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Message from the CEO

Petrobras believes that the sustainable growth of the business must be based on a solid human capital development strategy. Encouraging this culture building is the main contribution we can give to society. We support actions that will encourage critical skills construction, focusing on high performance, based on meritocracy and on an environment of trust, collaboration and respect.

The 10th anniversary of our oil and gas pre-salt frontier expansion is a great milestone. This achievement was based in the expansion of our competitiveness and reflects the technological capacity and best technical staff an oil and gas company can rely on.

Safety and commitment to life are non-negotiable values in our company, embedded in all our decisions. We reinforce our commitment to preserving the environment, respecting human rights and fighting corruption, in accordance with the principles of the United Nations Global Compact. The United Nations Sustainable Development Goals are our inspiration to move forward.

We can highlight innumerous governance improvements in the last few years, which include the implementation of strict ethics and integrity standards. From a financial standpoint, we have gained more access to credit and international markets, in addition to reducing our levels of indebtedness. We have improved our reputation among shareholders and society as a whole. Besides providing the energy that moves society to fulfill its potential, we also contribute to strengthening our supply chain, to support the local development of the communities where we operate in partnership with civil society organizations and with the technological cooperation of the academia and scientific community. We invested BRL 2,349 million in Research, Development and Innovation projects. We rely on a technology network comprising 126 universities and research institutions.

We disseminate our actions and results through a broad and transparent relationship with the market and society. We are committed to dedicate our efforts and talents to transform our company into a global example of excellence and sustainability.

In 2018 we launched our 2040 Strategic Plan and our 2019-2023 Business Plan, with a view to the evolution of society, which will in the long run increasingly demand diversification in energy sources and uses. We also launched our 2040 Scenarios, which variables will directly guide the company’s choices for the future.

We disclosed the target of zero emissions growth in 2025, based on the year of 2015, in addition to targets for reducing the emission intensity for the exploration, production and refining segments. Through a strategy that reflects risks and setbacks, we are committed to use technological innovations to minimize the carbon emissions of our current and future operations.

We believe that digital transformation and artificial intelligence will be critical tools for generating value, since they will improve our operational efficiency, providing us with the essential competitive advantage to cope with new technological challenges, besides reducing costs and increasing our competitiveness.

Roberto Castello Branco
Petrobras CEO
Petrobras in numbers

We are a company that operates in the oil and gas sector, in exploration and production activities, refining, marketing, transportation, petrochemicals, products distribution, natural gas and gas chemistry activities, as well as electric energy generation and biofuel production and marketing. We are leaders in the oil industry in Brazil and we are a publicly traded corporation which major shareholder and controller is the Brazilian Federal Government.

In our vision we establish that we are an integrated energy company that evolves with society, generates high value, and has a unique technical capability.

We develop products to meet the various needs of our final consumers and customers, such as the road transport, agriculture and livestocks, industrial, air transport, water, rail transport, and thermolectric markets. We have participation in companies that produce basic petrochemical products (such as ethene, propene, and benzene) and also raw materials for second-generation industries to manufacture other products (such as plastics and rubber) used by industries in the production of articles for public consumption (such as packaging and tires). We own 2,828 brands and the main brands are Petrobras, Petrobras Podium, Petrobras Grid, Lubrax, Premmia, BR Mania.

2.63 million boed OF OIL, NGL, CONDENSATE AND NATURAL GAS
113 PLATFORMS
84.5 million m³/day OF NATURAL GAS EX-NGL
7,256 PRODUCING WELLS

1.87 million BPD OF OIL PRODUCTS PRODUCED
13 REFINERIES IN BRAZIL AND 1 SHALE INDUSTRIALIZATION UNIT
1,765 million BPD of oil products produced
1 REFINERY ABROAD
107 thousand BPD of oil products produced

564 million m³ of oil and oil products transported IN PIPELINES AND TERMINALS
64.4 million m³ OF NATURAL GAS TRANSPORTED PER DAY
16.9 thousand kilometers OF PIPELINES (OIL AND GAS PIPELINES)

89 million metric tons transported BY OUR VESSELS
123 VESSELS
47 TERMINALS
20 ON LAND
27 WATERWAYS

22.02 m³ OF CLEAR FUEL SOLD
7,665 SERVICE STATIONS

6.15 thousand average MW OF POWER
20 THERMOELECTRIC PLANTS
Highlights

**ENVIRONMENT**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and oil products spills (m³)</td>
<td>69.5</td>
<td>71.6</td>
<td>51.9</td>
<td>35.84</td>
<td>18.47</td>
</tr>
<tr>
<td>Energy consumption (tenajoules – TJ)</td>
<td>1,155,220</td>
<td>1,115,185</td>
<td>899,487</td>
<td>947,645</td>
<td>852,600</td>
</tr>
<tr>
<td>Greenhouse gas emissions (million metric tons of CO₂ equivalent)*</td>
<td>80.4</td>
<td>78.2</td>
<td>66.5</td>
<td>67.1</td>
<td>61.7</td>
</tr>
<tr>
<td>Emissions of carbon dioxide – CO₂ (million metric tons)*</td>
<td>75.9</td>
<td>73.8</td>
<td>62.5</td>
<td>63.2</td>
<td>57.9</td>
</tr>
<tr>
<td>Emissions of methane – CH₄ (thousand metric tons)*</td>
<td>153.5</td>
<td>149.7</td>
<td>145.1</td>
<td>132.6</td>
<td>131.7</td>
</tr>
<tr>
<td>Emissions of nitrous oxide – N₂O (metric tons)*</td>
<td>2,293.9</td>
<td>2,332.1</td>
<td>1,819.5</td>
<td>1,761.5</td>
<td>1,621.6</td>
</tr>
<tr>
<td>Atmospheric emissions – NOₓ (thousand metric tons)*</td>
<td>298.5</td>
<td>267.1</td>
<td>234.5</td>
<td>281.2</td>
<td>240.0</td>
</tr>
<tr>
<td>Atmospheric emissions – SO₂ (thousand metric tons)*</td>
<td>126.1</td>
<td>120.0</td>
<td>130.7</td>
<td>135.5</td>
<td>138.7</td>
</tr>
<tr>
<td>Particulate material (thousand m³)*</td>
<td>21.6</td>
<td>19.2</td>
<td>15.2</td>
<td>15.5</td>
<td>13.9</td>
</tr>
<tr>
<td>Freshwater catchment (million m³)*</td>
<td>254.8</td>
<td>277.1</td>
<td>281.8</td>
<td>293.2</td>
<td>289.1</td>
</tr>
</tbody>
</table>

**OCCUPATIONAL HEALTH AND SAFETY**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th></th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatalities (includes employees and contractors)</td>
<td>10</td>
<td>16</td>
<td>3</td>
<td>7***</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Lost Time Injury Rate (LTIR)</td>
<td>0.72</td>
<td>0.76</td>
<td>0.59</td>
<td>0.58</td>
<td>0.57</td>
<td></td>
</tr>
<tr>
<td>Recordable Accident Rate (RAR)</td>
<td>–</td>
<td>2.15</td>
<td>1.63</td>
<td>1.08</td>
<td>1.01</td>
<td></td>
</tr>
</tbody>
</table>

**CONTRIBUTIONS TO SOCIETY**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in social and environmental projects (BRL million)</td>
<td>405</td>
<td>271</td>
<td>120</td>
<td>60</td>
<td>87.0</td>
</tr>
<tr>
<td>Investments in cultural projects (BRL million)</td>
<td>194</td>
<td>139</td>
<td>71</td>
<td>61</td>
<td>38.3</td>
</tr>
<tr>
<td>Investments in sports projects (BRL million)</td>
<td>94</td>
<td>86</td>
<td>50</td>
<td>21</td>
<td>79.7</td>
</tr>
</tbody>
</table>

**OPERATIONS**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven reserves of oil, condensate and natural gas (billion barrels of oil equivalent – BOE)**</td>
<td>13.1</td>
<td>10.5</td>
<td>9.7</td>
<td>9.8</td>
<td>9.6</td>
</tr>
<tr>
<td>Total production of oil, NGL, condensate and natural gas ex-NGL (thousand barrels of oil equivalent per day – BOED)</td>
<td>2,669</td>
<td>2,786</td>
<td>2,790</td>
<td>2,767</td>
<td>2,628</td>
</tr>
<tr>
<td>Production of oil, NGL and condensate (thousand barrels/day – BPD)</td>
<td>2,150</td>
<td>2,227</td>
<td>2,224</td>
<td>2,217</td>
<td>2,099</td>
</tr>
<tr>
<td>Production of natural gas ex-NGL (million m³/day)</td>
<td>83.7</td>
<td>89.8</td>
<td>90.8</td>
<td>87.9</td>
<td>84.5</td>
</tr>
<tr>
<td>Domestic market sales volume (thousand BPD)</td>
<td>3,003</td>
<td>2,789</td>
<td>2,509</td>
<td>2,413</td>
<td>2,303</td>
</tr>
<tr>
<td>Foreign market sales volume (thousand BPD)</td>
<td>964</td>
<td>1,056</td>
<td>972</td>
<td>914</td>
<td>844</td>
</tr>
</tbody>
</table>

**CONSOLIDATED FINANCIAL STATEMENTS**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue (BRL million)</td>
<td>337,260</td>
<td>321,658</td>
<td>282,589</td>
<td>283,695</td>
<td>349,836</td>
</tr>
<tr>
<td>Gross profit (BRL million)</td>
<td>80,437</td>
<td>98,576</td>
<td>89,978</td>
<td>91,595</td>
<td>124,543</td>
</tr>
<tr>
<td>Operating income (BRL million)</td>
<td>(21,322)</td>
<td>(12,391)</td>
<td>17,111</td>
<td>35,624</td>
<td>62,957</td>
</tr>
<tr>
<td>Adjusted EBITDA (BRL million)</td>
<td>59,883</td>
<td>76,752</td>
<td>88,693</td>
<td>76,557</td>
<td>114,852</td>
</tr>
<tr>
<td>Net profit (loss) – Petrobras shareholders (BRL million)</td>
<td>(21,587)</td>
<td>(34,836)</td>
<td>(14,824)</td>
<td>(446)</td>
<td>25,779</td>
</tr>
<tr>
<td>Net profit (basic and diluted loss) per share (BRL)</td>
<td>(1.65)</td>
<td>(2.67)</td>
<td>(1.14)</td>
<td>(0.03)</td>
<td>1.98</td>
</tr>
<tr>
<td>Free cash flow (BRL million)</td>
<td>(19,554)</td>
<td>15,889</td>
<td>41,572</td>
<td>44,064</td>
<td>54,600</td>
</tr>
<tr>
<td>Net debt (BRL million)</td>
<td>282,089</td>
<td>392,136</td>
<td>314,120</td>
<td>280,752</td>
<td>268,824</td>
</tr>
<tr>
<td>Net debt/EBITDA</td>
<td>4.71</td>
<td>5.11</td>
<td>3.54</td>
<td>3.67</td>
<td>2.34</td>
</tr>
<tr>
<td>Investments (BRL million)</td>
<td>87,140</td>
<td>76,315</td>
<td>55,348</td>
<td>48,219</td>
<td>49,370</td>
</tr>
</tbody>
</table>

* Any possible changes in historical numerical information regarding previous publications of the Sustainability Report are due to improvements in the atmospheric emission management system or recommendations resulting from the third party verification process.
** According to SEC criteria
*** Addition of 01 (one) fatality after death confirmation (man overboard at sea)
About the report

Our Integrated Report consists of Sustainability 2018, the Annual Report and the Financial Statements. This publication provides the highlights of our social and environmental performance. Its purpose is to present how our actions in these dimensions are integrated to the economic dimension in order to demonstrate, with transparency and connectivity, how we generate value over time.

The material issues and the methodology for their identification are presented in the Annual Report. We provide additional information about 7 of the 15 material issues in Sustainability 2018: Prevention of accidents and spills; Compliance, Business ethics and fight against corruption; Safety and commitment to life; Portfolio strategies; Corporate governance; Supplier management and Relationship with stakeholders.

We have adopted the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards). We also present the correlation of the company’s activities with the Global Compact Principles and the United Nations Sustainable Development Goals (SDGs).

We maintained the scope of information relating to our activities in Brazil and abroad for this report, including data on Petrobras holding, subsidiaries and our companies in other countries.

KPMG was responsible for the limited assurance service of the Sustainability 2018 information.

1 The correlation of the information with the indicators of the GRI Standards, SDGs and Global Compact Principles is available at www.investidorpetrobras.com.br/en/results-and-notices/annual-reports
We launched the Climate Change Notebook, which details our understanding of how we contribute to reduce the carbon intensity of the energy supply and to remain competitive in a transitional environment.

For more information, see Climate Change Notebook at http://petrobras/climate

Our 2040 Strategic Plan and our 2019–2023 Business focus on the exploration and production of oil and natural gas, notably in the Brazilian pre-salt layer, which is our major strength and source of value generation. The commercialization and use of natural gas as a source to generate energy will gain more relevance in our operations in the medium term, following the trend of this fuel in the energy transition. In the long term, we will study opportunities in renewable energies that have synergies with our activities and competitive advantages. Thus, we will grant the formation of a sustainable portfolio. Digital technology will permeate our activities over this horizon (PE 2040) for reducing costs and increasing productivity.

We disclosed a zero-growth target in the PNG 2019–2023 with respect to the 2015 absolute emissions, as well as intensity targets for the E&P and refining segments, as shown in the following table:

**GREENHOUSE GAS EMISSIONS FROM OUR OPERATIONS IN 2018**

We conduct emissions’ inventories through the Atmospheric Emissions Management System – SIGEA®, which processes monthly information from more than 17 thousand sources of one hundred typologies. We inventoried greenhouse gases: carbon dioxide – CO₂, methane – CH₄ and nitrous oxide – N₂O, in addition to such other gases addressed in the Environment chapter. Our inventories are submitted annually to a third-party verification, according to ISO 14064, and are included in the public registry of the Brazilian GHG Protocol Program. In addition, we have been integrating the Carbon Disclosure Project (CDP) since 2006, reaching grade B (Management level) in 2018 for the questionnaire on climate change.

The total greenhouse-gas emissions in 2018 dropped 8% compared to the previous year. This decrease in GHG emissions was mainly due to the reduction of thermoelectric dispatch.

Emissions from Exploration and Production (E&P) and Refining activities decreased by 2% when compared to 2017.

**HISTORY OF GHG EMISSIONS (MILLIONS OF CO₂e)**

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*Zero growth in 2025 based upon 2015 – absolute emissions of 78 million metric tons of CO₂, except situations of national water scarcity.
The main initiatives to decrease carbon intensity include: better gas utilization (reduction of torch burning), improved thermoelectric efficiency and new operational units. At present, the gas utilization in the Exploration and Production area (>96%) is higher than the average of the International Association of Oil & Gas Producers (IOGP).

We also highlight the reinjection of 2.8 million metric tons of CO₂ separated from the gas produced in our pre-salt fields in the Santos Basin in 2018, totaling 9.8 million metric tons of CO₂ since 2008, including a set of technologies awarded by the Offshore Technology Conference (OTC).

In addition to managing emissions from our operations, we track emissions from our suppliers and products (Scope 3 emissions), the latter category being the most relevant to our value chain. The data is also included in the third party verification process.
### Business and Innovation in Low Carbon

<table>
<thead>
<tr>
<th>Source</th>
<th>Average MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermal Power Plants</td>
<td>2,205</td>
</tr>
<tr>
<td>Wind Power</td>
<td>18</td>
</tr>
<tr>
<td>Hydroelectric Power</td>
<td>2.4</td>
</tr>
<tr>
<td>Photovoltaic</td>
<td>0.2</td>
</tr>
</tbody>
</table>

#### Generation in 2018

- **3%** of the total Brazilian electricity demand.
- That amount is enough to supply a city of **6.7 milhões** inhabitants.

- **2,084 average MW** from natural gas
- **121 average MW** from fuel oil
- **18 average MW** from wind power
- **2.4 average MW** from hydroelectric power
- **0.2 average MW** from photovoltaic power
- **4 Wind power plants**
- **2 Hydropower plants**
- **1 Photovoltaic plant**

- **2,205 average MW** from thermal power plants
- **2,084 average MW** from natural gas
- **121 average MW** from fuel oil
- **18 average MW** from wind power
- **2.4 average MW** from hydroelectric power
- **0.2 average MW** from photovoltaic power
We will implement a pilot project for the first offshore wind plant in Brazil. The pilot plant will consist of an anemometric tower and an offshore wind generator of 6 MW or more, electrically connected to one of our platforms. The plant will be installed about 20 km from the coast of Guamaré/RN and is expected to reach full operation in 2022.

In order to expand our activities in renewable energies, we signed two Memorandum of Understanding (MOU) in 2018. The first with Total and Total Eren, companies with operations in centralized solar energy and distributed generation, for performing studies to develop an investment partnership to operate in renewable energies from solar and onshore wind sources. The other was signed with Equinor, a company that operates in offshore wind generation, for jointly carrying out studies to develop a potential partnership in this type of generation.

In the biofuels’ market, we have been selling fuels with high renewable content for decades, and we have internal laboratories to develop fuels and their mixtures with biofuels. In 2018, this activity was restructured and its business models remain under continuous evaluation. Biodiesel production from raw materials with a lower carbon footprint, such as waste oils and animal fats, grew by 15% in 2018 and is already equivalent to 35% of all production of the plants owned by Petrobras Biocombustível.

We acknowledge the need for innovation to meet energy demands with emission reductions and have recently joined the Oil and Gas Climate Initiative (OGCI), an organization committed to investing USD 1 billion over 10 years for a low-carbon future.

One of the focuses of our technological orientation is “Transition to Low Carbon,” resulting in a consistent research and development portfolio in the areas of Carbon Capture Utilization and Storage (CCUS), renewable energy (wind, solar, biomass) and climate change, with investments of BRL 92.25 million in 2018, according to the following typologies:

<table>
<thead>
<tr>
<th>CLASSIFICATION</th>
<th>BRL (thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Generation biofuels</td>
<td>3,006</td>
</tr>
<tr>
<td>Advanced Biofuels</td>
<td>19,922</td>
</tr>
<tr>
<td>Bioproducts</td>
<td>3,721</td>
</tr>
<tr>
<td>Waste-to-Energy</td>
<td>10,185</td>
</tr>
<tr>
<td>Thermoelectric Energy</td>
<td>8,280</td>
</tr>
<tr>
<td>Alternative energies</td>
<td>7,596</td>
</tr>
<tr>
<td>Wind energy</td>
<td>6,404</td>
</tr>
<tr>
<td>Solar energy</td>
<td>12,727</td>
</tr>
<tr>
<td>Hybrid-Electric Vehicles</td>
<td>20,401</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>92,246</strong></td>
</tr>
</tbody>
</table>

Through the Petrobras Socio-Environmental Program, we sponsored 15 volunteer projects for the conservation of natural areas, productive reconversion and recovery of degraded areas, as well as plant formations of the biomes. These projects are developed in strategic locations, representative of the main Brazilian biomes, and contribute to the conservation and fixation of carbon stocks in total plant biomass. It should be noted that the amount of CO₂ relative to the carbon fixation in biomass is in addition to the avoided emission curve of our operations.

For more information on the Petrobras Socio-Environmental Program, please refer to Social Investment.
ENERGY EFFICIENCY AND ENERGY CONSUMPTION

We have several energy-efficiency programs, including cogeneration, thermoelectric cycle closure and synergy plants built next to refineries, to provide steam for energy use in refining, increasing efficiency as a whole.

The main initiatives for energy conservation are related to the reduction of torch losses, with savings of BRL 65 million in 2018, reduction of steam and condensate losses, and process optimization. On the platforms, we installed heat recovery systems in the gas-turbine exhaust stacks for use in processes such as heating the oil.

We recorded, in 2018, the total consumption of 853 thousand terajoules (TJ), or 397 thousand boed, a quantity 10.0% lower than that of the previous year.

The actions to improve energy performance have enabled us to save 2,300 terajoules per year (TJ/a), or 1,100 boed, equivalent to the consumption of electric power of a city with 92 thousand inhabitants for one year.

ENERGY CONSUMPTION WITHIN PETROBRAS (in TJ)

<table>
<thead>
<tr>
<th>POWER CONSUMPTION</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel Oil</td>
<td>57,672</td>
<td>61,948</td>
<td>50,643</td>
</tr>
<tr>
<td>Fuel Oil</td>
<td>75,342</td>
<td>51,106</td>
<td>31,349</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>550,027</td>
<td>641,530</td>
<td>573,330</td>
</tr>
<tr>
<td>Fuel Gas</td>
<td>100,560</td>
<td>86,150</td>
<td>85,170</td>
</tr>
<tr>
<td>Residual Gas</td>
<td>11,488</td>
<td>16,612</td>
<td>17,330</td>
</tr>
<tr>
<td>Liquefied Petroleum Gas (LPG)</td>
<td>147</td>
<td>1,130</td>
<td>286</td>
</tr>
<tr>
<td>Coke</td>
<td>61,755</td>
<td>67,715</td>
<td>59,779</td>
</tr>
<tr>
<td>Other</td>
<td>-3,066</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Imported Steam</td>
<td>26,870</td>
<td>1,852</td>
<td>20,123</td>
</tr>
<tr>
<td>Imported Electricity</td>
<td>18,693</td>
<td>19,593</td>
<td>14,589</td>
</tr>
<tr>
<td><strong>TOTAL ENERGY</strong></td>
<td><strong>899,487</strong></td>
<td><strong>947,645</strong></td>
<td><strong>852,600</strong></td>
</tr>
</tbody>
</table>

* The electrical energy and steam are measured based on the theoretical thermal equivalent (0.0036 TJ = 1 MWh).

