

# CHRB Indicators 2018

---



---

INDICATOR: A.1.1 Commitment to respect human rights.....	3
INDICATOR: A.1.2 Commitment to respect the human rights of workers.....	5
INDICATOR : A.1.3 Commitment to respect human rights particularly relevant to the industry.....	7
INDICATOR : A.1.4 Commitment to engage with stakeholders.....	9
INDICATOR : A.1.5 Commitment to remedy.....	11
INDICATOR : A.2.1 Commitment from the top.....	14
INDICATOR : A.2.2 Board discussions.....	19
INDICATOR : B.1.1 Responsibility and resources for day-to-day human rights functions.....	22
INDICATOR : B.1.3 Integration with enterprise risk management.....	24
INDICATOR : B.1.4.a Communication/dissemination of policy commitment(s) within Company's own operations.....	25
INDICATOR : B.1.4.b Communication/dissemination of policy commitment(s) to business relationships.....	27
INDICATOR : B.1.5 Training on Human Rights.....	28
INDICATOR : B.1.6 Monitoring and corrective actions.....	29
INDICATOR : B.1.7 Engaging business relationships.....	31
INDICATOR: B.1.8 Approach to engagement with potentially affected stakeholders.....	32
INDICATOR: B.2.1 Identifying: Processes and triggers for identifying human rights risks and impacts.	33
INDICATOR: B.2.2 Assessing: Assessment of risks and impacts identified (salient risks and key industry risks).....	34
INDICATOR: B.2.3 Integrating and Acting: Integrating assessment findings internally and taking appropriate action.....	35
INDICATOR : B.2.4 Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts.....	36
INDICATOR : B.2.5 Communicating: Accounting for how human rights impacts are addressed.....	37
INDICATOR : C.1 Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers.....	39
INDICATOR : C.2 Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities.....	40
INDICATOR: C.3 Users are involved in the design and performance of the channel(s)/mechanism(s).	41

---

INDICATOR: C.4 Procedures related to the mechanism(s)/channel(s) are publicly available and explained .....	42
INDICATOR: C.5 Commitment to non-retaliation over complaints or concerns made .....	45
INDICATOR: C.7 Remediating adverse impacts and incorporating lessons learned.....	46
INDICATOR: D.3.1 Living wage (in own extractive operations, which includes JVs).....	47
INDICATOR: D.3.2 Transparency and accountability (in own extractive operations, which includes JVs) .....	48
INDICATOR: D.3.3 Freedom of association and collective bargaining (in own extractive operations, which includes JVs) .....	49
INDICATOR: D.3.4 Health and safety: Fatalities, lost days, injury rates (in own extractive operations, which includes JVs) .....	51
INDICATOR: D.3.5 Indigenous peoples rights and free prior and informed consent (FPIC) (in own extractive operations, which includes JVs) .....	52
INDICATOR: D.3.6 Land rights (in own extractive operations, which includes JVs) .....	53
INDICATOR: D.3.7 Security (in own extractive operations, which includes JVs) .....	54
INDICATOR: D.3.8 Water and sanitation (in own extractive operations, which includes JVs).....	61

**INDICATOR: A.1.1 Commitment to respect human rights**Indicator description:

The Company publicly commits to respecting human rights across its activities. It must be clear the commitment relates to all internationally recognised human rights, rather than to only one or more selected human rights. This only considers commitments to avoid adverse human rights impacts and does not include philanthropic commitments.

**ANSWER**

Petrobras Social Responsibility Policy approved on March 29<sup>th</sup> by the Board of Directors considers the commitment to respecting Human Rights in alignment with UN Guiding Principles on Business and Human Rights. One of the 9 guidelines of this policy presents the commitment to: "Respect human rights, seeking to prevent and mitigate negative impacts on our direct activities, supply chain and partnerships, and fight against discrimination in all forms".

The policy is registered in Petrobras Corporate Standard System which indicates the scope of the policy and responsibilities which in this case is applicable to Petrobras and its wholly-owned and controlled subsidiaries and, to the extent practicable, to affiliates, subject to the resolutions of the management bodies of each company. The Corporate Standard Social Responsibility Terms and Concepts encompasses the definition of Human Rights: "rights set forth in the International Charter of Human Rights, which consists of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and in the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization - ILO".

Our Code of Ethics is applicable to our own operations and suppliers, addressing the following Human Rights issues: respect to life, non-discrimination, valuing and promotion of human diversity, equal opportunities for all employees, health and safety, fair labor relations, access to professional education and qualification, the right of free association, refuse the use of child and forced labor on the supply chain. Moreover our CEO expresses our commitment to UN Global Compact annually at our Sustainability Report since 2003.

We disclose in our Sustainability Report 2017 our commitments to Human Rights (page 39), our Social Responsibility Policy (page 40), our process to identify and treat main social risks and human rights issues (page 41), our social risk management in investment projects (page 42), our actions related to diversity and fight against discrimination (page 43-44), our human rights training (page 44), our social responsibility requirement for suppliers (page 44-45), our relation to indigenous peoples and traditional communities (page 46), our engagement with local communities (pages 75-76), our engagement with national and international initiatives that promotes human rights (page 77) and our social investments that promotes human rights issues (pages 46, 82-87).

**EVIDENCES**

<http://www.petrobras.com.br/en/society-and-environment/society/social-responsibility-policy/>

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/code-ethics>

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2016 Sustainability Report pages 4 and 21 and 2017 Sustainability Report pages 3, 39-46, 75-77, 82-72

**INDICATOR: A.1.2 Commitment to respect the human rights of workers**Indicator description:

The Company publicly commits to respecting the principles concerning fundamental rights at work in the eight ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work (see Table 15), together with those human rights of workers that are particularly relevant to its industry. It also has a publicly available statement of policy committing it to respect the human rights of workers in its business relationships.

**ANSWER**

Our CEO expresses our commitment to UN Global Compact annually at our Sustainability Report since 2003. Our Code of Ethics is applicable to own operations and suppliers addresses the following issues of Human Rights: respect to life and all human beings, non-discrimination, valuing and promotion of human diversity, equal opportunities for all employees, health and safety, fair labor relations, access to professional education and qualification, the right of free association, refuse the use of child and forced labor on the supply chain. Regarding labor practices our Code of Ethics states:

Item 2.5 - acknowledge the right of free association of its employees, respecting and valuing their participation in unions and not doing any kind of negative discrimination against unionized employees; (page 17) => refers to ILO fundamental Convention #1: Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87);

Item 2.6 - pursuit permanent reconciliation of interests and realization of rights, through institutional channels of negotiation, in its relationship with the unions representing the employees (page 18) => refers to ILO fundamental Convention #2. Right to Organise and Collective Bargaining Convention, 1949 (No. 98);

Item 2.8 - respect and promote diversity and combat all forms of prejudice and discrimination, through transparent admission, training, career advancement, rise to positions, and resignation policy. No employee or potential employee will receive discriminatory treatment a result of its race, skin color, ethnic origin, nationality, social status, age, religion, gender, sexual orientation, personal appearance, physical, mental or psychological condition, marital status, belief, political opinion, or any other individual differentiation factor;

Item 2.9 - promote equal opportunities for all employees, in all policies, practices and procedures, use as sole criterion for professional growth the individual merit based on assessment of performance, and ensure their right to know and be represented in the drafting of the functional evaluation and progress criteria; (both on page 18) => refers to ILO fundamental Convention #8. Discrimination (Employment and Occupation) Convention, 1958 (No. 111);

**EVIDENCES:**

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2016 Sustainability Report page 4 and 2017 Sustainability Report page 3

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/code-ethics>

**INDICATOR : A.1.3 Commitment to respect human rights particularly relevant to the industry**Indicator description:

The Company publicly commits to respecting human rights and ensures that its business relationships respect the human rights of particular relevance to communities' livelihoods, security and health, including the right to water and the ownership or use of land and natural resources. In addition, the Company publicly commits to respecting the human rights of individuals belonging to specific groups or populations that require particular attention (for example, women, children, indigenous peoples, minorities, persons with disabilities, or migrant workers and their families - see Table 16), where they may be at heightened risk of becoming vulnerable or marginalized if adversely impacted by the Company's activities or its business relationships.

**ANSWER**

Petrobras Social Responsibility Policy approved on March 29<sup>th</sup> by the Board of Directors considers the commitment to respecting Human Rights in alignment with UN Guiding Principles on Business and Human Rights. One of the 9 guidelines of this policy presents the commitment to: "Respect human rights, seeking to prevent and mitigate negative impacts on our direct activities, supply chain and partnerships, and fight against discrimination in all forms". Our Code of Ethics is applicable to our own operations and suppliers, addressing the following Human Rights issues: respect to life, non-discrimination, valuing and promotion of human diversity, equal opportunities for all employees, health and safety, fair labor relations, access to professional education and qualification, the right of free association, refuse the use of child and forced labor on the supply chain. We also commit to identify, analyze, and mitigate social risks related to the interaction of our business, society and the environment. In our Corporate Standard of Social Risks' Management we consider the following dimensions for identification and risk analysis related to our operations and nearby communities: livelihood and health environment, security and human rights, indigenous peoples and traditional communities, land and resettlement, social vulnerable groups and cultural heritage.

Recently, Petrobras published its commitment to water management at World Water Forum 2018 presenting the document "Water at Petrobras".

In our relationship with indigenous peoples, quilombola communities and other traditional communities, we observe the provision in the Brazilian National Policy of Development of Indigenous Peoples and Traditional Communities (Decree Number 6,040/07), the Normative Instructions and Interministry Ordinance of each body in charge, in this case, the National Indigenous Foundation - FUNAI, the Palmares Cultural Foundation (FCP) and the National Historic and Artistic Heritage Institute (IPHAN); abroad we follow the applicable legislation.

**EVIDENCES**

<http://www.petrobras.com.br/en/society-and-environment/society/social-responsibility-policy/>



---

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/code-ethics>

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2016 Sustainability Report page 21 and 2017 Sustainability Report page 40-42

<http://www.petrobras.com.br/en/society-and-environment/environment/water-resources/>

**INDICATOR : A.1.4 Commitment to engage with stakeholders**Indicator description:

The Company publicly commits to engage with its stakeholders, including potentially and actually affected stakeholders and their legitimate representatives.

**ANSWER**

In our Petrobras Social Responsibility Policy we commit to interact responsibly with communities, to manage our relationship with nearby communities on a continuous and transparent basis and to invest in voluntary social projects, contributing to local communities and society as a whole, in alignment with our business objectives as well as collaborating to environmental conservation and livelihoods improvement.

The Corporate Standard for Management of Community Relations provides guidelines to manage community relationship in areas that are or may be affected by Petrobras' activities. Broadly, these guidelines are presented in the following steps: diagnostics and analysis; planning; execution; monitoring and evaluation; and revision. "Diagnostics and analysis step" maps municipalities and nearby communities. The product of this step is a "Diagnostic and Analysis of Communities Report", which includes the context, points of attention and recommendations for planning the relationship with the community. The Report also informs the current situation and what should be the desired target, as far as this relationship is concerned. "Planning step": as a result of the former step, and taking into account the social risks identified, a document is prepared to establish targets, strategies and activities that will support the Community Relationship Plan. This plan is supported by a multidisciplinary team working jointly with professionals of the operational unity. Planning must consider issues like level of engagement, risk treatment, resources, partnerships and others. It must also consider communication needs and planned actions, involving both internal and external stakeholders. The Community Relationship Plan of each operational unity is a management tool that includes strategic information. It must support the execution of actions and activities with communities. It is highly recommended that one of the actions of the Community Relationship Plan be carried out through the communities committees, whenever applicable. The Community Relationship Plan must be monitored, evaluated and systematically reviewed to comply with targets, fulfillment of actions and a number of specific indicators. This step must include the participation in Critical Analysis Meetings, during which the results of the relationship with the relevant leaderships are shared. The evaluation of the planning and execution step must be carried out annually considering the analysis of lessons learned as a continuous improvement. The Diagnostic and Analysis of Communities Report must be reviewed every three years and the Community Relationship Plan every year, or whenever the need of a change is identified. In both cases, the revision must include a multidisciplinary team and evaluate the already achieved levels of engagement and those intended in each community in the foreseeable future. This information will be used to propose the Community Relationship Plan for the following year, as described in the Planning step. The revision of the whole process "Manage Community Relationship" must consider the annual critical analysis, registering, documenting and publicizing the lessons learned.

