategic perspectives and business segments. Active portfolio management is one of the pillars of our change process, ensuring the appropriation of good market opportunities, bringing us closer to our strategic objectives and generating value for shareholders, employees, communities, customers, suppliers and partners.

Our active portfolio management, part of our 2020-2024 Strategic Plan, is the main driver of our partnerships and divestments, which aim to improve our operational efficiencies and return on capital, in addition to generating additional cash to service our debts and investment opportunities. Currently, our partnerships and divestitures including the sale of minority, majority, or wholly owned positions in some of our subsidiaries, associated companies, or assets, to strategic financial investors or through public offerings.

DIVESTMENTS MADE FROM JANUARY 2019 TO MARCH 2020.

Signature Date	Closing Date	Transaction
June 27, 2018	March 8, 2019	Full sale of our equity interest in Petrobras Paraguay Distribución Limited (PPDL UK), Petrobras Paraguay Operaciones y Logística SRL (PPOL) and Petrobras Paraguay Gas SRL (PPG)
January 30, 2019	May 1, 2019	Full sale of the shares held by Petrobras America Inc. in the companies that are part of the Pasadena refining system, in the United States.
April 25, 2019	June 13, 2019	Sale of 90% of holdings of Transportadora Associada de Gás S.A. (TAG)
July 23, 2019	July 26, 2019	Sale of 33.75% of the capital in Petrobras Distribuidora S.A. through a Secondary Public Offering of shares.
March 8, 2019	September 10, 2019	End of our stake in Campo Maromba
November 28, 2018	October 8, 2019	End of our stake in the Pargo, Carapeba, and Vermelho fields of the so-called Northeast Cluster, located in the shallow waters off the coast of the state of Rio de Janeiro.
August 8, 2019	November 1, 2019	Sale of 50% interest in Belem Bioenergia Brasil (BBB), a subsidiary of Petrobras Biocombustível S.A.
April 25, 2019	December 9, 2019	End of stake in 34 land production fields, located in the Potiguar Basin, in the state of Rio Grande do Norte
April 25, 2019	December 27, 2019	Sale of 50% of exploration and production rights of the Tartaruga Verde field and Module III of the Espadarte field
December 27, 2019	December 27, 2019	Sale of the shares held by Petrobras Biocombustível S.A. in Bioóleo.
October 31, 2018	January 14, 2020	Full sale of our corporate holdings (50%) of Petrobras Oil & Gas B.V. ("PO&G BV")

In January 2020, after attempts to sell the subsidiary Araucária Nitrogenados S/A (ANSA) ended, we announced our decision to hibernate the factory. Located in the city of Araucária, in Paraná, the fertilizer factory had been presenting losses, due to the market context.

DEMOBILIZED PLATFORMS

Between 2018 and 2019

three platforms were demobilized: The P-27 left Brazil in 2018, the FPSO Cidade de Rio das Ostras left Brazil in 2019, and the FPSO Cidade de Rio de Janeiro was demobilized from the location and sent to a shipyard in Brazil in Dec/2019, leaving the country in February/2020.

In 2019

Five platforms entered hibernation: PCM-10, PCB-03, PGA-04, PGA-05 and P-09

Six platforms were sold: PCP-1, PCP-2, PPG-1, PVM-1, PVM-2 and PVM-3

Three platforms ceased operations: P-37, PCM-6, PCM-8

For information on hibernation and decommissioning in 2020, see “Subsequent Events: Socioeconomic Context and Impacts of Covid-19”.

We are guided by a divestment system ratified by the Federal Audit Court (TCU), based on the Bylaws for State-Owned Companies (Federal Law 13,303/16) and the General Petroleum Law (Law 9,478/98). The system employed is in line with decrees 9.355/2018 and 9.188/2017, and provides the rules for divestment with market transparency, as well as ensuring ample competitiveness, fairness, and publicity, with the disclosure of relevant facts regarding the stages of each process.

PERFORMANCE INDICATORS

Indicator	2017	2018	2019
Adjusted Return on Capital Employed (Excluding IFRS 16)	3.97%	8.54%	8.22%
Market Leverage Net Debt / (Net Debt + Market Cap)	57%	46%	44%

In addition, we have expanded our value generated and competitiveness, compared to competitors, by focusing on investing in assets where we have greater expertise. Our evolution results in wealth generation in the societies where we operate through taxes, as well as jobs and income generation. On the other hand, our portfolio management may indicate an exit from certain businesses or assets, which can impact employment, the supply chain, and the tax base in the regions where they are located.

In assets and units undergoing the divestment process, we have a personnel plan for assigned employees that provides three tools: Internal Recruitment, Termination Procedure by Agreement (PDA) and specific Voluntary Termination Program (POS). This plan is presented to employees after the binding phase of each divestment process.

BRL 177

million
in leasing
contracts

Process done
with respect
for people and
transparency

FAFENS

In November 2019, we entered into lease agreements for our fertilizer plants (FAFENS) in Bahia and Sergipe with the company Proquigel Química S.A, in the total amount of BRL 177 million for a ten year period, extendable for another ten.

With the hibernation of the factories and the demobilization of some administrative buildings, all the impacted employees were relocated to one of our other units, in accordance with the Human Resources standards in force at the time, with respect for people and transparency. In addition, there were divestments in the E&P area, applying the Personnel Plan, which provides for three tools in line with Human Resources policies and portfolio management initiatives: Internal Recruitment, Termination Procedure by Agreement and Specific Voluntary Termination Program.

In December, we signed an agreement with the Public Labor Prosecution Office (MPT) and defined that we will ensure the job position of our employees, except for in the event of sale or lease involving unit assets in any of the States of the Federation, when our Personnel Plan will be followed.

We seek to create conditions for professionals to make the best choice based on their current life stage. In addition, we maintain our commitment to transparency and the highest levels of operational safety and efficiency in all our assets undergoing the divestment process.

We received positions from a wide range of stakeholders regarding divestments made under our active portfolio management, such as shareholders, financial analysts, labor unions, members of civil society, representatives of municipal, state, and federal public administration entities, and parliamentarians, among others. We seek to share information on this topic to all these stakeholders in a clear and transparent manner.

We estimate that the impacts on job creation resulting from investments and expenses in the Development Plans (DP) of the exploration and production fields. DPs are registered with the National Petroleum, Natural Gas, and Biofuels Agency (ANP) and the jobs generated are estimated using the Input-Product methodology, and the data present in the resource and use tables of the Brazilian Institute of Geography and Statistics (IBGE).

Production Curve Effectiveness

Our oil and gas production is one of the main non-financial indicators monitored by investors, due to their direct link with cash generation and shareholder value. Production is one of the main goals disclosed in our Strategic Plan and we have indicators that address the adherence of the Production Curve to the planned goals. We release our Production Report on a quarterly basis, which contains the main information on the topic and is available for consultation on our Investor Relations website.

The effectiveness of our production curve allows for greater adherence to optimized planning of the fleet of vessels, tankage, pipeline movements, and other logistical resources to their actual use, generating lower costs and better results. Production volumes below or above the forecasted volumes can impact the efficiency of operations, the flow of oil and gas from the platforms, and the supply to refineries. However, to mitigate such issues, we effectively manage these risks through constant reassessments of the plans for contracting assets, the inventory levels in the system, and logistical alternatives, seeking to maintain operational continuity and the best results for the company.

Our Production Efficiency Index is the Key Performance Indicator (KPI) for the operations of the Production Units, and is used as a measurement metric in Balanced Scorecards (BSCs) and also used for benchmarking. The indicator, in addition to determining the operational performance of assets and allowing adjustments to the production curve, it is actively used to support investment decisions, divestments, interventions, and scheduled shutdowns.

The investment in production development seeks to guarantee the sustainable growth of the oil and gas production curve by replacing developed reserves, thus adding value to our results. The efficient management of production development projects increases our cash generation potential through these projects. On the other hand, performance that is below expectations in project management and implementation can lead to an increase in costs and project deadlines, with the delay in the first oil, impact on the ramp-up, and loss of value for the company.

Petrobras adopts the Phases methodology its capital investment projects, where each phase is characterized by a flow of activities that include governance, technical-economic reviews, and risk analyses that result in a set of deliveries that seek to meet the phase passage requirements. Our System for Capital Investment Projects in the Exploration and Production Segment (E&P), in line with the Corporate System for Investment Projects, contains the definitions of the tasks and activities to be developed while the project is ongoing, in addition to the governance and approval requirements.

The monitoring and control process occurs throughout the project's life cycle and deviations are recorded and justified, in order to allow traceability and the adoption of corrective actions. A minimum of the following project performance monitoring is done: post-EVTE, risk monitoring, and physical-financial monitoring.

Every month, we hold a critical analysis meeting with the director and executive managers to monitor the performance of the main projects and to verify the progress of project indicators related to deadlines, costs, risks, and operational efficiency.

We currently have strategic programs to improve our investment efficiency with a focus on reducing the Brent for project balance, reducing the time between the confirmation of an offshore discovery and the start of commercial production, and maximizing the yield of projects under a Production Sharing regime.

Financial Strategy

An important resource for generating value is our financial strategy, focused on reducing leverage, one of our top metrics.

We are evaluated by the three main credit rating agencies (Standard & Poor's - S&P, Moody's, and Fitch) and our ratings are based on our financial situation, strategies, and governance, and are also influenced by Brazil's sovereign risk classification. In 2019, S&P, Fitch and Moody's increased our stand-alone rating, while our global

rating outlook was updated from stable to positive by S&P and kept stable by Fitch and Moody's. In early 2020, Fitch raised our stand-alone rating, when we reached a BBB rating, the second level on the investment grade scale; and S&P changed our global rating outlook from positive to stable, maintaining the level of corporate debt risk. These movements maintained our global rating at BB- (S&P and Fitch) and Ba2 (Moody's). The improvement in market perception is due in large part to the management of our debt (liability management), where we exchanged more expensive debt for cheaper debt, reducing the average rate of financing and extending its terms.

Through our relationship with investors, we also captured the perception of adherence to the financial strategy that we practice regarding the expectations of this audience. As a result of our financial strategy, in 2019 we saw an increase in our market value, greater investor interest, and a change in the recommendations of sell-side analysts, most of whom recommend the purchase of our securities. Each organizational unit has activities, commitments, and goals related to the financial strategy we adopted, in order to achieve the expected results of our strategies and our business plan.

Product Prices

Our economic performance is also influenced by factors outside management's reach, such as the international price of oil and oil products. Both the price of Brent - the international oil marker - and the exchange rate (BRL/USD) bring major revenue volatility, with the resulting variation in our market value, and potentially, in our reputation with shareholders.

Our Executive Board is responsible for approving pricing policies. The pricing policy defined for diesel and gasoline, our main products, considers the international parity price (PPI), the margins for remunerating the risks inherent to the operation, and the level of participation. The readjustments are not made on a set schedule, but according to market conditions and the analysis of the external environment, allowing us to compete in a more efficient and flexible manner.

In order to better understand how our pricing and their variations associated with the international market contribute to final consumer prices, we have made a set of information available on our website about the fuel trade chain in Brazil, with estimates of the price composition for consumer based on ANP data.

The RepTrak™ survey, carried out quarterly, reports, among other information, the perception that public opinion has regarding our prices in relation to the market

("Prices compatible with the market"). This perception contributes to our reputation. In addition, we rely on the Ombudsman and Investor Relations channels to receive notifications about this issue, in addition to the Customer Call Center and the Citizen Information Service.

Reserve Replacements

Another relevant factor for the sustainability of our business is the replacement of our reserves, which indicates that the reserve already produced was offset by new volumes to be produced in the future. A reserve replacement of less than 100% means that the incorporated volumes were not sufficient to offset the year's production, indicating that the company may be reducing its source of future revenue generation. Maintaining a high level of reserve replacements is a challenge, especially in companies with high production levels. In 2019, our proven reserves of oil, condensate, and natural gas, according to criteria from the Securities and Exchange Commission (SEC), totaled 9.6 billion barrels of oil equivalent, and our reserve replacement ratio was 98%. Our Organic Reserve Replacement Index (ORRR), that is, without considering the effect of the sale of assets, was 106%.

Annually, at least 90% of our proven reserves, according to the criteria of the Securities and Exchange Commission (SEC), are submitted to an independent evaluation company. The reserve estimation process occurs annually, based on the projects provided for in the Strategic Plan and following reserve estimation and classification criteria defined by regulatory bodies. Throughout the year, changes in reserves and opportunities for incorporating new volumes are monitored by the Executive Management of Reservoirs, in contact with the operational units and design and project implementation areas.

102-15

Research and Development, Digital Transformation, and Cultural Transformation

Research and Development (R&D)

For information on our relationship with the scientific and academic community, see “Relationships with Stakeholders.”

In 2019, BRL 2.268 billion were invested in research and development of technological solutions. The definition of the technological solutions that make up our R&D portfolio is carried out by the Research and Development Center (CENPES) and occurs by identifying the needs of our business areas and the deployment of the company's business strategy, following the principles of operational efficiency and resource optimization.

The active management of this portfolio is carried out efficiently, and is able to optimize our resources and accelerate project deliveries, seeking their rapid implementation, measuring results, and assessing the success rate of R&D investments. Below are some examples of results obtained by R&D projects in 2019:

- Automated mapping through digital transformation allows technical advances in mineral quantification, and visualization of textures in pre-salt rocks. This is done ten times faster and at 10% of the original cost, with BRL 40 million in savings during 2019;
- Development of a methodology for the selection and injection of flow-enhancing chemicals that increase the production of wells in mature offshore fields, promoting a daily gain of around 20,000 barrels of oil, representing an estimated gross benefit of USD 438 million per year;
- Optimization of the interconnection of wells, in the revitalization of reservoirs in the Marlim field, using the computational tool ICARO, which results in an increase in the field's NPV by USD 200 million;
- Successful completion of the first test of the new Polycrystalline Diamond Compact (PDC) drill for pre-salt carbonate drilling, which generated savings of approximately USD 1.1 million as a result of improved efficiency;
- Implementation of the new concept of the Torpedo Stake Monitoring System, which reduces the operation time for instrumentation in the field and eliminates the need for specialized technician on board, promoting a cost reduction of BRL 1 million in the P-77 anchorage pilot unit project;

- Development of the Sliding Sleeve Valve (SSV), in conjunction with Welltec and Shell, which enables the configuration of an open well with intelligent completion¹ and reduces the construction of wells with intelligent completion of two zones in nine days, with savings of approximately USD 550 million by 2023;
- First application of the “Digital Twin” of the Riser Fatigue Monitoring System (RFMS), in the interconnection pipeline of the P-18 with the P-20, which adds to the useful life of the risers and generates an estimated savings of USD 1 million per riser, for each year the useful life is extended;
- Increased production of Heavy Diesel verified in tests at a demonstration plant at the São Mateus do Sul Operational Unit (SIX) and in the industrial implementation of the operation at the Henrique Lage Refinery Distillation Unit (REVAP), in São José dos Campos, which provides estimated gain of USD 2.45 million per year at REVAP and potential gain of USD 44 million in all of our units;
- Development of a methodology to simulate the phenomenon of salt deposit formation in fractionation towers that contributes to operational safety, preventing unscheduled downtime and avoiding losses of USD 13 million;
- Provision of a new commercial catalytic solution for a scenario of 100% production of S10 diesel in refineries in the Southeast, which generates a potential gain of USD 20 million per year.

Through the development and implementation of innovative technologies, we won the main award of the oil and gas industry - the Distinguished Achievement Award for Companies - for the fourth time. The award is granted annually by the Offshore Technology Conference (OTC), where we were awarded for the set of innovations developed to enable production in the Búzios field, in the Santos Basin pre-salt:

1. 8-inch production pipeline in a deep-water project, which allows us to have a greater flow of oil;
2. Manifold for simultaneous injection of water and gas, which increases our oil recovery factor in the field at a lower cost;
3. Optimized system of 20 anchoring lines by torpedo piles for mooring FPSOs in ultra-deep waters;
4. New approach for developing the configuration of the production line system, reducing production costs;
5. Largest seismic survey ever carried out in deep waters, using ocean floor receivers, which increased our ability to map oil and reservoir conditions;
6. Use of a virtual gas-liquid ratio (LGR) meter, leveraging the management of this

¹Phase of oil exploration in which the necessary equipment is installed in the well to bring the desired fluids to the surface in a controlled manner, and to allow the installation of monitoring equipment in the well.

reservoir;

7. Intelligent completion of well drilling, which allows better reservoir management and cost reduction due to the smaller number of wells required for production.

We previously obtained this international recognition in 1992 for the innovations developed for the Marlim field, in the Campos Basin; in 2001, for the solutions designed for Roncador; and in 2015, for the set of ten technologies specially created for pre-salt production. Also in 2019, the Brazilian edition of the conference (OTC Brazil) awarded us the Distinguished Achievement Award, for the set of innovations implemented during the Libra Long Term Test (TLD), in the Santos Basin pre-salt.

Digital Transformation and Innovation

Considering our strategy of preparing for a more competitive environment, seeking efficiency and increased productivity, we created the Department of Digital Transformation and Innovation. The mission of this new department is aligned with the five strategic pillars that support the company's transformational agenda, namely: maximizing return on capital, reducing the cost of capital, a relentless pursuit of low costs, meritocracy and respect for people, and safety and the environment. In order to accelerate your journey of digital transformation and innovation in the coming years, we have pursued the following objectives:

— **Go Digital:** We are paving the way for digital solutions, offering integrated data platforms and updated technologies, such as artificial intelligence. In 2019, our advances in information technology led to several improvements in our job performance, including (i) reductions in operating costs in the downstream segment, (ii) significant improvements in our high-performance computing resources in the upstream segment, which tripled from three to nine PFLOPS DP in 2019 and is expected to exceed 30 PFLOPS DP by the end of 2020; and (iii) adopting cloud-based solutions to improve our make or buy strategy and transform the way we work.

— **Be Digital:** To exploit the full potential of new technologies and manage a scenario of increasing complexity, a culture of collaboration and adaptability must be implemented. Agile methods can be a key factor in making business processes and models more resilient, empowering teams and increasing creativity and effectiveness. As an example, in 2019 we launched an internal startup program through which stakeholders submit proposals on how digital technology can have a strategic impact and deliver exponential returns to a committee. The selected ideas are already being developed in squads to deliver value in a short time period.

— **Lean Petro:** We work to optimize and digitize processes across our organization

using technological tools such as Robot Process Automation (RPA), Enterprise Service Management (ESM) and Business Process Management Suite. (BPMS). These tools help us to promote (i) an integrated management for a center of excellence in process digitalization; (ii) innovation and the incorporation of technologies in business processes; and (iii) the mapping, redesign, and simplification of processes and structures. In 2019, we began to restructure our processes to implement SAP S/4 HANA, which will be a major driver for process reengineering. During the year, approximately 3,000 processes and procedures were simplified or reduced, continuing an effort initiated in 2016 that brought about a reduction of approximately 18 thousand of our procedures.

— Innovation and R&D: We use innovation, research, and development as tools to expand the creation of value associated with new business models. The development of an innovation ecosystem is essential to reach the full potential of new technologies and can accelerate innovation, influencing time to market and acting as an engine of growth. We seek to improve the relationship with the innovation ecosystem by adopting new open innovation practices with startups. In 2019, the new Petrobras Connections for Innovation program was launched, in partnership with the Brazilian Micro and Small Business Support Service (Sebrae), which provides a public tender offer for the selection of projects with startups and small companies. The program seeks to improve the level of technology maturity and the implementation rates, stimulating the development of technological solutions for the oil, gas, and energy sector. Additionally, as an example of innovation related gains, we highlight PROD1000, which is a program that seeks to reach first oil within 1,000 days of discovery, a time period reduced to the industry benchmark for the pre-salt, and the EXP100 program, with a goal of increasing the discovery of oil in exploratory wells to 100%, reducing project risks and costs by anticipating production development, resulting in increased capital efficiency for the entire cycle.

— Protection: Information security plays an important role in our daily operations and is considered an innovation facilitator in our digital transformation journey. In 2019, we carried out several initiatives related to information security, continuous awareness, threat detection intelligence platforms, adoption of cyber security structures, data loss prevention solutions, and industrial control system security, in order to improve information security maturity levels.

Our investments in information technology and telecommunications that promote our sustainability (Green IT) include the adoption of corporate business cards using QR Codes on employee identification badges, eliminating the need to print these cards. We developed technology to optimize processes throughout the company, making it leaner and less dependent on printers and paper. Remote collaboration,

with productive videoconferencing environments and infrastructure for effective remote work, also reduces the travel and commuting needs of our employees, avoiding CO₂ atmospheric emissions. In turn, the strategy of providing high performance computational processing capacity (HPC) helps reduce the uncertainty of exploratory well projects and production development, reducing the number of wells to be drilled, the drilling time and, as a result, the CO₂ emissions.

Cultural Transformation

Cultural transformation was a process begun in 2017, in the context of the strategic planning cycle. This was during a time when we were still impacted by a profound image and reputation crisis, with potential business impacts. As a result, we decided to intervene in the organizational culture based on changes in corporate systems, organizational symbols, and behaviors, starting with leadership.

The first stage of our strategic cultural transformation initiative was to conduct a comprehensive diagnosis with employees, which included administering a quantitative survey and focus groups, with the involvement of around 10,000 employees. This diagnosis was made between December 2017 and April 2018, focusing on the characterization of our installed culture. The completed study, combined with an analysis of employee comments, allowed us to understand that we have clear, solid, and quite uniform cultural roots. Among the diagnosed characteristics, we can emphasize the following:

- We are very proud of what has been done, where we arrived, and what our company means;
- We are experiencing the challenge of overcoming again in the face of the oil and gas industry scenario;
- We feel the need to work collaboratively to generate results.

The diagnosis also highlighted that 63% of all participants in the qualitative groups said that our technical competence, our professionals, our commitment, our companionship, and the pride we have in the company is the best part of our culture. On the other hand, this diagnosis revealed some cultural aspects that need to be improved in order to promote meritocracy, a focus on results, integrated action, innovation, and overcoming challenges.

The Organizational Culture integrated diagnosis report was presented to Senior Management between the months of May and June 2019. The diagnosis, together with our strategies, was evaluated by a group of executives - the Culture Team - who

used it as an input for modeling the Target Culture, that is, the culture that we need. The behaviors of leaders were also evaluated, given the business and management challenges, in order to achieve our strategic aspirations. From there, we consolidated a Culture Plan with a view to managing the transformation process.

All the methodology used for the transformation of our organizational culture is based on the principle that the change takes place based through with the behavioral example of leaders, starting with Senior Management. Therefore, our leaders must act as the main transformational agent, being committed to, aligned with, and close to the teams. Managers, as people and business leaders, must translate the Target Culture, reinforcing the desired behaviors and adjusting the elements that do not drive our future.

Despite focusing on leadership as agents of change, the transformation of the organizational culture is a process that targets all our employees, so that everyone will be urged to evaluate their behaviors, in order to reinforce those that are needed and eliminate or discourage those that are unacceptable

In addition to the diagnosis, in 2019 we held a workshop to define strategies and cultural attributes to maintain. There we presented the Target Culture to all the leaders, and we presented it to all employees along with our new strategies.

In 2020, we will continue engaging leaders and teams to expand their actions and sustain the transformations that have already implemented.

102-15; OG2

Sustainability Commitments

Environmental responsibility is an ethical imperative of our business and is fundamental to generate sustainable value for our business, preserving the value of our assets and products. Local and global pressure for natural resources is growing, structurally and progressively affecting society and markets.

For information on our indicators for the transition to a low carbon economy, see “Management of Atmospheric Emissions and Carbon.”

In the context of transition to a low carbon economy and in a scenario of high uncertainty, we have reinforced the measures for the resilience of our portfolio at lower oil prices as a fundamental factor for our future competitiveness. The concept of resilience of the oil and gas portfolio also involves operating with low carbon intensity at our facilities.

In addition, we reinforced our consideration of carbon in our decision-making processes, intensified emission monitoring in our value chain, and maintained an emphasis on technological preparation for future renewable energy businesses.

So far, we have already taken a series actions to reduce carbon in our processes, which involve reduced flaring of natural gas, reinjection of CO₂, and energy efficiency gains.

Accordingly, we have stipulated ten commitments to the low carbon and sustainability agenda:

10 SUSTAINABILITY COMMITMENTS*



Zero growth in absolute operating emissions by 2025



Zero routine flaring by 2030



Re-injection of approximately 40MM ton CO₂ up to 2025 in carbon capture, utilization and storage projects



32% reduction in carbon intensity in the E&P segment by 2025



30%-50% reduction in methane emission intensity in the upstream segment by 2025



16% reduction in carbon intensity in refining segment by 2025



30% reduction in freshwater capture in our operations with focus on increasing reuse by 2025



Zero increase in residues generation by 2025



100% of our facilities with biodiversity action plan by 2025



Maintenance of investments in socio-environmental projects

* Carbon commitments compared to 2015 basis. Other commitments with 2018 basis.

In 2019, we invested BRL 67 million domestically in the biofuels segment and BRL 78 million developing research in renewable energy businesses, with a focus on wind, solar, and BioQav, totaling BRL 145 million, which represents 0.34% of our total investment.



Governance

Since 2015, we have implemented several actions in order to strengthen our culture of integrity, which includes internal controls and governance. Thus, in 2019, we felt that this governance robustness allowed us to move towards a model of greater accountability, recognizing good faith errors. In addition, the result of an evolutionary trajectory has allowed our Board of Directors to return to its strategic role.

To support the focus on efficiency and value generation, we created two new departments in 2019, Institutional Relationships and Digital Transformation and Innovation, in addition to the Logistics department in 2020. With the change, we now have four corporate boards and four operational boards.

In the internal procedures conducted by the company, we had no new cases of corruption involving employees in 2019. On the other hand, in the legal realm, we received formal confirmation regarding four unappealable final court decisions, regarding charges made between 2014 and 2018. We continued efforts to hold the parties accountable, whether individuals or legal entities, which allowed us to receive a cash refund of damages provided for in leniency agreements, collaboration agreements, and repatriations, in the approximate amount of BRL 871 million in 2019 resulting from Operation Car Wash, totaling BRL 4.1 billion over the years.

102-20; 103-1; 103-2; 103-3

Corporate Governance

Good corporate governance practices are a pillar that supports our business. Through a continuous effort, we have sought an effective, ethical, and transparent governance model, with a focus on results that generate value in the short, medium, and long term. Being perceived by public opinion as an ethical company, in how we do business and fight corruption, favors our reputation index score, an upgrade of our investment grade, and the reduction of the cost of capital via financial deleveraging, and also provides greater competitiveness and expands the possibility of forming partnerships.

We seek to develop a culture of integrity in order to strengthen our good governance and compliance practices, through communication activities, training for suppliers, customers and the internal public, including senior management, managers, integrity agents, and contract inspectors, in addition to research and monitoring with our various stakeholders, whose results guide our future actions. We publicize relevant governance and compliance related issues through our relationship channels that reinforce the importance of this commitment.

In order to achieve the best environmental, social and economic practices throughout 2019, the Leadership Committee of the Evolution Management System monitored actions to mitigate social risks and reduce the impacts on projects and operations, measure the return of the social investment, increase our level of governance and compliance, and strengthen mechanisms for detecting and responding to ethical or integrity deviations.

Below are some examples of top metrics and others specific metrics of the areas monitored in this forum that were shared with the managers of each area to evaluate personal performance in order to achieve expected results:

- EL/EBITDA;
- ROCE;
- Dow Jones Sustainability Index, separated into dimensions such as Social Responsibility, Risk Management, Compliance and others;
- Reputation Index, which measures the general perception of rational dimensions that impact, positively or negatively, the emotional perception of the company's reputation based on the RepTrak™ methodology: Governance & Ethics, Leadership

For information on the results of some of our indicators, see "Highlights" and "How We Generate Value".

& Management, Performance, Innovation, Products & Services, Citizenship, and Work Environment;

- Index of environmental conditions met; and
- Greenhouse gas index.

Among the actions to strengthen our corporate governance, we highlight measures to improve our decision-making process. Implemented since 2015, they seek to strengthen our internal controls and our governance, ensuring transparency and effectiveness for a system to prevent risk and combat deviations, providing for corrective actions. These measures came to provide more security to the shareholder and support management decision-making.

In accordance with Article 16 of our Bylaws, our governance rules, as well as our common corporate rules, by means of technical, administrative, accounting, financial and legal guidelines, fully apply to our wholly owned and controlled subsidiaries, and whenever possible, to affiliates, subject to the resolutions of the management bodies of each company and the strategic planning approved by our Board of Directors.

Our general structure consists of the organizational units directly linked to the members of the Executive Board and the Board of Directors, listed in the Basic Organization Plan (PBO). The PBO is mentioned in our Bylaws and is published on the Investor Relations website.

For more information on our decision-making process on social and environmental topics, see "Governance Structure."

The decision-making process for social and environmental topics involves several corporate governance structures, including the Board of Directors and the Executive Board. The Ombudsman-General and Internal Auditing are directly subordinate to the Board of Directors and participate in the management of such topics.

Our governance establishes the following instruments regarding the decision-making sphere for guiding policies for identifying, analyzing, and responding to real and potential impacts related to economic, social and environmental issues:

GOVERNANCE INSTRUMENTS

Documents	Level for Approval
Bylaws	General Shareholder Meeting
Basic Organization Plan (PBO)	Board of Directors or Executive Board
Corporate Governance Guidelines	Board of Directors
Our global policies, including strategic business, financial, risk, investment, safety, environment, and health management, information disclosure, dividend distribution, transactions with related parties, spokespeople, human resources, minority shareholdings, and social responsibility.	Board of Directors
Code of Best Practices	Board of Directors
Code of Ethics and Conduct Guide	Board of Directors
Antitrust Code of Conduct	Executive Board
Pricing policy and basic price structures for our products, as well as corporate governance, accounting, finance, personnel management, contracting and execution of works and services, supply and sale of materials and equipment, operations, and other corporate rules necessary to guide our operations	Executive Board
Standards, guidelines, and compliance and governance procedures	Executive Director for Governance and Conformity
Standards and procedures for the performance of activities at the units under his direct responsibility	CEO and executive directors

The entirety of our Code of Best Practices can be found on our Investment Relations website. The Code is currently made up of nine policies. They are:

- I - Policy for the Reporting of a Significant Act or Fact and the Trading of Securities;
- II - Compliance Policy;
- III - Business Risk Management Policy;
- IV - Ombudsman Roll Policy;
- V - Shareholder Compensation Policy
- VI - Appointment Policy for Senior Management and Audit Committee Members;
- VII - Communication Policy;
- VIII - Policy for Transactions with Petrobras Related Parties;
- IX - Corporate Governance Policy

The perception of public opinion - as measured by the RepTrak™ survey - about the Petrobras Governance & Ethics dimension - showed significant improvement. There

was a 38% increase in the assessment in this dimension during the last quarter of 2019 compared to the same period in 2018. It was the indicator that most evolved over the year. It captures the perception that respondents have of Petrobras regarding the attributes of a company that is ethical, transparent about its operations, correct in the way it does business, and which acts to prevent and combat corruption in its activities. RepTrak™ is a proprietary methodology of the Reputation Institute, which conducts quarterly surveys for Petrobras with samples from 1,200 respondents, to monitor our corporate reputation.

Based on the effort to obtain corporate governance with measures that go beyond those required by Law 6.404 (Brazilian Corporate Law) and Law 13.303/16 (State-Owned Companies Law), several initiatives have been taken to allow for differentiated governance and an improvement in the quality of the information we provide.

In order to allow greater representation of preferred shareholders, we highlight the expansion of the Minority Committee's duties, which began to provide prior advice to shareholders in situations that are considered critical, such as the approval of mergers and acquisitions, and contracts between the controller and the company, whenever these decisions are subject to approval at the general shareholder meeting.

In addition, due to our voluntary adherence to B3's Level 2 Corporate Governance, we also have new rules for the public offering of shares, to disclose the annual calendar of corporate events, to guarantee the granting of 100% tag along for preferred shares, under the same conditions granted to common shares, and to provide for arbitration proceedings for matters arising from the Level 2 regulation.

Regarding the voting rights of preferred shares, in order to enable participation, B3 granted us exceptional treatment based on the following: the legal impediment provided for in Law 9.478/97 (Petroleum Law), for the expansion of the Minority Committee's duties, especially for matters in which preferred shares should have voting rights, in accordance with Level 2; and in the composition of the Board of Directors, with at least 40% of independent directors.

The changes adopted in our governance and management model are moving in the direction of transforming completed efforts into a set of good practices that ensure robustness, effectiveness, and resilience for this model, as well as longevity for our organization.

Between 2018 and 2019, we carried out a series of revisions of instruments and actions to improve our corporate governance, in order to establish best practices in

line with the market and our strategy. This was done in accordance with the requirements of new governance rules (Law 13.303/2016, Decree 8.945/2016, B3's Special Level 2 Corporate Governance Listing Segment, and the Brazilian Corporate Governance Code).

Some of the main activities done in 2019 and 2020 that are reflected in our Bylaws are:

- A more strategic role for the Board of Directors:** Having approved the approval jurisdiction for organizational changes and appointing and dismissing members of our general structure, in view of the need to return the Board of Directors to its strategic role; move our company from a model influenced by “situations of distrust” to a model of “delegation with accountability.” Redistribute decisions with reviewed of the attributions/jurisdiction, and increase the efficiency of the decision-making process, providing more agility. In this context, the duties and the name of the directors are transferred to the Basic Organization Plan (PBO) and this information becomes a matter for the Board of Directors. This change is in line with market practices and simplifies the process and its costs, since organizational adjustments no longer require changes to the Bylaws. It should be noted that the PBO, like the Bylaws, is posted on our website for consultation.
- Greater efficiency in collegiate decisions:** With the revision of the Bylaws, there is no longer a need for a fixed annual agenda for the Board of Directors to assess the jurisdictional limits of the Executive Board and when the Board of Directors needs to be called upon. In this context, this jurisdiction will only be exercised if the revision of these limits is necessary, making collegiate performance more efficient.
- External members:** We approved the recommendation expressed in the Brazilian Corporate Governance Code, with provisions for the Board of Directors to include external members, with no current statutory or employment ties to us. There is an exception for the cases of the chairman and the member elected by the employees.
- Creation of the Digital Transformation and Innovation (TDI) area:** This area seeks to prepare us for a more competitive environment, based on cost efficiency, scale, and digital transformation. We want to guarantee the constant expansion of technological skills in areas with development potential, strengthening the performance of the current business, capturing the opportunities created by digital transformation, and applying new technologies to our processes, always with a focus on generating value.

For more information about our digital transformation, see “Research and Development, Digital Transformation and Cultural Transformation.”

- **Clearer rules:** Inclusion expressed in the Bylaws of the cases of impediment for assuming the position of a Petrobras manager, pursuant to Law No. 13,303/16 and Decree No. 8,945/16.
- **Equity interests:** Amendment to the Bylaws, in order to make the percentage of equity interest compatible in other companies that prevent our managers from participating in a decision involving them, except in the case of non-relevant, direct and indirect equity interests, pursuant to the regulation of the Brazilian Securities and Exchange Commission, in publicly traded corporations that do not have the potential to generate a conflict of interest with us.
- **Independent members:** Inclusion in the Bylaws of the recommendation listed in the Brazilian Corporate Governance Code, placing the annual assessment and disclosure of independent members under the jurisdiction of the Board of Directors.

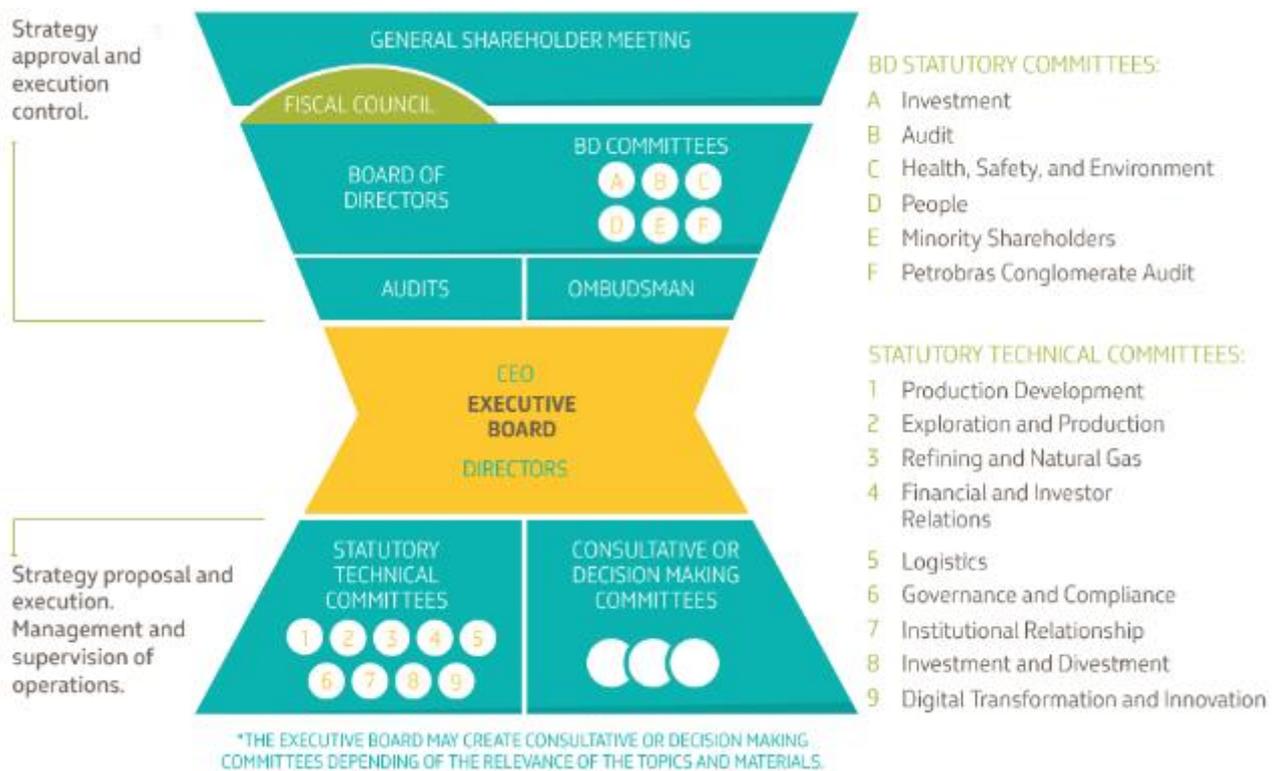
On January 29, 2020, we requested our disassociation from the B3 State Owned Company Outstanding Governance Program, which was formalized on February 13, 2020. The adhesion to the Program occurred on August 8, 2017. Then, we continued to improve our governance practices, joining B3's Corporate Governance Level 2 special listing segment on May 14, 2018. This segment stands out, among other aspects, for the stricter rules of transparency and governance. In this sense, we remain under B3's supervision as a publicly traded company and reiterate our commitment to the continuous improvement of our practices, always striving for greater efficiency and value generation without, however, reducing our internal controls.

102-18; 102-19; 102-20; 102-22; 102-23; 102-24; 102-26; 102-27; 102-28; 102-31; 102-33

Governance Structure

Our Corporate Governance Model is approved by the Board of Directors and seeks to improve our performance and Senior Management's decision-making process. Our governance structure is composed of: General Shareholder Meeting, Fiscal Council, Board of Directors and its committees (Board of Directors Committees), Audits, Ombudsman' Office, Executive Board and its committees (Statutory Technical Committees and Executive Advisory or Deliberative Committees).

GOVERNANCE STRUCTURE



Fiscal Council

The Fiscal Council is a permanent collegiate body, composed of up to five members elected by the Annual General Shareholder Meeting, with the task of supervising the acts practiced by management, specifically in terms of their compliance with the law and our Bylaws. The fiscal councilors also evaluate our financial statements, and managers are responsible for analyzing the convenience and timeliness of our management acts.

Board of Directors

The Board of Directors is a collegiate body providing guidance and direction, and is responsible for defining our strategies. Its attributions are established in our Bylaws. This body is composed of a minimum of seven members and a maximum of eleven members elected by the General Shareholder Meeting, which also appoints the Chairman of the Board among them.

The chairman of the board is a non-executive external member of the organization. According to our Bylaws, in article 18, paragraph 6, the Board of Directors must be composed only of external members, without current statutory or employment ties with our company, except for the member designated as our CEO and the member elected by the employees. The functions of chairman of the board of directors and CEO of main executive of Petrobras will not be exercised by the same person (§8).

It is up to the Board of Directors to approve the Social Responsibility and Health, Safety, and Environment Policies, as well as the Code of Ethics and Conduct Guide, documents that address the issue of human rights.

The composition of the Board of Directors and the profile of its members can be found in the Reference Form and Form 20F, available for consultation on our Investor Relations website.

Selection and nomination process

The selection and appointment processes for the Board of Directors (BD), our highest governance body, follow the guidelines set out in the Bylaws and the Policy for the Appointment to Senior Management and the Fiscal Council. The Policy applies to us and our companies, according to article 16 of our Bylaws and articles 10, sole paragraph, and 14, III, of Law No. 13,303/16.

According to article 29, item XII, of our Bylaws, it is incumbent upon the Board of Directors to approve the Appointment Policy containing the minimum requirements for the appointment of members to the Board of Directors and its Committees, the Fiscal Council, and the Executive Board, and to make it made widely available to shareholders and the market, within the limits of the applicable legislation.

In accordance with article 40, item XII of the Bylaws, the General Shareholder Meeting must approve, when necessary, the requirements of the Appointment Policy that go beyond those contained in the applicable legislation for board members and fiscal councilors.

The Appointment Policy upholds the strengthening of principles such as transparency, equity, accountability, corporate responsibility, independence, focus on results, and diligence in relation to the selection, nomination and evaluation processes of the appointee's eligibility, which must be observed together with the legislation and our Bylaws. In this sense, the guidelines, procedures, minimum requirements, and impediments established in the legislation, the Bylaws, and in this policy must be observed by all those who exercise the right to appoint, whether they are employees or shareholders, regardless of whether they are majority or minority shareholders, or are holders of common or preferred shares.

The Appointment Policy also introduced two new Appendices with complementary requirements, Appendix IV - Declaration of eligibility and unblemished reputation - Publicly traded companies, applicable for the appointment of directors and executive officers, and Appendix V - Information about shareholdings, applicable to appointments for board members, executive officers, and external members of the statutory advisory committees of the Board of Directors, as well as appointments for executive officers and members of our general structure. It is not necessary to provide information about non-significant shareholdings in publicly traded corporations, which do not have the potential to generate a conflict of interest.

Item 4.1.2 of the Policy maintains what is already stated in our Bylaws, prohibiting the appointment or nomination of people that have or may have any type of conflict of interest with the Federal Government or the company, among other impediments, from being a part of Senior Management.

Regarding the appointment of the board member elected by the employees, in addition to the guidelines applicable to all appointed board members, it must comply with the rules contained in Law 12.353/10 and in electoral regulations approved by the board.

The Policy establishes, in its guidelines, that diversity should be sought in the composition of the Board of Directors, as well as complementary experiences and qualifications.

The Appointment Policy is part of our Code of Good Practices, mentioned in the opening of the "Corporate Governance" section. It was originally approved by our Board of Directors in 2016 and was last reviewed on January 29, 2020.

Statutory Committees and the Board of Directors.

The Board of Directors has six Statutory Advisory Committees, with specific powers of analysis and recommendation on certain matters, directly linked to the Board of Directors (as shown in the "Governance Structure"). The composition and rules of operation of the committees are governed by regulations approved by the Board. The scope of the duties of these committees extends to our subsidiary and controlled companies, which must comply with our bylaws and applicable legislation in all cases.

STATUTORY COMMITTEES AND THE BOARD OF DIRECTORS

Committee	Composition	Main Attributions
Health, Safety, and Environment Committee (HSEC)	<ul style="list-style-type: none"> - Maria Cláudia Mello Guimarães (chair) - Danilo Ferreira da Silva - Evely Forjaz Loureiro - Sonia Aparecida Consiglio 	Advise the Board of Directors on matters pertaining to health, safety, environment, and social responsibility, such as: the establishment of global policies related to these topics; the definition of guidelines and strategic objectives regarding issues such as climate change and transition to a low carbon economy; the monitoring and evaluation of indicators, image and reputation surveys, and performance results related to these matters; proposing preventive and corrective actions; the evaluation and monitoring of strategic HSE and social responsibility issues that involve risks, with an emphasis on operational, socio-environmental, image, and reputation risks.
Investments Committee (COINV)	<ul style="list-style-type: none"> - João Cox Neto (chair) - Nivio Ziviani - Guilherme Jose Macedo Pinheiro de Lima - Edson Chil Nobre 	Monitor and examine, at least once a year, our indicators and image and reputation surveys, reporting their analysis to the Board of Directors, as well as recommending initiatives and action plans when necessary - except when regarding HSE and social responsibility, which is monitored by the HSEC.
Statutory Audit Committee (CAE)	<ul style="list-style-type: none"> - Sonia Julia Sulzbeck Villalobos (chair) - Maria Cláudia Mello Guimarães - Walter Mendes de Oliveira Filho 	Assist the Board of Directors in establishing global policies related to risk management and assessment; evaluate and monitor our risk exposure; receive, forward and monitor internal and external complaints, including confidential ones, regarding accounting, internal controls, or audit matters; analyze the internal control reports related to financial, accounting, operational, legal, and ethical aspects, prepared by the internal audit and by the units responsible for evaluating these controls, in addition to verifying compliance with the recommendations contained in these reports; supervise the activities of the areas responsible for internal controls, internal audit, and the Ombudsman's Office; be aware of governance and compliance activities; evaluate and monitor, along with management and internal auditing, the adequacy of actions to prevent and combat fraud and corruption; ensure the adoption, maintenance and improvement of good legal compliance and integrity practices; evaluate the following reports, as appropriate, for publication on our website and filing with the CVM: Annual Letter of Public and Corporate Governance Policies and Report on the Brazilian Corporate Governance Code.

Committee	Composition	Main Attributions
Conglomerate Statutory Audit Committee (CAECO)	<ul style="list-style-type: none"> - Marcelo Mesquita de Siqueira Filho (chair) - Durval José Soledade Santos - Francisco Vidal Luna 	Evaluate and monitor our exposure to risk and evaluate and monitor, together with the management and internal auditing, the adequacy of actions to prevent and combat fraud and corruption.
People Committee (COPE)	<ul style="list-style-type: none"> - Walter Mendes de Oliveira Filho (chair) - Marcelo Mesquita de Siqueira Filho - Tales José Bertozzo Bronzato - Sergio Luiz de Toledo Piza 	Propose and evaluate proposals for changes to our Appointment Policy; verify the compliance of the appointment process for the Executive Board and the external members of the Board of Directors' advisory committees; evaluate and propose integrity and compliance criteria and other criteria and requirements related to the process of election and dismissal of members of Executive Board, of the members of our general structure, and of the other functions linked to the Board of Directors; support the Board of Directors in organizing a formal and periodic evaluation process for members of the Executive Board, the Board of Directors, and their committees; verify the compliance of the evaluation process for managers and fiscal councilors, as well as of the Senior Management of our companies; evaluate and propose compensation policies and mechanisms for members of senior management (Board of Directors, Executive Board, and Executive Management); in addition to promoting and monitoring the adoption of good corporate governance practices related to compensation and succession.
Minority Shareholder Committee (COMIN)	<ul style="list-style-type: none"> - Marcelo Mesquita de Siqueira Filho (chair) - Sonia Julia Sulzbeck Villalobos - Durval José Soledade Santos 	Assess and measure whether the obligations and responsibilities we take on as a way of contributing to the public interest that justified our creation are different from those of any other private sector corporation operating in the same market. ¹

¹Attribution that is also given to the Investment Committee (COINV).

We are evaluated by the main Environmental, Social and Governance (ESG) risk rating institutions. The assessment methodology used by these institutions, among other factors, includes the assessment of facts that may cause or increase investment risks in the company that is undergoing ESG analysis.

Periodically, the Board of Directors' committees are informed about the main evaluations published by these rating agencies. The committee most involved in this process is the Health, Safety, and Environment Committee, but the topics can be submitted to any committee, depending on their nature. After learning about these topics, the management groups involved in these matters, together with the Investor Relations department, develop an action plan with the objective of improving our practices. The progress of this action plan is monitored periodically by the committees.

Executive Board

The Executive Board is the body that includes our CEO and the eight executive directors. It is responsible for managing our business in accordance with the mission, objectives, strategies and guidelines established by the Board of Directors.

It is incumbent upon the Board of Directors to approve changes in the composition of the Executive Board, observing the minimum number of three members, in accordance with Law 13,303/16, and the maximum established in our Bylaws. Executive Board members work individually in the activities of the units in their respective contact areas, according to the duties provided for in the Basic Organization Plan, as well as through Executive Board meetings. The executive director responsible for the areas of governance and compliance is responsible for analyzing and issuing an opinion on the procedural compliance of agenda items submitted to the Executive Board. In the event of an unfavorable opinion, the agenda item will not be sent to the Executive Board to decide on, and must return to its issuer to meet compliance requirements. The Chief Financial and Investor Relations Officer is responsible for providing the financial resources necessary for our operation, leading the loan and financing contracting processes, as well as related services; move our monetary resources, always together with another executive director; as well as promoting our financial management and monitoring the financial management of our wholly owned, controlled and affiliated subsidiaries and consortia.

Statutory Technical Committees

The Executive Board receives assistance from the Statutory Technical Committee on Investment and Divestment. Executive Board members, on the other hand, have eight technical advisory committees, made up by members of our general structure, with specific powers of analysis and recommendation on certain matters (as shown in the "Governance Structure" image). The composition and operating rules of the Statutory Technical Committees are governed by regulations approved by the Board of Directors. Statutory Technical Committees can set up commissions and working groups, with predominantly tactical and operational activities, to support them in the performance of their duties.

Deliberative and Advisory Committees

The Executive Board can create committees, with delegated powers, linked to this body or directly to one of its members. The committees can deliberative or

consultative in nature and have the purpose of assisting the Executive Board in fulfilling its duties and responsibilities. These committees are formed by managers from different organizational areas, in order to guarantee a multidisciplinary view in the analysis and discussion of the matters, as well as in the decision-making process.

The formation and rules of operation for the committees are governed by regulations approved by the Executive Board. Currently, the Executive Risk and the Health, Safety and Environment Committees are in operation.

Authority Delegation Process

The powers and duties of the Board of Directors and the Executive Board are described in our Bylaws. The Basic Organization Plan, in turn, defines the responsibilities of the heads of the organizational units in our general structure, as well as the general duties of these units, which make up the duties of the CEO and the executive directors. Among these attributions, is the responsibility for and commitment to economic, environmental and social topics, also organized in the form of processes within the scope of the company's areas. In the executive decision making realm, we can highlight three executive management areas with specific responsibilities associated with social and environmental topics: Social Responsibility, Health, Safety, and the Environment, and Human Resources.

The responsibility hierarchy unfolds with management reporting to the Executive Board, which, in turn, follows the guidelines of the Board of Directors, both advised by their respective committees.

Our authority delegation process is carried out through formal instruments, including the Operational Limits Matrix. Approved by the Board of Directors in 2015, and most recently revised in 2020, the matrix consolidates the approval limits for the execution of plans, projects, and budget targets; capital investments, current investments, sales; expenses, funding programs and provision of guarantees, among others.

In addition to the Operational Limits Matrix, the Authority Limits Table establishes the limits delegated to the members of the Executive Board and managers for the approval of the acts necessary for management, as well as the guidelines and rules to apply and use the stated authority delegations.

Additionally, we implemented the model of shared authorizations, that is, with crossed signatures of at least two managers, with no direct subordination relationship between them, for contracting, purchases, disbursements and other

management acts.

Critical issues, especially those regarding environmental, health, operational, or financial security issues, are referred to the Board of Directors, through our Executive Board. In line with the Commitment to Life Program, which seeks to reduce accidents and preserve lives, Safety Moments have been instituted in the meetings of the Executive Board and the Board of Directors since November 2016.

Defining Strategy and Policy

In accordance with Article 29 of our Bylaws, it is incumbent upon the Board of Directors, among other duties, to set the general direction of our business, defining our mission, strategic objectives, and guidelines; and approve, upon the proposal of the Executive Board, the strategic plan, the respective multi-annual plans, as well as annual plans and programs for expenditures and investments, while promoting annual analysis regarding the fulfillment of the goals and results in the execution of said plans, and must publish their conclusions and report them to the National Congress and the Federal Audit Court.

According to Article 34 of the Bylaws, it is up to the Executive Board, among other duties, to evaluate, approve, and submit to the Board of Directors the basis and guidelines for the preparation of the strategic plan, as well as the annual programs and multi-annual plans, and the strategic plan, the respective multi-annual plans, as well as annual expenditure and investment plans and programs with their respective projects.

The Board of Directors is responsible for setting our global policies, including those for managing commercial strategy, financial, risk, investments, the environment, information disclosure, dividend distribution, transactions with related parties, spokespeople, human resources, and minority interests, in compliance with the provisions of art. 9, Paragraph 1 of Decree No. 8,945, of December 27, 2016.

The Executive Board and its members are responsible for managing our business, in accordance with the mission, objectives, strategies and guidelines established by the Board of Directors.

For more information on Senior Management training, see “Petrobras Corruption Prevention Program.”

Knowledge Management

The managers and fiscal councilors of state-owned companies, including representatives for employees and minority shareholders, must participate, upon installment and annually, in specific training about corporate and capital market legislation; information disclosure; internal controls; code of conduct, Law 12.846/2013 (Anticorruption Law), and other topics related to our activities.

Therefore, in order to promote orientation for new board members, external members of the Board committees, executive directors, and fiscal members, while simultaneously presenting and updating knowledge on relevant topics defined in Law 13.303/16 and in Decree 8,945/16, in 2016 our Board of Directors approved the training model for our Senior Management, which includes the Training Program for New Managers and Fiscal Council Members and the Periodic Training Program for Managers and Fiscal Council Members, aimed at those who already work with us.

Our Corporate Governance Guidelines also provide for face-to-face meetings with members of our Senior Management and an introduction program for new board members that addresses relevant governance issues.

The members of the Board of Directors (BD) also receive, upon their installation, a set of documents, such as annual management and sustainability reports, ordinary and extraordinary meeting minutes, Board meeting minutes, Bylaws, and other corporate governance instruments, and are invited to visit our facilities, a stage in which they can experience aspects related to safety and the environment at the operating units.

Performance

The performance evaluations of the Board of Directors, the Executive Board and its advisory committees, as collegiate bodies, and each of its individual members, occur annually, and are provided for in our Bylaws, in our Corporate Governance Guidelines and in Internal Regulations of the Board of Directors.