* The volume of natural gas and liquid fuels burned in torch in 2018 totaled 117,000 TJ and is not included in the energy consumption calculation.

* Others include exported electricity and steam.
Society is currently experiencing a phenomenon called digital transformation, in which digital technologies and their new forms of work and consumption, based on collaboration and innovation, are increasingly integrated into our lives and companies’ key activities. Leading digital transformation companies are more efficient, adaptive, fast and competitive in business, and can evolve exponentially without losing focus on safety and compliance.

In practical terms, a digital transformation journey includes creating conditions (processes, organization and culture) to accelerate and develop skills (technology, technical knowledge and an environment for experimentation) to transform operating and business models, seeking exponential gains in productivity and safety. The success stories demonstrate that efforts must go beyond the implementation of technological solutions, seeking to also introduce a culture of innovation that promotes experimentation, multifunctional collaboration and information sharing.

On a global scale, specific studies have found that the oil and gas sector is one of the industrial segments where digital transformation is less advanced. If, on the one hand, this means a longer and more challenging journey, on the other hand, it indicates that there are more opportunities for immediate and significant gains with the implementation of already available and consolidated solutions. The order of magnitude of this potential and the need to prepare for this new competitive environment is causing the major companies in the sector to structure their digital transformation journeys.

The year 2017 was important for the awareness of this digital transformation reality that is increasingly required. Experimentation was the focus in 2018, so we could acquire basic fluency to develop the theme, acting in activities related to establishing and building our digital strategy. With a defined digital vision, digital transformation routes can be built to include different stages of implementation, aiming to balance short, medium and long-term goals.

Considering the importance we give to this transformation and according to the trends of major world companies, we created an organizational structure in 2018, dedicated to the digital transformation process that has the necessary strategic characteristics to enable the unfolding initiative to permeate every corner of our company. In addition to producing these guidelines, this structure will work in partnership with other areas and will be responsible for executing digital projects with high return potential and broad internal diffusion, and for accelerating functions throughout all processes that will make this journey feasible and continuous.

Our digital strategy follows the hybrid model based on the assumption that each area should lead its own digital transformation journey, supported by the central Digital Transformation structure that provides expertise and shares best practices to ensure a progress pace consistent with the ambitions of our Business Plan. To that end, we started a movement to create local cells in some areas, whose objective is to develop digital and analytical solutions to meet specific demands.

In addition, a model for cultivating the startups’ ecosystem is under development, which represents a potentially relevant source of digital innovation partners. In parallel, we have also restructured the Information Technology and Telecommunications area, seeking greater proximity to the business and the development and acquisition of digital technologies to enable the digital transformation.

Digital technologies have also been increasingly included in research and development. Currently, about 27% of our research and development portfolio incorporates digital technologies such as Big Data, High-Performance Computing and Artificial Intelligence, in the search for technological solutions to support business development. Some highlights of these projects include:

- **Process event data structuring on offshore platforms**: intended to extract knowledge from the data to improve operational management during the life cycle of the Stationary Production Units. It considers the use of natural language processing technologies and ontologies.

- **Big Data methodologies applied to modeling in process optimization**: intends to apply Big Data and Deep Learning techniques to generate and update models in real time to be used in monitoring.
control and optimization of the operational units for refining as well as exploration and production. Expected benefits include maximizing business profitability and increasing safety.

**Express oil characterization:** intends to produce a complete, virtually real-time oil assessment from a limited set of laboratory-measured characteristics, bioinspired grouping algorithms, and state-of-the-art technologies in Deep Learning and Machine Learning. It generates benefits such as cost reduction and increased agility in updating oil data, providing better operational scheduling for the refining units.

**Supervisory HSE system based on Artificial Intelligence:** intends to reduce our Recordable Accident Rate by installing an image monitoring system in operational risk environments using deep neural networks, a technology known as Intelligent Video Analytics (IVA), detecting risks and occupational deviations, triggering alert protocols and real-time responses to the event.

**Development of a Remotely Operated Vehicle (ROV) for hull inspection and cleaning on floating units in Espírito Santo:** Called the Roving Bat, the robot was patented and the prototype developed by CENPES in partnership with PUC-Rio and the Eca Hytec company.

**Semantic search and identification of reservoir analogs:** intends to investigate the potential of a technological solution based on digital technologies to identify similarities between exploratory projects and production development projects for oil reservoirs. It will allow for an efficient comparison of different reservoirs/exploratory projects regarding the adopted development strategy and performance criteria, such as recovery factor and exploratory success rate.

**Development of a computational tool (SimCAP), which contributes to an increase in asphalt production from pre-salt oils:** The tool was developed based on experimental data and artificial intelligence, through the use of computational learning techniques. Its purpose is to optimize the oil list to reduce the pre-salt allocation restrictions in the refining during the asphalt production campaign, providing greater competitiveness and ensuring market service.

In addition to these projects, Petrobras' first internal hackathon took place in September 2018, a technology marathon in which teams of specialists in digital technologies bet on simplicity and creativity to develop projects aimed at safety in Libra operations, with a focus on preventing and responding to fires. The exploration and reservoir group had their turn in December. In the external field, we organized a hackathon in the Rio Oil and Gas exhibit and a CENPES team representing Petrobras won the Rio de Janeiro stage of the Space App Challenge Hackathon organized by Nasa, considered the largest marathon event in the world. The result of these experiences showed how the freedom of creation can benefit the company through open innovation.

The first edition of Petrobras Expo Robotics was also held, including lectures, exhibitions and equipment demonstrations from more than 30 companies in the sector, involving robot, drone, AUV (Autonomous Underwater Vehicle), and ROV (Remotely Operated Underwater Vehicle) technologies, as well as software intelligence applied to the oil and gas industry. The event also included a competition between 10 teams of university students who had to program robots to work in industrial facilities, in a challenge proposed by CENPES. Students from across Brazil showed their robotics skills as part of the movement to approximate young people and academic institutions.

In the corporate areas, digital transformation projects aim to generate productivity gains, increase process agility, provide analytical solutions for decision making and develop digital solutions to improve the experience of all employees.
We also highlight some projects carried out in the People Management area:

**People management virtual assistant:** development of a robot, also known as a chatbot, whose purpose is to answer and clarify the most common doubts of the employees on people management issues;

**People analytics projects for performance diagnosis:** creation of dashboards to facilitate team performance diagnosis and management;

**People analytics projects for managing and monitoring employees’ internal mobility:** creation of dashboards to monitor internal transfer interests of employees and assess the quality of employee allocation in the company’s different areas and processes, with a focus on improving team productivity.
PEOPLE

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Commitment to Life

Safety is a value incorporated into our Strategic Plan. The purpose of the Commitment to Life program, with preventive actions and treatment of deviations and incidents, is to strengthen safety guidelines throughout all stages of our processes, with the aim of excluding critical deviations and thus preventing the occurrence of accidents.

The Safety, Environment and Health Policy (HSE), approved in June 2017 by our Board of Directors, addresses commitments and behavior to be embraced as far as respecting care for life and the environment, is concerned as well as promoting ethical and safe behavior daily. We have established in the Policy:

- **Commitment** to reduce risks to people’s safety and health and enhance process safety
- **Take care** of one another in the workplace and, when in doubt, stop and ask for help
- **Prevent and minimize** environmental impacts of projects, processes and products
- **Predict and respond** to emergency situations promptly
- **Strengthen** our HSE culture with a focus on education, training and awareness
- **Seek** alignment with good industry practices in accordance with legislation, regulations, and standards
- **Continuously implement** HSE improvements; require compliance with the HSE requirements and recommendations by our partners and suppliers, and consider HSE requirements and climate change in business decisions

In the Process Safety area, we track an indicator named Number of Process Safety Anomalies (NASP Tier 1), which records the most serious occurrences. The NASP Tier 1 indicator was defined in compliance with industry best practices, allowing us to compare our performance with that of our peers. Process safety accidents are characterized by loss of primary containment of hazardous fluids or energy at processing facilities (for example, spill of a volume of oil products at an operating unit caused by the breaking of a pipe). Although less frequent, process safety accidents can cause environmental impacts and damage to industrial facilities and people’s health.

In 2018, we recorded 24 occurrences of process safety accidents (NASP Tier 1), which were investigated to identify their root causes.

We recommended preventive and corrective actions, the implementation of which is monitored. In the event of major accidents, we release alerts throughout our company to enable units to assess the likelihood of a similar event occurring in their own operations and to decide on the suitability of taking the recommended measures.

Despite the efforts of our leaders and employees in the quest to continuously improve the HSE management and the safety culture, we recorded and regret the occurrence of 6 fatal accidents in 2018: Three fatalities were related to driving motor vehicles and three fatalities were related to accidents during the execution of industrial activities of exploration and production of oil and gas.

<table>
<thead>
<tr>
<th>RECORDABLE ACCIDENT RATE (RAR)</th>
<th>2017</th>
<th>1.08</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1.01</td>
<td></td>
</tr>
</tbody>
</table>
To reinforce knowledge management, Distance Learning training was applied in 2018 for Process Safety, Guidelines on Conduct Treatment in HSE and ICS 100 and 200.

**Process Safety**: emphasis on the protection layer concept, understanding process safety events, risk management and strengthening leadership and employee involvement. Provided in the Distance Learning modality, this course will be offered to all our leadership, and it has already addressed more than 5,000 people.

**Guidelines for the Conduct Treatment in HSE**: assists the manager in understanding and applying Treatment for Conduct in HSE, guiding in the differentiation of error and violation of HSE conduct and especially reinforcing the appreciation of safe practices by the employees. This course has already trained 7,550 people.

**Incident Command System (ICS) 100 and 200**: training on the incident management model designed to integrate stakeholders in emergency response actions involving companies, environmental agencies, firefighters, and civil defense. This course has trained over 5,500 people.

**Simulations**: simulations both in the refining and exploration and production segment were held following the Incident Command System (ICS) methodology, including the participation of public agencies.

**Hand Care**: training consisting of 7 modules (General Guidelines, Load Movement, Machines and Equipment, Tools, Laboratory, Extreme Temperatures and Health), whose objective is to recognize the importance of the hands, recognize risk situations and the care that must be taken when doing work using the hands.

In 2018, we trained over 18,500 people in HSE practices, enhancing awareness through campaigns and establishing Golden Rules training as mandatory for new employees and new contractors, intending to prevent harm to people and strengthen the safety culture.

Since 2017, more than 198,000 employees and service providers of Petrobras and its subsidiaries have been trained on our ten Golden Rules.

### HSE CAMPAIGNS AND EVENTS

To give broad visibility to the issue, we published approximately 557 articles, videos and photos related to the program on our intranet, dedicated to our staff.

Throughout 2018, we developed HSE campaigns and events for our staff inspired by the main occurrences found in the communication diagnosis, which was performed with our units at the beginning of the year. The topics covered in the campaigns included safe positioning, load handling, hand care, PPE use and fire prevention.

In addition to these campaigns on specific topics, we launched the concept of “Caring and Being Cared For,” which then permeated all communication actions for HSE, emphasizing the importance of mutual care – taking care of the other and accepting to be cared of.
In the health area, we developed campaigns on the importance of periodic exams and the influenza vaccination, in addition to specific actions for relevant dates, such as “Pink October” and “Blue November,” for example.

In the events area, we held the Safety and Health Week, the Annual Meeting of Presidents and Vice Presidents of our Cipas and participated in the World Water Forum.

We have also created a supplier relationship plan to disseminate our main messages and HSE topics to the contracted company leaders so that they can disseminated to their teams.

HEALTH

Our programs related to occupational health and hygiene, are based on the prevention of occupational risks, medical occupational health control, health promotion and actions carried out under the Commitment to Life program. Our employees’ medical health control program includes annual occupational health exams. They comprise medical, dental and nutritional assessments with a personalized clinical and occupational history approach. All our employees are monitored by the program.

Multidisciplinary health monitoring actions are also performed for employees with disabilities and employees on leave from work due to accident or illness.

The analysis of the epidemiological profile considers monitoring information on the main health problems, mandatory notification diseases, accidents and illnesses that have caused leave, as well as risk and protection factors, such as hypertension, diabetes, high cholesterol, overweight and obesity, physical activity, harmful and abusive use of alcohol, tobacco and other drugs, healthy eating and regular sleep.

OCTOBER PINK CAMPAIGN

“Pink October,” symbolized by a pink ribbon, became known worldwide as a movement to prevent breast cancer. The initiative, which takes place annually in October since 1990, raises awareness about the disease among women and the importance of mammography and self-examination for women's health. We show our support by illuminating the facades of some of our administrative buildings in pink. We fully support women’s health with focused initiatives:

- Prevention of colon and breast cancer through periodic examination.
- Maternity leave of 180 days.
- Up to 2 hour daily allowance for women who are breastfeeding.
- Promote healthy eating through nutritional assessment during the periodic examination.
- Pregnancy Care Program and Breastfeeding Supporting Rooms.
Other actions that cover all employees are communication and health education campaigns, corporate guidelines on the provision of safe and healthy food at our facilities and the annual influenza vaccination campaign.

Our health actions are also guided by monitoring the Percentage of Lost Time (PTP) indicator and by temporal analysis of absenteeism due to accidents and illness, as well as its main causes, whether work-related or otherwise.

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019 (GOAL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recordable Accident Rate (RAR)</td>
<td>2.15</td>
<td>1.63</td>
<td>1.08</td>
<td>1.01</td>
<td>0.99</td>
</tr>
<tr>
<td>Lost Time Injury Rate (LTIR)</td>
<td>0.76</td>
<td>0.59</td>
<td>0.58</td>
<td>0.57</td>
<td>*</td>
</tr>
<tr>
<td>Labor Accident Rate (LAR)</td>
<td>13.88</td>
<td>12.64</td>
<td>11.20</td>
<td>10.56</td>
<td>*</td>
</tr>
<tr>
<td>Occupational Disease Rate (ODR)</td>
<td>0.02</td>
<td>0.00</td>
<td>0.02</td>
<td>0.02</td>
<td>*</td>
</tr>
<tr>
<td>Lost labor days per employee – average number</td>
<td>0.22</td>
<td>0.19</td>
<td>0.23</td>
<td>0.18</td>
<td>*</td>
</tr>
<tr>
<td>Lost Labor Time (LLT) (%)</td>
<td>2.16</td>
<td>2.13</td>
<td>2.05</td>
<td>2.13</td>
<td>2.00</td>
</tr>
</tbody>
</table>

Identity of the indicators:

- **RAR**: number of accidents recorded per million man-hours of exposure to the risk. This includes typical cases of injuries that do not require leave (excluding first aid cases), injuries with leave, cases of occupational disease and fatal accidents.

- **LTIR**: number of workers requiring leave due to typical work-related accidents resulting or cases of occupational disease per million man-hours of exposure to the risk.

- **LAR**: total number of typical work-related or travel-related accident cases per 1,000 employees.

- **ODR**: total number of new cases of occupational diseases per 1,000 employees.

- **Lost labor days per employee - average number**: number of days lost per employee. Data related to leave due to work-related health reasons – accidents and illness. Work days considered for calculation begin on the day following the injury and end on the day prior to the return.

- **LLT**: Lost Labor Time. LLT is calculated using the formula LLT = total lost hours/total planned hours X 100. To calculate the hours not worked, all hours of all medical and dental leaves due to accident and illness are included, both occupational and non-occupational, regardless of the number of days of leave. To calculate the planned hours, consider the planned work time for the period (hours planned to be effectively worked, as set forth in the Work Schedule (PHT)). The rates related to work safety (RAR and LTIR) include own employees and those from contracted companies. Health-related rates (LAR, ODR, Lost labor days per employee and LLT) include only own employees. LLT’s figures, including historical figures, were adjusted so as to reflect only Petrobras holding and not Petrobras as in previous years.

*Undefined.

Absenteeism, measured in days lost, is analyzed in a stratified manner by variables such as gender, age group, causes and types of injury, and relation to work. This stratification allows us to direct our health actions. About 3.8% of leave due to health reasons are work-related.

The occurrences of occupational accidents and illnesses are monitored by the Labor Accident Rate (LAR) and Occupational Disease Rate (ODR). Causes of death and disability retirement among employees are also monitored.

Our Safety, Environment and Health Policy is reflected in the commitments made in the clauses of the Collective Labor Agreement. Our agreement has an Industrial Safety and Occupational Health chapter covering this topic.

All our employees are represented in formal health and safety committees. In our operating units and administrative facilities, Internal Accident Prevention Committees (CIPAs) are responsible for reporting hazardous conditions in the workplace and contributing toward the preservation of workers’ health and physical integrity. In units located where we operate abroad, there are also committees composed of employees and guided by local legislation that establishes the characteristics, duties and responsibilities of the members.

The committee members receive training, comply with routines to verify the safety conditions of the facilities and the actions taken to improve these conditions and participate in accident investigation.
IMPACTS ON HEALTH AND SAFETY RELATED TO PRODUCTS AND SERVICES

We comply with national and international standards on health and safety impacts, as well as stipulate the need for their compliance in our supplier contracts.

Our significant products and services undergo stages of health and safety risk assessments to protect workers, neighboring communities and the end consumer. The results from the assessments are detailed in the Material Safety Data Sheets (MSDS) and in the Emergency Cards for Transporting Hazardous Products (FE).

The impacts of 100% of the products with respect to safety, environment and health are identified and assessed on the MSDS, as well as recommended actions to avoid or mitigate such impacts. They are sent to all the products’ customers, and their information is available on Petrobras Distribuidora’s website (www.br.com.br). In the “Petrobras Technical Assistance Program,” provided on the CUSTOMER CHANNEL website, customers can also request detailed information on the products.

In the case of the Emergency Cards, which are present in all dangerous product transportation such as automotive and industrial fuels, the main risks are summarized as well as what to do in the case of accidents involving spills, fire, people, medical information and environmental pollution.

The emergency cards are also on our website, and are delivered to drivers while loading hazardous products into tank trucks, tank barges or other vehicles. In addition, all our service stations have poster affixed that include the actions to be taken in case of emergencies with the products, in case of spills, fire and victims.

Health and safety impact assessment audits for products and services were conducted in 31 facilities of Petrobras Distribuidora. Although noncompliances related to management systems and legal compliance were recorded, none of them resulted in a fine, penalty or warning.

Our main commercial products fully comply with the specifications regulated by the Brazilian National Petroleum, Natural Gas and Biofuels Authority’s (ANP), which are defined with our participation and that of other agents.

<table>
<thead>
<tr>
<th>BENZENE AVERAGE CONTENT PETROBRAS</th>
<th>MAXIMUM LIMIT OF THE NATIONAL SPECIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>GASOLINE</td>
<td></td>
</tr>
<tr>
<td>0.5%</td>
<td>1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SULFUR AVERAGE CONTENT PETROBRAS</th>
<th>MAXIMUM LIMIT OF THE NATIONAL SPECIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>GASOLINE</td>
<td></td>
</tr>
<tr>
<td>&lt;34 ppm</td>
<td>50 ppm</td>
</tr>
<tr>
<td>DIESEL S-10</td>
<td></td>
</tr>
<tr>
<td>&lt;5 ppm</td>
<td>10 ppm</td>
</tr>
<tr>
<td>FUEL OIL TYPE A</td>
<td></td>
</tr>
<tr>
<td>OCA1</td>
<td>2.0%</td>
</tr>
<tr>
<td>MARINE FUEL – BUNKER</td>
<td></td>
</tr>
<tr>
<td>&lt;1.1%</td>
<td>3.5% *</td>
</tr>
</tbody>
</table>

As part of the effort to reduce sulfur content in fuels, the Presidente Bernardes Refinery (RPBC) began to produce Diesel S10 in early 2018, joining the list of low-sulfur diesel producers.

* national and international boundary
Human Capital Management

Our Strategic Plan establishes a people management model that seeks to allocate and retain talent, meritocracy, satisfaction, commitment and productivity of our employees through various initiatives, based on internal (ambience survey, interviews and strategic drivers) and external (best practices, studies and research) inputs.

In 2018, we approved the new structure for the People Management area and also improved our performance model.

We carry out the sizing of employees every year, considering the activity’s growth set forth in the Business Plan, and the level of productivity agreed for the period. Next, we elaborate plans of actions for movement, hiring and dismissal aiming to adapt the staff to the planning that was performed.

We ended 2018 with 47,556 employees (Petrobras Holding).
Historically, our turnover rate has always been low, except for 2014 and 2016, due to the Voluntary Dismissal Incentive Programs (PIDVs) carried out.

The total number of employees dismissed by the PIDVs (2014 and 2016) through December 31, 2018 was 16,500.

Dismissals through PIDVs have altered the distribution of our company’s length of service bands, as well as the age pyramid, creating a more balanced profile, important for our growth in terms of people resources and knowledge management.

Our hiring process in Brazil is done through a public selection process, according to the constitutional provision and the current wage and position plan. Public selection processes are carried out with equal wages for men and women.
According to Brazilian legislation, 20% of vacancies are reserved for self-declared black or brown candidates and 5% for disabled people. In the other countries where we operate, employees are selected via interviews and resume analysis, prioritizing the local workforce.

In 2018, 902 people were hired by our company (Petrobras holding), 693 of which are men and 209 of which are women, most of them under 36 years of age.

The Internal Employee Relocation Program (Mobiliza), created in 2013 to adapt the staff of the units to the needs of the company, also seeks to reconcile employee interests. In this way, by relocating employees, the need for additional short-term hiring is reduced. Between 2013 and 2017, 2,452 relocations were approved in this program. In 2018, 884 opportunities were published, and 535 relocations were approved.

The labor agreement of 47,548 of our employees follows the Consolidation of Labor Laws (CLT). In addition, we have 8 officers (CEO and executive officers) that are statutory and governed by our bylaws.