Petrobras maintains a constant relationship with nearby communities, through the conduction of communities committees, a permanent space of dialogue and an important mechanisms to treat grievances and complaints as well as set out an open communication channel to operational and community safety discussions. The communities committees' participants are formal and informal community leaders, public sector and other relevant social actors such as local resident´s associations and civil society organizations. The topics of discussions at the communities committees are planned and defined together with local stakeholders and includes: safety guidelines, HSE reports, health campaigns, emergency plans, public hearings issues, social investment, corporate visits program, dissemination of grievance channels, feedback on critical issues raised by communities and dialogues on definitions of roles and responsibilities of the company and government. We report our relationships with communities and socio-environmental investment at our Sustainability Report.

Additionally, we engage with civil society organization by supporting their projects as part of Petrobras Social and Environmental Corporate Program. This program is composed by a portfolio of voluntary social and environmental projects selected by their relevance and positive impact for the environment and communities. One of the criteria for the analysis and selection of each project is its capacity to address and to promote human issues related to gender, race and ethnicity equality as well as inclusion of peoples with disabilities. The program´s priority public target are: women, black people, peoples with disabilities, indigenous peoples and traditional communities and children and adolescents.

#### EVIDENCES

<http://www.petrobras.com.br/en/society-and-environment/society/social-responsibility-policy/>

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2016 Sustainability Report pages 21, 80-85 and 2017 Sustainability Report pages 40, 46, 75-76 and 82

<http://www.petrobras.com.br/en/society-and-environment/society/social-investment/>

**INDICATOR : A.1.5 Commitment to remedy**Indicator description:

The Company publicly commits to providing for or cooperating in remediation for affected individuals, workers and communities through legitimate processes (including judicial and non-judicial mechanisms, as appropriate), where it identifies that it has caused or contributed to adverse impacts.

**ANSWER**

We have as commitments in our Code of Ethics:

**Item 5: Regarding relation with Customers and Consumers, Petrobras System undertakes to: 5.2: fix possible losses from damage under its responsibility to its consumers and customers, with the maximum agility, in enforceable deadlines.**

**Item 6: Regarding relation with Environment, and as proof of its responsibility concerning current and future generations, Petrobras System undertakes to: 6.3 contribute to the preservation and recovery of biodiversity, through the management of the potential impacts of its activities and projects to protect endangered species and areas; 6.6 invest in the sustainability of its projects, products and services, maximizing their benefits, and minimizing their adverse impacts and monitoring the entire lifecycle of its facilities, operations and products; 6.9 identify, evaluate and manage its environmental liabilities, acting preventively and correctively in the solution of the problems which cause them; 6.10 communicate promptly to its consumers, customers, community and society about possible environmental damages, in the event of accidents; 6.11 provide to its consumers, customers, community, and society information about possible environmental damages resulting from bad use and about the final destination of its products.**

**Item 7: Regarding relation with the Communities, Petrobras System undertakes to: 7.1 keep permanent channels of communication and dialogue with the communities where it operates, with the purpose to prevent, monitor, evaluate and manage the impacts of its activities; 7.5 fix possible losses from damage under its responsibility to affected people or communities, with the maximum agility.**

**We have as commitment in our Social Responsibility Policy: guideline 3: “Respect human rights, seeking to prevent and mitigate negative impacts on our direct activities, supply chain and partnerships, and fight against discrimination in all forms.” and guideline 6 “Be prepared for emergencies, potential conflicts and crises involving our nearby communities”.**

Petrobras offers to its workforce and stakeholders the Denouncement Channel under the General Ombudsman Office’s management where any deviations may be reported including violations to the exercise of freedom of association and collective negotiation among other issues related to labor practices and human rights.

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/code-ethics>

<http://www.petrobras.com.br/en/society-and-environment/society/social-responsibility-policy/>

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2016 Sustainability Report page 77 and 2017 Sustainability Report page 81

<https://www.contatoseguro.com.br/petrobras>

**INDICATOR : A.1.6 Commitment to respect the rights of human rights defenders**Indicator description:

The Company publicly commits to not tolerating threats, intimidation, physical or legal attacks against human rights defenders, including those exercising their rights to freedom of expression, association, peaceful assembly and protest against the business or its operations. (See also Indicator C.5).

**ANSWER**

We establish as requirement of our Guide to Ethical Conduct: 4.1.1 Do not practice, submit to, or condone any act of violence, prejudice, abuse, discrimination, threat, blackmail, perjury, retaliation, psychological abuse, bullying or sexual harassment, or any other act contrary to the ethical principles of the Petrobras System.

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/guide-ethical-conduct>

**INDICATOR : A.2.1 Commitment from the top**Indicator description:

The Company's human rights policy commitments are approved and communicated at Board level and a Board member or Board committee is tasked with addressing one or more areas of respect for human rights.

**ANSWER**

The Board of Directors is the higher body of guidance and management of Petrobras, and, according to our bylaws is responsible for setting the general guidance of the business of the Company, defining its mission, strategic objectives and guidelines as well as setting the overall policies of the Company.

Our commitment to respect human rights is expressed by the corporate value "respect for life, people and the environment"; is presented in our Code of Ethics and Code of Conduct, which lay down the principles of respect, honesty and responsibility, among others; is in our Social Responsibility Policy and also in our Human Resources Policy, which are discussed and approved by the Board of Directors. The Safety, Environment and Health Committee, linked to the Board of Directors, is responsible for the analysis and for advising the board in matters related to strategic safety, environment and health issues and other directives and guidelines related to HSE management the company.

We also have our Petrobras Code of Best Practices, an instrument approved by the Board of Directors to gather all policies related to Company's Corporate Governance. The policies included in this document aim to improve and strengthen Petrobras' Governance mechanisms by providing guidance on the activities of company's directors, officers, managers, employees and collaborators. In addition, it will also contribute to increase rectitude and the degree of knowledge and confidence of investors and other stakeholders regarding such practices adopted internally.

Petrobras Code of Best Practices joins the main governance policies: (i) Relevant Act or Fact Disclosure and Negotiation of Securities Policy; (ii) - Corporate Compliance Policy and Guidelines for Petrobras Group; (iii) - Business Risk Management Policy; (iv) - Ombudsman Function Policy and Guidelines; (v) Shareholders Remuneration Policy; (vi) Appointment Policy for Members of the Audit Committee, Board of Directors, Executive Office and Officers in the General Structure of Petrobras and Petrobras System Companies; (vii) Communications Policy; (viii) - Related Party Transactions Policy; and (ix) - Corporate Governance Policy.

The Executive Board also relies on few committees, composed of executive managers, whit the duty to assist this body on specific matters. Among them, we can highlight the following three committees that have, among their attributions, the responsibility to discuss and advise the Executive Board in subjects related to human resources; safety, environment and health; and social responsibility: The Human Resources, Organization and Governance Committee, the Safety, Environment and Health Committee and the Disclosure, Communication and Social Responsibility Committee.

Our Strategic Plan and Business and Management Plan 2018-2022 were drawn up in an integrated manner and had the direct involvement of the Senior Management and other company officers at all of the stages of its development. The Board also approved the Strategic Monitoring process, based on the Strategic Plan released in September 2016, which consists of the permanent evaluation of the business environment and the implementation of the plan, allowing adjustments to be made in a more agile and efficient way.

BMP 2018-2022 is based on two main top metrics, safety and financial, as defined in the BMP 2017-2021 and continue to guide the company's strategic actions: (i) the security metric was anticipated in two years: Total Recordable Injury recorded per million men-hours (TRI) was reduced from 1.4 to 1.0 by 2018; (ii) the financial leverage target was maintained: Net debt/adjusted EBITDA of 2.5 in 2018. The ongoing process of strategic monitoring is based on the company's Vision and its five crucial principles that establish what Petrobras wants to be: "An integrated energy company focusing on oil and gas that evolves with society, generating high value and with a unique technical ability"; with the following values: respect for life, people and the environment; ethics and transparency; market driven; overcoming and confidence; and results.

The BMP safety target considers the Total Recordable Injury Frequency Rate (TRI), which is a widely used metric in the oil and gas industry. The target for TRI for 2018 was changed from 1.4 to 1.00 due to the implementation of the Programa Compromisso com a Vida (Commitment to Life Program) in 2017, which had 100% of its actions completed, contributing to the reduction of TRI by around 50%, from 2.15 in 2015 to 1.08 in October/2017. This program will have a new cycle, containing actions based on process safety and incorporated into the principles and guidelines that also cover the dimensions of environment and health, which demonstrates the commitment of the top of the organization to respect for life in all its dimensions.

#### **EVIDENCES:**

Integrated Report 2017:

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report>

[http://files.investidorpetrobras.com.br/documentos/Resumo-Relato-Integrado-2017\\_ingles\\_0.pdf](http://files.investidorpetrobras.com.br/documentos/Resumo-Relato-Integrado-2017_ingles_0.pdf)

Annual Report 2017:

(Pages 110 to 114)

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/annual-report>

<http://www.investidorpetrobras.com.br/download/6371>

Sustainability Report 2017 and table contents GRI:

(pages 39 to 46)

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

<http://www.investidorpetrobras.com.br/download/6418>

Sustainability Report 2016 (Previous Reports):

(pages 17 to 21)

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

<http://www.investidorpetrobras.com.br/download/5206>

Form-20 F

(pages 103 to 112)



<http://www.investidorpetrobras.com.br/en/annual-reports/form-20f>

<http://files.investidorpetrobras.com.br/documentos/FORM%2020-F%202017.pdf>

**Petrobras' By-laws:**

Chapter IV, Section II, Article 29, Subsections, I, II and VII

Chapter IV, Section II, Article 30, Subsection VIII and paragraph 1

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/petrobras-laws>

<http://www.investidorpetrobras.com.br/download/6422>

**Petrobras' Governance Bodies:**

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-bodies/committees>

Board of Directors Committees internal rules (regiments) are available only in Portuguese:

<http://www.investidorpetrobras.com.br/pt/governanca-corporativa/orgaos-de-governanca/comites>

Health, Safety and Environment Committee Internal Rules (available only in Portuguese):

<http://www.investidorpetrobras.com.br/download/4442>

**Social Responsibility Policy:**

<http://www.petrobras.com.br/en/society-and-environment/society/social-responsibility-policy/>

**Safety, Environment, and Health Policy:**

<http://www.petrobras.com.br/en/society-and-environment/environment/safety-environment-and-health-policies/>

Code of Best Practices and Associated Policies (Corporate Compliance Policy and Guidelines for Petrobras Group; Business Risk Management Policy; Ombudsman Function Policy and Guidelines, among others)

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/code-best-practices-and-associated-policies>

<http://www.investidorpetrobras.com.br/download/6297>

**Code of Ethics and Code of Conduct:**

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/code-ethics>

<http://www.investidorpetrobras.com.br/download/1711>

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/guide-ethical-conduct>

<http://www.investidorpetrobras.com.br/download/5249>

Public Presentations (Business & Management Plan and general presentations):

<http://www.investidorpetrobras.com.br/en/presentations/business-management-plan>

<http://www.investidorpetrobras.com.br/download/5857>

BMP Material Fact:

<http://www.investidorpetrobras.com.br/download/5854>

The Board members and the executive office members reinforce Petrobras's commitment with the corporate value "respect for life, people and the environment" on their presentations, speeches as spokespersons, interviews for media, statements reportings, and other relationships with the company's stakeholders.