According to our Bylaws, the Board of Directors is responsible for evaluating, on an annual basis, the individual and collective performance results of the managers and members of the Board’s Committees, with the methodological and procedural support of the People Committee. This evaluation observes minimum requirements such as the exposure of management acts regarding lawfulness and effectiveness of the managerial and administrative action; the contribution to net income for the year; achieving the objectives set out in the business plan, and meeting our long-

term strategy.

The system that details the Board of Directors evaluation procedures is executed by a specialized outside company and was approved by the Board of Directors. The methodology seeks to periodically analyze the performance and contribution of our management bodies, our managers, and the members of the advisory committees to achieve the objectives and goals established in the strategic plan, seeking to achieve more efficient and effective results and contribute to the strengthening of our image and reputation with stakeholders.

The creation of the evaluation methodology considered the understanding of documents and reports, including those released to the public; individual interviews with the members of the Board of Directors; and the presentation of the conclusions, recommendations and priority actions. The Board of Directors must also assess the performance of the Executive Board on an annual basis, based on the system and criteria it defines.

The result of the performance appraisal is used in the variable compensation calculation for Executive Board members. Thus, if all the program prerequisites and goals are met, the Executive Board's Evaluation Indicator, given by the Board of Directors, will have an influence on the participant's variable compensation. The performance evaluation does not affect the compensation of members of the Board of Directors and its advisory committees, since their compensation is fixed.

For more information about variable compensation, see "People Management".

102-16; 102-17; 102-25; 102-34; 103-1; 103-2; 103-3; 417-3; 418; 418-1; 419

Ethics and Transparency

Our business purpose is “to provide energy that ensures prosperity in an ethical, safe, and competitive manner” and we reaffirm our values in our strategic positioning, which represent our commitment to people, society, partners, and shareholders:



Respect for life,
people and the
environment



Ethics and
transparency



Market-
orientation



Outperformance
and confidence



Results

We believe that ethics is an individual commitment for the common good. We are constantly looking for ethical behavior to permeate our relationships with different audiences through the dissemination of a set of ethical principles and conduct commitments, among other references that regulate the conduct of the workforce.

Code of Ethics

Created in 1998 and revised in 2006 and 2018, our Code of Ethics contains the following principles we use as a basis for ethics management:

- _ respect for life and all human beings;
- _ integrity;
- _ truth;
- _ honesty;
- _ justice;
- _ equity;
- _ institutional loyalty;
- _ responsibility;
- _ zeal;
- _ merit;
- _ transparency;

- legality;
- impersonality;
- coherence between speech and practice.

In accordance with the provisions of our Code of Ethics, in items 8.8 and 8.9, regarding relations with Society, the Government, and the State, we are committed to “refuse any practices of corruption and bribery, maintaining formal procedures for control and consequences of possible transgressions, and to refuse support or contributions to political parties or political campaigns of candidates for elective office”. In addition, we monitor the interaction of our employees with political agents, with periodic reports, observing specific norms and standards for the relationship with these agents.

Conduct Guide

For more information about ethics and integrity training, see “Training”.

Approved in 2014 and revised in 2018, our Conduct Guide consists of the practical implications of the Code of Ethics, reinforcing that the principles of respect, honesty, and responsibility make up the basic rules for ethical action in our organization. Both the Code of Ethics and the Conduct Guide were approved by the Executive Board and the Board of Directors and are published in Portuguese and English.

The Code of Ethics and the Conduct Guide can be accessed by the entire workforce (via intranet and internet, on our external website). We provide employees with an electronic system for periodic signing the awareness agreement for these documents, especially when contents undergo revision in these documents.

In relation to business partners and other external organizations, such as our suppliers, we have a “standard clause” in our contract model, which requires them to be aware of and comply with the guidelines of our Code of Ethics and our Conduct Guide.

Compliance Policy

Our Compliance Policy has principles and guidelines that aim to describe and disclose the commitments we assume in relation to the promotion of the highest ethical values of integrity and transparency in the conduct of our business, with zero tolerance for fraud, corruption, and money laundering.

Human Resource Policy

The management of labor relations is fundamentally guided by our Corporate Human Resources Policy, in the extension of its principles and guidelines.

Under the regulatory aspects, the management of labor relations is regulated by corporate standards that establish the appropriate conditions for these relations.

Liabilities

The documents that establish our commitment to the highest ethical values are applicable to our various stakeholders, such as customers, suppliers, investors, partners, public authorities, Senior Management, company employees, and service providers.

We have a Governance and Compliance department, led by an independent director, with an express provision in the bylaws regarding the possibility of direct reporting to the Board of Directors. Since 2014, the Executive Director of Governance and Compliance (DGC) has been elected from a list of professionals that were pre-selected by a specialized executive search agency. In the event of dismissal, the qualified quorum rule, provided for in the Internal Board Regulations, must be observed.

The Executive Director of Governance and Compliance, unlike other members of the Executive Board, is responsible for issuing an opinion on the procedural compliance of agendas items submitted to senior management. Issues with high compliance risk, according to our fraud and corruption risk matrix, require compliance opinions. In the event of an unfavorable opinion, the agenda item will not be sent to the Executive board to decide on, and must return to its issuer to meet compliance requirements.

The Basic Organization Plan, mentioned in our Bylaws, highlights the responsibilities of the Governance and Compliance Department. These include the following attributions: planning, guiding, coordinating and evaluating the activities for spreading a culture of compliance, preventing fraud incidents, corruption, and money laundering, internal controls, integrity analysis of managers and counterparties, as well as ensuring third party accountability and reporting to senior management on the progress of compliance related activities. This is done to ensure a healthy business environment.

Every quarter, governance and compliance activities are reported to Senior Management, allowing integrity activities to be supervised and providing an opportunity for recommendation to be made regarding efforts to mitigate corporate risks, including those related to fraud and corruption.

In addition to the structure responsible for compliance activities, we have about 200 professionals from different areas acting as Integrity Agents that seek to multiply information and spread a culture of integrity.

Our Ethics Committee, on the other hand, seeks to promote ethics management and issue recommendations, acting as a forum for discussing and deeper analysis of ethics related issues, in addition to dealing with conduct that does not comply with the pertinent ethical standards. One of the attributions of the Ethics Committee is to supervise the observance of the Code of Conduct for Senior Federal Administration and to report to the Public Ethics Committee any situations that may constitute a lack of compliance with its rules.

Our administrators and managers have additional responsibility for the effectiveness of compliance actions, and should serve as a legitimate example of ethical behavior for all stakeholders, maintaining the continuous strengthening of the integrity environment as one of our priorities.

We have a network of organizational units in our structure to ensure ethics and compliance matters are followed. These include the Compliance areas (responsible for managing the Integrity Program, integrity analysis of counterparties and employees, as well as internal controls), Corporate Integrity, Ombudsman's Office, Internal Audit, Governance, and Corporate Intelligence and Security.

Ombudsman-General, Reporting Channel and Transparency Portal

As part of our Integrity System, the Ombudsman's Office is responsible for receiving complaints, requests for information, requests, consultations, compliments, and suggestions from all our stakeholders in a confidential, free, and accessible manner. Linked to our Board of Directors, which ensures its independence and impartiality, the Ombudsman's Office interacts with the relevant areas, seeking to strengthen and promote the fulfillment of demands and contribute to the improvement of internal processes.

Through our Ombudsman's Office, we offer our stakeholders (including indigenous peoples and traditional communities) an external and independent channel for receiving complaints, available in Portuguese, English, and Spanish, 24 hours a day,

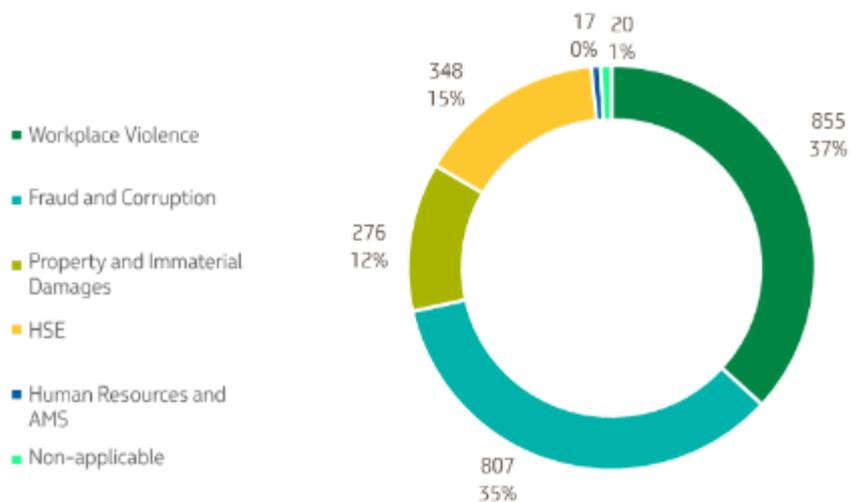
every day of the year. In cases of denouncements, the protection of whistleblowers occurs by preserving the confidentiality of the reports received and by receiving anonymous reports. In the case of reports of workplace violence, in circumstances where it is impossible to handle the case without identifying the complainant, the investigation will only proceed if there is consent. In addition to the various resources and procedures for preserving the whistleblower's identification, including those adopted by the company that operates the Reporting Channel, non-retaliation is foreseen as a specific topic to identify a situation in which the whistleblower feels harmed or retaliated against after reporting a complaint.

The prohibition against retaliation is systemically and objectively contained in the Code of Ethics, in the Conduct Guide and in the "No retaliation against whistleblowers" guideline, managed by the Ethics Committee, in addition to other specific internal rules.

The Ombudsman's Office presents quarterly reports to the Statutory Audit Committee with fraud and corruption reports that present the greatest risks. In addition, it presents semiannually to the Statutory Audit Committee and annually to the Executive Board and the Board of Directors quantitative and qualitative information, providing support information for improving management.

The graph below shows the total number of complaints received, presented in large groups according to the similarity of the reports received.

COMPLAINTS RECEIVED IN 2019



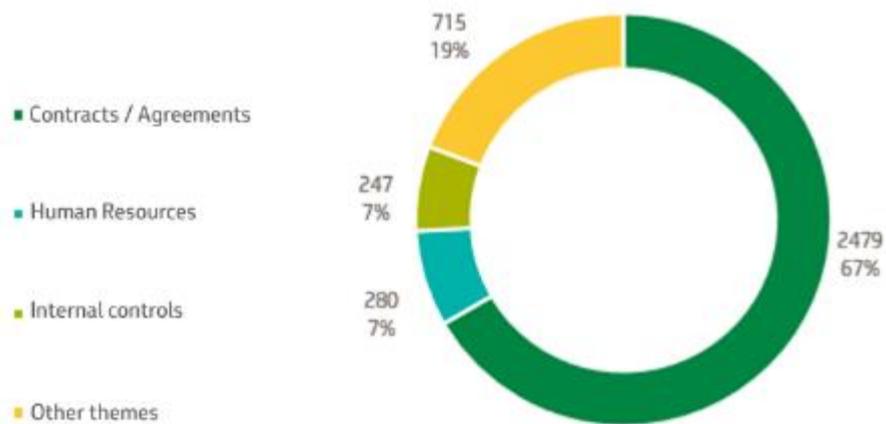
For more information on management to prevent fraud and corruption, see “Petrobras Corruption Prevention Program.”

Our Board of Directors became aware of the list of complaints received, and obtained detailed information on 86 fraud and corruption complaints that were considered to be the most critical, classified as high and very high risk according to our Fraud and Corruption Risk Matrix.

Most of the complaints regarding fraud and corruption dealt with favoritism. Regarding complaints about workplace violence, most of them were related to this offense. Regarding property and immaterial damage, most of them were related to property security; and regarding human resources and Multidisciplinary Health Care (AMS), the majority were related to job position deviations and public service exams.

With regard to promoting transparency and access to information, we reedited our Transparency Manual. In addition, we conducted updates and additions to the Transparency Portal throughout the year, adapting it to the relevant legislation and facilitating user navigation. In relation to the Citizen Information Service - SIC, we ended the year among the five most demanded bodies or entities of the entire Federal Executive Branch providing the requested information at high rates.

INFORMATION REQUESTS RECEIVED IN 2019

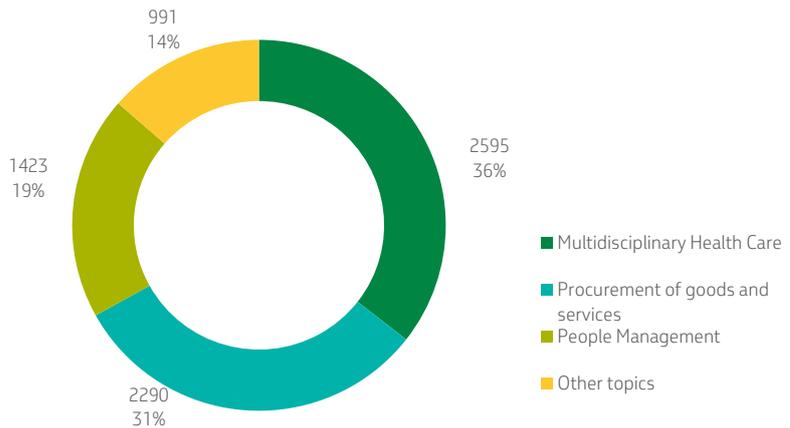


Of the requests for information received about contracts and agreements, most of them refer to access to contracts and agreements. In relation to human resources, most were related to selection processes. Regarding internal controls, most of them were related to access control to the units.

As for the other types of statements received and dealt with by our Ombudsman’s Office (complaint, request, compliment, and suggestion), it should be notes that this works as a second service channel, not replacing the various communication channels that we make available to our audiences (Customer Service , People Relationship Center, Supplier Channel, etc.).

The graph below shows the total number of complaints received, presented in large groups according to the similarity of the reports received.

COMPLAINTS RECEIVED IN 2019



For more information on conflicts of interest, see "Internal Controls."

For more information on labor disputes in 2019, see "People Management."

Of the complaints related to Multidisciplinary Health Care (AMS) offered to our employees, most were about financial issues. Of the complaints about procurement of goods and services, most were about relationships with contractors and/or suppliers. As for complaints about people management, most of them were regarding compensation.

In addition, the Ombudsman’s Office is responsible for receiving inquiries related to potential Conflicts of Interest among employees who are not company managers. These inquiries received regarding conflicts of interest are referred to our Ethics Committee.

Our channels do not replace the legitimate role of labor unions in addressing labor disputes, nor do they prevent access to judicial or other non-judicial complaints mechanisms. We also do not impose any access restrictions on competent authorities in the investigation of human rights violations, except to preserve the anonymity of whistleblowers. We include alternatives such as telephone, letter, and face-to-face service to guarantee access to all our audiences, including marginalized groups.

In order to ensure a more effective response to communities, we also have free phones with 24-hour service coverage, from Sunday to Sunday, which are widely publicized in the communities where we operate. In addition, the Social Responsibility team provides specific telephone contact numbers and e-mail for each operational unit to meet community demands.

For more information on our relationship channels, see "Relationship with Stakeholders."

We provide, in our Management Portal, a permanent area to register ideas that can support improvements in our communication channels. Suggestions can also be sent through the Ombudsman's channels, to analyze the feasibility of their implementation. In addition, the Ombudsman's Office seeks to continuously improve our channels by identifying improvements needs in our processes.

Conducted annually since 2015, the Perception Survey about Compliance Actions is the most important diagnosis of employee perception regarding implemented compliance activities. Answered voluntarily and anonymously, the survey is conducted by an independent institute and responses are kept confidential. The research results support improvements in the planning and execution of our actions in this area, seeking to be recognized as a benchmark for ethics, integrity, and transparency. The 2019 survey was made available to all of our employees and nine subsidiaries in Brazil and abroad. In it, 97.7% of respondents agreed with the statement "helping to prevent misconduct is also my responsibility."

In order to answer questions related to complaints and requests, we implemented a satisfaction survey with those who contacted our Ombudsman's Office. This survey, still in its initial phase, will present information that will serve as input for our usual process reviews.

Due to the continuous search for information transparency, clarity, and quality, we were once again recognized by the Brazilian Association of Listed Companies (Abrasca). In December 2019, we received an honorable mention for socio-environmental aspects in the 2018 annual reports and we came in second place in the Abrasca Award. We were also recognized with the Transparency Trophy, received in October 2019 for the best financial statement in Brazil in 2018, in the category of publicly traded companies with revenues above BRL 5 billion.

Customer Data Confidentiality

Regarding the confidentiality of customer data, we are concerned with the possible publication of information that is strategic or sensitive to the competitiveness of the contracting parties. Therefore, we use information security and confidentiality clauses and signed contractual conditions, within the legal dictates and our commercial policies. In addition, we have systems for registering, storing, and archiving contracts and information with access that is restricted to duly authorized persons. The process revalidates commercial practices, is aligned with the market, and has not received any complaints from interested parties.

Customers in the bottled segment have their data published by the ANP, and there is no privacy policy for dealer data, since the information is public. On the ANP website, it is possible to check who the dealer shareholders are, their connection and address, among other data.

The Liquigás Customer Service Center is part of the service provision contract, which contains a specific confidentiality clause according to which the contracted party must maintain secrecy and confidentiality of all information and documents that it receives or becomes aware of due to the provision of services, whether it is of a technical or commercial nature, obliging itself, its employees, contractors, or any other person designated to execute services, not to disclose them or provide them to third parties, without prior and express authorization from Liquigás. All documents related to the execution of the contract and which are in the contracted party's power at the end of the provision of the service, must be returned, regardless of its full execution, within five working days. Failure to comply with any obligation will result in the payment of losses and damages for default, without prejudice to the contractual termination.

The contract with the Customer Service operating company has confidentiality terms, as well as the contracts between it and its employees. Additionally, access to the CRM is protected by a login and password, according to our information security policy, and all information in the system is considered confidential.

Regarding breaches of customer privacy, we do not record complaints of any kind, whether from external parties or regulatory agencies, nor do we record cases of non-compliance with regulations and codes relating to marketing communications, including advertising, promotion, and sponsorship, in 2019.

102-29; 103-1; 103-2; 103-3; 206; 206-1; 307; 307-1; 416; 416-1; 416-2; 417; 417-1; 417-2; 419; 419-1

Compliance

We carry out our activity in accordance with current laws and regulations, in addition to complying with our own internal rules, standards, and procedures based on best market practices. Several compliance mechanisms exist to reinforce this commitment.

Regulatory Environment, Market Opening and Competition

We are convinced that respect for antitrust legislation is fundamental for the socioeconomic principles and objectives of the National Energy Policy, in compliance with legal instruments related to the oil, gas, and energy sectors, can be preserved and expanded.

Therefore, we did a diagnosis of our competitive environment and mapped the related risks, followed by the creation of management mechanisms. Our Antitrust Code of Conduct, approved by the Board of Directors, embodies our commitment to strict compliance with antitrust legislation in Brazil and in the foreign jurisdictions where we do business.

Additional guidance on the subject is the subject of internal memos issued by the Antitrust Office of our legal team, the body responsible for resolving doubts in relation to antitrust rules and their concrete application. Additionally, we have some relationship channels that allow the needs, expectations, and perceptions of the related audiences be addressed: Customer Service, Reporting Channel, Ombudsman, and Talk to Us.

After guidelines issued by CNPE, Petrobras signed a Consent Decree (TCC) with CADE, a body whose mission is to ensure market competition, agreeing to sell 50% of the refining complex (eight oil refineries, including assets related to fuel transportation). With this, in this TCC, CADE committed to suspend an Administrative Inquiry (nº 08700.006955 / 2018-22), initiated on December 5, 2018, with the objective of investigating possible abuse of a dominant position by Petrobras in the refining market in Brazil .

Petrobras also signed a TCC with CADE for the natural gas sector. The measures include divestment in the area of natural gas, negotiations on access to flow and processing assets, not purchasing new volumes of gas from partners or third parties except in certain situations provided for in the agreement, and leasing the

Regasification Terminal in the State of Bahia, subject to tax legislation adjustments to the contract flow taxation model. Like the TCC of the Refining sector, CADE committed to suspending administrative procedures to investigate Petrobras' performance in the sector.

According to CADE, the agreements are healthy measures that support improvements in the gas and oil product markets.

Finally, it is worth mentioning that the TCC signatures are in line with the company's strategy of improving its capital allocation, reducing leverage and regulatory risk.

We were not party to any lawsuits regarding unfair competition or violations of antitrust laws and monopoly regulations in 2019. At Liquigás, there was a lawsuit concluded in 2019 and three are pending. The completed lawsuit was a Public Civil Action filed by the Federal and Rio Grande do Sul Public Prosecution Offices, seeking conviction for collective pain and suffering due to the alleged antitrust practices, specifically of a cartel in Porto Alegre and Canoas. A Special Appeal was filed, provided by the Superior Court of Justice (STJ), reviewing the previous conviction and acquitting Liquigás. The unappealable decision of the lawsuit was totally favorable to Liquigás and the judicial process was terminated in March 2019.

Customer Health and Safety

In line with our ten commitments to the low carbon and sustainability agenda, we have already taken a series of actions to reduce carbon in our processes, which involve reduced flaring of natural gas, reinjection of CO₂, and energy efficiency gains. We maintain our commitment to the decarbonization of processes and products, with a robust action plan in relation to carbon resilience and efficiency.

In 2019, refinery investments were made in projects to reduce emissions of NO_x, SO_x and particulate matter, most of them to meet the emission limits established by CONAMA Resolution 436/2011. Additionally, investments were made in the area of energy efficiency as well as in the reduction of torch gas in refineries. A separate portfolio of potential projects to reduce GHG (greenhouse gas) emissions was established in order to reinforce their priority.

Our development of fuels for the transport sector focuses on assessing impacts that may affect the environment, safety and health. This evaluation seeks to promote improvements in each of the stages for making a product available, such as: development of the product concept, research and development, certification, manufacturing, production, marketing and promotion, storage, distribution, and

supply.

The main motivators for the development of new products, which begins with the definition of its concept, are aspects related to the improvement of air quality and health, safety, energy efficiency, and suitability for use.

As an example of actions aimed at improving air quality and energy efficiency in the use of fuels, we can mention the reduction of the sulfur content in marine fuel oil (bunker) from 3.5% to 0.5%, reaching 100% of production on October 1, 2019. Another important contribution is the percentage increase in the share of S-10 diesel in the automotive market, with Petrobras evolving from 34.7% in December 2018 to 40.9% in December 2019. Also in 2019, Petrobras participated in the discussions of the directive that defined the minimum specific mass for gasoline, which will result in a 4% energy fuel efficiency gain. The new specification is expected to come into effect as of August 2020, and the increase in efficiency will result in emission reductions of both regulated pollutants and greenhouse gases.

The increase in the content of renewable fuels, with the objective of reducing the emission of greenhouse gases, is evaluated with a survey of the impacts caused on the useful life of the equipment and compatibility with the circulating fleet, in order to guarantee vehicle safety and durability, in addition to avoiding the early degradation of pollutant emissions during use.

Maintaining product quality, from production at refineries to burning in the engine, including transport, transfers and storage, is also a requirement taken into account during development. Several R&D projects aim to guarantee and increase the stability of products, allowing longer storage times. This implies a reduction in waste disposal, as well as greater reliability of customer operations.

In addition, we work in national and international partnerships with oil companies, automakers, government agencies, and universities, in order to participate in actions related to the improvement of air and fuel quality.

Among these partnerships, we can highlight the Brazilian Fuel, Vehicle Technologies, and Emissions Program (PCVE) and the Oil and Gas Climate Initiative (OGCI).

In addition to our participation, PCVE includes the participation of the Ministry of Mines and Energy, Ministry of the Environment, IBAMA, ANP and the Brazilian Automotive Engineering Agency. The Program seeks to generate technical data on vehicle emissions from engines with different technologies and different fuels, to assess impacts on air quality.

The OGCI, in turn, has the participation of BP, Chevron, CNPC, ENI, Equinor, Exxon

Mobil, OXY, PEMEX, REPSOL, Saudi Aranco, Shell and Total, in addition to us. This initiative seeks cooperation between the participants in order to reduce the carbon footprint of the energy production chain, accelerate solutions for a low carbon economy, and make a circular carbon (CO₂) model feasible. At OGCI, we actively participate in the group called "Transportation Working Stream," which focuses on the development of specific actions to reduce CO₂ emissions in the transportation segments, including the road, sea and air segments. In the group, actions for the use of low carbon footprint liquid fuels and the use of renewable gaseous hydrogen stand out, as well as actions to capture CO₂ on board vehicles and increase engine efficiency.

It should be noted that there were no cases of non-compliance - judicial or administrative proceedings - related to the health and safety impacts of products and services in the period of 2019.

As for the labeling of products, Liquigás labels transportable containers for LPG with labels to comply with the determination of article 41 item IV (a) of ANP Directive 49 of November 30, 2016 and item 9 of INMETRO Directive 681 of December 21, 2012. They determine that the label must have a bottling date, the name of the distributor that bottled it, the distributor that will sell it, that the gas is flammable, installation and handling instructions, procedures in case of leakage, technical assistance telephone number, and the conformity identification seal on the label as a general product certification requirement.

The labels on Liquigás containers also comply with the Consumer Protection Code articles 6 and 31, which deal with basic consumer rights, product warranties, expiration dates, clear information about LPG, and consumer communication channel with Liquigás.

Liquigás is certified by ABNT in the visual selection service of transportable containers for LPG, in accordance with the ABNT NBR 8866 standard. In certification audits, label compliance is one of the audited requirements.

In addition to the label requirements, the containers must have a tamper proof seal for the flow valve stating the distributor's corporate name and be duly certified with the National Conformity Mark - MNC, issued by the National Institute of Metrology, Quality and Technology (INMETRO).

In addition to labels that contain information about risks and safe use on all Liquigás transportable LPG containers, there are signaling standards at LPG plants (Bulk Customers) and dealers with risk warnings.

The Liquegás website provides information on the environmental impact of LPG, safety tips, consumer guidance, safety manual, the Material Safety Data Sheet (MSDS) and a FAQ section.

The company also sponsors the Safe Flame Campaign, a public education campaign carried out in partnership with the São Paulo State Military Police Fire Brigade and Fundabom (São Paulo State Military Police Fire Brigade Support Foundation) which shares information regarding safe use of domestic cylinders and their installation components. In the communities where the events take place, free LPG installations kits that are expired or that don't meet current standards are also exchanged for new ones, free of charge.

The Material Safety Data Sheets (MSDS) and the Emergency Cards for Transporting Hazardous Products (FEs) provide information about the presence of substances that may have environmental or social impacts, about the safe use of the products, the proper disposal of the product, as well as environmental and social impacts of products from Petrobras Distribuidora - our subsidiary until July 2019. The products that have environmental and social impacts are listed on the MSDS and FEs available on its website. Additionally, its distribution services are performed in accordance with the requirements of the HSE legislation and internal standards, always taking into account the national and international best market practices.

In 2019, Liquegás had 54 cases of non-compliance with regulations and voluntary codes related to information and labeling of products and services that resulted in the application of a fine or penalty. We have had no cases that resulted in a warning or non-compliance with voluntary codes without consequence. There were no instances of non-compliances regarding the labeling of BR products and services.

Socioeconomic Compliance

Socioeconomics is in line with our Health, Safety, and the Environment (HSE) Policy as follows:

- Prevent and minimize socio-environmental impacts of projects, processes, and products;
- Prevent, monitor and control the impacts of our activities on the communities where we operate;
- Seek alignment with the industry's best HSE practices, in compliance with legislation, regulations, rules, and standards;
- Predict and respond promptly to emergency situations;
- Continuously implement HSE improvement.

It is also aligned with Guideline 4 of HSE and our Social Responsibility Policy. The former is about compliance with legislation and the incorporation of the best health, safety, and environmental practices for new ventures throughout their entire life cycle; and the latter has as a guideline to identify, analyze, and treat the social risks arising from the interaction between our business, society and the environment and to respect human rights, seeking to prevent and mitigate negative impacts in our direct activities.

To implement our projects, we went through environmental licensing processes, which include the analysis of possible impacts on the region. These impacts are identified through Environmental Impact Studies (EIA), which identifies the relationship between aspects of the enterprise or activity and environmental factors. This analysis surveys all the impacts of an activity, both positive and negative, and suggests mitigation, compensation or enhancement measures, according to environmental impact studies and current regulations. This entire process is in line with the best practices in the sector and is represented in the Socioeconomic Impact Assessment Standard, accompanied by the Index of Environmental Conditions in Service (ICAA).

Among the socioeconomic impacts of the activities, the generation of taxes, royalties and special participations, jobs, and energy availability for social and economic development in Brazil are considered positives. The negative impacts include conflicts over the use of space (maritime and land), such as the alteration of artisanal fishing activity, the liberation of areas necessary for the implantation of facilities, impacts on national and artistic heritage sites, and those related to the disclosure of the projects, highlighting the generation of expectations. Thus, the social groups most affected are the artisanal fishing community and the population in the venture's area of influence.

All of our communication channels to the external public can be used for the community to express itself. However, it is worth mentioning that we have the Social Communication Program (PCS), which includes a toll free Call Center and the websites. Comments and suggestions are also presented at topical meetings about the projects with the communities.

For the entire process, we allocate human, technological, and financial resources, managed by the General Environmental Licensing and External Relations Management of the Health, Safety, and Environment (HSE) area, as well as by the HSE management of each business unit. To do this, we deal with two aspects of socioeconomic issues: (i) orientation and leveling about the topic with our areas and (ii) in the realm of environmental licensing, through the processes of each venture, where related environmental studies and environmental management projects are

done.

For more information on our resettlement standard, see "Human Rights."

Here are some of the main projects related to socioeconomics: Environmental Education Project (PEA), Fishing Activity Compensation Project (PCAP), Social Communication Project (PCS), Socioeconomic Characterization of Fisheries Project (PCSPA), Cumulative Impact Assessment Project (PAIC), archaeological monitoring and rescue, planning, monitoring and compensation for clearing areas necessary for the installation of facilities, among others.

ADMINISTRATIVE AND LEGAL SANCTION (IN THOUSANDS OF BRL)¹

Sanctions	Regulatory Agency	Amount
17 sanction procedures related to operating safety	ANP	31,200
Penalty for non-compliance with Law 9,605/98, for operating an activity that uses environmental resources (capture, collection, and transport of biological material) without a license or authorization	IBAMA	1,000
1 fine for operating activity and service using potentially polluting resources, in breach of the license obtained, in Santos	IBAMA	5,165
1 fine for the destination of animals rescued in breach of license, in Santos	IBAMA	1,000
1 fine for an oil leak on platform p-58 in Espirito Santo	IBAMA	8,192
Non-compliance with Articles 32 and 33 of Supplementary State Law no. 272/04	IDEMA	1,000
Environmental Leak/Pollution during monitoring	IBAMA	2,505
Continuous leakage/discharge of water from a process or production in violation of specific environmental regulations: CONAMA Resolution No. 393/206. AI 9224812 – E (platform PGP-1)	Min. of the Environment	1,553
Allowing leakage of the CHERNE 2 platform with its support facilities and the continuous discharge of process water in breach of the specific environmental regulation CONAMA Resolution 393/2007	Min. of the Environment	30,918
Leak on March 25, 2019 on Platform P-53		
Effluent issue	IBAMA	25,226
Failure to meet condition 1.5 established in the environmental license, 1st Renewal of Operation License No. 792/2008, by not immediately reporting the occurrence of the oil discharge incident	IBAMA	5,033
Discharge 122m ³ of oil in breach of legislation and with the conditions of the licensing process	IBAMA	35,212
Block public use of Pontal do Atalaia beaches from April 3-5, 2019, in the municipality of Arraial do Cabo inside the Resex Conservation Unit	IBAMA	25,226

Sanctions to Transpetro	Regulatory Agency	Amount
Leakage by clandestine diversion (Infraction Notice no. 400 due to a leak in the duct valve in the municipality of Mangaratiba/RJ) ²	Mangaratiba City Hall (Sec. Of Environment, Agriculture and Fisheries)	75,000
Leakage of approximately 3.5 thousand liters of fuel oil in the São Sebastião Sea (Article 54, Paragraph 2, items IV and V, of Law 9.605/1998). Process nº 0000019-21.2014.4.03.6135 ³	1st Federal Court of Caraguatatuba	2,000

¹ The amount considered significant was over BRL 1 million

² In addition to the reported fine, Transpetro received a penalty of providing services to the community.

³ The accident was caused by the negligent conduct of Almirante Barroso Water Terminal in São Sebastião, São Paulo (TEBAR) employees who failed to observe Transpetro's safety procedures, considered negligent behavior, and verified in an investigation commission. The appeal on this judicial sentence is still pending judgment by the Federal Regional Court of the 3rd Region.

In addition to the cases mentioned in the table, we have another 139 infraction notices of lesser value (usually between BRL 8,000 to BRL 30,000 per fine). We were also sentenced on appeal by the Federal Regional Court (TRF) of the 4th Region in three cases that investigate the environmental damage resulting from the leak that occurred at the Santa Catarina-Paraná Oil Pipeline (OSPAR) on July 16, 2000, in the municipality of Araucária/PR, with a provision made in the amount of BRL 595 million. As the lawsuit is in progress and allows for further appeals, no payment has been yet.

In relation to non-judicial disputes, we have not had any lawsuits filed through arbitration mechanisms.

LITIGATION (IN THOUSANDS OF BRL)

Process	Description	Status	Provision Amount
0000223-32.2000.8.25.0017	Plaintiff: Municipality of Carmópolis Defendant: Petrobras Allegation: damage to the environment (waterfront destruction, land sterility, noise pollution, air contamination, drinking water contamination, disease proliferation, and genetic alteration in fauna and flora).	In October 2016, the state environmental agency made a statement certifying compliance with the Conduct Adjustment Agreement (TAC) signed with us on December 17, 2002. The lawsuit was decided in our favor, and the Court considered the requests were unfounded. Currently, the lawsuit is at the stage of a special appeal regarding the sum of fees and costs to be paid by the plaintiff.	-
0000648-35.2010.8.16.0025	Plaintiff: Municipality of Araucária Defendants: Petrobras and the Environmental Institute of Paraná (IAP) Allegation: damage caused to the municipality by the modernization works of the Paraná Refinery (REPAR).	Sentence not yet handed down. The municipality and IAP signed an extrajudicial agreement on September 30, 2015, stipulating the transfer to the municipality of BRL 10 million of the amount deposited by IAP when the case was filled, plus legal interest and monetary correction. The Agreement seeks a definitive solution of the case at no cost to us. We are waiting for court approval to guarantee the effectiveness of the Agreement.	-

Process	Description	Status	Provision Amount
0810137-59.2017.10.8.0001	<p>Plaintiff: Socio-environmental Development Association of the Mearim Basin - Guapé</p> <p>Defendants: Petrobras and Petrobras Distribuidora</p> <p>Allegation: environmental and social damage resulting from the works to implement the Premium I Refinery in the municipality of Bacabeira.</p>	<p>On March 23, 2018, the Public Prosecutor's Office (MP) presented a statement in agreement with the connection between this Public Interest Civil Action and Public Interest Civil Action No. 0809188-69.2016.8.10.0001 (Petrobras vs. State of Maranhão), pending a judicial decision on it. A decision was issued determining the connection of the actions. At the last reconciliation hearing, held in December 2019, the parties agreed to suspend the proceedings in order to establish guidelines for entering into an agreement, with the intermediation of the MP.</p>	-
9919-12.2018.8.19.0023 9869-83.2018.8.19.0023 9859-39.2018.8.19.0023 9897-51.2018.8.19.0023 9884-52.2018.8.19.0023	<p>Plaintiff: Miscellaneous</p> <p>Defendants: Petrobras, State Environmental Institute (INEA), and the State of Rio de Janeiro (SEA)</p> <p>Allegation: questioning of the environmental licensing of the Rio de Janeiro Petrochemical Complex (COMPERJ) for irregular conduct, as well as a failure to inspect by INEA and SEA.</p>	<p>The actions were suspended before the defendants were summoned, in order to seek a solution through an agreement, including the signing of Conduct Adjustment Agreement in August 2019 to close the main public interest civil action, as well as signing another Conduct Adjustment Agreement in February 2020 to end the other actions.</p>	-
Several lawsuits and/or administrative proceeding due to fines, as well as Public Interest Civil Actions	<p>Plaintiff: Several</p> <p>Defendant: Petrobras</p> <p>Object: divergence regarding the interpretation and application of IBAMA standards and allegation of environmental damage due to the accidental sinking of Platform P-36.</p>	<p>As for the fines, some are awaiting judgment and appeals at the administrative level and others are already being discussed in court. With regard to the P-36 public interest civil action, we appealed the unfavorable sentence and the amount of the sentence was reduced by half by the Regional Federal Court, with the pertinent appeals still being applicable.</p>	119,278
5071436-43.2014.4.04.7000 5081785-08.2014.4.04.7000 5082462-38.2014.4.04.7000	<p>Plaintiffs: Federal Public Prosecution Office (MPF) Public Prosecution Office of the State of Paraná, Araucária Environmental Defense Association (AMAR) and IBAMA</p> <p>Defendant: Petrobras</p> <p>Claim: area affected by an oil spill that occurred July 16, 2000 in the OSPAR pipeline, in the municipality of Araucária / PR.</p>	<p>On June 25, 2013, an unfavorable sentence was issued by the lower court, covering the three lawsuits, together. The appeals filed by the parties were deemed partially valid by the TRF. of the 4th Region at the September 11, 2019 trial session, but still depend on a decision to be rendered in the motion for Clarification filed by the parties in the process, which request the Court to clarify specific points of the judgment rendered.</p>	614,609

CONDUCT ADJUSTMENT AGREEMENT OR ENVIRONMENTAL COMMITMENT

On July 23, 2019, a preventive Conduct Adjustment Agreement (TAC) was signed with the Public Defendants Office of Rio de Janeiro due to the oil spill on March 25, 2019, on P-53, with a touch of the coast, on beaches in the municipalities of Arraial do Cabo, Búzios, and Cabo Frio. Thus, in an innovative and preventive manner (there is no litigation on the subject), a TAC was signed that provides for the payment of a total reparations of approximately BRL 9.2 Million to approximately 2 thousand fishermen, shellfishers, and shellfish gatherers, of which 1,400 have already been compensated in 2019.

On August 9, 2019, the first TAC of the Rio de Janeiro Petrochemical Complex (Comperj) was signed with the Public Prosecution Office of the State of Rio de Janeiro (MPRJ), the State of Rio de Janeiro (RJ) and the State Environmental Institute (INEA). With validity through December 30, 2021 and extendable for an equal period, the purpose of the TAC is to close the Public Interest Civil Action (ACP) filed by MPRJ, in the amount of BRL 4 billion, questioning the environmental license from Comperj and the environmental, social, and economic impacts resulting from the works and the shutdown. On February 18, 2020, we signed the second TAC between Comperj and the MPRJ and SEAS/INEA, ending the remaining public civil actions related to the Emissary, Ducts and Terminals, UPGN and Transmission Lines - LT 345 kV. The civil lawsuits filed by MPRJ, in the amount of BRL 3.5 billion, questioned the environmental licenses of the aforementioned projects.

On October 31, 2019, a TAC was signed with the State of Minas Gerais in order to authorize the operation of the UTE-JF, which according to the environmental agency, operated without a license, since the renewal application was made after the deadline set by the standard. The TAC provides for the execution of conditions and self-monitoring programs. The environmental license was issued and the TAC conditions were considered complaint.

Within Transpetro, three agreements were signed: A TAC with Paraná Environmental Institute (IAP) for remediation of impacted areas at the Paranaguá Terminal (LO 93085048); A TAC with the State Environmental Institute of Rio de Janeiro to reduce the fine imposed as a result of the accident with the ship N/T Gothenburg (reduction from BRL 50 million to BRL 36 million); and Environmental Commitment Agreement (TCA) with the Environmental Company of the State of São Paulo, which regulates the environmental licensing of the pipeline network in the State of São Paulo.

102-16; 102-25; 102-33; 205; 415; 415-1

Internal Controls

In order to ensure a healthy environment for our business, we have several initiatives for the continuous assessment and monitoring of the internal control system for the prevention, detection, and correction of incidents such as fraud, corruption, and money laundering in the management of internal controls and in the integrity analysis of managers and counterparties. In addition, we are responsible for monitoring the implementation of action plans, developed to address failures or mitigate risks.

Conflict of Interest Prevention

In addition to complying with article 115 Paragraph 1 of Law 6,404/1976 (Brazilian Corporate Law), we have instruments that are continuously improved to deal with the identification and management of potential conflicts of interest among our managers.

CONFLICT OF INTEREST PREVENTION INSTRUMENTS

Instrument	Mechanism to prevent conflicts of interest
Bylaws	Prevents management positions from having a conflict of interest with the Federal Government or with us; conflicts of interest after the end of management of the managers and members of the Fiscal Council; and composition and operating rules for the committees that advise the Board of Directors.
Corporate Governance Guidelines	Define that the Board of Directors is to monitor and manage potential conflicts of interest between shareholders and Senior Management members.
Internal Regulations of the Board of Directors	Define that the Board of Directors is to monitor and manage potential conflicts of interest between shareholders and Senior Management members.
Code of Ethics	It determines that employees should not be involved in any activity that conflicts with our corporate interests and should communicate to the hierarchical superiors or the Ombudsman any situation that appears to be an apparent or potential conflict of interest.
Conduct Guide	A conflict of interest is considered to be any situation generated by a confrontation between corporate interests and the private interests of employees that may compromise our corporate interests or improperly influence the performance of employee activities.
Integrity Background Check	Analysis considers information about the candidate's participation in key positions, including his participation in other companies and the relationship of these companies with us
Ethics Committee	Advisory body for questions about conflict of interest and ethical action. It also focuses on prevention through actions to disseminate knowledge, as well as elaborate and propose internal regulations

Instrument	Mechanism to prevent conflicts of interest
Petrobras Corruption Prevention Program (PPPC)	It provides guidance showing that a conflict of interest is harmful to the business and to the internal control environment, since it can improperly influence employee conduct. It also reinforces the existence of communication tools available to employees to carry out consultations on potential conflict of interest situations, and request authorization to carry out activities that, depending on their nature, may conflict with our interests.
Code of Best Practices	It states that it is necessary that both our managers and our employees guide their conduct in accordance with the highest ethical standards, avoiding any conflict of interest or impropriety when trading securities issued by us.
Policy for the Appointment of Senior Management and Fiscal Council Members.	Establishes the minimum requirements and guidelines for appointing members of senior management and the Fiscal Council
Related Party Transaction Policy	Establishes the principles that guide us and our workforce when entering into Related Party Transactions and in situations where there is a potential conflict of interest in these operations

If a potential conflict of interest is identified, a manager or member of the workforce must declare that will recuse themselves and refrain from participating in the negotiation, structuring, and decision-making process related to the operation, in order to guarantee our exclusive interests. Our Ethics Committee acts as a consultative body on this topic and should be called upon in case of doubts about ethical actions.

In the event that any member of the Board of Directors or the Executive Board has potential private gain arising from any decision, and does not manifest their conflict of interest, any other member of the body to which they belong who is aware of the fact must do so. In this case, the absence of a voluntary statement by the manager may be considered a violation of his fiduciary duties, subject to corrective action by the Board of Directors. The statement of the conflict of interest situation and the subsequent recusal must be included in the minutes of the relevant meeting.

The Integrity Background Check analysis considers information about the participation and performance in other companies of the candidates appointed to work in key positions, and the relationship of these companies with us is also considered, in order to identify potential conflict of interests. Such information is part of the Final Report and is addressed only to the manager responsible for the appointment, with no full disclosure.

The Ombudsman's Office is responsible for receiving inquiries regarding conflicts of interest from employees who are not managers. Potential employee conflicts of interest should be consulted through the Electronic System for the Prevention of

For more information on critical matters communicated to Senior Management, see "Governance Structure."

Conflicts of Interest (SeCI), a system developed by the Ministry of Transparency, Inspection and Controllability-General of the Federal Government (CGU), in compliance with Law No. 12,813/2013 (Conflict of Interest Law).

To assist the supervisory role of Senior Management, the Ombudsman's Office presents quarterly information to the Statutory Audit Committee on the most critical complaints of fraud and corruption, classified as high and very high risk in our matrix. In addition, it submits semi-annually to the Statutory Audit Committee and annually to the Executive Board and Board of Directors quantitative and qualitative information on the complaints received, as well as other statement, including requests for information and complaints, providing support documentation for improving management.

Federal Control

We are controlled by the Federal Government, which according to the information available on March 31, 2020, directly held 50.26% of our common shares and 28.67% of our total share capital. The Federal Government also holds an indirect interest of 0.24% of our common shares; 18.48% of our preferred shares; and 8.08% of our total share capital, through the following shareholders: National Bank for Economic and Social Development (BNDES), BNDES Participações S.A. (BNDESPAR) and Social Participation Fund (FPS). Additionally, we report that we do not have a shareholder agreement. For more information about our controlling shareholders, see item 15.4 of the Reference Form, available on our Investor Relations website.

Public Policies and Advocacy

As provided for in article 238 of Law 6.404/1976, we can have our activities directed with the purpose of serving the public interest that justified our creation, that is, seeking to meet the objective of the national energy policy provided for in article 1, item V, of Law 9.478/1997, to guarantee the supply of oil products throughout the national territory. The contribution to the achievement of this public interest must be compatible with our corporate purpose and market conditions, and must not jeopardize our profitability and our financial sustainability.

Our bylaws clearly indicate the relevant collective interest that justified our creation and formalize the requirements so that its execution is provided for under conditions different from those of any other private sector company operating in the same market. In this case, each fiscal year it will be up to the Federal Government to

compensate for the difference between market conditions and the net income from operations or economic return of this obligation.

In compliance with the requirements for the disclosure of data on activities that are related to the achievement of public interest purposes under conditions different from those of any other private sector company operating in the same market, we summarize the commitments in force in 2019 below:

PUBLIC POLICY COMMITMENTS

PPT - Priority Thermoelectricity Program

The Program, instituted by Decree no. 3.371, of February 24, 2000, sought to implement thermoelectric plants. These plants, members of the Priority Thermoelectricity Program, are entitled to a supply of natural gas for a period of up to 20 years, with a pre-established price and adjusted by American inflation. The supply of gas to the plants under this program, in 2019, generated revenues of approximately BRL 1.235 million and costs of BRL 2.341 millions, a result borne by our budget. As of December 31, 2019, we had contracts in this modality with two plants, and a third plant receives natural gas supplies by court order.

CONPET - National Program to Rationalize the Use of Oil Products and Natural Gas

The Program, instituted through the Decree of July 18, 1991, aims to promote the development of an anti-waste culture in the use of non-renewable natural resources. We also participate in the Brazilian Labeling Program (PBE), in partnership with the National Institute of Metrology, Quality and Technology (INMETRO), which seeks to encourage the production and use of devices that use gas, in addition to other attempts at forming agreements with entities for monitoring and guidance purposes regarding vehicle emissions. In 2019, the costs associated with CONPET, borne by our budget, were considered immaterial.

For more
information on
projects we
support, see
"Socio-
environmental
Investment."

Public interest information is also available in our Annual Letter of Public Policies and Corporate Governance, developed in compliance with Law 13,303/2016 and Decree 8,945/2016. Intended for the general public, the letter summarizes the main information contained in our Reference Form regarding public policies, activities developed, control structure, economic and financial data, risk factors, corporate governance practices and policies, as well as a description of management composition and compensation. The Reference Form and the Annual Letter are published on our Investor Relations website.

For more
information
about our
membership in
associations,
see "Initiatives
and Voluntary
Associations."

Our advocacy occurs through national and international industry associations related to the oil and gas industry; we are signatories to initiatives related to the sector and to national and international commitments that we assume regarding social, environmental and governance issues; and we support projects by civil society organizations that seek to debate and produce content on topics relevant to us and of interest to society.

As part of our commitment to foster a culture of integrity and to promote ethical behavior in our businesses, we play an active role in the industry in which we operate, participating and encouraging collective actions in Brazil and abroad, such as:

PARTICIPATION IN INITIATIVES

United Nations Global Compact	We are actively involved in efforts to promote compliance in connection with the United Nations Global Compact. We are part of the Brazil Network Anti-Corruption Working Group for the Tenth Principle of the Global Compact.
Brazilian Institute of Oil, Gas, and Biofuels (IBP)	In 2017, we started coordinating the IBP Compliance Committee, whose mission is to establish a forum for discussing compliance and corporate integrity policies practiced by members of the oil, gas, and biofuel sector, while coordinating efforts to fight corruption and disseminate knowledge and technology in the field of corporate governance. As a result, we signed, along with 13 other companies, the Brazilian Business Pact for Integrity and Against Corruption.
UNESCO Agreement for Social Projects	We signed an agreement with the United Nations Educational, Scientific and Cultural Organization (UNESCO) to implement a social project to mentor leaders and managers of civil society organizations supported by the Petrobras Socio-environmental Program. To achieve these objectives, the project promotes a debate about compliance with its participants, addressing the prevention, detection, and correction of any ethical misconduct, including fraud and corruption. The project also strengthens civil society organizations that work in vulnerable environments, helping organizations to promote a culture of responsibility and compliance in all their spheres of influence.
Ethos Institute.	We are signatories of the Ethos Institute's Business Pact for Integrity, Prevention and Fight Against Corruption, where companies voluntarily organize themselves in favor of business ethics. The institute also developed metrics to assess business practices and strengthen the Pact itself. Companies that are signatories to the Pact need to complete the "Thematic Guide" tool to evaluate and improve their integrity programs.
State-Owned Companies Compliance Forum	The State-Owned Companies Compliance Forum was designed in 2018 to build a channel for communication and the exchange of experiences about the implementation of compliance programs among state-owned companies located in Rio de Janeiro. The initiative has promoted a follow-up process for the Compliance Program of participating companies to exchange experiences, contributing to the evolution of the compliance environment of state-owned companies in Brazil.
National Forum on Ethics Management in State-Owned Companies	Created in 2007, the National Forum on Ethics Management in State-owned Companies is an environment dedicated to improving and disseminating knowledge related to ethics. Currently constituted by 23 state-owned companies, the Forum is an important interlocutor of the proposals of its participants with the Public Ethics Committee of the Office of the President of Brazil and governmental bodies, seeking consideration in the issued standards and guidelines.

Finally, it should be noted that, in accordance with our Code of Ethics and the Petrobras Corruption Prevention Program (PPPC), we are committed to not provide support or contributions to political parties or political campaigns of candidates for elected office.

We manage our participation in activities carried out by the government through the Institutional Relations Department. Its main role is to relate to our stakeholders, reinforcing corporate communication and brand management activities, social and environmental projects, and external relations with the government in defense of the interests of our key issues.

Our relationship with the government is regulated by our Code of Ethics and our Conduct Guide, in addition to other internal regulations such as Institutional

Relationships and Interactions with Political Agents.

We seek to establish a relationship with the public authorities in compliance with the commitments set out in the aforementioned documents, among which we highlight:

- Exercise social influence, by all means, as part of the exercise of our economic, environmental, social, political and cultural responsibility towards Brazil and other countries in which we operate; and
- Contribute to the public authorities in the elaboration and execution of general public policies and specific programs and projects committed to sustainable development.

It is worth mentioning that the discussions held with the public authorities seek to defend our legitimate interests and the achievement of the objectives established in our Business Plan is always guided by the Code of Ethics and the Conduct Guide, seeking to avoid inconsistencies when establishing relationships with them, noting that there are no records of complaints regarding our participation in public policies.

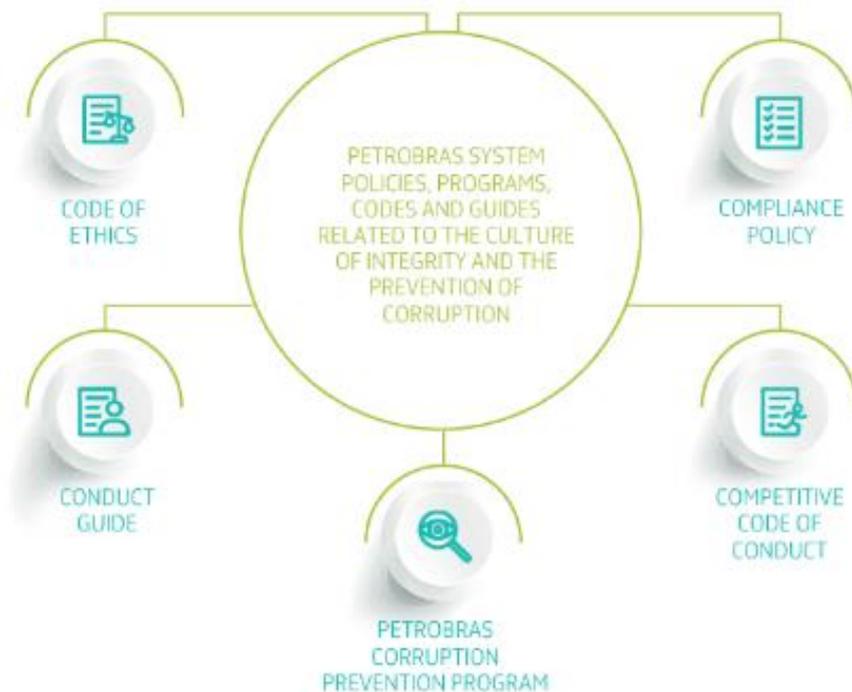
103-1; 103-2; 103-3; 205; 205-1; 205-2; 205-3; 409; 409-1

Petrobras Corruption Prevention Program

Our integrity program, called the Petrobras Corruption Prevention Program (PPPC), is driven by ongoing actions to prevent, detect, and correct ethical deviations, including fraud, corruption and money laundering. The program is aimed at our various stakeholders, such as senior management, customers, suppliers, investors, partners, public authorities, company employees and services providers.

All of our business and our relations with counterparties must be guided by the highest values of ethics, integrity and transparency, in strict compliance with applicable national and international rules and laws, with zero tolerance for any type of misconduct.

We have developed integrity mechanisms geared towards our stakeholders, including suppliers, encouraging them to implement integrity programs and continuously improve their processes, in order to ensure compliance with applicable laws, rules, and procedures. These mechanisms deal with topics such as: conflicts of interests; nepotism; money laundering; terrorism financing; illegal acts such as fraud and corruption; receiving or offering gifts, presents, hospitality, and sponsorship consideration; transparency in actions and resources for sponsored projects; favoritism, bribery or facilitation payment; payment of funds to foreign governments; anti-corruption laws; international embargoes and sanctions; internal investigations; internal controls; accounting practices and records of assets and liabilities; information security; disciplinary measures; overpricing and underpricing; and relationships with public authorities.



