

Sustainability Report 2019

BR DISTRIBUIDORA



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PRESENTATION

Our Sustainability Report, elaborated in accordance with the guidelines of the Global Reporting Initiative (GRI), presents to society, the highlights of our performance in 2019, a year of far-reaching changes that through a public share offering transformed BR Distribuidora into a private company.

This Report summarizes information on our corporate profile, financial and operational performance, achievements and most relevant projects in the year, besides topics, such as governance, strategy, ethics, and corporate integrity, environmental management, human resources, social responsibility, health and safety. The content also includes information on Stratura Asfaltos S.A., BR's wholly owned subsidiary. GRI 102-46

As Brazilian leading company in the fuel and lubricant distribution sector, and listed on B3's Corporate Sustainability Index (ISE), we continuously work to bring greater transparency to our earnings release and management. The publication of this Sustainability Report is another relevant step of such a process.



MESSAGE FROM THE CEO GRI 102-14



Rafael Grisolia
BR Distribuidora CEO

Much is said, but little is known about an extremely relevant segment of the Brazilian economy: the fuel and lubricant distribution. A distribution company is responsible for connecting fuel producers, such as refineries and biofuel plants, consumers and resellers throughout the country. That is to say, we are responsible for distributing fuel from a reduced number of points to a broad trading network that supplies and moves the country. By publishing our first Sustainability Report, we expect to contribute to the public recognition of the relevance of fuel distribution for the country.

On the following pages, we discuss the key highlights of our activities in 2019 and we detailed a relevant transition we materialized in 2019: we are no longer a government-owned company and became a private corporation. This change will enable a competitiveness leap in our operations. We remain as leaders in the domestic market, but also we will become the most efficient and profitable company in the distribution segment.

Our Report is equally important, as it discusses our sustainability strategy to guide the management of social, economic, and environmental aspects of our activities. And, ultimately, it shows how we expect to uphold a leading position and sustainable business

growth, in a moment of crucial transformation in the sector. The Brazilian economy still relies on oil byproducts, and so it will be for a long time, but this situation has been changing. We believe that the Brazilian society will define which energy will prevail in a world that has been environmentally and socially changing and BR Distribuidora's mission is to deliver to customer such energy, whatever it is, conveniently and safely.

In 2019, we initiated an Organizational Transformation Program, and gear up for the next phase as a private company. We redefined our strategy based on 10 essential initiatives for our business; we reformulated our management structure and several work processes, in various areas; we reinforced the good governance practices, aware that now we are under the stringent surveillance of our shareholders. Even amid so many changes, we delivered positive results, with profitability and in line with expectations and operational stability. Transformation is underway, which undoubtedly will continue in 2020.

Our attention to safety, environment and people management remained as one of our main landmarks. We ended 2019 recording historical best results in indicators related to leakage prevention, accidents with lost workdays and safety at traffic, relevant achievements

for a transportation fleet that runs, every hour, nearly 40,000 km throughout the country. These advances and others, such as diversity, community engagement and environmental impact management led BR to be included, for the first time, in B3's Corporate Sustainability Index (ISE). These aspects are reflected in the elaboration of our new Sustainability Agenda, which guides the Company's actions towards a long lasting and sustainable development.

To sum up, in 2019, we maintained not only our leading position but also our benchmark in the market. We move Brazil, we contribute to the national integration, and we create enormous value for society, in the quality of

our products and services offered, in the payment of taxes, and the incentive to local communities, always observing the safety and environmental standards.