### Profile of Our Employees by Gender and Position Level

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MID LEVEL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>4,433</td>
<td>3,809</td>
<td>3,331</td>
<td>3,359</td>
</tr>
<tr>
<td>%</td>
<td>8</td>
<td>7</td>
<td>7</td>
<td>7%</td>
</tr>
<tr>
<td>Male</td>
<td>30,566</td>
<td>26,792</td>
<td>23,969</td>
<td>24,057</td>
</tr>
<tr>
<td>%</td>
<td>54</td>
<td>52</td>
<td>51</td>
<td>51%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>34,999</td>
<td>30,601</td>
<td>27,300</td>
<td>27,416</td>
</tr>
<tr>
<td>%</td>
<td>62</td>
<td>59</td>
<td>58</td>
<td>58%</td>
</tr>
<tr>
<td><strong>HIGHER EDUCATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>4,697</td>
<td>4,487</td>
<td>4,280</td>
<td>4,408</td>
</tr>
<tr>
<td>%</td>
<td>8</td>
<td>9</td>
<td>9</td>
<td>9%</td>
</tr>
<tr>
<td>Male</td>
<td>17,178</td>
<td>16,167</td>
<td>15,399</td>
<td>15,732</td>
</tr>
<tr>
<td>%</td>
<td>30</td>
<td>32</td>
<td>33</td>
<td>33%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>21,875</td>
<td>20,654</td>
<td>19,679</td>
<td>20,140</td>
</tr>
<tr>
<td>%</td>
<td>38</td>
<td>41</td>
<td>42</td>
<td>42%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>56,874</td>
<td>51,255</td>
<td>46,979</td>
<td>47,556</td>
</tr>
</tbody>
</table>

### Evolution of Managerial and Specialist Positions by Gender

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SPECIALIST POSITION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>348</td>
<td>300</td>
<td>248</td>
<td>287</td>
</tr>
<tr>
<td>%</td>
<td>19</td>
<td>19</td>
<td>18</td>
<td>19%</td>
</tr>
<tr>
<td>Male</td>
<td>1,499</td>
<td>1,290</td>
<td>1,140</td>
<td>1,198</td>
</tr>
<tr>
<td>%</td>
<td>81</td>
<td>81</td>
<td>82</td>
<td>81%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,847</td>
<td>1,590</td>
<td>1,388</td>
<td>1,485</td>
</tr>
</tbody>
</table>

### Supervisory Position

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>189</td>
<td>176</td>
<td>187</td>
<td>203</td>
</tr>
<tr>
<td>%</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>9%</td>
</tr>
<tr>
<td>Male</td>
<td>2,226</td>
<td>2,150</td>
<td>2,077</td>
<td>2,139</td>
</tr>
<tr>
<td>%</td>
<td>92</td>
<td>92</td>
<td>92</td>
<td>91%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,415</td>
<td>2,326</td>
<td>2,264</td>
<td>2,342</td>
</tr>
</tbody>
</table>

### Managerial Position

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>1,169</td>
<td>856</td>
<td>852</td>
<td>881</td>
</tr>
<tr>
<td>%</td>
<td>18</td>
<td>17</td>
<td>18</td>
<td>18%</td>
</tr>
<tr>
<td>Male</td>
<td>5,202</td>
<td>4,066</td>
<td>3,980</td>
<td>3,994</td>
</tr>
<tr>
<td>%</td>
<td>82</td>
<td>83</td>
<td>82</td>
<td>82%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6,371</td>
<td>4,922</td>
<td>4,832</td>
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### Grand Total

<table>
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<th>2015</th>
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<th>2017</th>
<th>2018</th>
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<td><strong>TOTAL</strong></td>
<td>10,633</td>
<td>8,858</td>
<td>8,484</td>
<td>8,702</td>
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</table>

1. Specialist position held by professionals who possess knowledge, skills or mastery of technologies and methods and who present high technical performance in strategic activities, creating differentiated solutions, necessary to ensure business continuity.
ETHNICAL AND RACIAL DIVERSITY BY GENDER IN NUMBER OF EMPLOYEES
PETROBRAS HOLDING

MEN

TOTAL
39,789

WOMEN

TOTAL
7,767

TOTAL
47,556

MANAGERS
MEN AND WOMEN

TOTAL
4,875

WHITE  BROWN  INDIGENOUS  BLACK  ASIAN  NOT INFORMED
COMPOSITION OF THE BOARD OF DIRECTORS, AUDIT BOARD, AND EXECUTIVE BOARD

Our Board of Directors is currently composed of ten members, including three women and seven men. Our Audit Committee is chaired by a woman, and its other four members are men. Between January and February 2019, the closing date of this report, our Executive Office used to be composed of eight areas, where six were permanent members and two were interim members, all men.

Our service contracts are based on the established legal determinations, internal guidelines and the provisions of our Code of Ethics. The contracted companies are responsible for their work schedules, and there is no interference from us on such definitions.

In 2018, we had 116,065 employees of companies that provide services in Brazil and abroad. At the Petrobras holding, there were 97,519 in December 2018. The Southeast and Northeast regions of Brazil concentrated the highest number of employees from companies providing services, 68,002 and 22,816, respectively, in the same period.

Concerning external services (only Petrobras holding and subsidiaries in Brazil), employees of companies that provide services are classified in the following categories:

- **42,210** Specialized technical services to support the operation
- **41,625** Specialized technical services for infrastructure support
- **15,088** Specialized technical administrative services
- **16,504** Specialized technical administrative services of construction
COMPENSATION POLICY

We have two career plans – Compensation and Career Plan (PCR) and Job Assessment and Classification Plan (PCAC), in extinction – that guide our compensation policy. In 2018, the highest-paid employee received annual compensation equal to approximately 5.5 times the average annual income of the other employees. The highest compensation position refers to that of executive managers.

Compensation for our directors, which include the members of the Board of Directors and the Executive Board, is proposed by the Nomination, Compensation and Succession Committee (CIRS) to the Board of Directors and approved annually at the General Meeting.

The CEO is a member of the Board of Directors, but does not take part in voting on this topic.

CIRS is a committee linked to our Board of Directors and is made up of Board Members and/or market persons with notable experience and technical capacity, appointed and removed by the Board.

The total amount paid to directors is approved annually by the General Meeting, in accordance with Art. 152 of the Corporation Law (Law No. 6.404, dated 12/15/1976).

The compensation of the Executive Board members is defined based on economic, financial, environmental and social results, in order to recognize the administrators and alignment with our strategies as well as short, medium and long-term goals.

The compensation of the members of the Board of Directors corresponds to 10% of the members of the Executive Board remuneration on a monthly average.

COMPENSATION AND CAREER PLAN (PCR)

In July 2018, the Compensation and Career Plan (PCR) was established to replace the Job Assessment and Classification Plan (PCAC), according to the best market practices. Its purpose is to update the positions and wages' structure, considering the oil and gas market, and modernize this important tool for people management.

The PCR provides a series of criteria to improve people management through the recognition of skills and performance, as well as to stimulate the employees' professional development, enabling them to achieve higher levels of responsibility and, consequently, career development and compensation.

One of the largest advantages of the PCR is broad mobility, allowing better management of our needs and allocation of personnel.

Starting in 2018, the PCR began to cover four categories of career positions (junior, full, senior and master), both at the technical level and at the graduate level. The salary structure features a technical level position, with 34 salary levels in its careers, and a graduate-level position with 25 or 27 salary levels. The compensation increase percentage between wage levels is constant: 3.8%.
Our compensation is composed of basic salary and additional compensation, such as length of service, hazard pay and working conditions/ regimes. We do not make salary distinctions by gender.

The standard entry-level salary varies according to the hired position. Currently, in the case of the graduate level, the lowest compensation is equivalent to 10.9 times the amount of the national minimum wage. In the case of the technical level, the minimum compensation is equivalent to 4.7 times the amount of the national minimum wage. In 2018, the commitment signed with the oil worker unions in 2017 for automatic salary readjustment by the IPCA (4.19%) was fulfilled on the base date of September 2018, which released both parties from a new collective-bargaining process. Furthermore, in 2018, the PLR 2017 discharge agreement was signed with 17 oil worker unions and all unions of the maritime worker categories, leaving only negotiation of the salary readjustment for the latter category, whose base date is November 2018. In January 2019, we concluded negotiations with the maritime worker unions on the economic clauses of their collective-bargaining agreement, offering a 4.56% increase in wages.

In April 2018, we implemented a pilot project for home office work, with the target audience being employees in a flexible administrative regime. Adhesion is voluntary, once negotiated with the immediate supervisor of the interested employee, as well as the definition of the work schedule, limited to no more than 3 days per week. Obvious benefits include the perception of greater flexibility and quality of life, as well as improved employee commitment and satisfaction.

In 2017, an optional reduction of daily working hours from 8 to 6 hours was implemented, with a proportional reduction of 25% in compensation for employees in administrative regimes and flexible hours, who did not hold a bonus position, identified as an employee demand through ambience survey.

In addition, an optional reduction of weekly working hours with a proportional compensation reduction of 20% was implemented in 2018, which allowed employees to reduce from 5 to 4 days of work per week after negotiating the rules with the unions. It was offered to employees engaged in an Administrative System of Flexible Hours and Fixed Hours with Working Hours of an 8-hour workday and the Differentiated Category Administrative Regime (social workers) whose workday is 6 hours, provided they did not hold a bonus position.
A total of 783 employees are currently adopted reduced working hours with proportional compensation reduction. Of this total, 655 adopted reduction of the daily workload (42% men and 58% women) and 128 adopted reduction of the weekly workload with compensation reduction (53% men and 47% women).

Trade Union relations management is present in the People Management value chain and one of our objectives is to maintain a permanent negotiation process, seeking to build solutions with the employees’ representatives. We have currently established relationship with 17 oil worker unions representing the employees of the land staff and with eight trade unions in the maritime profession categories. We hold bimonthly meetings to address issues such as work regime, outsourcing, health care plan and collective bargaining agreement monitoring, aiming both to improve working conditions and negotiate collective bargaining agreements.

All our employees are covered by collective bargaining agreements, either by the Land Staff Agreement, always negotiated in September, or by the Maritime Staff Agreement, always negotiated in November. The economic clauses of the labor agreements, which essentially address salary adjustments and other items that make up employee compensation, are discussed annually. Social clauses, which handle issues such as HSE, labor conditions and other provisions, are discussed every two years.

When there are significant operational changes for employees, these are usually presented in permanent and periodic committees with the trade unions, which are provided for in clauses 89 and 92 of the current collective bargaining agreement. In addition, in case of an extemporaneous need, we may summon extraordinary meetings with the unions to address these changes.

We sponsor two complementary pension fund: the Petros Plan (PPSP) and the Petros Plan 2, both managed by the Petrobras Social Security Foundation. The PPSP, with a defined benefit and not open to new entries, is undergoing a valuation process necessary to ensure the long-term continuity of the plan, so that it can provide the payment of retirement, pensions and the fulfillment of all other commitments made with respect to the participants.

A new pension plan in the form of Defined Contribution (CD) called Petros Plan 3 – PP-3 was prepared, and will be offered for individual membership and voluntary migration to the active and assisted participants of the PPSPs (renegotiated and non-renegotiated) after approval by the competent authorities, to provide an alternative to the participants in the PPSP Plans. The proposal has already been approved by the Petros Deliberative Board and by our Board of Directors, but still needs to be submitted for review and approval by the supervisory bodies (SEST and PREVIC).

All of our 47,556 employees are entitled to parental leave (39,789 men and 7,767 women). In addition to the legal determination, our employees are entitled to a maternity leave extension, reaching a total of 180 days, and 20-day paternity leave. In 2018, 577 employees were granted maternity leave, and 1,449 were granted paternity leave, for a total of 2,026 (4.3%) employees. Of these employees, 1,904 have already returned to work (94%). On average, 0.1% of employees requested maternity leave and 3% requested paternity leave per month.

**TRAINING**

We reviewed the governance of our Corporate Education for the purpose of guaranteeing training program adherence to our new strategic positions and to guide investments in people development, aiming at maintaining our unique technical capacity.

About 41 technical-educational subcommittees were created to address the different areas of knowledge that we prioritize, composed of process managers and specialists who will be responsible for directing the corporate education content.

Forty-five tracks have been developed to meet critical skills for the business, including development tracks for leaders and experts.
In order to contribute even further to employee development, in addition to identifying, preserving, sharing and applying knowledge in 2018, our management knowledge programs and practices were:

- Knowledge certification: we created mechanisms to verify which employees have critical knowledge for our business, allowing us to assess their level of readiness for our challenges.
- Technical-Educational Service: the Petrobras University technical staff work in partnership with the units to resolve technical and management issues, in order to better design or update development actions.

In 2018, we maintained our ongoing training efforts in Compliance through distance and classroom training, addressing several compliance issues and reinforcing concepts set forth in the Code of Ethics, the Conduct Guide and the Petrobras Corruption Prevention Program.

We carried out the Retirement Preparation Program (PPA) for promoting reflections and socializing information that allows employees to perform their retirement planning, encouraging the preservation of the knowledge produced by employees during the years of working in our company.

The program is intended for employees who are five years or less from completing the criteria for retirement by the National Social Security Agency (INSS) and participation is voluntary. Sixteen classes were offered in 2018, for a total of 426 employees.

For more information on training in Compliance please refer to Ethics and Compliance.

Other results of implanting the new operating model for Petrobras University:

- Knowledge certification: we created mechanisms to verify which employees have critical knowledge for our business, allowing us to assess their level of readiness for our challenges.

Technical-Educational Service: the Petrobras University technical staff work in partnership with the units to resolve technical and management issues, in order to better design or update development actions.

In 2018, we invested BRL 112.4 million in training our employees, totaling 266,700 participants in training courses for new employees and continuing education in Brazil and abroad, with an average of 52.74 hours of training per employee in the year, a number compatible with market metrics*.

The average training hours for male employees was 54.38 hours and 44.33 hours for female employees. The average for university level-employees was 57.07 hours and 49.31 hours per high school-level employee.

*Source: ATD – Association for Talent Development.)
PERFORMANCE ANALYSIS

The performance evaluation and its management process is based on objective metrics and in implementation of the performance-based compensation model.

We reviewed our Performance Management (GD), Level Advancement and Promotion (ANPR) and Bonus Position Level Advancement (ANFG) processes, aiming to solidify the cultural transformation required by the change in the mental model, which became meritocratic, transparent and focused on results, providing differentiated recognition and rewards for the most outstanding employees.

Annually, our employees are evaluated based on the results of their targets and skills, having the opportunity for career progression through level advancement or promotions, climbing up levels on the salary scale.

We maintain a performance and results' management system for employees and leaders that reflect our goals to our areas of operation. Employees’ and leaders’ metrics are deployed through the units’ scorecards to ensure that the targets (individuals’ and team’s) of the leaders are aligned with those of their teams, contributing to the achievement of our metrics.

Regular performance and career development reviews are performed through our Performance Management (GD) system. The GD 2018 evaluation is scheduled to close in April 2019.

In 2017, the total number of employees evaluated was 45,927, equivalent to 98.4% of our total workforce at the time. These results refer to GD 2017, for which the evaluation period closed in June 2018.

In 2018, 2,307 integrity assessments were conducted for those indicated for key positions at Petrobras. These assessments are called Integrity Background Check (BCI) procedure. This procedure consists of an information summary that demonstrates the assessed person’s degree of exposure to integrity risks, in light of the best integrity practices related to fraud prevention, corruption and money laundering.

To designate people for key positions, including senior management positions, we also conducted a procedure called Qualification and Management Analysis to support the manager with management information on the candidate. The Qualification and Management Criteria form a set of corporate requirements to be observed in the managerial designation process that relate to professional experience, training, performance and skills.

A total of 2,736 qualification and management analyses were performed for managerial positions, including senior management positions, administrative positions for companies in the system and senior management advisors. These analyses cope to assist the manager with the candidates’ management information and their adherence to a specific position, which explains the quantitative difference from the BCI.

CULTURAL TRANSFORMATION

The Cultural Management Project aims to align our organizational culture to our strategic challenges needs.

The Cultural Diagnostic Report was developed throughout 2018, which will provide inputs to develop our culture plan.

The cultural management project is set to implement a culture more focused on business value and efficiency, with merit based on performance, encouraging autonomy, flexibility and quality in the work environment, strengthening the processes of attracting, relocating, developing, retaining and succession and incorporating the vision of the digital transformation into the employees’ daily lives.
Human Rights

**COMMITMENTS TO HUMAN RIGHTS**

Our commitment to human rights is expressed in our values: "Respect for life, people and the environment." The Code of Ethics, applicable to all operations and suppliers, provides that our actions are based on respecting human rights internationally recognized in Brazil and in the countries where we operate.

Our Social Responsibility Policy has the following guidelines: (i) to respect human rights, seeking to prevent and mitigate negative impacts on our direct activities, the supply chain and partnerships, fighting against all forms of discrimination; and (ii) to identify, analyze, and mitigate social risks related to the interaction of our business, society and the environment and promote the social and environmental management in our supply chain.

We are signatories of the UN Global Compact since 2003, which principles are related to human rights and working practices. Since 2006, we have been participating in the Gender and Race Pro-Equality Program of the Brazilian Federal Government, for which we have been recognized with the Gender and Race Pro-Equality Seal five times in a row.

In 2010, we signed the seven UN Women Empowerment Principles, which address the promotion of equality 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 by which we stated our commitment against sexual exploitation and to protect the rights of children and adolescents.

In 2015, we signed the Brazilian National Pact to Eradicate Slave Labor of the Institute InPACTO that aims at confronting contemporary slave labor.

In November 2018, we joined the Business Initiative for Equality, proposed by the NGO Afrobras and Zumbi dos Palmares College, whose ten commitments are aimed at respecting and promoting racial equality, equal opportunities and fair treatment for all people. In that same month, we signed the Open Letter “Companies for Human Rights” proposed by the Brazilian Human Rights Ministry, Brazilian Attorney General’s Office and Brazilian Labor Ministry, on the solemnity of granting of the Human Rights Award 2018, which we received for our outstanding work in promoting and defending human rights.

**ASSESSMENT OF SOCIAL RISKS AND ISSUES RELATED TO HUMAN RIGHTS**

According to our Corporate Risk Policy, which establishes that risks must be assessed in all our decisions, we prepared in 2018 new guidelines for managing social risks in our activities and in the supply chain, specifying the social responsibility requirements for investment projects.

The investment projects - in order to be submitted to pass through gate transition - are evaluated by a multidisciplinary review group that includes specialists in Social Responsibility, Safety, Environment and Health, as well as business areas responsible for the projects, in addition to other areas. The recommendations for project gate transition consider the social context of communities and include actions to mitigate social risks, such as the promotion of human rights, among others.

We carried out 41 social risk assessments in projects along 2017-2018, of which 19 in 2018. Due to the profile of our activities, social issues identified are related to livelihoods of fishermen and traditional communities are identified, as well as potential impacts on tourism activity and access routes, the respect for human rights in the supply chain, among others.

The analysis results in recommendations that include reviewing emergency response plans in the light of community relations, monitoring community claims and complaints, publicizing projects and operational activities, and including social responsibility clauses in contracts.
To monitor compliance with these clauses, we applied a checklist of social responsibility requirements locally, with 26 checks completed in 2018.

Transpetro systematically carries out technical studies of vulnerability and risk assessment for surrounding communities arising from its operations. These assessments take into account the proximity of operations and the characteristics of potentially exposed people and surrounding buildings. Sensitive occupations, such as schools, churches and hospitals, present around surface facilities and along the pipeline ranges are identified for potential emergency response planning purposes. There is also an ongoing and routine communication work between the representatives of Transpetro and surrounding communities, which deals, among other aspects, with the risks associated with the products handled and care that should be taken mainly in the pipelines where the community presence is more relevant.

In addition, Transpetro constantly monitors the environmental process indicators associated with its operations (generation of waste, effluents, air emissions and consumption of water resources), in order to manage potentially polluting activities, to minimize the potential generation of environmental liabilities, to evaluate the possible accidental scenarios and to remedy and/or mitigate potential damages caused to the environment.

Contingency actions are also carried out, with multidisciplinary support teams in remediation actions to clandestine deviations of oil and gas. We work on an on-call scheme to serve the community around the affected areas and displaced families, and support the care and return of families displaced from their homes, in a joint action with the Civil Defense, aside from monitoring the visits and responses of the reporting channel.

Transpetro also participated in emergency preparedness exercises in the states of Rio de Janeiro, São Paulo and Minas Gerais in the year 2018. The purpose of the exercises is to reinforce and disseminate to the communities of high vulnerability of the Brazilian Southeast Region the company’s formal reporting channel (dial 168), also known as the green telephone.

**PROMOTION OF DIVERSITY**

Our commitment to fight discrimination and promote diversity is reflected in our social responsibility policy, the human resources policy, the Code of Ethics and the Guide to Conduct.

In 2018, we carried out an analysis of the female participation in our workforce and their representativeness in management positions along the career path in the company.

A plan was defined with priority actions, with highlights to:

- Awareness and engagement of men and women
- Establishment of a Diversity Committee
- Lectures and campaigns to prevent violence at work
- Programs to foster the participation of women in science, technology, engineering and math (STEM)²
- Stimulate the allocation of women in operational areas
- Including diversity in training courses for new employees, in the Program for Update and Integration of Leaders and in online leadership communities
- Gender indicators and monitoring processes
- Mentoring Leadership Program
In November 2018, the IV Petrobras Diversity Forum – Promoting Gender Equity took place. Members of our senior management, leaders of technology, engineering and finance companies and UN Women discussed how Gender Equality can leverage corporate performance, add value to the business, and contribute to attract and retain talent. The Forum aimed to raise awareness and engage our leaders. About 120 leaders attended on-site and 340 employees participated by WebTV.