Our main integrity mechanisms consist of:

- Risk management regarding fraud, corruption, money laundering, and terrorism financing;
- Disciplinary regime;
- Administrative Accountability Process (PAR);
- Internal investigations;
- Monitoring (e-mails, contracts, bidding processes, sanction lists, participation in compliance training, etc.);
- Consultation of restrictive lists - National Register of Unlawful and Suspended Companies (CEIS); National Registry of Punished Companies (CNEP); Companies prevented from transacting with us; and lists of current international sanctions;
- Management of institutional relationships and interactions with political agents;
- Management of sponsorships and agreements;
- Guide to Receiving and Offering Gifts, Presents, Hospitality and Sponsorship Consideration;
- Training on ethics and integrity issues;
- Counterparty Integrity Due Diligence (DDI);
- Employee Integrity Background Check (BCI);
- Reporting Channel;
- Perception Survey about Compliance Actions;
- “Integrity Moment” in work meetings and institutional events; and
- Compliance clause in standard contractual drafts.

Culture of Integrity

The disclosure of the policies, rules and procedures of our conduct and integrity principles happens in every area and is intermittently reinforced with our employees through internal campaigns using various channels (intranet, email, and others), reaching the entire workforce. These actions are done along with promotion and training activities, with annual training on integrity issues for all.

The fight against corruption is a transversal theme in our Code of Ethics and in our Conduct Guide, as well as in other corporate documents that reflect our culture of integrity. In 2019, 97% of employees signed an informed statement to the Code of Ethics and the Conduct Guide, reflecting the percentages of gender, functional category, and region of our workforce. Our Senior Management receives annual integrity content, including anti-corruption topics in courses such as the Training Program for New Managers and Fiscal Councilors, Periodic Training Program for Managers and Fiscal Councilors, and the Corporate Governance Training Program, which is also geared towards technicians. Employees involved in compliance activities, managers, and employees involved in procurement activities also periodically receive anti-corruption content, as shown in the table below.

COMPLIANCE TRAINING (PARENT COMPANY)

Mechanism	2019 Numbers	Gender	Functional Category	Region
Compliance Related Improvement Course	97 employees	42 Female 55 Male	93 college graduates 4 high school graduates	Rio de Janeiro
In person compliance training for managers	150 managers	32 Female 118 Male	109 college graduates 40 high school graduates 1 not stated	11 Northeast 1 North 136 Southwest 1 Midwest 1 South
In person compliance training for procurement activities	188 employees	75 Female 113 Male	108 college graduates 75 high school graduates 5 not stated	12 Northeast 1 North 165 Southwest 2 Midwest 3 South 5 not stated

For more information on ethics and integrity dissemination and training activities, see "Training."

Also, at the opening of Executive Board and Board of Directors meetings, and at institutional events, there is an "Integrity Moment" for discussing the topic.

In December 2019, we promoted the Petrobras Compliance Week, to remember International Anti-Corruption Day. The opening of the event was attended by representatives from Senior Management. It highlighted the compliance actions, both those implemented and in progress, and our advances and challenges in order to be recognized as a benchmark for ethics and integrity. For a week, the event promoted an exchange of experiences and dialogue between our representatives and the guests, which included authorities and compliance professionals. Topics such as integrity culture, risk management, evaluation of integrity programs, and new technologies were addressed from the point of view of the various speakers that were present.

The panels discussed the "Future of Compliance", "Measures Implemented to Promote Ethics and Integrity", "Main Challenges for the Compliance Professional", "Best Compliance Practices at State Companies" and the "Role of Collective Actions and Society in Promoting a Healthy and Transparent Business Environment."

In recent years, our governance, compliance and transparency environment has been acknowledged several times, among which we can mention the following:

- Adherence to B3's Special Level 2 Corporate Governance Listing Segment (Level 2);
- Maximum score in the last 4 cycles of the Governance Indicator (IG-SEST);
- An agreement with the US Department of Justice, which recognizes us as a victim of the acts triggered by Operation Car Wash, and does not establish monitors present in our facilities due to our integrity program, the implemented improvements, and our collaboration with the authorities; and
- Financial Statements Transparency Award from the National Association of Finance, Administration and Accounting Executives (Anefac).

Compliance Risk Management

Our risk management directs our compliance actions and strengthens our internal controls and governance. Our Corporate Risk Management Policy defines that this management is part of our commitment to act ethically and in compliance with the legal and regulatory requirements established in the jurisdictions where we operate. We define compliance risks as those related to compliance with the laws and regulations applicable to our business, as well as internal rules and procedures,

including those related to fraud, corruption, money laundering and terrorism financing, and the reliability of financial reports.

Annually, we prepare and review a compliance risk matrix, which maps our business processes that are most exposed to these risks. In 2019, 1,049 processes (100%) were reassessed based on risk factors related to fraud and corruption.

During the year, the most severe cases in relation to the risks of fraud and corruption are monitored in periodic meetings held with our Statutory Audit Committee, made up of Board Members. In addition, in our relationship with financial institutions, we have a legal obligation to provide information to mitigate the risks of fraud and corruption, money laundering and terrorism financing, including economic activities with the greatest potential to generate damage to the environment or have socio-environmental impacts.

We continuously monitor our business processes, especially in high-risk areas, to identify signs of fraud and corruption. Monitoring and control efforts are based on assessment of compliance risk. Whenever we identify a case of non-compliance, we carry out a root cause analysis to improve the business process and the controls, or alert those responsible for the operational failure. If there are any signs of fraud, additional measures are taken. In addition, we continually review the results of our audit reports and monitoring to create new types of monitoring and implement the necessary changes in processes, controls, Information Technology (IT) systems, and training, among others.

The significant risks of fraud and corruption which are identified are related to the sale of products and the supply of goods and services; overpricing or overbilling; favoritism or directing; information technology fraud; conflicts of interests; bribery and facilitation payment; non-compliance with governance rules in the decision-making process; and nepotism.

Our Senior Management has tools to mitigate risks such as fraud, corruption, and ethics deviations in general, among which we highlight the operational work of the Internal Auditors, and also those within the scope of the Sarbanes Oxley Law (SOx), which are integrated with the Executive Compliance Management through the execution of control tests. Internal Auditing provides directors, executive managers and unit managers with operational audit reports, in addition to quarterly reports to the Statutory Audit Committee, the Executive Board and the Board of Directors so that the executives can monitor the implementation, by area, of the proposed improvements. SOx related reports are provided monthly.

The fraud and corruption related risks are addressed in the scope of SOx, specifically in the management processes the Ombudsman's Office, Ensuring Corporate Compliance, and Entity Level. For our certification of the 2019 fiscal year, tests were carried out on 11 internal controls directly linked to this subject, included in five works foreseen in the Annual Internal Audit Activities Plan.

Based on a methodology approved by Senior Management, manual and automated control activities are tested by the Internal Audit. Within the context is examines, for example, if the design of the financial reporting process is satisfactory and whether the respective risks of fraud are minimized. Issues such as segregation of duties, authority limits, and registration and custody of assets are also considered. The Internal Audit professionals involved in the evaluation of the controls carry out periodic training to maintain the necessary skills and competencies for the performance of their individual responsibilities, in addition to having sufficient knowledge about the main risks of fraud and corruption to carry out their assigned activities.

In order to mitigate deviations in the use of resources related to the projects that we sponsor, we have selected projects in multiple phases. Proposals to support socio-environmental, business, science and technology projects, or cultural and sports sponsorships, are received via public selection or direct choice.

Public selection corresponds to a public project selection process for sponsorship, with its own rules and processes, national disclosure, and selection commissions responsible for choosing the proposals. In direct choice, projects are invited or opportunities are sent directly to us and, and must meet the same criteria specified in the public selection, conditioning the decision to our exclusive interests. The proposals undergo prior analysis and, if appropriate, are part of the Project Portfolio proposal sent to the Statutory Technical Committee for Institutional Relations (CTE-RINST) to approve the set of proposals.

After the approval of the portfolio, the sponsored projects are forwarded to the Special Communication Secretariat of the Office of the President of Brazil (SECOM/PR) confirming the technical aspects of the communication. In addition, Integrity Due Diligence (DDI) of the counterparties is done to learn about and assess the integrity risks inherent in our relationship with holders of sponsorship or agreement opportunities. The DDI result is expressed by the Integrity Risk Level and is considered by managers in our decision-making process.

Disciplinary Measures

In 2019, we applied 351 disciplinary measures to employees of different hierarchical levels, 26 contract terminations, 120 suspensions, and 205 written warnings. The cases refer to misconduct such as non-compliance or omission of internal regulations, non-compliance or omission of operational/HSE procedures, negligence in the performance of duties, among others, and not necessarily due to corruption.

In the internal procedures conducted by the company, we had no new cases of corruption involving employees in 2019. We also underwent, within the scope of Administrative Accountability Processes (PAR), six investigations. However, the investigations did not hold the legal entities subject to these processes responsible for acts of corruption.

It should be noted that pre-procedural investigations of facts occurred in 2019 are underway, within the scope of the competent external bodies. On the other hand, in the legal realm, we received formal confirmation regarding four unappealable final court decisions, regarding charges made between 2014 and 2018, considering article 317 of the Penal Code. In the criminal realm, in addition to the cases reported in the Operation Car Wash item, mentioned later on, our Legal Team is monitoring three lawsuits arising from the Dutch company SBM Offshore and 10 other criminal cases involving corruption crimes. However, it is not possible to speak technically about confirmed cases, since there was no final judgment of these cases.

PPPC

Petrobras
Corruption
Prevention
Program

It is one of our initiatives to promote business integrity.

INTEGRITY MECHANISMS IN THE VALUE CHAIN

We perform Integrity Due Diligence (DDI) of counterparties in order to know and assess the integrity risks inherent in our relationship with suppliers of goods and services; customers in the sale of oil products and oil; institutions in sponsorship projects and agreements related to the Communication and Social Responsibility functions; and companies interested in THE asset divestment processes and/or equity interests, or strategic and operational partnerships. The DDI result is expressed by the Integrity Risk Level (GRI) in high, medium and low categories, and is considered by managers in our decision-making process.

We research specialized databases and open sources. The open source research aims to corroborate or complement the information collected through the application of the DDI Questionnaire. The sources consulted at this stage of the procedure include: internet search pages, specialized databases, the counterparty's website, Transparency Portal, Ministry of Labor, Sanctions and Impediments Lists, list of companies considered to have a high GRI because they were reportedly involved in Operation Car Wash, a list of companies from the National Register of Unlawful and Suspended Companies (CEIS/CGU), companies penalized by the Commission for the Analysis and Application of Sanctions (CAASE/Petrobras) and by the Administrative Accountability Process (PAR/Petrobras), as well as information about ongoing or completed Special Investigations. In 2019, 4,226 counterparties were evaluated.

Another integrity mechanism we use is the Integrity Background Check (BCI). This procedure seeks to assist managers in decision making through an integrity analysis process of candidates for key positions. In 2019, we conducted 2,748 integrity evaluations.

Operation Car Wash

As reported since 2014 in our annual reports, Operation Car Wash (OLJ), an investigation conducted by the Federal Police and the Federal Public Prosecution Office, has focused, since the beginning of its investigations, on irregularities involving suppliers of goods and services and revealed undue payments to political parties, political agents, and others, including some of our former executives, who were arrested and/or indicted for money laundering and passive corruption.

In all criminal and administrative misconduct cases in which our former employees are defendants for acts related to corruption, we were recognized by the courts as a victim of the discovered irregularities; therefore, we act as an assistant to the prosecution, or one of the parties that presses charges, as the case may be.

As the investigations result in leniency agreements with the investigated companies or collaboration agreements with individuals who agree to return funds, we may be entitled to receive a portion of them. Thus, throughout the OLJ investigation, cash in the form of compensation for damages provided for in leniency agreements, collaboration agreements, and repatriations has been returned to us in the amount of approximately BRL 4.1 billion as of end of 2019. In 2019 alone, more than BRL 871 million was returned to us.

In addition to recognizing our status as a victim, the Courts has been sentencing those accused of criminal acts to “minimal damage” (which offers the smallest amount of compensation for damages resulting from crimes), the value of which will be paid back to us. Such amounts will be charged to the defendants (individuals) by the Civil Court - but only after the respective criminal action has become final. At the end of 2019, these amounts totaled approximately BRL 1.1 billion, in addition to a dollar amount of over USD 88.8 million (since in some cases the amount of the sentence is presented in US dollars).

We monitor and collaborate with the work of the Federal Police, Federal Public Prosecution Office (MPF), The Judiciary, Federal Audit Court (TCU), Federal Comptroller General (CGU), and Administrative Economic Defense Council (CADE), as well as cooperate with investigations by international bodies, such as the United States Securities and Exchange Commission (SEC) and the US Department of Justice (DoJ). We assist the competent agents in elucidating the facts and regularly inform our stakeholders through the relationship channels.

Over the years, internal groups were created to investigate possible irregularities in contracts with service providers involved in refineries, terminal modernization projects, and pipeline construction, among others. We present to the Brazilian authorities the results of investigated non-conformities made through internal investigation.

We have taken the necessary measures to recover the damages suffered as a result of these acts, including those related to our corporate image. To that end, we filed several public interest civil actions for acts of managerial wrongdoing, including a claim for compensation for pain and suffering. For each case of wrongdoing, a precautionary action was requested to block the defendants' assets, so as to guarantee our future compensation, which was granted by the respective Courts.

At the end of 2019, we there were 78 criminal cases in the context of OLJ, and we are considered an assistant to the prosecution in 61 cases and as an interested party in five other cases. In 10 cases, we are waiting for of the granting of our request to be considered an assistant to the prosecution, and in two recent cases we are still evaluating what our participation will be. We want to use this opportunity to make it clear that what guides our participation as assistants to the prosecution is the fact that there is strong evidence in the information prepared by the Public Prosecutor's Office that money was diverted from our coffers, and our participation, alongside that criminal prosecution body, seeks to prove all wrongdoing so that a final decision can be handed down sentencing the individual defendants to return amounts to our coffers (the so-called "minimum damage").

CERTIFICATION TABLE FOR OLM RELATED CRIMINAL CASES

Petrobras Certification	Number of cases certified or awaiting certification/analysis
Interested Party	05
Assistant	61
Certification as assistant requested, awaiting authorization	10
Under consideration	02
TOTAL	78

Note that seven of the aforementioned criminal cases resulting from OLM have had reached their final unappealable verdict for both the defense and the prosecution.

CRIMINAL CASES THAT REACHED A FINAL VERDICT

File no.	Case	Date
5083838-59.2014.404.7000	Cerveró/Samsung	7/12/2017
5007326-98.2015.404.7000	Cerveró/Jolmey	2/11/2016
5083258-29.2014.404.7000	Camargo Correa	10/22/2018
8620331-98.2015.100.0000	Gleisi Hoffman (STF)	1/11/2019
5031719-82.2018.404.7000	Eduardo Musa – Desm. Bumlai	1/15/2019
5027422-37.2015.404.7000	UTC	2/22/2019
8620386-38.2015.100.0000	Nelson Meurer (STF)	6/12/2019

Of the 78 OLJ criminal actions that we follow, 69 involve the crime of corruption.

As reported in our last Annual Report, in September 2018, we disclosed agreements made to close the SEC and DoJ investigations, related to our internal controls, accounting records, and financial statements, during the period from 2003 to 2012. The agreements completely ended investigations by US authorities and established payments of USD 85.3 million to the DoJ and USD 85.3 million to the SEC. Additionally, they recognized the allocation of USD 682.6 million to the Brazilian authorities. We paid the amounts sent to the SEC and the DoJ, as well as depositing into court the amount of USD 682.6 million (equivalent to BRL 2.6 billion) for Brazilian authorities, through the Commitment Agreement entered into with the MPF Task Force for OLJ. Subsequently, in September 2019, the Supreme Federal Court (STF), through an Action Against The Violation Of A Constitutional Fundamental Right (ADPF no. 568/PR) and of Complaint (Rcl no. 33.667), declared the Commitment Agreement null and void. Instead, it approved the Agreement on the Destination of Values, entered into, without our participation, between the Federal Attorney General's Office and the Speaker of the Lower House, together with the Office of the General Counsel for the Federal Government and with the intervention of the Federal Senate President and the Office of the General Counsel for the Federal Treasury. Therefore, the amounts deposited by us with the Brazilian authorities were allocated to Education (BRL 1.6 billion) and the Legal Amazon (BRL 1.1 billion). The referred agreement approved by the STF specifies in detail the amounts that will be allocated to actions aimed at education and environmental protection.

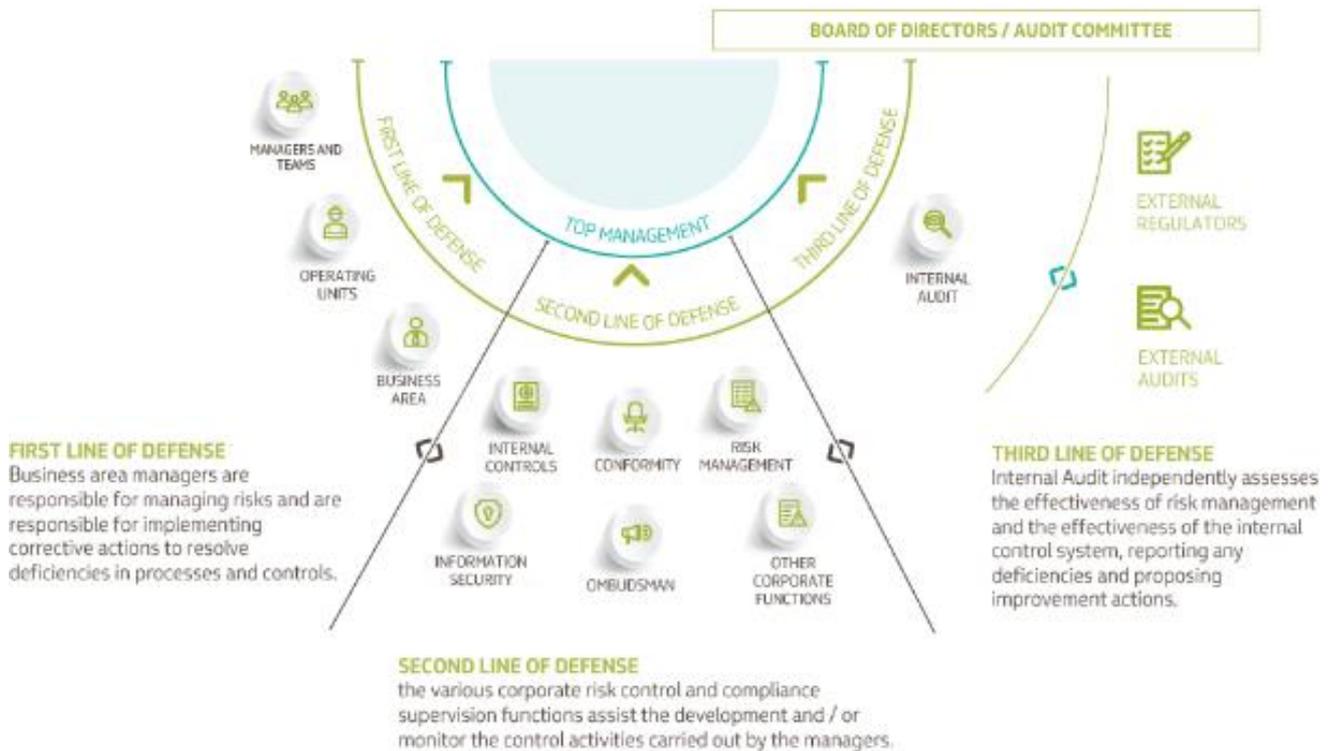
102-15; 102-29; 102-30; 103-1; 103-2; 103-3

Risk Management

We believe that integrated and proactive risk management is essential for delivering safe and sustainable results. Our Corporate Risk Management Policy has as fundamental principles the respect for life in all its diversity, ethical performance in compliance with legal and regulatory requirements, as well as full alignment and consistency with our Strategic Plan, integrated risk management, and risk response actions aimed at adding or preserving value for shareholders and business continuity.

For more information on the collegiate bodies and their respective attributions, see “Corporate Governance.”

Our risk management process is centralized in a corporate area, allowing the standardization and uniformization of our risk analyses and the management of risk responsibilities, which are structured according to a model with three lines of defense. In this model, each group of managers that are part of the lines of defense plays a distinct role in the governance structure, which presupposes a set of continuous and integrated activities, supported by a structure that comprises, in practice, the Board of Directors, the Executive Board, members of the general structure and all employees, service providers, and other related parties.



Our governance in the area of risk management has the following collegiate bodies and their respective attributions:

- Board of Directors: approve our risk appetite and systematically monitor risk management;
- Statutory Audit Committee: advise the Board of Directors in the establishment of global policies related to risk management;
- Statutory Audit Committee for the Conglomerate: advise the Board of Directors in establishing global policies related to the risk management of our companies;
- Executive Board: propose our risk appetite to the Board of Directors for their approval, directly approve the tolerance to business risks, and decide on necessary measures to ensure the alignment between risk appetite and the execution of our strategies;
- Executive Risk Committee: monitor the actions for the treatment and contingency of business risks, analyze and issue recommendations on risk management policies and processes, the monitoring metrics and risk exposure limits, as well as forward any risk management issues they find pertinent to the Executive Board.

Risk Identification, Evaluation, and Treatment

The preparation of Corporate Risk Matrices for all areas of our structure is coordinated by the Corporate Risk area. In this process, employees with different specialties are involved, so that they can identify and report potential risks for our entire organization. This process identifies risks, how likely they are to occur, and their potential impacts, suggesting action plans to deal with them.

All identified risks are dealt with in one or more of the following ways: avoidance, exploration, reduction, transfer or acceptance the risk.

Our risk exposure is grouped into four categories, reflecting the possible origin of the risks, namely: business, operational, financial or compliance. These risks are assessed in terms of their financial, image and reputation, legal and compliance impacts, as well as their affects on life and the environment. The management of each type of risk is part of our daily lives priority is given to each topic is based on the respective impacts.

Business Risks

Our risk management system is fully aligned and consistent with our Strategic Plan. Risks are considered in all of our strategic decisions and management is always done in an integrated manner, taking advantage of the benefits inherent to diversification.

Once risks are identified, response actions are evaluated against the possible long-term and far-reaching cumulative consequences and prioritized according to adding or preserving shareholder value.

The management of these risks, in turn, occurs from a robust planning and portfolio management process, which values economic principles when selecting projects, the diversification of business lines, and the strict fulfillment of goals, which are periodically monitored at various hierarchical levels. In addition, we continuously monitor the evolution of the external scenario and our involvement with our various stakeholders.

Financial Risks

Financial risk management is always done in an integrated manner, prioritizing the benefits inherent to diversification. We actively manage our financial risks, taking into account our various operating flows, the investment of available funds, debt

servicing capacity, and our status regarding assets, liabilities, payables and receivables, to mitigate the exposure to commodity, currency and interest price risks. Derivative contracts can also be used to address these risks.

Compliance Risks

For more information about compliance, see "Compliance."

Risk management is part of our commitment to act ethically and in compliance with the legal and regulatory requirements established in the countries where we operate. Compliance risks, in particular those of fraud, corruption, and money laundering and the reliability of financial reports are mitigated through internal controls, constant promotion of our Code of Ethics, our Conduct Guide, the Petrobras Corruption Prevention Program (PPPC) and other prevention tools.

Operational Risks

Operational risk management encompasses the identification, analysis, and treatment of risks arising from failures, deficiencies, or inadequacies in internal and industrial processes, the supply of goods and services, and systems, as well as natural disasters and/or actions by third parties. These risks are dealt with through action plans, controls and risk transfer via insurance.

For more information on operational security, see "Operations Security."

We have established strict inspection and maintenance programs at our facilities, initiatives to optimize processes and improve operational management. We invest in strengthening our culture of safety through a continuous effort to train our employees to correctly comply with safety requirements and minimize exposure to operational risks, in accordance with the best international practices. Our Crisis Management system is in line with the recommendations in the Corporate Risk Management Guide of the Brazilian Institute of Corporate Governance (IBGC) and the B3 Corporate Sustainability Index (ISE).

Strategic Risks

Our Executive Board and our Board of Directors make annual use of our business risk matrix, and business performance and external scenario analysis to define risks that, either individually or on a consolidated basis, they should monitor. These risks, called "Strategic Risks", are selected due to their importance for the implementation of the strategy, its scope, its degree of severity and/or the resources required for its treatment.

Focus on
economic
resilience and
value creation

Constant
evaluations
allow the
elaboration of
risk mitigation
plans

POLITICAL AND ECONOMIC ISSUES

As we are a mixed economy company that operates with international commodities, our business is impacted by variables from the external environment, such as the price of oil, the activity growth level, as well as exchange rate and interest rate rates. Therefore, our market value, our risk assessment, and our funding rates fluctuate, responding to the political scenario and the increase in global uncertainty or country specific risk. In addition, economic growth is directly related to the dynamics of demand for our products and the exchange rate is an important variable in determining our costs and revenues.

These impacts are identified through the monitoring of the external environment and our performance indicators. The evaluation of these processes allows the elaboration of risk mitigation plans, seeking to guarantee economic resilience and value creation.

Risks Related to Sustainability Issues

The main risks, threats, and opportunities that can affect our long-term performance are water scarcity and climate change. We also understand the importance of managing social risks that may interfere both in the communities around us and directly in our business. We will share how we deal with each of these issues.

Water availability and quality: We assess water-related risks using the following tools:

- WBCSD/IPIECA Global Water Tool for Oil & Gas, until 2018, and WRI's Aqueduct Water Risk Atlas in 2019;
- Qualitative/quantitative Brazilian Water Balance, by the National Water Agency (ANA); and
- "Water Shortage Risk Index," an internal and specific tool that we developed in partnership with the Federal University of Rio de Janeiro.

We have also developed studies to assess water availability and alternative sources for strategic river basins.

The Water Shortage Risk Index considers the susceptibility of operational units to water scarcity and other factors, such as the vulnerabilities of the hydrographic basins where they are located and their internal resilience actions. In 2019, we carried out the second round with this tool, covering 46 installations, which correspond to about 87% of water withdrawal from our operating units in Brazil. The results of the Index make it possible to understand and compare water risk levels for different facilities, as well as to identify the most important sites and facilities to target with detailed local water availability studies, in addition to mitigation and risk management actions.

Social Risks: we consider both the risks that affect us and those that affect communities and other stakeholders. Among the risks considered by the social risk assessment system is the violation of Human Rights by the supply chain. This and other risks related to social aspects are assessed and dealt with in each new investment project and in divestments and decommissionings. Examples of human rights violation risks in the supply chain include housing conditions, exhaustive working hours, discrimination, and the sexual exploitation of children and adolescents.

For more information on social risk management, see "Human Rights."

For more information on our reporting mechanisms, see "Ethics and Transparency."

When managing the community relationship, we act preventively to avoid social liabilities in a long-term process, based on dialogue, transparency, and consistency between our position and the actions we implement. We systematize the management of community relationships throughout the life cycle of our businesses.

We also work with community relations teams in the areas of environmental liability recovery in order to establish a constant dialogue and bring relevant information about the entire remediation process of contaminated areas to residents of impacted communities. This work allows us to identify social risks and manage the impacts we cause. We also work to meet the demands made by the community through the established complaint and reporting mechanisms.

Additionally, we promote an Environmental Liabilities Technical Meeting every year, which aims to improve the management practices and techniques of environmental liabilities through the discussion of lessons learned between the various participating areas and our companies, which need to act together in order to obtain the best results. In this forum, the community relationship is very significant, and is one of the guiding principles for the actions necessary to improve environmental liability management. We have set up working groups to improve processes and identify opportunities to mitigate liabilities in the environmental area.

Climate change: The Corporate Strategy area periodically prepares our corporate scenarios. The scenarios are created based on the most critical factors for our business, assuming that these variables can have different sets of conditions. For the scenarios, the following items were estimated for a period spanning the next 20 years: prices for Brent oil and natural gas; composition of the global energy matrix; penetration of hybrid and electric cars; international carbon prices; inflation; exchange rates and; interest rates in Brazil. These scenarios are considered in the development of our Strategic Plan and are used to evaluate investment projects individually and as a portfolio.

Over the past few years, there have been intensified vectors of the energy transition, with the growth of social support for the emissions mitigation agenda; the advancement of mitigation commitments (NDC, IMO, ICAO) and regulatory instruments, with more than 20% of emissions covered by carbon pricing schemes (including in Brazil, with RENOVABIO); and the sharp reduction in decarbonization costs due to the advancement of technology, especially in renewable generation and energy storage.

On the other hand, the growth of primary demand, the existing infrastructure, and economic and non-economic barriers are challenges to accelerate the transition, where all scenarios consider that there will be persistent demand for oil, even after the slowdown and eventual peak demand.

In this environment of uncertainty, investors have been requesting the strengthening of financial quantification and transparency mechanisms regarding resilience to carbon risk, seeking to avoid the loss of value and non-monetization of their assets. Among the relevant movements is the creation of TCFD (Taskforce for Climate Related Financial Disclosures), linked to the G20, with the participation of 72% of our private investors. Recent studies indicate that a significant portion of the investments in oil and gas announced by the industry may not be monetizable (stranded assets) in the scenario of the current national commitments (below 2oC).

In this scenario, we made the strategic option to focus on oil and gas until 2024, accelerating the execution of our projects and anticipating production. In addition, a robust action plan regarding the resilience of the fossil fuel position in relation to carbon risk becomes essential. Therefore, we seek to transform our production process so that it becomes more efficient and with less carbon intensity, as well as explore new business opportunities. Our 2020-24 Strategic Plan presents two low carbon strategies:

For more information on decarbonisation and sustainability actions, see "How we Generate Value."

- Develop long term research in renewable energy businesses focusing on wind and solar in Brazil;
- Make renewable diesel and BioQav² commercially viable in response to the sustainability policies of the Brazilian energy matrix.

Information about our risk management can be found on Form 20F and the Reference Form, available for consultation on our Investor Relations website.

²BioQAV is the fuel produced from various sources of biomass in different production processes, also known as "biojet" or "biokerosine" or "SAF" (synthetic aviation fuel) and called "Alternative jet fuel" by the ANP. It must be added to aviation fuel up to a maximum limit ranging from 10% to 50% in volume, depending on the production process, as defined in appendix D-7566 of the ASTM (American Society of Tests and Materials) and in Resolution 778/2019 of the ANP.



Environmental

In the context of a transition to a low carbon economy, we reiterate our commitment through six of the ten carbon-focused sustainability commitments for the 2015-2025 decade. We intensified the monitoring of emissions in our value chain and we reduced 42% in the carbon intensity in exploration and production over a 10 year period. Our E&P operations emit 17.3 kg of carbon equivalent per barrel of oil, which puts us in second place among the major oil companies in the world.

Another topic of high relevance to our environmental agenda is the protection of biodiversity, fundamental both for its intrinsic value and for the environmental services it provides to humanity. We carry out robust environmental characterization studies in the areas where we operate, including deep water depths in offshore basins, as a way to provide input for our activities. We recently published our commitment for all of our assets to have individual biodiversity protection action plans by 2025. In addition, we support projects focused on the conservation of Brazilian species and ecosystems, especially marine and coastal biodiversity. Currently, such projects aim to protect and recover 56 fauna species threatened with extinction.

The expansion of economic activity and the growth of urban centers poses challenges for water security. In this sense, over the last 15 years, we have expanded reuse as an alternative source of water for our facilities, and we have set a goal in our basket of commitments to reduce our water withdrawal, focusing on reuse, making more water available for the population. In the same vein, we are committed to not increasing our generation of process waste, even with the expansion of our production curve. This will require further expanding the preferred routes for reuse, recycling, and recovery, which have already been expanded in recent years.

Finally, robust emergency preparedness and response is always essential for an oil and gas company. We have strengthened our integrity management and process security, with special attention to the influence of human factors and the implementation of metrics and preventive processes. Our robust emergency preparedness and response structure is the mainstay of our operations and, throughout 2019, it allowed us to make a strong contribution to cleaning beaches affected by leaks not caused by our operations.

201-2; 305; 305-1; 305-2; 305-3; 305-4; 305-5; 305-6; 305-7; OG6

Atmospheric Emissions and Carbon Management

We manage our atmospheric emissions seeking ecological efficiency for our operations and businesses. Our emissions inventory has been published voluntarily since 2002, with annual verifications by a third party, and we were one of the founders of the Brazilian GHG Protocol Program. Our inventory and emissions management includes greenhouse gases, including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆) hydrofluorocarbons (HFCs) and other gases: sulfur oxides (SO_x), nitrogen oxides (NO_x), particulate matter (PM), carbon monoxide (CO), volatile organic compounds (VOCs) and total hydrocarbons (THC). The inventory is carried out through the Atmospheric Emissions Management System (SIGEA®), which processes monthly information from more than 17 thousand registered sources.

Our carbon emissions have also been reported, since 2006, through the Carbon Disclosure Project (CDP), achieving a B score (Management level) for the climate change questionnaire.

Greenhouse Gas Emissions

We recently published our 10 commitments to sustainability in the disclosure of our Strategic Plan. Six of them are carbon related (base 2015) and are monitored by our Senior Management with dedicated funding:

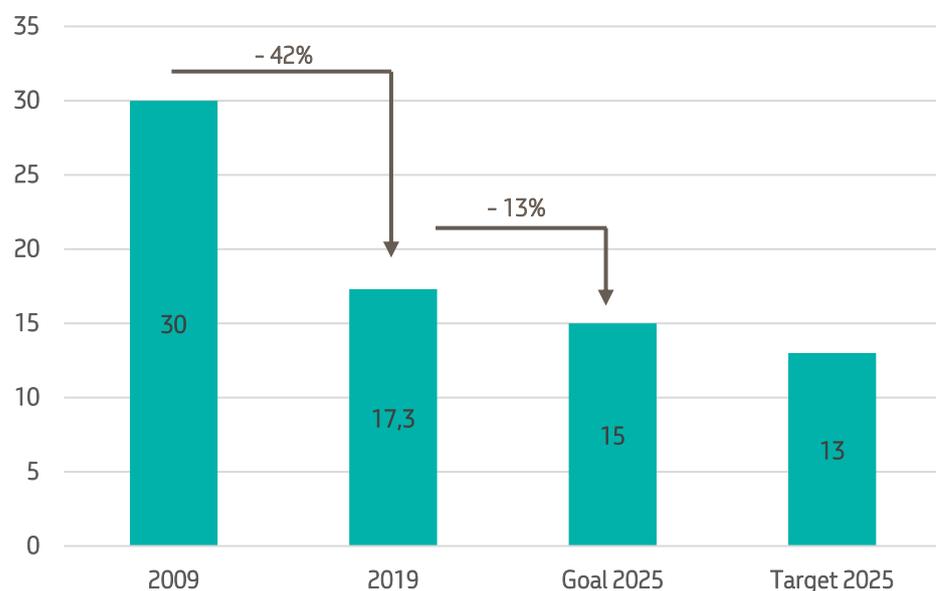
1. Zero growth in absolute operating emissions until 2025 (100% coverage of assets operated)³;
2. Zero routine flaring by 2030; as per the Zero Routine Flaring of the World Bank;
3. Reinjection of ~40 Million metric tons of CO₂ by 2025 in CCUS projects (Carbon Capture, Usage and Storage);
4. 32% reduction in carbon intensity in the E&P segment by 2025, reaching 15kgCO_{2e}/boe;
5. 30%-50% reduction in methane emission intensity in the E&P segment by 2025;

³ Considers the absolute emissions in 2015, which totaled 78 million metric tons of CO_{2e}. Our commitment is not to exceed 78 million metric tons of CO_{2e} in any year until 2025, unless there is a strong demand for electricity generation from thermal plants due to national water stress events.

6. 16% reduction in carbon intensity in refining by 2025, reaching 36kgCO_{2e}/CWT⁴.

The commitments listed above are in addition to the results of the 2009 to 2015 goal cycle, which has already been disclosed in previous reports. In the E&P segment, the improvement in carbon intensity from 2009 to 2019 was over 40%, with an additional 13% improvement planned by 2025.

E&P CARBON INTENSITY (kgCO_{2e}/boe)

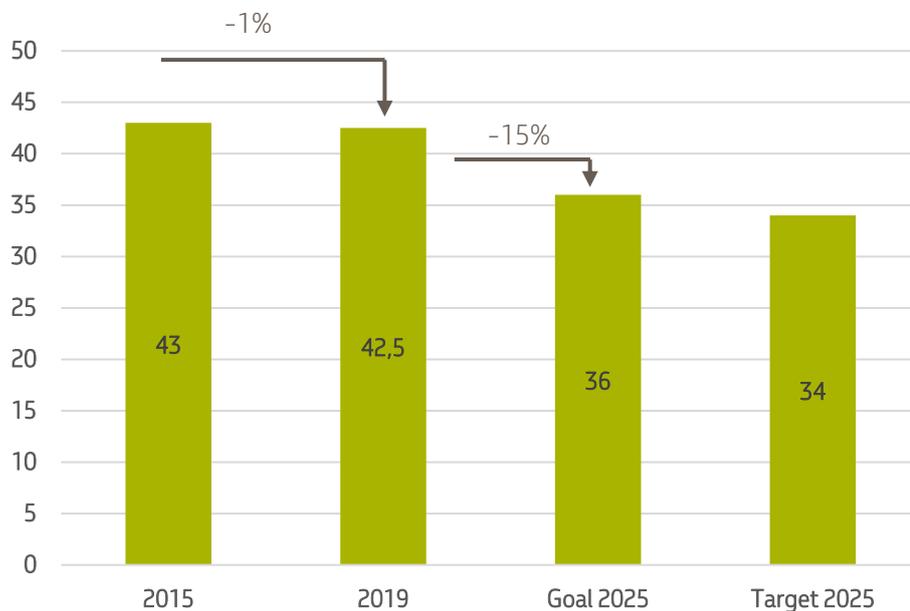


The kg CO_{2e}/boe indicator considers gross oil and gas production (wellhead) in its denominator.

In the refining segment, there was a 19% reduction in the sending of gas to the torch from 2014 to 2015, in addition to an improvement in carbon intensity of 1% from 2015 to 2019 and with additional improvements of 15% in carbon intensity expected by 2025.

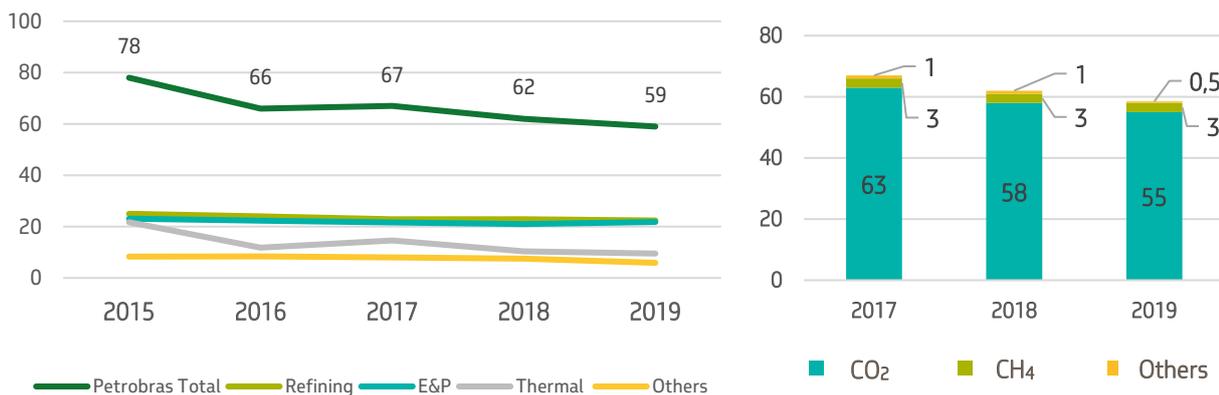
⁴ The kg CO₂/CWT indicator was developed by Solomon Associates specifically for refineries, and was adopted by the European Union Emissions Trading System (EU ETS) and by CONCAWE (Conservation of Clean Air and Water in Europe) – an association of European oil and gas refining and distribution companies. The CWT (Complexity Weighted Tonne) of a refinery considers the potential for greenhouse gas (GHG) emissions, in equivalence to distillation, for each process unit. Thus, it is possible to compare emissions from refineries of various sizes and complexities. We monitor the kg CO₂/CWT indicator according to its original identity. We also monitor an adapted indicator: kg CO_{2e}/CWT, to enable the inclusion of emissions from other greenhouse gases (for example methane). These, however, represent a small portion of our refining emissions.

REFINEMENT CARBON INTENSITY (kgCO₂e/CWT)



In terms of absolute emissions of greenhouse gases, we recorded the emission of 59 million metric tons of CO₂ equivalent in 2019. This value represents a reduction of approximately 3% compared to the emissions of the previous year (2018).

GHG EMISSION HISTORY (millions of t CO₂e)



- a) Emissions over the period refer to exploration and production, refining, fertilizers, petrochemicals, electricity generation, land (pipeline and road) and maritime transport operations, as well as distribution activities in Brazil, Argentina, Bolivia, Colombia, United States, Mexico, Paraguay, Peru and Uruguay. The range of activity types and countries of operation may vary over the years according to our portfolio management.
- b) We include direct (Scope 1) and indirect greenhouse gas emissions from the acquisition of electric and/or thermal energy produced by third parties (Scope 2).
- c) The inventory of atmospheric emissions is prepared according to the guidelines of the GHG Protocol, developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The inventory approach follows the source-by-source methodology, that is, the total inventory is the result of the sum of emissions from each emission source. Calculations of GHG emissions are based on international references, such as API Compendium, AP-42 (US EPA) and the GHG Protocol.
- d) CO₂ emissions were calculated based on the Global Warming Potential (GWP) values of the Fourth Assessment Report of the IPCC - Intergovernmental Panel on Climate Change (AR4). In previous reports, these emissions were calculated considering the GWP (Global Warming Potential) values of the IPCC's Second Assessment Report (SAR); therefore, changes in data from previous years can be observed.
- e) Other possible changes in historical numerical information, referring to previous publications of the Sustainability Report, are due to improvements in the atmospheric emissions management system or to the recommendations resulting from the third party verification process.

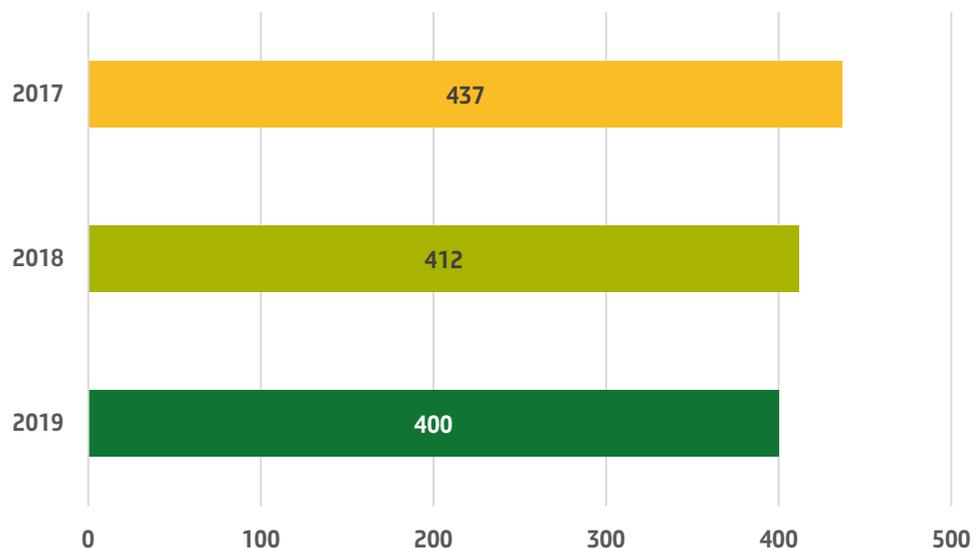
f) Our emissions are verified annually by a third party, with a forecast that data verification from 2019 will be completed by July 2020, and may undergo adjustments until then.

Our advances were due to actions to reduce torch gas flaring, portfolio management, a new production asset profile, CO₂ reinjection, load optimization, energy efficiency projects, and also a reduction in thermoelectric dispatch.

In 2019, we reached 96.5% of gas utilization (IUGA - associated gas utilization index) in the Exploration and Production area and reinjected 4.6 million metric tons of CO₂ separated from the gas produced in our pre-salt fields, totaling 14.4 million metric tons of CO₂ since 2008.

In addition to managing emissions from our operations, we monitor emissions from our suppliers and products (Scope 3 emissions), with emissions related to the use of our products making up the most relevant category for our value chain. These data are also included in the third party verification process.

GREEN HOUSE GAS EMISSIONS FROM OUR PRODUCTS (SCOPE 3) (t CO₂e)



All investments are subject to safety, environment, and health assessments starting at the first planning stage, including the mandatory assessment of air emissions requirements and climate change. In order to meet our commitments, we have made improvements in our investment planning. They include sensitivity analyses for different carbon prices in relation to the net present value (NPV) of E&P investment projects. In addition, all projects must be economically viable in the resilience scenario, with lower oil prices, compatible with accelerated energy transition scenarios.

We also participate in climate change initiatives and forums, with the objective of identifying and evaluating the main advances and best mitigation practices that could be incorporated into our processes. The International Petroleum Industry Environmental Conservation Association (IPIECA) and the Oil and Gas Climate Initiative (OGCI) stand out among these.

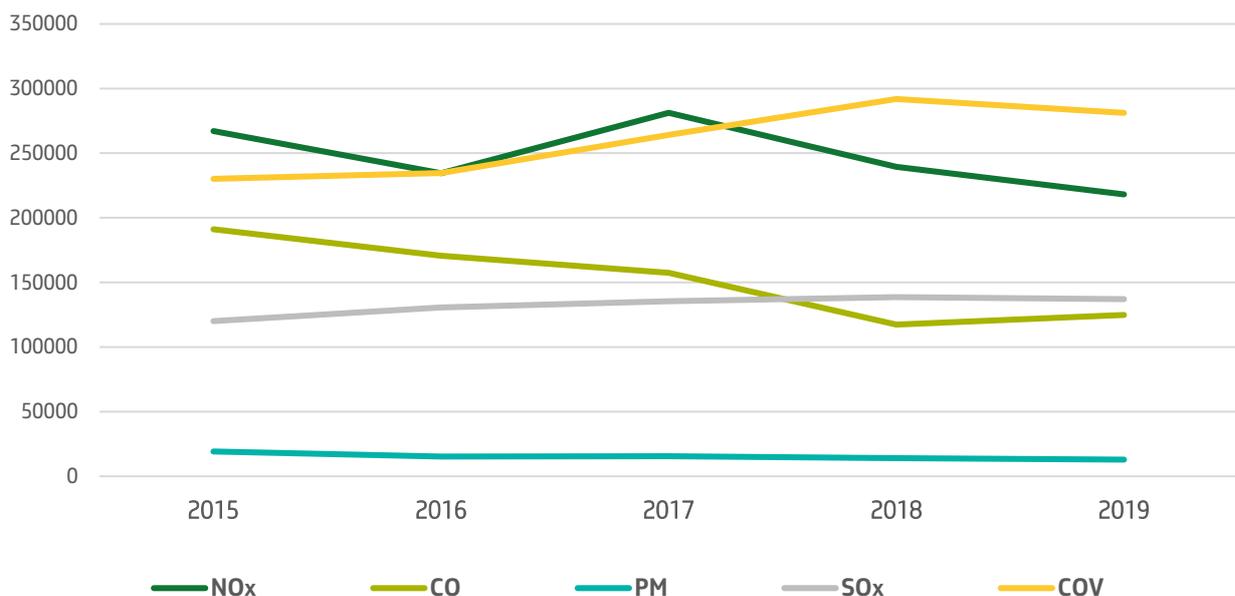
Other Atmospheric Emissions

We continuously invest in the mitigation of regulated pollutant emissions from our operations and maintain an air quality monitoring network that has 42 stations, operating in nine Brazilian states.

All of our investments are evaluated in relation to their impacts on the atmosphere, from the initial stage of project design to the demobilization of the asset.

In addition to monitoring emissions from our operations, we also evaluate the performance of our products. We continuously invest in improving the quality of our fuels, producing both gasoline and low-sulfur diesel, which has led to a progressive reduction in vehicle emissions of SOx and PM, contributing to the improvement of air quality in cities.

EMISSIONS OF REGULATED POLLUTANTS (t)



Since 2017, there has been a reduction in emissions of nitrogen oxides in line with the reduction in thermoelectric dispatch during the period. The variations observed in the emissions of carbon monoxide and volatile organic compounds during the period are due to operational conditions and continuous inventory improvement of these pollutants. Regarding the emissions of sulfur oxides and particulate matter, there were no significant changes in the period.

In the period from 2017 to 2019, despite the increase in production, there was a reduction in the total volume of unused hydrocarbons, which is related to our actions aimed at improving operational efficiency and reducing torch burning. It is important to note that, in 2019, we recorded an average burning of 7.4 million cubic meters of gas per day by flaring in our activities, 12% below the 2018 amount.

UNUSED HYDROCARBONS (millions of m³)

Unused hydrocarbons (millions of cubic meters)	2017	2018	2019
Burn on flare	2,924	3,071	2,717
Dispatched into the atmosphere	60.3	52.5	57.44

a) We considered the recorded gas volume burnt in flaring activities for exploration and production, refining, fertilizer production, gas treatment and transportation.

b) We considered recorded gas released directly into the atmosphere through ventilation and depressurization

302; 302-1; 302-2; 302-3; 302-4

Energy

Energy Consumed

In 2019, we consumed 840 thousand terajoules (TJ) or 391 thousand barrels of oil equivalent per day (boed) of energy, which represents a 1.4% reduction compared to the previous year. This reduction was mainly associated with lower fuel oil consumption in thermoelectric plants and refineries.

TOTAL ENERGY CONSUMPTION (TJ)

	2017	2018	2019
Diesel	61,948	50,643	50,258
Fuel Oil	51,106	31,349	19,425
Natural gas	641,530	573,330	576,787
Fuel gas	86,150	85,170	83,823
Residual gas	16,612	17,330	18,574
Liquefied Petroleum Gas (LPG)	1,130	286	109
FCC Coke	67,715	59,779	58,782
Other	8	0	0
Imported steam	1,852	20,123	20,886
Imported electricity	19,593	14,589	11,756
TOTAL	947,645	852,600	840,400

a) Electricity and steam are accounted for based on the theoretical thermal equivalent (0.0036 TJ = 1 MWh).

b) Others considers fuels not listed on the table

c) The volume of natural gas and liquid fuels burned through flaring in 2019, totaled 104 thousand TJ and is not considered in the calculation of energy consumption.

In 2019, energy conservation initiatives included actions to reduce flaring, optimization of the thermoelectric balance, and turbine heat recovery, as well as the activation of new air pre-heaters and efficiency control projects in refining kilns.

Generating Energy

In 2019, our thermoelectric park generated around 18 million MWh, with 98% of this energy generated from natural gas thermoelectric plants and only 2% from oil based thermoelectric plants. In addition, we also recorded energy generation from renewable sources, totaling approximately 160 thousand MWh in 2019.

COMMERCIAL ENERGY GENERATION



304; 304-1; 304-2; 304-3; 304-4; OG4

Biodiversity

Our management of risks and impacts on biodiversity follows guidelines established by internal standards and norms, in addition to management instruments such as GeoPortal, which allows the integration of georeferenced environmental databases in a single viewing platform, and the Annual Biodiversity Report, which consolidates management measures and other initiatives related to biodiversity or their interfaces. These provide an important contribution to making critical evaluations and improve our strategies.

In 2019, within the scope of the Strategic Plan, we established our 10 Sustainability Commitments, including the preparation of Biodiversity Action Plans for all of our facilities by 2025.

As established in our internal standard that guides our management of this topic, the Biodiversity Action Plans (PAB) must consider the assessments of risks and impacts on biodiversity, prevention, minimization, recovery or compensation measures, and monitoring programs. In addition, stakeholders should be identified and involved in all stages of the biodiversity management process, including environmental monitoring.

We identify and assess impacts in order to help define preventive, mitigating, and compensatory measures during the installation, operation, and deactivation phases of our projects. Depending on the project life cycle stage, the types of operations, environmental factors, legal requirements, environmental agency requirements (when there are license restrictions), among other factors, we have developed several studies and projects to assess biodiversity risks and establish action plans.

We also invest in research and development projects for technological solutions and methodologies that promote the improvement of environmental management and mitigate the impacts of our operations. The ongoing projects include environmental characterizations, mitigations or the reduction of effects on biodiversity and ecosystem services, as well as the recovery of degraded and impacted environments through reforestation projects, restoration of native species, and other measures.

Our Social Responsibility Policy includes investment in social and environmental programs and projects as one of its guidelines, contributing to the communities where we operate, to society, and the conservation of the environment. Investing in

For more information on projects we sponsor Socio-environmental Investment.”

socio-environmental projects is also one of our ten sustainability commitments and is structured and executed through the Petrobras Socio-Environmental Program. To accomplish this, in 2019, 23 projects were supported with a focus on the conservation of Brazilian species and ecosystems, especially marine and coastal biodiversity, environments that are relevant to us. These projects aim to protect and recover 56 fauna species threatened with extinction. An example is the Mero (*Epinephelus itajara*), the largest species of grouper in the Atlantic Ocean, critically endangered and the object of research and conservation actions of the Meros of Brazil Project, which we have supported since 2006.

In 2019, the Humpback Whale Project, which we sponsored for 23 years, did cetacean (whale and dolphin) monitoring flights from Cabo Frio (RJ) to the border between the states of Rio Grande do Norte and Ceará. The research conducted by the project, besides allowing an estimate of the size of the population, helps to determine the distribution of whales on our coast and identifies areas of greater concentration. The effort also makes it possible to understand the potential overlaps with human activities in these areas and to work preventively to harmonize uses and mitigate impacts. The collected data contribute to the Santos Basin Cetacean Monitoring Project (PMC-BS), which seeks to understand the distribution and ecology of cetaceans to assess possible impacts of human activities on the different species of these animals in the Santos Basin.

Protected Areas

The spatial distribution and the variety of our operations make the interface with protected and sensitive areas frequent. The identification of these areas takes place in a stage of prevention and mitigation of risks and associated impacts, and is carried out by crossing information from our operations with the data from the World Bank for Protected Areas, made available by the World Conservation Monitoring Center of the United Nations Environment Program and based on the systematic mapping of Brazil. In the case of Permanent Preservation Areas (APPs), in order to carry out a more comprehensive spatial analysis of the interfaces of our operations with these areas, we now use the national hydrographic base on a scale of 1: 250,000 as a reference. This analysis even considered large linear installations, such as pipeline lanes.