We have important support and integration with our new Council that took office in September 2019. Now, as a private company and proud of our history, we continue to generate value for the country, focusing on our reason for being: our customers and the Brazilian society

Rafael Grisolia

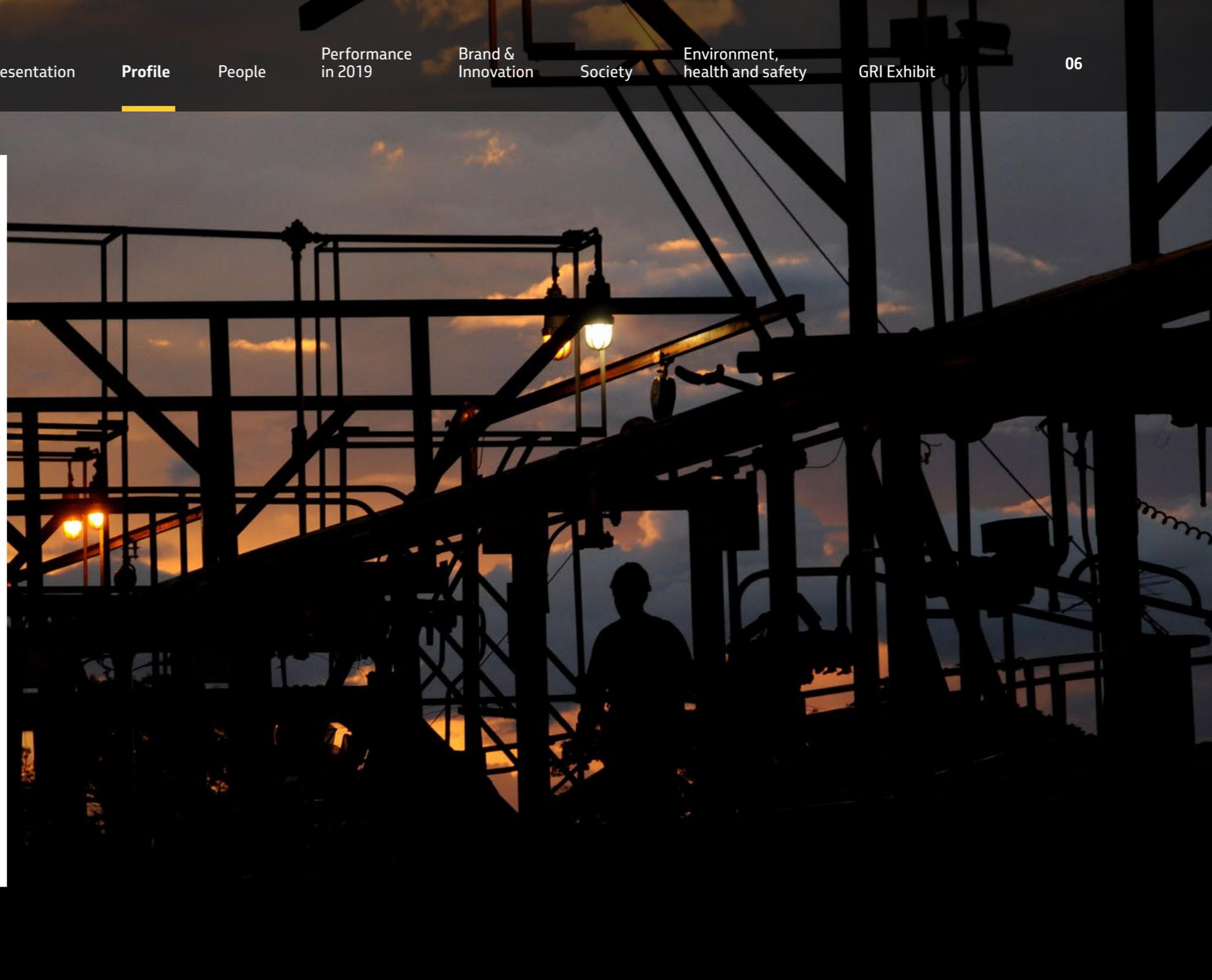
BR Distribuidora CEO



PROFILE

In this chapter:

- Strategic drivers
- Operating segments in 2019
- Materiality
- Corporate governance
- New organizational structure
- Integrity & Compliance