**GENDER EQUITY OBJECTIVES**

**Promote** equal opportunities, aiming to increase the share of women in STEM* careers and management positions in operational areas;

**Implement** programs for the development of female leaderships, aiming at a progressive increase in the women’ participation in management positions, based on meritocracy principles;

**Provide** an inclusive work environment that promotes relationships based on trust and respect, with no tolerance to any form of harassment or discrimination;

**Engage** men and women, identifying and educating about unconscious biases in the work environment.

* STEM: science, technology, engineering and mathematics.
**Progress of Women in Management Positions**

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<th>Year</th>
<th>9 yrs</th>
<th>10-14 yrs</th>
<th>15-19 yrs</th>
<th>20-24 yrs</th>
<th>25-29 yrs</th>
<th>30-34 yrs</th>
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<tr>
<td>2018</td>
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</tbody>
</table>

*Management positions: CEO, Executive Officer, Advisor, EM, Assistants, GM, Manager and Area Manager

**Gender Distribution in the Company**

<table>
<thead>
<tr>
<th>Position</th>
<th>Men</th>
<th>Women</th>
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</thead>
<tbody>
<tr>
<td>Employee</td>
<td>84</td>
<td>16</td>
</tr>
<tr>
<td>Supervisor</td>
<td>91</td>
<td>9</td>
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<tr>
<td>Coordinator</td>
<td>80</td>
<td>20</td>
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<td>Area Manager</td>
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<tr>
<td>Assistant Executive Manager</td>
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<tr>
<td>Executive Manager</td>
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<td>14</td>
</tr>
<tr>
<td>Director</td>
<td>87</td>
<td>13</td>
</tr>
<tr>
<td>Board</td>
<td>70</td>
<td>30</td>
</tr>
</tbody>
</table>

(Information for December 2018)
In order to create conditions for an inclusive and diverse organizational environment, we carried out actions to disseminate awareness about Diversity to employees responsible for providing assistance the workforce.

On January 29, 2018, Trans Visibility Day was marked by a roundtable discussion attended by a diversity expert and a transgender attorney specialist on gender and sexuality. The purpose of the meeting was to empower the teams that provide assistance to employees.

In May 2018, the use of the social name and the use of bathrooms, locker rooms and dormitories according to gender identity were implemented in the company. This initiative implies self-declaration of gender identity by employee, and its implementation had a structured negotiation with Human Resource management to provide the inclusion of this target audience in an effective manner. This change had the necessary corporate regulation and the publication of information on the intranet, with broad participation of employees.

During the week of June 28, 2018, in support of the International LGBTI Pride Day, our Headquarters building was illuminated by rainbow colors, the symbol on the LGBTI pride flag. The celebration of the date also had publication of testimonials by employees who enjoyed benefits awarded to this audience in the intranet.

On June 28, 2018, we signed an agreement and commitment to the policy of reserving internships vacancies for black people, in accordance with Decree No. 9427, which establishes that 30% of internship job openings of the direct, autarchic and foundational federal public administration shall be reserved for those who declare themselves black or brown at the time of enrollment in the internship selection process, according to the color or race criteria used by the Brazilian Institute of Geography and Statistics (IBGE).

Although the Decree does not apply to Petrobras, we opted as a stimulus to the inclusion of young black people within the labor market and contributing to the reduction of ethnic-racial inequality.

**PEOPLE WITH DISABILITIES**

We grant our employees with disabilities who need medical follow-up a bonus of up to two hours in their workday, upon evaluation by a multidisciplinary team.

Employees with disabilities who require an accompanying person to travel on duty in the country will be granted accommodation and flight or road ticket to the companion, as well as daily travel allowance plus the respective percentages intended for lunch, dinner and small expenses of the companion both to the employee and his companion.

In addition, an hourly bonus is given to employees who have children with disabilities, so that they can provide support in treatments and therapies. In this case, the bonus is up to 240 hours per year or, depending on the severity of the case, the attendance is waived.

In order to provide equal working conditions, we implemented the program How-to-approach a employee with disability (PAED), which works on four axes: management guidelines, accessibility, education and communication, and current practices.
HUMAN RIGHTS TRAINING

All newly hired employees, upon joining the company, participate in training courses that aim to disseminate values based on respect for people, human and cultural diversity and plurality of thought.

We also carry out the training “Interdisciplinary Approach, Evaluation and Follow-up of People with Disabilities,” within the “education and communication” axis, aimed at specialists who provide assistance to employees with disabilities.

All security professionals acting in their duties, both employees and service providers, were trained and go through a refresh every two years, which involves the basic concepts of human rights and human relations, among others.

In February 2018, we attended the workshop Security and Human Rights promoted by The global oil and gas industry association for advancing environmental and social performance (IPIECA) and by the Mexican Association of Hydrocarbons (AMEXHI), held in Mexico City.

In addition, we followed up on domestic and international forums on Corporate Social Responsibility, Sustainability and Human Rights. In 2018, we can highlight our attendance in the following events:

2018 Global Compact Forum – 15-year celebration event of the Brazil Network of the UN Global Compact

Ethos Conference – as a sponsor – in the 20-year commemorative editions - in the cities of Rio de Janeiro, São Paulo and Belém

Women’s Empowerment Principles Forum WEPS 2018 – promoted by UN Women in São Paulo

II WEPS Forum Rio de Janeiro held at the headquarters of Petrobras Distribuidora.

Transpetro offered in 2018 - through the Virtual-Learning Environment (AVA) - 10 courses on Diversity, Harassment and Fight Against Violence, with a total of 1,039 participants, adding up to 1,644 hours of training, and offered one course entitled “Prevention of Harassment in the Corporate World,” included in the “Pro Gender and Race Pro-Equality” track.

The course on Prevention of Harassment in the Corporate World has also been made available at AVA for all employees. Its content shows situations that can be considered as harassment and outlines the difference between sexual and moral harassment in a dynamic and interactive way. This training is in aligned with our fundamental ethical principle of respect for life in all its forms, manifestations and situations, which guides the care with quality of life, health, the environment and safety, and had a total of 556 attendances.

Transpetro has also developed 36 lecture cycles with themes related to the Diversity, Gender and Race in the states of PA, MG, SP, RJ, PR, SC and RS, with an audience of more than 2,500 people. Among the topics covered, we highlight the “Confronting abuse and sexual exploitation of children and adolescents – dissemination of Dial 100” and “Fighting violence against women – dissemination of Dial 180.”

Petrobras Distribuidora carried out four workshops on human rights and diversity for service providers at its headquarters. Materials on these topics were also sent to the communities close to its units as part of the actions taken under the Community Relationship Plans. The topics covered encompassed gender equality, the rights of the elderly, people with disabilities in the marketplace and human rights.
PROMOTING HUMAN RIGHTS IN THE SUPPLY CHAIN

Our contracts include a clause that requires service providers to refrain from using child labor and slave-like labor or degrading labor conditions.

In December 2018, we reviewed our EPC contract drafts to study the inclusion of a new social responsibility clause. This clause will be implemented during 2019.

According to the new clause, company providers must state and ensure that they respect internationally recognized human rights, as established in the International Bill of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, the Guiding Principles on Business and Human Rights (“Guiding Principles”) and the Decree No. 9571 of November 21, 2018, which establishes the Brazilian National Guidelines on Companies and Human Rights.

Moreover, new clause, which is declaratory, states that company providers must:

- Have a formal policy of respect for Human Rights and disseminate it to its stakeholders;
- Refrain from using child labor and slave-like labor or degrading labor conditions, as well as include a specific clause in this sense in agreements signed with suppliers of inputs and/or service providers;
- Provide a safe and healthy work environment that includes adequate food, accommodation and sanitary conditions;
- Respect the right of its employees to form or join trade unions, as well as to bargain collectively;
- Have a commitment to equal treatment and non-discrimination;
- Not practice or agree to any form of sexual exploitation of children and adolescents through employee awareness to fight this violence and disseminating local reporting channels such as Dial 100;
- Not practice acts that create excessive force in the interaction between security forces, communities and workers;
- Have a communication channel to receive, forward and respond to manifestations of stakeholders, ensuring that all manifestations are answered and there are no retaliations;
- Assess the social risks of its activities in surrounding communities, developing actions to identify, prevent and mitigate adverse impacts on human rights issues (interference in indigenous peoples and traditional communities, in socially vulnerable groups, access to livelihoods and a healthy environment, right to integrity and safe environment, land management and resettlement, among others);
- Communicate to surrounding communities the activities of the agreement the interferences on their daily lives, in order to minimize impacts/risks;
- Make efforts to hire local labor;
- Repair any damages caused to communities while performing the agreement activities.
In order to foster diversity valuing practices in the supply chain, the "2018 Best Suppliers Award" included, among its categories, the "Special Equality Award." The award comprises the company’s main suppliers and, for the first time, includes the evaluation criterion of equality promotion practices that these companies have adopted in relation to their respective staff and leaders, besides communities and suppliers.

In the E&P segment, the main activities carried out by our suppliers include services, such as building and chartering production platforms, manufacturing modules for offshore platforms and underwater equipment construction, among others. In this regard, our agreements have specific obligation clauses for contracted companies prohibiting child, forced or slave-like labor. Each production system, either under construction or in operation, is constantly monitored by our teams, and in the event of any breach being detected, the contracted company is immediately notified and must comply with its contractual obligations.

The vessels we contract in our charters to transport oil and refined oil products are previously evaluated according to the inspection protocol established by the Oil Companies International Marine Forum (OCIMF), which includes identification of ship documentation and compliance with the Maritime Labor Convention (MLC 2006), of the International Labor Organization (ILO), which deals with working conditions on board of merchant vessels.

At Petrobras Distribuidora, the registered suppliers agree electronically with a Social Responsibility Statement that includes issues related to laboring practices and human rights, such as:
- prohibition of child labor and forced labor (slave-like or in degrading labor);
- freedom of association and collective bargaining;
- curbing discrimination based on gender, race, religion and sexual orientation.

These suppliers also agree to follow our Code of Ethics, Guide to Conduct and Social Responsibility Policy.

Furthermore, a signatory of the Brazilian National Pact to Eradicate Slave Labor. Petrobras Distribuidora does not conduct business with companies included in the register of employers who have maintained workers in slave-like labor conditions. Therefore, it periodically monitors this register in order to identify any business relationship under its management, particularly for the acquisition of biofuels. If the business relationship is found in a company included within this list, the contractual clauses that establish the termination of the relationship will be applied. In addition, in our suppliers’ portal, we require that our suppliers do not maintain commercial relationships with people and companies listed in the aforementioned register, and we recommend adherence to the Brazilian National Pact to Eradicate Slave Labor.

At Petrobras Biocombustível, in 2018, all signed agreements for the acquisition of family agriculture raw material included a clause forbidding the use of child labor.

**REPORTS ON DISCRIMINATION**

In 2018, through our Reporting Channel, we received 43 reports on discrimination based on gender and region, of which 11 are still being processed, 27 were assessed and closed as unfounded or dismissed and 5 were confirmed or partially confirmed. Confirmed records involve a biased approach against employees from other regions and gender bias.

In addition to verification and accountability, we continued the preventive measures for events of discrimination, conducting 16 lectures on this topic to an audience of about 550 people through the Ombudsman Office. Additionally, aligned with preventive lectures against other traces of violence at work, lectures were delivered on such topics covering moral harassment and sexual harassment. Altogether, in the year 2018, 45 lectures were held involving the three topics, reaching about 2,100 thousand people.
INDIGENOUS PEOPLES AND TRADITIONAL COMMUNITIES

We carry out diagnoses and analysis of the community relationship in order to assess the characteristics and needs of the communities surrounding our Operating Units. From this process, which had a new cycle completed in 2018, we identified traditional peoples and communities, particularly fishermen and quilombolas, as well as riverine, caïcaras and indigenous peoples.

The relationship plans already include specific actions for these communities, as well as other surrounding communities, in order to direct our actions towards their involvement and development.

Indigenous communities exist in municipalities within the area covered by the licensed projects of the Santos Basin Operational Unit, in the municipalities of the north coast of São Paulo and in the south coast of the state of Rio de Janeiro. Although there is no specific forum for indigenous communities, these communities are invited to attend public hearings related to our projects in the region. In addition, we participate in projects managed by Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) with a focus on traditional communities, such as the Traditional Territory Characterization Project (PCTT), whose objective is to participate in the characterization of indigenous communities, quilombolas and caïcaras of the municipalities of Paraty (RJ), Angra dos Reis (RJ) and Ubatuba (SP).

Among the voluntary social environmental projects with focus on traditional communities, we highlight the Memories Revealed project, whose partnership is in force since 2014, aiming at strengthening the identity bonds of children and adolescents through contact with the memory of their caïcara ancestors. 800 casual participants and 190 direct participants (students and teachers of the public network, in addition to their relatives) are expected to attend, providing awareness for the rescue of the caïcara culture.

In 2018, we had no significant conflicts with local communities and indigenous peoples and no involuntary resettlement as a result of our operations.
PROMOTION OF HUMAN RIGHTS IN SOCIAL AND ENVIRONMENTAL PROJECTS

The Petrobras Socio-Environmental Program supports social and environmental projects, promoting human rights and establishing as priority targets: Indigenous Peoples, Traditional Peoples and Communities, Women, Black People, Children and Adolescents, Youth and People with Disabilities. The program also considers the “Respect for human rights and fight against discrimination” a cross-cutting issue, considering the following sub-topics: gender equality, ethnical and racial equality, and the inclusion of people with disabilities.

The current portfolio of the Program, comprised of 100 projects, includes 28 environmental projects and 6 social projects that directly benefit indigenous peoples or traditional communities in multiple regions throughout Brazil. The main activities performed include youth training for sustainability, development of an incubator for young entrepreneurs, and development of the social biodiversity product chain, such as chestnut, copaiba, guaraná, latex and handicrafts, and the training of indigenous and extractive communities for sustainable management of their territories.

Regarding the topic of ethnical and racial equality, there are 4 social projects within the portfolio that have black people as a priority target and benefit about 1,950 participants. Racial equality is also handled as a cross-cutting topic by 22 social environmental projects that promote, among its activities, workshops, discussions, lectures and roundtables about inequalities and inclusion.

With regard to the promotion of gender equality, the program benefits more than 14,000 women through activities such as professional qualification, entrepreneurship, mobilization to fight discrimination, and prevention of violence against women.

The program’s portfolio directly benefits some 24 thousand children and 26 thousand teenagers. Among its activities, we can highlight educational workshops, school performance improvement, and success in learning aimed at school inclusion, prevention and coping with violence.
Ethics and Transparency

PETROBRAS CORRUPTION PREVENTION PROGRAM

Ethics, integrity and the fight against fraud, corruption and money laundering are commitments that guide our daily activities and those with whom we keep relationships. The Petrobras Corruption Prevention Program (PCPP) establishes mechanisms in the prevention, detection and correction of acts non-compliant with the conduct we establish and require of our stakeholders.

We perform an Integrity Due Diligence (IDD) of counterparties in order to know and evaluate the integrity risks inherent to our relationship with suppliers of goods and services; clients in the sale of oil and oil products; institutions in sponsorship projects and Communication and Social Responsibility covenants, and companies interested in asset divestment processes and/or corporate equity, strategic and operational partnerships. The result of the IDD is expressed by the Degree of Integrity Risk (GRI) and is considered by managers in our decision-making process. In 2018, 4,873 counterparties were evaluated.

In accordance with the goal of continually improve our compliance actions, in December 2018 the Compliance Policy was revised and approved by the Senior Management, featuring an even more accessible language, with the update and strengthening of topics, especially those related to preventive actions. This policy describes and discloses the commitments we have made to promote ethical and transparency values in the conduct of our business, with zero tolerance to fraud, corruption and money laundering.

In addition to the structure responsible for compliance actions, we have about 150 specialists from different areas acting as Compliance Agents, aim at contributing to the multiplication of information and the dissemination of the compliance culture. These specialists also help in the identification of risks and improvements in the mechanisms of prevention and detection of breach of conduct. A meeting is held annually with these specialists aiming at their continuous training for the due performance of their duties. The meeting is usually attended by the senior management.

Compliance risks are those related to compliance with the laws and regulations applicable to our business, as well as internal rules and procedures, including those relating to fraud, corruption, money laundering and terrorist financing. Our risk and fraud and corruption control matrix has its results periodically submitted to approval of our Statutory Audit Committee (CAE). The matrix is reassessed annually. In 2018, 1,060 processes (100%) were reassessed based on risk factors related to fraud and corruption.

In addition, we coordinated the Compliance Committee of Brazilian Petroleum & Biofuels Institute (IBP), which in 2018 drafted the Oil, Gas and Biofuels Industry Integrity Compact, which is the first step to move the entire industry along the same path towards improving transparency and anti-corruption measures. We have signed this Compact together with 13 other companies.

Based on this initiative, the Good Practices Guide on Corporate Integrity of the Oil and Gas Industry was launched. The document, aimed at the supply chain and other industry participants, aims to indicate good practices and to convey in a simple and summarized way the basic requirements and guidelines of an integrity program, suitable to the risks of the industry.

ANTI-CORRUPTION POLICY AND PROCEDURES TRAINING

We have started a continuous cycle of mandatory training, called “Commitment to Compliance Trail,” which will help employees to identify compliance risks and how to act in those situations.

The training is conducted in the Distance Learning method, and involves senior management, managers, consultants and employees of all careers. In 2018, more than 40,000 employees were trained. In addition to being in accordance with the best practices in compliance, the initiative follows legal determinations and guidelines of regulators.

For all employees, training is planned on matters of common interest, such as anti-corruption legislation, compliance policy and program, disciplinary regime, conflict of interest, among others.
Employees in a commissioned office also participate in courses on subjects related to their performance. For those who work with an activity with greater exposure to compliance risks, such as procurement, inspectors and contract managers, specific modules are offered.

Attendance in ethics and compliance training is mandatory, and its successful completion within the established deadlines is a requirement as of 2019 to participate in the career promotion process. For the senior management, there were also classroom trainings that included topics such as: duties and responsibilities of managers; risk management; commitment of Senior management to compliance actions; governance model and decision making; internal controls, and related-party transactions.

We also promoted other initiatives, such as:
- distance training of 210 employees in Introduction to Sarbanes-Oxley Certification, aimed at reinforcing concepts and information regarding the certification process of internal controls, aimed at the management audience;
- training of 135 employees in the Prevention of Money Laundering and Terrorist Financing (PLDFT) course, aimed at managers and compliance agents;
- on-site course to train 31 employees in the Compliance area;
- 5,920 attendants in a distance learning course in Compliance Opinions;
- training course in Compliance for employees of the Board of Governance and Compliance;
- International certification of employees working in compliance;
- Inclusion of the time for ethics and integrity in the opening of meetings of the Executive Board and institutional events.

For those who were not been trained in 2017, we also offer distance training addressing the Petrobras System’s Code of Ethics and the Guide to Conduct, with the attendance of employees of subsidiaries. The online course had 2,940 employees trained and approved in 2018.

We have developed an advertising campaign aiming at expanding the dissemination of key compliance initiatives that were implemented. In order to do so, we launched the hotsite 10acoesanticorrupção.hotsitespetrobras.com.br with the 10 key anti-corruption actions aimed at clarifying to society the improvement of governance and compliance, and the results already achieved with these changes, in accordance with our objective of being recognized as a reference in ethics and integrity.

We applied disciplinary measures to employees of different hierarchical levels, with a total of 15 terminations, 83 suspensions and 184 written warnings. The cases refer to breach of conduct such as noncompliance with our standards, demeanor in the performance of duties, insubordination, among others.

Four Administrative Accountability Processes were concluded, with a fine of R$ 1,345,000 applied as penalty, as well as warnings and suspension of bidding and contracting with us. Penalties applied are published in the Federal Official Gazette (DOU), registered in the National Register of Punished Companies (CNEP) and in the National Register of Unsuitable and Suspended Companies (CEIS), of the MTF-CGU Portal and in our Transparency Portal.
COMMITTEE FOR DISCIPLINARY MEASURES

The Committee for Disciplinary Measures (formerly known as the Correction Committee), comprised of the executive managers of Compliance, People Management and Legal, was created to strengthen the punishment system, to guide, standardize and monitor the application of disciplinary measures in cases related to fraud, corruption, nepotism and conflict of interest.

In 2018, this Committee was reformulated as part of the Integrity System review. In addition to the name change, other changes include: (i) the new arrangement, comprising 3 members with exclusive dedication to the activity; (ii) the responsibility for the definition of sanction; and (iii) the possibility of managers requesting resources.

Another important aspect is the broadening of the scope of topics to be assessed. In addition to the analysis of cases of fraud, corruption, nepotism and conflict of interest, the committee’s activities will cover, for example, the application of the penalty system in cases of moral, sexual harassment, property damage and Administrative Accountability Process – PAR with suppliers, as well as the monitoring of the penalty system related to members of the Senior Management.

PREVENTION OF CONFLICTS OF INTEREST

Our Bylaws establishes as a requirement for appointment to a management position that the candidate does not have any conflicts of interest in our company and fully complies with the legal requirements and prohibitions. Such assumption is reinforced by our Corporate Governance Guidelines, by the Code of Good Practices, by the Code of Ethics, by the Guide to Conduct, by the Petrobras Corruption Prevention Program (PCPP) and by the Internal Regulations of the Board of Directors.

If any of our Board members change their main professional occupation after their election, it is recommended that such event be brought to this collegiate, which will reassess the requirements, impediments and potential conflicts. If the board member is a representative of the employees, he or she cannot participate in discussions and resolutions on the agenda when defining human resources policy involving matters of trade union relations, compensation, benefits and advantages, including matters of supplementary social security and assistance, in which event, there will be a conflict of interest.