We have 25 production blocks (949km²) and 23 refining and natural gas units (288km²) and 3,039 km² of pipeline lanes that intersect with protected areas.

INTERSECTION WITH PROTECTED AREAS (km²)

Type of Protected Area	Areas Overlapping with Operations
Permanent Preservation Areas (APP)	4,298
RAMSAR	27
Legal Reserve	16
World Heritage	4
Indigenous Lands	48
Conservation Units	371
TOTAL	4,764

* E&P = Exploration & Production; RGN = Refining and Natural Gas; TP = Transpetro

Impacts to Biodiversity

In 2019, there were 17 occurrences of oil or oil spills, in volumes above 1 barrel, which affected land or sea environments. These events are subject to measures that mitigate the environmental impact and/or recover the affected environments.

The volumetric criterion (> 1 barrel) is used in the corporate indicator for Leaked Volume of Oil and Oil Products and is aligned with the manual for reporting incidents from the National Agency of Petroleum, Natural Gas and Biofuels (ANP) for E&P activities.

In 2019, the Exploration and Production Area worked to recover 411.34 ha of degraded areas, following internal norms and standards that include best practices in techniques and procedures for the recovery of the degraded areas.

In the Refining and Natural Gas area, we are reforesting a 650 hectare area of rain forest related to the environmental licensing commitments of the Rio de Janeiro Petrochemical Complex. For this same project, a degraded area of 4,835 km² is being recovered, of which 2,128 km² have been recovered so far.

In relation to fauna, several projects monitor several species of animals. These projects used national and international to identify the presence of threatened species in the areas influenced by our activities.

NUMBER OF SPECIES IN HABITATS LOCATED IN AREAS INFLUENCED BY OUR OPERATIONS

Threat Category	National List	International List (IUCN)
Vulnerable	150	114
In Danger	69	48
In Critical Danger	39	16

303; 303-1; 303-2; 303-3; 306; 306-1; 306-5; OG7

Water Resource Management

The availability of water quantity and quality is essential for our operations. We use water directly in process units; for steam generation; refrigeration; production and processing of oil, gas and oil products; and human consumption; among others. As a consequence, practically all of our activities generate industrial, domestic effluents, or produce water. We therefore believe that water management is strategic for the sustainability of our business.

Our water resource management has as its basic principle to constantly seek the rational use of water, which allows us to ensure the necessary supply for our activities, and to contribute to its conservation and availability in the areas influenced by our facilities. In this sense, we seek the adoption of low-intensity water use technologies, the minimization of its use in operations and processes, and the reuse and the identification of alternative sources of supply, always considering the local water availability and the technical-economic feasibility of the activities.

In 2019, we established a Sustainability Commitment to reduce 30% of water withdrawal in our operations, with a focus on increasing reuse by 2025. Regarding the generated effluents, we seek to minimize the disposal of polluting substances, and to segregate, treat, and properly dispose of the streams, while also observing the aspects of local water availability for the assimilation of effluents and the technical-economic feasibility of the measures.

We use several tools for the management of water and effluent resources, which is led by a dedication to environmental management, the results of which are monitored by senior management. We develop process standards and specific technical guidelines for these topics, which establish requirements that must be observed and deployed by all our Business Areas and serve as a reference for our other companies.

With regard to the systematization of information, we have a corporate database called DATA HIDRO (Corporate System on Water Resources and Effluents). It allows information about the volume of water used, water withdrawal sources, potential polluting loads, volumes of industrial and sanitary effluents, costs, and other necessary management data can be recorded, consulted, and processed. It is through this system that we annually carry out our inventory of water and effluent resources, which, in 2019, included 440 facilities that use water and generate

effluents.

We assess our environmental performance on these issues by calculating, monitoring and critically analyzing five corporate indicators on a monthly basis: Demand for Fresh Water; Volume of Fresh Water Captured; Volume of Reused Water; Volume of Discharged Water Effluent and Oils and Grease Mass from the effluent.

We invested approximately BRL 29 million in R&D projects related to water resources and effluent management, in partnership with nine Brazilian institutions (universities and technological institutes). The research sought to increase the efficiency of our effluent treatment, in addition to guaranteeing the water supply necessary for the operations of our units. Therefore, we have started to develop studies to assess current and future water availability and to identify alternative water withdrawal sources in 16 basins, from which 26 of our facilities collect or receive water.

Water Access and Risk Management

With regard to fresh water, we use 188 sources of withdrawal, 165 of which are located in Brazil (accounting for about 99% of the total volume of fresh water we capture) and 23 in the other countries where we operate. In Brazil, the maximum limits for fresh water withdrawal from the environment are established by public bodies responsible for the management of water resources, and consider hydrological criteria and the multiple human and ecological uses of water within a hydrographic basin.

We continuously invest in assessment of the impacts of our activities, observing protected and sensitive areas mapped in the regions influenced by our units, based on a specific and standardized internal process for this purpose. In 2019, we did not identify any significant impacts on the water sources we use for withdrawal.

To map water risks of our operations, we use the Water Shortage Risk Index, developed in partnership with the Federal University of Rio de Janeiro. This index allows the identification and prioritization of locations and operational units for the development of detailed water availability studies and for the implementation of mitigation or risk management measures. The methodology takes into account not only the susceptibility of the facilities to the physical scarcity of the water resource, but also the vulnerabilities of the hydrographic basins and the resilience actions developed in the facilities.

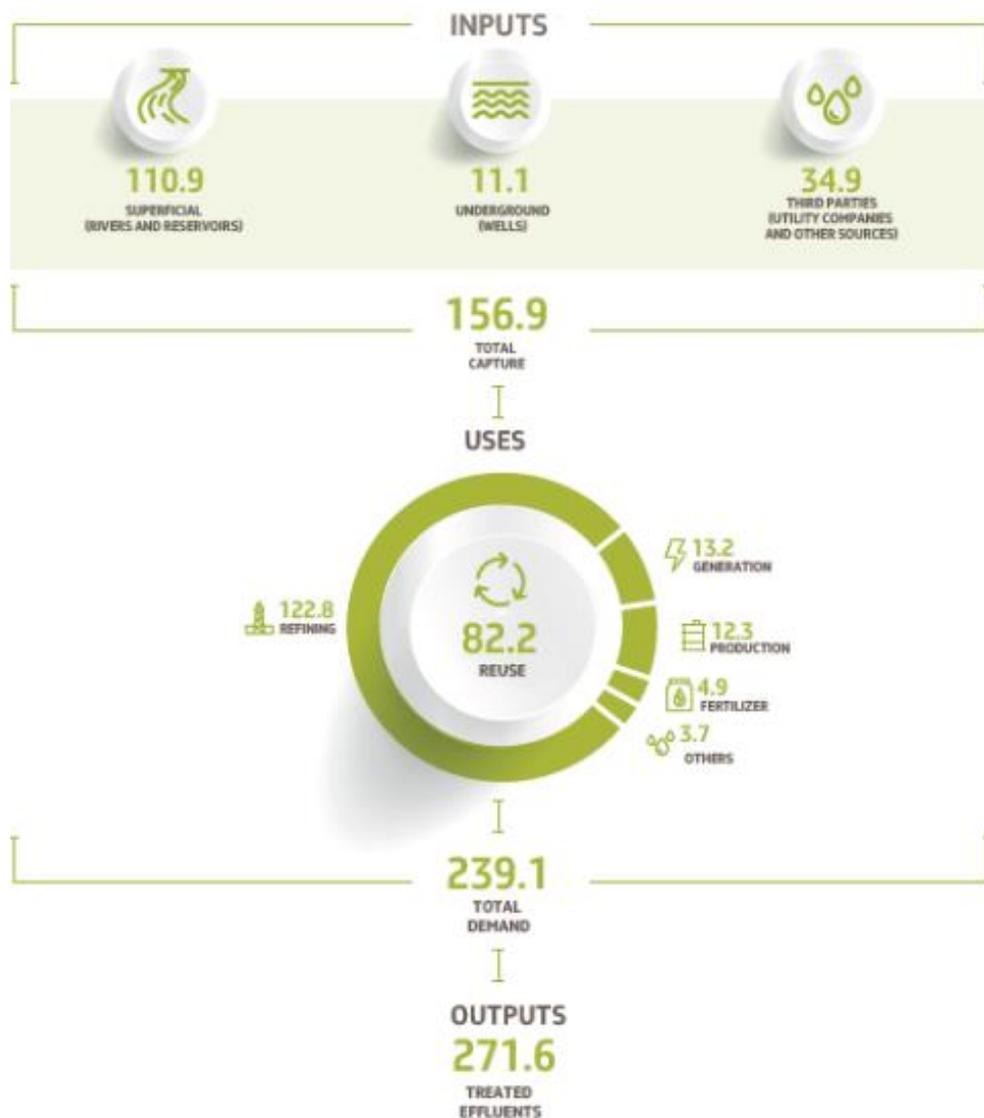
In 2019, our units identified as being exposed to relevant risks continued the actions provided for in our corporate action plan for the mitigation and monitoring of water risks. These included participation of our units in water resources forums (such as

the Basin Committees), assessment studies regarding water availability and alternative water withdrawal sources, studies on opportunities to rationalize the use of water, and technological research and development (R&D), among others.

Water Use

During 2019, we captured 156.9 million m³ of fresh water and 1.4 billion m³ of brackish and saline water for our operational and administrative activities.

WATER BALANCE (millions of m³)



a) The numbers presented are obtained by consolidating direct measurements in the units (2019 Inventory of Water Resources and Effluents).
 b) The volume of discharged water effluents, shown in the balance sheet, includes effluents of industrial origin and the water produced during oil extraction.

- c) Rainwater volumes are recorded in the category "Third Parties (Utility Companies and other sources)," for a total of 85.1 thousand m³.
- d) The volume of fresh water received from other units or controlled companies is accounted for in the "Third Party (Utility Companies and other sources)" category, according to the defined calculation system.
- e) There was no residual water withdrawal from other organizations during the year.
- f) Among our operations, those with the highest water withdrawal were: refining (78.3%), power generation (8.4%) and oil and gas production (7.8%).
- g) The volumes counted for reuse do not include condensate recovered in thermal cycles and recirculated cooling water.
- h) Fresh water inlets and outlets for open circuit cooling are not included. In 2019, we used 28.6 million m³ of fresh water for this purpose.

A significant part of our investments in rationalizing the use of water has been directed towards developing reuse projects. Among the benefits achieved, we obtained a reduction in our global needs for "new water" withdrawal. In 2019, the total volume of reuse was 82.2 million m³, which corresponds to 34.4% of our total fresh water demand. This reused volume would be enough to supply, for example, a city of approximately 1.5 million inhabitants for one year.

Based on these reuse actions, we estimate an annual savings of approximately BRL 35.8 million in the costs of water withdrawal and discharging effluents.

TOTAL VOLUME OF REUSED WATER

Description	2016	2017	2018	2019
Reused water (million of m ³)	24.8	25.4	84.0	82.2
Reuse in proportion to the total fresh water used (%)	11.5	12.5	31.5	34.4

a) The data source used for the calculations was the 2019 Annual Report on Water Resources and Effluents.

b) As of 2018, due to the revision of the identity of the corporate indicator "Volume of Reused Water", we started to account for the volumes of reinjected produced water for secondary recovery of oil and gas in onshore fields.

Effluent Generation

The volume of water effluents discharged into the environment due to our operations was 271.6 million m³, including industrial effluents and water produced from the oil extraction process. This total volume of effluents contained: 5.8 thousand metric tons of oils and grease; 5.5 thousand metric tons of chemical oxygen demand (COD), and 0.2 thousand metric tons of ammonia.

TOTAL EFFLUENT DISCHARGE BY DESTINATION

Destination	2016	2017	2018	2019
Superficial Water Bodies				
Discharge volume (million of m ³)	274.8	285.1	276.2	269.1
Discharge volume (%)	97.5	97.3	95.5	99.1
Underground Water Bodies				
Discharge volume (million of m ³)	1.1	0.4	3.9	1.7
Discharge volume (%)	0.4	0.1	1.3	0.6
Utility Supplies or Third Party Companies				
Discharge volume (million of m ³)	5.8	7.7	9.0	0.9
Discharge volume (%)	2.1	2.6	3.1	0.3
Totals				
Discharge volume (million of m ³)	281.8	293.2	289.1	271.6
Discharge volume (%)	100	100	100	100

a) The data source used for the calculations was the 2019 Annual Report on Water Resources and Effluents.

b) As of 2017, the consolidation of the volume of water effluent discarded does not consider sanitary effluents. In 2018, these effluents totaled 3.84 million m³ and, in 2019, this volume was 3.69 million m³.

For the assimilation of our effluents, we use 62 surface water bodies, 9 underground discharge points and 27 supply/treatment utility or third party companies.

The discharged effluents were previously treated in order to meet the quality standards for discharge established in the environmental legislation. In 2019, we did not identify any significant quantitative or qualitative impacts on the sources where our effluents are discharged.

301; 301-1; 301-2; 306; 306-2; 306-4

Materials and Waste Management

The search for excellence in waste management is part of our "Respect for life, people and the environment", in accordance with our Strategic Plan for the 2020-2024 five-year period, current legislation, and good process practices.

We classify waste as hazardous or non-hazardous according to definitions reported in ABNT NBR 10004 which is based on the Code of Federal Regulation - Title 40 - Protection of the Environment - Part 260-265 - Hazardous waste management. In 2019, the generation of hazardous and non-hazardous solid waste in our processes was 118 thousand and 245 thousand metric tons, respectively.

Regardless of the classification, the waste mass is determined by direct weighing or estimation considering technical and engineering criteria (density and volume). The waste disposal process is carried out by us or by contracted companies. The result of the generation of hazardous solid waste was 4% below the established warning limit of 123 thousand metric tons.

OIL, LNG, AND NATURAL GAS PRODUCTION VS HAZARDOUS PROCESS WASTE

Year	Production (Mboe/day)	Hazardous waste generated (thousands metric tons/year)	Non-Hazardous waste generated (thousands metric tons/year)
2016	2,790.0	132	210
2017	2,766.7	113	153
2018	2,627.8	120	158
2019	2,770.0	118	245

Note: Effluents are not considered when calculating the amount of waste.

Since 2013, we have developed initiatives to minimize the generation of solid waste, in line with the concept of a circular economy. We highlight two processes:

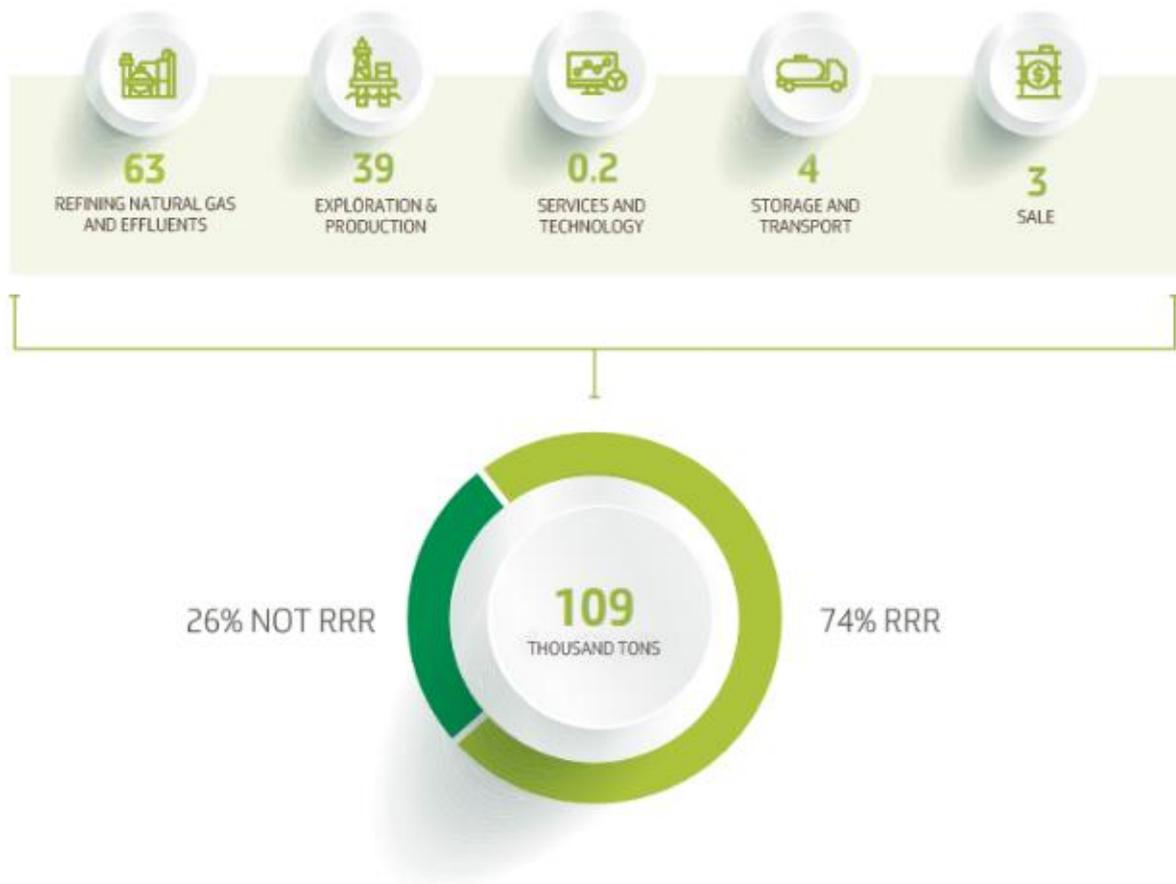
1) Processing of oily residual streams, with the recovery of hydrocarbons and a reduction in the generation of oily waste at the Shale Unit (SIX) in Paran, which allowed the generation of 88 thousand metric tons of oily waste to be avoided in 2019;

2) Operation of an oil recovery unit at the Alberto Pasqualini Refinery (Refap), which allowed, in 2019, the reuse of 12 thousand m³ of oily residual streams, with the recovery of hydrocarbons and the production of green petroleum coke, avoiding oily waste generation.

We have minimized the generation of hazardous waste over the past 4 years. There was an 11% reduction from 2016 to 2019. The increase in the generation of non-hazardous waste in 2019, when compared to historical numbers, was due to the specific increase in non-continuous cleaning and maintenance activities, as well as engineering works.

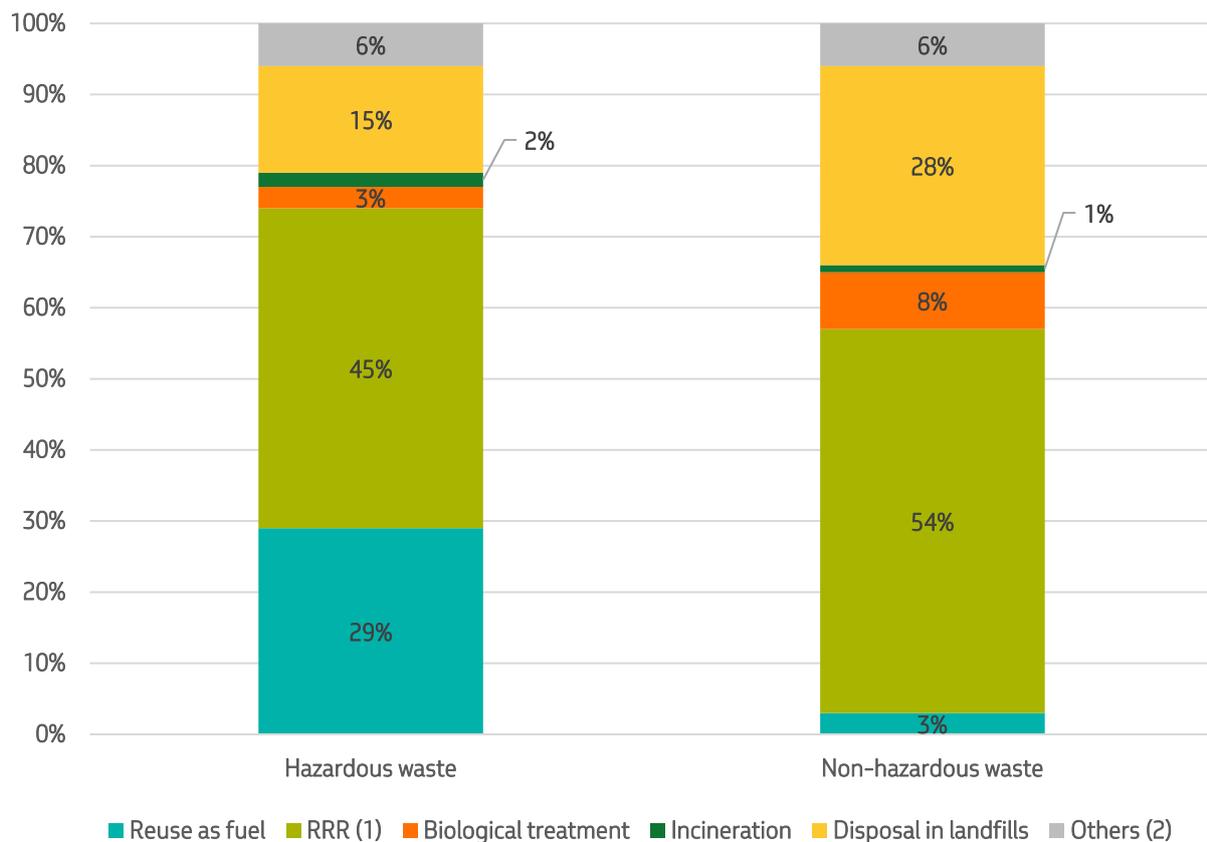
We disposed 109 thousand hazardous and 230 thousand non-hazardous metric tons of waste from our processes. The proper management of our solid waste allowed 74% of the hazardous waste mass generated in the processes to be sent to RRR (Reuse, Recycling and Recovery) routes, a better performance than in 2018 (71%). The total waste from processes destined for non-RRR routes was 125 thousand metric tons, therefore, lower than the Warning Limit established for the year (137 thousand metric tons).

HAZARDOUS WASTE DISPOSED OF (THOUSANDS OF METRIC TONS)



The waste disposal methods are determined by us and executed by specialized companies that are licensed by the environmental authorities.

DISPOSAL TECHNOLOGIES



(1) Except for reuse as fuel.

(2) Waste returned to suppliers, submitted to unconventional disposal technologies or to more than one type of treatment.

All the disposed hazardous waste was transported to allow the environmentally appropriate treatment or final disposal to take place. We employ, both for the transport and disposal stages, suppliers licensed by the competent authorities (environmental, transport, and health inspection). In 2019, 109 thousand metric tons of hazardous waste and 230 thousand metric tons of non-hazardous waste from our processes were transported nationwide. In the year in question, we did not make any international waste shipments.

We generated approximately 5,000 metric tons of rubble and hazardous fluids in the exploration and production processes in 2019. Environmentally appropriate treatment alternatives or final disposal of these materials are adopted, in line with current legislation and environmental authorities.

Petrobras Distribuidora, our subsidiary until July 2019, reports its association as the founder of Jogue Limpo, a reverse logistics and environmentally correct disposal program for used lubricant plastic packaging. In 2014, it became an institute for compliance with the legal observations of the sector agreement arising from the National Policy on Solid Waste (PNRS) (Law No. 12,305/10). Jogue Limpo Institute has current operations in 14 states and the Federal District. In 2019, more than 5 metric tons of used packaging were collected by the institute.

Within the activities developed by Petrobras Distribuidora, the manufacturing of lubricants for use in vehicles and equipment is considered a “primary product and service.” Listed below are the materials used in 2019 for the manufacturing of these products that are not integrated into the final product:

PRODUCT	WEIGHT (TON)
Non-renewable material used	531.8
Contaminated buckets, cans, metal containers or gas cylinders (empty)	23.8
Plastic packages contaminated with oil (including drums)	36.7
Contaminated empty metal drums (200l)	471.3
Renewable material used	374.85
Pallets	374.85

Petrobras Distribuidora recovers Used or Contaminated Lubricating Oil (OLUC), as well as plastic lubricant packaging.

The percentages of recovered materials are:

- 36% of lubricants recovered* of the total net sales in Brazil and 40% of lubricants recovered from the total lubricants that can be collected in Brazil
- 27% of 1L plastic lubricant packages recovered from the total lubricants sold in this packaging format.

* The data for the recovered lubricants indicator were collected in the Product Movement Information System (SIMP) and for the recovered packaging indicator, data from the Jogue Limpo Program were used. All of this information is organized by the management responsible for the manufacturing, storage and distribution of lubricants at Petrobras Distribuidora.

306-3

Leak Response Preparedness

The leak response plans are structured at the local, regional and corporate levels. The corporate contingency plan provides the structure and information for making additional resources available to the units' Emergency Response Plans, in Brazil and abroad. These additional resources are distributed in the Environmental Defense Centers (CDAs) and in advanced bases, located throughout Brazil, in addition to Transpetro's Emergency Response Centers.

In addition to the structure of the CDA System, we are members of Oil Spill Response Limited (OSRL), a specialized oil spill emergency response institution that provides support with resources for complementary action in there is a need for a national or international response (Tier 3) with use of capping, aircraft for the application of dispersants, and chemical dispersants for source control in blowout scenarios.

In 2019, we conducted 26 simulated exercises at the regional level, including leak response training.

For more information about our simulations, see "Operations Security."

Through Cenpes, we maintain permanent research in the field of chemical dispersant application, environmental monitoring, environmental impact assessment, ecotoxicity, modeling, and behavior characterization of oil at sea. Additionally, the contingency equipment park has been continuously updated with the incorporation of more efficient devices, both for land and coastal use, as well as for offshore use. Finally, international partnerships were signed in order to allow access to cutting edge equipment and resources.

The recorded amount of oil and oil products leaked was 415.3 m³ in 2019, out of a total of 17 spills.

LEAKED VOLUME OF OIL AND OIL PRODUCTS - LEAK (m³)

Description	2019
Total number of leaks above 1 bbl	17
Total volume of leaks above 1 bbl	415.3 m ³
Average volume leaked by other oil and gas companies in 2018*	649.25 m ³

The volumes of oil leaked from our operations (not including oil theft) includes all occurrences that individually account for volume leaked above one barrel (0.159m³) and that have reached water bodies or non-waterproofed soil. The total of 415.3 m³ is the equivalent of 2.612 barrels.

* Peer group average: data on leaked volumes extracted from sustainability or similar reports published by companies that make up our peer group. As of the closing of this report, not all data regarding leaked volumes had been released.

CHARACTERISTICS OF OCCURRENCES PER LEAK VOLUME (%)

COUNTRY WHERE LEAK OCCURRED	Status
Brazil	100%
Others	0%
Oil Products	0.5%
Oil	99.5%
Sea	97.9%
Soil	2%
Water Body	0.1%
ACCIDENT CAUSE	
Vehicle tipping	0.4%
Pipe or tube rupture	0.6%
Equipment failure	61.8%
Tube or equipment corrosion	6.4%
Valve failure	0.1%
Others	30.7%

Response Measures Adopted in the Event of Significant Leaks

Our subsidiary Transpetro has computerized systems for monitoring the integrity of certain assets it operates. The software helps teams to implement maintenance techniques to prevent the loss of primary containment, mitigating the risk of accidental spillage of transported products. The leak prevention strategy considers:

- a) Inspection, maintenance, and servicing activities for the integrity of equipment, pipeline systems, and pipeline lanes;
- b) Compliance with operational procedures, training for operators, and control over process variables;
- c) Communication and relationship activities with communities close to the pipeline strips.

In September, Transpetro did a simulation of a gasoline leak caused by attempted theft in the Osvat 22 pipeline, in the neighborhood of Parque Guarani, on the east side of São Paulo (SP). The exercise sought to verify the effectiveness of the subsidiary's response actions and to train the community to act safely in emergency

situations. The activity, which counted on the participation of the surrounding residents and several institutions, also provided warnings about the risks associated with this crime, including fire and explosion. About 200 people participated in the training, which reproduced a scenario of pipeline drilling by three criminals, culminating in a gasoline leak and fire. The leak was contained in conjunction with the various agencies that participated in the activity. The entire activity was done in partnership of the Civil Defense, Fire Department, Health Secretariat (Samu), Ibama, The Red Cross, São Paulo State Environmental Company (Cetesb), Military Police, Metropolitan Civil Guard, and the Traffic Engineering Company (CET).

In 2019, Transpetro recorded 203 occurrences of oil theft. Of these oil theft occurrences, 22 were from leaks. The leakage volume for these 22 occurrences was 832.4 m³.

Participation in Beach Cleaning in Northeast Brazil at Leaks not from our Operations

In view of our robust emergency preparedness and response process, we have made a major contribution to cleaning beaches hit by spills not originating from our operations in the Northeast region of Brazil, between September and November 2019.

We were able to contribute to the repair of this environmental disaster due to our unparalleled preparedness and response capacity in Brazil. In addition to the services reimbursed by Ibama, we also worked with voluntary services to recover the affected ecosystems.

Even if we were not responsible for an oil spill, we respond to all requests from the Monitoring and Evaluation Group (GAA), a multidisciplinary group composed of the Navy, ANP and Ibama under the terms of the National Contingency Plan and that supported leak response coordination efforts at the national level. This way, we operate in an integrated manner with this group, supporting planning actions and providing technical support for the operational and logistical aspects of the emergency.

MAIN OPERATION NUMBERS



*Updated on November 11, 2019

102-43; 103-1; 103-2; 103-3; OG13

Operational Safety

The integrity of assets, one of the conditions for processes safety, is related to our commitment to life, safety, and the environment.

The development of safer technologies and the application of HSE requirements in investment projects are extremely important for our performance in challenging conditions such as those in the pre-salt layer. In 2020, Petrobras inaugurated the Safety Innovation Laboratory at CENPES, with the objective of quickly developing new digital security solutions aimed at improving and simplifying processes, incorporating digital technologies, and implementing Petrobras' future vision for Health, Safety, and the Environment (HSE). The laboratory seeks interaction between Petrobras, Industry, startups, and Academia (Universities and Research and Development Institutes) with a focus on generating ideas, demonstrating solutions, and developing conceptual models and prototypes. It also intends test solutions in the field, always with implementation in mind. The project ends only if it fails or if it is applied and maintained.

The Safety Innovation Laboratory will develop digital solutions using technologies such as robotics, intelligent video analysis, wearable devices, virtual and augmented reality, data analytics, and human-centered design, among others. This should allow us to improve and simplify processes and understand human behavior, while seeking to reduce errors and improve operational, occupational and process safety conditions.

In the Libra R&D project portfolio, we have the Human Factors Project, applied to operations in the Mero field, in the Santos Basin pre-salt, in cooperation with PUC-RS, which employs a new approach that is comprehensive and transversal, based on the concepts of human factors and resilience engineering. Using an interdisciplinary view makes it possible to identify points that are unknown or even invisible to classic safety management approaches. The first phase of the project ended in May 2019 and the deliveries included an analysis and modeling of critical operations and proof of concept of when the system (the operation itself) was able to disarm, recover, or adapt to potential risk situations. Additionally, these analyses generated a set of 20 recommendations to be implemented by an interdisciplinary group from Libra, with the cooperation of PUC-RS in the second phase of this research, which started in November 2019.

In the asset operating phase, integrity management involves the continuous monitoring and evaluation of assets, be they platforms, refineries, thermoelectric plants, or gas processing assets, to ensure that they remain adequate for their purpose. Integrity management reduces the possibility of occurrences with negative consequences that adversely impact the safety of people, facilities, and the environment; and therefore, impact asset productivity. Inspections are carried out on asset items in order to detect possible failures and carry out preventive or corrective maintenance. For this, we highlight the scheduled maintenance stops.

In 2019, we made 27 maintenance stops of thermoelectric assets, seven natural gas assets, and 107 refining assets. At Petrobras Biocombustível, three total maintenance stops were carried out at the biodiesel plants and ten partial ones. In addition, in our Exploration and Production assets, we made 37 stops of platforms and two land installations. And in 2020, we plan to carry out 36 maintenance stops of platforms and five land installations, 18 thermoelectric plants, 10 natural gas assets, 83 refining assets, and 12 at Petrobras Biocombustível, of which 11 are partial and one is total.

At intervals defined according to the characteristics of the assets, there are scheduled maintenance stops. These stops presuppose a thorough plan for the scope and contracting necessary to execute the services, which seek to guarantee the integrity of the assets, ensuring a high level of reliability during the campaign term.

Our health, safety, and environment (HSE) practices are based on the Corporate HSE Guidelines that converge with the Operational Safety Management System (SGSO), which consists of a set of management practices defined from Resolution No. 5 of the National Agency of Petroleum, Natural Gas and Biofuels (ANP), dealing with measures to ensure the operational safety of industrial facilities.

Our 15 HSE Guidelines are:

- 1) **Leadership and Responsibility** By integrating health, safety, and environment into our business strategy, we reaffirm the commitment of all our employees and contractors to the pursuit of excellence in these areas;
- 2) **Legal Compliance:** Our activities must comply with current legislation in the areas of health, safety, and environment;
- 3) **Risk Analysis and Management** Risks inherent to our activities must be identified, evaluated, and managed, in order to avoid the occurrence of accidents and/or ensure the minimization of their effects;
- 4) **New Ventures:** New ventures must comply with the law and incorporate the best health, safety, and environment practices throughout their life cycle;

- 5) **Operations and Maintenance:** Our operations must be carried out in accordance with established procedures and using appropriate facilities and equipment. They must be inspected and in conditions to ensure compliance with health, safety, and environmental requirements;
- 6) **Change Management:** Temporary or permanent changes must be evaluated in order to eliminate and/or minimize the risks resulting from their implementation;
- 7) **Acquisition of goods and Services:** The health, safety, and environmental performance of contractors, suppliers and partners must be compatible with our standards;
- 8) **Training, Education, and Awareness** Training, education, and awareness must be continuously promoted, in order to reinforce our employees' commitment to health, safety, and environmental performance;
- 9) **Information Management:** Information and knowledge related to health, safety, and the environment must be accurate, updated and documented, in order to facilitate their consultation and use;
- 10) **Communication:** Information related to health, safety, and the environment must be communicated clearly, objectively, and quickly, in order to produce the desired effects;
- 11) **Contingencies:** Emergency situations must be foreseen and be dealt with quickly and effectively, aiming at the maximum reduction of their effects;
- 12) **Relationship with the Community:** We must ensure the safety of the communities where we operate, as well as keep them informed about impacts and/or risks that may arise from our activities;
- 13) **Accident and Incident Analysis:** Accidents and incidents resulting from our activities must be analyzed, investigated, and documented, in order to avoid their repetition and/or ensure the minimization of their effects;
- 14) **Product Management:** We must ensure the health, safety, and environmental aspects of our products, from their origin to their final destination, as well as strive to constantly reduce the impacts that they may cause;
- 15) **Continuous Improvement Process:** The continuous improvement of our performance in health, safety, and the environment must be promoted at all levels of our organization, in order to ensure our progress in these areas.

Our subsidiary Transpetro conducts safety inspections on the pipeline network and the integrity of the pipeline lanes. In 2019, we noted an external audit that assessed the safety standard of the Urucu-Coari-Manaus gas pipeline, pointing out the lack of critical safety deviations in the Pressure Reduction Station (ERP) facilities in Manaus and Iranduba and the Delivery Points in Manaus (Mauá and Aparecida) and the municipalities of Iranduba and Manacapuru.

As a result of the increase in fuel theft in our pipelines, in 2019 we launched the Petrobras Integrated Pipeline Protection Program (Pró-Dutos). Thefts and attempts

at theft in the pipelines bring innumerable safety risks to the lanes, one of the greatest being the possibility of leaks, explosions, and fires. In June, a 9-year-old girl died after having contact with gasoline in an attempt to steal fuel in a pipeline operated by Transpetro. We work hard to raise awareness of the risks involved in clandestine derivations and we regret that this illegal act perpetrated by third parties victimized a child.

On December 15, 2019, there was an accident with a child from the community of Siririzinho, in Sergipe, who accessed an active production well through a fence opening that had been damaged by a third party. The emergency response structure was activated, but the victim died on site. We provided support for the family, set up an investigation committee, and reinforced our inspection rounds at the installations and their protection structures.

Therefore, we constantly reinforce our relationship with residents and emphasize the importance of everyone's engagement. To accomplish this, on August 16th we held the "Day of 168." The event took place simultaneously in 12 cities in the states of São Paulo and Rio de Janeiro, with actions to orient the neighboring communities of our facilities about safety in the pipeline lanes and the risks that theft attempts can bring. It also sought to increase awareness about the number 168, a direct contact channel between us and the population to report unauthorized pipeline access.

PRÓ- DUTOS

Seeks to prevent fuel theft, minimize risk and avoid the impacts of criminal activities

In partnership with public authorities.

PETROBRAS INTEGRATED PIPELINE PROTECTION PRODUCTS

In June 2019, we launched the Petrobras Integrated Pipeline Protection Program (Pró-Dutos) to prevent fuel theft from the network of more than 14 thousand kilometers of pipelines operated by Transpetro. The creation of the program was motivated by the increase in occurrences of this type: from 72 thefts, in 2016, to 203 last year: a growth of more than 180%. The program provides for partnerships with the government and consolidates our investments to minimize risks and avoid impacts from criminal activities.

Transpetro maintains a relationship program with communities neighboring the pipeline network and provides the phone number 168 for the population to report actions by unauthorized people in the pipelines. Anyone who smells a strong fuel smell or observes people or heavy vehicles working near the pipelines, especially outside business hours, can call 168. The call is free and anonymity is ensured. Contact can also be made by Whatsapp (21 99992-0168), with text, voice, video or even photographs of any suspicious activity near the pipelines. In addition, the website <https://roubodecombustiveis.transpetro.com.br> was launched, where it is possible to learn about our actions to prevent theft of oil and oil products in our facilities.

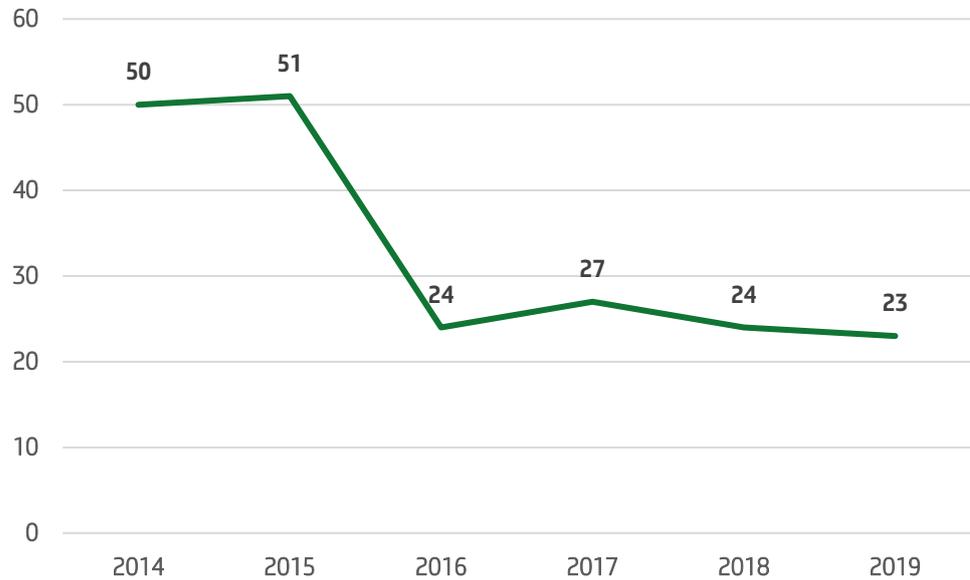
In 2019, we were able to reduce the number of theft incidents of oil and oil products by 22%, compared to the 261 thefts that occurred in 2018, and reduced the volume of oil and oil products stolen by 35% compared to 10.8 million liters stolen in 2018."

Process Safety

We monitor our Process Safety performance using indicators established in accordance with the best practices in the industry, which allows us to monitor our performance against that of our peers. We monitor the Number of Process Safety Anomalies Level 1 (Nasp Tier 1) and Level 2 (Nasp Tier 2). These indicators record the occurrence of process safety accidents, which are events characterized by primary containment losses, with unplanned or uncontrolled releases of hazardous products or energy in processing facilities. Process safety accidents have the potential to cause environmental impacts, damage to facilities and to human health. The Nasp Tier 1 indicator records the most serious process safety accidents.

In 2019, we recorded 23 Tier 1 process safety accidents and 87 Tier 2 accidents. In all cases, accidents were investigated to identify their causes and define corrective and preventive actions with monitored implementation.

NASP TIER 1*



* Process Safety Accidents are classified according to American Petroleum Institute (API) guidelines. Process safety anomalies related to clandestine pipeline derivations are recorded separately. In 2019, there were 43 TIER 1 occurrences.

Emergency Preparedness and Response

HSE management defines, in Guideline 11 - Contingency, that emergency situations must be foreseen and be dealt with quickly and effectively, seeking maximum reduction of their effects. In this way, contingency management provides for the assessment of accidental scenarios; the available resources and technologies; the social, environmental and economic impacts of emergency situations; training and simulations; as well as the involvement of relevant audiences such as neighboring communities. We have emergency response plans at local, regional, and national levels.

In 2019 we did several drills, of which 15 stood out.

MAIN DRILLS IN 2019

Business Area	Drill	Community Relationship Highlight
E&P	UN-BS (Field and Table Top Drill) April 9-10 - Oil leak in the sea from a ruptured riser	Part field and part table top = Leak scenario in the pre-salt region, without oil reaching the coast, but probable engagement of third-sector entities
	UN-BA (Field and Table Top Drill) May 29 - Diesel leak from a perforated storage tank	No recorded evidence
	UN-RNCE (Field Drill): September 10 - Oil leak in the sea from a ruptured underwater pipeline	No recorded evidence
	UN-Rio (Field Drill): September 26 - Oil pellets located on the coast (Arraial do Cabo/RJ Region)	Member of the Articulation Assistance Committee Impact of the Praia dos Anjos community
Refining	RLAM (Table Top Drill): May 21 - Oil leak in the Mataripe River	Notify community ahead of time it is a drill. Impact of the community: oil residue on animals and mangrove.
	RLAM (Field Drill, with BST and CMT): May 28 - Oil leak in the Mataripe River	Notify community ahead of time it is a drill. Impact of the community: oil residue on animals and mangrove.
	RECAP (Field Drill): November 14 - Fire at P 807-C (TQ of Aguarrás)	No recorded evidence
	REFAP (Field Drill): December 9 - Large Gaseous Hydrocarbon Leak A more serious and detailed description: Propane leak from the lower flange of the P-300042 hull with the formation of a cloud followed by an explosion.	Participation of the Social Responsibility Area is the planning and execution phases. Social Responsibility notified the contact and community relationship groups. The Civil Defense notified the occurrence to the Mutual Assistance Plan companies, which assisted with victim care. At the Marione Leite Elementary School, in Canoas, children and teachers did an evacuation drill.
	REGAP (Field Drill): December 12, Explosion of a LPG cloud formed from a leak in the side of TQ 16C (sphere)	Participation of the Social Responsibility Area is the planning and execution phases. According to the established scenario, there was the involvement of outside agencies and the impact would be in the Cascata and Petrolina communities of Ibirité.
Business Area	Drill	Community Relationship Highlight
Gas	UTGCA (Table Top Drill): October 7 - Large propane gas leak due to ruptured piping.	No recorded evidence
	UTGCAB (Field Drill, with BST): October 22 - Short circuit in electrical panel with arc discharge in the face of one of the Area Operators.	No recorded evidence
Projects	COMPERJ (Table Top Drill): August 26 - Vegetation fire	No recorded evidence
	WELLS (Table Top Drill): October 9-10 - Loss of well containment	No recorded evidence
	SUB (Table Top Drill): October 23 - Vessel drift and accident with diver	No recorded evidence
	Pipelines: October 13 - Drill for accident started by clandestine derivation on Osvat 16, in a stretch located near the Suzano Station.	No recorded evidence

103-1; 103-2; 103-3

HSE Management Evaluation Program

We are aware of the importance of health, safety and the environment for both for society and our daily activities. In addition, the continuous improvement of health, safety, and environment (HSE) performance must be promoted at all levels of our organization, in order to ensure our progress in these areas. Therefore, the evaluation of the HSE management is performed through the HSE Management Assessment Program (HSE-MAP). This process is based on verifying compliance with the standards derived from the 15 Corporate HSE Guidelines.

The HSE-MAP aims to reduce the risks of accidents and incidents and their impacts on industrial processes, people, and the environment, promoting learning and continuous improvement of HSE performance. The evaluation of the HSE-MAP is as comprehensive as possible, so that the results can represent the totality of what is being evaluated.

Evaluations are carried out by specialists in the following dimensions: Management; Occupational Safety; Operations Security; Asset Integrity; Environment; Health and other specific dimensions.

Each dimension is composed of themes and sub-themes (see figure below) that are detailed by means of Checklists customized to meet their specificities. The Checklists serve as a reference point for the evaluation trail. Based on the result HSE management assessment, the units, in conjunction with corporate HSE, consolidate action plans aimed at preventing and/or correcting any identified anomalies. These plans should define the responsible parties and the implementation deadlines.

RELATION OF THE HSE-MAP DIMENSIONS, TOPICS AND SUBTOPICS

 **MANAGEMENT**

- PLANNING AND CONTINUOUS IMPROVEMENT
- AUDITS
- LEADERSHIP COMMITMENT
- MANAGEMENT OF GOODS AND SERVICES PROCUREMENT
- TRAINING AND AWARENESS
- COMMUNICATION
- CONFORMITY
- DOCUMENT MANAGEMENT
- ANOMALY ANALYSIS AND TREATMENT
- ASPECTS, IMPACTS, DANGER, AND DAMAGE
- COMMUNITY

 **OCCUPATIONAL SAFETY**

- SAFE WORK PRACTICES (WP AND SPECIAL ACTIVITIES)
- CHEMICAL AND HAZARDOUS PRODUCTS
- CONTINGENCY
- WORK ENVIRONMENT AND HUMAN FACTORS

 **OPERATIONAL SAFETY**

- PROCESS AND INSTALLATION RISK STUDIES
- OPERATIONAL PROCEDURES
- CHANGE MANAGEMENT
- CHANGE READINESS
- OPERATIONAL READINESS



 **ASSET INTEGRITY**

- CRITICAL EQUIPMENT
- MECHANICAL INTEGRITY
- PROJECT, CONSTRUCTION, AND ASSEMBLY

 **ENVIRONMENT**

- LICENSING AND ENVIRONMENTAL AUTHORIZATIONS
- ENVIRONMENTAL IMPACT
- ATMOSPHERIC EMISSIONS
- WATER RESOURCES AND EFFLUENTS
- SOLID WASTE
- CONTAMINATE AREAS
- DEGRADED AREAS
- BIODIVERSITY

 **HEALTH**

- OCCUPATIONAL HYGIENE
- PCMSO
- CONTINGENCY
- HEALTH PROMOTION
- ERGONOMICS
- CARE FOR VICTIMS OF AN ACCIDENT OR DISEASE
- HYGIENIC HEALTH RISK

 **SPECIFIC AREA DIMENSIONS**

- NAVAL SYSTEMS
- CONTINGENCY
- LEGAL COMPLIANCE
- NAVAL SYSTEMS
- WELL INTEGRITY
- LAND PIPELINES
- MECHANICAL INTEGRITY
- SUBMARINE SYSTEM
- LIABILITY PROTOCOL
- INTEGRITY MANAGEMENT
- USEFUL LIFE EXTENSION
- OPERATION

The HSE-MAP is a proactive, independent, and integrated evaluation process, the results of which are monitored in critical review meetings with senior management. The findings identified during the evaluations are classified as critical, severe, moderate and mild. Action plans are established with treatment deadlines that take into account the degree of severity.

In 2019, 101 audits were carried out, including 162 installations, 133 of which were in the Exploration and Production (E&P) Area.



Social

Our human capital is one of the pillars of sustainable growth for our businesses. We encourage results-oriented behavior, reward people for the goals achieved, and provide special compensation for delivery, contributing to the attraction and retention of talent, in a strategy to promote meritocracy.

Safety is our top priority, and in 2019, we reached the lowest recordable injury frequency rates (TRIF) level. There were 0.76 accidents/million man-hours, a 24.7% decrease when compared to 2018. Even so, we regret to report the occurrence of two fatalities since January of the previous year, which saddens us and drives us more and more to take measures that allow us to reach zero fatalities. In addition to the impact that affects our employees, we suffered with the deaths of two children from communities located in the vicinity of our operations, one of them due to attempted fuel theft of a Transpetro pipeline. We work intensively to interact with communities, especially by raising awareness of the risks involved in clandestine derivations.

Our social agenda includes a permanent commitment to respect human rights, in accordance with the principles of the United Nations Global Compact and inspired by the Sustainable Development Goals. In this sense, we have conducted our divestment processes with responsibility and transparency. In addition, our work to mitigate and prevent human rights violations with communities led to a diagnosis that prioritized the traditional communities of fishermen, *quilombolas*, indigenous people, riverside communities, and *terreiro* peoples. With that, it was possible to elaborate community relationship plans, which resulted in performance that exceeded the established goal. We have also developed voluntary projects that work directly with indigenous peoples and established a corporate approach to guide resettlement cases.

Our commitment to prevent the violation of Human Rights is observed throughout our value chain, especially in our supply chain. We apply a specific social responsibility statement clause in the contracts for the provision of goods and services considered to be at greatest risk for human rights violations. We also trained 70,000 people, both employees and third parties, to prevent and combat moral and sexual harassment.

Our efforts have been recognized, and in 2019, we achieved a score of 46.6% on the Corporate Human Rights Benchmark, higher than the average of 29% for companies in the mining and oil sector.

With regard to our socio-environmental investments, in August we launched the Petrobras Early Childhood Initiative, with the aim of prioritizing investment in human

capital for children ages 0 to 6, bearing in mind that when investing in this phase of life, there is a higher social rate of return.

Another data resulting from our socio-environmental investment that deserves to be highlighted is the milestone of 40 million turtles protected and returned to the sea through the Tamar Project interventions. Sponsored by us for 38 years, Tamar promotes the engagement of coastal communities and obtains these impressive results thanks to the formation of a network that brings together fishermen, local residents, public authorities, oceanographers, biologists, fishing engineers and veterinarians, in a continuous effort for the recovery and population stability of the five turtle species found in Brazil.

Among our environmental initiatives, we highlight the integrated effort of 22 projects in the world beach cleaning day activities, with the collection of 18 metric tons of garbage in 15 states and 125 kilometers of the Brazilian coast, contributing to the conservation of the ocean and its species.

With regard to our environmental projects focused on forests and climate, in 2109 we prepared methodological instructions to guide the carbon quantification in forest conservation and recovery projects supported by our program. The document establishes technical references and applies to estimates of socio-environmental and greenhouse gas (GHG) reductions. Project managers can observe the instructions for quantifying the carbon removed or emitted into the atmosphere as a result of their activities.

Finally, our results allowed a total return of BRL 246 billion in royalties, taxes, and subscription bonuses to society, a historic record that consolidates our position as the largest contributor in Brazil.

103-1; 103-2; 103-3; 403; 403-1; 403-2; 403-3; 403-4; OG8; OG13

Commitment to Life Program

Respect for life, people and the environment is a value that was reaffirmed in our strategic positioning, presented in September 2019. Our goal is to operate within the best global safety standards. One of our top metrics in 2019 is the Total Recordable Injury (TRI) per million man-hours below 1.0; a challenge also confirmed for the strategic plan for the 2020-2024 five-year period. To reach this level, we developed the strategic initiative "Programs to strengthen HSE Management", which materialized in the Commitment to Life Program.

The Commitment to Life Program consists of actions focused on preventing accidents and preserving life and the environment. The actions that make up the Commitment to Life Program are structured based on the results of our health, safety, and environment management (HSE) assessments, the basic causes identified in the accident investigation processes, and the environmental scenarios of the last few years. Launched in October 2016, it is reviewed every year and new actions are inserted. In 2019, it entered its fourth cycle, with emphasis on actions such as:

- Risk Factors Training, with the slogan "Get out of Automatic";
- Workforce training;
- More advanced process safety, with prevention, mitigation and response to events with a containment loss of hazardous products;
- Progress in Simplifying Work Permit, gaining agility and security in the work permit process; and
- More effective use of technology and innovation in risk management.

COMMITMENT TO LIFE PROGRAM



The actions planned for the Commitment to Life Program are reported monthly by each person responsible for the action in the Planeja System. The progress of the program is monitored at various organizational levels, culminating in the Executive Board and the HSE Committee of the Board of Directors.

Since the launch of the first Commitment to Life Program in 2016, we had a significant reduction in the Total Recordable Injury (TRI) from 2.15 to 0.76. We are working to have a high performance culture, which demands health, safety, and respect for the environment.

Workforce Participation

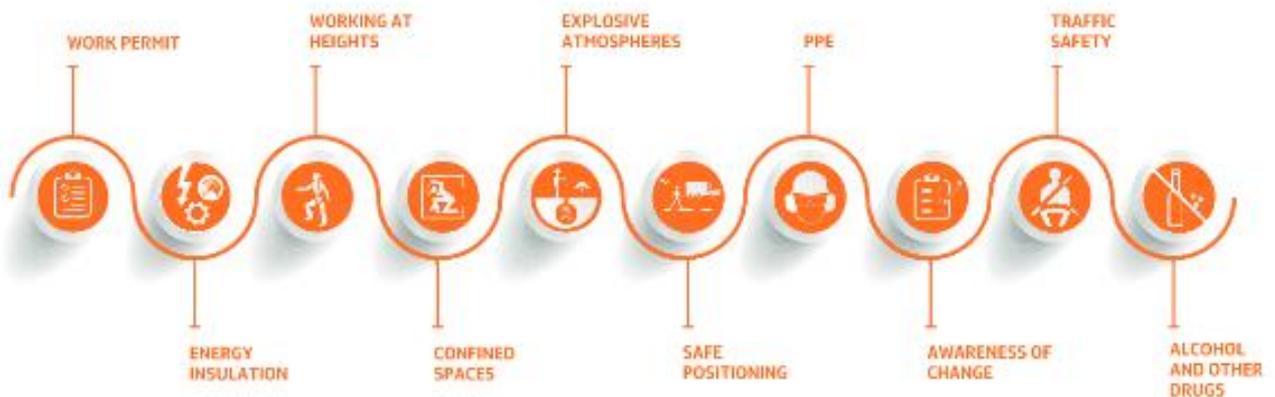
All of our employees are represented on formal health and safety committees. In our operating units and administrative facilities, there are Internal Accident Prevention Committees (CIPAS) responsible for reporting risk conditions in the workplace and contributing to the preservation of worker health and physical integrity. In the units located in the other countries where we operate, there are also committees composed of employees and guided by local laws that establish the characteristics,

duties and responsibilities of the members. The members of the committees receive training, follow routines to verify the safety conditions of the facilities and the actions implemented to improve these conditions and participate in accident investigations.