PROFILE

We are BR Distribuidora, the leading company in the Brazilian fuel and lubricant distribution market: a publicly-held company, listed on B3's *Novo Mercado*. In 2019, we accounted for nearly 26.9% of total sales volume of fuels and lubricants in the country, and we sustained our leading position in the services stations network, consumer and aviation markets, according to surveys of the National Petroleum, Natural Gas and BioFuel Agency (ANP) and the National Union of Fuel and Lubricants Distribution Companies (Sindicom). GRI 102-1, 102-5, 102-7

Besides the trade of fuels and lubricants, we operate in chemical products processing and sale, fuel supply for energy generation and other energy markets businesses, such as conservation, energy efficiency and natural gas distribution in the State of Espírito Santo. We remain Brazil's largest company in the wholesale, trade sectors and the largest private company in terms of operating revenue.

We have been operating since 1971, with head offices in the City of Rio de Janeiro (RJ). Today, we have the largest services stations and convenience stores network of Brazil's distribution industry. Our logistics structure is also the largest and the most well distributed, with units, fuel warehouses and services stations present in five regions of the country and interconnected by an out-sourced fleet of more than 5,000 vehicles. Since 2003, our brand has been Brazilian consumer's top of mind, according to the Top of Mind of *Folha de S.Paulo* newspaper. GRI 102-3, 102-6

In 2019, we underwent a period of far-reaching changes. With a follow-on that took place in July, Petrobras no longer is the Company's controlling shareholder. Changes in the Board of Directors, a review of the Company's Bylaws and a definition of a new organizational structure (to be implemented in 2020) will shape the company as a private company. At the end of 2019, for the first time, we joined the B3's Corporate Sustainability Index (ISE). GRI 102-10



Strategic Drivers GRI 102-16

BR Vision

Be the largest and the most profitable fuel and energy distribution company for society's mobility, offering mobility-convenience solutions

Values:

- Respect for people
- Commitment to life
- Ethics and transparency
- Resilience and confidence
- Focus on results
- Customer-centered decisions

* Our strategic drivers will undergo review during 2020.



Our actions against the Covid-19

BR Distribuidora is aware of its role at this time of great challenges. Thus, we adopted several initiatives for the sake of Brazil and society, with the awareness, responsibility and solidarity that this moment requires.

We supported our resellers for sustainable businesses during critical months of the pandemic, with several actions to protect truck drivers (such as online consultations, free meals, distribution of hand sanitizer and diesel bonus). We adopted careful measures with our teams and facilities to guarantee the health and safety of our employees, we donated fuel to institutions working in the front line against the pandemic, such as Fiocruz and the Red Cross, besides providing fuel for the Brazilian Air Force's flights providing health supplies to all regions of the country.

We donated over 100,000 liters of ethanol so that Brazilian educational centers could produce liquid sanitizing alcohol and hand sanitizer to be distributed to healthcare units. We also formed partnerships with companies, such as Phytoativo, MSD and Basf for the same purpose. Approximately 8,000 people living in the region surrounding our headquarters received personal hygiene kits and staple baskets. We also supported various projects that assist socially vulnerable people with fuel donations, among several other actions.

