

Additional Clarifications for the Global Compact

The 2019 was a year of improvement and strengthening of our corporate governance model. BR ceased to be a state-owned company and is now a private company due to the secondary offering of shares of Petróleo Brasileiro S.A. in late July, when it left BR's control.

The corporate governance model was maintained, with the Board of Directors having four advisory committees: Corporate Governance and Related Parties; Indication, Remuneration and Succession; Risks and Financial; and Statutory Audit.

Last year, the management of the areas that support BR's corporate governance began to be improved. Based on the model of three lines of defense, aiming the effectiveness of prevention, detection, investigation and correction of deviations in general, an Integrity Management System was created. This System mainly integrates data and actions from the areas of Internal Audit, Ombudsman, Internal Controls, Risks and Compliance and Ethics. This Integrity Management System has represented an organizational evolution - comprising a set of institutional arrangements, work processes, regulations, management and control instruments - designed to promote the integrity of the corporation and its workforce, under the responsibility and the coordination of a specific area.

Our Integrity Program undergoes constant improvement, with the implementation of new mechanisms for the prevention, detection and treatment of fraud, corruption and related issues, and with the review and improvement of the existing mechanisms, such as:

- Compliance Policy;
- Administrative Process for Accountability of Legal Entities;
- Norm for Prevention of Money Laundering and the Financing of Terrorism;
- Standard for Conformity Assessment Process;
- Guide to Conduct;
- BR Corruption Prevention Program;
- Counterparty Integrity due diligence process r;
- Investigations processes revision;
- Process for monitoring interactions with Political Agents and Political Parties; and

- Integrity Background Check Assessment process revision.

Car Wash Operation

It is undeniable that the robust governance that BR has today is, in large part, a response to the risks identified with the outbreak of the investigation called Operation Lava Jato (“Car Wash”), in March 2014. This investigation, which started at Petrobras (holding company, at the time) and extended to some of its subsidiaries, including BR, unveiled a scheme of improper payments involving not only construction companies, but also financial operators, politicians and public agents.

Based on the information available to BR, this scheme consisted of (i) overbilling in contracts entered into by Petrobras and BR with a group of companies, generating the use of amounts by such companies for making irregular payments; and (ii) possible influence peddling between administrators, politicians and representatives of companies with a commercial relationship with BR.

The fact is that we can categorically state that we have learned from the results of Operation Lava Jato and, today, we are much better prepared to prevent similar risks from materializing. Therefore, we can state that Operation Lava Jato already represents a learned chapter or a turning page in our history. Although there are still ongoing investigations before the Supreme Federal Court (STF) and before the federal judiciary of the State of Paraná, most of which are still confidential, which may also deal with illicit acts committed to the detriment of BR’s interests and to which the Company has not yet had full access. From the inquiries already made public, it is worth mentioning the inquiries nº 4112, nº 3990 e 4162. Those inquiries dealt with the supposed political influence of senator Fernando Collor de Mello and deputy Vander Loubet, and of criminal practices within the scope of BR in relation, among others: (i) Contracts with the DVBR and UTC Engenharia Service Station Network; (ii) Operation involving Laginha Agroindustrial; and (iii) contracts with FTC Cards Processamento e Serviços de Fidelização Ltda. The first two inquiries were the subject of a complaint presented and received by the STF, the last of which was the object of a complaint already considered by the STF, which declared the punishment of Fernando Affonso Collor de Mello extinct by a final and unappealable decision.

As a result of the investigations carried out in Operation Lava Jato, BR concluded that part of the expenses incurred for the construction of certain BR fixed assets included additional expenses due to overpricing of contracts with suppliers involved in the illegal scheme described above. Therefore, should not have been

included in the historical cost of such fixed assets of BR. Thus, in the third quarter of 2014, BR recognized a write-off at the amount of R \$ 23 million.

It is always possible that additional complaints or claims are presented in the USA, Brazil or other countries against Petrobras, related to Operation Lava Jato or other investigations in the future. It is also possible that additional information affecting Petrobras or BR interests would come up in the course of current investigations. Petrobras' management may be required to make efforts to defend these complaints or claims, to the detriment of Petrobras' main business and, consequently, of BR.

In due course, it is worth mentioning that BR is part of a criminal investigation related to the alleged undue control of the final price of fuel at the dealer stations in Curitiba, called "Operation Margin Controlled". This investigation resulted in the 31st of July 2018 in the temporary arrest of three BR employees. Currently, the case is still in investigation phase by the Police.

Controlled Margin Operation

BR is also part of a criminal investigation related to the alleged undue control of the final price of fuels at the pumps of the dealer stations in Curitiba, called "Operation Controlled Margin", initiated by the Division of Combating Corruption of the Civil Police of the State of Paraná and by the Ministry Public. This investigation resulted in the 31st of July 2018 in the temporary arrest of three BR employees. Currently, the case is still being investigated by the Police.

Operation Dubai

Also in 2018, it was triggered by the Federal Police in the Federal District (DF) in partnership with the Administrative Council for Economic Defense (CADE), in an investigation led by GAECO of the Public Ministry (MP) of the DF and Territories, an operation against owners of several networks of posts in the DF, in addition to managers of some distributors. Within the scope of the operation, the MP filed a precautionary action for the unavailability of assets, having been blocked approximately R \$ 260 million. BR managed to unblock it using the TJDF. The criminal action continues in the face of individuals.

Competitive Compliance Program

In order to prevent threats to free competition, we have structured our Competitive Compliance Program in a robust manner, with the engagement of Senior Management and meeting the best integrity practices, in particular the requirements set out in the CADE Compliance Program Guide.

Analyses of the competitive risks of the economic activities carried out by the company are carried out, involving: (i) mapping of the areas of operation of BR sensitive to competitive risks; (ii) evaluation of competitive aspects in benchmarking actions; (iii) holding meetings with the managers of the areas most exposed to competitive risk; (iv) analysis of the history of investigations and competitive processes involving BR; (v) analysis of the history of investigations and competitive processes in the relevant fuel distribution and resale markets; (vi) analysis of CADE's jurisprudence and guides on the relevant fuel distribution and resale markets.

Measures to address these risks were also implemented, such as: (i) revision of the Guide to Competitive Conduct; (ii) elaboration of a “Questions and Answers” about the Guide to Competitive Conduct, which makes up our Integrity Network, available to employees on our internal website; (iii) internal banner on Competitive Compliance on the intranet page; (iv) control of the science record, to be carried out by the workforce, of the Guide to Competitive Conduct; (v) preparation of a “Competitive Booklet” for resellers on the BR website; (vi) mandatory face-to-face training / Teams for teams that work in the areas most sensitive to competitive risk; (vii) elaboration of the “Competition Compliance Rules” for BR's Retail and Market Intelligence Department; (viii) creation of Compliance Agents; (viii) Inclusion of the topic of Competitive Compliance in the new Guide to Conduct (under review).

Our Competitive Compliance Program is frequently reviewed and improved due to the dynamics of the market.

Ultimately, BR has taken many actions since 2014 when Operation Lava Jato was launched. Just because society, the State and the market have been able, over the past few years, to measure and recognize the effectiveness of these actions (mentioned here) do we allow ourselves to adhere to the United Nations Global Compact.