Additionally, we started, in 2018, our integrated reporting process, which promotes a more cohesive, efficient approach to preparing corporate reports, aiming to improve the quality of the information available to financial capital providers, seeking to explain how the organization generates value over time, and providing subsidies to capital allocation in a more efficient, productive manner. Petrobras Integrated Reporting is comprised of the [Annual Report](#), [Sustainability](#) and [Financial Statements](#). The Sustainability Report highlights our performance with information on sustainability, in the social, environmental, and economic dimensions, and aims to present to our stakeholders, with transparency, integration and connectivity, how our organization generates value. In 2017, the report also presents a table content with the correlation with the indicators of the Global Reporting Initiative (GRI), Sustainable Development Goals (SDGs) and principles of the UN Global Compact, including governance indicators and executive-level responsibility for economic, environmental and social topics, among others.

All the evidences required for the indicators are described below and can be audited publicly in the management reports for 2016 and 2017, available on Petrobras' Investor Relations website, at: <http://www.investidorpetrobras.com.br/en>.

Petrobras' By-laws:

Chapter IV, Section II, Article 29, Subsection VII

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/petrobras-laws>

<http://www.investidorpetrobras.com.br/download/6422>

Code of Best Practices and Associated Policies (Relevant Act or Fact Disclosure and Negotiation of Securities Policy and Communications Policy):

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/code-best-practices-and-associated-policies>

<http://www.investidorpetrobras.com.br/download/6297>

Code of Conduct (items 4.10 and 5):

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/guide-ethical-conduct>

---

<http://www.investidorpetrobras.com.br/download/5249>

Public Presentations (Business & Management Plan and general presentations):

<http://www.investidorpetrobras.com.br/en/presentations/business-management-plan>

<http://www.investidorpetrobras.com.br/download/5857>

BMP Material Fact:

<http://www.investidorpetrobras.com.br/download/5854>

General Presentations:

<http://www.investidorpetrobras.com.br/en/presentations/general-presentations>

<http://www.investidorpetrobras.com.br/download/5605>

(slides 63 to 68) - Petrobras Day London

Integrated Report 2017:

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report>

[http://files.investidorpetrobras.com.br/documentos/Resumo-Relato-Integrado-2017\\_ingles\\_0.pdf](http://files.investidorpetrobras.com.br/documentos/Resumo-Relato-Integrado-2017_ingles_0.pdf)

**INDICATOR : A.2.2 Board discussions**Indicator description:

The Company has processes in place to discuss and address human rights issues at Board level or the Board or a Board committee regularly reviews the Company's salient human rights issues and provides examples of what was discussed.

Note: Management level responsibility is assessed under indicator B.2.1. and therefore not considered in this indicator.

**ANSWER**

The Board of Directors established six committees with specific assignments to advise it on the fulfillment of its responsibilities of guidance and senior management of Petrobras. Among them the Safety, Environment and Health Committee with specific assignments to analysis and issuance of recommendations related to the strategic issues of safety, environment and health and other guidelines related to the HSE management of the company.

The Safety, Environment and Health Committee is a permanent statutory body, directly linked to Petrobras' Board of Directors, whose purpose is to advise the Board of Directors in the fulfillment of its responsibilities of guidance and superior management of the Company, to the analysis and issuance of recommendations related to the strategic issues of Safety, Environment and Health (HSE) and other directives and guidelines related to HSE Management of the Company, to be submitted to the Board of Directors, as well as identify and analysis of the opportunities and risks related to health, safety and environment and to the discussion of other issues that the Board of Directors deem pertinent to undergo prior consideration by the Committee.

Our Corporate Governance Guidelines also provide face-to-face meetings with senior management and an introductory program for new board members that addresses relevant governance issues, which includes aspects of legislation, disclosure, compliance, conduct, conflict of interests and other topics relevant to our activities, including economic, environmental and social aspects related to geopolitics and the world energy scenario, in the context of the Brazilian market. This program also includes an annual training provided by the Company. The reelection of the Board of Directors member who does not participate in any annual training provided by the Company in the last 2 (two) years is prohibited, in according to our bylaws.

The Executive Board also relies on few committees, composed of executive managers, with the duty to assist this body on specific matters. Among them, we can highlight the following three committees that have, among their attributions, the responsibility to discuss and advise the Executive Board in subjects related to human resources; safety, environment and health; and social responsibility: The Human Resources, Organization and Governance Committee, the Safety, Environment and Health Committee and the Disclosure, Communication and Social Responsibility Committee.

EVIDENCES:

Integrated Report 2017:

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report>

[http://files.investidorpetrobras.com.br/documentos/Resumo-Relato-Integrado-2017\\_ingles\\_0.pdf](http://files.investidorpetrobras.com.br/documentos/Resumo-Relato-Integrado-2017_ingles_0.pdf)

**Annual Report 2017:**

(Pages 110 to 114)

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/annual-report>

<http://www.investidorpetrobras.com.br/download/6371>

**Sustainability Report 2017 and table contents GRI:**

(pages 39 to 46)

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

<http://www.investidorpetrobras.com.br/download/6418>

**Sustainability Report 2016 (Previous Reports):**

(pages 17 to 21)

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

<http://www.investidorpetrobras.com.br/download/5206>

**Form-20 F**

(pages 103 to 112)

<http://www.investidorpetrobras.com.br/en/annual-reports/form-20f>

<http://files.investidorpetrobras.com.br/documentos/FORM%20F%202017.pdf>

**Petrobras' By-laws:**

Chapter IV, Section II, Article 18, paragraph 10

Chapter IV, Section II, Article 30, paragraph 1

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/petrobras-laws>

<http://www.investidorpetrobras.com.br/download/6422>

**Petrobras' Governance Bodies:**

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-bodies/committees>

Board of Directors Committees internal rules (regiments) are available only in Portuguese:

<http://www.investidorpetrobras.com.br/pt/governanca-corporativa/orgaos-de-governanca/comites>

Board of Directors Committees internal rules (Health, Safety and Environment Committee) available only in Portuguese:

---

<http://www.investidorpetrobras.com.br/pt/governanca-corporativa/orgaos-de-governanca/comites>

<http://www.investidorpetrobras.com.br/download/4442>

Governance Guidelines (under review):

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/guidelines>

**INDICATOR : B.1.1 Responsibility and resources for day-to-day human rights functions**Indicator description:

The Company outlines senior level responsibility for human rights within the Company as well as the organisation of the day-to-day responsibility for human rights across relevant internal functions and geographies.

**ANSWER**

Human Rights is a cross cutting issue addressed by several Petrobras' departments in Brazil where 96% of our production is carried out. The Social Responsibility Department is responsible for identifying, analyzing, and mitigating social risks related to the interaction of our business, society and the environment and to promote the social and environmental management in our supply chain; managing our relationship with nearby communities on a continuous and transparent basis and managing the socio-environmental investment, contributing to nearby communities, collaborating to environmental conservation and livelihoods improvement. The Human Resources Department is responsible for matters relating to managing union relations and is responsible to some issues related to decent work, permanent negotiation and dialogue (assignment is describe in the collective labor agreement). We state our commitment to value diversity at the Human Resources Policy and there is a specific area responsible to develop and monitor initiatives that reinforce the respect to human and cultural diversity of the workforce (non-discrimination and equal opportunities). The HSE department is responsible for safety, environment and health activities committing to caring for life and the environment, reducing risk to people's security and health by strengthen process safety and anticipating and responding promptly to emergencies. The HSE department is also responsible for "Commitment to Life" program, which focuses on accident prevention, search of new risk and control solutions. The senior role of each of these departments is carried out by an Executive Manager.

The General Ombudsmen Office is responsible for handling complaints, requests for information, denunciations, requests, queries, opinions, and suggestions from all stakeholders in a confidential, independent, free, and accessible manner. It is linked to Petrobras' Board of Directors and welcomes anonymous denunciations. The Ombudsman's Office interacts with the relevant areas to strengthen and promote the addressing of demands and contributes to the management with recommendations from the knowledge acquired in performing its duties. The senior role of the General Ombudmen office is carried out by the Ombudsman.

**EVIDENCES**

<http://www.petrobras.com.br/en/society-and-environment/society/social-responsibility-policy/>

<http://www.petrobras.com.br/en/society-and-environment/environment/safety-environment-and-health-policies/>

<https://ouvidoria.petrobras.com.br/>

---

<http://www.investidorpetrobras.com.br/en/corporate-governance/organization-chart>



**INDICATOR : B.1.3 Integration with enterprise risk management**Indicator description:

The Company integrates attention to human rights risks into its broader enterprise risk management system(s).

**ANSWER**

Our Risk Management Policy expresses that life must be respected in all its diversity and rights as one of its core principles. We have an Executive Risk Committee responsible to monitor business risk treatment and contingency actions and to analyze and make recommendations on risk management policies and processes, as well as the main risks' mitigation actions. We monitor metrics and the limits of risk exposure in order to advise the Executive Board forwarding any topic of risk management that seems to be relevant or to the deliberation of the Executive Board or the Board of Directors. Each unit must identify, prioritize and monitor its main risks and draft mitigation action plan together with the Corporate Risk Area.

Our corporate risk matrix takes into account the social risk category. The social risk category was unfolded in a specific standard (Corporate Standard of Social Risk Management). This standard considers the following key issues: livelihoods and subsistence of local communities, indigenous peoples, traditional communities and vulnerable groups, access to land, water, cultural heritage, pressure on public services and other issues related to the quality of life of the local population. This standard encompasses the various steps of the life cycle of our business and the methodology characterization of the social context in places where we operate, as well as the identification, analysis, evaluation, treatment and monitoring of social risks. The identification of social risks allows us to establish criteria and objectives for the treatment of the identified risks as well as to support building a trust relationship with the communities where we operate.

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2017 Sustainability Report pages 41-42

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/annual-report>

2017 Annual Report page 123

**INDICATOR : B.1.4.a Communication/dissemination of policy commitment(s) within Company's own operations**

Indicator description:

The Company communicates its human rights policy commitment(s) to employees and other workers as well as to external stakeholders, in particular potentially affected stakeholders. Note: In order to get any Score under this indicator, the human rights policy commitment must include the ILO core labour standards at a minimum. If a company clearly commits to the ILO Declaration on Fundamental Principles and Rights at Work, this will be accepted as including the four ILO core labour standards. If a company commits to the UN Global Compact alone, this will not count as including the ILO core labour standards unless the company chooses to list out each of the UN Global Compact principles. This is because for communication, training, and monitoring purposes, clarity of message is important. If in doing so a company only explicitly refers to less than all four UN Global Compact labour rights principles then this will not meet the requirement to score 1 or 2 for these indicators.

**ANSWER**

All employees must read and sign a declaration of knowledge of the Code of Ethics and the Guide of Ethical Conduct. We annually list the UN Global Compact Principles at our Sustainability Report correlating the GRI standards to UN Global Compact Principles. Our Social Responsibility Policy, which contains our commitment to respect Human Rights, was launched in March 2017 and we published a briefing note on our internal website. The Social Responsibility Policy is also available in our external website and was published at our 2016 and 2017 Sustainability Report. In September 2017, we launched the new Human Resources Policy, including a specific diversity topic and we published a briefing note in our internal website. We also publish our labor practices related to human rights in our external website mentioning specific topic as follows: Rejection of child, slave, and degrading labor throughout our supply chain (Forced Labor Convention, 1930 - No. 29) and Equal opportunities, respecting gender differences and diversity of cultures, knowledge and skills, right to social security benefits and medical assistance for same-sex partners, 180-day maternity leave (Employment and Occupation Convention, 1958 - No. 111 and Convention 103).