Get to know BR's actions to fight Covid-19 at: www.br.com.br/covid-19

Operating Segments in 2019 GRI 102-2, 102-6

| SEGMENT | Services Stations Network  | Consumer Market  | Aviation  | Special Markets  |
|------------------------|--|---|---|--|
| CHARACTERISTICS | <p>We have Brazil's largest services stations network, according to ANP's data, and we exclusively offer diesel, gasoline, ethanol, natural gas vehicle (CNG) and lubricants to 7,817 gas stations, located throughout the national territory. We also offer two types of franchise to retailers: the BR Mania convenience stores and Lubrax+ automotive service centers. At the end of 2019, we had 1,215 BR Mania's franchises, offering over 157 products with the network brand, and 1,668 Lubrax+ franchises.</p> | <p>We are the largest fuel and lubricants distributor of different sector companies (steelworks, mining, pulp & paper, cement, transportation, thermoelectric plants, agribusiness and fuel retailer reseller carrier). Our portfolio in the segment relies on over 6,300 customers, between private companies and governmental entities.</p> | <p>We are Brazil's largest aviation distributor, according to Plural's survey. We are present in 90 airports throughout the country, with a portfolio of, approximately 1,600 customers, providing kerosene and aviation gasoline. We also offer business aviation services, such as the BR Aviation Club loyalty program and the aircraft and customers reception services at BR Aviation Centers.</p> | <p>Chemical products: We process and distribute chemical products, such as sulfur, hydrocarbon solvents and chemical specialties. In Brazil, we are a leading company in the solvents market. Oil & gas, fine chemicals, agribusiness, paints, adhesives, household cleaning products and rubber are the economy sectors covered by the company.</p> <p>Energy: we are a leading company in the distribution of green petroleum coke (GPC) according to data published by the Ministry of Foreign Trade. Other energy solutions, such as generation services and energy efficiency projects are available. We also hold the public utility concession of natural gas distribution in the State of Espírito Santo, serving approximately 60,000 households.</p> |

MATERIALITY

GRI102-15, 102-31, 102-33, 102-40, 102-42, 102-43, 102-44, 103-1

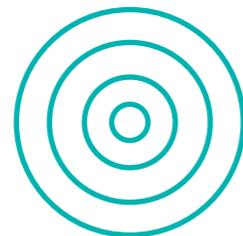
According to the Global Reporting Initiative, whose GRI Standards guidelines were observed when elaborating this Sustainability Report, the materiality of an organization summarizes the aspects reflecting relevant economic, environmental and social impacts of the organization and/or to influence its stakeholders' evaluation.

Bi-annually we review our list of material topics. In the process carried out between 2018 and 2019, we relied on the support of a specialized advisory firm to identify key issues relating to our business, as well as the positive and negative effects of our activities. Key stakeholders with whom we maintain relationships were inquired about these issues, which resulted in a list of topics prioritized by their relevance. Besides consulting internal stakeholders (employees, managers, senior

management and boards), the following external stakeholders were also consulted: distribution sector specialists, large corporates, suppliers, services stations network consumers and resellers. These perceptions were reflected in a concise list of topics which was referenced by our senior management. GRI 102-21

The image below shows our matrix, represented in two ways: a final list with 11 topics and an X/Y graph, in which the horizontal axis indicates the company's vision and the vertical axis, the stakeholders' vision. Each circle's position in the graph evidences the relative relevance of each topic in the matrix.

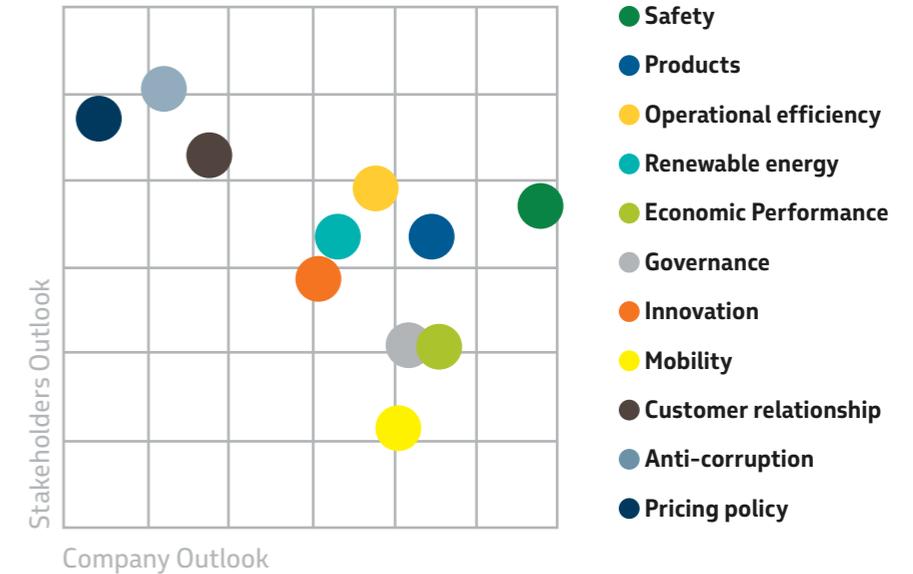
11
topics
summarize our
materiality matrix