We encourage the participation of all employees in improving health and safety issues. We believe that taking care of each other is essential and, since 2018, we have maintained the HSE campaign “Caring and Being Cared For,” which encourages a culture of safety for oneself and for others. “Caring and Being Cared For” makes us think about the need to realize that help, through warnings and interventions from colleagues, is important.

In order to support a culture of safety, in 2016, ten Golden Safety Rules were defined. To do this, we considered the most frequent accidents in the oil and gas industry and in our history. Training about the Golden Rules is one of the actions included in the Commitment to Life Program. It is mandatory for all our employees in Brazil and abroad.

GOLDEN RULES



Before each activity, the employees involved are introduced to HSE risks. If any situation is considered risky, the employee must stop the work. When an unforeseen event presents a risk to safety or life, the worker can and must exercise his right to refuse to proceed. In these situations, it is necessary to interrupt the activity and report the occurrence to the hierarchical superior, who must suspend the activities until the situation is normalized, if a serious and imminent risk is found.

In addition, the Tier1 process accident analysis indicated that the application of a set of “Process Safety Fundamentals” (PSF) would have the potential to eliminate a significant portion of these events. This result highlighted the importance of this

accident prevention strategy and led to efforts to implement this initiative within the scope of the Commitment to Life Program.

PSFs reinforce good practices, already known on operational fronts, so that they are followed by teams and supported by supervisors and leaders. We expect the dilemmas faced by the operational fronts to comply with PSFs are raised, and that Process Safety issues become a daily conversation with the leaders involved.

PSFs complement the Golden Rules, focusing on Process Safety issues.

Five Fundamentals were then defined and brought together in our Process Safety Fundamentals Manual. These include:

**PSF 1****Follow the operational and maintenance procedures****PSF 2****Learn and follow safe operational limits****PSF 3****Understand and monitor protection barriers****PSF 4****Understand and control ignition sources****PSF 5****Walk the Line – Verify any line-up changes**

The Manual was issued at the end of 2019 and the implementation of the Process Safety Fundamentals in our units is scheduled for 2020, through the training of operational fronts and leaders.

It is also worth mentioning the training actions in Process Safety that have been conducted in recent years through distance learning. In 2018, training was done at management levels, with activities related to process safety. More than 5,000 managers were trained.

In 2019, training was aimed at workers at operational units, as well as operators of pilot plants, with a focus on improving the recognition of process safety events, the effects of primary containment loss of dangerous products, and the barriers or protection layers existing in an industrial facility. More than 20 thousand workers

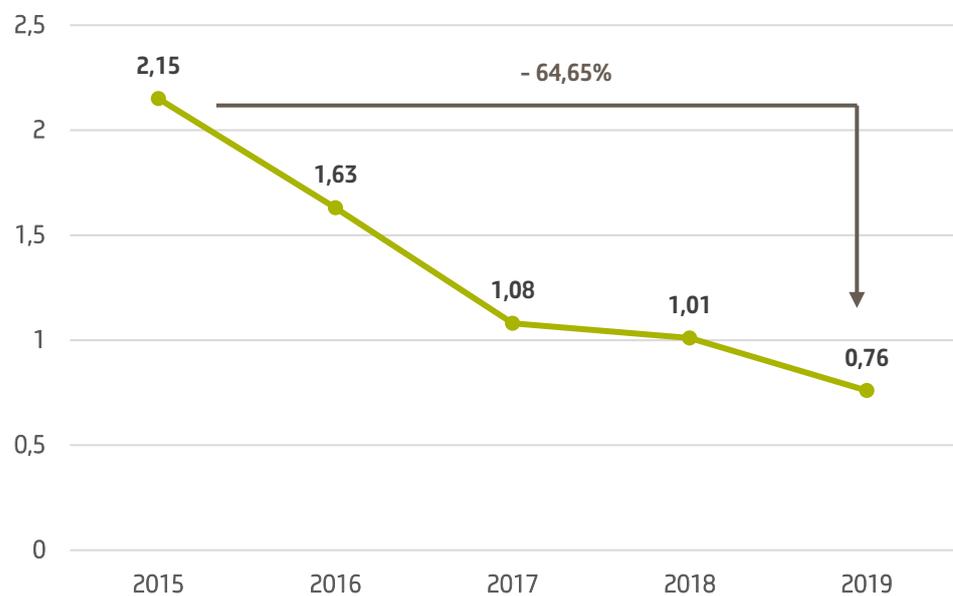
were trained in 2019.

The training enables those who are allocated or remotely operate an operational unit, as well as pilot plant operators, to recognize process safety events, to know the effects of primary containment loss of dangerous products, and the barriers or protection layers existing in an industrial facility. More than 27,000 workers and managers have been trained.

Occupational Health and Safety Indicators

We have traveled a path that seeks greater security in our operations. And the result can be seen in the record rate of the Total Recordable Injury (TRI) in 2019, which was 0.76. This is a sign that we are improving our security practices and are at the same level as large companies in the sector.

TOTAL RECORDABLE INJURY RATE (TRI)



Despite our efforts to achieve a culture of safety, we regrettably recorded the occurrence of two fatalities in 2019, one during diving operation and one involving material handling. The performance of our occupational health and safety indicators is shown below.

OCCUPATIONAL HEALTH AND SAFETY INDICATORS

Indicator	2016	2017	2018	2019	2020 Goal/MAL
Recordable Injury Frequency Rate (TAR) - Total	1.63	1.08	1.01	0.76	0.99
Recordable Injury Frequency Rate (TAR) - Employees	1.09	0.81	0.82	0.71	Undefined
Recordable Injury Frequency Rate (TAR) - Contracted	1.81	1.18	1.08	0.78	Undefined
Lost Time Injury Frequency Rate - (TFCA) - Total	0.59	0.58	0.57	0.48	0.50
Lost Time Injury Frequency Rate - (TFCA) - Employees	0.47	0.60	0.61	0.62	Undefined
Lost Time Injury Frequency Rate - (TFCA) - Contracted	0.64	0.57	0.56	0.43	Undefined
Occupational disease Frequency Rate - TIDO - Employees	0	0.02	0.02	0	0
Average work related days lost per employee - Employees	0.19	0.23	0.18	0.15	Undefined
Percentage Time Lost - PTP/PTP-S ⁽¹⁾ (%) - Employees	2.13	2.05	2.13	2.09	2,35 ⁽²⁾

Note (1): As of 2020, this indicator will be called Percentage of Time Lost - Health - PTP-S. We decided to make an adjustment in the calculation of the Percentage Lost Time indicator - PTP, in order to remove hours referring to vacation from the total planned hours of work, as well as data related to assigned employees. As a result, it was necessary to adjust its calculation formula, as well as to establish a target for the year 2020 based on the new parameters.

Note (2): Goal equivalent to 2.07 considering the previous calculation methodology.

Note (3): MAL = Maximum Admissible Limit

Indicator identity:

- TRI: Total Recordable Injury Rate: number of recordable injuries per million man-hours of risk exposure. It includes typical cases of injuries without leave (excluding first aid cases), injuries with leave, occupational diseases and fatal accidents.
- TFCA: number of injury victims that take leave from work resulting from typical accidents or cases of occupational disease per million man-hours of risk exposure.
- TIDO: total number of new cases of occupational diseases, per 1,000 employees.
- Average days lost per employee related to work: number of days lost per employee. Data referring to sick leave due to work-related health causes - accident and illness. The calculation considers the days from the day after the injury to the day before the return.
- Fees related to occupational safety (TRI and TFCA) include company employees and contractors. Health-related rates (TIDO, Average lost days and PTP) include only company employees.
- PTP: Total hours not worked due to illness and injury accumulated during the period, divided by the total planned hours accumulated during the period, multiplied by 100.

Occupational health and safety indicators meet industry standards and practices. To prevent accidents, we comply with regulations and adopt strict operating standards and procedures. We are trained to operate safely, and in case of any doubts during the execution of a procedure, we are instructed to stop it immediately.

Worker Health

The risks related to the processes and activities developed in our operations are controlled and described in the Environmental Risk Prevention Program (PPRA), as per NR-9, which bases the protection and control measures listed in the Occupational Health Medical Control Program (PCMSO), standardized by NR-7 and deployed through Standard N-2691. According to the risks mapped in the PPRA and monitored by our Occupational Health Service area, there is not a high incidence of occupational disease in our processes.

Our employees are invited to carry out specific monitoring exams every six months and/or annually, based on the identified risks. We monitor the main causes of employee illness through different health indicators, such as: Compensated Hypertensive Rate (THC), Coronary Risk (CR), Percentage Time Lost (PTP), Health, Diabetes Prevalence Rate, and Periodontal Disease Prevalence Rate (TDP), among others. Based on the health profile of our workforce, we offer employees health programs, such as:

- Program for the Control of Chronic Non-Communicable Diseases (CNCD);
- Mental Health Program;
- Labor Potential Restoration Program (PRPL)
- Periodontal Disease Control Program
- Healthy Diet Program
- Physical Activity Promotion Program; and
- Alcohol, Tobacco, and Drug Prevention Program.

We modified our model for promoting physical activity, opening up participation for all employees. The physical activity modalities were expanded, including weight training, Crossfit, dance, martial arts, Pilates, and outdoor sports, encouraging employees to choose an activity they enjoy. We also expanded the number of gyms available, all in order to make physical activity a constant in the life of our employees.

In 2019, we developed ten health campaigns through a strategy called "Health Trail," using our corporate portal and the AMS Portal to publish monthly interactive posts, with health guidelines related to relevant and prevalent aspects in the employee population, such as diet, physical activity, mental health, family health, breastfeeding, etc. Among the health events held, "Health Week", "Flu Vaccination Campaign" and "Healthy Longevity" were some of the highlights.

In conjunction with health authorities, we are aligned with the Public Vaccination Campaigns. In 2019, 52,448 workers (company and contractors) were immunized against the influenza virus. In addition, we pay for the vaccines indicated by the Occupational Immunization Program.

We have developed systematic actions to prevent and control communicable diseases, such as dengue (inspecting areas for possible outbreaks and notifying cases to the competent authorities), malaria, and measles.

Through the Traveler's Health Program, we guide and monitor employees on business trips to regions endemic for communicable diseases, who undergo prior medical and dental evaluations. In 2019, 1,021 pre-travel medical evaluations and 52 dental evaluations were carried out.

Health and Safety Topics Covered by Formal Agreements with Unions

We are bound by the Collective Bargaining Agreement to notify our employees, electronically and individually, about the environmental risks of their Homogeneous Exposure Group (GHE) contained in the Unit's Environmental Risk Prevention Program (PPRA); We also guarantee multidisciplinary assessment and monitoring of all employees involved in emergency work.

The topics covered in agreement with the unions are: periodic examinations, access to workplaces, HSE commissions for company employees and contracted companies and CIPAs, operation of CIPAs, Healthy Eating Program, communication of workplace accidents, lectures on workplace risks, participation in accident investigations, occupational safety and health conditions, occupational safety, official inspections, fire fighting and first aid, biological and environmental monitoring, health policy, right of refusal, disease prevention, benzene agreement, national security campaign, professional pension profile, fleet renewal, HUET inspection and training, among others.

Health and Safety Impacts Related to our Products and Services

We comply with national and international standards for health and safety impacts, in addition to explaining to our suppliers their need to comply.

Our significant products and services go through stages of health and safety risk assessment, with a view to protecting workers, neighboring communities, and the final consumer. The results of the evaluations are shown in the Material Safety Data Sheets (MSDS) of our products and inputs sold in Brazil and abroad.

The Chemicals Filing System (SFPQ) allows access to the Material Safety Data Sheets (MSDS) of our products and supplies sold in Brazil and abroad. In cases where we act as suppliers, we provide the updated MSDS to our users, which contains the main information on these chemical substances related to health, safety, and the environment. Currently, the SFPQ provides 973 product sheets and 1407 inputs for consultation.

BENZENE, LEAD, AND SULFUR CONTENT IN FUEL

Description	Average Benzene - Petrobras Content	Maximum allowable limit of national specification
Gasoline	0.5%	1.0%

Description	Average Sulfur - Petrobras Content	Maximum allowable limit of national specification
Gasoline	36 ppm	50 ppm
Diesel S-10	4 ppm	10 ppm
Type A Fuel Oil	0.7 %	2.0 %
Marine Fuel Oil - Bunker	Until September 30, 2019 - 1.0% As of October 1, 2019 - 0.45%	3.5 %

* As of January 1, 2020, the maximum sulfur content of marine fuel oil (Bunker) in Brazil and worldwide is 0.5%. On October 1, 2019, we started limiting the maximum sulfur content of our bunker to this amount, anticipating compliance with the new legislation.

The addition of lead is only carried out on aviation gasoline, as used worldwide. The average tetraethyl lead content in 2019 was 0.46 mLg/L, including the imported product, with the maximum specification limit equal to 0.53 g/L. No other product uses lead-based additives, according to current legislation.

Regarding sulfur, since 2009, we produce and sell diesel with a small amount of sulfur. In 2013, Diesel S-10, which contains a maximum sulfur content of 10 milligrams for every 1,000,000 milligrams of the product (10 ppm - parts per million), replaced Diesel S-50, which contained 50 ppm. Diesel S-10 enables diesel vehicles to use more modern technologies to control emissions, reducing emissions of particulate matter by up to 80% and nitrogen oxides by up to 98%, thus minimizing respiratory and cardiovascular effects on human health.

As for benzene, considering that this product is carcinogenic, paragraph 1 of Interministerial Directive No. 775, of April 28, 2004, of the Ministry of Health and Ministry of Labor and Employment, allows a percentage of benzene not exceeding 1% vol. (one percent by volume) for petroleum-derived fuels.

Information about our products (including details on health, environment, and equipment performance) is available to consumers on the following websites:

- <https://petrobras.com.br/en/products-and-services/>
- <http://sites.petrobras.com.br/minisite/reach/en/>
- <http://sites.petrobras.com.br/minisite/assistenciatecnica/>
- <https://petrobras.com.br/en/society-and-environment/environment/operating-safety/>

103-1; 103-2; 103-3

Human Resources

The world is changing at a faster pace and society demands changes and new paradigm. Consumer habits are more aware and corporate social ecosystems more complex. Past strategies are no longer compatible with the need to be a stronger company and prepared to operate in this increasingly competitive and dynamic business environment.

We strive to be the best energy company when it comes to generating shareholder value, with a focus on oil and gas, done with safety, and respect for life, people, and the environment. This translates into a strategy based on creating economic value with an active portfolio management, ensuring greater resilience to this scenario of rapid transformation. Therefore, our transformational agenda is supported by five pillars: i) maximizing return on capital; ii) reducing the cost of capital; iii) a relentless pursuit of low costs; iv) meritocracy; v) respect for people, safety and the environment.

The Strategic Plan brings an agenda of changes and the need to transform our culture, because people are the center of all these changes. The culture of the Petrobras of the Future reinforces behaviors aligned with our strategic imperatives, such as transparency, teamwork, absolute responsibility for agreed upon deliveries, and ownership of choices, all with a sense of urgency. The incentive for innovation is total. Employees are invited to experiment and learn, and honest mistakes are understood as opportunities for change and learning.

Our change management is focused on people, through coordinated actions that aim to modify a business reality, together with processes and technology, applied in the implementation of new projects, products, or in organizational changes. We engage our employees to change their culture and way of working, reducing bureaucracy, increasing efficiency, expanding the amount of physical spaces that foster innovation and recognizing the work of agile teams.

The focus on high performance and an appreciation of a culture of meritocracy comes from the variable compensation program based on the performance of each employee, through the career development that prioritizes the achievement of goals over seniority, from the selection process for management positions, and employee mobility according to their professional emphasis. We want to be an increasingly strong, agile, competitive and resilient company, in order to adapt to the changes

For more information about our cultural transformation and digital transformation, see "How we generate value."

that require 21st century business strategies.

We will preserve and strengthen valuable aspects of our culture, such as the ability to innovate and overcome challenges, and focus on producing with excellence in the technical and economic fields, acting as a single team to generate value. And we will do all this with full respect for people and the environment, as safety is our greatest value.

102-8; 102-35; 102-36; 102-37; 102-38; 102-39; 102-41; 201-3; 202-1; 202-2; 401; 401-1; 401-2; 401-3; 402; 402-1; 404-2; 404-3; 405; 405-1; 405-2

People Management

Respect for people is one of the principles of our Code of Ethics and was made explicit in our strategic positioning defined in September 2019. The Conduct Guide reinforces our principles of respect, honesty, and responsibility in our conduct with stakeholders. We also have a Corporate Human Resources Policy.

In accordance with our Strategic Positioning and as an expression of work relations management permeated by dialogue, valuing employees, respecting their representations, and by balancing employee desires and our corporate objectives, we affirm our policy of permanent union negotiation, with the consolidation of Collective Labor Agreements, in which the objective conditions of labor relations are broken down into social and economic clauses.

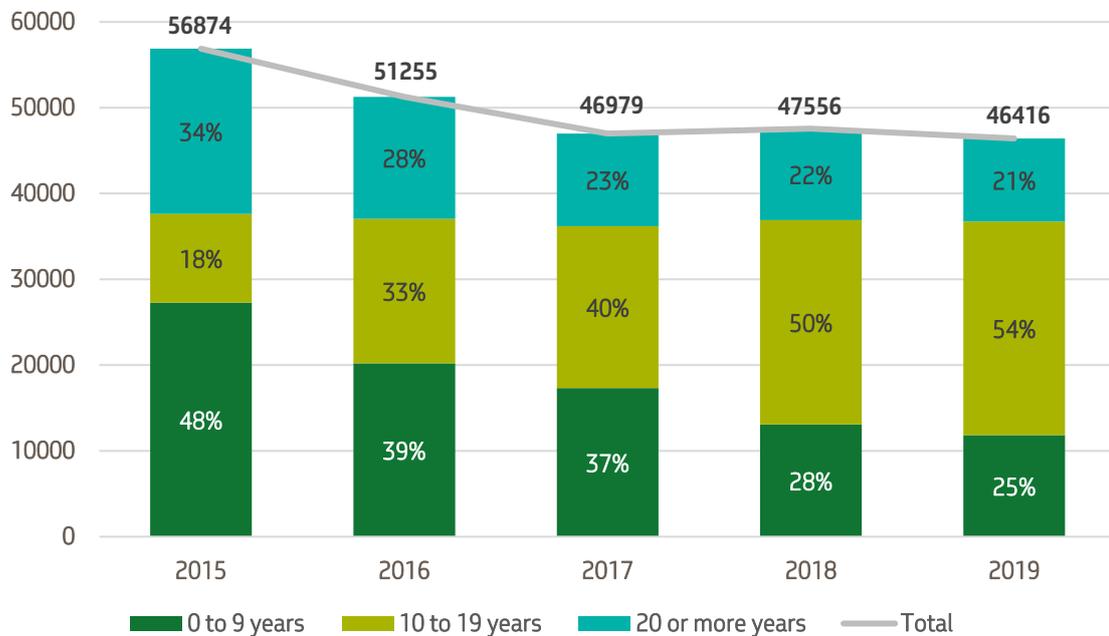
Workforce Profile

The employment contract of 46,407 of our employees at the parent company follows the Consolidation of Labor Laws (CLT), with 38,826 men and 7,581 women. Additionally, we have nine directors who are statutory and governed by our bylaws, of which seven are men and two are women.

NUMBER OF EMPLOYEES BY LABOR CONTRACT AND REGION IN 2019 (PARENT COMPANY)

Work Region	CLT	STATUTORY
SOUTHEAST	36,068	9
NORTHEAST	7,400	-
SOUTH	1,853	-
NORTH	929	-
MIDWEST	157	-
TOTAL	46,407	9

WORKFORCE EVOLUTION AND TIME WITH THE COMPANY (PARENT COMPANY)



In 2017, there was an optional daily workload reduction from eight to six hours, with a 25% proportional reduction in compensation for employees in the administrative regime, and flexible hours for those who did not perform a paid function, due to employee demand identified in an ambience survey. In addition, in 2018, an optional weekly workload reduction with proportional reduction of 20% was implemented, which enabled employees to reduce their work days per week from five to four, after negotiating the rules with labor unions. The reduction of days was offered to employees who work in the administrative regime with flexible and fixed hours with a work day of eight hours a day and in the administrative regime of differentiated category (social workers) whose daily work hours are six hours, as long as they did not perform a paid function. At the end of 2019, a total of 736 employees (1.59% of employees) worked reduced working hours with proportional compensation reduction, of which 610 employees did optional reduction of their daily workload, distributed among 43% men and 57% women, and 126 did optional reduction of their weekly workload with a proportional compensation reduction, distributed among 53% men and 47% women.

NUMBER OF EMPLOYEES WITH REDUCED WORKING HOURS

Description	Work Hours		Reduced
	Total	6h/day	4 days/week
Men	328	261	67
Women	408	349	59
Total	736	610	126

In 2018, we offered the option of telecommuting, where employees in the flexible administrative regime in corporate areas can work remotely, in amounts negotiated with their manager, limited to up to 3 days a week. As of December 31, 2019, 1,080 employees were enrolled in this modality, of which 441 were women (41%) and 639 were men (59%).

For service contracts, we do not define the number of employees contracted companies must use to execute their contracts, but only that deliveries that must be carried out as provided for in the contractual agreement. As a result, information related to gender or any other information about professional service providers, including the scale of work, belongs to their respective employers. We have the information available in our corporate access system. Thus, in December 2019, we counted 99,224 employees of service providers operating in our units, classified into groups of activities and geographic areas, as shown in the table below.

NUMBER OF SERVICE PROVIDERS OPERATING IN OUR UNITS BY GEOGRAPHIC REGION (%)

TYPE OF ACTIVITY	Midwest	Northeast	North	Southeast	South	Total
Administrative Support	108	1,453	103	7,206	43	8,913
Direct and Indirect Operations Support	334	17,467	2,862	34,636	2,794	58,093
Maintenance Stoppage	11	2,182	2	2,609	55	4,859
Works	50	4,172	250	22,788	99	27,359
Total	503	25,274	3,217	67,239	2,991	99,224

In 2019, there were 288 active interns, that received a stipend, transportation assistance, and a food voucher, as well as accident insurance. The students had the opportunity to work in the areas of Exploration and Production, Refining and Natural Gas, Production Development, Corporate Affairs, and the Office of the CEO.

Our Petrobras Young Apprentice Program included 965 young people distributed in 15 Brazilian states in 2019. The Petrobras Young Apprentice Program complies with

Law 10,097 2000 and Decree 9,579/2018, which determines that establishments of any type are obliged to employ and enroll a number of apprentices equivalent to at least five percent and as much as fifteen per cent of the workers in each establishment that require professional training. The Petrobras Young Apprentice Program learning classes last up to two years, and we work with social partner institutions that support us with the program's operations.

Our internal management succession process promotes meritocracy. Thus, we have a “talent bank” that considers talent identification in light of our strategic drivers and cultural attributes. In 2018, we implemented an internal selection process to fill managerial positions (from coordinator to general manager). In 2019, the management selection process was used to fill 305 positions, which corresponded to 8% of managerial assignments. To fill director and general structure management positions (executive managers and the equivalent), we consider the necessary profile, the method for prospecting candidates (talent bank, internal selection and/or external selection), the application of integrity and compliance criteria, the choice of the candidate, and submission to the Executive Board, the People Committee (COPE) and the Board of Directors for analysis and validation. Considering the predominantly national scope of operations, the percentage of directors and general structure managers hired in the local community is 97.8%, given the number of Brazilians.

The entry of our Brazilian employees is done through a public selection process, according to the constitutional provision and the current job and salary plan, which has as a basic requirement required for admission, among others, that the candidate be Brazilian or Portuguese (when supported by the equality status between Brazilians and Portuguese, pursuant to paragraph 1, article 12, of the Federal Constitution and the Treaty of Friendship, Cooperation, and Consultation, promulgated in Brazil through Decree No. 3,927/2001). Foreign individuals are allowed to be members of the Executive Board if they are national residents, as provided for in our Bylaws. In 2019, Brazilians were 99.9% of our employees at the parent company, including senior management.

In the companies located abroad, we also maintain our policy of prioritizing local labor, where 100% of the employees of Petrobras Operaciones S.A. - Argentina (POSA) are Argentine nationals, 100% of the employees of the Colombian branches of Petrobras Colombia (PIB-COL and PVIE-COL) are Colombian nationals, and 97% of the employees of the Bolivian Petrobras Bolivia (PEB) are Bolivian nationals.

The public selection processes at our parent company are carried out with equal base salaries for men and women, and according to Brazilian law, 20% of vacancies are reserved for black candidates and 5% for people with disabilities. In 2019, there were

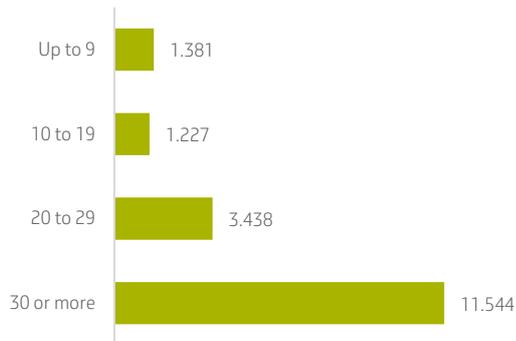
no public selection processes, however 288 people joined our parent company, of which 55 were women and 233 were men. Of these entrants, 199 were approved by public selection processes carried out in 2017 and 2018, still in force in 2019, with 22 women and 177 men. The distribution of entries by age group and region is shown in the table below.

NUMBER OF EMPLOYEES THAT ENTERED IN 2019

REGION	Up to 30 years old	From 31 to 41 years old	From 41 to 50 years old	From 51 to 60 years old	Above 60 years old	Total
Midwest	0	0	1	0	0	1
Northeast	1	7	1	1	0	10
North	0	0	0	0	0	0
Southeast	170	54	25	18	7	274
South	1	0	1	1	0	3
Total	172	61	28	20	7	288

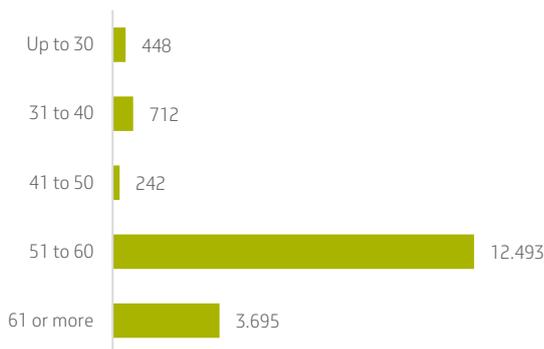
Since 2013, the internal employee mobility has been organized by the Internal Employee Movement Program (Mobiliza). The Mobiliza program seeks to match corporate and employee needs. Between 2013 and 2018, 3,101 reallocations were approved in this program. In 2019, 1,502 opportunities were published and 945 reallocations were approved. In 2019, within the scope of the Portfolio Management Personnel Plan, structured Internal Recruitment processes are being planned to reallocate employees from divested units. In this case, positions are identified in several areas, focusing on the profile of the employees in the divested areas. The objective is to offer allocation alternatives for employees to our units that need staff. In December, after negotiation with the Labor Prosecution Office (MPT) in Bahia, a nationally valid agreement was signed that establishes complementary conditions for the transfer of employees resulting from demobilizations and portfolio management. One of the defined terms was formal and individual communication to employees that will be transferred, with a minimum of eight weeks prior to the transfer. In 2019, 570 employees were reallocated from divested units.

PIDVS – BY SENIORITY



In 2019, we launched three voluntary resignation programs, one of which focused on retired employees, one specific for areas undergoing a divestment process, and one for employees in administrative areas. Of the 3,294 enrolled in the three programs, 995 resigned by December 31, 2019. In 2019, 95 employees also left due to the programs launched in 2014 (12 employees) and 2016 (83 employees).

PIDVS – BY AGE



The total number of employees who chose to leave due to the programs is 17,590 as of December 2019. The total severance paid as a result was BRL 5.83 billion, representing a financial return of BRL 28.34 billion in avoided costs in December 2019. Historically, our turnover rate has been at low levels, with the exception of 2014, 2016 and 2017, due to these programs. In 2019, employee turnover rate was 1.75%.

Compensation & Benefits

The Career and Compensation Plan (PCR) and the Classification and Evaluation Plan (PCAC) establish our job and career structures, with their respective description of duties, responsibilities, requirements, evaluations, and respective salary ranges. In line with our strategic objectives, PCR and PCAC are the instruments that support the planning and management of our employees, supporting our policies for employee attraction and retention, recognition and reward processes, career progression, and professional development.

Our positions were classified based on a score resulting from the job evaluation process, conducted by specialized consulting company, and correlated to the result of the compensation survey. Regarding direct compensation, market surveys are conducted annually, conducted by specialized consultants, such as Willis Towers Watson and the Korn Ferry Hay Group. The results show that the salaries we pay are in line with the best practices in the oil and gas market. In the latest survey, developed by the consulting firm Willis Towers Watson in 2019, our monthly average was

compatible with the third quartile of the market, composed of 50 companies operating in the O&G segment. This position has remained stable since 2007. The salary values practiced, without regional distinction, are reviewed and corrected annually through negotiation with unions representing each professional category.

Our Board of Directors approved, for 2019, a new variable compensation model for all our employees: the Performance Award Program (PPP). Aligned with the Strategic Plan, it aims to enhance meritocracy and bring flexibility to a scenario where we seek more efficiency and alignment with the best management practices. The PPP 2019 was activated due to the achievement of a minimum prerequisite for the company to report a net profit above BRL 10 billion in 2019. The estimated amount of disbursement will depend on certain factors, such as individual employee performance and the achievement of corporate performance metrics. The current model will replace the other variable compensation benefits paid in relation to 2018: Profit and Results Sharing (PLR) and Employee Variable Compensation Program (PRVE).

For more information on governance and Senior Management, see "Governance Structure."

The overall compensation for Board of Directors and Executive Board members is approved annually by the General Meeting, in accordance with Article 152 of the Brazilian Corporate Law (Law No. 6,404, December 15, 1976). The People Committee (COPE) is linked to our Board of Directors, and is comprised of board members and/or people in the market who have a notable experience and technical capacity. The Committee's duties include evaluating and proposing compensation policies and mechanisms for the members of our senior management to the Board of Directors, in compliance with our strategies and market benchmarks. The Board of Directors is responsible for approving the proposals presented by COPE. The compensation of Executive Board members considers the economic and financial results, the recognition of management efforts, and their alignment with our short, medium and long term strategies and goals. The compensation for the members of the Board of Directors corresponds to 10% (ten percent) of the average monthly compensation received by the members of the Executive Board. There is no difference between benefit plans and contribution rates for the highest governance body, senior executives, and all other employees.

In the calculation of variable compensation, the scorecards of the organizational units were considered as inputs for the evaluation of the directors, executive managers, and other members of our General Structure, reported by the following items: (i) the results of the top metrics ND/Ebitda (measures our degree of leverage) and ROCE (Return on capital employed); (ii) the scores of the specific metrics of the scorecards for the organizational units they are responsible for (represented by specific indicators and strategic initiatives that cover economic, environmental and social factors); and (iii) discretionary assessment made by the immediate superior

according to the employee's profile and performance. Throughout 2019, the results and projections of the top metrics were monitored, along with their specific indicators and strategic initiatives. This enabled the performance of the organizational units to be evaluated at the end of the year, which will serve as input to evaluate the individual performance of each unit.

The relationship between the total annual compensation of the highest paid individual and the average salary of all other employees is 5.9, where the highest paid person is the CEO. The minimum entry wage is BRL 4,634.28 and is equivalent to 4.64 times the current national minimum wage, without any differentiation by gender.

Pension Plan

We sponsor five post-employment benefit plans with pension characteristics:

- Petros Plan of the Petrobras Renegotiated System (PPSP-R)
- Petros Plan of the Petrobras Non-Renegotiated System (PPSP-NR)
- Petros Plan of the Petrobras Renegotiated System Pre-70 (PPSP-R Pre-70)
- Petros Plan of the Petrobras Non-Renegotiated System Pre-70 (PPSP-NR Pre-70)
- Petros Plan 2 (PP-2)

Together, these plans cover 96% of our employees, considering that the plans are optional and not imposed.

PPSP plans operate as a defined benefit plan, and the benefits granted are supplementary to Federal Pension System (INSS), but are closed to new participants. In these plans, the sponsor makes a contribution equal to that of the mass of participants, who have their contributions determined by applying specific rates. The PPSP-R, formed by the renegotiated participants in 2006 and 2007, and the PPSP-NR, formed by non-renegotiated participants in 2006 and 2007, come from the split of the PPSP. The renegotiation refers to the agreement with the new rules of the plan, especially regarding the separation of the plan from the positions and salaries of the sponsors and the INSS, with the supplementary benefit being adjusted by the plan's inflation index. The Petrobras Social Security Foundation (Petros) is the entity responsible for managing our supplementary pension plans. In Petros 2, the same amount is collected by the sponsor (for a Sponsored Participant) and by the participant, who can contribute with percentages according to their age ranging from a minimum of 6% and a maximum of 11%.

The actuarial liabilities of each of the PPSP-R and NR Plans were calculated based on the future payment flows of net benefits from the contributions of the respective submasses segregated into renegotiated and non-renegotiated, as established in the separation agreement between the Petros Social Security Foundation (Petros) and us on April 1, 2018.

In December 2019, both the PPSP-R and PPSP-NR Plans were split into two new Plans: (i) one for employees and pensioners who were hired before 1970 and (ii) for employees and pensioners hired after 1970.

The Actuarial Liabilities are covered by the guarantee assets constituted by the resources originating from the normal and extraordinary joint contributions of the Participants and the Sponsors, and the extraordinary contributions are intended to supply any imbalances (deficits) between the guarantee asset and the actuarial liability related to the respective pension plan.

The management of the guaranteeing assets is the responsibility of Petros and they are intended to exclusively cover the benefits of the participants, where the benefits are estimated in a probabilistic manner based on assumptions, actuarial parameters, biometrics, and plan regulations.

The term for deficit settlement, as provided for in the rules, is one and a half times the term of the plan's liabilities, and for closed plans, which include the PPSP-R and NR Plans, the term can be extended until the payment of the last benefit.

PPSP DEFICIT SETTLEMENT PLAN

The deficit of BRL 22.6 billion accumulated through 2015, updated until December 2017, based on the actuarial target (IPCA + 5.70% per annum), to BRL 27.3 billion, is being settled based on the rules established in the Deficit Settlement Plan (PED 2015), approved by the Petros Deliberative Council on September 12, 2017, and evaluated by our Board of Directors and by the Secretariat for Coordination and Governance of State Owned Companies (SEST). The extra contributions by the participants and sponsors, resulting from the PPSP's deficit in fiscal year 2015, started in March 2018, except for those suspended due to a court decision. However, all sentences were favorable to the maintenance of the settlement plan approved by Petros' Deliberative Council. In the period from January to December 2019, we disbursed approximately BRL 1 billion in contributions related to PED 2015.

Due to the deficits accumulated in 2018 having exceeded the legal limit, it will be necessary for the Petros Foundation to implement a new settlement plan in 2020.

Thus, the Petros Foundation has been working on the implementation of this new settlement plan proposal (New PED) with the objective of seeking to rebalance the PPSP-R and PPSP-NR plans, which includes the 2015 and 2018 deficits, as well with the 2019 results, in addition to reducing the financial impact of extraordinary monthly contributions from participants.

Benefits

We make the Multidisciplinary Health Care (AMS) Health Benefit available to our active and retired employees as well as their dependents. AMS offers medical and dental assistance, as well as self-management health and pharmacy benefit programs. In 2019, AMS served 284,979 beneficiaries distributed in every state of Brazil. The Benefit coverage ratio is 70% for the employer and 30% for the employees, as defined in ACT 2019-2020.

We offer educational benefits, in order to contribute to the training and education of employees and their children. These benefits do not extend to our Board of Directors and Executive Board. They also do not include Fiscal Council members. The educational benefits are financial amounts granted for reimbursement with educational expenses and include the following:

- Daycare Allowance;
- Caregiver Allowance;
- Preschool Assistance Allowance;

- Elementary School Allowance;
- High School Allowance.

In addition to the benefits mentioned above, we have implemented other measures aimed at the well-being of our employees, such as the granting of hourly allowances to employees with disabilities and employees who have children with disabilities, who are enrolled in the Special Assistance Program (PAE) and that need assistance with medical appointments and/or therapies. The allowance for employees who have children with disabilities has been extended to up to 240 non-cumulative hours per year. In 2019, 363 employees were entitled to the aforementioned bonus.

We also have the Youth University Program, which is an incentive for higher education for children and stepchildren of employees who are under 24 (twenty four) years of age and lack a higher education degree. The program also assists in promoting training in professions highly demanded by us, our partners, and suppliers, following the growth of the Oil and Gas sector in the Brazil. This Program does not cover our board members or members of the Fiscal Council. With the current collective bargaining agreement (ACT), the Youth University Program was discontinued for new enrollments and will be maintained until the end of undergraduate course as long as:

- beneficiaries are already enrolled in the first semester of 2019 or have made new registration by September 30, 2019;
- they do not suspend their school term or change their major.

We do not offer life insurance, or disability benefits, but there are two types of benefits when you are on medical leave: a supplement to sickness benefit and the ACT benefit for 48 months if related to work and 36 months if not. The supplement is for employees receiving sickness benefit and the ACT benefit is for retired employees on medical leave for more than 15 days. We do not have a stock based compensation plan for non-management employees.

Part time employees have the same benefits as regular employees.

Parenting

All employees who have proven the birth or adoption of a child are eligible to take maternity or paternity leave. In addition to the legal determination, our employees have the right to extend maternity leave, reaching a total of 180 days, and to extend paternity leave, reaching a total of 20 days. The extension of maternity leave in case

of premature birth (before the 37th week of gestation) is also guaranteed as long as the baby remains hospitalized, limited to 8 weeks.

100%

is the rate of return and retention for employees on parental leave

EMPLOYEES WHO USED THE BENEFIT

In 2019, 1,464 employees went on paternity leave and one employee was on adoption leave; and 498 employees were on maternity leave and three on adoption leave, making a total of 4.2% of employees. In terms of returning to work after parental leave, 51 male employees and 163 female employees took parental leave in 2018 and returned in 2019 and 1,382 male employees and 182 female employees took parental leave in 2019 and will return in 2020.

The total number of employees who returned to work after maternity/paternity leave and remained employed 12 months after returning to work was 2,256. Of these, 594 are women and 1,662 are men. The rates of return to work and retention of employees who were on maternity/paternity/adoption leave in 2019 was 100%.

In line with our actions for early childhood, breastfeeding employees may have up to two hours daily allowance, for up to one year from the birth of the child, which cannot be extended and is subject to the evaluation of our health team. Employees whose daily working hours are already reduced to 6 (six) hours by law or due to the Collective Bargaining Agreement are not entitled to the breastfeeding allowance.

We have 25 breastfeeding support rooms, distributed in operational units and administrative facilities. The breastfeeding support rooms provide, in addition to specialized information and guidance, a suitable, safe and welcoming environment, equipped with a breastfeeding armchair, a freezer for the correct storage of milk, and all the necessary material for workers who want to collect and store milk to offer their children.

For more information on engagement with employees and relationship channels, see “Relationship with Stakeholders.”

Employee Engagement

We practice listening to our employees through surveys. Until 2018, we applied the Ambience Survey, which generated a comprehensive report about job satisfaction, climate, and organizational commitment. This model is undergoing a reformulation process in 2019, in order to allow more focused and agile monitoring of human resources management through the monitoring of its key processes and aspects related to Organizational Culture.

Relationship with Labor Unions

The topic of Labor Union relationships is present in our Code of Ethics (items 2.5 and 2.6), as well as in the HR policy (guideline 6). It is also worth mentioning that we have been signatories since 2003 to the Global Compact, whose principle 3 provides for the effective recognition of the right to collective bargaining. According to item 2.5 of our Code of Ethics, we recognize the right of free association of our employees, respect and value participation in unions, and do not practice any type of negative discrimination in relation to our unionized employees.

About 97% of our employees are covered by collective bargaining agreements, the rest being covered by individual labor agreements, as provided for in art 457 of the Consolidation of Labor Laws (CLT). The readjustment of our salary tables is done through collective bargaining with unions representing the oil and maritime categories. The 2019/2020 Collective Bargaining Agreement (ACT), which established a 2.3% increase in wage and benefits tables, was approved by 78% of employees at union meetings.

We maintain a policy of permanent dialogue and negotiation with employee representatives. An example of this are the meetings of the permanent committees, held periodically with the unions to deal with issues such as the work regime, health insurance plan, and monitoring of the collective agreement, which aim at both improving working conditions and facilitating negotiations for entering into collective agreements, mitigating the risk of strikes. ACT negotiations take place in meeting rooms within our properties.

One of our process indicators is the Planned Relationship Actions Accomplishment Index, which assesses compliance with the union agenda (permanent negotiation), encouraging the relationship with employee representation.

After mediation, the strike was ended and there was no impact on production

THE STRIKE IN EARLY 2020 WAS CONSIDERED ILLEGAL BY THE LABOR APPEAL COURT

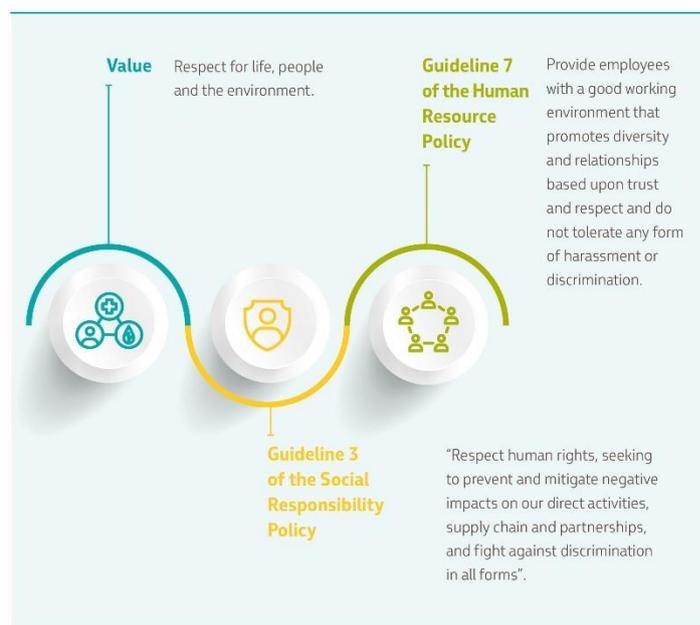
In February 2020, a strike led by 11 unions linked to the Single Federation of Oil Workers (FUP) took place. The entities alleged “disrespect of the negotiation forums established by the ACT; and non-compliance with the ACT of Araucária Nitrogenados S.A. (ANSA).” In a decision issued on February 17, the Labor Appeal Court (TST) declared that the strike was abusive and illegal. The Court decided to:

- “recognize (...) the abusiveness and illegality of the oil tankers' wall movement, which has lasted 17 days, is politically motivated, and ostensibly disrespects the strike law and court orders to meet the urgent needs of the population by maintaining a minimum percentages of active workers”;
- “authorize... [Petrobras] to adopt the appropriate administrative measures to comply with this decision, based on the recognition of the abusive nature of the strike and the illegality practiced by those who remain in it, including the summoning of employees who do not attend the court order to apply disciplinary sanctions.”

After mediation by the TST, which occurred on February 21, 2020, we reached an agreement with the unions and the strike was ended. Despite having lasted 21 days, there was no impact on production.

Promotion of Diversity and Inclusion

Our diversity management is guided by corporate references such as:



When we talk about diversity, we embrace inclusion and fairness to foster an environment favorable to the expression and recognition of employee identities and the consolidation of relationships based on respect and trust. Diversity management is carried out through the principles of respect for differences, equal opportunities, and non-discrimination.

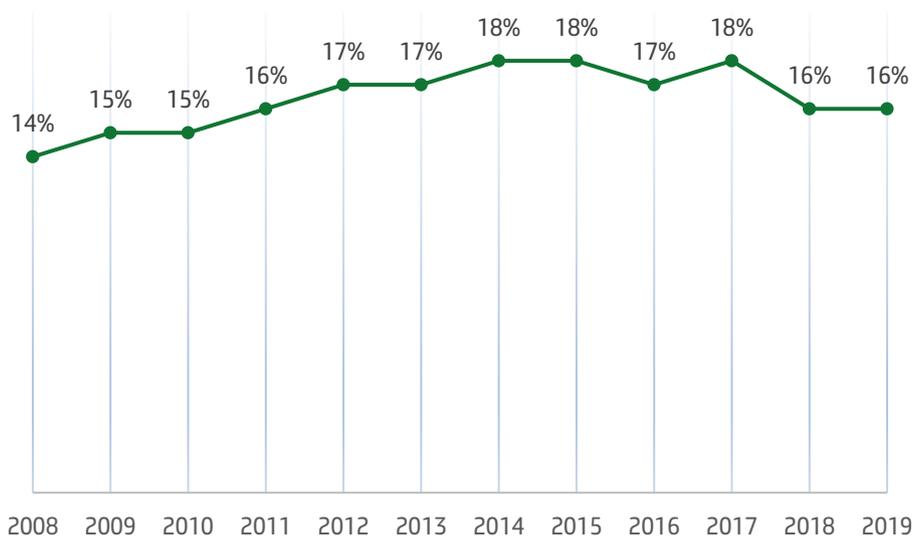
WORKFORCE PROFILE BY GENDER AND POSITION LEVEL (PARENT COMPANY)

High School	2017		2018		2019	
	No.	%	No.	%	No.	%
Female	3,331	7	3,359	7	3,222	7
Male	23,969	51	24,057	51	23,200	50
SUBTOTAL	27,300	58	27,416	58	26,422	57

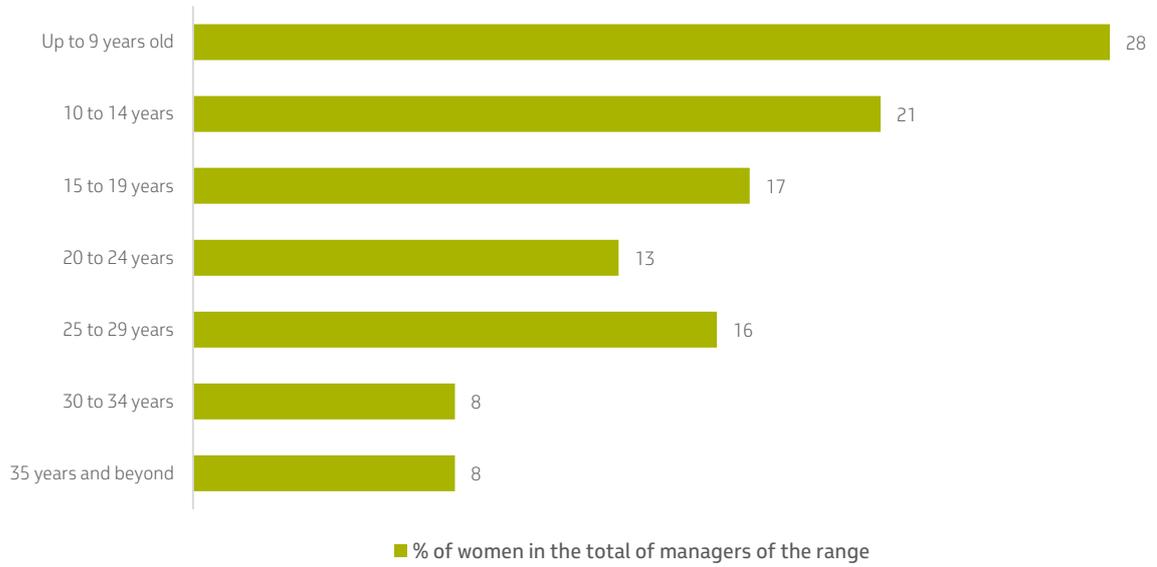
Higher Education	2017		2018		2019	
	No.	%	No.	%	No.	%
Female	4,280	9	4,408	9	4,361	9
Male	15,399	33	15,732	33	15,633	34
SUBTOTAL	19,679	42	20,140	42	19,994	43
TOTAL	46,979	100	47,556	100	46,416	100

Despite being an industry characterized by the prevalence of male labor, we are managing to maintain a stable level of women in management positions, as shown in the graph below:

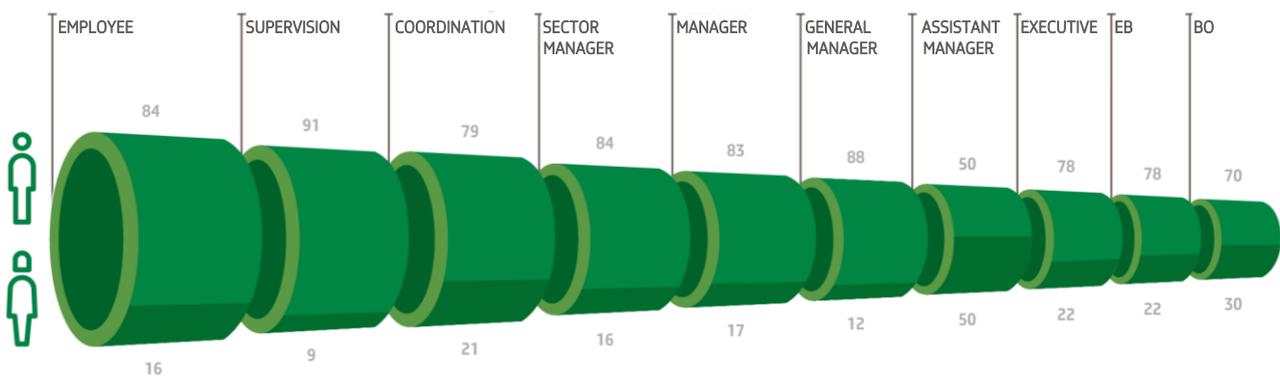
EVOLUTION ON THE NUMBER OF WOMEN IN MANAGEMENT POSITIONS (PARENT COMPANY)



DISTRIBUTION OF FEMALE MANAGERS BY TIME WITH THE COMPANY (PARENT COMPANY)



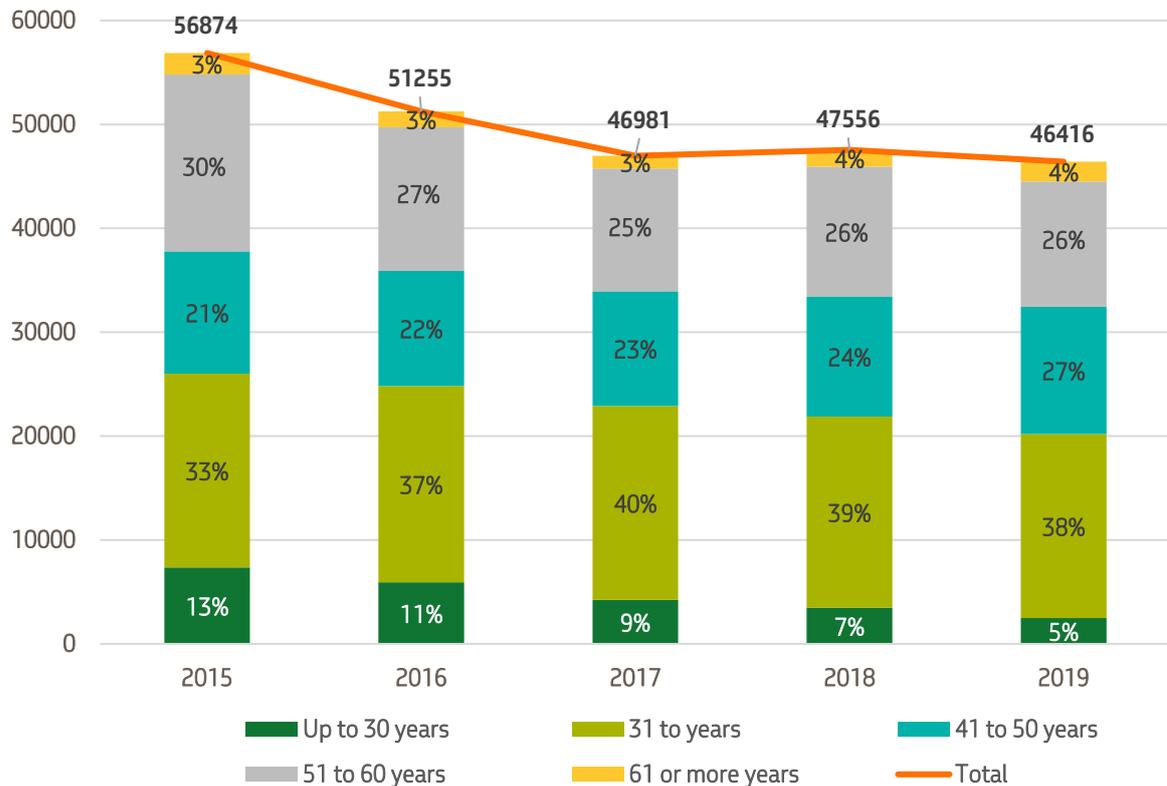
GENDER DATA (PARENT COMPANY - DATA FROM DECEMBER 31, 2019)



ETHNIC-RACIAL PROFILE (PARENT COMPANY)

	With Position				Without Position				Total	
	Female	% of the total	Male	% of the total	Female	% of the total	Male	% of the total	Total	% of the total
White	907	1.95%	4374	9.42%	3565	7.68%	16393	35.32%	25239	54.38%
Brown	214	0.46%	1316	2.84%	1349	2.91%	7807	16.82%	10686	23.02%
Black	31	0.07%	252	0.54%	317	0.68%	1855	4.00%	2455	5.29%
Yellow	16	0.03%	88	0.19%	94	0.20%	450	0.97%	648	1.40%
Indigenous	3	0.01%	12	0.03%	17	0.04%	84	0.18%	116	0.25%
Not stated	255	0.55%	1200	2.59%	815	1.76%	5002	10.78%	7272	15.67%
TOTAL	1426	3.07%	7242	15.60%	6157	13.26%	31591	68.06%	46416	100.00%

PROFILE BY AGE (PARENT COMPANY)



RATIO OF SALARY AND COMPENSATION BETWEEN WOMEN AND MEN (PETROBRAS PARENT COMPANY)

RELEVANT OPERATIONAL UNITS	Job Category	High School	Higher Education
Executive Department for Exploration and Production (DE&P)	with position	0.78	0.92
	without position	0.74	0.88
Executive Department for Refining and Natural Gas (DRGN)	with position	0.75	0.91
	without position	0.77	0.91
Other Departments	with position	0.89	0.92
	without position	0.81	0.91
Total	with position	0.80	0.91
	without position	0.74	0.91
Total		0.74	0.90

. We classified the areas directly related to our main business into "Relevant Operating Units": exploration and production area and refining and natural gas (RGN) area. The other operating units and administrative units are part of the item "other departments."