Our Related-Party Transactions Policy also establishes the principles that guide us in entering into this type of transaction and in situations where there is a potential conflict of interest, in order to ensure the commutativity of transactions and the preservation of our interests, in accordance with process transparency and best practices in corporate governance.

In addition, as defined in our Code of Ethics and in the PPPC, we are committed to refuse support and contributions to political parties or political campaigns of candidates to a political office. We also have our Code of Competitive Conduct*, which embodies our commitment to strict compliance with Brazilian competition or antitrust laws and the foreign jurisdictions in which we conduct business.

DELEGATION OF AUTHORITY

Roles and responsibilities of the Board of Directors and of the Executive Board are described in our Bylaws. The Basic Organization Plan, in turn, defines the roles of the heads of organizational units in our general structure, as well as the overall responsibilities of these units in economic, environmental and social topics, among others.

In addition to the roles and responsibilities provided for in the Bylaws, we have established in specific internal documents the amount thresholds and authorities to approve the acts necessary for our management, as well as the guidelines and rules for the application and use of the planned delegations. It is up to the Internal Audit to monitor the use of these delegations in order to certify the compliance of acts performed. Moreover, we have a shared authorization model in which important decisions, such as hiring, procurement and other relevant management acts must be taken by at least two managers with no direct reporting relationship.

TRANSPARENCY

The adjustment of the Transparency Portal to the requirements of Law nº 13.303/16 and other regulations was completed in 2018, expanding the scope and details about the information provided. The new subsection “Acquisition of assets” is highlighted in the “Expenses” section, covering the purchase of material, the broadening of the disclosure of appointments’ schedule of the CEO and directors and the integration with the Electronic System of the Citizen Information Service of the CGU (e-SIC), to meet the requests for information and related resources.

Through the Ombudsman-General’s Office, we act in compliance with the Access to Information Act (LAI), the Citizen Information Service, and in reports, complaints, requests, compliments and suggestions, as well as topics covered by Law nº 12813/2013 (Conflict of Interest Act), through which we evaluate situations of potential conflict between public and private interests that may jeopardize the collective interest or improperly influence the performance of the public role.

We also offer our audience several means to submit denouncements, respecting the anonymity of whistle blowers whenever necessary. Our Reporting Channel is managed by an external company and is available 24/7 in three languages (Portuguese, English and Spanish) and in all countries where we operate.

In December, we received the Citizen Company Award from the Regional Accounting Council of the State of Rio de Janeiro (CRC-RJ) in partnership with Firjan, Fecomércio and UFRJ during the 16th edition of the Citizen Company Certificate. This award recognizes companies that stand out in their disclosures on social, environmental and accounting issues, both in their Sustainability report and in the Financial Statements.
The Ombudsman General’s Office assures the internal or external stakeholders a permanent and independent channel for the submission and handling of denouncements, including those of anonymous nature, complaints, requests for information, requests, suggestions and/or compliments. On a quarterly basis, the Ombudsman General’s Office makes a presentation to the Executive Board and to the Board of Directors, which, among other issues, shows an assessment of the most critical and high-risk reports of fraud and corruption, quantitatively evaluated according to a matrix that includes aspects such as materiality and risk to the company image, among others. The total number of such reports in 2018 reached 55 in all of our controlled companies.

### TOTAL DEMANDS RECEIVED IN 2018 (%)

- **Complaint**: 8,839
- **Request for Information**: 5,741
- **Request**: 1,933
- **Denouncements - Other Topics**: 1,614
- **Denunciations - Fraud and Corruption**: 782
- **Comment**: 152
- **Suggestion**: 102
- **Request for Authorization**: 34
- **Administrative Liability Procedure**: 30
- **Compliment**: 26
- **Inquiry**: 17

**Total**: 19,370
Of the 5,741 requests for information received in 2018, 5,625 were closed by the end of the year. Of these, 4,361 were closed in up to 20 days, while another 819 were closed between 21 and 30 days.

Petrobras Distribuidora and Transpetro also have Ombudsman-Offices linked to their Boards of Directors, with the purpose of broadening the dialogue between the company’s management and its multiple stakeholders through reports, complaints, requests for information, requests, among other manifestations received on-site or by electronic means. The Petrobras Distribuidora’s Ombudsman also receives the demands of its subsidiary Stratura Asfaltos S.A. In 2018, the Transpetro’s Ombudsman strengthened its ties with its employees with presence in 16 terminals and 8 vessels.
### COMPLIANCE WITH LAWS AND REGULATIONS

We conduct our activities in accordance with the laws and regulations in force in the countries in which we operate, in addition to complying with our own internal rules, standards and procedures based on best market practices. There are several compliance mechanisms to strengthen this commitment. In spite of this, in 2018 we received 140 infraction notices from the Brazilian National Petroleum, Natural Gas and Biofuels Authority’s (ANP) and we paid about R$ 74.5 million.

The following are the main fines and penalties applied to Petrobras’ Holding Company in the year 2018:

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>NATURE</th>
<th>AMOUNT</th>
<th>AUTHOR</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noncompliance regarding the operation and maintenance management, resulting</td>
<td>Operations</td>
<td>BRL 5.9 million</td>
<td>ANEEL</td>
<td>Partial award changing to the historical value of BRL 3,711,000 without any further administrative appeal</td>
</tr>
<tr>
<td>in the degradation of the availability of the UTE – BARBOSA LIMA SOBRINHO</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discriminatory practice of discounts on natural-gas supply agreements</td>
<td>Commercial</td>
<td>Invaluable</td>
<td>COMGÁS</td>
<td>Ended in 2018</td>
</tr>
<tr>
<td>GEMINI Consortium</td>
<td>Commercial</td>
<td>BRL 289 million</td>
<td>COMGÁS</td>
<td>Ended in 2018</td>
</tr>
<tr>
<td>Request for compensation for anti-competitive practice</td>
<td>Commercial</td>
<td>BRL 2,298 million</td>
<td>Manguinhos Refinery</td>
<td>The proceeding is ongoing, with a favorable decision to Petrobras in the RJ Court of Justice</td>
</tr>
<tr>
<td>17 fines imposed for alleged breaches of ANP’s technical regulations</td>
<td>Operations</td>
<td>BRL 46.6 million</td>
<td>ANP</td>
<td>The fines were paid or are under dispute in Court</td>
</tr>
<tr>
<td>3 infraction notices (not related to issues arising from spills)</td>
<td>Environment</td>
<td>BRL 7.6 million</td>
<td>IBAMA</td>
<td>The administrative proceedings are ongoing. We have already submitted the defense plea</td>
</tr>
<tr>
<td>2 claims (related to issues arising from spills)</td>
<td>Environment</td>
<td>BRL 7.1 million</td>
<td>Municipal Department of the Environment of Candeias (BA) and INEMA (BA)</td>
<td>The administrative proceedings are ongoing, we have already submitted the defense plea</td>
</tr>
<tr>
<td>Legal proceedings based on Article 927 of the Civil Code. (related to issues arising from spills)</td>
<td>Environment</td>
<td>BRL 22.8 million</td>
<td>Fishermen’s Colony Z-4 Ilha da Maré (BA)</td>
<td>The legal proceeding is ongoing, and we have not submitted any defense plea yet</td>
</tr>
</tbody>
</table>

With regard to Petrobras Distribuidora, the main lawsuits in 2018 were:

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>NATURE</th>
<th>AMOUNT</th>
<th>AUTHOR</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contamination due to fuel spills occurred in the BR reseller station</td>
<td>Environment</td>
<td>BRL 10 million</td>
<td>Prosecutor’s Office of the State of Mato Grosso do Sul</td>
<td>Proceeding suspended for 30 days at the request of the Prosecutor, for possible CAT negotiation. No decision yet</td>
</tr>
<tr>
<td>Contamination from CM-30 asphalt spills occurred in the building site of the Goiânia Department of Works**</td>
<td>Environment</td>
<td>BRL 70.1 million</td>
<td>Prosecutor’s Office of the State of Goiás</td>
<td>Undergoing expert analysis</td>
</tr>
<tr>
<td>Contamination due to activities of TENAL – Natal Terminal**</td>
<td>Environment</td>
<td>BRL 20 million</td>
<td>Federal Prosecutor’s Office</td>
<td>Preliminary stage. BR was taken out of the dispute. However, such a decision is still waiting for a final unappealable decision, which is why BR can remain as a defendant</td>
</tr>
</tbody>
</table>

* Administrative and legal claims over R$ 1 million were deemed relevant.
** Petrobras Distribuidora is a defendant along with other companies.
With respect to Petrobras Transporte S.A. – Transpetro, the main environmental lawsuits in the year 2018 are related to taxing assessment notices resulting from spills arising from attempts to steal fuel from the Company’s pipelines (clandestine connection), in the total of 8 administrative assessments.

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>NATURE</th>
<th>AMOUNT</th>
<th>AUTHOR</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 administrative assessments due to clandestine connection – Magé/RJ (June and December)</td>
<td>Environment</td>
<td>BRL 58 million</td>
<td>Municipality of Magé/RJ (Department of Environment)</td>
<td>Administrative defense plea submitted. Awaiting analysis of the environmental agency.</td>
</tr>
<tr>
<td>Tax Settlement of environmental debt related to oil spills (600 liters) of the pipeline connecting the Angra dos Reis waterway terminal – TAAR to the Duque de Caxias Refinery</td>
<td>Environment</td>
<td>BRL 3.1 million</td>
<td>State Prosecutor’s Office – PGE/RJ</td>
<td>Transpetro submitted a bank guarantee as a warranty to the court and filed an appeal against the settlement (defense plea).</td>
</tr>
</tbody>
</table>

Under laws and regulations in the social and economic area, in 2018, Liquigás paid BRL 1.60 million as a result of a public civil labor lawsuit involving collective moral damages, and a total of BRL 800,000 in 73 Inmetro infraction notices.

For information on Car Wash Operation, Collective Lawsuits, Individual Lawsuits and related proceedings, please refer to Annual Report
ENVIRONMENT

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Spills Response Readiness  66
Atmospheric Emissions and Air Quality

We are aware of the importance of air quality to society, affected by both industrial and transport activities. We continuously invest in the mitigation of emissions of regulated pollutants from our operations and in quality of products.

We monitor the use of ozone-depleting substances (ODS) at our facilities to comply with Brazilian laws, which provides for their elimination, after gradual reduction. Our emissions are mainly due to air conditioning activity, through cooling systems (air conditioning), without emissions from our production processes.

Our air-quality monitoring network has 42 stations operating in nine Brazilian states, allowing us to know and manage the impact of our activities, as well as contributing with information to the public management of air quality.

Air quality information is considered in our decision-making process, both in risk assessment and in investment decisions. All our investments are valued in relation to their impacts on the atmosphere, from the initial stage of project design to the sale of the asset.

Since 2002, we have been analyzing our emissions on a monthly basis through a consolidated system and the SIGEA® (Atmospheric Emissions Management System).

Our inventory has detailed information about each emission source, and we currently have more than 17,000 active individual sources in more than 100 different typologies. In relation to regulated pollutants, we make an inventory of emissions of sulfur oxides (SOx), nitrogen oxides (NOx), particulate matter (PM), volatile organic compounds (VOCs) and carbon monoxide (CO).

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

We own laboratories for engine and product testing, and we conduct researches on air quality and atmospheric emissions’ control in partnership with leading universities in the country.

The behavior of our emissions is the result of three conditions: the expansion of our activities over the last decade, the improvement of product quality (which increases the complexity of our facilities and our energy consumption) and the relevant investment in emissions’ reduction projects.
In the last five years, we have observed discrete variations in emissions of particulate matter and sulfur oxides. Nitrogen oxides emissions fluctuate in the period, following the thermoelectric dispatch variation. For carbon monoxide, operational improvements in the Refining activity led to reductions observed from 2016 to 2018. The increase in VOC emissions is due to operational variations and also to the continuous inventory improvement of this pollutant.

Our emissions are verified annually by third party, with an expected completion of verification of 2018 data until July/2019. May be adjusted up to that date.

In the period from 2017 to 2018, there is a reduction in the total volume of unused hydrocarbons, which is related to our actions focused on torch burning reduction and other operational efficiency measures, despite the increase in production in the period.

For information on our performance in managing greenhouse gases and climate change, see Climate Change Notebook at http://petrobras/climate
Biodiversity

The spatial distribution and variety of our operations often interface with protected and sensitive areas. The identification of these areas is a step toward the prevention and mitigation of risks and associated impacts. Our management of risks and impacts on biodiversity follows the guidelines established in internal standards and rules, as well as management tools such as the environmental data register (Cadam), with 6,584 records, the GeoPortal, which enables the integration of georeferenced environmental databases in a single viewing platform, and our Annual Biodiversity Report, which consolidates management measures and other initiatives related to biodiversity or interfacing with the topic, being an important contribution to the critical evaluation and improvement of our strategies.

### TYPE OF PROTECTED AREA

<table>
<thead>
<tr>
<th>TYPE OF PROTECTED AREA</th>
<th>EXTERNAL AREA</th>
<th>INTERNAL AREA</th>
<th>GRAND TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Preservation Areas (PPA)</td>
<td>47</td>
<td>498</td>
<td>545</td>
</tr>
<tr>
<td>Natural Cavity *</td>
<td>0</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Legal reserves</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Archaeological Site</td>
<td>109</td>
<td>56</td>
<td>165</td>
</tr>
<tr>
<td>Indigenous Lands</td>
<td>3</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Quilombola Territory</td>
<td>2</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Conservation Units</td>
<td>271</td>
<td>102</td>
<td>373</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>432</strong></td>
<td><strong>670</strong></td>
<td><strong>1,102</strong></td>
</tr>
</tbody>
</table>

* Natural subterranean cavity is any underground space accessible by humans, with or without identified opening, popularly known as cave, grotto, den, cavity, abyss, opening or hole, including its environment, mineral and water content, fauna and flora found there and the rocky body where they are inserted, as long as they have been formed by natural processes, regardless of their size or type of nesting rock.

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Albatroz Project
In 2018, 31 events with a confirmed or probable impact on fauna, flora or habitat were recorded, such as suppression of vegetation, erosion and accidental death of animals within Petrobras facilities. These events are subject to either mitigation and environmental impact measures or recovery, such as replenishment of protected species and revegetation, treatment and recovery of degraded areas, adaptation of facilities and other measures.

Regarding the causes, 18% of these events were caused by routine operations, followed by 10% unclassified and 3% generated by accidental causes.

In the Santos Basin, another Marine Animal Stabilization Unit was put into operation, this time in Praia Grande. There are already 5 premises of this kind in operation, which guarantee specialized veterinary service to rescued marine animals in the coverage area of the Santos Basin.

Marine Animals Stabilization Units are equipped with a structure for specialized veterinary treatment, where the animal rescued alive receives the first care until they can be sent to a Rehabilitation and Oil Detox Center following return to the natural habitat. In the case of dead animals, we perform the necropsy and assess the possible causes. From the information generated so far, we did not find interference from our activities in the monitored cases.

We defined corporate criteria for the identification and prioritization of degraded areas in order to underpin the recovery actions in these areas. Together with the Monteiro Lobato Gas Treatment Unit (UTGCA), in Caraguatatuba (SP), the Research and Development Center (CENPES), and the Tropical Forests Ecology Lab of the University of São Paulo (Labtrop/USP) we made a flight with a Remotely Piloted Aircraft Systems (RPAS) in an area of 76,000 sqm., where 20,000 seedlings of native species of the Atlantic Forest were planted to map and measure the results from the forest restoration project of the Permanent Preservation Area (PPA) of the Camburu River.

Through this project, it has been possible to evaluate which practices need to be developed and those which will serve as forest restoration actions in other units in Atlantic coastal plain regions or even in other Brazilian biomes.

Jointly working is a group of researchers who developed the methodology and planning, defined species and nutrient use, suggested different types of plantations (in cores and in line), searched for solutions to wet and dry areas and all results are being reviewed. The intention is to monitor this forest for many years so that we can reuse successful experiences in other places.

At the Geologist Pedro de Moura Operations Base (BOGPM) in Uruçu, all open clearings in the forest will be fully recovered. In 2018, about 50 hectares underwent environmental recovery actions in different stages – 45 hectares in the Solimões Basin and 6 in the Amazon Basin. Altogether, more than 70 thousand seedlings were planted.

We identified and evaluated impacts so that we can define preventive, mitigating and compensatory measures in the installation, operation and deactivation phases of our projects.
In 2018, a cooperation agreement was signed with the Ministry of Science, Technology, Innovation and Communication (MCTIC), the Brazilian Navy, Vale and the Mineral Resources Research Company (CPRM) for shared management of the Hydro-Oceanographic Research Vessel Vital de Oliveira. The vessel was acquired through an agreement signed in 2012 in jointly initiative with Vale, the Navy and MCTIC, and will help with research on the Brazilian coast.

The cooperation agreement grants the funding and maintenance of the Research Vessel for 3 years. Our expectation is that the agreement will contribute to research progress in the environment, geotechnics, sedimentology, stratigraphy and oceanography areas. The vessel has five labs and capacity for up to 60 scientists. Among its technological resources, there is a remote operation vehicle (ROV) to operate down to 4,000 meters deep.

According to the stage of the project’s life cycle, the operations’ typologies, environmental factors, legal requirements, environmental agencies’ requirements (in the case of licensing conditions), among other factors, we have developed several studies and projects aiming at assessing the risks to biodiversity and establish action plans. In 2018, 198 initiatives developed by 62 units were reported, involving characterization and environmental monitoring, recovery of degraded areas, mapping of protected areas, fauna management, among others.

We carried out environmental programs in the Santos Basin in order to characterize, monitor, mitigate, respond to emergencies or compensate for possible impacts of our activities. Some examples are the Fishery Compensation Plan (PCAP), the Wildlife Protection Plan (PPAF), the Platform Bird Management Plan (PMAVE), the Santos Basin Regional Characterization Project (PCR-BS), the Beach Monitoring Project (PMP), the Cetacean Monitoring Project (PMC), among others.

We also invested in projects for research and development of technological solutions and methodologies that improve the environmental management and mitigate our operations’ impacts. The ongoing projects include environmental characterization, mitigation or reduction of impacts on ecosystems and biodiversity and the recovery of degraded and affected environments through reforestation projects, restoring of native species and others.

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The MCTIC, the Brazilian Navy, and Petrobras will invest R$ 18.7 million each in the vessel over a period of three years. Vale will transfer R$ 1.45 million, and the Mineral Resources Research Company (CPRM), R$ 17.2 million, within the same period.
We continue to invest in the use of Remotely Piloted Aircraft Systems (RPAS) in plant restoration projects. The technology was used to meet the 4 parameters of environmental monitoring required by the State Environmental Institute (Inea-RJ) to accomplish planting projects: density, coverage, mean height, and grass infestation. The methodology was presented and approved of by the environmental agency.

Reduced task execution time, besides the simplification of processes, are the benefits brought using digital transformation to the environmental monitoring area.

Given the gaps in scientific knowledge on marine bioinvasion, we continue to promote research on the topic, particularly on sun coral.

Thus, in September 2018, we signed a Cooperation Agreement with the Federal University of Bahia (through the Foundation to Support the Research and Extension/FAPEX) for the development of the Project “Evaluation and Research of the Sun Coral in the Baia de Todos os Santos,” with the overall goal to implement a set of subprojects to evaluate the current distribution of Tubastrea spp. (Sun coral), in the Baia de Todos os Santos (BTS), to monitor the progress of its occurrence over time, to expand and disseminate knowledge on the biological and ecological aspects, and the fauna associated with these organisms. Four subprojects will be developed, involving mapping, biology, ecology and dispersion of the sun coral in the BTS and vicinities.

Based on the national and international lists of endangered species, several species were identified within the areas of influence of our activities.

**NUMBER OF ENDANGERED SPECIES – NATIONAL LIST**

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vulnerable</td>
<td>136</td>
</tr>
<tr>
<td>Endangered</td>
<td>58</td>
</tr>
<tr>
<td>Critically endangered</td>
<td>35</td>
</tr>
</tbody>
</table>

**NUMBER OF ENDANGERED SPECIES – INTERNATIONAL LIST (IUCN)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vulnerable</td>
<td>100</td>
</tr>
<tr>
<td>Endangered</td>
<td>42</td>
</tr>
<tr>
<td>Critically endangered</td>
<td>13</td>
</tr>
</tbody>
</table>

We participated in the 14th Meeting of the Conference of the Parties (COP) to the Convention on Biological Diversity (CBD) held in Sharm El-Sheik, Egypt. The Convention, signed by 196 countries, addresses conservation, sharing of benefits and sustainable use of biodiversity. The Conference of the Parties is the supreme body of the CBD and has a mandate for negotiation and decision on Convention topics. Our participation represented the opportunity to update international strategies and drivers for biodiversity conservation. In addition, we also participated in the Global Business and Biodiversity Forum (GBBF), with the topic “Investing in Biodiversity for People and Planet,” carried out by the CBD Department, aiming at promoting the exchange of experiences and best practices in biodiversity and ecosystems in business models and operations.

Brazilian Manta Ray Project (Mantas do Brasil)
Water Resource Management

Our water resource management has as the basic principle the search for the rationalization of the use of water, which allows both to ensure the necessary supply to the activities, and to contribute to its conservation in the areas affected by our facilities. We seek the adoption of low water-intensive technologies, decreasing water use in our operations and processes, the reuse and identification of alternative sources of supply, always considering the local water availability and the technical and economic feasibility of actions. With regard to effluents produced, we seek to minimize the pollutants disposed and the segregation, treatment and proper disposal of streams, complying with the disposal standards and the capacity of the receiving bodies to assimilate effluents.