The list of topics considers social, environmental and economic aspects



MATERIALITY MATRIX



Below, a brief description of each material topic and stakeholders most impacted by them .

GRI 102-14, 102-29, 102-47, 103-1, 103-2

Material Topic GRI 103-1

| | SDG | Why topic is relevant | Impacts inside and outside the company |
|---|------------|--|--|
|  Safety: Ensure the safety of people and processes at workplace, operations and product transportation, with a quick response to accidents and emergencies. | 9 | We work with products requiring extra and continual attention, it includes training of the entire workforce and HSE requirements for activities executed | Safety affects the entire chain of the company, employees, suppliers, resellers and customers |
|  Products: Execute a careful analysis of all products, suiting them to technological trends, including risks and effects harmful to health, safety and environment. | 7 | Be compliant with rules is not enough; it is necessary to assess the impacts of products and be transparent in relation thereto. This topic is in line with new market requirements, in terms of responsible consumption | All parties in contact with the product: customer, reseller, employees and supplier |
|  Operational Efficiency: Improve efficiency in processes and production, with cost-savings and lower environmental impact | 9 + 13 | More efficient programs result in improved profitability, resources-saving and more agile services. This ensures our competitiveness | The operational efficiency is an effort in the entire chain (suppliers, resellers and employees) |
|  Renewable energy: Create new businesses based on energy renewable sources, such as solar and wind energy | 7 | Enable the company to perform in a low carbon economy. Opportunity to enter into new markets | Enable the company to perform in a low carbon economy. Opportunity to enter into new markets |
|  Economic performance: Have the capacity to bring a return to shareholders and ensure business continuity, with profitability to provide access to credit and investments | 9 | This moment requires a balance between short and long term results. We need to enhance our attractiveness with investors amid a complex scenario | In the long run, it may affect the entire value chain if harms business continuity |
|  Governance: Ensure high ethical standards and abide by laws, standards and regulations, managing risks and ethics in the relationships with all stakeholders | 16 | At the current moment of the company, there is a high expectation concerning our reputation and transparency | The entire chain is affected by the change in operating methods: employees, suppliers, resellers and customers |
|  Innovation: Invest in new technologies to create competitive advantages and to build up new trends | 9 | We must invest in an internal culture of innovation. We will ensure new fronts and business models for the company's sustainability | The entire chain is affected by the change in operating methods. We must consider employees, suppliers, resellers and customers |
|  Mobility: Contribute to improving people's mobility, offering solutions, products and services to facilitate their commuting hours | 11 | Mobility issues are connected to our business. In line with a moment of great innovation of this sector, we identified new business opportunities | The entire chain is affected, including employees, suppliers, resellers, customers and consumers |
|  Customer relationship: observe the customer relationship policy, ensuring the best services, compliance and access at all consumer journey points | 9 | We must ensure service satisfaction and points of contact with agility, transparency and efficiency | It requires employees and resellers engagement. Suppliers are also essential, as they make products available. |
|  Anti-corruption: Set out control mechanisms based on anti-corruption policies, programs and actions | 16 | It requires employees and resellers engagement. Suppliers are also essential, as they make products available. | Their actions impact customers' perception and resellers and suppliers sales |
|  Pricing policy: Ensure access to products and services, with payment options and pricing transparency | 9 | Guarantee our competitiveness and market gains, clearly informing our pricing policy | It reaches customers, suppliers and resellers and investors (topic influences our profit margin) |