. Average compensation for women divided by the average compensation for men, for each group.

. We have a salary table with different levels of basic salary, all applicable to both men and women. However, when calculating compensation, basic and additional wages are considered, such as transportation vouchers, childcare allowances, etc.

Performance Analysis

One of the five pillars of our Strategic Plan is meritocracy. This means rewarding people based on results as well as behaviors and attitudes, and ensuring that all performance is treated and recognized in a transparent manner. The performance analysis of employees takes place through the Performance Management process, based on objective metrics, derived from strategic initiatives. Based on these metrics, established through the unit scorecards, we seek to ensure that individual and shared goals are deployed to the teams, contributing to the achievement of our top metrics.

This process is done in three stages:

- 1) Planning - the initial phase, which includes the definition of goals among managers and employees and/or teams, as a result of the deployed actions to achieve management goals.
- 2) Monitoring - the phase in which managers and employees verify that goals are being met according to the expected performance, and if there is a need for redirection, making the necessary adjustments to enable the achievement of the goals;
- 3) Evaluation - includes measurement and evaluation of what was done, identifying the difference between what was accomplished and what was planned. The calibration committees meet and the final formalization of the employee performance record

takes place during this phase.

Due to the impacts of the Covid-19 pandemic, the deadline for the evaluation of the 2019 cycle and 2020 planning was postponed to after the closing of this report (May 14, 2020). Therefore, on a date prior to its closure (April 14, 2020), we had 74% of the employees with 2019 cycle goals monitored in the system and 51% had been evaluated. For the 2020 cycle, 4% of employees had goals planned on the aforementioned date.

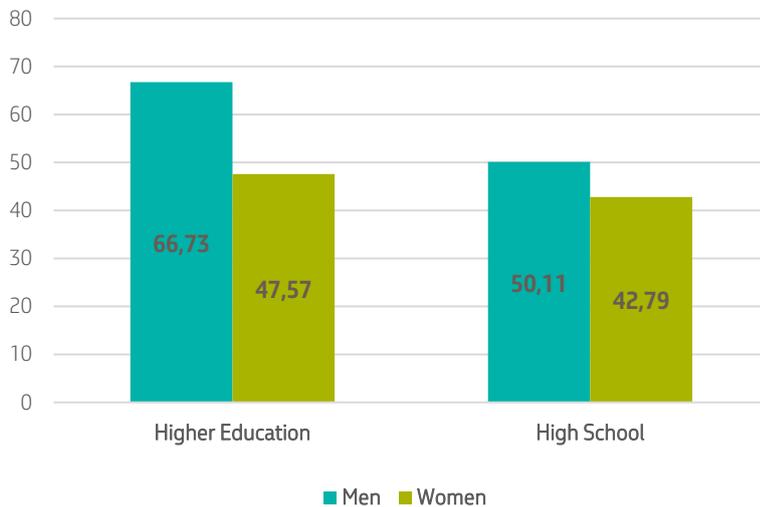
In order to promote the recovery of employee performance, we are implementing a program called the Productivity and Performance Program (PPD), which aims to offer specific treatment for those employees who performed below the desired performance, allowing them to recover their productivity and improve their performance results in new evaluations.

205; 205-2; 404; 404-1; 404-2; 412-2

Training

Our Human Resources area is responsible for training planning guidance and execution. We provide an internal infrastructure for training at Petrobras University and at our units across the country, in addition to providing methodologies and teaching technologies to assist with the application and access to employee content. We invested BRL 127.4 million in training during 2019.

AVERAGE TRAINING HOURS PER EMPLOYEE



Training needs are identified based on the performance assessment. Annually, training is negotiated between the manager and each employee to achieve the expected results for the business during the evaluation period. By December 31, 2019, there were 367 thousand course participations, of which 299 thousand were employees, with an average of 54.95 hours of training per employee, distributed as shown in the graph.

Some important training courses carried out in 2019 were:

- **Field Courses** - Field courses developed in Brazil and abroad are aligned to improve reservoir exploration and modeling techniques, in order to achieve greater robustness and predictability of discoveries in the Exploration and Production Area through our Production Development projects, including the Pre-Salt and Post-Salt reservoirs. 205 employees were trained in these course modalities, totaling 11,024 hours in 2019;
- **Economic Value Added (EVA)** - EVA is a management methodology aimed at creating value for the business and seeks to provide transparency for value creation of all assets and for each of our activities. The methodology seeks to enhance performance, directing all our activities and processes to generate value. Through December 2019, 510 managers were trained, for a total of 4,080 man-hours;

- Prevention and Combat of Moral and Sexual Harassment - In 2019, we conducted remote training for our workforce about Prevention and Combat of Moral and Sexual Harassment. More than 70 thousand participants were trained, of which 44,996 were employees, totaling approximately 45 thousand hours of training. In addition, we conducted preventive training related to human rights, for a total of 30 lectures, covering 2,369 people. All the lectures share the theme of workplace violence, prevention and accountability mechanisms, in addition to specific conceptual developments, which may include moral harassment, sexual harassment, or discrimination;
- Remote course for leaders with 41 content topics - The training uses tools, videos, articles and real business cases, with high practical applicability, to address the main leadership competencies, giving those who complete all the modules a training certificate. The content can be accessed on computers or mobile devices, and in 2019, 13,359 hours of training was completed.

We also develop ethics and integrity training for different groups. The table below summarizes our main promotional activities to reach our stakeholders:

DISSEMINATION AND TRAINING FOR ETHICS AND INTEGRITY (PARENT COMPANY)

Mechanism	Audience	Frequency	2019 Numbers
Conduct Guide	Senior Management and employees	Acknowledgement signature when initiating professional activities, document review, and continuous distance learning	43,993 employees
Code of Ethics	Senior Management and employees	Acknowledgement signature when initiating professional activities, document review, and continuous distance learning	44,227 employees
Compliance training for Third Parties (due to risk level)	Counterparties	Annual	291 trained ¹
Training Program for new Board Members and Fiscal Councilors	Senior management	Upon initiating your professional activities	6 members of the Board of Directors; 1 CEO; 1 employee representative; 7 directors; 2 fiscal councilors and 2 external committee members; 16 in-person training sessions
Periodic Program for Training Board Members and Fiscal Councilors	Senior management	Annual	9 members of the Board of Directors; 8 directors; 5 fiscal councilors; 2 in-person sessions, and 5 video classes
Corporate Governance Training Program	Technicians is the governance area, board members, directors, and managers of our corporations	Annual	100 employees and managers
Distance Learning Prevention and Combat of Moral and Sexual Harassment	Senior Management and employees	Mandatory, impacting career trajectory	44,996 employees
Compliance Related Improvement Course	Compliance Professionals	Semiannually	97 employees
In person compliance training for managers	Managers	Monthly	150 managers
In person compliance training for procurement activities	Employees that are involved in procurement activities	Monthly	188 employees

¹ The number 291 refers to the people trained and not third parties in a high risk level position

The board members and fiscal councilors of state-owned companies, including representatives for employees and minority shareholders, must participate, upon

installment and annually, in specific training about corporate and capital market legislation; information disclosure; internal controls; code of conduct, Law 12.846/2013 (Anticorruption Law), and other topics related to our activities. Board members and fiscal councilors who have not participated in annual training in the past two years cannot be re-appointed.

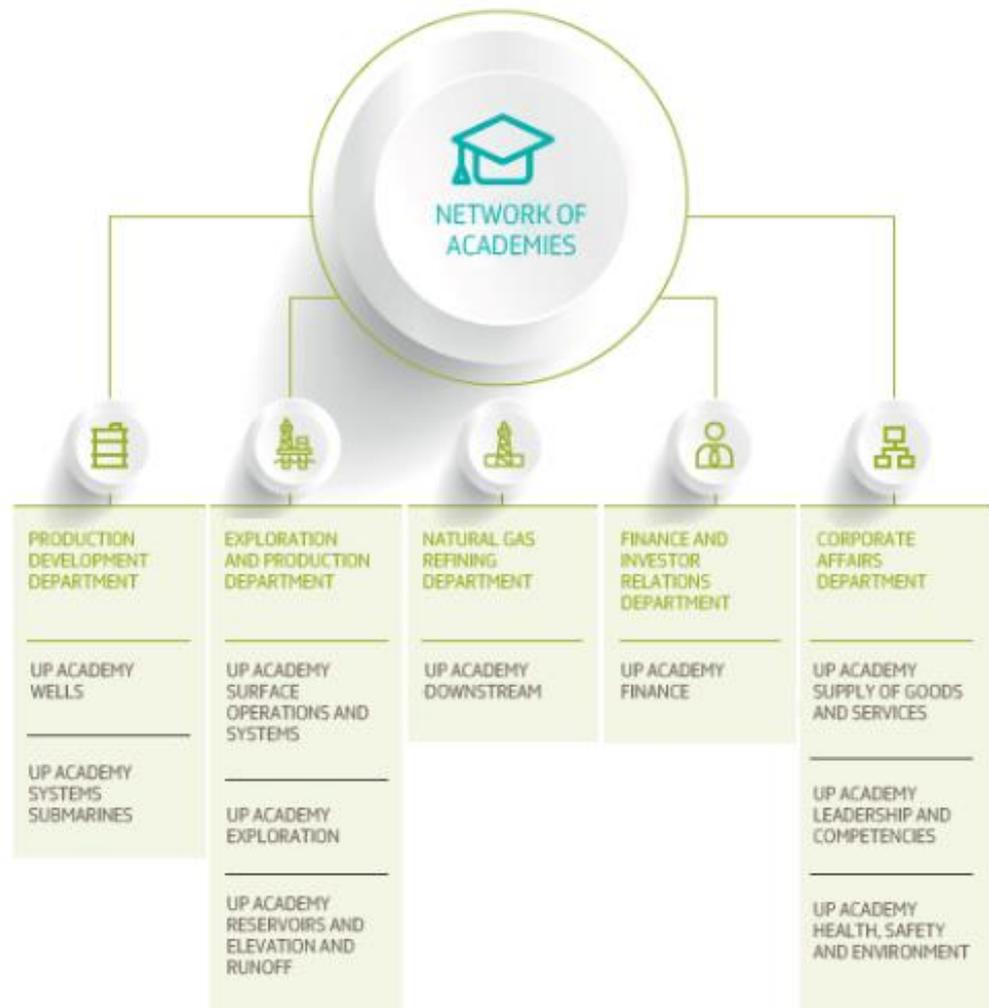
The Training Program for New Board Members and Fiscal Councilors seeks to provide a broad understanding of the challenges, duties, and responsibilities pertaining to the positions and to provide material for reading, consultation, and learning about the main governance instruments, in addition to management reports. During the 2019 cycle, topics such as the Code of Ethics, Conduct Guide, compliance, internal controls, Brazilian anti-corruption legislation, duties and responsibilities of board members and fiscal councilors, risk management, the governance model, and the decision-making process were presented.

The available training is provided to counterparties in a manner that prioritizes those who offer us the greatest risk. Although they are not mandatory, they assist in fulfilling the obligations entered into by these counterparties when signing a contract with us.

We monitor training effectiveness by assessing the reaction to all the provided training courses. We do not participate in development related external evaluations, but we make constant contacts with market institutions to maintain our processes and products periodically using the best available practices.

Strategic Repositioning of Petrobras University

Petrobras University has repositioned itself in order to provide greater strategic alignment, agility, and effectiveness in meeting our critical demands. To this end, a network of academies linked to the structures of our areas was created, with 10 academies in operation.



As an example of the performance of these structures, the Leadership and Competence Academy's main objective is to provide critical development actions for this audience, reviewing and improving our leadership development program, in addition to assisting in our cultural transformation process through skills development for all employees. In addition, this Academy will have the role of offering a portfolio of actions to develop corporate issues that are not in the scope of other Academies, such as Portfolio Management, Programs and Projects; Social Responsibility; among others.

The Supply Academy is an initiative that aims to create a training program for employees working with the supply of goods and services in its various disciplines, in order to form a team with the capacity to orchestrate an integrated supply process.

SUPPLY ACADEMY TRAINING PROGRAM INITIATIVES



1. Training Matrix: The training grid, in line with the guidelines of Law 13.303/16, consists of 36 courses, which are made available by Petrobras University to employees. As examples, we can mention the Course on Legal Aspects of Petrobras Contracts, the Course on Financial Aspects of Supplying Goods and Services, and the Course on Management and Inspection of Service Contracts;

2. Certification: It is a tool that makes it possible to recognize professionals with notorious knowledge in matters pertinent to the Goods and Services Supply process, encouraging a constant search for updates and improvement, thus increasing the training levels of our professionals. We have two lines of certification, one of which is aimed at certifying contractors and the other for contract managers and inspectors and budget analysts;

3. Simulators: Program developed to enable the training of employees, using a system of business games. It seeks to speed up training for contracting goods and services and in the procurement management process;

4. SGS Training Course: The objective of the "SGS Training Course" is to support the performance of new employees, accelerating their knowledge about the process for Supplying Goods and Services, and reducing their adaptation time.

Knowledge Management:

In order to expand the perception of employee development and promote the identification, creation, preservation, sharing, and application of knowledge, knowledge management actions were leveraged and recorded on employee resumes after completion. In 2019, the following was recorded:

- 49 Observation Learning activities, totaling 801 hours of application;
- 343 Workplace Training activities, totaling 1,713 hours of application;
- 28 Tutoring activities, totaling 6,247 hours of application; and
- 199 Mentoring activities.

These Knowledge Management activities add practical and applicable results to the development of employees, and tacit sharing from experienced employees.

In 2019, we described all the knowledge management practice procedures in the Petrobras Standardization System (SINPEP).

The standards specify the scope, target audience, deadlines and methodologies for applying the practices. We also carry out awareness and training activities for the network of HR Business Partners and technicians, which support the implementation of knowledge management practices.

GEOLOGY MENTORSHIP

In 2019, we carried out the Mentorship program in Evaporites, which are sedimentary rocks formed by a chemical precipitation process with water evaporation. Evaporites are fundamental in trapping pre-salt oil in both the Espírito Santo, Campos and Santos Basins, and also favor the field formation process in the post-salt. Products of this Mentorship: elaboration of the Evaporite Petrography Atlas, the Lithofaciological Atlas and the Association of Evaporitic Facies, unprecedented in the world literature, which will allow the creation of a database with all the information about the rocks on a macroscopic and microscopic scale, and will assist geology and engineering technicians in well drilling. Some techniques for Automatic Determination of Evaporites were also improved, based on Artificial Intelligence and machine learning, using analysis algorithms and correlation of the physical properties of these rocks to the data obtained in the drilling of wells, in order to identify the drilled salts.

The program was mentored by Dr. Peter Szatmari, Senior Consultant Rogério Gontijo, at Exploration headquarters, geologists Maria Rosilene Santos, of Cenpes and Cláudio Pires Florêncio of Exploration Management of Rio Grande Norte/Ceará, all with great professional experience related to the geology of evaporites and 16 mentors from the areas of geology and geophysics, coming from Cenpes management and Exploration.

We carried out the Retirement Preparation Program with the objective of promoting reflections and socializing information that allows employees to carry out their retirement planning, while promoting the preservation of the knowledge produced by employees while they were with the company. The program is aimed at employees that are retired and/or who are five years or less from completing the retirement criteria for the INSS pension system. Participation is voluntary. In 2019, 27 classes were held, with 743 employees participating in the Program.

102-15; 102-43; 102-44; 203-1; 203-2; 405; 406; 406-1; 407; 407-1; 408; 408-1; 409; 409-1; 410; 410-1; 411; 411-1; 412; 412-1; 412-2; 412-3; 413; 413-1; 413-2; 414; 414-1; OG9; OG10; OG11; OG12

Human Rights

Our commitment to human rights is expressed in our values of respect for life, people, and the environment. The Code of Ethics, applicable to all operations and suppliers, establishes that we base our activities on respecting human rights internationally recognized by Brazil and the countries where we operate.

Our Social Responsibility Policy has the following guidelines: (i) respect human rights, seeking to prevent and mitigate negative impacts from our direct activities, the supply chain, and partnerships, combating discrimination in all its forms; and (ii) identifying, analyzing, and addressing social risks arising from the interaction between our business, society, and the environment, and promoting socio-environmental management in the supply chain.

Our Human Resources Policy states that we must Provide employees with a good work environment that promotes diversity and relationships based on trust and respect, without tolerating any form of harassment or discrimination.

Our Conduct Guide defines discrimination as: "situations and circumstances that establish distinctions between individuals, compromising equal treatment, favoring exclusion, and degrading the dignity and rights of the individual". Failure to comply with the guidelines provided for in this guide will bring the relevant administrative measures and sanctions, as stipulated in our disciplinary rules, as well as potential legal penalties. For the sake of prevention and awareness, lectures are given and materials about discrimination are shared on our Portal. With regard to contract workers, any failure to comply with the guidelines in the guide will be reported to their employer.

In order to detect issues human rights related issues, we have made our service channels available, through which we receive, treat, and report, statements received by all stakeholders with independence, impartiality, and confidentiality

In 2003, we adhered to the UN Global Compact, whose principles are related to human rights and work practices. Since 2006, we have participated in the Federal Government's Gender and Race Equity Program, for which we have been recognized with the Gender and Race Equity Seal five consecutive times.

For more information about our diversity in gender, race, age and others, see "People Management."

In 2010, we adhered to the seven UN Women Empowerment Principles, which deal with the promotion of equity between men and women in the labor market and in society. That same year, we signed the Declaration of Corporate Commitment to Confront Sexual Violence against Children and Adolescents, through which we declared our commitment against sexual exploitation, and in favor of protecting the rights of children and adolescents.

In 2015, we signed the National Pact for the Eradication of Slave Labor, from the Institute for the National Pact for the Eradication of Slave Labor (InPACTO), which aims to confront contemporary slave labor.

In 2018, we signed the Open Letter Enterprises for Human Rights, together with six other state owned companies - Banco do Brasil, Banco do Nordeste, National Bank for Economic and Social Development, Caixa Econômica, Correios and Eletrobras - with the Ministry of Human Rights, Attorney General's Office, and the Labor Prosecution Office. In this commitment, we affirm our firm intention to guarantee universal rights in business activities.

Also in 2018, we joined the Business Initiative for Equality, proposed by the NGO Afrobras and Zumbi dos Palmares College, whose ten commitments seek to respect and promote racial equality, equal opportunities, and fair treatment for all people.

In December 2019, we signed the National Pact for Early Childhood. This commitment, signed between the National Council of Justice (CNJ) and several participants in the child protection network of Brazil, seeks to strengthen public institutions that guarantee the rights provided for in Brazilian legislation and that promote the improvement of the necessary infrastructure to protect children's interest, especially in early childhood.

MAIN HUMAN RIGHTS COMMITMENTS



Human Rights Campaigns and Initiatives

We support, and regularly share with our stakeholders through our channels, human rights activities or campaigns, addressing issues such as gender, race, and the rights of children and adolescents, among others. A highlight in 2019 was the campaign during the month of March, in celebration of International Women's Day, where we told the story of several women who stood out in their careers at our company. In addition to the campaign, at our operational units, several activities were also carried out at the local level with both employees and the communities.

We also have sponsored projects to reinforce the approach of these topics with our stakeholders. An example of this was the action carried out on May 18, establishing the National Day to Combat Abuse and Sexual Exploitation of Children and Adolescents. Two of our sponsored projects, Rede em Ação (Nets in Action) and Tecendo Redes (Weaving Nets), promoted awareness regarding the importance of fighting sexual violence against children and adolescents in municipalities where the Regap and Comperj units are located. These activities were aimed at civil society organizations, public authorities, and suppliers.

We also held the first Petrobras Equity Forum with the participation of representatives of our main suppliers and created in partnership with Zumbi dos Palmares College.

Our Performance in Human Rights

Our human rights activities can be divided into three main fields:



Combating Discrimination and Promoting Diversity - Internal Public

We communicate our commitments to human rights to the internal public through our Code of Ethics and Conduct Guide (which all employees must sign a term of acknowledgment), the Social Responsibility Policy, the Human Resources Policy, and notes on our internal portal.

In the last five years, our corporate university has trained more than 3,300 employees with 14,570 man-hours trained in courses focused on human rights, with the aim of avoiding practices that can harm our company and society, with 274 employees trained in 2019 with a total of 1,233 man-hours. In addition, the topic is developed in the training course for new employees, when studying Conduct Management.

In 2018, we launched the Gender Equity Action Plan at the IV Petrobras Diversity Forum, attended by our CEO, representatives of the Executive Board and the Board of Directors. This plan seeks to have a positive impact on the work environment and the development and functional career of women, in addition to making commitments with the external environment. Some of the initiatives enabled the creation of gender indicators in the management succession selection process, communication campaigns that inspire women in STEM (Science, Technology, Engineering and Mathematics) careers, and specific training, such as diversity and

prevention of workplace violence. The activities for the Gender Equity Action Plan can be seen of the following table:

GENDER EQUITY ACTION PLAN ACHIEVEMENTS IN 2019

DESCRIPTION	Achievement Goal	Percentage Accomplished	Performance*
Promote visible commitment from Senior Management	85%	100%	118%
Insert gender content and women in STEM careers in internal and external communications	85%	100%	118%
Hold lectures and campaigns to prevent workplace violence	85%	100%	118%
Provide materials and promote lectures for those entering the management career track about these topics.	85%	80%	94%
Include the topic in Leadership Integration and Refresher Courses	85%	100%	118%
Provide lectures and content in the "Keep Learning" of the "Leadership and Movement" community	85%	100%	118%
Develop mentorship project for female leadership	85%	100%	118%
Consolidate internal experiences	85%	100%	118%

*Percentage of goal achieved

Gender Equity Plan and the 2018 Best Suppliers Award stood out during the evaluation

WEPS BRAZIL AWARD 2019 EDITION

We were recognized as one of the companies that promote gender equity and women's empowerment by the WEPs Brazil Award 2019 edition. The award is organized by a partnership between UN Women, the International Labor Organization (ILO), and the European Union. The award was the Bronze Trophy in the Large Company category. The evaluation included indicators such as the percentage of women in our staff and the evolution of management functions by gender, in addition to corporate programs and internal policies. Items related to the Code of Ethics, the Conduct Guide, and the Social Responsibility Policy and actions such as Adequate Delivery and Care during Pregnancy, Gender Equity Plan, and the Special Equity Award of the 2018 Best Suppliers Award were considered in the assessment.

For more information on the 2018 Best Suppliers Award, see "Supply Chain."

In 2019, we sponsored the 7th edition of the Diversity Journey. The event was part of the Second Turn of Consciousness, organized by Zumbi dos Palmares College, which took place between November 17 and 20, 2019, to celebrate Black Awareness Day. The day dealt with the theme "Racial Diversity and the corporate world: the challenge of the 21st century."

In May 2018, we began using people's social name in publicly available information systems tools. This initiative represented an anticipation of the legislation, when it recognized the right of employees to adopt their social name in their registration records. The right to use your social name instead of your legal name in the Public Civil Registry came after our decision in March of 2019. In November 2019, the use of the social names was extended to the offshore environment system.

Our Code of Ethics, in item 3.9, requires our employees to "not practice or submit to acts of prejudice, discrimination, threat, blackmail, false testimony, moral harassment, sexual harassment or any other act contrary to the principles and commitments of this Code of Conduct. Ethics, and immediately report wrongdoers." Our Conduct Guide, in item 4.1.1, demands that our employees "not to practice and not participate in any type of situation, whether it occurs sporadically or in a recurring manner, involving the practice of physical or psychological violence, such as prejudice, discrimination, threat, blackmail, moral harassment, sexual harassment or any other act contrary to ethical principles." And the Conduct Guide explains, in item 4.14, the concepts of psychological violence, moral harassment and sexual harassment. The practice of activities in disagreement with the Code of Ethics and the Conduct Guide subject the employee to disciplinary measures.

Maintaining our focus on conflict prevention in the corporate environment, in 2019 we carried out two training initiatives. The first consisted of Distance Learning about workplace violence, moral harassment, and sexual harassment, which was completed by more than 99% of employees, a very high rate, considering the more than 46 thousand people in our workforce. The second initiative consisted of lectures explaining workplace violence, with 30 lectures given by the Ombudsman's team, in different units, covering a total of 2,369 members of the workforce. All the lectures share the theme of workplace violence, prevention and accountability mechanisms, in addition to specific conceptual developments, including moral harassment, sexual harassment, and discrimination.

For more information about complaints received, see "Ethics and Transparency."

In our Ombudsman's Office we have specific group for receiving and following up on workplace violence reports. As of 2019, moral and sexual harassment complaints involving company employees began to be investigated by this team, allowing specialized treatment in interactions with victims, the accused, and witnesses, as well as the analysis of the collected information. Cases that are considered valid are

submitted to the Disciplinary Measures Committee to define accountability and consequences.

Our external and independent reporting channel is capable of handling complaints of moral and sexual harassment. In 2019, this channel received 38 reports of discrimination, involving mainly issues of gender and race, skin color or ethnicity, of which 4 are still being treated, 28 were evaluated and files as dismissed, unfounded, or inconclusive, and 6 were confirmed or partially confirmed. The confirmed reports involve a prejudiced approach related to race, skin color, or ethnicity (3), sexual orientation (2) and gender (1).

In 2019, we were cited in the Pre-Trail Provisional Measure requested by the Labor Prosecution Office on the claim by the Bahia Labor Prosecution's Office of organizational moral harassment in the demobilization process of the Torre Pituba property, located in the city of Salvador. The Court, although recognizing that we have the power to make decisions to manage our business, understood that the form we adopted required them to grant the provisional measure the MPT requested. After negotiation with the Labor Prosecution Office (MPT) in Bahia, a nationally valid agreement was signed that establishes complementary conditions for the transfer of employees resulting from demobilizations and portfolio management.

In October 2019, the Superior Labor Court (TST) ordered us to pay BRL 112 thousand in compensation to a third party sexually harassed by the contract inspector, who was our employee. The TST considered the amount sufficient to prevent new cases.

In relation to the right of free association, we have established in our code of ethics that we commit ourselves to recognize the right of free association of our employees, respecting and valuing their participation in unions, and not practicing any type of negative discrimination in relation to unionized employees.

In the HR policy, one of the guidelines is to implement sustainable agreements for our company through constructive dialogues, based on ethics and transparency, aiming to overcome differences in negotiations with employees and their representatives.

In 2019, the Ombudsman's Office received nine statements related to the unionization of employees. Of this total, four were complaints (two were considered unfounded and two were dismissed) and five were complaints (three with their presented request unanswered and two were dismissed).

Mitigation and Prevention of Human Rights Violations - Communities

We believe that creating and strengthening bonds of trust with the communities where we operate is important to promote a favorable environment for the development of our business.

Thus, we adopt standards and processes that guide our performance in Social Risk Management and Community Relationship in our investment projects and in our operations. These processes seek to prevent the violation of human rights in the communities where we operate and to strengthen bonds of trust with the communities around us.

The positive and negative social impacts and risks are inherent to activities in the oil and gas industry. Among the positive aspects, we can highlight the generation of revenue for states and municipalities, the generation of jobs, and the implementation of a large portfolio of socio-environmental projects. Negative impacts are generally linked to the process of exploration, production, refining and transportation of oil products. Some of these include: pollution, proximity to pipeline installations and industrial units, impacts on traffic, noise, and the risk of oil touching the coast.

In order to mitigate and address the risks and impacts associated with our activities, when investment projects are submitted for phase transition approval, they are evaluated by a multidisciplinary review group that includes professionals in the areas of Social Responsibility, Health, Safety, and the Environment, and the business areas responsible for the projects. Investment projects worth more than USD 25 million must present a Social Responsibility report, with information on the social context of the area covered by the project, the social risks of the project, and a plan for dealing with the identified social risks. The evaluation for the project phase transition makes its decision based on this information.

In addition to the mandatory activities that occur, for example, within the scope of the environmental licensing process and in compliance with the regulations of the National Agency of Petroleum, Natural Gas and Biofuels (ANP), the social responsibility analysis in investment projects gives rise to recommendations which include the review of emergency response plans, monitoring of occurrences and community complaints, actions to publicize projects and operational activities, and

the inclusion of social responsibility clauses in service provision contracts. In 2019, 30 social responsibility reports were prepared for investment projects and 18 of these projects were submitted to undergo social responsibility evaluation during the phase transfer, which means that 83% of the projects with an investment greater than USD 25 million were submitted to undergo social responsibility analysis in 2019.

On the other hand, we also have a system for divesting assets and companies, in addition to several standards, policies, and guidelines for HSE and projects, which establish rules for planning and executing decommissioning or divestment activities of offshore and onshore assets. Strict criteria are applied in the selection of potential buyers to guarantee the technical, financial, and operational capacity to continue the business.

Health, Safety, and Environment, Communication and Brands, Investor Relations, Human Resources, Information Technology and Telecommunications, and Social Responsibility as participate in order to ensure compliance with legal and regulatory requirements, as well as the adoption of the best HSE and social responsibility practices in the oil and gas industry.

We comply with all environmental plans and standards, whether in the process of divesting and transferring the asset to a new operator, or in decommissioning. This is implemented through the environmental licensing process, which provides for specific rules to be followed in both cases. We also provide our communication channels so that society is properly informed and can send comments or questions about these activities.

In 2019, we did not have consultations or public hearings convened by environmental agencies in relation to our projects. However, proactively, we held meetings involving communities, in addition to other stakeholders and external bodies, to present and discuss our projects. This is a good practice that we have implemented, seeking to get closer and bring information about our activities to our stakeholders. In this regard, we can mention the drilling process of BAR 3 and 5f blocks, where we count on the participation of IBAMA in the area influenced by drilling activity, in ten municipalities in Pará, three in Amapá, and ten in Maranhão.

In these meetings, the community participates and can express itself in relation to our projects and activities. All comments are considered in the design and implementation of the projects.

The Pipeline Protection Program seeks to raise the community's awareness and engage them in combating theft

SOCIAL RISK MANAGEMENT AT TRANSPETRO

The pipeline lanes are very present in the communities, since they are in the open, interacting with the environment, through cross streets and highways, as well as environmental, urban, rural, industrial and densely populated areas. In addition, several sections of the pipeline lanes are located very close to different communities. In this context, community relations are essential, seeking engagement with communities through continuous and transparent dialogue, creating synergy and integration, as well as increasing the security of the facilities and their surroundings.

In the Pipeline Protection Program, a diagnosis was carried out in order to map the main communities to prioritize in Transpetro's Communication and Social Responsibility action plan, taking into account criteria such as population density and the critical nature of the transported products.

To build relationships with the communities in the places where we have assets, we carry out periodic activities involving residents and other stakeholders of the local society. These include drills with community participation, face-to-face communication with visits by representatives of Transpetro to the residents surrounding pipeline lanes, meetings at schools and community association sites, events for information and engagement on pipeline safety, and the relationship channel with Transpetro (dial 168), informational brochure distribution in the communities, and dissemination through an advertising campaign with sound cars, radio, and billboard ads. All these actions seek to deepen knowledge about the communities and expand the messages to be transmitted to the public about Transpetro local activities.

We seek to use these activities to keep communities aware of our operations, risks, and impacts, and understand that the transportation of fuels by pipeline is a safe activity as long as there are no unauthorized interventions in the assets. We expect the communities neighboring the pipeline lanes will be engaged in fighting clandestine derivations and will cooperate by making complaints by dialing 168 or using other available channels.

We identify, analyze, and respond to social impacts related to the communities in our operations through the community relationship process. The diagnosis and analysis of the communities surrounding our operations are carried out by multidisciplinary teams based in the operations units, in order to recognize the local reality and direct actions related to the communities.

Using specific diagnostic tools, we identify the impacts and risks of changes caused by a specific action. In this process, municipal indicators are consulted, such as Municipal Human Development Index (HDI-M), Gini Index and Social Vulnerability Index, and also specific data from communities mapped in the territory, such as, social actors, traditional people groups and communities, conflicts, or any impacts and risks arising from our activities.

Once the information is gathered and systematized, we elaborate community relationship plans in order to provide answers to questions of the community surrounding the operational unit in question.

Based on this information, annual community relationship plans are drawn up based on levels of engagement, considering all the community driven activities. The levels of engagement are Inform, Consult, Involve, and Commit. This deals with the level intended for the work with each community during the year, going through review and updating processes. For each level of engagement, specific community relations activities are recommended.

During the diagnosis and analysis process, real or potential reason for conflicts with communities are pointed out, such as complaints about air pollution, noise, odors, soil contamination; intrusion into our areas and waterways; daily interferences, especially traffic and dust, including blocking access routes by communities; protests and complaints resulting from the generation of expectations, such as jobs, local improvements, financial compensation for communities; and clandestine derivation.

In communities close to some of our operating units, everyday impacts were identified, usually related to odor, noise, and vehicle flow.

In 2019, we highlight the increase in the number of jobs at the Route 3 Gas Processing Unit as a positive impact on local communities. More than 6,000 people were working in the region during the period. As disclosed in the communication vehicle for meeting required conditions called "Petrobras Informa", this number represents an increase of 105% in relation to the previous year.

A similar situation also occurred in the Duque de Caxias Refinery (REDUC) surrounding area, where a notable amount of the local labor force was hired.

We exceeded
our goal and
reached 94%
local hires

INCENTIVE FOR HIRING LOCAL WORKERS AT REDUC

At Reduc, for example, we created an integration process between our representatives and contractors, labor unions, and surrounding communities that has improved our relationship with these agents and brought results, such as more job offers for local communities, increased productivity, and cost reductions.

We hold meetings in order to plan strategies to encourage the hiring of local labor through the Federal Government's National Employment System, a free public service for job offers and demand.

The workers' union of Duque de Caxias and surrounding municipalities map and send these local workers to update their records, while the National Employment System captures the vacancies available from companies and forwards candidates who meet the job profiles for these selection processes. Reduc controls and monitors the process, in order to provide the necessary transparency from start to finish.

Reduc exceeded the local hiring target, which was 85%, and reached 94%, totaling 2,238 hires in the region. We expect to maintain our goal of filling 85% of vacancies opened by service providers with local workers at the next scheduled maintenance stop, and to extend the initiative to routine refinery service contracts. Although we do not directly select and hire these candidates, we also help contractors to improve their selection process, making them choose the best profiles for the vacancies we offer. Everyone benefits from this initiative, as we are able to generate jobs and income for local residents with better prepared candidates, and reduce costs for contractors and for us, carrying out scheduled shutdowns safely and on schedule.

In our operations in Latin America, local economies are impacted by prioritizing local labor, established in contracts for logistical support and services that allow the generation of jobs in communities close to the operational areas. We also promote health campaigns in these communities with support from local partners, which allow us to assess families to provide better care regarding better medical and sanitary aspects (consultations and medicine delivery).

Before starting any project, it is common to approach local authorities and communities based in the area indirectly influenced by the project to provide clarification. Based on this approach, social actions are designed and implemented in conjunction with local and regional authorities, as well as institutions representing the region, to support local development.

Currently, there are 23 community relationship plans, representing 96% of our operations, prepared in 2018 and in progress in 2019, all monitored by a management system that monitors the implementation of the activities and compares that to the desired completion percentages. In the table below, we present the percentage of planned activities completed in the 2019 community relationship plans:

COMMUNITY RELATIONSHIP PLANS COMPLETED IN 2019

DESCRIPTION	Achievement Goal	Percentage Accomplished	Performance*
Improve knowledge about the communities and their social actors	85%	99.75%	117%
Mediate conflicts and critical issues	85%	100%	118%
Provide communication about the Unit activities (operations, safety, environment, health, and other relevant topics)	85%	99.42%	117%
Create and encourage dialogue space with communities and the actors in the affected areas	85%	99.00%	116%
Involve the workforce in community relations and promote a culture of social responsibility	85%	98.51%	116%
Identify and treat shared issues in coordination with other surrounding companies and agencies	85%	99.17%	117%
Act during maintenance stoppage and works	85%	100%	118%
Act in the social responsibility process for the investment/divestment and decommissioning projects	85%	100%	118%
Support employability activities	85%	100%	118%

*Percentage of goal achieved

These actions seek to increase the level of community engagement and participation in the planning of activities whenever possible.

In addition to community relations activities, we also provide direct contact channels for registering complaints, such as 0800 7280 9001 (Customer Service) and institutional mailing address for the social responsibility teams of the operational units.

The community relationship actions carried out by the units are recorded and monitored by the Management System for Results. In addition to this system, we

For more information on our relationship in the communities, see “Relationship with Stakeholders.”

hold periodic critical review meetings with the multidisciplinary teams responsible for community relationship plans.

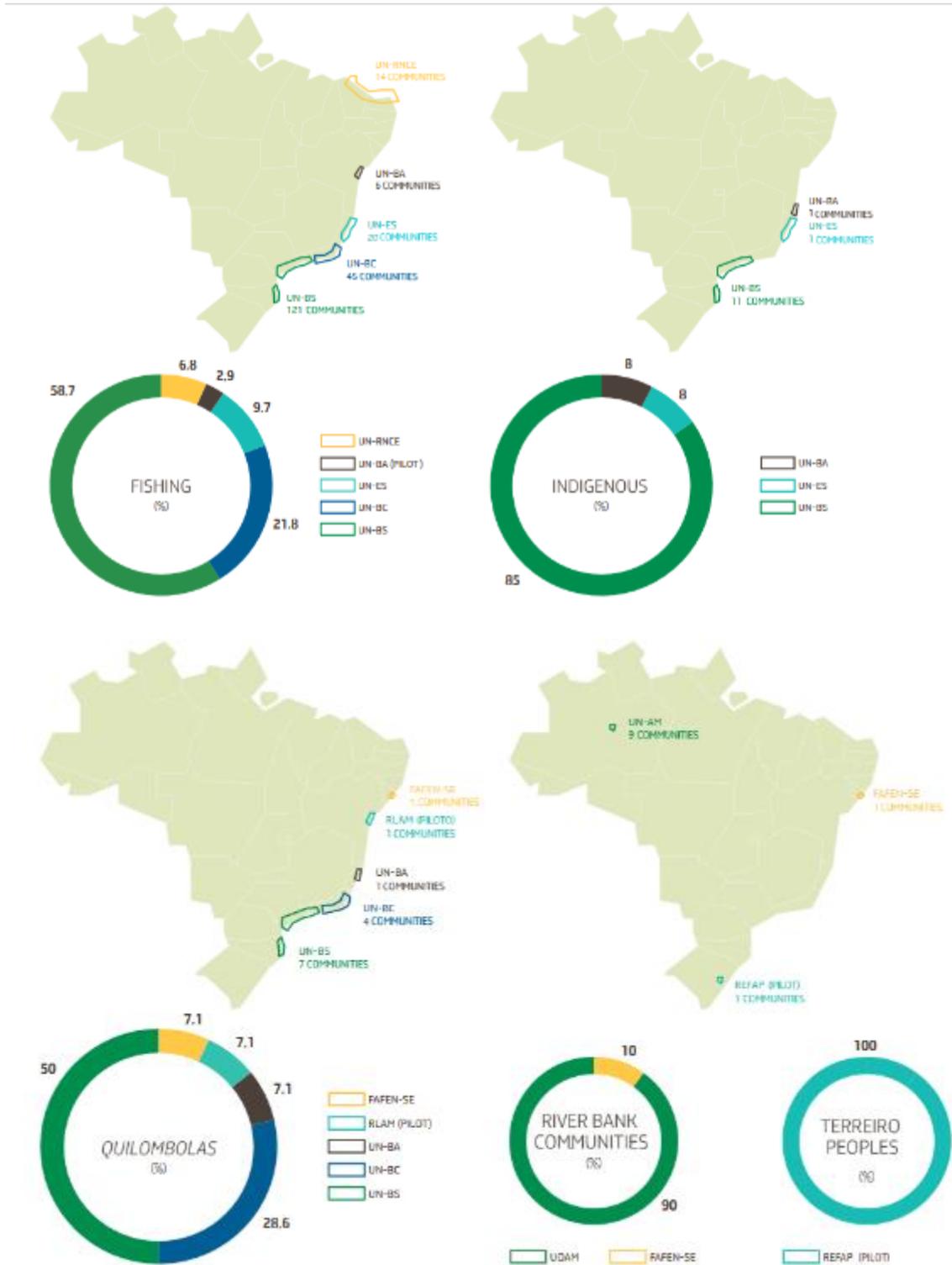
In the process of monitoring the community relationship, we found that our actions have led to greater community engagement. A challenge we identified is how to develop instruments for evaluating actions that are accessible and easily understood by communities. In addition, in some communities, we identified a shortage of active and representative leaders.

The results of the community relationship are communicated internally through lectures to employees, meetings with managers, and news on our internal portal.

The social impacts and the results of the community relationship are discussed and disseminated to the communities through the discussions held in the dialogue spaces and community committees of each unit. In these spaces, we discuss issues related to impacts from activities and operations in the communities, and measures that need to be developed to expand positive impacts and minimize negative impacts.

In the community relationship diagnosis, priority was given to the so-called traditional communities, such as fishermen, *quilombolas*, indigenous people, riverside communities, and *terreiro* peoples. The identification of traditional communities addressed in this section considered the legally established concepts. This scope was anchored in the identification established in Decree 6040/2007, which institutes the National Policy for the Sustainable Development of Traditional Peoples and Communities. The communities prioritized in the diagnosis are shown in the following figure:

DISTRIBUTION OF TRADITIONAL COMMUNITIES BY OPERATIONAL UNIT



Petrobras Bolivia's operations involving indigenous communities are located in the

Sábalo field, in the San Antonio Block. In this field, there are 70 families in the Tierra Comunitaria de Origen (TCO) guaraní called Tucainty. The community area is 36 km long and is characterized by having scattered dwellings (with a distance of approximately 5 km between dwellings).

The community relationship with indigenous peoples and traditional communities occurs through mandatory actions arising from environmental licensing conditions, such as the Costa Verde Environmental Education Project, the Guanabara Bay Environmental Education Project, and the Characterization Project of Traditional Territories in the Santos Basin. These initiatives related to these specific groups are undergoing improvement in order to comply with all the provisions of ILO Convention 169, guaranteeing a participatory process.

We also develop volunteer projects that work directly with indigenous peoples.. The Taramandahy, Ar, Água e Terra, Renascendo, Raízes do Purus, Pacto das Águas, Berço das Águas, Florestas de Valor and Amazonas Sustentável projects work to recover and conserve forests, rivers and springs, and to promote sustainable management of non-timber resources , environmental education, community engagement, and territory management. These 8 projects together represent an investment of more than BRL 26 million during the two years of their existence, and involve approximately 5,800 people in the Amazon, *Mata Atlântica*, *Pampa*, *Caatinga* and *Cerrado* biomes. These projects include different indigenous peoples in all regions of Brazil, such as Guarani (RS, SP), Apurinã (AM), Rikbatsa (MT), Jamamadi (AM), Deni (AM), Kaingang (RS) and Pankararu (PE) , among others.

The Meros of Brazil, Albatross, Live Coral, and TAMAR projects, which focus on environmental education, research, and conservation of marine biodiversity on the Brazilian coast, from Pará to Rio Grande do Sul, also interact occasionally with local indigenous communities, which are partners and/or participants who benefit from these projects.

Celebrated for
our initiative, the
Conduct
Adjustment
Agreement
allowed
compensation to
1,400 impacted
individuals in
2019

REPARATIONS FOR DAMAGE FROM LEAK THAT OCCURRED IN 2019 IN A FISHING COMMUNITY

Regarding our relationship with indigenous peoples and traditional communities, we only had one significant conflict registered during the reporting period. It was with fishing communities, due to the oil spill that occurred on March 25, 2019, at Campo Marlim Leste, originating from P-53, a unit located in the Campos Basin. As the oil reached the coast of the fishing community in the municipalities of Arraial do Cabo, Búzios, and Cabo Frio, a preventive Conduct Adjustment Agreement (TAC) was signed with the Public Defendant's Office of Rio de Janeiro. The TAC established the criteria for qualifying beneficiaries and the amount of reparations to be paid for losses suffered by this community due to the stoppage of fishing activity for two months. Thus, proactively and preventively (there is no litigation on the issue), a TAC was signed that provides for the payment of a total reparations of approximately BRL 9 Million to approximately 2 thousand fishermen, shellfishers, and shellfish gatherers, of which 1,400 have already been compensated in 2019.

The Ombudsman's Office provides all of our stakeholders, including indigenous peoples and other traditional populations, with relationship channels for receiving and handling complaints (even anonymously), requests for information, and other requests .

Approved in 2020, the resettlement guideline states that we must avoid or minimize the need for the displacement of communities

CORPORATE RESETTLEMENT GUIDELINE

In March 2020, we established a corporate approach to the issue of resettlement. We have established guidelines that apply to all our units regarding the removal and resettlement of individuals or communities affected by our projects and/or activities. Removal and resettlement of communities include cases of physical displacement (removal and loss of housing) and economic displacement (loss of assets or access to assets that leads to situations of loss of income or livelihoods) caused by land acquisitions or access and use restrictions.

The guideline states that we must: i) avoid or minimize the need for physical and/or economic displacement of individuals and communities; ii) when inevitable, consider the costs of expropriation and compensation for improvements, as well as the costs of restoring the lifestyles of impacted individuals and communities; and iii) treating the affected social segments equally, attempting to guarantee similar or better living conditions than the existing ones, as well as the maintenance of social and cultural relations.

Action plans should include how activities will be implemented, including: raising awareness and approaching the target audience with mechanisms for community participation; a methodology for assessing fair compensation (with technical, legal, and social elements); and mapping and registering people for removal and resettlement. In addition to including all individuals and communities potentially affected by eviction or resettlement, the action plan should include host communities (to which displaced individuals will be relocated), in order to minimize socio-economic and cultural impacts.

Indigenous peoples must be informed, in appropriate and accessible language, about projects that may occur on their land and have the opportunity to give or deny consent to a project before it starts. If the removal and resettlement of indigenous or *quilombola* communities is absolutely essential, it will be necessary to first carry out a free and informed consultation directed at these communities.

Monitoring and evaluation of removal or resettlement should be included in the management process and project budget. Organizational responsibilities and the monitoring methodology and schedule should be identified, and monitoring and assessment reports issued. At the end of each process, a final audit should be done pointing out the measures taken to restore the affected community's living standards and the results achieved.

Complaints or objections can be sent using our "Contact Us" channel, including those requesting reparations when appropriate. This communication is forwarded in an effective and transparent manner. In addition to the wide dissemination of the "Contact Us" channel, we ensured the opening of a local relationship channel with the affected communities, where they can give and receive feedback regarding their objections and complaints.

In 2019, we received nine statements related to indigenous communities or traditional peoples (artisanal fishermen, *quilombolas*, shellfish gatherers, etc.), of which five were requests and three complaints. Four of the requests were granted and one was dismissed. Of the three complaints, two were granted and one is still being treated, and another was dismissed as unfounded. The complaints are regarding the denial of a claim for damages by the fishing community for alleged environmental impact and damage to fishing instruments.

In 2019, we recorded the removal of a resident from a strip of the onshore stretch of the Route 3 Gas Pipeline. The area is a place known for squatters. Therefore, there are ongoing legal disputes where squatters request adverse possession rights⁵ and the owner is demanding their ejection. Since no legal decision has been made, we had to file the action with the district of Maricá-RJ. Due to the situation of the squatter, the judge authorized her to withdraw part of the compensation that we had deposited with the owner. That amount was enough to provide her with a new home. The squatter and her daughter, of legal age, lived there. After the judge's favorable decision, the owner vacated the house and built a new house on the land in dispute, but no longer in our right of way. The company we hired to implement the land segment of the Route 3 Gas Pipeline helped with the move and paid the rent for three month period.

In relation to the Rota 2 Gas Pipeline, a public interest civil action sentenced the Municipality of Macaé to remove the families occupying the first block of Balneário Lagomar, since they are located in the Buffer Zone of the Restingas de Jurubatiba National Park. Between this conservation unit and Lagomar, there is a strip of pipelines for the Route 2 operation. As determined by a condition issued by IBAMA, we support and monitor the eviction actions carried out by the City of Macaé. One of our actions was the installation of concrete slabs on the gas pipeline and the implementation of daily surveillance of the lane, in order to mitigate the risk of interaction between local residents and the gas pipeline. Since December 2017, about 250 families from that location have been relocated. There is no record of indigenous communities, extractive activities, or subsistence agriculture in the region.

⁵Adverse Possession is a form of property acquisition based on continuous possession or occupation of the property without opposition from and with the intention of the owner, for a time period established by law.

The methodology of corporate security studies began to include human rights issues

CORPORATE SECURITY AND HUMAN RIGHTS

We reviewed our “Managing Corporate Security Risks” process, through a Human Rights and Security Forces Working Group, led by our Social Responsibility area. As a result, based on ISO 31000 (an international risk management standard), the “Protect” methodology, related to Corporate Intelligence and Security Studies, began to include human rights issues.

Since the revision, the methodology began to explicitly consider the human rights aspects in the studies, notably the safety issues listed in the Human Rights Due Diligence process manual of the Global Association of The Oil And Gas Industry For Environmental And Social Performance (Ipieca). Therefore, the analysis now included corporate security risks that involve the community close to the unit, especially the risk of social movements and intrusion, which can compromise the safety of people and processes. These risks are due to the interaction of the external and internal security scenarios at the unit. For the external scenario, we use intelligence analysis materialized in an opinion generated by our Intelligence and Corporate Security Monitoring and Analysis area, which includes crime rates, statistics, main types of crimes, and other information that seeks to anticipate and prevent possible conflict situations.

With this, it is possible to develop corporate security actions and procedures with a focus on preventing and responding to the risks of social movements, trade unions, and intrusions, among other occurrences contemplated around the unit, which are reflected in the Local Property Security Plan (PLSP). In the event of security situations that involve interaction with the communities, we propose recommendations to the unit manager that involve the Social Responsibility area in order to mitigate any risks and/or act preventively together with the unit, following human rights related laws and regulations.

Property security activities are subject to legal requirements, applicable both to organic security (consisting of company employees) and to contracted security monitoring companies. Both are subject to inspection by the Federal Police Department (DPF/MJ), the regulatory and supervisory body for private security activity in Brazil.

In addition, within our company, contracted security monitoring companies must undergo contract inspections. These contracts require that the companies maintain certified employees that have undergone professional training for them to work on our premises. The contracted companies are evaluated with regard to the quality of the services provided, compliance with legal requirements, and other items. The contractor's scores and other data from evaluations are recorded in corporate

systems and analyzed in critical analysis meetings, and remain available for internal audits.

Objections, doubts, complaints, and denunciations, including human rights violations or property security related activity, can be communicated through our Ombudsman's Office, ensuring the anonymity of the whistleblower. Reports from the Ombudsman's Office are sent to Corporate Intelligence and Security (ISC) are dealt with, integrating periodic reports to senior management. If the report is related to security contractors, ISC investigates and analyzes them; after which ISC notifies procurement in order to mitigate risks when selecting new suppliers. ISC also notifies the contract manager, so they can adopt the necessary measures to deal with a breach of contractual clauses, potentially applying sanctions.

Our own property security employees undergo training and refreshed courses, in compliance with the Federal Police Department (DPF/MJ) requirements. The course content includes aspects of Constitutional, Criminal, and Civil Rights, private security legislation, and interpersonal relations, based on respect for the human person and the correct and proportional application of force. The Training Course is mandatory, as well as a biannual refresher course that covers, among other items, the basic concepts of human rights and human relations. Property security contracts contain a requirement for companies to comply with all legislation, which includes mandatory training courses and refresher courses.

The members of the security force take a training course with human rights content every 2 years, as determined by the legislation applicable to the Private Security staff, especially Ordinance 3.233/12-DG/DPF. That means that, on average, 50% of the security force is trained in odd years, and 50% in even years. This training is applicable to both company employees (organic security guards) and contracted employees (outsourced security guards). The training covers issues such as:

- develop attitudes towards adequate and priority care for people with disabilities;
- remember the knowledge that enables the student to develop sociability habits that allow them to improve their relationship at work and in other spheres of social interaction, especially when dealing with specialized areas of work, such as: banks, shopping malls, hospitals, schools, industries, buildings, etc.;
- reinforce knowledge in order to prevent the practice of discriminatory activities or in violation of human rights, especially to combat violence due to gender, sexual orientation, against children, adolescents, the elderly and people with special needs; and
- recall general knowledge about concepts and legislation related to employment and the use of force in an escalating manner.

Our 4,200 members of the security force receive approximately 67,200 class hours per year.

Prevention of Human Rights Violations - Supply Chain

Our commitment to human rights in the supply chain is expressed in our Social Responsibility Policy, in our Human Resources Policy, in our Code of Ethics and in our Conduct Guide. Before signing a Contract with us, every supplier must complete and sign the Statement of Compliance with the Code of Ethics, the Conduct Guide, and our Social Responsibility Policy.

Our standard service agreement draft includes a clause that requires service providers to refrain from using child labor and slave-like labor or degrading working conditions. In 2019, agreement were signed by 12,162 suppliers, all of which contained clauses to abstain from child labor and slave-like labor.

Contracts for the construction and assembly of refining process units, and contracts for civil construction services, which are considered to be at greatest risk for human rights violations, there is a social responsibility clause in the contracts. According to this clause, contracted companies must declare and ensure that they respect internationally recognized human rights, as established in the International Charter of Human Rights, in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work, in the Guiding Principles on Business and UN Human Rights ("Guiding Principles") and Decree No. 9,571, of November 21, 2018, which establishes the National Guidelines for Business and Human Rights. In addition, the contractual clause statements must include the commitment of the contracted companies to the following items:

- Have a formal policy of respect for Human Rights and share it with stakeholders;
- Refrain from using child labor and slavery-like or degrading working conditions, and to include a specific clause to that effect in contracts signed with input suppliers and/or service providers;
- Provide a safe and healthy work environment that includes adequate food, lodging, and sanitary conditions;
- Respect the right of employees to form or associate with unions, as well as to negotiate collectively;
- Be committed to equal treatment and non-discrimination;
- Not practice or cooperate with any form of sexual exploitation of children and adolescents, creating awareness among employees to face this violence and

publicizing local reporting channels such as Dial 100;

- Not perform acts that constitute excessive force in the interaction between security forces, communities, and workers;
- Have a communication channel to receive, forward and respond to stakeholder statements, ensuring that all statements are answered and that there is no retaliation;
- Assess the social risks of its activities in the surrounding communities, developing actions to identify, prevent, and mitigate adverse impacts on human rights issues (interference with indigenous peoples and traditional communities, socially vulnerable groups, access to livelihoods and a healthy environment, right to integrity and a safe environment, land management and resettlement, among others);
- Communicate to the communities surrounding the contract activities any aspects that would impact their daily lives, in order to minimize impacts/risks;
- Make efforts to hire from local labor force;
- Repair any damage it causes to the communities during the performance of contract activities.