The theme of Human Rights is addressed in all the training courses for new employees. In addition, the topic was addressed in the Code of Ethics and Conduct training provided to the entire workforce (holding employees, outsourced employees and requisited employees from subsidiaries). This training has not been translated into other languages. This course is available for the entire Workforce on a regular basis and in 2017 we had 57,334 participants.

In Petrobras website our communication of policies are available for all our stakeholders (Portuguese and English). The Code of Ethics and Conduct training program included 12,970 participants from service providers (outsourced employees) and 657 participants from other companies in the Petrobras system (requisitioned employees from subsidiaries).

In addition, Petrobras maintains a constant relationship with its stakeholders through the conduction of communities committees. The communities committees are permanent spaces of dialogue, promoted by Petrobras and that take place preferentially in the facilities of our Operations Unit. They are important mechanisms of preventive action and treatment of grievances and complaints, monitoring community relations activities as well as set out an open communication channel to operational and community safety discussions. The communities committees' participants are formal and informal community leaders, public sector and other relevant social actors such as local resident's associations and civil society organizations. The topics of discussions at the communities committees are planned and defined together with local stakeholders and includes: safety guidelines, HSE reports, health campaigns, emergency plans, public hearings issues, social investment, corporate visits program, dissemination of grievance channels, feedback on critical issues raised by communities and dialogues on definitions of roles and responsibilities of the company and government. We report our relationships with communities and socio-environmental investment at our Sustainability Report.

#### EVIDENCES

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/code-ethics>

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/guide-ethical-conduct>

<http://www.petrobras.com.br/en/society-and-environment/society/social-responsibility-policy/http://www.petrobras.com.br/en/about-us/careers/labor-practices/>

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2016 Sustainability Report pages 21, 90-107 and 2017 Sustainability  
[http://files.investidorpetrobras.com.br/documentos/Global\\_Reporting\\_Initiative\\_GRI\\_RS2017.pdf](http://files.investidorpetrobras.com.br/documentos/Global_Reporting_Initiative_GRI_RS2017.pdf)

<http://www.petrobras.com.br/pt/quem-somos/carreiras/praticas-trabalhistas/>

<http://www.petrobras.com.br/en/about-us/careers/labor-practices/>

<http://www.petrobras.com.br/pt/quem-somos/perfil/compliance-etica-e-transparencia/>

<http://www.petrobras.com.br/en/about-us/profile/compliance-ethics-and-transparency/>

**INDICATOR : B.1.4.b Communication/dissemination of policy commitment(s) to business relationships**Indicator description:

The Company communicates its human rights policy commitment(s) to its business relationships. In addition, it reflects its human rights commitments within the terms of its contracts (or other equivalent, binding arrangements) with business relationships. (See also Indicator B.1.7).

Note: In order to get any Score under this indicator, the human rights policy commitment must include the ILO core labour standards at a minimum. [See full note at B.1.4.a above].

**ANSWER**

Our Code of Ethics and Guide of Ethical Conduct address the relationship with our customers, partners, and suppliers. Our Social Responsibility Policy expresses the commitment to respect human rights, seeking to prevent and mitigate negative impacts on our direct activities, supply chain and partnerships.

Regarding our suppliers, at the contracting stage, when submitting the proposal for service provision, they must present a "Declaration of compliance with the Code of Ethics, Guide of Ethical Conduct and the Social Responsibility Policy of PETROBRAS". And this declaration of knowledge and acceptance of these documents is confirmed in clause 22 of the Standard Contract of Service Agreement: "22 - The CONTRACTOR declares that it has taken cognizance of and complies with the provisions contained in the Petrobras System Code of Ethics, Petrobras Guide of Ethical Conduct and Petrobras Social Responsibility Policy".

We also require in our business partner agreement, the specific clause: "The CONTRACTOR abstain from using, in all activities related to the execution of this instrument, child labor, pursuant to item XXXIII of article 7 of the Constitution of the Republic, labor in a condition analogous to slave, as well as, to include a specific clause to this effect in the contracts entered into with suppliers of their inputs and / or service providers, under penalty of fine or termination of this Contract, without prejudice to the adoption of other appropriate measures. The CONTRACTOR undertakes, whenever requested by PETROBRAS, to issue a written statement that it has fulfilled or is complying with the requirement contained in this item".

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

Sustainability Report 2016, page 21

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/code-ethics>

**INDICATOR : B.1.5 Training on Human Rights**Indicator description:

The Company trains its workers on its human rights policy commitment(s).

**ANSWER**

All basic career training courses have specific topics on the human rights issues addressed in our Ethics Code. In 2016 and 2017 we promoted 144 basic career training for 1,350 participants. In 2016 and 2017, we promoted 47 specific courses (273 participants) related to topics such ethics, social responsibility, diversity and human rights. Moreover, in 2017, Petrobras provided the e-learning course "ethics code and conduct guide" for all employees. The course had 44,893 participations, equivalent to 93% of the employees. Of this total, 6,796 were employees with management function (including the CEO and Executive Directors). The course also had the participation of 12,970 outsourced workers and 657 employees from others Petrobras subsidiaries working at Petrobras Holding.

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/code-ethics>

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2017 Sustainability page 44

**INDICATOR : B.1.6 Monitoring and corrective actions**Indicator description:

The Company monitors the implementation of its human rights policy commitment(s) across its operations and business relationships and follows up on corrective actions and necessary changes to policies or processes.

**ANSWER**

Regarding our operations, the implementation of our Social Responsibility Policy is part of Evolution Project. The monitoring and control of the performance related to the goals and initiatives set by this project are carried out by a system of critical analysis where the strategic initiatives and main goals are followed up by subcommittees, including Health, Safety and Environment (HSE); and Human Resources (HR), Communication and Management. These subcommittees, which are composed of executive managers and perform a monthly analysis of indicators and related initiatives, recommending studies and actions to the responsible areas in the company. The Evolution Project Leadership Committee (EPLC), composed of ten executive managers led by the Director of Strategy and Management System, evaluates the top indicators and deviations detected in the subcommittees, recommending studies and actions to rebalance the plan. In addition, it presents the results of this evaluation to the Steering Committee, a group composed of the executive board and the CEO of the company. In parallel, each area of the company conducts Critical Analysis meetings (CAMs), providing inputs for the consolidated analyzes carried out by the subcommittees and the EPLC. In addition, the areas address the recommendations received from these subcommittees and the Evolution Project Leadership Committee, being responsible for corrective actions.

In the Supplier Registration Portal we implemented the SOF - Supplier Occurrence Status whose purpose is to identify recent occurrences observed by the Supervision and investigated by the specialist area in the matter. The types of occurrences are the following: no compliance with social or labor obligations, use of child or forced labor and fatal accident. The SOF influences the suppliers' selection by signaling risks to the contract. Suppliers with no occurrences will have a "green" status in the registration. Medium and high gravity occurrences will place the suppliers in "yellow" and "red" status respectively representing restrictions to the selection. In the case of current contracts, the need of actions to be taken shall be analyzed such as, for example, the creation of a Commission for Review and Application of Sanctions (Caase) to assess occurrences of types "use of child labor or slave-like labor" and "fatal accidents". We list the sanctions application at our Sustainability Report.

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2016 Sustainability Report page 32, 76 and 2017 Sustainability Report pages 44 and 81

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/annual-report>

2017 Annual Report page 108

[http://sites.petrobras.com.br/CanalFornecedor/portugues/comocadastrar/comocadastrar\\_ing.asp](http://sites.petrobras.com.br/CanalFornecedor/portugues/comocadastrar/comocadastrar_ing.asp)

**INDICATOR : B.1.7 Engaging business relationships**Indicator description:

The Company takes human rights considerations into account when deciding to engage (or terminate) business relationships.

**ANSWER**

Our suppliers shall comply with the provisions of the Petrobras Social Responsibility Policy.

We also require in our business partner agreement, the specific clause: “The CONTRACTOR abstain from using, in all activities related to the execution of this instrument, child labor, pursuant to item XXXIII of article 7 of the Constitution of the Republic, labor in a condition analogous to slave, as well as, to include a specific clause to this effect in the contracts entered into with suppliers of their inputs and / or service providers, under penalty of fine or termination of this Contract, without prejudice to the adoption of other appropriate measures. The CONTRACTOR undertakes, whenever requested by PETROBRAS, to issue a written statement that it has fulfilled or is complying with the requirement contained in this item.

In the Supplier Registration Portal we implemented the SOF - Supplier Occurrence Status whose purpose is to identify recent occurrences observed by the Supervision and investigated by the specialist area in the matter. At the types of occurrences are the following: no compliance with social or labor obligations, use of child or forced labor and fatal accident. The SOF influences the suppliers’ selection by signaling risks to the contract. Suppliers with no occurrences will have a “green” status in the registration. Medium and high gravity occurrences will place the suppliers in “yellow” and “red” status respectively representing restrictions to the selection. In the case of contracts in force, the need of actions to be taken shall be analyzed such as, for example, the creation of a Commission for Review and Application of Sanctions (Caase) to assess occurrences of types “use of child labor or slave-like labor” and “fatal accidents”. We inform about sanctions applied to suppliers related to non-compliance with labor practices at our Sustainability report.

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2016 Sustainability Report page 76 and 2017 Sustainability Report page 81

[http://sites.petrobras.com.br/CanalFornecedor/portugues/comocadastrar/comocadastrar\\_ing.asp](http://sites.petrobras.com.br/CanalFornecedor/portugues/comocadastrar/comocadastrar_ing.asp)



**INDICATOR: B.1.8 Approach to engagement with potentially affected stakeholders**Indicator description:

The Company has an approach to engaging with affected stakeholders on a regular basis. In doing so, it identifies affected and potentially affected stakeholders and engages in regular dialogue on human rights issues with them and organisations representing them. It also pays particular attention to those at heightened risk of vulnerability or marginalisation and prohibits bribes or other favours that may divide communities. To facilitate informed engagement, the Company provides meaningful information in accessible formats and languages.

**ANSWER**

Set by the Social Responsibility Policy, maintaining a long-term community relationship based on dialogue and transparency is one of our commitments. To achieve this, we seek to know the dynamics of the communities that neighbor the places where we operate, their social players, and develop relationship plans, which the Company monitors and evaluates.

Petrobras' actions seek to foster the development of collaborations to strengthen ties, promote networking, and generate mutual benefits, allowing for respect for the social, environmental, territorial, and cultural rights of the communities. Committees, meetings, lectures, visits, and investments in socioenvironmental programs and projects are promoted, aligned with the objectives of our business and contributing to the conservation of the environment and improvement of the living conditions of the communities where we operate. Petrobras maintains a constant relationship with its stakeholders through the conduction of communities committees. The communities committees are permanent spaces of dialogue, promoted by Petrobras and that take place preferentially in the facilities of our Operations Unit. They are important mechanisms of preventive action and treatment of grievances and complaints, monitoring community relations activities as well as set out an open communication channel to operational and community safety discussions. The communities committees' participants are formal and informal community leaders, public sector and other relevant social actors such as local resident's associations and civil society organizations. The topics of discussions at the communities committees are planned and defined together with local stakeholders and includes: safety guidelines, HSE reports, health campaigns, emergency plans, public hearings issues, social investment, corporate visits program, dissemination of grievance channels, feedback on critical issues raised by communities and dialogues on definitions of roles and responsibilities of the company and government. We report our relationships with communities and socio-environmental investment at our Sustainability Report.

**EVIDENCES**

<http://www.petrobras.com.br/en/society-and-environment/society/community-relations/>

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2016 Sustainability Report pages 80-85 and 2017 Sustainability Report page 75-76

**INDICATOR: B.2.1 Identifying: Processes and triggers for identifying human rights risks and impacts**Indicator description:

The Company proactively assesses its human rights risks and impacts on an on-going basis, including when these are triggered by key moments of the Company's activities (e.g. policy change, market entry, new projects, amongst others).