We use tools for water resource and effluent management, and the results of projects and actions are monitored by the senior management.

With regard to the systematization of information, we have a corporate database, Data Hydro (Corporate System on Water Resources and Effluents), in which information is registered, searched and processed on water volumes used, catchment sources, potentially polluting discharges, volumes of industrial and sanitary effluents, costs involved, among other aspects required for management. It is through this system that we conduct our annual inventory of water resources and effluents, which in 2018 included 467 facilities featured as water users and effluent generators (445 in 2017).

We evaluated our performance by measuring, monitoring and critically reviewing monthly the corporate indicators (Freshwater Withdrawal Volume - ADC, Discharged Wastewater Volume - EHD, Reused Water Volume - VAR and Oil and Grease Mass in Wastewater - OG).

In recognition of our ongoing actions for the efficient management of water resources, in 2018 we reached the Leadership level for the water program of the Carbon Disclosure Project (CDP Water), achieving the ‘A-‘ grade.

ACCESS TO WATER AND RISK IDENTIFICATION

We use an important tool to evaluate the exposure of our facilities to scarcity risks: the Water Scarcity Risk Index (IREH), developed in partnership with the Federal University of Rio de Janeiro (UFRJ). The 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 facilities to the physical shortage of water resources, but also the vulnerabilities of the river basins and the resilience actions developed in the facilities.
In 2018, for our units identified as exposed to relevant risks, we continued the implementation of the corporate action plan for mitigation and monitoring of water risks, composed of 40 actions involving, for example, the participation of our units in water resource forums such as the Basin Committees, studies on opportunities to rationalize water use, technological research and development (R&D) to optimize water use, among others.

A key action in the plan, started in 2018, is the preparation of current and future water availability assessment studies in the river basins and aquifers where collections of 26 of our units are located. The studies will also investigate possible alternative sources of supply, when necessary, evaluating them technically and economically, and indicating the actions to enable their use.

**ENGAGEMENT**

In 2018, we were Gold Sponsors of the 8th World Water Forum, held in Brasilia – DF. The World Water Forum, organized by the World Water Council (WWC), is the largest water event in the world, and the sponsorship reinforces our commitment to the best resource management practices. In this event, we presented our internal best practices for the rational use of water, as well as sponsored social environmental projects related with the topic. We also launched the publication “Water at Petrobras,” where our several initiatives in water resource and effluent management are consolidated.

To follow the discussions and proposals for changes in legal requirements and to identify possible improvements in water use management, we also integrated the Water Resources Network of the National Industry Confederation (CNI) and participated in the Water Chamber (CT Água) of the Brazilian Business Council for Sustainable Development (CEBDS).

In local domains, in order to collaborate with the participative management of the river basins where our facilities are located, we have been to several forums, such as river basin committees. We also implemented corporate programs of voluntary investments in social and environmental projects in which the water topic has a great prominence, including actions such as the reversal of degradation processes, water preservation, protection of springs and riparian forests, strengthening of basin management tools, as well as environmental awareness and education initiatives.
TECHNOLOGY

We invested around R$ 22 million in research and development projects related to water resources and effluent management, in partnership with companies, research institutions and seven Brazilian universities. The research lines sought to increase the efficiency of our effluent treatment, besides guaranteeing the supply of water necessary for the operations of our units. We are also conducting research to optimize the use of this resource, such as improving the management and control of cooling systems with online analysis capabilities. In addition, we have advanced water desalination research for industrial use, improving the efficiency of effluent treatment processes deployed in the company, and a project for the development of a decision support system aimed at optimizing the water resource management in climate-change scenarios.

USE OF WATER

Throughout 2018, we collected 182.3 million cubic meters of fresh water and 2,269.1 million cubic meters of brackish and saline water for our operational and administrative activities.

WATER BALANCE (MILLIONS OF M³)

- **INLETS**
  - Surface (rivers and reservoirs): 116.7
  - Underground (wells): 17.7
  - Third parties (utilities companies and other sources): 47.9

- **USES**
  - Production: 17.6
  - Generation: 17.9

- **OUTLETS**
  - Reuse: 84.0
  - Fertilizer: 11.4
  - Other: 4.7

- **TOTAL WITHDRAWAL**: 182.3
- **TOTAL DEMAND**: 266.3
- **TREATED EFFLUENTS**: 289.1

For information on our performance in managing greenhouse gases and climate change, please see Climate Change Notebook at http://petrobras/climate
Regarding freshwater, we used 209 catchment sources, of which 177 were located in Brazil (accounting for about 95% of the total volume of fresh water we collected) and 32 in other countries where we operate. In Brazil, maximum limits of fresh water withdrawal from the environment are established by public authorities responsible for the water resource management, considering hydrological criteria and the multiple human and ecological uses of water within a river basin.

We continuously invest in assessing the impacts of our activities, observing protected areas and identifying sensitive areas located in regions affected by the operations of our units.

A significant part of our investments in rationalization of water use has been geared towards the development of reuse projects. Among the benefits achieved, we have reached a reduction in our global needs for “new water” catchment. In 2018, the total reuse volume was 84 million m³, which accounts for 31.5% of our total freshwater demand. This reused volume would be sufficient to supply, for example, a city with about 2 million inhabitants for one year.

From these reuse actions, we estimate an annual saving of approximately R$ 28.6 million in the costs of water catchment and effluent disposal.

| TOTAL REUSED WATER VOLUME (VAR) |
|-----------------|-----|-----|-----|-----|
|                  | 2015 | 2016 | 2017 | 2018 |
| Reused water (million m³) | 23.6  | 24.8  | 25.4  | 84.0  |
| Reuse in relation to total fresh water demand (%) | 10 | 11.5 | 12.5 | 31.5 |

* The data source used for the calculations was the 2018 Water Resource and Effluent Inventory.
* E&P activity accounts for approximately 70% of the total reused water volume.
* As of 2018, due to the identity revision of the corporate indicator “Reused Water Volume (VAR),” we began to record the volumes of produced water reinjected for secondary recovery of oil and gas in land fields.
EFFLUENT GENERATION

The volume of water effluents disposed of to the environment from our operations was 289.1 million m³, including industrial effluents and water produced from the oil extraction process. This total volume of effluents contained: 5,700 metric tons of oils and greases; 6,000 metric tons of chemical oxygen demand (COD) and 800 metric tons of ammonia. Effluents are treated before discharging to meet quality standards established in the environmental legislation.

Our effluents are discharged in 53 surface water bodies, 11 underground disposal points and 33 supply/treatment utilities or outsourced companies.

TOTAL DISPOSAL OF EFFLUENTS BY THE PETROBRAS SYSTEM BY DESTINATION

<table>
<thead>
<tr>
<th>PURPOSE</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>SURFACE WATER BODIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposed volume (million m³)</td>
<td>270.7</td>
<td>274.8</td>
<td>285.1</td>
<td>276.2</td>
</tr>
<tr>
<td>Disposed volume (%)</td>
<td>97.7</td>
<td>97.5</td>
<td>97.3</td>
<td>95.5</td>
</tr>
<tr>
<td>UNDERGROUND WATER BODIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposed volume (million m³)</td>
<td>3.2</td>
<td>1.1</td>
<td>0.4</td>
<td>3.9</td>
</tr>
<tr>
<td>Disposed volume (%)</td>
<td>1.15</td>
<td>0.4</td>
<td>0.1</td>
<td>1.3</td>
</tr>
<tr>
<td>SUPPLY UTILITIES OR THIRD PARTY COMPANIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposed volume (million m³)</td>
<td>3.2</td>
<td>5.8</td>
<td>7.7</td>
<td>9.0</td>
</tr>
<tr>
<td>Disposed volume (%)</td>
<td>1.15</td>
<td>2.1</td>
<td>2.6</td>
<td>3.1</td>
</tr>
<tr>
<td>TOTALS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposed volume (million m³)</td>
<td>277.1</td>
<td>281.8</td>
<td>293.2</td>
<td>289.1</td>
</tr>
<tr>
<td>Disposed volume (%)</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

* The data source used for the calculations was the 2018 Water Resource and Effluent Inventory.

* As of 2017, the consolidation of Discharged Wastewater Volume does not consider sanitary effluents. In 2017, these effluents added up to 3.82 million m³, and in 2018 this volume reached 3.84 million m³.
Waste Management

We classify waste as hazardous or non-hazardous following definitions reported in ABNT 10,004, which is based on the Code of Federal Regulation – Title 40 – Protection of Environmental – Part 260-265 – Hazardous Waste Management. Thus, the generation of hazardous and non-hazardous solid wastes in our processes was 120 thousand and 158 thousand metric tons respectively, in 2018.

Regardless of the classification, the amount of waste is determined by direct weighing or estimated considering technical and engineering criteria (density and volume). The waste-disposal process is conducted by us or by contracted companies. The result from the generation of hazardous solid waste was 31% below the alert limit established.

Since 2013, we have developed initiatives to minimize the generation of solid waste. We highlight 2 processes:
1) Processing of oily residual streams, with the recovery of hydrocarbons and the reduction of the generation of oily waste in the Shale Unit (SIX) in Paraná, which prevented the generation of 111 thousand metric tons of oily wastes in 2018.
2) Operation of an oil recovery unit at the Alberto Pasqualini Refinery (Refap), which allowed, in 2018, the reuse of 12 thousand m³ of oily residual streams, with the recovery of hydrocarbons and the production of green petroleum coke, avoiding the generation of oily wastes.

We have been minimizing our wastes over the past 4 years. The slight increase in generation (6%) in 2018, when compared to 2017, was mainly due to non-continuous processes such as the disposal of conditioned fluids in part of our drilling rig fleet that was demobilized, and the processes required to clean the tanks of the vessels containing such chemicals.

119 thousand and 140 thousand metric tons of hazardous and non-hazardous wastes have been allocated from our processes, respectively. The management of our solid wastes allowed 71% of the mass of hazardous waste generated through the processes to be allocated for reuse, recovery and recycling alternatives.

The total amount of process waste allocated to non-RRR (Reuse, Recycling and Reuse) was 115 thousand metric tons, therefore, less than the Alert Limit established for the year (129 thousand metric tons).

### PRODUCTION OF OIL, NGL AND NATURAL GAS X PROCESS WASTE

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PRODUCTION (MMBOE/DAY)</th>
<th>HAZARDOUS RESIDUES GENERATED (THOUSAND METRIC TONS / YEAR)</th>
<th>NON-HAZARDOUS WASTE GENERATED (THOUSAND METRIC TONS / YEAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2,786.3</td>
<td>192</td>
<td>319</td>
</tr>
<tr>
<td>2016</td>
<td>2,790.0</td>
<td>132</td>
<td>210</td>
</tr>
<tr>
<td>2017</td>
<td>2,766.7</td>
<td>113</td>
<td>153</td>
</tr>
<tr>
<td>2018</td>
<td>2,627.8</td>
<td>120</td>
<td>158</td>
</tr>
</tbody>
</table>
HAZARDOUS WASTE

RRR – Recovery, Recycling and Reuse

We determine the methods for waste disposal using companies contracted, specialized and licensed by the environmental authority.

<table>
<thead>
<tr>
<th>DESTINATION TECHNOLOGIES</th>
<th>HAZARDOUS WASTE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>REUSE AS FUEL</td>
<td>28</td>
</tr>
<tr>
<td>RECOVERY, RECYCLING AND REUSE (EXCEPT THE FOREGOING)</td>
<td>43</td>
</tr>
<tr>
<td>BIOLOGICAL TREATMENT</td>
<td>2</td>
</tr>
<tr>
<td>INCINERATION</td>
<td>2</td>
</tr>
<tr>
<td>DISPOSAL IN LANDFILL</td>
<td>11</td>
</tr>
<tr>
<td>OTHERS*</td>
<td>14</td>
</tr>
</tbody>
</table>

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

NON-HAZARDOUS WASTES

RRR – Recovery, Recycling and Reuse

<table>
<thead>
<tr>
<th>DESTINATION TECHNOLOGIES</th>
<th>NON-HAZARDOUS WASTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reuse as fuel</td>
<td>4 %</td>
</tr>
<tr>
<td>Recovery, Recycling and Reuse (except the foregoing)</td>
<td>38 %</td>
</tr>
<tr>
<td>Biological treatment</td>
<td>19 %</td>
</tr>
<tr>
<td>Incineration</td>
<td>2 %</td>
</tr>
<tr>
<td>Disposal in landfill</td>
<td>35 %</td>
</tr>
<tr>
<td>Other*</td>
<td>2 %</td>
</tr>
</tbody>
</table>

* Waste returned to suppliers, submitted to unconventional disposal technologies or to more than one type of treatment.
All wastes have been transported to allow for the environmentally appropriate final treatment or disposal. We use, both for the transport stage and for the destination, suppliers licensed by the competent authorities (environmental, transport and health surveillance). In 2018, 119 thousand metric tons of hazardous waste and 140 thousand metric tons of non-hazardous waste were transported nationally from our processes. In the year in question we have not carried out any international shipment of waste.

Within the activities developed by Petrobras Distribuidora, the manufacture of lubricants for use in vehicles and equipment is considered as “primary production and service”. The list below shows the materials used in 2018 for the manufacture of these products that are not integrated into the final product:

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>WEIGHT (TON)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NON–RENEWABLE MATERIALS USED</strong></td>
<td></td>
</tr>
<tr>
<td>Contaminated (empty) metal buckets, cans, metal containers or gas cylinders</td>
<td>8.75</td>
</tr>
<tr>
<td>Plastic bottles contaminated with oily residue</td>
<td>1.54</td>
</tr>
<tr>
<td>Plastic containers contaminated with oil</td>
<td>38.29</td>
</tr>
<tr>
<td>Contaminated empty metal drums (200 l)</td>
<td>418.35</td>
</tr>
<tr>
<td><strong>RENEWABLE MATERIALS USED</strong></td>
<td></td>
</tr>
<tr>
<td>Pallets</td>
<td>253.20</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>720.13</td>
</tr>
</tbody>
</table>

Petrobras Distribuidora is a founding associate of the Jogue Limpo Institute, a reverse logistics program and environmentally correct destination of used plastic lubricant packaging, which became an institute in 2014 to comply with the legal observations of the Sectorial Agreement of the National Policy on Solid Waste (PNRS) (Law no 12,305 / 10). The operations of the Jogue Limpo Institute currently cover 14 states and the Federal District, surpassing in 2018 the 4,674 metric tons of recycled packaging since 2005.

The percentages of recovered materials are:
- 32.9% of lubricants recovered * from the total net sales in Brazil and 39.7 % from lubricants recovered from the total lubricants that can be collected in Brazil.
- 55% of plastic packaging of 1 liter of lubricants of 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 indicator of recovered packages, data were used from the Jogue Limpo Program. All this information is organized by the management responsible for manufacturing, storage and distribution of lubricants at Petrobras Distribuidora.
Spill Response Readiness

Spill-response plans are structured at the local, regional, and corporate levels. The corporate contingency plan provides the structure and information to deploy additional resources 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 in several points of the national territory, in addition to the Transpetro Emergency Response Centers.

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

In 2018, we carried out 21 simulation exercises of regional scope, including spill response training.

We maintain through the Cenpes, on a permanent basis, lines of research in the areas of application of chemical dispersant, environmental monitoring, environmental impact assessment, ecotoxicity, modeling and characterization of oil behavior at sea. In addition, the contingency equipment fleet has been continuously updated with the use of more efficient devices, both for onshore and offshore use. Finally, international partnerships have been established to allow access to state-of-the-art equipment and resources, such as capping and chemical dispersant applicators.

The volume of oil and oil products spills registered was 18.47 m³ in 2018, 63.1% below the alert limit set at 50 m³ and 48.47% below the volume recorded in 2017.

### VAZO

**VOLUME OF OIL AND OIL PRODUCTS SPILLED IN m³**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of spills in 16 above 1 bbl</td>
<td></td>
</tr>
<tr>
<td>Total volume of spills in 18.47 m³ above 1 bbl</td>
<td></td>
</tr>
<tr>
<td>Average volume spilled by other oil and gas companies in 2017 517.72 m³</td>
<td></td>
</tr>
</tbody>
</table>

- Considers the spill of volumes exceeding one barrel (0.159 m³) that reached the environment.
- The total of 18.47 m³ is equivalent to about 116 barrels.
- Peer group average: data from spilled volumes extracted from reports of sustainability or similar published by the companies that make up Petrobras’ peer group. As of the close of this report, all data regarding volumes spilled by the companies in the Petrobras peer group for 2018 was not disclosed.

### CHARACTERISTICS OF OCCURRENCE BY SPILL VOLUME (%)

<table>
<thead>
<tr>
<th>COUNTRY WHERE THE SPILL OCCURRED</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>100%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SPILLED PRODUCT</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>By-products</td>
<td>62%</td>
</tr>
<tr>
<td>Oil</td>
<td>38%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ENVIRONMENT CONCERNED</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offshore</td>
<td>8.2%</td>
</tr>
<tr>
<td>Onshore</td>
<td>79.5%</td>
</tr>
<tr>
<td>Body of water</td>
<td>12.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CAUSE OF ACCIDENTS</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle overturning</td>
<td>57.7%</td>
</tr>
<tr>
<td>Pipeline or tube rupture</td>
<td>23.4%</td>
</tr>
<tr>
<td>Equipment Failure</td>
<td>9.5%</td>
</tr>
<tr>
<td>Tube Corrosion</td>
<td>5.9%</td>
</tr>
<tr>
<td>Fixing load failure</td>
<td>2.2%</td>
</tr>
<tr>
<td>Vessel collision</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

We also had spills due to clandestine connections (theft of oil products), which do not affect the SPILL indicator. In 2018 we detected two significant spills of this nature, namely 105m³ of gasoline (103m³ out of which were collected) in Santa Isabel (SP) and 60m³ of oil (47m³ out of which were collected) in Magé (RJ).
SOCIETY AND RELATIONSHIP

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Center for Education and Sport Project
Relationship with Stakeholders

According to our Communication Policy, we are committed to communicating in a consistent, coherent, true, transparent, simple and agile manner in the relationship with all our stakeholders, representing our identity and our attitudes.

In addition, our Communication Policy complies with Law nº 3,303 / 16, which stipulates that all publicly-traded companies establish spokesperson policies in order to eliminate the risk of contradiction between the information provided by different areas of a company and the speech of its executives. The policy formalizes that our spokespersons are the CEO, executive officers or any employee designated to speak in public on behalf of our company.

In 2018, we trained 115 professionals through the Petrobras Relationship Agents Program, created to train the professionals officially designated as spokespersons. Since the creation of the Program in 2017, 200 spokespersons have been trained throughout the company.

We also carried out corporate visits to our facilities or offices, and receiving around 3,700 visitors from the scientific and academic community, clients, residents of surrounding communities, investors, partners and representatives of public authorities.

We monitor conversations in our profiles on social media and our internal portal. Based on these monitoring, we raise and evaluate possible communication risks and, in articulation with the areas involved and/or impacted, we produce related statements or contents.

We have a database of stakeholders to register contacts and relationship actions at the corporate level. We have a base of 552 thousand people and 225 thousand institutions that have registered or have a relationship with us.

The definition of the subjects to be handled is set by the analysis of inputs such as the Strategic Plan and the Business Plan, the analysis of scenarios, the survey of business’ needs and the results of our stakeholders expectations.

We classify stakeholders as groups of individuals and organizations that have common social, political, economic, environmental, or cultural issues and needs and that establish or may establish relationships with us and are capable of influencing or being influenced by our activities, business and reputation. The selection of the stakeholders will be determined through the prioritization made from the analysis of their relevance and impact, in addition to the relationships already established with us. The criteria may differ according to each target audience.
Our stakeholders are shown below, highlighting those whose relationships are addressed in the following sections of this document.

Our commitment to stakeholders is stated in internal documents such as the Communication Policy, the Standards of Relationship, our Statute, as well as Corporate Purpose and Vision.

For more information about our relationship with our stakeholders, see the Annual Report.
Reputation has become one of the strategic issues in the leadership development track. Throughout 2018, more than 30 events, between courses and lectures, impacted hundreds of employees and the Board members. The commitment of top leadership was sealed by including the company’s reputation index, the RepTrak®, as the Executive Board’s goal. And in June, the 1st Reputation Forum took place, for the Executive Board to discuss critical issues, raise awareness about issues and decision making in order to avoid future crises. This commitment to building reputation has become public by integrating the strategies of the new Strategic Plan.

We have research methodologies to gauge the perceptions of our audiences. The results are used to elaborate communication diagnoses, assist decision making and provide indicators related to image, brand and reputation.