In 2019, there were 40 social responsibility assessments of service providers through a checklist, to see if social responsibility requirements in these contracts were being met. Among the contracts submitted for evaluation, no violations of Human Rights were identified. If any irregularity is found, the contracted company is immediately notified, and must enforce its contractual obligations.

The workshop broadened understanding of contemporary slave labor and resulted in the action plan for 2020

PREVENTING AND COMBATING SLAVE LABOR

The workshop on Preventing and Combating Slave Labor in Companies was held in partnership with the Institute of the National Pact for the Eradication of Slave Labor (InPACTO) in November 2019.

One of its objectives was to expand the understanding of the contemporary concept of slave labor. At the workshop, we evaluated that our chain has two segments of suppliers with a potential risk of slave labor: civil construction and the textile industry.

Also at this meeting, we did a critical analysis of the results obtained in the 2018 monitoring questionnaire, and with the guidance of the InPACTO Institute, we identified actions that will compose our action plan for the prevention and eradication of slave labor.

In June 2015, we joined InPACTO as a continuation of our adherence to the National Pact for the Eradication of Slave Labor, to which we have been a signatory since its launch in 2005.

For more information about DDI, see “Petrobras Corruption Prevention Program.”

The channels made available by the Ombudsman's Office are also available to our stakeholders to register complaints about forced or degrading labor. These will be properly treated and may even help prevent new cases.

Additionally, we do Integrity Due Diligence (DDI) on our counterparts, considering the risk factors associated with slave-like, degrading, and child labor.

Award and forum with our supply chain promote diversity

BEST SUPPLIERS PRIZE AND PETROBRAS EQUITY FORUM

In line with our Social Responsibility Policy, which includes guidelines to respect human rights in our direct activities, supply chain, and partnerships, as well as combating discrimination in all its forms, we have implemented the Special Equity Award category in the 2019 edition of the Best Petrobras Suppliers Award.

The purpose of the award was to recognize good practices by companies regarding the promotion of diversity with the following themes: gender equity, race equality, and inclusion of people with disabilities. The Special Equity Award featured cases from 34 companies among our largest suppliers. The winners, with the best practices, were:

- _ **Promotion of gender diversity and equity:** Halliburton, through the Diversity and Inclusion program, which seeks to attract, insert, and develop women in its operational and managerial staff.
- _ **Ethnic-racial equality:** IBM Brazil, through the Black Woman InTech program, to train and attract black women to technology companies
- _ **Inclusion of people with disabilities:** Estrutural Serviços Industriais, through the Develop to Include program, for developing people with disabilities through training and insertion in different areas of the company.

On June 18, 2019, the Petrobras Equity Forum was held, in partnership with the Zumbi dos Palmares Foundation, and presented the practices recognized by the “Special Equity Award,” with live transmission to the entire workforce via the corporate web TV channel.

102-9; 102-43; 103-1; 103-2; 103-3; 204; 204-1; 308; 308-1; 308-2; 401; 414; 414-1; 414-2; OG14

Supply Chain

The supply chain, when providing goods and services, has a significant role in meeting the goals of our Strategic Plan (PE) and in ensuring operational continuity. The expected result of supplier management is for the supply of goods and services to take place according to our needs, respecting the legal regulations and the principles of the Code of Ethics.

In 2019 we became the first company in the world to obtain a Business Certification from the Association for Supply Chain Management (ASCM). This certification is unprecedented at the corporate level and demonstrates the excellence and transparency of the supply chain, something that is increasingly valuable for consumers who are more aware of their importance for ethical and sustainable business practices.

The certification is valid for three years, with an annual requirement of demonstrating adherence to the standards defined by ASCM for maintaining the certificate throughout the period. Upon obtaining the certification, we reinforced our commitment to improving the way we manage our processes for the supply of goods and services, helping to increase our credibility in a competitive market.

Dimension and Profile of our Contracts

In 2019, the parent company entered into agreements with 12,162 suppliers and, when considering the total amount of transactions carried out, 89.15% were entered into with suppliers based in Brazil.

Of the commitments made 2019 by our subsidiary Petrobras Biocombustível, 59.4% went to local suppliers. In this case, local suppliers are considered to be all those established in the same State as the destination of the product and/or service procured by the biodiesel plant.

VOLUME SOLD

Company	Number of Suppliers with Agreements Signed in 2019	Contracts Signed in 2019	Ordered Signed in 2019	Total Transactions (BRL millions)
Petrobras Parent Company	12,162	4,951	281,812	55,707.03
Petrobras Biocombustível	974	425	5,865	1,227.28
Petrobras Distribuidora ¹	16,800	7,698	74,460	30,731.37
Transpetro	4,261	548	54,891	3,375.85

¹ Data does not include purchases made by Petrobras Distribuidora from the Petrobras Parent Company.

PROFILE OF OUR CONTRACTS

Our main categories of contracted goods and services are:

Company	% Suppliers with up to BRL 100 thousand in business	% Suppliers with between BRL 100 and BRL 1 million in business	% Suppliers with between BRL 1 million and BRL 100 million in business	% Suppliers with more than BRL 100 million in business
Petrobras Parent Company	74.27%	13.07%	11.88%	0.77%
Petrobras Biocombustível	81.83%	9.55%	8.32%	0.31%
Petrobras Distribuidora	73.70%	16.74%	9.14%	0.42%
Transpetro	74.58%	17.98%	7.32%	0.12%

— Parent Company: Chartering of production platforms, chartering of rigs, well services, Engineering, Procurement, Construction and Installation - EPCI, underwater operations, flexible lines, valves, tubes, aerial chartering, chartering of ships and special vessels, chemicals and catalysts, geophysical services, Engineering, Procurement and Construction (EPC) services, and equipment maintenance.

— Petrobras Distribuidora: Acquisition of fuels and biofuels, additives, basic oils, packaging, production inputs and service providers related to Petrobras Distribuidora's industrial area. Additionally, in the Transportation area: road, coastal, river and road-river transportation services, used in the handling of fuels and lubricants distributed by Petrobras Distribuidora.

- Transpetro: Operational services, infrastructure maintenance, logistics, inspection, docking and complementary services, such as transportation.
- Petrobras Biocombustível: The supply chain for raw materials of Biodiesel Plants is composed of national manufacturers and dealers of vegetable oils (soy, cotton, palm, and residual oils and fats), animal fats (from cattle, pigs and poultry), in addition to methanol and sodium methylate. Also, to maintain the concessions to use the Social Fuel Seal (SCS) of the Biodiesel Plants, the subsidiary makes agreements with cooperatives of family producers to provide raw materials and technical assistance services.

Governance Aspects

Our contracts are governed by Law 13,303/16, also known as the State-Owned Company Law, which represented a regulatory framework for the performance of state owned companies and mixed-capital companies and their subsidiaries, with the establishment of procedures and responsibilities. This law introduced new procedures for bids and contracts by state-owned companies and determines that all contracts must be done through public bidding, i.e., they will be open to any interested parties who are able to comply with the call to tender, as indicated in article 28. Information about Law No. 13,303/2016 and on procurement rules can be obtained on the internet, on our Supplier Channel.

In compliance with art.40 of the aforementioned Law, the Petrobras Bidding and Contracts Regulation was published, which came into force on the date of its publication (January 15, 2018). The Petrobras Bidding and Contracts Regulation explains the contract formats, the steps to be taken during the bids, the contract management and auxiliary procedures, including supplier registration.

Our Code of Ethics, applicable to all suppliers, establishes that we base our performance on respect for human rights internationally recognized by Brazil and the countries where we operate (Code of Ethics 2019, Principles VIII, page 3). It also explains that we select and contract suppliers and service providers based on strictly legal and technical criteria of quality, cost, and punctuality, and we demand an ethical profile in their management and social and environmental responsibility practices, refusing unfair competition practices, child labor, forced, or compulsory labor. (Code of Ethics 2019, item 4.3)

In order to be able to participate in our bidding processes or sign contracts with us, suppliers must sign our Code of Ethics, Code of Conduct, and Social Responsibility

Policy. Therefore, our suppliers must be aware of and comply with our Social Responsibility Policy, safety, environment and health standards, and guidelines on corruption prevention policies and procedures.

Our Code of Ethics requires that supplier companies, as well as their employees, respect the ethical principles and conduct commitments defined therein, as long as the contractual obligations remain. Based on this code and the standards with the guidelines for inspection of contracts for goods and services, the contract manager and supervisor have the role of ensuring compliance with the execution of contractual clauses regarding aspects related to health, safety, and the environment, as well as social responsibility.

The relationship with suppliers during contractual execution takes place through:

- Monitoring and enforcing contracts;
- Measurement of the Supplier Performance Index (IDF), which evaluates, among other items, their performance in relation to HSE practices;
- Occurrence Report (RO) in service contracts, in which non-conformities and necessary improvements are listed.

In cases of non-compliance, the supplier may be asked to make a plan to correct the noted divergence. Current contracts analyze the need to open a Commission for the Analysis and Application of Sanctions (CAASE). In 2019, we conducted 147 sanction processes through CAASE, whose investigations included suspicions of fraud, breach of contractual obligation, and other non-conformities. Also in 2019, 137 sanctions were applied to suppliers. Also during this period, 43 companies were included in the list of companies prevented from contracting, due to the application of administrative sanctions. No company entered the list of companies prevented from contracting due to environmental issues in 2019.

Our Reporting Channel is yet another resource that suppliers and/or potential suppliers have for sending complaints of fraud, corruption, money laundering, harassment or any other irregularity, which they may do anonymously. A report can be made on the link <https://www.contatoseguro.com.br/en/petrobras> or by phone, toll-free at 0800 601 6925.

PPPC

Petrobras Corruption Prevention Program

It is one of our initiatives to promote business integrity.

COMPLIANCE IN THE SUPPLIER CHAIN

We encourage our suppliers to implement integrity programs, establishing and continuously improving their governance, processes and controls, in order to ensure compliance with laws, rules and procedures applicable to their activities. The main documents that establish parameters for the relationship with our suppliers are the Petrobras Corruption Prevention Program (PPPC), the Code of Ethics, the Compliance Policy, and the Conduct Guide. These documents deal with issues such as conflicts of interest, nepotism, money laundering, terrorism financing, and the issue of gifts, presents, and hospitality. In addition, our contract drafts include a compliance clause, which provides for compliance obligations and aims to establish a business relationship with our suppliers based on ethics, integrity, and transparency.

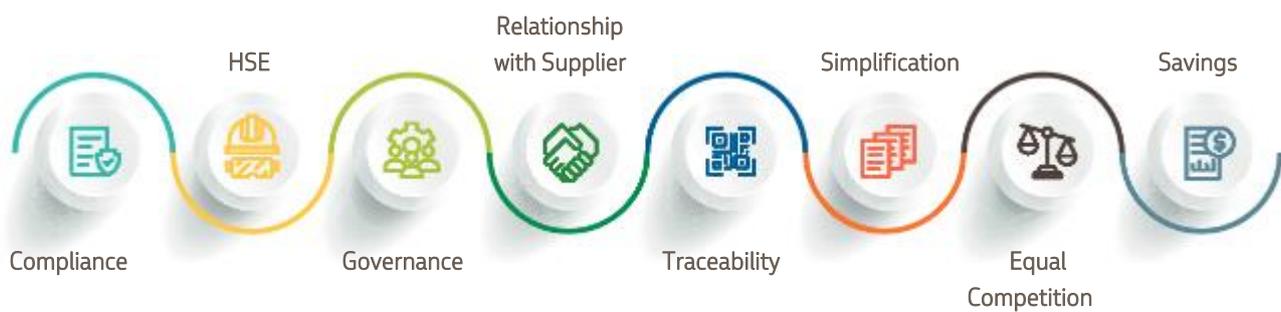
In addition, every bidder, before submitting bids, must accept the terms and statements establishing that they will comply with our Code of Ethics, our Conduct Guide, and our Social Responsibility Policy. All suppliers have access to the applicable corporate policies and guidelines via the Supplier Channel (<https://canalfornecedor.petrobras.com.br/en/>) and Petronect (<https://www.petronect.com.br>).

One of the actions that is part of the Petrobras Corruption Prevention Program (PPPC) is Integrity Due Diligence (DDI), which aims to increase security in the procurement of goods and services and mitigate any risks in the relationship with our suppliers, supporting the assessment of the Integrity criterion. To meet this criterion, companies need to provide information about their organizational and business structure, their relationship with public agents, their reputational history, their relationship with third parties, and their integrity program. This information supports the DDI procedure, the result of which is the attribution of the Integrity Risk Level in the high, medium and low categories. Companies with a high Integrity Risk Level are restricted to exceptional situations, duly justified, and through the adoption of risk mitigation measures.

Procurement Pillars

When analyzing the fundamentals that govern our contracts, we identified and published eight principles necessary to structure decision-making in all procurement processes for goods and services, which were called the Procurement Pillars, presented below:

PROCUREMENT PILLARS



The pillars are guidelines that must be applied to all contracts and contractual management, across all of our areas, making our processes simpler, faster and safer.

We maintain a community on Conecte, a tool available on our intranet that is dedicated to sharing knowledge about the contracting of goods and services, in which our employees and service providers can access the regulatory standards, as well as tips and training provided by the Supply Academy.

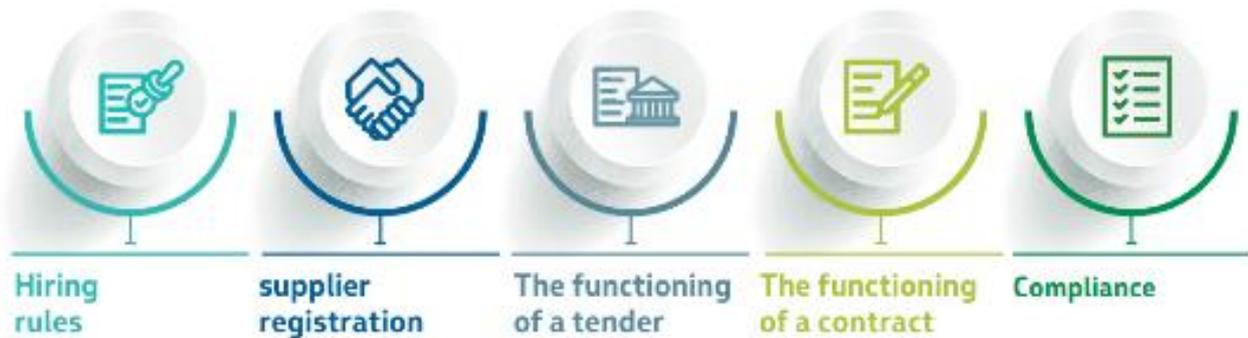
For more information about the Supply Academy, see "Training."

Communication and Relationship with Suppliers

Engagement with suppliers and potential suppliers occurs mainly through the Supplier Channel (<https://canalfornecedor.petrobras.com.br/en/>) and the Petronect portal (www.petronect.com.br), the latter being the platform used for contract operations.

The Supplier Channel is the means by which we provide institutional information to our suppliers and potential suppliers of goods and/or services. We use this channel to share our procurement rules, provide guidance about the registration, certification, and pre-certification processes for suppliers, and clarify how bids and contracts work, as well as how to be in compliance.

The Supplier Channel is available in Portuguese and English so that companies in Brazil and abroad have access to guidance on our process for supplying goods and services.

INFORMATION FOR NEW SUPPLIERS:

Also in the Supplier Channel, we provide Contract History and Forecasts, an intelligent search tool that can assist companies in monitoring our contracts and predicting future contracts, offering information regarding the consumption history of goods and/or services, contracts near closing, potential procurement opportunities, and open opportunities.

The Petronect Portal is widely accessible and allows, in addition to the contracting processes itself, the assessment, certification, pre-certification, and registration of suppliers, which occurs electronically, with security and traceability.

When we start a contract on the Petronect Purchasing Portal, it becomes the exclusive means of communication with the participating companies, ensuring the fairness, transparency, and traceability of the process. We also use the portal to manage our supplier base (Portal Registry), where we establish technical, economic, legal, and HSE (Health, Safety, and Environment) requirements to evaluate suppliers and potential suppliers.

Our subsidiary Transpetro has relationships with suppliers through its own Supplier Channel. It provides procurement rules, guidelines for potential suppliers to register in order to expedite certification if they present a more advantageous proposal, as well as general tips.

Throughout 2019, we also interact with suppliers through participation in the following events:

- Brazil Offshore, held June 25–28, 2019, in Macaé/RJ, which gathered the main companies in the Campos region to promote business and discuss trends in the oil and gas industry;
- Offshore Technology Conference (OTC) 2019, held October 20–31, 2019, and is the largest event in the oil and gas industry in Brazil;

— The Forum at EDISA (Santos), held October 10, 2019, which had 193 participants from 153 companies and sought to answer questions about registration, bidding processes, and contract management.

Supplier Registration

We keep our supplier base active in order to do a pre-evaluation of companies to see if they meet technical, economic/financial, legal, integrity risk level, and HSE requirements. Our supplier evaluation has been continuously optimized and simplified, seeking to generate more value for the process.

With the advent of the State-Owned Companies Law (13,303/16), adopted as the basis for our contracts and those of our subsidiaries as of May 15, 2018, the registry became an auxiliary bidding procedure, maintained for the purpose of certifying companies participating in bidding processes.

Since this is a prior assessment of the company's ability to provide us with goods and services, although it is not mandatory to participate in public tenders, the registration minimizes the risk of bidder disqualification, in addition to speeding up the procurement process.

In 2019, we evaluated 4,553 companies on technical grounds; 8,125 companies on economic and financial grounds; 11,776 companies regarding legal requirements; 3,981 companies regarding their Integrity Risk Level and 1,486 companies regarding HSE requirements.

Health, Safety, and Environment

Our Health, Safety, and Environment Policy guarantees safety and health at work, providing all the appropriate conditions and equipment. When purchasing goods and services, contractor health, safety, and environmental performance must be compatible with our standards.

We have developed several mechanisms that seek to ensure that suppliers have adequate technical, economic/financial, legal and HSE (Health, Safety, and the Environment) conditions, in addition to having an ethical profile in their relationship with society and the environment. The verifications of this information are carried out in three distinct stages, according to the following table:

MECHANISMS FOR ENSURING SUSTAINABILITY REQUIREMENTS

During

Mechanisms for ensuring sustainability requirements

Before sending proposals

Every bidder, before submitting bids, must accept the terms and statements establishing that they will comply with our Code of Ethics, our Conduct Guide, and our Social Responsibility Policy. These documents contain the corporate guidelines that guide our performance in terms of ethical and socio-environmental aspects.

At the supplier certification stage

In our bidding process, there is a specific stage called "Certification", that checks whether the company that presented the best proposal meets the minimum necessary contracting conditions. This verification is divided into different criteria, one of which is related to health, safety, environmental management. Therefore, companies must present evidence and certifications related to compliance with HSE standards, as well as state that they meet all the requirements, laws, and directives on this topic. Among the criteria used to evaluate suppliers, we introduced TEC-HSE, which seeks to identify the degree of implementation of the Environmental Management and Occupational Health and Safety Systems, according to ISO 14001 and ISO 45001, even for suppliers that do not have these certifications.

During contract execution

Our contracts have standardized clauses and appendices that establish technical, legal, compliance, HSE and social responsibility requirements. Compliance with these requirements is verified by the inspectors and contract managers, by the auditors in the supplier evaluation and registration sector, and by asset management and quality auditors. Additionally, in case of non-compliance, the supplier may be asked to prepare a correction plan. Periodically, inspectors and contract managers measure the performance of suppliers, generating the Supplier Performance Index (IDF).

We evaluate Health, Safety, and Environment (HSE) risks in service contracts and contracts for the supply of goods with related services. The analysis considers the health and safety risks for workers and neighboring communities, the risks to the environment of the contracted service, as well as the characteristics of the places where the service will be performed. The evaluation categorizes contracts into four groups, each with specific contractual requirements. These requirements are monitored throughout the execution of the contract. The most critical contracts require the application of a Check List (LV) in person and any non-conformities found are the basis for a mandatory action plan.

Petrobras Distribuidora, our subsidiary until July 2019, reported that, through the Transport Risk Management and Recognition Program of the best drivers seeks to prevent accidents by providing safety training and awareness among drivers who transport their products. In addition, a Debate Table is held periodically to discuss accidents that have already occurred, making attempts follow best practices so that they do not reoccur. Transport service providers undergo management audits are carried out in order to identify opportunities for improvement in accordance with the requirements established by Petrobras Distribuidora. In 2019, 52 transport

For more information about the Best Suppliers Award, see "Human Rights."

companies were audited, thus generating several opportunities to improve their management models.

The second edition of the Best Petrobras Suppliers Award, held on March 29, 2019, featured an HSE Highlight category with a focus on safety, and recognized the suppliers Oceânica Engenharia e Consultoria and Baker Hughes. For the next edition of the award, which will evaluate supplier performance in 2019, in addition to making this category permanent, we will also recognize those suppliers who have distinguished themselves with regard to the environment, evaluating practices related to the promotion of environmental sustainability by considering the following topics:

- Environmental Management System;
- Water resources and effluents;
- Solid waste;
- Contaminated areas;
- Atmospheric emissions;
- Ecoefficiency and energy efficiency
- Biodiversity;
- Environmental Education.

Social Responsibility in the Supply Chain

During the contracting process, our suppliers state that they are aware and will comply with our Social Responsibility Policy, with guidelines such as: ((i) respect human rights, seeking to prevent and mitigate negative impacts from our direct activities, the supply chain, and partnerships, combating discrimination in all its forms; and (ii) identifying, analyzing, and addressing social risks arising from the interaction between our business, society, and the environment, and promoting socio-environmental management in the supply chain.

For more information about our Human Rights efforts in the Supply Chain, see "Human Rights."

Our contract draft for services has a clause demanding compliance with the labor rules provided for in current Brazilian legislation. Failure to comply with this clause gives us the right to terminate the contract with the supplier. In addition, there is also a clause on the prohibition of using child labor or slave-like labor in all activities related to the execution of the contract. This clause requires the supplier to extend this prohibition to its input suppliers and/or service providers, under penalty of a fine or contract termination, without prejudice to the adoption of other appropriate measures.

In the case of our contracts for the construction and assembly of refining process units and civil construction service contracts, we have a social responsibility statement clause, which encourages the supplier to “make efforts to hire local labor.” These contracts are prioritized because they represent a greater possibility of labor migration.

Our subsidiary Transpetro records cases in which environmental licensing conditions determine the prioritization of hiring local labor, such as LO 303/13 at the Barra do Riacho Waterway Terminal - TABR and LO 439/10 Norte Capixaba Waterway Terminal - TNC.

The social clauses are inspected in the same way as the technical and HSE clauses are. In terms of negative impacts on labor practices, seven companies were sanctioned in 2019 for events considered to be of high severity.

Our Reporting Channel, managed by the Ombudsman’s Office, is prepared to receive incident reports related to suppliers, such as those related to freedom of association and collective bargaining violations, among other labor practices and human rights issues. The reports are investigated and, depending on the results, our Goods and Services Supply area is alerted to mitigate risk in future contracts. If there is a breach of contractual clauses, the contract manager will adopt the appropriate measures.

102-21; 102-40; 102-42; 102-43; 102-44; 103-1; 103-2; 103-3; 201-4

Stakeholder Relationships

We are committed to being consistent, coherent, true, transparent, simple, and agile in the way we communicate with all our stakeholders, representing our identity and our attitudes. This commitment is stated in internal documents, such as the Communication Policy, the relationship standards, and in our Bylaws.

We define stakeholders as groups of individuals and organizations that have common social, political, economic, environmental or cultural issues and needs and that establish or can establish relationships with us and are able to influence or be influenced by our activities, businesses and reputation. The selection of stakeholders that will be engaged is done through prioritization based on the analysis of relevance and impact, in addition to the existing relationships. The criteria can be different according to each interest group.

Our stakeholders are shown in the following figure:



In April, we created the Institutional Relationship Department, which brings together the executive management groups of Communication and Brands, Social Responsibility and External Relations. Created in 2019, the External Relationship area has the mission of coordinating and advising the CEO and other executive directors in interactions with public authorities. It is also responsible for proposing a strategy for developing institutional relationships and for providing support to deal with internal and external stakeholder demands, always seeking the defense and active pursuit of our interests.

In compliance with Law No. 13,303/16, which requires all mixed-capital companies to establish spokesperson policies, our spokesperson management seeks to eliminate risks of contradictions between the information provided by different areas and the statements of our executives. Our spokespersons are the CEO and directors or any employee they designate to speak in public on behalf of our company.

In 2019, we trained 167 professionals designated as spokespersons in order to develop and improve communication and relationship skills. Since the creation of the Petrobras Relationship Agents Program in 2017, we have already trained 364 spokespeople.

We also hosted corporate visits to our facilities or offices, with approximately 2,800 visitors from the scientific and academic community, customers, residents of surrounding communities, investors, partners, and government representatives.

We are aligned with external references and initiatives that reiterate the importance of the relationship with stakeholders, such as the International Social Responsibility Standard (ISO 26000), the standards of the International Finance Corporation (Stakeholder Approach - IFC), the Corporate Law, and Accountability Standard AA1000SES for Engagement with Stakeholders.

Main
Communication
Channels

INSTITUTIONAL CHANNELS

<https://petrobras.com.br/en/>
<https://nossaenergia.petrobras.com.br/pt/>
<https://www.investidorpetrobras.com.br/en/>
<https://www.agenciapetrobras.com.br/>
<http://transparencia.petrobras.com.br/>
Citizen Information Service: <http://transparencia.petrobras.com.br/servico-informacao-cidadao>
Reporting Channel: <https://www.contatoseguro.com.br/en/petrobras>
<https://petrobras.com.br/en/ombudsman/>
Petrobras Customer Service (0800 728 9001) or
<https://petrobras.com.br/en/contact-us/>
Supplier Channel: <https://canalfornecedor.petrobras.com.br/en/>
facebook.com/petrobras
twitter.com/petrobras
instagram.com/petrobras
linkedin.com/company/petrobras

We use surveying methodologies to understand stakeholder perception. The results are used to form communication diagnoses, help with decision making, and promote indicators regarding image, brand, and reputation.

MONITORING RESEARCH

Research	How does it work?	Frequency
Corporate Image Monitoring System (SÍSMICO)	Integrates and consolidates information from quantitative research OF public opinion and various stakeholder groups. The collected information generates a set of image indicators that, when combined, make up our general image indicator.	Yearly
RepTrak™	The study allows us to evaluate public opinion regarding our reputation, in comparison with other companies, based on seven dimensions: Financial Performance, Products and Services, Leadership and Management, Citizenship, Work Environment, Governance and Ethics, and Innovation.	Quarterly
Image Survey	Its breadth and scope are simpler than those of SISMICO Public Opinion and its objective is to monitor, with greater frequency, some critical image indicators.	Quarterly
Perception Survey about Compliance Actions	Quantitative employee survey	Annual

In 2019, we had the Pulse Index as a relevant result, which continues to grow, ending 2019 with 43.1 points (an increase of 5.5 points compared to the fourth quarter of 2018). The Governance and Ethics dimension, which has a greater weight in Pulse, is one dimension that has been achieving the most growth. It grew 6.8 points in the year, although it is still the dimension with the lowest score.

The confidence index of the image survey grew 13 points in relation to the second quarter of 2018, reaching its highest score since Operation Car Wash (52 points). Respondents that recall sponsorship and advertising have a better image of our company, compared to those who do not.

In the case of image and opinion surveys, the results are consolidated into an Image and Reputation Diagnosis. The evaluation of the historical series of surveys, and the joint analysis of information from different studies makes it possible to identify how we are perceived by our stakeholders. Based on the identification of topics our stakeholders value, we set our Communication objectives, with a focus on image and reputation, and structure programs, projects, and actions. We monitor interactions on our social media profiles and on our internal portal. Based on this monitoring, we survey and evaluate possible communication risks and, in conjunction with the areas involved and/or impacted, we produce positions or related content. Reputational

risk analyses of specific critical topics are also carried out, which are consolidated together with other types of risks. This analysis is presented to the Executive Board and the Board of Directors, according to their strategic relevance.

In the relationship with communities impacted by our operations, we use diagnostics to identify the critical topics that our activities share, and execute action plans for each business unit in the regions in which we have prioritized communities.

The most common topics are related to traffic interference, fishing area restrictions, water and soil related conflicts, odor, noise, smoke, flaring variation, and stoppage for maintenance or construction works.

The Board of Directors is notified of the results from consultations on social, environmental, and economic topics. This is done by presentations, agendas items on executive or statutory committees, meetings of the Executive Board, and the Board of Director's own committees, internal documents, or specific reports. In case of a crisis, depending on the impact and emergency level, Organizational Response Structures, Business Support Teams or Crisis Management Teams are established. It can also occur through a direct channel with CEO advisors, directors or the CEO himself. The form used will vary according to subject, authority limit, and other factors.

Our Statutory Technical Committee for Institutional Relationships is advisory in nature, and analyzes and issues opinions on matters that need to be approved by the CEO or the Executive Boards..

For more information on the technical-statutory committees, see "Corporate Governance" and "Governance Structure."

Customers

Our main customers are buyers of crude oil, natural gas, energy, liquid oil products, and fertilizers.

In our Integrated Customer Relationship Program, we have consolidated procedures and corporate guidelines for the operation of Customer Relationship Channels, with emphasis on channels with a commercial focus, such as technical and management events, integration events, visits and meetings, in addition to promoting integration with other relationship channels, such as Customer Service (SAC) and the Petrobras Technical Assistance Program.

In 2019, we promoted some corporate initiatives with our customers, such as:

- Participation of clients and managers in cultural events that we sponsor;
- Technical forums in units, with the promotion of meetings between commercial managers and the main customers to discuss products, processes, and the market;
- Survey of Perceived Response Quality, using a questionnaire applied after each interaction was dealt with (Complaint, Request, or Consultation) by Customer Service.

These actions were aimed at: contributing to the loyalty of our customer portfolio in the face of price volatility and the entry of other competitors in the market, emphasizing our message as the company with the best product cost-benefit ratio, strengthening our after-sales differentials, and improving interpersonal relationships.

According to periodic analysis of Customer Service records and our satisfaction surveys, the main issues and concerns raised by customers through our various relationship channels are related to reliability, predictability in the supply of products and pricing, contract negotiation, measurement problems, and the Customer Channel.

In 2019, our subsidiary Petrobras Biocombustível organized face-to-face meetings with the distributors responsible for more than 80% of our auction sales to identify their needs and complaints. It also installed new scales at the two biodiesel production plants, improving service and expanding the types of cargo vehicles that customers can use, and established service level indicators and targets.

The main issues and concerns raised by our customers were:

- Ensure normal service and the additional needs to comply with the withdrawal schedules; reduction of loading wait time; and product quality assurance regarding the supply of biodiesel;
- The new reality in the fuel market as a result of the divestment in the refining area, with special interest in changing the dynamics of the biodiesel trade.

In 2019, our then subsidiary Petrobras Distribuidora sponsored events related to sustainability and urban mobility.

In all, BR's corporate segment invested BRL 528 thousand in these initiatives, notably: Green Brazil Logistics Program (PLVB); ANTP Arena; Fenatran; SAE Congress (Trucks and Buses Panel); Sustainability Award; Panel 2019 (Pact for National Infrastructure and Logistics Efficiency); and Green Fleets & Freights 2019.

These events sought to highlight sustainable practices in transportation and fuel consumption, while raising discussions about urban mobility that positively influence the quality of life in cities.

The biggest concerns of BR's corporate consumers were the fluctuations in fuel prices and the fleet adaptation to alternative energy and transition fuels, such as CNG and LNG.

In addition to business issues, Petrobras Distribuidora launched the Petrobras Truck Driver Card, a digital wallet that gives truck drivers access to special prices, enabling them to set prices for up to 30 days.

Within the scope of gas sales, we implemented contractual improvements and new business models.

Regarding price predictability, we constantly improve our pricing policy based on international pricing parity and the search for the best strategy for publicizing adjustments. We now use our website to list the price charged at all of our supply points in the Brazilian market. When there is an adjustment, we update the fuel price list with a new price, listing the most recent date, next to the previous price.

As for contractual negotiation, we periodically seek to reconcile market conditions, customer needs, and our ability to renew contracts in all segments, in order to promote competition and further open the Brazilian market.

Main Communication Channels

COMMUNICATION CHANNELS WITH CLIENTS

Website:
www.canalcliente.com.br

Petrobras Customer Service 0800 728 9001
sac@petrobras.com.br
[linkedin.com/company/petrobras](https://www.linkedin.com/company/petrobras)
[youtube.com/petrobras](https://www.youtube.com/petrobras)

Scientific and Academic Community

We support technological cooperation with universities and science and technology institutes. In our investments in Research, Development, and Innovation (RD&I) projects, we have a network of technological partners involving universities and research institutions. In this sense, several channels of engagement and coordination with the scientific and academic community are used, including:

- Establishing technological partnerships through cooperation agreements with science and technology institutions and companies, investing funds to leverage RD&I productivity;
- Technical meetings with institutional representatives and researchers from the academic-scientific community to align the technological supply and demand.
- Public tenders for selection, presentation, and execution of research projects in response to specific technological challenges;
- Promotion of internal and external workshops to generate innovative ideas focused on critical technological bottlenecks and approximation between research groups from universities research institutes;
- Lectures with universities and research institutes to present our current technological demands.

We won three of the five categories of the 2019 ANP Technological Innovation Award. Since the creation of the award in 2013, we have received 21 of 28 awards granted by the ANP in all editions. The award seeks to recognize the results from RD&I projects that represent technological innovation for the oil, natural gas, and biofuels sector developed in Brazil by research institutions accredited by the ANP.

WINNING PROJECTS IN 2019

Design	Description
Simulations center of the USP numerical proof tank maneuvers applied to the search for solutions for the flow of Brazilian oil and gas production	The project involved the development of an innovative simulation center for the research and study of maritime, port, and waterway maneuvers. The objective is to provide a complete environment for the study of unconventional maritime operations, using mathematical models that allow the faithful representation of the characteristics of the Brazilian sea. The simulations are controlled by commanders of ships and tugs, mooring-masters and pilots, allowing the human factor and operational experience to be taken into account in the analysis of new solutions. USP's Numerical Evidence Tank Simulation Center has already carried out 135 simulation studies in Brazilian ports and basins.

Design	Description
<p>Development of green technologies, in partnership with UFRJ and UFPE, for the recycling of polymers in the oil industry, transforming waste into valuable raw materials for the production chain</p>	<p>Technological innovation consists of a process of depolymerization and subsequent recycling of packaging and other materials based on PET polymer that is environmentally friendly and adherent to the principles of green engineering. The process is safe to execute and does not generate waste that is toxic to the environment and to humans. It uses biodegradable biological catalysts and chemical catalysts, which add efficiency and speed to the process. The technology has been demonstrated for the depolymerization of PET, both for materials from the oil industry, such as beverage packaging, and in materials used in oil industry operations, such as platform anchoring cables. Innovation adds value to materials in the oil production chain with unprecedented performance, by contributing to the proper disposal of plastics in the environment.</p>
<p>OptimRota - Computational tool for conceptual design and optimization of subsea systems, developed in partnership with UFRJ</p>	<p>In line with the inclusion of digital transformation in projects in the subsea area, OptimRota emerges as a computational tool to assist in the elaboration, evaluation, and comparison of optimized conceptual projects for subsea systems. The tool automatically generates alternatives for the location of the platform, and for the architecture and spatial arrangement of the various types of subsea equipment. OptimRota encompasses new methodologies to automate the synthesis of subsea systems, leading to the maximization of the value generated by the production system, obtaining optimized arrangements that are evaluated by engineering and cost criteria (Capex, Opex, Abex). OptimRota allows the development of more efficient projects, obtained in less time, and with a significant cost reduction.</p>

We also signed a cooperation agreement with Rice University for consulting for the modeling of the Petrobras Initiative for Early Childhood.

In 2019, we invested around 12.7 million in business, science and technology events, intensifying the relationship with partners, investors, suppliers, customers, the scientific and academic community, and other interested stakeholders.

Additionally, through the Petrobras Socio-Environmental Program, we support environmental projects carried out by leading institutions and coordinated by representatives of the renowned scientific and academic community. These projects have partnerships with several universities and research centers, in addition to promoting the development of networks. One example is the Live Coral Project, which has a structured research network with the participation of researchers and graduate students in Brazil. Among the current challenges, the network contributes to marine fauna studies on topics such as the effects of oil that hit the Brazilian coast in 2019, climate change, and the acidification of the oceans on coral reefs.

Communities

For more information on the Petrobras Initiative for Early Childhood, see “Social and Environmental Investment.”

Our relationship with the communities located around our activities is guided by a corporate standard that determines the levels of engagement that need to be established. For each level of engagement, specific community relations actions are recommended, such as visits to social actors, meetings with community committees, dialogue with the community, in addition to permanent contacts with social actors to exchange information about our activities, operations, and initiatives.

INITIATIVES DEVELOPED WITH THE COMMUNITIES IN 2019:

Nationwide	Total
Community committee meetings	77
Visits to the communities	843
Dealing with community objections and complaints	646
Emergency Drill Activities (scenario with the community)	71
Emergency situation operations	28
Dealing with conflicts and crises	87
Dealing with maintenance stoppage	22
Dealing with divestment, hibernation, and decommissioning processes	34
Social responsibility checklist in supplier contracts	40
Sharing social responsibility content	208
Participation in management committees	253
Dealing with environmental licensing	153
Dealing with socio-environmental projects	278

Through the diagnosis carried out in 23 of our operations units, the main issues and concerns raised by the communities were crime, unemployment, drug trafficking, and drug addiction.

In the case of our subsidiary Transpetro, in the greater São Paulo region, identified resident concerns were included the cleaning and maintenance of pipeline lanes.

We answer and deal with the questions presented by the communities mainly

through community committees, which take place in our operational units and in partnership with our social and environmental projects. We provide assistance through toll-free phones with 24-hour service coverage, seven days a week, through contact channels widely disseminated in the communities where we operate.

Whenever possible, we seek to address local demands at community committee meetings and incorporate these recurring requests into the community relationship plans of the operations units. One of the main demands received from communities in 2019 was income generation and employability.

Our actions aimed at employability consist of monitoring the percentage of local labor in each unit's contracts and publicizing opportunities in community committees. These opportunities are offered through social projects that we sponsor with a focus on boosting the economy and offering professional training through the Young Apprentice Program. Although the Young Apprentice Program is a legal obligation, we use it to meet the expectations of the communities, expanding the benefits we offer in each territory.

Still in the interface with social projects, we present the feedback from the questions presented by the participants of the community committees, as well as new initiatives, changes, and continuity of projects. The institution representatives, partners, and community residents choose the topics to be addressed in the Committee meetings, and we, along with representatives of the institutions and the government, have the responsibility to present the initiatives and the responses to the issues that were raised.

According to data from the 2019 community relationship diagnosis, the main reported issues were regarding the use of local labor in activities such as maintenance stoppages, construction works, and specific maintenance, especially in the northern regions of Espírito Santo, Bahia, Sergipe and Alagoas (Land E&P activities) and also in units in the states of São Paulo and Rio de Janeiro (Refining and Natural Gas).

Main Communication Channels

COMMUNICATION CHANNELS WITH COMMUNITIES

SAC 0800 728 9001 (24h A DAY, SEVEN DAYS A WEEK)

E-mail (specific e-mail addresses for the communities we relate with, shared regionally)

Community committee meetings

In our performance at Comperj, we have the channel 0800 7289 001 OPTION 4 (exclusive for Comperj related matters)

TALK TO US 168 and contact via messaging app 21 99992-0168 (Transpetro contact to report suspicious activity along pipeline lanes with toll-free calling and 24/7 support)

Competition

Our activities are carried out in accordance with our Code of Competitive Conduct, which guides our commitment to strict compliance with competition or antitrust legislation in Brazil and the foreign jurisdictions in which we do business. Since we operate in different segments of the oil and natural gas sector in Brazil, we face different types of competition and many of our competitors in the sector assume more strongly the role of our business partners.

We have also worked together with the Administrative Council for Economic Defense (CADE) and the National Petroleum Agency (ANP) to promote competition in markets where our presence is very significant.

In the area of gas and energy, the main issues and concerns were related to the process of opening and promoting free competition in the natural gas market in Brazil. With respect to competitors of our subsidiary Petrobras Biocombustível, the main issues and concerns were related to compliance with the established schedule of increases in Biodiesel mandates, as well as future mandate increases; marketing regulations; and the new reality in the fuel market as a result of our divestment in the refining area.

When it comes to the foreign market, we participate in the main global events, conferences, and discussion forums in the oil and gas segment such as the IP Week (International Petroleum Week), CERAWEEK (world energy conference) and APPEC (Asia Pacific Petroleum Conference). Nationwide, in 2019, our subsidiary Petrobras Biocombustível participated in the BiodieselBR Conference, the main event in the sector.

For more
information on
agreements
made with
CADE, see
"Compliance."

We are also part of, with 12 other oil and gas companies (BP, Chevron, CNPC, ENI, ExxonMobil, Occidental, Pemex, Repsol, Saudi Aramco, Shell, Equinor and Total), of the Oil and Gas Climate Initiative (OGCI), which seeks to ensure the longevity of oil use, highlighting the sector's commitments to reducing its carbon footprint.

Our Intelligence and Market Studies area monitors the movement of competitors and provides inputs for our other internal areas to develop commercial actions. Likewise, image and reputation surveys evaluate our performance in relation to the competition (with emphasis on Reprak™- Quarterly Corporate Reputation Monitor) and are also used as benchmarking in studies of context analysis for communication plans.

Consumers

In 2019, we served the final consumers of our oil products through our then subsidiary Petrobras Distribuidora, providing fuel distribution capillarity. Engagement with this audience took place through interactions at events, such as those promoted by the Premmia Loyalty Program and the Salão do Automóvel (Automobile Hall), in addition to promotions and communication on Social Networks.

Among the initiatives developed for consumers in 2019, were the continuous promotions in the BR Mania stores and the constant presence in traditional media and social networks with the BR Mania and Premmia brands.

Throughout 2019, the main issues raised by consumers were related to fuel prices. The statements were answered on our website in a section with explanations on how fuel pricing works in Brazil.

Other questions and concerns raised by our consumers were information about promotions, store locations, questions about the lack of advertised products in their local stores, questions about product quality, and various aspects of the Premmia Loyalty Program.

Suppliers

Engagement with suppliers occurs mainly through our Supplier Channel, which presents potential suppliers with information on how to do business with us, and on the Petronect Portal, the platform used for contract operations.

This engagement is also achieved through participation and promotion of technical events and awards for the best suppliers. Our Ombudsman's Office also coordinates the handling of complaints sent by suppliers and bidders.

Main Communication Channels

COMMUNICATION CHANNELS WITH SUPPLIERS

SUPPLIER CHANNEL: canalfornecedor.petrobras.com.br

ELECTRONIC PURCHASING PORTAL (PETRONECT): www.petronect.com.br

REGISTRY CUSTOMER SERVICE:

4020-9876 (option 4): State capitals, metropolitan regions, and mobile phone calls

0800 282 8484 (option 4): Other regions

1 866 791 9432: United States

1 713 808 2599: Other countries

TALK TO USE for users of the registry system) The call should be opened by the internal area of the Petronect Portal registry.

REMOTE SERVICE (video service): Should be scheduled via the Talk to Us or by phone at 4020-9876 (for State capitals, metropolitan regions, and mobile phone calls) or 0800-282-8484 (for other regions)

Customer Service (PETROBRAS) 0800 72890001 - E-mail: sac@petrobras.com.br

OMBUDSMAN: 0800 282 8280 or <https://petrobras.com.br/en/ombudsman/>

REPORTING CHANNEL: 0800 601 6925 or <https://www.contatoseguro.com.br/en/petrobras>

Press

We promote engagement with the press through the Petrobras Agency (www.agenciapetrobras.com.br), with the publication of releases, interviews, photos, audios, presentations, with the transmission of press conferences (27,800 registered journalists), holding press conferences to disseminate results and other matters of public interest. In 2019, we held 13 press conferences, 4 of which were broadcast in real time.

Among the subjects of greatest interest to the press, the following stood out in 2019:

- Our support for cleaning operations on the Brazilian coast affected by oil stains;
- The auctions of surplus onerous cession oil and the amendment to the onerous cession contract and of the sixth round of tenders in the production sharing regime;
- Ongoing divestments, such as exploration, production, refining, and logistics assets;
- Consent Decree (TAC) signed with the Administrative Council for Economic Defense (CADE) for the creation of a New Gas Market;
- Adjustments and pricing policy for oil products such as gasoline, diesel, and cooking gas.

In the same period, among the subjects most demanded by regional media, we can highlight:

- Fuel price readjustments;
- Divestments of some of our assets;
- Reallocation of administrative buildings;
- Employee protests and operational incidents.

We carried out the following actions with the press:

- Performance in the Organizational Response Structure (EOR) set up to accompany the cleaning of the coast affected by oil stains;
- Clipping monitoring;
- Development of support materials for spokespersons;
- Spokesperson training for press relations (9 media training classes for Senior Management and managers);
- Publishing of press releases (356 releases);
- Preparation of responses to press demands (4,075 requests);
- Interviews.

Main Communication Channels

COMMUNICATION CHANNELS WITH THE PRESS

Petrobras Agency Website www.agenciapetrobras.com.br
 Press Conferences
 Interviews
 Press releases

Investors

Our relationship with investors takes place mainly through meetings (one-on-one or group meetings, conferences and roadshows) and presentations by the Executive Board to investors when we release our financial results and at events such as Petrobras Day and the Investor Tour. We also release annual reports, memos, material facts and news clarifications, in addition to various other financial, operational, and management information, available on our website for investor relations. We also hold conference calls/webcasts and shareholder meetings, and provide telephone, letter, and email service to our investors and shareholders. During the circulation restrictions caused by Covid-19, we held meetings by videoconference and live events.

We are attentive to the demands of our investors. The main topics and concerns raised during 2019 were: negotiation of the amendment to the Onerous Cession contract, portfolio management and divestments, debt management and dividend distribution policy, as well as the start-up of new production units and prospects for the future curve production.

Investor positioning is considered by the Investor Relations area to be a contribution to our strategic planning process. These interactions motivated the increase in our information reports regarding environmental, social, and governance issues, which are very much in demand by these stakeholders. Additionally, questions raised by investors in webcasts, meetings, and conferences on strategic/operational topics motivate us to improve our processes.

Main Communication Channels

COMMUNICATION CHANNELS WITH INVESTORS

<https://www.investidorpetrobras.com.br/en/>

Information for individual investors and shareholders:

Av. República do Chile, 65, sala 1803

Centro, Rio de Janeiro, RJ 20031-912

Telephones: +108002821540 or +1213224-1540.

Email: acionistas@petrobras.com.br

Information for institutional investors and market analysts:

Av. República do Chile, 65, sala 1803

Centro, Rio de Janeiro, RJ 20031-912

Telephone: +55 (21) 3224-1510

Email: petroinvest@petrobras.com.br

Partners

Our collaborations with other companies in the oil and gas sector take place in two main ways: exploration and production (E&P) consortia and cooperation agreements.

As part of exploration and production consortia, there is a governance rule that defines representatives for each company for discussions at the technical and operational levels. All impacts related to such ventures are dealt with in these forums. This same governance rule stipulates compliance with the main laws regarding compliance and anti-corruption practices in the world, such as the Bribery Act (United Kingdom) and the FCPA (Foreign Corrupt Practices Act, USA), in addition to Brazilian laws. In many cases, these obligations are also reflected in the supply contracts for these consortia. In the formation of consortia, as well as in cases of assignment of rights therein, conformity issues are also subject to assessment.

An important example of this type of partnership was the acquisition of production rights for the excess volumes of the Búzios onerous cession, in consortium with Chinese companies CNOOC Petroleum Brasil Ltda (CNOOC) and CNODC Brasil Petróleo e Gás Ltda (CNODC), in addition to the participation in several consortia in the other rounds promoted by the National Petroleum Agency (ANP) in 2019.

Another form of action with other major E&P operators is characterized by technical cooperation alliances, through private agreements, to exchange experiences and

good practices that can generate mutual benefits in technical-operational issues such as well security, depleted reservoir recovery, and studies about opportunities in alternative energies, among others. In addition, we participated in discussions inherent to the entire Brazilian oil and gas industry with the Brazilian Institute of Oil, Gas and Biofuels (IBP) and other representative bodies.

Some of the initiatives developed with our partners in 2019 were the public consultation on the abandonment fund regulations, and technical works developed within the scope of technical cooperation alliances, such as well security and the recovery of depleted reservoirs.

In 2019, the memorandum of understanding that we signed with Equinor to develop a set of businesses in the offshore wind energy segment in Brazil evolved to assess a future wind project in the Campos basin, using research and development resources.

Public Authorities

Our relationship with the government must be carried out in an ethical, transparent and impersonal manner. This relationship is regulated by our Code of Ethics and our Conduct Guide, in addition to other internal regulations, such as our standard for Interactions with Political Agents. In addition to several other measures, these regulations establish that all face-to-face interactions with political agents must be carried out by at least two employees together.

The main questions and concerns raised by the government in 2019 related to topics of interest to the oil and gas industry, according to the survey of information requirements, public hearings, bills and pronouncements, were:

- fuel prices;
- divestments;
- tax reform;
- fuel theft;
- local content;
- exploration regime;
- sharing contract;
- environmental issues arising from the activities of the oil and gas industry/exploration and production.

The questions and concerns raised by the government were addressed through responses to information requests, explanatory technical notes, meetings with political agents, and participation in public hearings.

Some important initiatives were launched in 2019 with interaction with the public authorities, such as the Pró-dutos Seminar: Challenge in Combating Fuel Theft and the Challenges and Opportunities in the LPG Market Seminar, in addition to the Petrobras Initiative for Early Childhood and the signing of the National Pact for Early Childhood, signed with the National Council of Justice (CNJ) and several participants in the child protection network in Brazil, to strengthen public institutions focused on the cause.

Our contacts with the government can take place by accompanying committee meetings in the Lower House and Senate, participation in public hearings, delivery of technical notes prepared by our technical areas to authors and rapporteurs of projects that are part of our legislative agenda, seminars with specific themes, participation in working groups and programs coordinated by the Executive Branch, such as Abastece Brasil, New Gas Market, and REATE, as well as periodic meetings at the National Environment Council (CONAMA), public hearings with regulatory agencies, and the Executive Branch in general.

Some important initiatives for interaction with public authorities were carried out within the Pró-Dutos Program, such as Seminars with the Defense Studies Center (ESG): Geopolitics of Natural Resources, a Strategy for Clandestine Derivations in Pipelines, and the Seminar with Pró-Dutos, in Brasília, to discuss risks, impacts, and promote more integrated actions to curb pipeline theft.

For more information on Pró-Dutos, see "Operations Security."

Internal Public

Engagement with our internal public occurs through digital interaction in our internal communication channels, such as intranet, social networks, online communities, and sharing of messages, news, and in-person and virtual events, and by linking our results to individual performance indicators. (Performance Management).

Our Strategic Plan is shared directly by our CEO, broadcast live to all our employees, and also through our internal information channels. The results were also shared using the same format.

The guidelines on human resources topics are developed by managers and their teams through face-to-face meetings, emails, and other internal communication channels.

Communication between senior management and employees with managerial and specialist functions takes place through “Leadership Alignments”, a biweekly event broadcast online to all of our areas.

Regarding Multidisciplinary Health Care (AMS), actions are taken to disseminate the AMS rules through lectures (AMS Goes to You).

Employee visits are also made to supported social and environmental projects, and we encourage employee participation in corporate volunteering actions.

Among the main questions and concerns raised by stakeholders, as seen in the comments on our portal, the following stand out: divestments, organizational restructuring, variable compensation, new labor legislation and its consequences, Collective Labor Agreement (ACT), Petros Pension Plan, performance and results.

We periodically conduct surveys with our employees to check indicators of organizational climate, engagement, job satisfaction, among other topics. Since 2014, the frequency of surveys is biennial and the last one ended in January 2019. The results are available on an intranet page, panels for managers, and a specific system accessible to all employees, the Organizational Environment Monitoring System (SMAO).

The concerns and problems translated by employees in the form of poor results are addressed in two ways: a) the corporate areas are made aware of the results linked to their practices and seek to make improvements according to their possibilities; b) local issues are addressed by registered action plans and monitored at the SMAO.

Among the significant results, we can list: a) increase of 9 percentage points (60% to 69%) in the main survey indicator, the Employee Satisfaction Index; b) presentation of about 6,000 current actions derived from the survey by the SMAO.

The information is presented in clear and accessible language, in internal and external environments accessible to all, with curated content and constant updating. The dialogue takes place through internal communication channels, frankly and directly, with special attention to clarifying doubts and answering employee questions.

Main Communication Channels

COMMUNICATION CHANNELS WITH INTERNAL PUBLIC

- Petrobras Portal (our intranet)
- Conecte (Digital network for employee collaboration)
- Email marketing
- Petrobras Billboard (screens or monitors, online or offline)
- SMS or Whatsapp messaging
- Ombudsman Portal
- Reporting channel
- Email sent to Ethics Committee (receiving consultations or questions about ethical behavior)
- AMS (Multidisciplinary Health Care) Portal
- AMS emails
- AMS Call Center
- AMS instant messaging channel
- AMS Talk to Us
- AMS In Person Care Centers

Reseller

We communicate with resellers through text (letters and electronic correspondence), telephone contact, and negotiation meetings.

The main issues and concerns raised by resellers are related to price and contractual clauses.

Petrobras Distribuidora, our subsidiary until July 2019, reports that it relates to its resellers and franchisees through various means, such as: commercial visits, Resale Council meetings, online surveys, Business Channel and Order Center, events, email marketing, messaging apps, Petrobras Challenge incentive program and Maximum Capacity program. In 2019, the Petrobras Challenge incentive campaign, the Resale Forum and the Regional Meetings were held with them.