**ANSWER**

In order to improve the risk management process and to promote the respect for human rights in all investment projects, we incorporated in 2017, in the Corporate Systematics for Investments Projects new requirements for the decision-making process which include: Social Responsibility reports in addition to the reports usually requested and participation of Social Responsibility analysts in the multidisciplinary review group that elaborates recommendations for the project's phase transition. The Social Responsibility report includes the social context and the diagnosis of communities, as well as actions to mitigate social risks. In 2017, 22 investment projects were assessed under these new requirements.

In order to promote social responsibility in the supply chain in the implementation of investment projects, especially in the Construction and Assembly contracts (Engineering, Procurement, and Construction - EPC), we have included a specific contractual annex on Communication and Social Responsibility. This contractual annex guides the social risks management during construction work implementation by the supplier. We can highlight the following requirement aspects: preparation of a Communication and Social Responsibility Plan, optimizing the procurement for local labor, and promote the reallocation of professionals at the time of demobilization. In order to monitor compliance with these requirements, in addition to the activity reports monthly verification, we perform the on-site use of a checklist. In 2017, a total of 13 checklists were applied to contracts.

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2017 Sustainability Report pages 41-42

**INDICATOR: B.2.2 Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)**

Indicator description:

Having identified its human rights risks and impacts, the Company assesses them and then prioritises its salient human rights risks and impacts.

**ANSWER**

Our Corporate Standard of Social Risk Management encompasses the various steps of the life cycle of our business and the methodology characterization of the social context in places where we operate, as well as the identification, analysis, evaluation, treatment and monitoring of social risks. It considers the following key issues: livelihoods and subsistence of local communities, indigenous peoples, traditional communities and vulnerable groups, access to land, water, cultural heritage, pressure on public services and other issues related to the quality of life of the local population. The identification of social risks allows us to establish criteria and objectives for the treatment of the identified risks as well as to support building a trust relationship with the communities where we operate.

Additionally, we have incorporated in the Corporate Systematics for Investment Projects new requirements for the decision-making process which include Social Responsibility reports and participation of Social Responsibility analysts in the multidisciplinary review group that elaborates recommendations for the project's phase transition. The Social Responsibility report includes the social context and the diagnosis of communities, identification of social risks as well as actions to mitigate social risks.

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2017 Sustainability Report pages 41-42

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2016 Sustainability Report pages 34

**INDICATOR: B.2.3 Integrating and Acting: Integrating assessment findings internally and taking appropriate action**

Indicator description:

The Company integrates the findings of its assessments of human rights risks and impacts into relevant internal functions and processes by taking appropriate actions to prevent, mitigate or remediate its salient human rights issues.

**ANSWER**

Our Corporate Standard of Social Risk Management was reviewed in 2017, addressing the various steps the life cycle of our business and the methodology characterization of the social context in places where we operate, as well as for identification, analysis, evaluation, treatment and monitoring of social risks. Regarding the workforce, potential social risks related to human rights include discrimination and lack of equality of opportunity. Regarding communities, these issues include risks of interference with livelihoods and subsistence of local communities, relationships with indigenous peoples, traditional and vulnerable groups, access to land, water, preservation of cultural heritage, pressure on public services and other issues related to the quality of life of the local population. We have incorporated in the Systematics new requirements for the decision-making process which include: Social Responsibility reports and participation of Social Responsibility analysts in the multidisciplinary review group that elaborates recommendations for the project's phase transition. The Social Responsibility report includes the social context and the diagnosis of communities, as well as actions to mitigate social risks.

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2017 Sustainability Report pages 41-42

**INDICATOR : B.2.4 Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts**

Indicator description:

The Company tracks and evaluates the effectiveness of actions taken in response to its human rights risks and impacts and describes how it uses that information to improve processes and systems on an ongoing basis.

ANSWER

Actions to mitigate social risks are continuously tracked according to Corporate Standard of Social Risk Management. This tracking includes the execution and the effectiveness of actions, with possible inclusion or exclusion of new salient risks. As a Petrobras project management practice (in line with the recommendations of IPA and PMI), the risks identified in the Risk Workshops are recorded in the Risk Management System. In this system, the risks are described, they are assigned to a responsible person and the treatment measures are described, with their deadlines. Periodically, the system requests an update of the risk status. The total risk of the projects is monitored by the Project Management team, which periodically undertakes risk review workshops with a multidisciplinary team from different areas of the company.

EVIDENCES

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2017 Sustainability Report pages 41-42

**INDICATOR : B.2.5 Communicating: Accounting for how human rights impacts are addressed**Indicator description:

The Company communicates externally how it addresses its human rights impacts in a manner that is accessible to its intended audiences, especially affected stakeholders who have raised concerns, providing enough information to evaluate the adequacy of the response(s) and does not pose risks to affected stakeholders or personnel. This communication is distinct from engagement with potentially affected stakeholders for the purposes of assessing or addressing impacts (See also Indicators B.1.8, B.2.1 and B.2.2).

**ANSWER**

We report on Human Rights in our sustainability report following GRI Standards requirements assured by third part (KPMG). We correlate UN Global Compact Principles to GRI indicators since 2004. Since 2016 we also started to correlate SDGs to GRI indicators.

Moreover, we implement community consultations through public hearings conducted by the licensing authority, forums for information about the project, its social and environmental impacts and discussion of Environmental Studies, in order to brief interested parties about the project content, clarifying questions and hearing criticisms and suggestions about. This process integrates the environmental licensing, administrative procedure whereby the competent environmental agency licenses the location, installation, expansion, modification and operation of projects and activities. In addition to the public hearing and environmental licensing, we consider community relationship as a long-term process that has as one of its objectives to develop interaction and continuous relationship with the communities in the surrounding areas, maintaining permanent channels of dialogue, aiming to understand the roles and attributions of the different social actors, sharing responsibilities, generating mutual trust and aligning expectations of all parties.

In 2017, we approved new corporate standards that address the methodology for the diagnosis and analysis of the social context, as well as the elaboration of the community relationship plan, which contains the activities to be implemented in the communities of our nearby area. These plans are developed with multidisciplinary teams on the operational fronts and reviewed annually. We also participate and foster spaces for dialogue with communities, such as: community committees, community visits and lectures, and simulated emergency exercises. These types of initiatives help in the creation and operation of relationship networks, which are responsible for facilitating interaction with other organizations and other actors, contributing to the prevention of occurrences, the monitoring of potential conflicts and negotiations in times of crisis. We carried out actions for engagement with communities that involved about 5,600 participants. We also received 269 manifestation groups and demands at the local level. The measures adopted to approach the topics consisted of: clarifying matters at the regular meetings of the Community Committee, including the participation of external speakers and government representatives; visits from community leaders, people from the communities and government representatives to our units, aiming at bringing these stakeholders closer and get them acquainted with our activities; meetings,

lectures and training for communities; simulations and drills involving communities. One of the ways of dealing with the identified demands was the implementation of socio-environmental projects in the places where we work in complementary education, professional qualification, improvement of the employability condition of young people, children and adolescents rights, environmental education, among others.

#### EVIDENCES

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2016 Sustainability Report pages 90-107 and 2017 Sustainability pages 75 and 76

[http://files.investidorpetrobras.com.br/documentos/Global\\_Reporting\\_Initiative\\_GRI\\_RS2017.pdf](http://files.investidorpetrobras.com.br/documentos/Global_Reporting_Initiative_GRI_RS2017.pdf)

**INDICATOR : C.1 Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers**

Indicator description:

The Company has one or more channel(s)/mechanism(s) (its own, third party or shared) through which workers can raise complaints or concerns, including in relation to human rights issues. The channel(s)/mechanism(s) is available to all workers and takes into account accessibility by marginalised groups. The channel(s)/mechanism(s) is not used to undermine the role of legitimate trade unions in addressing labour-related disputes, nor to preclude access to judicial or other non-judicial grievance mechanisms.

**ANSWER**

Through the General Ombudsman's Office, Petrobras acts in information requests that arrive via the Citizen Information Service, thus complying with the LAI (Brazilian Act n. 12,527 of 2011, also known as Public Access to Information Act), and also operates in denunciations, complaints, requests, praises and suggestions, as well as demands related to the health benefit offered to employees and its dependents and issues under Law No. 12,813 / 2013 (Conflict of Interest Law). For the latter, the Ministry of Transparency, Inspection and Comptroller General of the Federal Government (CGU) provides the Electronic System for the Prevention of Conflicts of Interests, where our employees can consult and request authorization to exercise private activity, avoiding situations generated by confrontation between public and private interests that could jeopardize the collective interest or improperly influence the performance of public function. We also make available to our public other means of contact, such as telephone, electronic forms, face-to-face service and the Denunciation Channel, for manifestation of denunciations, respecting the confidentiality of the source whenever necessary. Our Denunciation Channel is managed by an independent, independent and specialized company. Available 24 hours a day in three languages (Portuguese, English and Spanish) and in all countries where we operate, the channel centralizes the collection of complaints, including those related to discrimination, harassment and human rights violations.

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2017 Sustainability Report page 45



**INDICATOR : C.2 Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities**

Indicator description:

The Company has one or more channel(s)/mechanism(s) (its own, third party or shared) through which individuals and communities who may be adversely impacted by the Company can raise complaints or concerns, including in relation to human rights issues.

**ANSWER**

Through the General Ombudsman's Office, Petrobras acts in information requests that arrive via the Citizen Information Service, thus complying with the LAI (Brazilian Act n. 12,527 of 2011, also known as Public Access to Information Act), and also operates in denunciations, complaints, requests, praises and suggestions, as well as demands related to the health benefit offered to employees and its dependents and issues under Law No. 12,813 / 2013 (Conflict of Interest Law). For the latter, the Ministry of Transparency, Inspection and Comptroller General of the Federal Government (CGU) provides the Electronic System for the Prevention of Conflicts of Interests, where our employees can consult and request authorization to exercise private activity, avoiding situations generated by confrontation between public and private interests that could jeopardize the collective interest or improperly influence the performance of public function. We also make available to our public other means of contact, such as telephone, electronic forms, face-to-face service and the Denunciation Channel, for manifestation of denunciations, respecting the confidentiality of the source whenever necessary. Our Denunciation Channel is managed by an independent, independent and specialized company. Available 24 hours a day in three languages (Portuguese, English and Spanish) and in all countries where we operate, the channel centralizes the collection of complaints, including those related to discrimination, harassment and human rights violations.

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2017 Sustainability Report page 45

**INDICATOR: C.3 Users are involved in the design and performance of the channel(s)/mechanism(s)**

Indicator description:

The Company (or the initiative, in the case of a shared channel/mechanism) engages with potential or actual users on the design, implementation and performance of the channel(s)/mechanism(s).

**ANSWER**

Users of the denouncement channel managing software located at General Ombudsman's Office, Compliance and Internal Audit areas, often submit requests for new or modified functionalities, in order to comply with regulatory issues or internal needs, such as customized user profiles and reports. These requests are discussed with Ombudsman's Office management and the approved ones are forwarded to the company responsible for the channel for implementation.

**INDICATOR: C.4 Procedures related to the mechanism(s)/channel(s) are publicly available and explained**

Indicator description:

The Company describes how complaints or concerns are received, processed and addressed and how those making complaints are informed throughout the process as well as how these may be escalated.

**ANSWER**

**1) PETROBRAS DENOUNCEMENT CHANNEL (EXCLUSIVE FOR RECEIVING DENOUNCEMENTS)**

The denouncement channel is a way to augment our commitment to transparency and ethics. This independent and impartial tool is available to external and internal audiences of Petrobras and its controlled companies.