### MONITORING SURVEYS

<table>
<thead>
<tr>
<th>SURVEY</th>
<th>HOW IT WORKS</th>
<th>FREQUENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORPORATE IMAGE MONITORING SYSTEM (SISMICO)</td>
<td>Integrates and consolidates information from quantitative surveys with public opinion and various stakeholders. The information collected generates a set of image indicators that, combined, make up our general image indicator.</td>
<td>Yearly</td>
</tr>
<tr>
<td>REPTRAK™</td>
<td>The study allows us to evaluate our reputation with public opinion compared to other companies, based on seven dimensions: Financial Performance, Products and Services, Leadership and Management, Citizenship, Work Environment, Governance and Ethics and Innovation.</td>
<td>Yearly</td>
</tr>
<tr>
<td>QUARTERLY IMAGE SURVEY</td>
<td>It has a more simplified scope and coverage than those of Sismico and aims to more frequently follow some critical image indicators.</td>
<td>Quarterly</td>
</tr>
<tr>
<td>COMPLIANCE ACTIONS INTERNAL EVALUATION</td>
<td>Quantitative survey with employees of the holding and 19 subsidiaries.</td>
<td>Yearly</td>
</tr>
<tr>
<td>PE-PNG INTERNAL COMMUNICATION EVALUATION</td>
<td>Quantitative survey with our employees, with the objective of evaluating internal communication aspects of the Strategic Plan and the Business Plan.</td>
<td>Annual, and may vary depending on the publication of SP/BP editions</td>
</tr>
</tbody>
</table>

The Communication an Brands area relies on a set of structured research, studies and monitoring instruments, whose purpose is to measure and monitor the evolution of image and corporate reputation. The main results feed into the Integrated Image and Reputation Panel. From the evolution of the panel indicators and other inputs that make up the Reputation and Image Diagnostics, the critical issues to be handled in the strategic communications plan (PCMR – Communication Plan, Brands and Relationship) are defined annually in alignment with the Strategic Plan and Business Plan. Based on these themes, we developed communication and relationship programs and projects driven towards our stakeholders.
The themes identified in the last review of the diagnosis can be described as follows:

**Description**

- **Credibility and Trust**
  - The need to reverse the downward trend and consolidate improvement in our reputation and trust indices, increasing the positive perception of stakeholders regarding our management and transparency.

- **Efficiency, Result and Profitability**
  - Opportunity to reinforce the maximum commitment with quality in the management, efficiency, results and profitability, guaranteeing discipline of the use of capital and continuous optimization of productivity and costs.

- **Guidelines for the Market**
  - Opportunity to reinforce the concept that only a financially healthy company can fulfill its role in society, reaffirming its alignment with international prices and maximizing margins in the value chain.

- **HSE and Impact of Operations**
  - Opportunity to increase the involvement of the stakeholders on safety and environmental issues, focusing on reducing accidents and mitigating the impacts of operations.

- **Partnerships and Divestitures**
  - Need to broaden the understanding of our business strategies and impacts with a focus on minimizing dissonance and reputational risks considering those who may have been impacted.

- **Engagement of the Internal Public**
  - The need to generate confidence and understanding by the employees about their part in achieving the necessary results for company’s future.

- **Strategic Relationship**
  - Need to generate knowledge and understanding by the different stakeholders about our strategic choices and results.
The communication with employees is fundamental for their engagement to the actions and guidelines of the company, so that it is recognized as an integral and strategic part of our success.

In this sense, we perform our communication to employees, using the most varied communication channels, such as the Portal Petrobras (intranet), Boards, Conecte and Whatsapp, in an integrated task between the communication and business areas within the company, always focusing on the business.

Each quarter, the Executive Board presents our results in an event organized exclusively for employees, with transmission through the Petrobras Portal and open for questions and comments.

In 2018, several subjects were highlighted, such as the launch of Strategic Planning and Business Plan, the campaign to clarify the prices of oil products, the Petrobras Compliance campaign and the anti-corruption campaign.

Periodically, the executives send letters about relevant matters. We also use our communication channels for this relationship, such as the Petrobras Portal (intranet), bulletins and the use of printed and digital pieces with daily guidelines. In 2018, we conducted more than 1,500 internal communications actions, with a total of about 1.8 thousand messages sent by e-mail and also via mobile torpedo, on subjects such as new business plans, financial and operational results, governance, promotions and events, among others.

This information generated 460,000 interactions in the Portal Petrobras by the collaborators, including comments, likes and evaluations.
We promote regular press conferences for the dissemination of financial and operational results and other matters of public interest. In 2018, 19 press conferences were held, of which 3 were broadcast live by the Virtual Press Room. In addition, we sent about 357 press releases.

For the "Press" audience, the main tool of engagement is the Petrobras Journalism Award, whose fifth edition was held in 2018 with a record of 2,159 registrations. The annual awards grant recognition of monetary value to the best reports published by the Brazilian press, at national and regional levels, as well as recognition for international correspondents, in the areas of Economy, Science and Technology, Sustainability, Culture and Sport. In addition, the Petrobras News Agency, with exclusive access to journalists, publishes releases, interviews, photos, audios and presentations that serve as subsidies for journalistic articles, and transmits the main press conferences in real time. There are more than 25 thousand journalists registered at the Petrobras Agency.

We train our executives to act as spokespersons to the press, including in crisis situations. This year, we held 11 classes, in which we trained 35 managers from all areas.

We also have 'Petrobras em Contexto', a training and relationship project with journalists covering topics related to our activities.

We conducted 9 technical lectures on the topics:
- Rota3/UPGN Project;
- Divestment in Pernambuco;
- Refinery Use Factor;
- Anti-corruption actions for correspondents.

In addition, we received 7 journalist teams, who had the opportunity to know our operational units as platforms, terminals, refineries, among others.
Throughout 2018 we carried out diagnoses and analysis of the social context of the communities present in the surrounding areas of our operational units in Brazil and we elaborate Community Relationship Plans.

Diagnosis is an important tool to manage the social risks of these communities, as it provides the structure of our information about communities, our operations and their interrelationships. In all, 23 diagnoses were elaborated, 18 in 2018 and 5 in 2017, and the communities directly related to our operations were mapped. Multidisciplinary teams developed the resulting Diagnosis and Community Relationship Plans and managers of each Operational Unit approved them.

Among the criteria used to classify the communities we can mention:

a) impacts and risks of the Operational Unit (OU) to the community, such as proximity to the iso-risk curve, daily interferences, proximity to pipeline ranges or other operational assets, among other factors;

b) living conditions of communities, including access to public services (health, education, transportation, leisure areas);

c) existence of conflicts;

d) social actors; and

e) presence of traditional communities and population

STAGES OF THE DIAGNOSTIC PROCESS AND COMMUNITY RELATIONSHIP PLANS

DIAGNOSIS AND ANALYSIS OF THE COMMUNITY RELATIONSHIP

- Training of multidisciplinary team – Delimitation of municipalities and communities in coverage area of the OU.
- Characterization of the internal and external context of the units; mapping of social actors involved.
- Identification of current and suggested engagement level.

The methodology establishes different levels of engagement for each community and, based on these references, initiatives are established that integrate the Community Relationship Plan of each operational unit.

In addition to the Community Relationship Plans, we assist communities around our operations through investment in social and environmental projects. Currently, 92% of our Operations Units count on community engagement actions, social and environmental impact assessments and / or local development.
The actions included in the community relationship plans seek to address themes for community relations (e.g., visits, grievances and complaints, spaces for dialogue); preparation of communities to act in emergencies exercises; conflict management and the development of local social and environmental projects. Such initiatives are important for the creation and activation of relationship networks, facilitating interaction with civil society organizations and social actors, which allows us to monitor social risks and act in the prevention of potential impacts and conflicts.

COMMUNITY RELATIONS ACTIVITIES AROUND THE UNITS OF OPERATION IN 2018

<table>
<thead>
<tr>
<th>BRAZIL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Committee meetings</td>
<td>65</td>
</tr>
<tr>
<td>Community visits</td>
<td>568</td>
</tr>
<tr>
<td>Addressing community grievances and complaints</td>
<td>314</td>
</tr>
<tr>
<td>Engagement and participation of the social responsibility team in Public Hearing Meetings</td>
<td>26</td>
</tr>
<tr>
<td>Emergency preparedness exercises involving communities</td>
<td>38</td>
</tr>
<tr>
<td>Communication of unit maintenance stops to the community</td>
<td>15</td>
</tr>
</tbody>
</table>

In addition to the Community Relationship Plans, our interaction with communities takes place in several ways: dialogue spaces, leadership visits to the Operational Units, lectures, training, emergency preparedness exercises, visits of our teams to communities, among others.

We would like to highlight the spaces for voluntary dialogue, commonly called Community Committees. In these spaces, we address issues of common interest both to our activities and to the communities, such as: communication about the risks of operations and emergency preparedness exercises, communication of results of social and environmental projects, dissemination of national campaigns and other relevant issues raised by the participants.

The target audience of the community committees are the social actors present in the communities, such as formal and informal leadships, public agencies, residents’ association, traditional communities, civil society organization, opinion formers. Some of these forums also include representatives of institutions or public agencies, such as Municipal Departments (health, education, environment, social welfare, among others), Civil Defense, Fire Department, cooperatives, educational institutions, nurseries and the local press.
EXAMPLES OF AGENDA ADDRESSED THROUGHOUT 2018

Safety in relation to our activities (training for emergency evacuation), maintenance stops; human rights (child and adolescent, women, the elderly), alcohol and other drugs, housing, environmental education, urban cleaning, domestic safety, child exploitation, business management, employment and income generation.

Health, recyclable waste, air quality, flare operation (noise, smoke and odor), HSE indicators, refinery contingency, tax collection, urban cleaning, sanitation, technical training, housing, public selection, general reports.

Use of local work force in companies whenever possible, local improvements, use of water and support demand from companies dealing with public authorities.

We provide the toll free number 08007 289001, national coverage, and an electronic address to communicate with our different stakeholders. Through such channels, the community can indicate unusual situations in equipments, units and areas within the company, accidents and impacts, in addition to clarifying questions, request information, make complaints and register compliments.

In 2018, 314 manifestations of the communities were registered, all treated locally.

We participated in the planning, execution and evaluation stages of 38 emergency exercises involving communities in 2018. These exercises took place both in the field, where there is real mobilization of communities, and in table simulations, also called “table top,” in which the scenarios are simulated in rooms without the actual displacement of teams, communities or others involved.

It should be noted that we performed simulated drills using the Incident Command System – ICS* methodology, where the teams have been trained through on-site and distance modules.

* ICS is a tool used in various parts of the world and by several companies in the oil and gas industry. It allows different internal areas of the company, external agencies, other operators and contracted companies to work integrated during an incident, using the same terminology and organization model to manage people, facilities, equipment and communication, seeking the effective response to the emergency.
Our Research, Development and Innovation activities are coordinated by the Research and Development Center Leopoldo Américo Miguez de Mello (Cenpes), whose objective is to develop technologies to make feasible the fulfillment of our Business Plan, in addition to anticipating trends and investing in technological routes in accordance with our Strategic Plan, thus contributing to the continuity of our business and to the technological advancement of the oil, gas and energy sector.

Cenpes is one of the leading energy research centers in the world, the largest in Latin America with 1,300 employees, 1,172 researchers working in the areas of exploration and production of oil, refining, petrochemicals, biofuels, natural gas, renewable energies and the environment. To meet our technological demands, we have five experimental plants where pilot-scale tests are carried out. In 2018, we invested BRL 2,349 million in research and development.

The partnerships we maintain with the scientific and academic community in Brazil and in other countries enable the reciprocal generation of knowledge and technology, with mutual benefits. This year we had the collaboration of 79 universities and research institutes in Brazil and 47 abroad, with an approximate investment of BRL 770 million.

Eighty patents are pending, 58 in the Brazilian market and 22 in the international market.

We interact with investors, mainly through meetings (one-on-one or group meetings, conferences and roadshows) and presentations by the Executive Board to Investors (Petrobras Day). We also disclose annual reports, statements, material facts and news clarifications, as well as various other financial, operational and management information available on our investor relations website. We also hold conference calls / webcasts and shareholder meetings and provide telephone, letter and e-mail service to our investors and shareholders.

The main topics and concerns raised during investor engagement in 2018 were: alignment with international prices, with emphasis on the diesel subsidy program, negotiation of the Transfer of Rights on oil, divestments and dividends. All of these issues have been duly clarified in our contacts with investors and are reflected in our material issues.

Investors recognize the efforts and results we have already achieved, evidenced by the appreciation of our actions and the recommendations of investment analysts and rating agencies.

In the relationship with Civil-Society Organizations (CSOs), we highlight the Petrobras’ Socio-environmental Program, through which we supported voluntary projects as described in the chapter on Social and Environmental Investment. The projects are conducted by CSOs and foster the establishment of partnerships with other third sector institutions, as well as partnerships with public authorities, companies, associations, educational and research institutions, among others, enhancing project results.

The main demands of this public refer to information about our guidelines and regulations of social investments, processes of public selection and demands for support. We maintain, on our website, information on the lines of action of the Petrobras Socio-environmental Program, as well as on processes of public selection of projects. Our relationship with this public also happens in the development of projects to support the fulfillment of licensing requirements.

For more information about our relationship with investors, see Annual Report.

For more information about the Petrobras Social-Environmental Program, see the chapter Social and Environmental Investment.
We integrate the main national and international sector associations related to the oil and gas industry. We are signatories of initiatives related to the sector and to the national and international commitments we have made, related to social, environmental and governance issues.

Since 2017, we have obtained public recognition regarding our corporate governance improvements. We have received certification from The State-Owned Enterprises Governance Program of B3 (former BM&F Bovespa). For the third time in a row, we obtained the Governance Seal of Level 1 of the Governance Indicator (IG-Sest), drawn up by the Secretariat for Coordination and Governance of State Enterprises (Sest), of the Ministry of Planning, Development and Management (MPDG).

B3 authorized our voluntary adherence to the special listing segment Level 2 of Corporate Governance.

As of May 14, 2018, our shares began to be traded in this special segment of securities. These initiatives show our commitment to continuous improvement of corporate governance, in accordance with best practices in the market.

<table>
<thead>
<tr>
<th>MAIN INITIATIVES AND ASSOCIATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>UN GLOBAL COMPACT AND GLOBAL COMPACT BRAZILIAN NETWORK</td>
</tr>
<tr>
<td>WORLD ECONOMIC FORUM (WEF)</td>
</tr>
<tr>
<td>IOGP – INTERNATIONAL ASSOCIATION OF OIL AND GAS PRODUCERS</td>
</tr>
<tr>
<td>IPIECA – THE GLOBAL OIL AND GAS INDUSTRY ASSOCIATION FOR ADVANCING ENVIRONMENTAL AND SOCIAL PERFORMANCE</td>
</tr>
<tr>
<td>ARPEL – REGIONAL ASSOCIATION OF OIL, GAS AND BIOFUELS SECTOR COMPANIES IN LATIN AMERICA AND THE CARIBBEAN</td>
</tr>
<tr>
<td>OIL AND GAS CLIMATE INITIATIVE (OGCI)</td>
</tr>
<tr>
<td>CDP – CARBON DISCLOSURE PROJECT</td>
</tr>
<tr>
<td>ZERO ROUTINE FLARING BY 2030 INITIATIVE (WORLD BANK)</td>
</tr>
<tr>
<td>WORLD WATER COUNCIL (WWC) AND BRAZILIAN SESSION ON WWC</td>
</tr>
<tr>
<td>BUSINESS PACT FOR INTEGRITY AND AGAINST CORRUPTION</td>
</tr>
<tr>
<td>CCPS – CENTER FOR CHEMICAL PROCESS SAFETY</td>
</tr>
<tr>
<td>IMO – INTERNATIONAL MARITIME ORGANIZATION</td>
</tr>
<tr>
<td>IGU – INTERNATIONAL GAS UNION</td>
</tr>
<tr>
<td>WOMEN’S EMPOWERMENT PRINCIPLES - UN WOMEN</td>
</tr>
<tr>
<td>GENDER AND RACE PRO-EQUALITY - BRAZILIAN FEDERAL GOVERNMENT</td>
</tr>
<tr>
<td>ETHOS INSTITUTE OF BUSINESS AND SOCIAL RESPONSIBILITY</td>
</tr>
<tr>
<td>CEBDS – BRAZILIAN BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT</td>
</tr>
<tr>
<td>ONIP – NATIONAL ORGANIZATION OF THE PETROLEUM INDUSTRY</td>
</tr>
<tr>
<td>ABRAGET – BRAZILIAN THERMELECTRIC GENERATOR ASSOCIATION</td>
</tr>
<tr>
<td>ABRACEEL – BRAZILIAN ENERGY TRADERS ASSOCIATION</td>
</tr>
</tbody>
</table>
Supplier Management

In 2018, Petrobras Holding held agreements with 12,708 suppliers. Of the total amount of transactions carried out by Petrobras holding, 92% were implemented with suppliers based in Brazil.

SUPPLIER REGISTRATION AND REQUIREMENTS

We have a corporate register of suppliers, which has been constantly simplified and modernized, with the objective of previously evaluating our suppliers under technical, economic-financial, legal-fiscal, integrity and HSE (Health Safety and Environment) requirements. The evaluation criteria vary according to the importance of the items delivered and the type of supplier.

During part of the year 2018, the registry was the basis for the selection of suppliers in our bids and our contracting. With the advent of the Public Companies Law (13,303 / 2016), adopted as the basis for all our contracting and of our subsidiaries as of May 15, 2018, the corporate register of suppliers became an auxiliary procedure of the bids, held for the purpose of qualification of participants in tender procedures. Since this is a prior assessment of the supplier’s ability to provide goods and services that are of interest to us, even though it is not mandatory for participation in the company’s bids, registration minimizes the risk of disqualification of the participants, besides giving more agility to the processes of closing the deal.

In 2018 we evaluated 9,124 companies in technical requirements, 7,033 companies in economic-financial requirements, 11,223 companies in legal-fiscal requirements, and 2,984 companies in HSE requirements. These evaluations helped to broaden our base of qualified suppliers, contributing to the safety and speed of future bidding processes.

To be part of our register, companies must also provide information related to their organizational and business structure, relationships with public authorities, history and reputation, relationships with third parties and internal compliance mechanisms. In 2018, 4,651 companies were analyzed in our integrity due diligence process, an integral part of our Petrobras Corruption Prevention Program (PCPP). Companies had their integrity risk ranked as high, medium, or low. Companies classified with a High Integrity Risk Level (GRI) are hired only on exceptional situations, duly justified and through the adoption of risk mitigation measures.

### TRANSACTIONAL VOLUME

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>NUMBER OF SUPPLIERS AGREEMENT TRANSACTIONS EXECUTED IN 2018</th>
<th>SIGNED CONTRACTS IN 2018</th>
<th>ORDERS SIGNED IN 2018</th>
<th>TOTAL TRANSACTIONS (BRL MILLION)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrobras holding</td>
<td>12,708</td>
<td>2,971</td>
<td>156,060</td>
<td>40,453,99</td>
</tr>
<tr>
<td>Petrobras Biocombustível</td>
<td>1,031</td>
<td>165</td>
<td>4,014</td>
<td>1,234</td>
</tr>
<tr>
<td>Petrobras Distribuidora*</td>
<td>10,930</td>
<td>2,085</td>
<td>85,651</td>
<td>36,402</td>
</tr>
<tr>
<td>Transpetro</td>
<td>4,037</td>
<td>565</td>
<td>51,356</td>
<td>2,861</td>
</tr>
</tbody>
</table>

* Suppliers related to transportation are not included in this indicator.

### PROCUREMENT PROFILE (%)

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>% SUPPLIERS WITH BUSINESS UP TO BRL 100 THOUSAND</th>
<th>% SUPPLIERS WITH BUSINESS BETWEEN BRL 100 THOUSAND UP TO BRL 1 MILLION</th>
<th>% SUPPLIERS WITH BUSINESS BETWEEN BRL 1 MILLION UP TO BRL 100 MILLION</th>
<th>% SUPPLIERS WITH BUSINESS BETWEEN BRL 1 MILLION UP TO BRL 100 MILLION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrobras holding</td>
<td>74,45</td>
<td>14,20</td>
<td>10,79</td>
<td>0,58</td>
</tr>
<tr>
<td>Petrobras Biocombustível</td>
<td>80,18</td>
<td>12,16</td>
<td>7,66</td>
<td>0,0</td>
</tr>
<tr>
<td>Petrobras Distribuidora*</td>
<td>91,45</td>
<td>3,99</td>
<td>3,94</td>
<td>0,60</td>
</tr>
<tr>
<td>Transpetro</td>
<td>75,38</td>
<td>17,36</td>
<td>7,18</td>
<td>0,07</td>
</tr>
</tbody>
</table>
The Law (13.303 / 2016) introduced new procedures for state-owned companies’ bids and contracts. In compliance with article 40 of the aforementioned Law, the Petrobras Bid and Contract Regulation (RLCP) was published, which came into effect on the date of its publication (01/15/2018), producing effects in a progressive way by Organizational Units, with the implementation completed on 05/15/2018, before the legal deadline established in Law (13.303/2016) (06/30/2018).

**HEALTH, SAFETY, AND ENVIRONMENT**

Companies must present evidence and certifications related to compliance with safety, environmental and health standards, as well as to declare that they meet all requirements, laws and ordinances of this subject.

Among the criteria used to evaluate the candidates for suppliers, we introduced the TEC-SMS, which aims to identify the degree of implementation of the Environmental Management and Occupational Health and Safety Management Systems, according to ISO 14001 and ISO 45001 standards, even for suppliers that do not have these certifications.

To ensure proper application of rules for each type of service, the Risk Matrix and Scope Categorization is used, which establishes the degree of risk related to the following topics: Community Health and Safety, Employee Health and Safety, Environment (liquid spill, gaseous emissions and solid waste), Legal Impact and Attention to Company Image.

Environmental criteria were used in 76.05% of the new commitments formalized by Petrobras holding in 2018 and in all contracts where these criteria need to be observed.

**MAIN TYPES OF SUPPLIERS**

**PETROBRAS HOLDING**

Chartering of production platforms, rigging, well services, engineering, procurement, construction and installation (Engineering, Procurement, Construction and Installation – EPCI), submarine operations, flexible lines, valves, tubes, air freight, charter of ships and special vessels, chemicals and catalysts, geophysics services, engineering, procurement and construction (EPC) and equipment maintenance.

**PETROBRAS DISTRIBUIDORA**

Acquisition of fuels and biofuels, additives, basic oils, packaging, production inputs and service providers related to the industrial area of Petrobras Distribuidora. Additionally, in the Transport section: transportation services by road, cabotage, fluvial, used to bring to market centers fuels and lubricants distributed by Petrobras Distribuidora.