Last year, our then subsidiary Liquigás developed incentive actions and training for its network of resellers, in addition to meetings of the Reseller Advisory Board. Training was also carried out for the network of resellers dealing with customer service, negotiation techniques, safety, etc.

After Petrobras disclosed a Material Fact about the signed contract for the sale of Liquigás, the company issued a statement to its network of resellers stating that the

said contract does not change the commercial relationship between Liquigás and its customers and clarifying that the operation will only go into effect after the approval of the Administrative Council for Economic Defense (CADE).

102-12; 102-13

Initiatives and Voluntary Associations

We participate as volunteers in some initiatives and associations shown below:

MAIN INITIATIVES AND ASSOCIATIONS WITH DISBURSEMENTS (R\$)

Initiatives and Associations	Participation	2017	2018	2019
Brazilian Petroleum, Gas, and Biofuel Institute (IBP)	1957	238,373	257,324	279,907
<i>Asociación Regional de Empresas del Sector Petróleo, Gas y Biocombustibles en Latinoamérica y el Caribe (Arpel)</i> ¹	1965	109,585	131,901	138,106
Brazilian Corrosion Institute (ABRACO)	1968	33,096	33,096	33,096
Brazilian Association of Publicly Traded Companies (ABRASCA)	1984	17,000	18,000	60,000
<i>International Association of Oil and Gas Producers (IOGP)</i>	1988	192,164	231,736	258,845
Brazilian Enterprise Council for Sustainable Development (CEBDS)	1997	72,667	74,812	77,618
Study Committee for Light Vehicles of the Brazilian Association of Technical Standards (ABNT)	1998	18,000	19,000	19,000
Ethos Institute ²	2000	0	48,000	48,000
Brazilian Committee on Materials, Equipment and Oceanic Structures for the Oil and Natural Gas Industry of the Brazilian Association of Technical Standards (ABNT)	2002	24,000	30,000	30,000
Brazilian Investor Relations Institute (IBRI)	2002	24,500	24,500	24,500
World Water Council (WWC)	2002	11,550	10,167	10,167
International Gas Union (IGU) ³	2003	23,816	26,634	26,483
Brazil Network of the United Nations Global Compact	2003	172,774	120,330	116,850
Brazilian Energy Traders Association (ABRACEEL)	2004	144,624	133,824	129,600
National Association of Research and Development of Innovative Companies (ANPEI)	2005	23,685	23,685	23,685
Extractive Industries Transparency Initiative (EITI) ⁴	2005	198,480	0	0
IPIECA - The global O&G industry association for advancing environmental and social performance	2006	388,488	464,692	692,026

Initiatives and Associations	Participation	2017	2018	2019
National Forum on Ethics Management in State-Owned Companies	2007	8,300	2,136	3,069
Center for Chemical Process Safety (CCPS)	2009	105,469	109,384	130,067
Brazilian Association of Thermoelectric Generators (ABRAGET)	2011	107,690	114,412	123,600
CAPD/EWO Consortia - Center for Advanced Process Decision, led by Carnegie Mellon University	2014	65,000	65,000	65,000
National Compact for the Eradication of Slave Labor – InPacto	2015	30,000	30,000	30,000
Society of Automotive Engineers (SAE BRASIL)	2015	2,400	2,400	2,400
CDP Benchmark Club	2017	54,450	54,450	54,449
World Economic Forum	2017	0	601,074	1,140,090
Oil and Gas Climate Initiative (OGCI)	2018	0	35,085,345	26,405,010
Enterprise Equality Initiative - NGO Afrobras and Zumbi dos Palmares College	2019	0	0	30,000

¹ In 2020 we requested to leave this association.

² We were part of Ethos from 2000–2008 and then again in 2018.

³ 2019 value converted from EUR to BRL considering the average exchange rate for the year;

⁴ As of 2018 we were no longer affiliated with this association.

Initiatives without disbursements or related to associations and initiatives listed above:

For more information about our human rights initiatives, see "Human Rights."

- Business Compact for Integrity and Against Corruption - Ethos
- Integrity Pact – IBP
- National Pact for Early Childhood
- National Early Childhood Network
- Women Empowerment Principles - UM Women
- Gender and Race Pro-Equity Program – Federal Government
- *Zero Routine Flaring by Initiative* (World Bank)
- *Carbon Sequestration Leadership Forum* (CSLF)
- *Brazilian Permanent Benzene Commission*
- National Plan for Facing Sexual Violence against Women and Children
- Open Letter Enterprises for Human Rights
- Enterprise Equality Initiative
- *Association for Supply Chain Management* (ASCM)

203; 203-1; 203-2

Socio-Environmental Investment

Our voluntary social and environmental investment complies with our 2020-2024 Strategic Plan as a tool to support the sustainability of our business. We develop socio-environmental solutions in relevant topics and territories where we operate, seeking to consolidate our relationship with stakeholders, generate technical and scientific information, and strengthen our reputation by disseminating our values.

Our socio-environmental investments contribute positively to communities located in the areas in which we operate, driving cultural, economic, social, and environmental changes that are linked to the Sustainable Development Goals (SDGs): (1) Poverty Eradication, (4) Quality Education, (5) Gender Equality, (6) Drinking Water and Sanitation, (8) Decent Work and Economic Growth and (10) Reducing Inequalities, (13) Action against Global Climate Change and (14) Life below Water.

In 2019, our Petrobras Socio-Environmental Program supported projects in the following areas: Education, Educational Sports, Child and Adolescent Rights, Biodiversity, Water, Forests and Climate.

As an example of projects developed in the territories in which we operate, we highlight the region of Duque de Caxias-RJ, where the units of REDUC, Termo-Rio, TECAM, BR Terminal and Pipelines are located. We operate in the management and mitigation of social and operational risks through the Unicirco, EDUC, Opportunity Connector, Sports and Education Center and the Educational Sports Network.

These projects work as a network to raise awareness about operational risks, professional training, entrepreneurship, and care for children and adolescents. These themes were prioritized based on the diagnoses made in the communities impacted by our operations. In Duque de Caxias alone, the projects serve 1,890 direct participants, with ages ranging from 0 to over 30.

The involvement and bond with the communities provided by the social and environmental projects we support are essential for the achievement of our business results. Involving the community means including and giving a voice to the population that brings their priority questions about the socio-environmental scenario in which the project seeks to operate.

In addition to contributing to communities located close to our areas of operation, our socio-environmental projects present a large part of their activities in line with

the National Action Plans (PANs) for the Conservation of Species of the Chico Mendes Institute for Biodiversity Conservation (ICMbio). These projects are also responsible for significant data generation, and are often the largest providers of information for the preparation and implementation of these plans.

The projects in our social and environmental investment portfolio have goals and indicators, established since the contract was signed, which periodically allow us to evaluate their performance. The frequency for project performance measurement is defined before the project begins, as well as the means of verification. Information gathering may vary with each project, but generally it includes information about the audience, engagement in planned activities, and the results obtained.

We are constantly seeking to improve the methods for assessing the social return on investment in our supported socio-environmental projects. Due to the number of projects in the Petrobras Socio-Environmental Program, the volume of resources involved, and the breadth of the program, we piloted a social return analysis of one of our projects, the Uçá Project, in 2019. The project has been part of our portfolio since 2017 and monitors the Uçá crab, helps restore degraded mangrove areas, and provides environmental education.

The social return assessment indicated a return of BRL 4.55 for each BRL we invested in the project. The methodology converts the environmental, social, and economic transformation that occurred due to the implementation of the project into monetary values. This value was considered expressive for this type of investment in Brazil. We intend to extend this assessment of social responsibility performance to other projects in our portfolio.

We also qualitatively evaluate the projects in order to measure their impact on the lives of participants. The Fight for Peace institution applies the "Personal Development Questionnaire" to the Maré Unida project, which allows measuring the impacts of the project in key areas of young people's lives. When necessary, the institution also conducts focus groups, interviews and individual case studies to measure specific indicators. Our partner since 2010, Fight for Peace has already carried out about 2,641 hours of boxing, martial arts, and personal development classes for students of ages 6 to 29, and 527 hours of school support for children and adolescents of ages 11 to 14. The project, the fourth we sponsored by the institution, has also promoted 2,561 hours of professional training, in addition to training and technical assistance for sports educators working in Maré, totaling 1,316 direct participants. These and other Maré Unida actions will take place until September 2020.

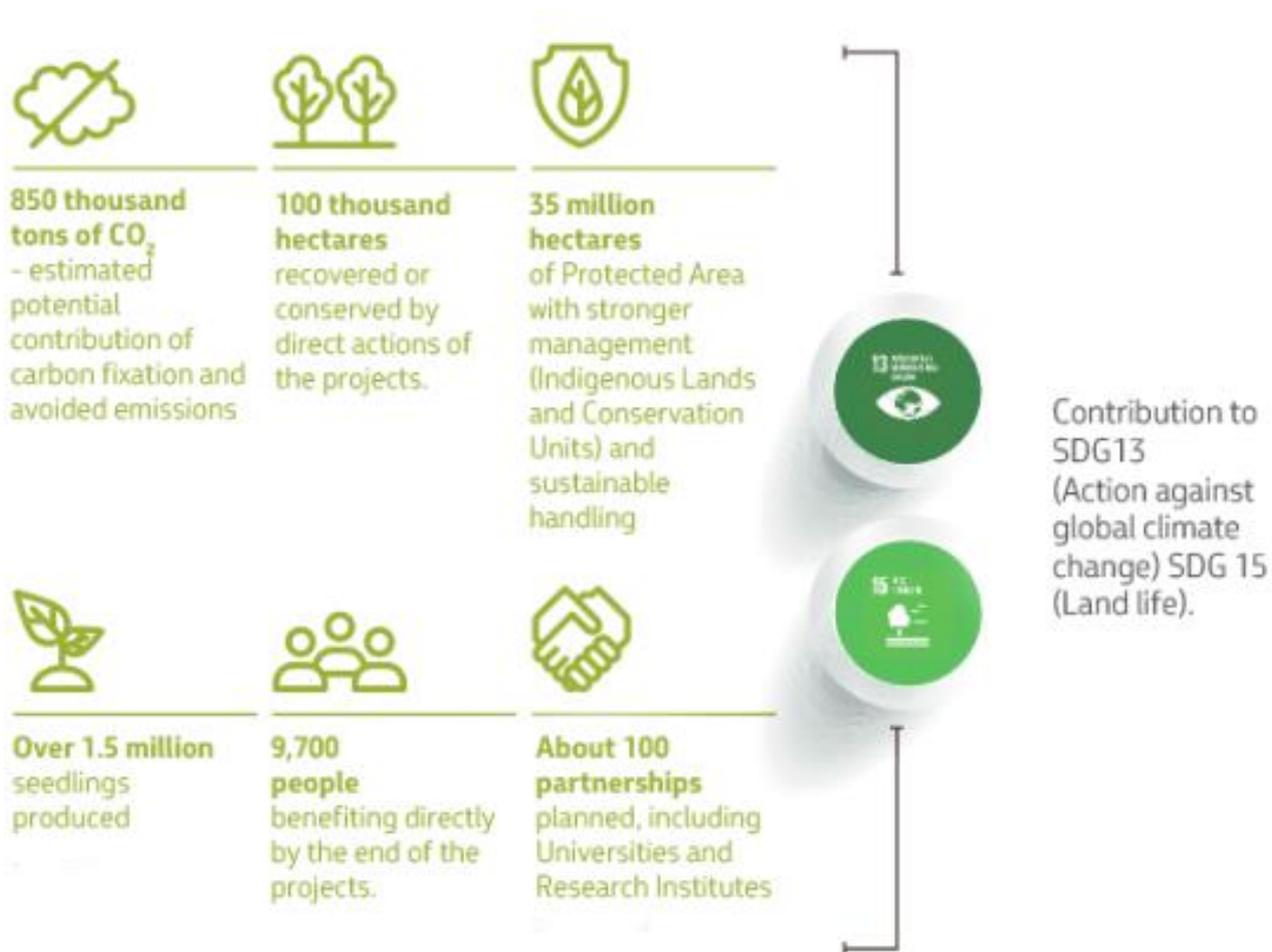
The Mão na Massa project, for example, has a registration and monitoring system for participating women that tracks their employability and their return to the formal

school system. Since 2007, more than a thousand women have been trained in the state of Rio de Janeiro. Half of them are employed in the area and 100 have returned to study in areas related to civil construction.

The Agroflorestar Project seeks to assess the effects of adopting agroforestry systems on the quality of life of farming families. It uses Participatory Rapid Diagnosis, which is a methodology for conducting semi-structured interviews to learn about the characteristics of local family farming, as well as the benefits generated by the practice and commercialization of agroforestry products on the quality of life of the families participating in the project.

In 2019, we prepared a methodological guide to guide the carbon quantification of forest conservation and recovery projects supported by our program. The document establishes technical references and applies to estimates of socio-environmental and greenhouse gas (GHG) reductions. Project managers can observe the instructions for quantifying the carbon removed or emitted into the atmosphere as a result of their activities. A pilot project was carried out in 2019. The results of this carbon quantification, as well as the social and environmental benefits generated by the projects, are presented below.

RESULTS INDICATORS FOR THE FOREST AND CLIMATE PROJECT PORTFOLIO *



* Accumulated results of current projects in 2019.

The projects we support seek to promote the convergence of their actions through networks. Among the established networks, we highlight Biomar, which brings together, in its current composition, six biodiversity initiatives that we sponsor (Albatross, Humpback Whale, Live Coral, Spinner Dolphin, Meros of Brazil, and Tamar) with the objective of enhancing contributions for marine conservation. The network developed its plan in 2007, with the participation of the Ministry of the Environment, through its relevant bodies. In more than 12 years of work, there were operations in 10 states and 54 municipalities, researching and conserving more than 11 species threatened with extinction, as well as coral environments.

Our Ocean action line also includes initiatives aimed at the conservation of coastal and marine species and ecosystems, contributing to the sustainable development of the oceans, associated with environmental education. These types of sponsored projects seek to expand and enhance technical, scientific, and traditional knowledge for the conservation of species and coastal and marine environments, and provide

education about sustainability, with attention to actions aimed at early childhood (0 to 6 years).

Also included are actions that promote the conservation of coastal and marine biodiversity. These actions include the monitoring of species and habitats, and managing and reducing pressures such as overfishing and garbage in the sea, as well as support for the management and strengthening of protected areas. All this should promote the conservation of species and coastal and marine environments, along with initiatives that contribute to conservation through the sustainable use of resources that consider ways of life, production systems, and knowledge associated with biodiversity, including artisanal fishing and aquaculture activities.

Our subsidiary Petrobras Biocombustível signed contracts with family farm cooperatives, giving them the Social Fuel Seal. This allowed the cooperatives to be compensated with a specific family farming origination bonus, totaling BRL 1.2 million in 2019. The use by the cooperatives of this paid amount is at their discretion, provided that it is used for the structuring of their production chain or for direct transfer to cooperative farmers.

Also in 2019, Petrobras Biocombustível actively participated in the construction of the "Innovation Agenda for the Biodiesel Production Chain." This is a strategic plan that aimed to point the way for the sector to reach a new level of efficiency. To achieve this goal, targets were defined for the challenges and the necessary actions for the coming years, considering Research and Development, Technology Transfer, and Public Policies.

This document was built in a working group designated by the Sector Chamber of Oilseeds and Biodiesel of the Secretariat for Agrarian Development linked to the Ministry of Agriculture, Livestock, and Supply, of which Petrobras Biocombustível is a member.

Our subsidiary Transpetro highlights the following projects in its portfolio of socio-environmental projects:

— **Eye on the Pipeline:** seeks the development of art-education and socio-cultural actions for communities neighboring the pipelines operated in the Southeast Region;

— **Clean Lane:** carries out activities in the vicinity of the pipeline lanes in São Paulo, aiming to mitigate the inappropriate disposal of waste and other harmful actions to preserve the pipeline lane located in these communities;

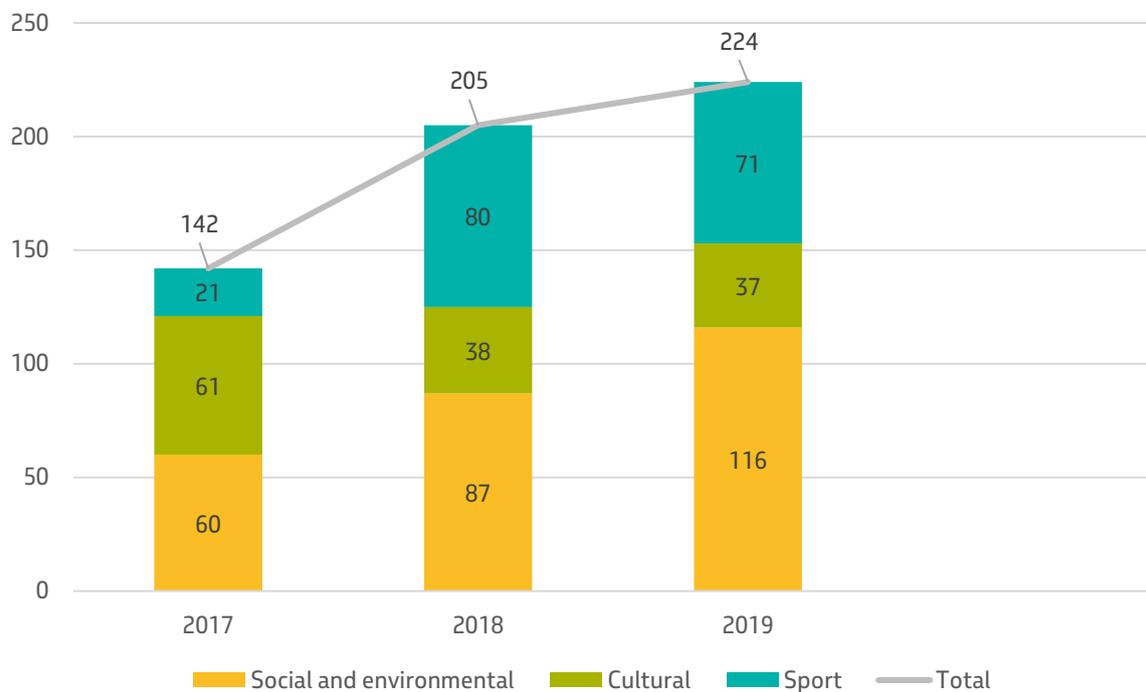
Green Belt: aims to promote the development and socio-environmental awareness of the communities neighboring the São Francisco do Sul Waterway Terminal - TEFTRAN (SC);

Itinerant Tent: encourages socio-cultural and environmental practices in all its aspects, especially leisure and recreational activities, as an instrument of education, inclusion and personal development in Rio Grande do Sul;

Cine Transpetro in the Communities: with national operations, it uses cinema as a pedagogical tool, addressing topics such as recycling, environment, security and citizenship.

By adopting the ten sustainability commitments with our stakeholders, in commitment number 10 we are committed to maintaining social and environmental investments. The distribution of socio-environmental investment over the past three years can be seen in the graph below.

SOCIO-ENVIRONMENTAL, CULTURAL, AND SPORTS INVESTMENTS (IN MILLIONS OF BRL)



Cultural and Sports Investment

In our Culture related operations, sponsorships are given to Brazilian projects with outstanding cultural value that are innovative, with high potential for return, and alignment with our brand strategy. The sponsored projects focus on Music, the

Performing and Audiovisual arts, including sponsorship for the production, circulation, and expanded access to cultural products. In 2019, we also modeled our first public tender for cultural projects focused on Early Childhood, launched in early 2020.

In our Sports related initiatives, we sponsor opportunities to promote our brand and relationship actions, in addition to technological association and research, as well as Olympic sports and participation sports, including the formation of a group of sponsored athletes called Team Petrobras.

We measure the return obtained from sponsorship projects based on the evaluation of brand exposure, spontaneous media obtained, and through image and reputation surveys that generate specific indicators for these activities.

The initiative integrates public institutions, educators, the private sector, civil society organizations, and multilateral networks and organizations

The objective of the initiative is to promote the cognitive, social and emotional development of children in the first years of life

EARLY CHILDHOOD INITIATIVE

In August 2019, we launched the Petrobras Initiative for Early Childhood, with the objective of promoting the cognitive, social, and emotional development of children in the first years of life. The initiative involves public and private institutions that are already carrying out actions aimed at early childhood.

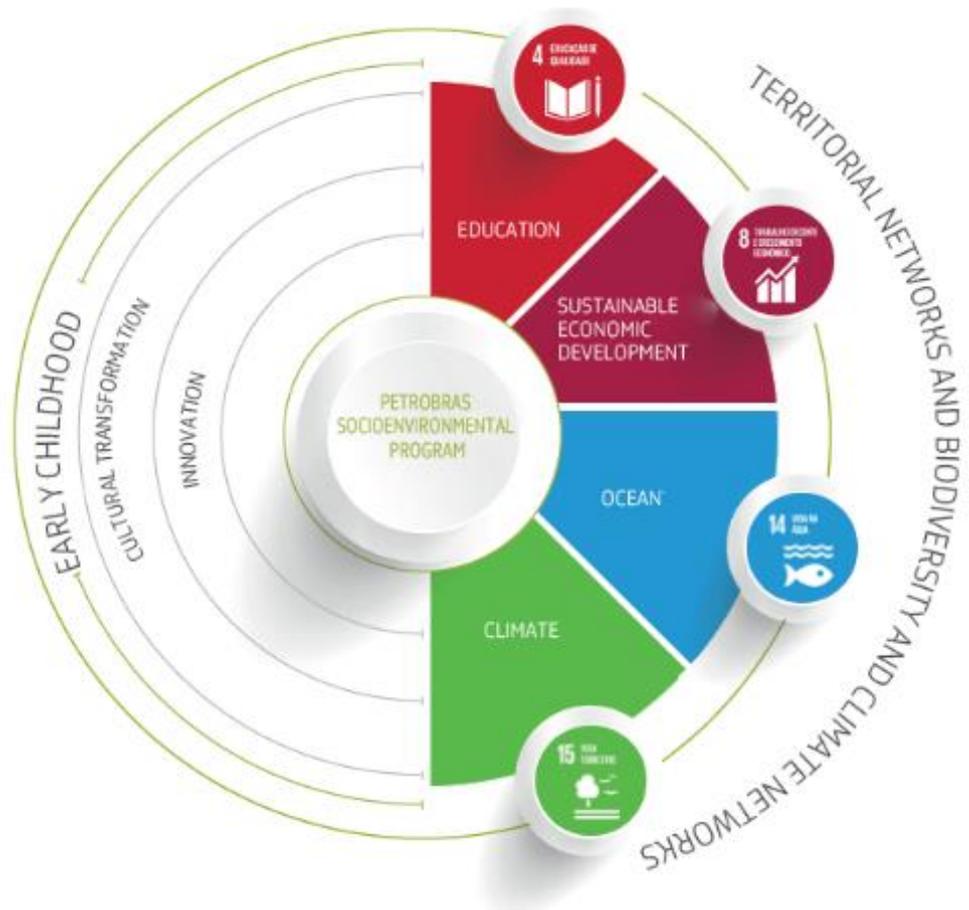
This initiative aims to improve the quality of education in pre-school at the Social Assistance Reference Center and in Civil Society Organizations, and seeks to contribute to the improvement of public policies and social indicators related to the 0 to 6 years old age group, in addition to strengthening intersectional action (municipal government, education and social assistance departments with their respective technical teams, in addition to educators and civil society organizations).

Other actions are also carried out by projects aimed at early childhood, such as workshops and sports activities, in addition to training teachers in the music methodology, techniques for mastering languages, singing, breathing, musical appreciation, improvisation, knowledge of playful activities, and sound making materials, highlighting the pedagogical objective of each activity.

To accomplish this, one of our first partnership projects in 2019 was the First Childhood is a Priority project, carried out by the News Agency for the Rights of Children. This initiative will reach more than a thousand participants, including public managers, technicians in the children and adolescent protection network, and media professionals, in 100 municipalities in 10 Brazilian states, over a 2-year period.

We are also official participants of the National Early Childhood Network, which coordinated national civil society organizations, public authorities, the private sector, as well as other networks and multilateral organizations that act, directly or indirectly, to promote and guarantee the rights of the early childhood. In December 2019, we signed the National Pact for Early Childhood, a commitment signed between the National Council of Justice and several participants of the child protection network in Brazil, with the aim of strengthening public institutions that work to guarantee the rights granted by Brazilian legislation, and to promote the improvement of the infrastructure necessary to protect the interests of children, especially in early childhood

In order to maintain alignment with the 2020-2024 Strategic Plan, the Petrobras Socio-Environmental Program activities were revised in January 2020. They include: Education, Sustainable Economic Development, Ocean and Climate, aimed at contributing mainly to four of the SDGs: (4) Quality Education, (8) Decent Work and Economic Growth; (14) Life below Water and (15) Life on Land. Among the transversal themes to be considered in all the projects that make up the portfolio are early childhood, innovation, and cultural transformation.



SOCIO-ENVIRONMENTAL INVESTMENT STRATEGY

Areas of Operation	Alignment with the business	Benefits	Most Relevant Indicator
Education	Operations in the covered area	<ul style="list-style-type: none"> - Contribution to SDG 4 (Quality education) - Improvement in the living conditions of communities - Reduction and mitigation of potential negative impacts where we operate - Strengthening reputation and credibility 	Analysis of social return (under development) ¹
Sustainable Economic Development	Operations in the covered area	<ul style="list-style-type: none"> - Contribution to SDG 8 (Decent work and economic growth) - Improvement in the living conditions of communities - Reduction and mitigation of potential negative impacts where we operate - Strengthening reputation and credibility 	Analysis of social return (under development) ¹
Ocean	Activities for the conservation of species and marine and coastal environments (the strength of our exploration), mainly benefiting fishing communities.	<ul style="list-style-type: none"> - Contribution, in particular, to SDG 14 (Life below water) - Increased involvement of the local community in biodiversity conservation - Improving the conservation status of species - Income generation - Reduction and mitigation of potential negative impacts where we operate - Strengthening reputation and credibility - Expansion of knowledge through data generation and technical/scientific information 	Analysis of social return (under development) ¹
Climate	A business need considering the transition to a low carbon economy Sustainability commitment made in the Strategic Plan	<ul style="list-style-type: none"> - Priority contribution to SDG 15 (Life of Land) - Generation of social and environmental benefits in the places where they operate, such as income generation and conservation of associated biodiversity - Potential contribution to the reduction of greenhouse gases - Strengthening reputation and credibility 	<p>Analysis of social return (under development)¹</p> <p>Estimated potential contribution to carbon sequestration and avoided emissions²</p>

¹ In the same section, see the social return analysis of the Uçã project.

² In the same section, see Methodological Guide for carbon quantification.

An evaluation of community needs is done by the multidisciplinary teams of our operating units. To accomplish this, each year we renew the local community relations plans, which states the initiatives that must be carried out with each community. We do a diagnosis every three years or when there are significant

changes in the operations and activities of the units or in the socioeconomic and political characteristics of the communities. Our last diagnoses were carried out between 2017 and 2018. Regional in nature, these diagnoses highlight the main impacts (especially social and operational) of the units on the nearby communities.

For more information on community relations, see "Human Rights".

One of the covered categories is living conditions, which included access to water supply services; sanitary sewage; final disposal for collected waste; education; healthcare; transportation; leisure and cultural spaces. Of all these, those with the greatest weaknesses are sanitation and transportation.

Financial contributions through the collection of taxes (ICMS) and royalties stand out as indirect economic impacts, as well as issues related to employability and impacts on local infrastructure.

TAX PAYMENTS (IN BILLIONS OF BRL)¹

	2016	2017	2018	2019
COMPANY AND THIRD-PARTY WITHHELD TAXES	85.8	101.3	145.3	206.8
ICMS	37.3	35.0	45.3	42.6
PIS/Cofins	20.9	27.4	38.1	34.0
Royalties	9.7	12.4	17.8	18.0
Special participation	4.5	11.0	20.4	21.9
IRPJ/CSLL	0	0.4	8.2	9.5
Pension system contributions	4.6	4.2	4.8	6.5
Cide	5.1	4.6	3.3	2.3
Other taxes and contributions	3.8	6.4	7.4	71.9 ²
TAXES WITHHELD FROM THIRD-PARTIES	39.8	38.7	37.0	39.3
ICMS tax substitution	28.2	28.4	27.1	29.2
Law no 10,833 retentions	5.9	5.4	5.4	4.7
Other taxes and contributions	5.6	4.9	4.6	5.4
Overall Total	125.6	140.0	182.4	246.0

¹Distribution between Federal (BRL 173.2 billion, State (BRL 71.9 billion) and Municipal (BRL 0.9 billion) governments.

²Includes signing bonus.

Donations

We made donations to the states of Minas Gerais and Espírito Santo in February 2020, due to the public calamity decreed after the heavy rains that caused serious

human and material damage to the local population. In February 2019, we sent funds to the city of Brumadinho, after the tragedy caused by the rupture of the Vale mining dam in the mining municipality. Amounts were for a total of BRL 2.3 million.

DONATIONS MADE IN 2019 AND 2020 (until February 29, 2020)*

Destination	Month/Year	Amount
Municipality of Brumadinho	February 2019	BRL 900,000.00
State of Minas Gerais	February 2020	BRL 900,000.00
State of Espírito Santo	February 2020	BRL 500,000.00
Total		BRL 2,300,000.00

*Period prior to the coronavirus pandemic in Brazil

Volunteering

We promote several volunteer actions at our units throughout Brazil. Some of our activities include the renovation of a public school dedicated to early childhood in the city of Rio de Janeiro and a children's library in Macaé, in addition to computer classes, cleaning efforts for beaches, lagoons and mangroves, lectures about the labor market, youth career training, and the collection of donations.

VOLUNTEER NUMBERS (2019)

Number of volunteers	697			
Volunteer hours donated	Paid hours	Unpaid hours	Total hours	Total BRL
	1476	1132	2608	415,774.44

In September, there was an integrated contribution effort of 22 projects supported through the Petrobras Socio-Environmental Program and our volunteers in the activities of the International Coastal Cleaning Day. This action is part of a global movement to make people aware of the environmental impacts caused by irregular waste disposal and resulted in the collection of 18 metric tons of waste in 15 states and 125 kilometers of the Brazilian coast, contributing to the conservation of the ocean and its species

We continue to participate in the Entrepreneurial Trail, a project in which we are one of the anchor companies. This is a voluntary project in the oil and gas sector carried out in partnership with the Brazilian Institute of Oil, Gas and Biofuels (IBP) and Junior

Achievement, involving our employees in activities to raise awareness and educate high school youth from public schools in Rio de Janeiro in the areas of entrepreneurship, ethics, financial education, and preparation to enter the workforce. In September 2019, the Entrepreneurial Trail project was honored by the Brazilian Corporate Volunteering Committee (CBVE) with the title "House Silver."

In October, children's month, our volunteers renovated the oldest public school for early childhood education in Rio de Janeiro, the Campos Salles Child Development Space, which celebrated its 110th anniversary in 2019. About 90 volunteers painted furniture and restored walls and flooring during five days of renovation. This renovation was assisted by our sponsored project Mão na Massa, which works to train and introduce women to the civil construction sector. Its participants offered technical guidance for the renovations. In Macaé, about 20 of our volunteers revitalized the children's section of the Municipal Public Library Dr. Télió Barreto.

We do Christmas activities as part of our corporate volunteering in several of our operational units and administrative buildings throughout Brazil. In the Campos Basin, 2,343 people from 16 schools in the municipal network of Macaé and Rio das Ostras and an elderly care home in the Porto Açu region, in northern Rio de Janeiro, benefited from activities with the dedication and engagement of 130 employees. In the Christmas activities promoted by the Abreu e Lima Refinery (RNEST), 271 children from three municipal schools were awarded gifts donated by employees. In Rio de Janeiro, more than 1,100 children and adolescents from five Social Assistance Reference Centers (CRAS) and nine municipal shelters were beneficiaries. In addition to donating toys, backpacks, and clothes, about 120 volunteers engaged in delivering the gifts, acting as Santa Claus, sorting and wrapping the packages, in addition to organizing snacks, children's recreation, photography and other support tasks.

Our subsidiary Transpetro also carried out a campaign through corporate volunteering that collected more than 800 food basket items that were sent to the group of crab collectors surrounding the Estrela River, in Magé, Rio de Janeiro. In total, the Transpetro Volunteer Program collected more than 5,000 items and benefited more than 1,700 people.

Convergence with the Petrobras Young Apprentice Program

We held the Tecnoyouth Hackathon in partnership with the Petrobras Young Apprentice Program (PPJA). 82 young apprentices participated in the non-competitive marathon. They were students from public schools aged 16 to 18 years old, 9 of which had a disability. Twenty employees volunteered to mentor and support these teenagers.

From some mentoring in Social Data Science, students built georeferenced dashboards that showed indicators of the opportunities and vulnerabilities in the territories where they live. In addition to learning to work with georeferenced social data, young people related this information to the Sustainable Development Goals (SDGs).

They were previously trained in August, October and December in digital technologies, digital culture, social and environmental responsibility content, self-management, and collaborative learning. That training took place in a partnership between ICT and the Computer Laboratory of the Federal University of Rio de Janeiro (Labis).



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Limited assurance report issued by independent auditors

To the Board of Directors, Shareholders and Stakeholders
Petróleo Brasileiro S.A. - Petrobras
Rio de Janeiro - RJ

Introduction

We have been engaged by Petróleo Brasileiro S.A. - Petrobras ("Petrobras" or "Company") to apply limited assurance procedures on the sustainability information disclosed in Petrobras' 2019 Sustainability Report, related to the year ended December 31st, 2019.

Responsibilities of Petrobras' Management

The Management of Petrobras is responsible for adequately preparing and presenting the sustainability information in the 2019 Sustainability Report in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards), as well as the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion about the information in the 2019 Sustainability Report based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared based on NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC and equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence ones, and the engagement is also conducted to provide limited assurance that the information disclosed in the Petrobras' 2019 Sustainability Report, taken as a whole, is free from material misstatement.

KPMG Assurance Services Ltda., uma sociedade simples brasileira, de responsabilidade limitada, e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

KPMG Assurance Services Ltda., a Brazilian limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of questions and interviews with the Management of Petrobras and other professionals of the Company involved in the preparation of the information disclosed in the 2019 Sustainability Report and use of analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues which may lead them to believe that the information disclosed in the 2019 Sustainability Report taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the 2019 Sustainability Report, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:

- (a) Engagement planning: considering the material aspects for Petrobras' activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the Petrobras' 2019 Sustainability Report. This analysis defined the indicators to be checked in details;
- (b) Understanding and analysis of disclosed information related to material aspects management;
- (c) Analysis of preparation processes of the 2019 Sustainability Report and its structure and content, based on the Principles for Defining Report Content and Quality of the GRI Sustainability Reporting Standards;
- (d) Evaluation of non financial indicators selected:
 - Understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
 - Application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the 2019 Sustainability Report;
 - Analysis of evidence supporting the disclosed information;
- (e) analysis of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the Company;

We believe that the information, evidence and results we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

**Scope and limitations**

The procedures applied to a limited assurance engagement are substantially less extensive than those applied to a reasonable assurance engagement. Therefore, we cannot provide assurance that we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the 2019 Sustainability Report.

Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretation of the data's materiality, relevance and accuracy are subject to individual assumptions and judgments. Additionally, we have not examined data related to prior periods, evaluated the adequacy of the company's policies, practices and sustainability performance, nor future projections.

Conclusion

Based on the procedures carried out, described earlier in this report, we have not identified any relevant information that leads us to believe that the information in Petrobras' 2019 Sustainability Report is not fairly stated in all material aspects in accordance with the GRI Sustainability Reporting Standards, as well as its source records and files.

Rio de Janeiro, May 25th, 2020

KPMG Assessores Ltda.
CRC 2SP034262/O-4 F-SP

Eduardo V. Cipullo
Contador CRC 1SP135597/O-6

GRI Content Summary

GENERAL STANDARDS

GRI STANDARDS OR OIL AND GAS SECTOR DISCLOSURE	LOCATION OR REASON OF OMISSION	CORRELATIONS			ASSURANCE
		SDGs	UN GLOBAL COMPACT	IPIECA	

ORGANIZATIONAL PROFILE

102-1	Name of the organization	Petróleo Brasileiro S.A. - Petrobras				
102-2	Activities, brands, products, and services	Pages 15 and 16				
102-3	Location of headquarters	Rio de Janeiro				
102-4	Location of operations	Page 22				
102-5	Ownership and legal form	We are a publicly traded corporation and our majority shareholder and controller is the Brazilian Federal Government				
102-6	Markets served	Page 22				
102-7	Scale of the organization	Reference Form 2019. Available in https://www.investidorpetrobras.com.br/en/results-and-notices/annual-reports/				

102-8	Information on employees and other workers	Pages 153 to 156	8			✓
102-9	Supply chain	Pages 204 to 205				✓
102-10	Significant changes to the organization and its supply chain	Pages 3 and 16				✓
102-11	Precautionary principle or approach	Regarding Precautionary Principle or approach, we seek effective actions to prevent the use of serious or irreversible damages to the environment and to the human health, even when there is no scientific consensus about.				
102-12	External initiatives	Pages 237 to 239			GOV-2; GOV-5	✓
102-13	Membership of associations	Pages 237 to 239			GOV-5	✓
STRATEGY						
102-14	Statement from senior decision-maker	Pages 3 to 5				
102-15	Key impacts, risks and opportunities	Pages 32 to 38, 96 to 101 and 189			GOV-1; CCE-1	
ETHICS AND INTEGRITY						
102-16	Values, principles, standards and norms of behavior	Pages 58 to 61 and 79	16	10	GOV-1	✓
102-17	Mechanisms for advice and concerns about ethics	Pages 58 to 64	16	10	GOV-1	
GOVERNANCE						
102-18	Governance structure	Pages 48 to 52			GOV-1	✓

102-19	Delegating authority	Page 54		GOV-1
102-20	Executive-level responsibility for economic, environmental and social topics	Pages 48 to 49 and 56		GOV-1; CCE-1
102-21	Consulting stakeholders on economic, environmental and social topics	Pages 215 to 239	16	
102-22	Composition of the highest governance body and its committees	Page 49	5, 16	GOV-1; CCE-1
102-23	Chair of the highest governance body	Pages 49 to 52	16	GOV-1
102-24	Nominating and selecting the highest governance body	Page 49	5, 16	GOV-1
102-25	Conflicts of interest	Pages 60 and 77 to 79		
102-26	Role of highest governance body in setting purpose, values and strategy	Pages 49 to 55		GOV-1
102-27	Collective knowledge of highest governance body	Pages 56 to 57	4	GOV-1
102-28	Evaluating the highest governance body's performance	Pages 56 to 57		GOV-1
102-29	Identifying and managing economic, environmental and social impacts	Pages 75 and 94 to 97	16	GOV-1; GOV-2; CCE-1
102-30	Effectiveness of risk management processes	Pages 94 to 101		GOV-1; GOV-2; CCE-1
102-31	Review of economic, environmental and social topics	Page 54		GOV-1
102-32	Highest governance body's role in sustainability reporting	Page 6		GOV-1
102-33	Communicating critical concerns	Pages 54 and 78		

102-34	Nature and total number of critical concerns	Pages 61 to 64		
102-35	Remuneration policies	Page 159		GOV-1
102-36	Process for determining remuneration	Page 158		
102-37	Stakeholders' involvement in remuneration	Page 165	16	
102-38	Annual total compensation ratio	Page 160		
102-39	Percentage increase in annual total compensation ratio	Page 165		

STAKEHOLDERS ENGAGEMENT

102-40	List of stakeholder groups	Page 215			
102-41	Collective bargaining agreements	Page 165	8	3	
102-42	Identifying and selecting stakeholders	Page 217			SOC-9 
102-43	Approach to stakeholder engagement	Pages 132 to 135 and 190 to 239			SOC-8; SOC-9; SOC-12; SOC-13 
102-44	Key topics and concerns raised	Pages 190 to 203 and 215 to 239			SOC-8; SOC-9; SOC-12 

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

102-45	Entities included in the consolidated financial statements	Form 20F 2019, page 385. Available in https://www.investidorpetrobras.com.br/en/results-and-notice/annual-reports/			
102-46	Defining report content and topic boundaries	Page 13			

102-47	List of material topics	Page 13		
102-48	Restatements of information	Page 6		
102-49	Changes in reporting	Page 13		
REPORTING PROFILE				
102-50	Reporting period	From January 1st to December 31, 2019		
102-51	Date of most recent report	The prior version to this edition referred to the exercise from January 1st to December 31, 2018		
102-52	Reporting cycle	Annual		
102-53	Contact point for questions regarding the report	sustainabilityreport@petrobras.com.br		
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Comprehensive option		
102-55	GRI content index	Pages 256 to 271		
102-56	External assurance	Pages 254 to 255	GOV-1	

SPECIFIC STANDARDS

GRI STANDARDS OR OIL AND GAS SECTOR DISCLOSURE	LOCATION OR REASON OF OMISSION	CORRELATIONS			ASSURANCE
		SDGs	PACTO GLOBAL	IPIECA	
OIL PRODUCT PRICES					
103-1 103-2 103-3	Managerial style	Pages 30 to 31			
ACCIDENT PREVENTION AND SPILLS					
103-1 103-2 103-3	Managerial style	Pages 129 to 135			ENV-6
306-3	Significant spills	Pages 125 to 126	3, 6, 12, 14, 15	8	ENV-6 
COMPLIANCE, BUSINESS ETHICS, PREVENTION AND ANTI-CORRUPTION					
103-1 103-2 103-3	Managerial style	Pages 58 to 66 and 83 to 84			GOV-3 
205	Anti-corruption	Pages 77, 83, 86, 87, 88 and 174			GOV-3 
205-1	Operations assessed for risks related to corruption	Page 86 to 88	16	10	GOV-3
205-2	Communication and training about anti-corruption policies and procedures	Pages 83 to 88, 173 to 174	16	10	GOV-3 
205-3	Confirmed incidents of corruption and actions taken	Page 89	16	10	GOV-3 
206	Anti-competitive behavior	Page 67			
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Page 68	16		
307	Environmental compliance	Page 71			

307-1	Non-compliance with environmental laws and regulations	Pages 73 to 76	16	8	
417	Marketing and labeling	Page 71			
417-1	Requirements for product and service information and labeling	Page 71	12, 16	1	
417-2	Incidents of non-compliance concerning product and service information and labeling	Page 71	16		
417-3	Incidents of non-compliance concerning marketing communications	Page 66			
419	Socioeconomic compliance	Pages 71 to 75			
419-1	Non-compliance with laws and regulations in the social and economic area	Pages 74 to 75	16		

RESERVES REPLACEMENT

103-1 103-2 103-3	Managerial style	Page 31			
OG1	Volume and type of estimated proved reserves and production	Page 31			

POLITICAL-ECONOMIC ISSUES

103-1 103-2 103-3	Managerial style	Page 98			
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PRODUCTION CURVE EFFECTIVENESS

103-1 103-2 103-3	Managerial style	Pages 28 to 29			
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SAFETY AND COMMITMENT TO LIFE PROGRAM

103-1 103-2 103-3	Managerial style	Pages 136 to 137		SHS-1; SHS-2	
403	Occupational health and safety	Pages 141 to 142		SHS-3; SHS-2	

403-1	Workers representation in formal joint management-worker health and safety committees	Pages 142 to 143	8		
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Pages 145 to 146	3, 8	SHS-3	
403-3	Workers with high incidence or high risk of diseases related to their occupation	Pages 147 to 148	3, 8	SHS-3	
403-4	Health and safety topics covered in formal agreements with trade unions	Page 148	8		
416	Customer health and safety	Pages 68 to 69		SHS-5	
416-1	Assessment of the health and safety impacts of product and service categories	Pages 68 to 71		SHS-5	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 70	16	SHS-5	
OG13	Number of process safety events, by business activity	Pages 129 to 134	3, 6, 8, 11	SHS-6; SHS-7	

REGULATORY FRAMEWORK, MARKET AND COMPETITION

103-1 103-2 103-3	Managerial style	Pages 67 to 68			
202	Market presence	Pág. 22			

OPERATIONAL AND INVESTMENTS EFFICIENCY

103-1 103-2 103-3	Managerial style	Pages 28 to 29			
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PORTFOLIO STRATEGY

103-1 103-2 103-3	Managerial style	Pages 26 to 30			
OG11	Number of sites that have been decommissioned and sites that are in the process of being decommissioned	Page 188	1, 2	ENV-8	

CORPORATE GOVERNANCE

103-1 103-2 103-3	Managerial style	Pages 42 to 47	GOV-1
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FINANCIAL STRATEGY

103-1 103-2 103-3	Managerial style	Pages 29 to 31
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201	Economic performance	Pages 30 to 31	
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201-1	Direct economic value generated and distributed	Form 20F 2019, pages 150-163. Available in https://www.investidorpetrobras.com.br/en/results-and-notices/annual-reports/
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PRODUCT QUALITY AND CUSTOMER RELATIONSHIP

103-1 103-2 103-3	Managerial style	Pages 68 to 71 and 219 to 221
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418	Customer privacy	Pages 65 to 66
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418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pages 66
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OG8	Benzene, lead and sulfur content in fuels	Pages 149 to 150	3, 12
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SUPPLIER MANAGEMENT

103-1 103-2 103-3	Managerial style	Pages 204 to 206	GOV-1; SOC-14
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204	Procurement practices	Pages 204 to 213	SOC-14	
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204-1	Proportion of spending on local suppliers	Page 204	12	SOC-14	
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308	Supplier environmental assessment	Pages 206 and 211 to 213	
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308-1	New suppliers that were screened using environmental criteria	Pages 206 and 211 to 213	2, 3, 4, 5, 8		
308-2	Negative environmental impacts in the supply chain and actions taken	Pages 211 to 213	2, 3, 4, 5, 8		
414	Supplier social assessment	Pages 202, 204, 213 to 214		GOV-3	
414-1	New suppliers that were screened using social criteria	Pages 201, 202 and 214	5, 8, 16	2	
414-2	Negative social impacts in the supply chain and actions taken	Page 214	5, 8, 16		

RELATIONSHIP WITH STAKEHOLDERS

103-1 103-2 103-3	Managerial style	Pages 151, 152, 215 and 216			
201-4	Financial assistance received from government	Pages 232 to 233			
203	Indirect economic impacts	Page 250			
203-1	Infrastructure investments and services supported	Pages 190 and 244	2, 9, 11		
203-2	Significant indirect economic impacts	Pages 190, 191, 240 to 247	1, 2, 3, 8, 10		
415	Public policy	Pages 79 to 82		GOV-5	
415-1	Political contributions	Pages 79 to 82	16	10	GOV-4

OTHER TOPICS

GRI STANDARDS OR OIL AND GAS SECTOR DISCLOSURE	LOCATION OR REASON OF OMISSION	CORRELATIONS			ASSURANCE
		SDGs	PACTO GLOBAL	IPIECA	

EMISSIONS

Petrobras' atmospheric emissions inventories for the years presented in this report have been verified by Rina Brasil Serviços Técnicos Ltda (verification of the 2019 inventory in progress), according to ISO 14.064. although the standard is specific for greenhouse gases, other pollutants (NOx, SOx, VOC, CO and PM) are also checked in the process, as well as system reliability, data flow and responsibilities.

201-2	Financial implications and other risks and opportunities due to climate change	Page 107 and 108	13	7	CCE-1; CCE-2; CCE-7
305	Emissions	Pages 104 to 106			CCE-1; CCE-2; CCE-7; ENV-5
305-1	Direct (Scope 1) GHG emissions	Page 105	3, 12, 13, 14, 15	7,8	CCE-3; CCE-4; CCE-5
305-2	Energy indirect (Scope 2) GHG emissions	Pages 106 and 107	3, 12, 13, 14, 15	7,8	CCE-3; CCE-4; CCE-5
305-3	Other indirect (Scope 3) GHG emissions	Page 107	3, 12, 13, 14, 15	7,8	CCE-3; CCE-4
305-4	Greenhouse gas (GHG) emissions intensity	Pages 106 to 108	3, 12, 13, 14, 15	8	CCE-2; CCE-4
305-5	Reduction of greenhouse gas (GHG) emissions	Pages 107 to 108	3, 12, 13, 14, 15	8, 9	CCE-2
305-6	Emissions of ozone-depleting substances (ODS)	Pages 106 and 107	3, 13, 14, 15	7, 8	CCE-2
305-7	Nitrogen oxides (NOx), Sulfur oxides (SOX), and other significant air emissions	Page 108	3, 13, 14, 15	7, 8	CCE-2; ENV-5
OG6	Volume of flared and vented hydrocarbon	Page 105	3, 7, 8, 12, 13, 14		CCE-2; CCE-7

ENERGY

302	Managerial style	Pages 110 to 111			CCE-6	
302-1	Energy consumption within the organization	Page 110	7, 8, 12, 13	8	CCE-6	
302-2	Energy consumption outside of the organization	Pages 110 to 111	7, 8, 12, 13	8	CCE-6	
302-3	Energy intensity	Page 110	7, 8, 12, 13	8	CCE-6	
302-4	Reduction of energy consumption	Page 110	7, 8, 12, 13	8, 9	CCE-6	
302-5	Reductions in energy requirements of products and services	Pages 110 to 111	7, 8, 12, 13	8, 9	CCE-6	
OG2	Total amount invested in renewable energy	Page 39	7, 9, 17		CCE-3	
OG3	Total amount of renewable energy generated by source	Page 17	7		CCE-3	
OG14	Volume of biofuels produced and purchased meeting sustainability criteria	Page 204			CCE-3	

BIODIVERSITY

304	Biodiversity	Pages 112 to 115			ENV-3; ENV-4	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 114	6, 14, 15	8	ENV-3	
304-2	Significant impacts of activities, products, and services on biodiversity	Pages 114 to 115	6, 14, 15	8	ENV-3	
304-3	Habitats protected or restored	Page 114	6, 14, 15	8		

304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Page 115	6, 14, 15	8		
OG4	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored	Pages 112 to 115	6, 14, 15			ENV-3; ENV-4

WATER RESOURCES

303	Managerial style	Pages 116 to 117				ENV-1	
303-1	Water withdrawal by source	Page 119	6	7, 8		ENV-1	
303-2	Water sources significantly affected by withdrawal of water	Pages 116 to 119	6	8		ENV-1	
303-3	Water recycled and reused	Page 119	6, 8, 12	8		ENV-1	
306-5	Water bodies affected by water discharges and/or runoff	Page 120	6, 15	8		ENV-1	
OG5	Volume and disposal of formation or produced water	Page 118	3, 6, 8, 12, 14			ENV-1	

MATERIALS

301	Managerial style	Pages 121 and 122				ENV-7	
301-1	Materials used by weight or volume	Page 124				ENV-7	
301-2	Recycled input materials used	Page 124				ENV-7	
301-3	Reclaimed products and their packaging materials	Page 124				ENV-7	

EFFLUENTS AND WASTE

306	Managerial style	Pages 119 to 122				ENV-2	
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306-1	Water discharge by quality and destination	Page 119	3, 6, 12, 14	8	ENV-2
306-2	Waste by type and disposal method	Pages 122 to 123	3, 6, 12	8	
306-4	Transport of hazardous waste	Page 123	3, 12	8	
0G7	Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal	Pages 119 to 120	3, 6, 12		

HUMAN RESOURCE MANAGEMENT

201-3	Defined benefit plan obligations and other retirement plans	Pages 160 to 161				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Page 160				
202-2	Proportion of senior management hired from the local community	Pages 156 to 157				
401	Employment	Pages 153, 206, 210 and 213			SOC-6; SOC-8; SOC-15	
401-1	New employee hires and employee turnover	Pages 156 to 158	5, 8	6		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 162 to 163	8			
401-3	Parental leave	Pages 163 to 164	5, 8			
402	Labor management relations	Page 153 and 165			SOC-6	
402-1	Minimum notice periods regarding operational changes	Page 157	8			
404	Training and education	Pages 172 and 175			SOC-7	

404-1	Average hours of training per year per employee	Pages 172 and 175 to 177	4, 5, 8	6	SOC-7	✓
404-2	Programs for upgrading employee skills and transition assistance programs	Pages 172, 175 to 179	8		SOC-7	
404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Pages 170 to 171	5, 8	6	SOC-6	✓
405-1	Diversity of governance bodies and employees	Page 169	5, 8	6	GOV-1; SOC-5	✓
405-2	Ratio of basic salary and remuneration of women to men	Pages 167 to 170	5, 8, 10	6	SOC-5	

HUMAN RIGHTS

405	Diversity and equal opportunity	Pages 166, 167, 183 and 185			GOV-1; SOC-5	✓
406	Non discrimination	Pages 183, 185 and 201				
406-1	Incidents of discrimination and corrective actions taken	Page 186	5, 8, 16	6		
407	Freedom of association and collective bargaining	Page 186			SOC-8	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pages 201 to 202	8		SOC-2	
408	Child labor	Page 201				
408-1	Operations and suppliers at significant risk for incidents of child labor	Pages 201 and 203	8, 16		SOC-2	
409	Forced or compulsory labor	Pages 90, 201 and 203			SOC-4	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Pages 90, 201 and 203	8		SOC-2; SOC-4	

410	Security practices	Page 199			SOC-3	
410-1	Security personnel trained in human rights policies or procedures	Pages 200 to 201	16	1	SOC-1; SOC-3	
411	Rights of indigenous peoples	Pages 193 to 195				
411-1	Incidents of violations involving rights of indigenous peoples	Pages 195 to 198	2	1		
412	Human rights assessment	Page 183			SOC-1; SOC-2	
412-1	Operations that have been subject to human rights reviews or impact assessments	Pages 187 to 193		1	SOC-1; SOC-2	
412-2	Employee training on human rights policies or procedures concerning aspects of human rights	Pages 172 and 183			SOC-1	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Pages 187 and 188		2	SOC-1; SOC-2	
413	Local communities	Pages 187 to 193			SOC-9	
413-1	Operations with local community engagement, impact assessments and development programs	Pages 188 to 193		1	SOC-9; SOC-12	
413-2	Operations with significant actual and potential negative impacts on local communities	Page 188	1, 2		SOC-9	
OG9	Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place	Pages 193 and 195			SOC-10	
OG10	Number and description of significant disputes with local communities and indigenous peoples	Page 196	1, 2		SOC-10	
OG12	Operations where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process	Page 198	1, 2		SOC-1; SOC-11	

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MINISTÉRIO DE
MINAS E ENERGIA



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GOVERNO FEDERAL