Denouncements can be registered on the following topics:

- Fraud
- Corruption
- Money Laundering
- Harassment
- Discrimination
- Safety, Environment and Health
- Other irregularities (including human rights violations)

**What is considered an irregularity?**

Actions or omissions that are against the law or against the Code of Ethics of the Petrobras Group and the Code of Conduct that may cause losses to Petrobras and its controlled companies, its employees, collaborators, shareholders and other stakeholders.

In case your denouncement is not related to the cases aforementioned, and you want to make a complaint, request for information, give an opinion or suggestion, consult or make a compliment, please go to Petrobras General Ombudsman Office website.

**How to make your denouncement**

Your denouncement can be made:

**Via Internet**

Accessing the form to make your denouncement. Your computer's IP won't be identified in any circumstance.

## By telephone

Call toll free at 0800 601 6925.

The channel is available 24 hours a day, seven days a week. The calls are answered by specialists trained to obtain the maximum information about the denouncement, without compromising the anonymity and safety of the source. The telephone number that originated the call will not be identified in any circumstance.

All information will be received by Contato Seguro, an external and independent company, specialized in receiving denouncements.

After registering the denouncement, Contato Seguro will forward, with assurance of anonymity, the information to the Petrobras General Ombudsman Office which will analyze and determine the area responsible for conducting the investigation.

During the investigation process the demander is periodically updated on the progress of the denouncement and, upon conclusion, receives a response which indicates whether or not there was any substance in his demand.

## 2) OTHERS CHANNELS OF THE GENERAL OMBUDSMAN OFFICE (RECEIVING REQUESTS FOR INFORMATION, COMPLAINTS, REQUESTS, COMPLIMENTS OR SUGGESTIONS)

The demands received by the Petrobras General Ombudsman Office and classified as requests for information, complaints, requests, compliments or suggestions are treated according to the steps below:

### What we do - learn how we operate

- We receive and treat all manifestations that are related to the performance of Petrobras, with independence, exemption and confidentiality.
- We treat the requests for information required under the Public Access to Information Act (LAI).
- We identify alternatives, when applicable, to solve the demands;
- We mediate conflicts and act in facilitating dialogues;
- We forward the demands to the areas responsible for treating them, safeguarding the necessary confidentiality and secrecy;
- We monitor the time taken to address the demands;
- We assess the responses received from the responsible areas;
- We inform the process and the results to the demanders.
- We issue recommendations for the improvement of the company management and processes.
- We receive and process second-instance demands related to our healthcare benefit (AMS), monitoring the 7 business day deadline (that can be extended up to 30 business days, in exceptional cases).

- We receive consultations on the existence of a conflict of interest under the Act n. 12,813/2013 (Conflict of Interest Act).
- We receive requests for authorization to exercise private activity, which, however, can only be made by Petrobras employees.

#### EVIDENCES

<https://www.contatoseguro.com.br/en/petrobras>

[https://ouvidoria.petrobras.com.br/portal/ouvidoria/en\\_us/what-we-do.htm](https://ouvidoria.petrobras.com.br/portal/ouvidoria/en_us/what-we-do.htm)

**INDICATOR: C.5 Commitment to non-retaliation over complaints or concerns made**Indicator description:

The Company describes how complaints or concerns are received, processed and addressed and how those making complaints are informed throughout the process as well as how these may be escalated.

**ANSWER**

Our Code of Ethics states: "Ombudsman agencies or instances eventually responsible for processing complaints of ethics transgressions will preserve the anonymity of the complainant, in order to avoid retaliation against them and it will notice them of the measures taken".

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/code-ethics> Ethics Code page 38

**INDICATOR: C.7 Remedying adverse impacts and incorporating lessons learned**Indicator description:

The Company provides for or cooperates in remediation to victims where it has identified that it has caused or contributed to adverse human rights impacts (or others have brought such information to the company's attention, such as through its grievance channel(s)/mechanism(s)). It also incorporates the lessons learned from remediation approaches into its channel(s)/mechanism(s) and processes to prevent future impacts.

**ANSWER****Code of Ethics / Petrobras System's Conduct Commitments**

**5 - In its relations with customers and consumers, the Petrobras System commits itself to:**

**5.2 - repair possible losses or damages resulting from damages caused under its responsibility to its consumers and clients, with the maximum agility, within feasible deadlines.**

**6 - In its relation to the environment, and as a demonstration of its responsibility towards current and future generations, the Petrobras System commits itself to:**

**6.6 - invest in the sustainability of its projects, products and services, maximizing its economic, social and environmental benefits, minimizing adverse impacts and monitoring the entire life cycle of its facilities, operations and products;**

**7 - In its relations with the communities, the Petrobras System commits to:**

**7.1 maintain permanent channels of communication and dialogue with the communities where it operates, with the aim of preventing, monitoring, evaluating and controlling the impacts of its activities;**

**7.5 repair possible losses or damages resulting from damage caused to the affected persons or communities under their responsibility, with maximum agility.**

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/code-ethics>

**INDICATOR: D.3.1 Living wage (in own extractive operations, which includes JVs)**Indicator description:

The Company pays all its workers a living wage, which is regularly reviewed and negotiated through collective bargaining with relevant trade unions where they are operating. There are numerous definitions of living wage but the core concept is to provide a decent standard of living for a worker and his or her family based on a regular work week not including overtime hours. A living wage is sufficient to cover food, water, clothing, transport, education, health care and other essential needs for workers and their entitled official dependents and provide some discretionary income. Workers also receive equal pay for equal work.

**ANSWER**

The Classification and Evaluation Plan of Positions (PCAC) establishes the structure of positions and careers of Petrobras, with their respective descriptions, requirements, evaluation and salary ranges. In line with the company's objectives, the job plan is the instrument that sustains the planning and management of the company's staff, supports the policies of attraction and retention of employees, recognition and reward processes, functional evolution and professional development.

The salary ranges take into account the microregion (1) where the city where the employee will perform his functions, and the respective cost of living, to compose a Minimum Remuneration by Level and Region (RMNR), providing a living wage.

The Company's positions were ranked based on the score resulting from the job evaluation process, conducted by specialized consulting on the subject, and correlated with the result of the compensation survey.

Regarding direct remuneration, market surveys conducted annually, such as those developed by Willis Towers Watson, show that the company's wages are in line with best practices in the Oil and Gas market. In the latest survey, in 2017, the monthly average practiced by Petrobras was compatible with the third quarter of the market.

In addition to the direct remuneration, Petrobras offers several benefits to its employees, for example, Meal / Food Valley, Educational Aid (1), Health Plan (2) and Complementary Pension Plan.

The salary amounts are paid monthly and without any distinction. They are also reviewed and corrected annually through negotiation with trade unions representative of the professional category, with a view to resolving eventual lags arising from inflation in the country.

Thus, the compensation package offered by the Company has been very competitive over the years. Evidence of this is their low turn over and the large number of candidates enrolled in our Public Selection Process (3).

(1) In the respective groups, the cities that make up the geographic microregion are considered, according to the concept used by the Brazilian Institute of Geography and Statistics (IBGE).

(2) <http://www.petrobras.com.br/en/about-us/careers/labor-practices/>

(3) <http://www.petrobras.com.br/pt/quem-somos/carreiras/concursos/>



**INDICATOR: D.3.2 Transparency and accountability (in own extractive operations, which includes JVs)**

Indicator description:

The Company understands the importance of more openness around how countries and businesses manage natural resource wealth to ensure that these resources can benefit all citizens and demonstrates this by participating in initiatives on transparency, in particular on revenue transparency or disclosing payments and contracts.

**ANSWER**

Petrobras discloses the amounts of taxes and royalties paid to the Brazilian Government and other governments where it has extractive operations at:

<http://www.investidorpetrobras.com.br/en/operational-highlights/tributes-and-royalties>

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/operational-highlights/tributes-and-royalties>

**INDICATOR: D.3.3 Freedom of association and collective bargaining (in own extractive operations, which includes JVs)**

Indicator description:

The Company respects the right of all workers to form and join a trade union of their choice and to bargain collectively. In addition, it provides workers' representatives with appropriate facilities to assist in the development of effective collective bargaining agreement(s). The Company also prohibits intimidation, harassment, retaliation and violence against trade union members and trade union representatives.

**ANSWER**

**We commit in our Code of Ethics:**

**2 - Regarding relation with its Employees, Petrobras System undertakes to (page 16):**

**2.5 - acknowledge the right of free association of its employees, respecting and valuing their participation in unions and not doing any kind of negative discrimination against unionized employees; (page 17)**

**2.6 - pursuit permanent reconciliation of interests and realization of rights, through institutional channels of negotiation, in its relationship with the unions representing the employees; (page 18)**

**4 - Regarding relation with Suppliers, Service Providers and Trainees, Petrobras System undertakes to (page 24):**

**4.2 - require to the service providers that their employees comply with the ethics principles and commitments defined in this Code, while contracts with System companies are in force (page 25).**

**We value transparency in our relationships with all our stakeholders, among which are the workers trade unions.**

**We value transparency in our relationships with all our stakeholders, among which are the workers trade unions. We maintain relationships with 17 trade unions and 1 federation of Oil Workers, as well as with 8 trade unions and 1 federation of Maritime Workers. Of our employees, 42.63% are unionized and all of our employees are covered by collective bargaining agreements. These agreements are composed of social clauses (which relate to labor, safety conditions, benefits, among other matters), that are valid for two years under the current collective bargaining agreement.**

**In 2017, we began the year finalizing the negotiations of the economic clauses of the collective bargaining agreements with the oil workers unions. Petrobras offered an 8.57% increase in salaries and an 8.97% increase in benefits, as well as the option, for administrative workers, to reduce the daily working hours from 8 hours to 6 hours in exchange for a 25% pay cut. By March, we began negotiations with the maritime unions of the economic clauses of the collective bargaining agreements. This negotiation was closed in August 2017 and maritime employees were guaranteed an 7,63% increase in salaries and an 8.57% increase in benefits, as well as the adoption of the "1 day off for each 1 day boarding" regime. In September, we renegotiated both economic and social of the collective bargaining agreement with the oil workers unions in the face of new labor legislation. We concluded this negotiation in January 2018 with 12 out of 17 trade unions, offering an 1,73% increase in salaries and benefits, as**

well as the option, for administrative workers, to reduce the weekly working days from 5 hours to 4 hours in exchange for a 20% pay cut. During the year, there have been no strikes or protests that affected production.

Evidence:

#### **EVIDENCES**

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/code-ethics>

<http://www.investidorpetrobras.com.br/en/annual-reports/form-20f>

FORM 20F 2017, page 114 - <http://www.investidorpetrobras.com.br/en/annual-reports/form-20f> <http://files.investidorpetrobras.com.br/documentos/FORM%2020-F%202017.pdf>

**INDICATOR: D.3.4 Health and safety: Fatalities, lost days, injury rates (in own extractive operations, which includes JVs)**

Indicator description:

The Company discloses a set of quantitative information on health and safety related to its direct employees, its workers and on site contractors namely: injury rate, fatality rate, lost days or near miss frequency rate.

**ANSWER**

Annually, in the sustainability report, we report on the evolution of our health and safety indicators in line with the GRI indicators, such as lost days, injury rates, fatalities and occupational disease incidence rates in addition to the main actions of the Commitment to Life Program, which aims to strengthen safety guidelines at all stages of our processes, aiming at the elimination of critical deviations and thus preventing the occurrence of accidents..

**EVIDENCES**

**ANNUAL REPORT**

In the Annual Report for the year 2017 the Health and Safety initiatives and indicators can be found on pages 05 (CEO message), 08 to 14 (Materiality, Health and Safety), 19 (Business Model) and 103 (Business Plan).