**TRANSPETRO**

Operational services, maintenance of infrastructure, logistics, inspection, pipeline integrity, docking, and complementary services, such as transportation.

**PETROBRAS BIOCOMBUSTÍVEL**

In terms of raw materials to the Biodiesel plants, the supplier chain consists of national manufacturers and traders of vegetable oils (soybean, cotton, palm, OGR – oils and residual fats), animal fats (from cattle, pigs and poultry), as well as methanol and methylate of sodium. In addition, to maintain concessions on the use of the Social Fuel Seal (SCS) of the Biodiesel Plants, the company formalizes commitments with family producing cooperatives to supply raw materials and technical assistance services.

In 2018, 58.5% of the commitments assumed by Petrobras Biocombustível by raw material or service contracts were executed by suppliers that are in the same states of the Biodiesel Plants.
IMPACT ON THE SUPPLY CHAIN

Our Code of Ethics requires suppliers and their employees to respect the ethical principles and the commitments of conduct defined in it, as long as their contracts with us remain in force. Based on this code and the standards for the supervision of contracts for goods and services, the contract manager will have the role of guaranteeing the compliance of the contractual clauses with respect to Health, Environment and Safety aspects, as well as Social Responsibility.

The relationship with suppliers during contractual execution is made through:

- Supervision of the contract’s execution;
- Supplier Performance Index (FDI), which assesses, among other items, the performance with respect to HSE practices;
- Report of Occurrences (RO) in service contracts, where the necessary nonconformities and improvements are notified.

In cases of noncompliance, the supplier may be asked to carry out a plan to correct the divergence noted. Current contracts may be up to a Commission for Analysis and Application of Sanctions (CAASE). Throughout 2018, we conducted 130 sanctioning processes through CAASE, whose facts included fraud suspects, noncompliance with a contractual obligation, among other non-conformities practiced by suppliers. Still in 2018, 111 sanctions were applied to suppliers.

Also in this period, 27 companies were included in the list of companies prohibited from hiring, due to administrative sanction. No company has entered the list of companies prohibited from being contracted due to environmental issues in 2018.

At Petrobras Distribuidora, the main impacts on product transportation include generation of waste (tires) and emission of gases, in addition to potential impacts such as accidents that can cause contamination of soil or water bodies due to spills. Through the Motorista DEZtaque Program, we seek to prevent accidents by training and raising the awareness of drivers transporting our products on safety-related topics. Through the Eco-efficient Transport Program, we estimate the atmospheric emissions of our transport and seek to minimize this impact. In addition, half a year, opportunities for performance improvement within the portfolio of carrier contracts are assessed. These companies receive support for their development, through an action plan, focused on management, accompanied by the Risk Management company contracted by Petrobras Distribuidora and the Operational Management team of the contracts.

SOCIAL RESPONSIBILITY

During the hiring process, our suppliers declare that they acknowledge and agree with our Social Responsibility Policy.

In terms of negative impacts on labor practices, 14 companies were sanctioned in 2018 for occurrences considered to be of high severity. In terms of negative impacts on society, six companies were penalized in the year for reasons of suitability. For this reason, these 20 suppliers had their relationships terminated with us for a specified period.

Our Reporting Channel, under the management of the Ombudsman’s Office, is prepared to receive complaints related to suppliers, such as those related to violations of the exercise of freedom of association and collective bargaining, among other issues of labor practices and human rights. The demands are investigated and depending on the results of the investigations, our procurement team is alerted to mitigate risks in new procurements. If there is noncompliance with contractual clauses, the contract manager adopts the appropriate measures.

At Petrobras Distribuidora, all carriers that provide services on a regular basis are obliged to provide, under contract, evidence regarding compliance with labor obligations. Nevertheless, among the potential negative social impacts of our supply chain, we indicate the non-payment of labor obligations, such as FGTS and INSS.

At Petrobras Biocombustivel there was no selection of new suppliers using social criteria in 2018, only renewal of contracts signed with cooperatives of family farmers in 2017.
Social and Environmental investment

Through the Petrobras Socio-Environmental Program, we voluntarily invest in projects for the communities, in partnership with civil-society organizations, collaborating for the conservation of the environment and improve living conditions around our operations. In 2018, we strengthened our program whose portfolio is composed of 100 social and environmental projects in 20 Brazilian states, which totals BRL 235 million in contracts value until 2020. We estimate that more than 85 thousand people will benefit from activities such as complementary education after school activities, environmental education, educational sport, and teacher training in developed methodologies, and the participation of several professionals in the management and guidance of these projects. Some 50 thousand children and adolescents are directly addressed by the educational activities provided by the Program.

The Petrobras Socio-Environmental Program is aligned with our 2019-2023 Business Plan and our Social Responsibility policy, which commits to provide energy, respecting human rights and the environment, communities and overcoming sustainability challenges. Social and environmental investment is also aligned with international guidelines and principles of social responsibility, such as the United Nations Global Compact, ISO 26000 and the United Nations Sustainable Development Goals (SDGs).

Petrobras Socio-Environmental Program focuses on six lines of action, three of which are social programs (Education, Educational Sports and Children’s and Adolescents’ Rights) and three are environmental programs (Water, Biodiversity and Forests and Climate).

In their activities, the projects engage women, black people, people with disabilities, indigenous peoples and traditional peoples and communities, children and adolescents, promoting affirmative actions for these publics. Main themes are respect for human rights and fighting against discrimination including gender equity, ethnic and racial equality, inclusion of persons with disabilities, promotion of ethics, integrity and transparency, dissemination of sustainable development goals, diffusion of science and technology and promotion of eco-efficient measures.
43 Projects: BRL 127 Million by 2020

57 Projects: BRL 108 Million by 2020
INVESTMENTS IN PROJECTS IN 2018

<table>
<thead>
<tr>
<th>(R$ MILHÕES)</th>
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</thead>
<tbody>
<tr>
<td>Social and Environmental</td>
<td>87.0</td>
</tr>
<tr>
<td>Cultural</td>
<td>38.3</td>
</tr>
<tr>
<td>Sports</td>
<td>79.7</td>
</tr>
<tr>
<td>Business, Science and Technology Events</td>
<td>14.9</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>219.9</strong></td>
</tr>
</tbody>
</table>

SOCIAL PROJECTS

As far as social projects are concerned, we adopt as a selection criteria locations next to our coverage area or strategic territories for our activities. The current portfolio is comprised of 57 projects addressing communities in our coverage area, benefiting more than 35 thousand direct participants, including:

- 39 Education and Educational Sport projects aimed at promoting complementary education, developing socio-professional skills to expand and provide access to decent work as well as to promote the integral human development of children and youth through educational sports;
- 18 initiatives focused on promoting and defending the Rights of Children and Adolescents.

We continued the project of Multipliers of Educational Sports Network, a partnership with Instituto Esporte & Educação, created in 2001 by the former athlete, Olympic medalist, Ana Moser. The edition started in 2018 will train 1,050 public school teachers and managers, and more than 27 thousand students, with an educational sports methodology developed, in the age group from 3 to 17 years, in 50 municipalities in nine Brazilian states.

The Sustainable Development Goals (SDG) are part of the UN 2030 agenda agreed at the UN Summit in September 2015.

One of our contributions to this agenda was the establishment of a partnership with the United Nations Development Program (UNDP) in Brazil, to engage local communities, define their priorities, support initiatives and identify potential collaborative projects related to the 17 SDGs sharing of information and experiences.

Another example of the efforts made in this direction is through the partnership established with the United Nations Educational, Scientific and Cultural Organization (UNESCO) to contribute to the strengthening of the management practices of our civil society organization partners as well as enhancing ethics and integrity practices in accordance with best compliance practices in order to maximize result and positive impacts of our sponsored projects.

These initiatives contribute to the community relationship and the mitigation of social risks in the communities where we operate, in addition to promoting the strengthening of organized civil society.
UNDP – SDG

We signed in September 2018 an agreement with the United Nations Development Program (UNDP) to develop a project to increase local capacities and stimulate sustainable territorial development in the 110 municipalities in which we operate. The partnership will cover approximately 2,200 participants, including municipal managers, institutions we support to implement social and environmental projects and other relevant local actors.

Socioeconomic and environmental diagnoses will be carried out in light of the 17 Sustainable Development Objectives (SDG), as well as the strengthening of public managers and local institutions through training courses to accelerate the implementation of these objectives. The program will make it possible to adapt the objectives and targets to the local reality, develop multisectoral approaches and establish indicators to monitor development.

ENVIRONMENTAL PROJECTS

With regard to the environmental dimension, we supported 43 projects that address issues relevant to our operations. Together, these projects aim to contribute to the conservation of approximately 40 endangered species of fauna, involving more than 50 thousand direct participants through their activities. Of these, 28 projects directly benefit indigenous peoples or traditional communities in several regions throughout Brazil. As a result of knowledge creation in their field of action, these projects produced 39 technical-scientific publications. These initiatives also include over 220 partnerships that enhance their results and participate in more than 115 councils and committees.

As far as Biodiversity is concerned we have 20 projects that include conservation of species and habitats with a focus on endangered species of coastal, marine and freshwater environments. The projects also develop environmental education in schools and with local communities, mainly fishermen.

Investments of this nature are important for the creation and the activation of relationship networks, facilitating interaction with civil society organizations and social actors. They enable the monitoring of social risks arising from the interaction between our business, society and the environment, thereby enabling action in the prevention of potential impacts and conflicts.
As far as Forests and Climate are concerned, we have 15 projects that work in productive reconversion, reforestation of degraded areas and conservation of forests and natural areas. Together, these projects aim to recover an area of around 600 hectares by reforestation or productive reconversion actions. According to information provided by the supported institutions, it is foreseen the conservation of more than 440 thousand hectares, equivalent to about three times the area of São Paulo city, what will contribute to the maintenance of a relevant carbon stock.

<table>
<thead>
<tr>
<th>FOREST AND CLIMATE PROJECTS</th>
<th>MAIN PURPOSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raízes do Purus (Roots of the Purus)</td>
<td>Acting on forest maintenance and biodiversity conservation in Amazonas through the sustainable use of the natural resources of six Indigenous Lands and the Apurinã, amamadi, Paumari and Deni peoples of the Xerūã River.</td>
</tr>
<tr>
<td>Viveiro Cidadão (Nursery Citizen)</td>
<td>Restore ecosystems in the region of the Rondoniense Forest Zone in areas of permanent preservation (APP) and legal reserves.</td>
</tr>
<tr>
<td>Poco de Carbone Juruena (Juruena Carbon Well)</td>
<td>To consolidate alternative models of land use and occupation with Agroforestry System and extractivism of non-timber forest products (MT).</td>
</tr>
<tr>
<td>Pacto das Águas (Water Pact)</td>
<td>To promote the sustainable use of socio-biodiversity, with indigenous peoples and traditional communities of two Indigenous Lands, as a strategy to mitigate climate change for the conservation of the forest standing in the Northwest of Mato Grosso.</td>
</tr>
<tr>
<td>No Clima da Caatinga (In the Caatinga Climate)</td>
<td>To contribute to the conservation of the caatinga and protection of the water resources of the forests in Ceará and Piauí and of the armadillo species.</td>
</tr>
<tr>
<td>CO₂ Manguezal (CO₂ Mangrove)</td>
<td>To reforest areas of the Atlantic Forest and mangrove forests, through the cultivation and management of characteristic tree species, in the Bays of All Saints and Iguape in Bahia.</td>
</tr>
<tr>
<td>Uruçu Capixaba</td>
<td>To work on forest restoration, in addition to protection of Melipona capixaba, a bee species endemic to the Espírito Santo region, of great importance for pollination, with a reduction in the risk of extinction.</td>
</tr>
<tr>
<td>Guapiaçu</td>
<td>To strengthen the Guapi-Macacu basin ecosystem, with forest restoration and water quality monitoring activities in the Guapiaçu Ecological Reserve, in the state of Rio de Janeiro.</td>
</tr>
<tr>
<td>Verde Novo (New Green)</td>
<td>To promote the forest restoration of the Peixe and Camanducaia river basins, with expansion of native tree seedling production capacity, planting of seedlings for the restoration of degraded areas, and environmental awareness in Minas Gerais and São Paulo.</td>
</tr>
<tr>
<td>Ar, Água e Terra (Air, Water and Soil)</td>
<td>To carry out the productive conversion of degraded areas and conservation of biodiversity in seven Guaraní villages of Rio Grande do Sul, contributing to the protection and sustainable use of biomes and to the development of indigenous communities.</td>
</tr>
<tr>
<td>Agroflorestar (Agroforestry)</td>
<td>Environmental rehabilitation and conservation, sustainable development of quilombola communities, traditional farming families, indigenous villages, and environmental education for public school students in the Ribeira Valley (PR and SP).</td>
</tr>
<tr>
<td>Semeando Sustentabilidade (Sowing Sustainability)</td>
<td>Disseminate practices that make it possible to fix carbon through productive / ecological arrangements installed in already deforested areas located in family agriculture properties, contributing to the fixation of greenhouse gases (GHG), through the recovery of altered / degraded areas as opposed to the itinerant model, a highly emitted carbon, historically practiced.</td>
</tr>
<tr>
<td>Amazônas Sustentável (Sustainable Amazonas)</td>
<td>To promote the sustainable development of remote riverine communities in the Solimões and Amazonas basins to form human capital; strengthen social infrastructure; strengthen participatory environmental monitoring and biodiversity conservation; develop forest products and promoting sustainable local entrepreneurship; and communicate / disseminate solutions for sustainable development.</td>
</tr>
<tr>
<td>Floresta de Valor (Value Forest)</td>
<td>Contribute to the consolidation of Protected Areas in the Amazon and its surroundings as inducers of sustainable development from the valorization of the Standing Forest, agroecology and low carbon agriculture, promoting the increase of carbon stocks and the reduction of Emissions of Effective Gases Greenhouse (GHG).</td>
</tr>
<tr>
<td>Berço das Águas (Water Cradle)</td>
<td>Prepare and implement territorial and environmental management plans in the Juruena River’s sub-basin, contributing to the conservation of sociobiodiversity and strengthening traditional indigenous management in the region.</td>
</tr>
</tbody>
</table>

For information on our performance in managing greenhouse gases and climate change, please see Climate Change Notebook at http://petrobr.as/climate
SOCIAL AND ENVIRONMENTAL INVESTMENTS OF OUR SUBSIDIARIES

In the year 2018, Transpetro implemented projects in communities in 6 Brazilian states. The actions include environmental education, planting, inclusion by education, art and culture.

In Bolivia and Colombia, we prioritize social investment projects agreed with the communities in the area of influence. In 2018, we carried out 11 trainings that benefited more than 3,780 people in activities such as industrial textiles conservation and protection of coastal ecosystems. More than 1,900 families were benefited by agricultural or citizenship technical assistance, as well as more than 5,000 people attended to health days and educational actions in about 60 communities.

In 2018, the Socio-Environmental Strategic Committee of Petrobras Biocombustível (CESAP) organized a Technological Diffusion event for family farmers and technicians of cooperative partners in Bahia. This event was based on the results of research carried out in partnership between CENPES and Embrapa, focusing on new cultivation techniques aimed at increasing productivity in the semi-arid environment. This training aims to expand the oilseed market to obtain a competitive Social Fuel Seal and provide economic and social gains to the producing region.

In addition, we have implemented environmental programs to comply with the legislation. Only in the area of Offshore Exploration and Production, we invested around BRL 264 million, in projects approved by the federal environmental agency, such as: Beach Monitoring Project, Cetacean Monitoring Project, Fishing Landing Monitoring Project, Environmental Education Project, Monitoring Project of the Underwater Acoustic Landscape, among others.

VOLUNTEERING

Throughout 2018, we fostered volunteer activities in several areas of the company. Among these activities, we can highlight: the Trilha Empreendedora (Entrepreneurship trail) project, the Tecnovjovem Program, the cleaning activities on the beaches of Rio de Janeiro, the Christmas donation campaigns and the Pro-Bono project.

Trilha Empreendedora is a volunteer project of the oil and gas sector carried out in partnership with IBP. The project ran through 24 schools in 10 municipalities in the state of Rio de Janeiro, addressing 2.3 thousand students in the first and second years of high school and consisted of a structured sequence of programs to raise awareness and education of young people in the areas of entrepreneurship, ethics, financial education and preparation for labor market. Through the last stage of the Trilha, some young people were able to visit for the first time a corporate environment and follow the work routine of a Petrobras professional. In all, 21 Petrobras volunteers participated in the program, either in the preparation of classes, delivery of content in the classroom or by sharing their experiences in different stages of the Trilha Empreendedora project, along with other professionals in the oil and gas industry.

The Tecnovjovem Program, held at Petrobras University, consisted of classes in Data Science and Photography for a group of 80 teenagers participants of the Petrobras Young Apprentice Program. Starting from the central theme of the course, “Digital Transformation in Communities,” students were encouraged to collect primary data in their own communities, with the purpose of developing work on vulnerabilities and community potentials. Twenty Petrobras volunteer employees contributed to the training of these young people.

Also, in 2018 in Rio de Janeiro, our employees participated as volunteers in beach cleaning activities promoted by Rio Islands (Ilhas do Rio) and Atlantic Goliath Grouper (Meros do Brasil) which are sponsored projects. The number of volunteers, including invited guests and our employees, totaled about 400 people.
In December 2018, we signed an agreement with the Pro Bono Institute, based in São Paulo, whose purpose is to stimulate and enable our legal team to practice voluntary legal advice and the exchange of legal knowledge in favor of non-profit social institutions and their beneficiaries, whenever the beneficiaries do not have the resources to hire professionals. The Institute, founded in 2001, exists to promote the right of access to justice for vulnerable populations and civil society organizations by promoting the practice of pro bono advocacy through a network of volunteers.

We also highlight the Christmas donation campaigns, which this year were carried out both in Operational Units and in administrative units. The campaigns consisted of donation of toys, educational games, clothes and school material for children and adolescents in day care centers, shelters and schools, and benefited 6,264 children and adolescents from 50 institutions located around our operations.

**CULTURAL AND SPORTS PROJECTS**

Our cultural and sports sponsorship is aligned with our strategic objectives. Through the Petrobras Cultural Program and the Petrobras Sports Program, we generate a positive association with our brand and engage with our stakeholders. Sponsorship concentrates on the areas in which we identify the best possibilities for brand appreciation and image and reputation strengthening.

In the area of Culture, our cultural sponsorship guidelines focus on investing in three priority lines of action: Audiovisual, Music and Performing Arts.

Sports sponsorship focuses on investments in Motor Sport and Performance Sports. The sponsorship lines unify our brand positioning with our Strategic and Business plan.

In sport, we continued the sponsorship programs in Motor Sport and Performance Sports. For Motor Sport, the highlight of 2018 was our return to Formula 1, through sponsorship of the McLaren team, as well as a technical partnership for product development. In the Performance Sports, we re-launched the Petrobras Team, sponsoring a group of high-performance athletes, aiming to prepare them for the 2020 Olympic Games in Tokyo. In addition, we celebrated the sponsorship of the Petrobras Relay Marathon, Petrobras Rei & Rainha do Mar Circuit and Petrobras Agua Circuit, selected by the public call made in 2017, focusing on street races and swimming races.

In culture we sponsor Brazilian projects with outstanding cultural value, innovative, with high potential for return and alignment with the brand strategy, aiming to strengthen our image and reputation.

In Audiovisual, we continue to sponsor the main Brazilian film festivals, reinforcing our history of support for this important sector of culture and the creative economy: Festival do Rio, Mostra de SP, Festival de Brasília do Cinema Brasileiro and AnimaMundi. In the first three, we awarded the Petrobras Cinema Award (Prêmio Petrobras de Cinema) for the second time, which enables the release of the winning films in theaters, through selection criteria of the festivals themselves. The project “Sessão Vitrine Petrobras” is also a highlight, and has been consolidating as the main Brazilian film impulse project, showing a Brazilian film per month, with affordable tickets, in more than 20 Brazilian cities simultaneously.

In the Performing Arts, the highlight is our sponsorship of art companies maintenance, which enables the development of relevant and emerging groups in the industry. Among the sponsored companies are Grupo Corpo, Cia. de Dança Deborah Colker, Grupo Galpão, Cia. Brasileira de Teatro and Cia. Focus de Dança.

In Music, we highlight the opening of the public call ‘Música em Movimento’, with the purpose of identifying and supporting innovative projects in the area. The Petrobras Symphony Orchestra mobilized a large audience with their performances with Lenine, Nando Reis and Pink Floyd’s Dark Side of The Moon, in sold-out sessions, having also performed in venues for large audiences, such as football stadiums. We also continue sponsoring relevant music venues such as the Municipal Theater of Rio, focused on different segments of Brazilian music.
Independent Auditors' Limited Assurance Report

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’ 2018 Sustainability Report, related to the year ended December 31st, 2018.

RESPONSIBILITIES OF PETROBRAS’ MANAGEMENT

The Management of Petrobras is responsible for adequately preparing and presenting the sustainability information in the 2018 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 2018 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’ 2018 Sustainability Report, taken as a whole, is free from 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 2018 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’ 2018 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 2018 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 2018 Sustainability Report;
• Analysis of evidence supporting the disclosed information;

e) Comparison of financial indicators with the financial statements and/or accounting records. 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 2018 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.

CONCLUSÃO

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’ 2018 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, February 22nd, 2019
KPMG Assessores Ltda.
CRC 2SP034262/O-4 F-5P

Eduardo V. Cipullo
Contador CRC 1SP135597/O-6
KPMG Financial Risk & Actuarial Services Ltda.

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