LINK ANNUAL REPORT 2017: <http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/annual-report>

LINK ANNUAL REPORT 2016: <http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/annual-report>

**SUSTAINABILITY REPORT**

In the sustainability report for the year 2017 the Health and Safety initiatives and indicators can be found on pages 03 (CEO message), 05(Highlights) and 20 to 26 (Health and Safety/Life Commitment).

LINK: 2017 SUSTAINABILITY REPORT: <http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

**LINK: 2016 SUSTAINABILITY REPORT**

In the sustainability report for the year 2016 Health and Safety initiatives and indicators can be found on pages 02 and 38 to 42.

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

**INDICATOR: D.3.5 Indigenous peoples rights and free prior and informed consent (FPIC) (in own extractive operations, which includes JVs)**

Indicator description:

The Company respects indigenous peoples' rights in its processes to decide whether and how to carry out projects (or changes to existing projects) that are located in or impact on lands or territories or resources traditionally owned or occupied or traditionally or customarily used by indigenous peoples (legitimate tenure rights holders as set out in the UN Voluntary Guidelines) or on their cultural heritage. These processes assess and address impacts of the Company's activities and those of their business relationships and any related actions of the government.

**ANSWER**

In our Corporate Standard of Social Risks' Management we considers as key issues: livelihood and healthy environment, indigenous peoples and traditional communities; land and resettlement and social vulnerable groups and cultural heritage. In our relationship with indigenous peoples, quilombola communities and other traditional communities, we observe the provision in the Brazilian National Policy of Development of Indigenous Peoples and Traditional Communities (Decree Number 6,040/07), the Normative Instructions and Interministry Ordinance of each body in charge, in this case, the National Indigenous Foundation - FUNAI, the Palmares Cultural Foundation (FCP) and the National Historic and Artistic Heritage Institute (IPHAN); abroad we follow the applicable legislation.

Additionally, indigenous peoples are priority targets of the Petrobras Social and Environmental Program. The program includes 19 projects that directly address more than 20 indigenous communities in different regions in Brazil including actions related to biodiversity and forest conservation at conservation areas. The main activities carried out by these projects are: development of the forest product chain and territories sustainable management training for implementation of territorial management plans in their areas.

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2017 Sustainability Report pages 41 and 46

**INDICATOR: D.3.6 Land rights (in own extractive operations, which includes JVs)**Indicator description:

When acquiring, leasing or making other arrangements to use (or restrict the use of) land, the Company recognises legitimate tenure rights with particular attention to vulnerable tenure rights holders.

**ANSWER**

In our Corporate Standard of Social Risks' Management we considers land and resettlement as a key issues along with livelihood and healthy environment, indigenous peoples and traditional communities, social vulnerable groups and cultural heritage. We have incorporated in the Systematics new requirements for the decision-making process which include: Social Responsibility reports and participation of Social Responsibility analysts in the multidisciplinary review group that elaborates recommendations for the project's phase transition. The Social Responsibility report includes the social context and the diagnosis of communities, as well as actions to mitigate social risks.

**EVIDENCES**

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

2017 Sustainability Report pages 41-42

**INDICATOR: D.3.7 Security (in own extractive operations, which includes JVs)**Indicator description:

The Company maintains the safety and security of operations within an operating framework that ensures respect for human rights and international humanitarian law, and acts in a manner consistent with applicable international standards, particularly with regard to the use of force.

**ANSWER**

Petrobras has recently restructured its security activities, which are evolving so that the actions of protective intelligence and corporate security are carried out observing national and international legislation regarding individual and collective rights and good practices and recommendations for respect for human rights.

In 2017, Petrobras has approved the Protective Intelligence and Corporate Security Policy; it is applicable to the entire Petrobras System, including its subsidiaries. The Protective Intelligence and Corporate Security Policy establishes the principles and guidelines for the planning, orientation, execution and improvements for the actions of protective intelligence and corporate security in Brazil and abroad.

The principles of Protective Intelligence and Corporate Security Policy are the commitment to protecting people and preventive action, always in accordance with the requirements of existing legislation, recommendations and standards of reference.

In Brazil, the training and skills of internal staff and service providers that act as patrimonial security is carried out by external control (carried out by the Federal Police Department). The law requires that these professionals have to be trained in various skills, including acting within respect of human rights and relationship with society.

Every two years, recycling courses are held, which is also regulated by specific legislation, with the objective of reviewing the concepts and good practices of the activity. Own or outsourced personnel are not allowed to carry out their patrimonial security activities without the proper professional certification and license certified by the Federal Police Department.

Pro-actively, Petrobras meets the requirement of training and regular recycling of all employees who may potentially come to work directly in the patrimonial security activity.

Routine behavioral inspections are carried out with the objective of ensuring that patrimonial security personal act in a safe manner, with adequate protection equipment to maintain the personal integrity and with the purpose of reducing internal and external incidents.

The origin of the equipment and its transport are also controlled by internal and external systems, audits and inspections are carried out frequently.

The operational procedures of property security and the management of controlled security equipment are regulated by internal standards that explicitly define the limits of its application and control.

Petrobras has a Risk Management Policy that expresses as one of its principles that life must be respected in all its diversity and rights.

Petrobras' standard of Social Risks' Management considers Human Rights in Corporate, Patrimonial and Personal Security as a relevant topic in the identification of Social Risks.

The diagnosis and analysis of the community relations are carried out by the Social Responsibility area involving Intelligence and Corporate Security, Communication and HSE areas.

The diagnosis' objective is to obtain comprehensive information about the local communities by assessing the social context, local actors and levels of engagement in order to identify main points of attention and draft recommendations for planning community relationship.

Petrobras carries out security risk assessments for the implementation of new projects and large construction sites. For these assessments, it was developed a system for the recording, investigation and management of security incidents (RIOWEB), which concentrates every security incident. In addition to the information collected internally, statistical data on public security is used and different ways of improving security conditions in the surrounding area are studied, to determine actions that also benefit the surrounding communities, such as investment in lighting, improvement of infrastructure conditions and conservation of access roads.

Petrobras participates in the Community Security Councils of the regions where it operates, in order to approach the police organizations and civil society. The Community Security Councils are composed by representatives of the police organizations, local communities and other companies. Those councils contribute to build a mutual respect relationship and help to identify local problems.

In compliance with national legislation, the operation of Petrobras' security professionals (own and outsourced) is limited to the internal environment of our facilities, and external operations are not allowed. The relationship with the public security forces is carried out with the various entities that act in an institutional way in Brazil.

Petrobras is establishing cooperative agreements with several entities of the public security sector in various regions of Brazil, in order to fulfill needs and structural deficiencies in infrastructure and personnel training. These agreements set limits on use, as well as provide for controls and accountability of the application of resources.

It is worth mentioning the agreement and partnership in development with the Public Prosecution, so it can act as inspector of law and of the actions of the various public security institutions, providing it liberty in investigations related to deviations and violations of individual and collective rights.

In December 2017, Petrobras has set up a working group on "Human Rights and Security Forces" that aims to identify opportunities and recommend actions to improve the company's standards in these areas.

In February 2018, Petrobras representatives participated in the IPIECA-AMEXHI Security and Human Rights workshop in Mexico City.



## EVIDENCES

### Reports and General information

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/annual-report>

- pages 16, 17, 21 and 46

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>

- pages 39, 41, 42 and 44

### Policies

PL-OSPB-00014-0 - PROTECTIVE INTELLIGENCE AND CORPORATE SECURITY POLICY\_eng.pdf  
(uploaded at CBHR Disclosure Platform at 07/24/2018)

 	
Código: <b>PL-OSPB-00014</b>	Versão: 0
Translation Concluded	
<b>PROTECTIVE INTELLIGENCE AND CORPORATE SECURITY POLICY</b>	
Gestor do Padrão: ISC	Data de Implantação: 29/08/2017
Aprovador: ISC	Assinatura: Regina Maria F de Luca Jasinowodolski
Tipo de Cópia Impressa: <b>Não Controlada</b>	

Cadastro

#### 1. MINUTE OF APPROVAL

Document approved by the Board of Directors – Minute CA nº 1495, of 06/21/2017, article 10, guideline 109.

#### 2. SCOPE

It applies to Petróleo Brasileiro S.A. and to the subsidiaries of the Petrobras System, in accordance with Article 16 of Petrobras' Bylaws.

#### 3. PRINCIPLES

3.1 The company must be endowed with a referencial for the planning, orientation, execution, evaluation and improvement of intelligence and corporate security actions in Brazil and abroad, including: anticipating demands for protective intelligence, ensuring the protection of corporate security, protect information, communication channels and automation systems, provide property security and manage security incidents.

3.2 It is the company's commitment that its actions of protective intelligence and corporate security be carried out observing the current legislation and in compliance with the internal and external legal requirements, recommendations and pertinent technical norms.

3.3 It is the company's commitment that the actions of protective intelligence and corporate security are aligned and consistent with its Strategic Plan and its Basic Organization Plan (BOP).

3.4 The company is committed to the formation of the culture of protective intelligence and corporate security.

PL-OSPB-00014-0 - Cópia Não-Controlada - Inglês

Page: 1/3

3.5 The company is committed to the protection of people, information, facilities, systems and communication channels from threats arising from intentional or unintentional actions.

3.6 The protective intelligence and corporate security actions must be carried out in a preventive manner, except when they are intended to deal with incidents, emergencies and crisis.

#### 4. GUIDELINES

4.1 Ensure that the information is used ethically and safely, considering the physical, logical and behavioral aspects.

4.2 Strengthen the culture of corporate security including information security aspects, communication channels and automation systems, along with the High Administration, managers, employees, service providers companies, other stakeholders and related parties.

4.3 Ensure the practice of anticipating actions and supporting responses in situations of adversity through protective intelligence studies.

4.4 Assure protective intelligence actions related to the anticipation of security risks for business continuity, involving facts and situations of immediate or potential influence.

4.5 Identify relevant information of protective intelligence and corporate security for the decision-making of company managers.

4.6 Advise managers through collecting, analysis and disseminating of knowledge in order to response to incidents, emergencies and crises.

4.7 Develop plans, procedures and means of protective intelligence and corporate security for registration and treatment of incidents, emergencies and crises, seeking restraint and return to normal operating status.

4.8 Guide the investments in corporate security to be carried out according to the risk analysis of protective intelligence and corporate security.

4.9 Provide and guide the property security in the units and facilities, ensuring the protection of the workforce and assets.

4.10 Promote dialogue with public security agencies and intelligence communities to exchange experiences and production of knowledge.

PL-OSPB-00014-0 - Cópia Não-Controlada - Inglês

Page: 2/3

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/code-best-practices-and-associated-policies>

<http://www.investidorpetrobras.com.br/en/corporate-governance/governance-instruments/business-risk-management-policy> - 1st principle

<http://www.petrobras.com.br/en/society-and-environment/society/social-responsibility-policy/>

### Government Controls of Private Security Activity

<https://servicos.dpf.gov.br/pgdwebcertificado/public/pages/pessoa/consultarSituacaoPessoa.jsf>

<https://servicos.dpf.gov.br/pgdwebcertificado/public/pages/empresa/consultarSituacaoEmpresa.jsf>

### Contracts Transparency

<http://transparencia.petrobras.com.br/licitacoes-contratos/contratos>

### Community Safety Council

<https://www.ep.org.br/conselhos-fortes-direitos-garantidos/> (Portuguese) see below the translated version.



The screenshot shows the header of the website with navigation links: A ESCOLA, NOSSAS SOLUÇÕES, RESULTADOS, PARCEIROS, and CONTATO. The main banner features the title 'Projeto Conselhos Fortes, Direitos Garantidos' and a subtitle 'Strong Councils Project, Guaranteed Rights'.

#### FREE COURSES | Course offered exclusively to residents of São José dos Campos and Jacareí.

Based on Human Rights and the challenges faced by public security, the Strong Councils project, Guaranteed Rights, developed by the Public Agenda and School of Public Policies, promotes practices and actions with the aim of promoting improvements in the elaboration and execution of public policies and strengthen social participation through the Councils of Security (*Consegs*). The methodological approach takes into account the reality and the experience of the participants, proposing exercises and reflections based on problem situations.

With the sponsorship of **Petrobras**, the project was implemented in 2013 in the municipalities of Baixada Santista, with a focus on strengthening the institutional capacities of the Tutelary Councils and the Councils on the Rights of Children and Adolescents. Three free online courses were offered to governments and civil society.

In 2015, the program intends to strengthen the capacities of the councilors, managers and other actors involved in the public security system of the municipalities of São José dos Campos and Jacareí, for the reflection, formulation and follow-up of sector's public policies.

Members of the Councils of Security (*Consegs*) and other public security institutions in the municipalities of São José dos Campos and Jacareí, managers and public officials, students and civil society, and other interested parties may participate in the project.

Among the activities of the project are: the provision of two online courses with a 40-hour workload, the holding of face-to-face workshops during the course period and the holding of two regional forums on Public Security and Human Rights.

By March 2017, the Strong Councils project, Guaranteed Rights will result in the training of about 200 advisers and actors involved in the public security system regarding public safety issues in interface with human rights.

Registration for the courses and other information about the project can be requested by e-mail [ep@ep.org.br](mailto:ep@ep.org.br) or by telephone (11) 3159-0537.

The online courses are as follows:

#### 1. CONSTRUCTION OF PUBLIC SECURITY POLICIES IN BRAZIL (40h)

It presents possible proposals, through a combination of prevention and qualified repression, to reduce crime rates and improve the sense of security of the population. It addresses experiences with positive results on topics that dialogue with the treaties in Councils.

#### 2. SOCIAL PARTICIPATION IN PUBLIC SECURITY POLICIES (40h)

It underscores the importance of participation in democratic societies and treats *Consegs* as a strategic space to enhance the more active participation in improving public security. It presents practical tools to help in the identification and prioritization of problems, in the elaboration of projects and in their monitoring.



The image shows a registration button 'Fazer Inscrição' with an orange checkmark above it, a 'Voltar' button with a left arrow, and a 'Sponsorship' button. Below these is the Petrobras logo and the text 'PATROCÍNIO: BR PETROBRAS'.

<https://www.agendapublica.org.br/projeto-conselhos-fortes-direitos-garantidos/>

(Portuguese) see below the translated version.

## PROJECT STRENGTHENS ACTION OF SECURITY COUNCILS AT THE PARÁÍBA VALLEY

April, 28 2017

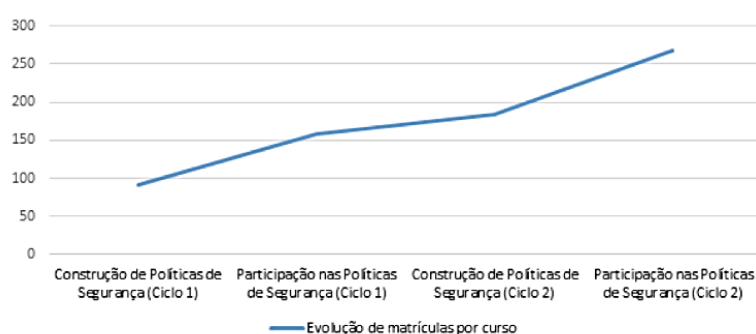
Citizens of the municipalities of São José dos Campos and Jacareí have gained a more qualified space to talk about issues related to violence. This is because, since 2015, both cities in the interior of São Paulo have been supported by the project Strong Councils Guaranteed Rights to strengthen their Community Security Councils (Consegs). The project involved local actors from the public security system (Military Police, Civil Police, Metropolitan Civil Guard, Security Advisors) and civil society to reflect on the Public Agenda and the School of Public Policy, **sponsored by Petrobras** and the Federal Government. and jointly plan practices and actions for the improvement in the elaboration and execution of public security policies, as well as to promote the strengthening of social participation in the Community Security Councils.

The project lasted 24 months and was divided into two cycles of activities, with two EAD courses, face-to-face workshops and a regional forum on public security conducted in each cycle. The semipresential courses "Construction of Public Security Policies in Brazil" and "Social Participation in Security Policies in Brazil" were offered by the School of Public Policies and complemented by workshops, forums and discussions with the participants.

The Conseg Leste de São José dos Campos and the Conseg Centro de Jacareí participated actively in the project activities, which contributed to improve the vision of its advisers on topics such as: ways to raise funds; forms of qualified repression; data analysis and indicators of violence; against violence against women, among other issues.

The methodological approach of the project activities took into account the reality and the experience of the participants, proposing exercises and reflections based on problem situations in the region. In all, more than 500 citizens participated actively in the project activities, among meetings, courses, forums and workshops. Only EAD courses were 702 enrollment applications, with 420 certificates.

Graph 1 - Evolution of enrollment in EAD courses



The mobilization activities involved local public managers, Presidents of the Municipal Security Council, representatives of the OAB, Commercial Association and universities, as well as the dissemination of the project in the official channels of the City Hall of Jacareí and São José dos Campos, local radios and Facebook posts. In all, more than 2000 people were involved in these communication actions and came to know the project, which contributed to publicize the existence of Consegs as channels of social participation and stimulate the curiosity of citizens to know and participate in these spaces of social control and coproduction of public security policies.

For José Divino Ribeiro, president of Conseg Jacareí, activities are important because they increase knowledge and help make the work with the public more intelligent. "The organization is to be congratulated on the project. Very good. For the Conseg it was very helpful. It is applied on a daily basis and should continue," he added.

The project takes place two years ago and is carried out by the Public Agenda and School of Public Policies, with the support of the São José dos Campos City Hall, the São José dos Campos Municipal Security Council (CMS) and the Jacareí Community Safety Councils. of São José dos Campos, with the **sponsorship of Petrobras** and the Federal Government.

## National Constitution and National Rules about Private Security Activity

[http://www.stf.jus.br/repositorio/cms/portaStfInternacional/portaStfSobreCorte\\_en\\_us/aneo/Constitution\\_2013.pdf](http://www.stf.jus.br/repositorio/cms/portaStfInternacional/portaStfSobreCorte_en_us/aneo/Constitution_2013.pdf) - Chapter III - Public Security (Art. 144). Page 87

<http://www.pf.gov.br/servicos-pf/seguranca-privada/legislacao-normas-e-orientacoes/portarias/portaria-3233-2012-2.pdf/view> - Chapter I Preliminar Disposals - (art 1, 18 and - ANNEX I Vigilant Training Course - (Portuguese) see below the translated version.

### CHAPTER I PRELIMINARY PROVISIONS

**Art. 1** This Ordinance discipline private security activities, armed or unarmed, carried out by specialized companies, the companies that own organic security service and the professionals who work in them and regulates the enforcement of security plans of financial institutions.

§ 1 Private security activities are regulated, authorized and inspected by the Federal Police Department - DPF and shall be complementary to public security activities in accordance with specific legislation.

§ 2 Private security policy involves the public administration and employer and labor classes, observing the following objectives:

I - human dignity;

II - security;

III - prevention of harmful events and decrease its effects;

IV - technical improvement of private security professionals; and

V - stimulating growth of companies operating in the sector.

...

**Art. 18.** The equity surveillance activity may be exercised only within the limits of guarded buildings and in the case of performance in social events such as show, carnival, football, should stick to the private area of the contract object.

...

### ANNEX I

(amended by Administrative Rule No. 3.258 / 13-DG / DPF, published in DOU on 1/14/2013)

#### VIGILANT TRAINING COURSE COURSE PROGRAM

##### 1. VIGILANT PROFILE

The guardian should have the following professional profile:

- a) preventive / ostensive: attribute of the vigilante to be visible to the public in general, in order to avoid the action of delinquents, to maintain the patrimonial integrity and **to give security to the people**;
- b) proactivity: action to anticipate and anticipate the harmful event, with the purpose of avoiding or minimizing its effects, and, mainly, to adopt measures to assist public security agents, such as collecting the first information and evidence of the occurrence, preservation of the vestiges and isolation of the crime scene;
- c) **public relations; quality of interaction with the public, urbanity, sociability and transmission of trust, prioritizing the adequate care for people with disabilities**;
- d) surveillance; attribute of movement, dynamism and alertness, opposing the static concept;
- e) **human rights; respect for the dignity and diversity of the human person, the commitment that Brazil has made to the international community and the constitutional principle of the prevalence of human rights**;
- f) technical and professional; ability to employ all the techniques, doctrines and teachings adequate for the accomplishment of its mission;
- g) **training; attribute related to bodily resourcefulness, with physical enhancement, self-defense domain and training for the proportional use of force through the use of non-lethal technologies and the use of firearms as a last resort for self-defense or for others**;
- h) physical and mental hygiene; certainty not to be possessed of physical or mental pathology;
- i) psychological; psychological profile adequate to the performance of the vigilante service; and
- j) schooling; 4th grade (legal requirement).

**Petrobras Denouncement Channel**

<https://www.contatoseguro.com.br/en/petrobras>

<http://www.amexhi.org/comunicados/amexhi-e-ipeca-realizaron-un-taller-sobre-seguridad-y-derechos-humanos-en-mexico/>

**INDICATOR: D.3.8 Water and sanitation (in own extractive operations, which includes JVs)**Indicator description:

The Company does not negatively affect access to safe water, in line with the UN Sustainable Development Goals and the UN Global Compact's CEO Water Mandate.

Regarding water use in the vicinity of our operations, we must say that, in Brazil, all waters are public domain. In order to allocate safe water for the multiple uses/users in a river basin, including society in general, while still preserving ecological functions, public water management organizations define the maximum water flows each user can withdraw, based upon conservative/restrictive hydrological criteria. Thus, withdrawing more water than authorized is illegal. The goal is to harmonize the different interests and to maintain access to water for different stakeholders and society. Furthermore, regulation establishes that, in scarcity situations, human consumption is the prior use to be supplied, which means that all other users should reduce their withdrawals.

Our facilities respect the legally permitted maximum volumes and, at corporate level, we did not have knowledge of any significant impact in quantity, distribution of freshwater and water accessibility occasioned by one of our operational units or activities.

In order to contribute with water stewardship at river basins where our facilities are located, Petrobras also participates in 28 Watershed Committees in Brazil, which are normative, consultative and deliberative forums, where water management in the basin is discussed, and where different stakeholders (government, users and civil society entities) participate.

About water quality, national and local environmental regulations and organizations in Brazil establish the standards (maximum limits of several quality parameters) for wastewater discharged at water bodies, in order to protect freshwater quality of the receiving bodies. Effluents discharged by Petrobras are previously treated in order to comply with the regulations. At corporate level, we did not have knowledge of any significant impact in quality of freshwater resources at our vicinities caused by effluent discharges of our operational units or activities.

Evidences:**“WATER AT PETROBRAS” REPORT - 2017:**

There is, publicly available, a detailed report specific on water management at Petrobras, with information about our actions and socioenvironmental projects related to the theme (All pages. Main pages to look = 9 to 11).

<http://www.petrobras.com.br/lumis/portal/file/fileDownload.jsp?fileId=8A193576621AF7E00162449D75C54986>

<http://www.petrobras.com.br/en/society-and-environment/environment/water-resources/>

**SUSTAINABILITY REPORT 2017:**

In the “Sustainability Report” for the year 2017, Water Management information can be found on pages 61 to 65 (Water and wastewater management) and 84 (Water - Socioenvironmental Projects). Main page to look = 64.

<http://www.investidorpetrobras.com.br/en/annual-reports/integrated-report/sustainability>