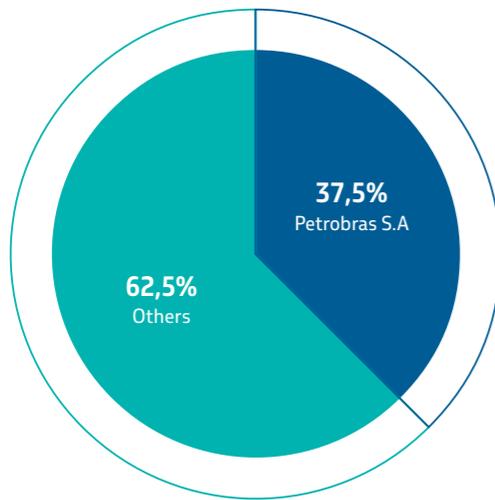
CORPORATE GOVERNANCE



GRI 102-10, 103-2, 103-3

We continuously seek alignment with the market's best corporate governance practices. Our principles are based on the Code of Best Practices of the Brazilian Institute of Corporate Governance ("IBGC") and, since our IPO in 2017, we have carried out several changes in the governance processes and structure to align with B3's *Novo Mercado* regulatory requirements. In recognition of advances already done

OWNERSHIP STRUCTURE GRI 102-5



in this topic, in 2019, we received the "Empresas Mais Estadão" award, in the Corporate Governance category.

With a secondary public share offering in July 2019, Petrobras' equity interest in BR Distribuidora came below 50%. Thus, in practice, BR Distribuidora became a private company, and no longer a subsidiary of Petrobras. From there, several internal changes occurred, including improvements in the corporate governance structure and the company's strategic drivers.

CHANGES IN THE BOARD OF EXECUTIVE OFFICERS

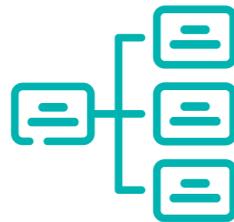
In May 2019, the Board of Directors elected Mr. Rafael Salvador Grisolia our new Chief Executive Officer, in replacement of Mr. Ivan de Sá. At the end of May, new members were appointed for the Board of Executive Officers. Mr. Flavio Coelho Dantas was elected Retail and Services Stations Network Officer; Mr. Marcelo Cruz Lopes as Corporate Market and Lubricants Officer; and Mr. André Corrêa Natal as Chief Financial and Investor Relations Officer. Mr. Marcelo Bragança remained as Chief Operating, Logistics and Sourcing Officer.



ORGANIZATIONAL TRANSFORMATION PLAN

This Plan was conceived to adapt BR to the new reality as a private company, by reallocating areas and responsibilities, setting out human resources practices compatible with the market and adapting our workforce to this new environment. A new organizational structure, planned in 2019 and implemented in January 2020, has contributed to upgrade our management in alignment with the market's best practices. This initiative included the setup of a People and Management Executive Board, in line with initiative 5 ("People") of planning adopted after the follow-on (read more in People), and the Board of Executive Officers' restructuring, with new names and three new executive boards (check in *New organizational structure*).

The new organizational structure will contribute to upgrading our Management in alignment with the market's best practices



NEW BOARD OF DIRECTORS

The Board structure was modified to reflect the new ownership structure of the Company. In current structure, all Board members are independent, going beyond the requirements of *Novo Mercado* rules. The number of members decreased from 10 to 9, to avoid tie vote.

BYLAWS REVIEW

The change in the Board of Directors was defined in the new Bylaws, approved in June 2019. The wording also sets forth the removal of management provisions mandatory to government-owned companies, stricter qualification criteria for members of the Board of Executive Officers and a mandatory public tender offer (TO) whenever an individual shareholder accumulates more than 50% of the Company's shares. These changes allow a quicker decision-making process and more positive for shareholders.

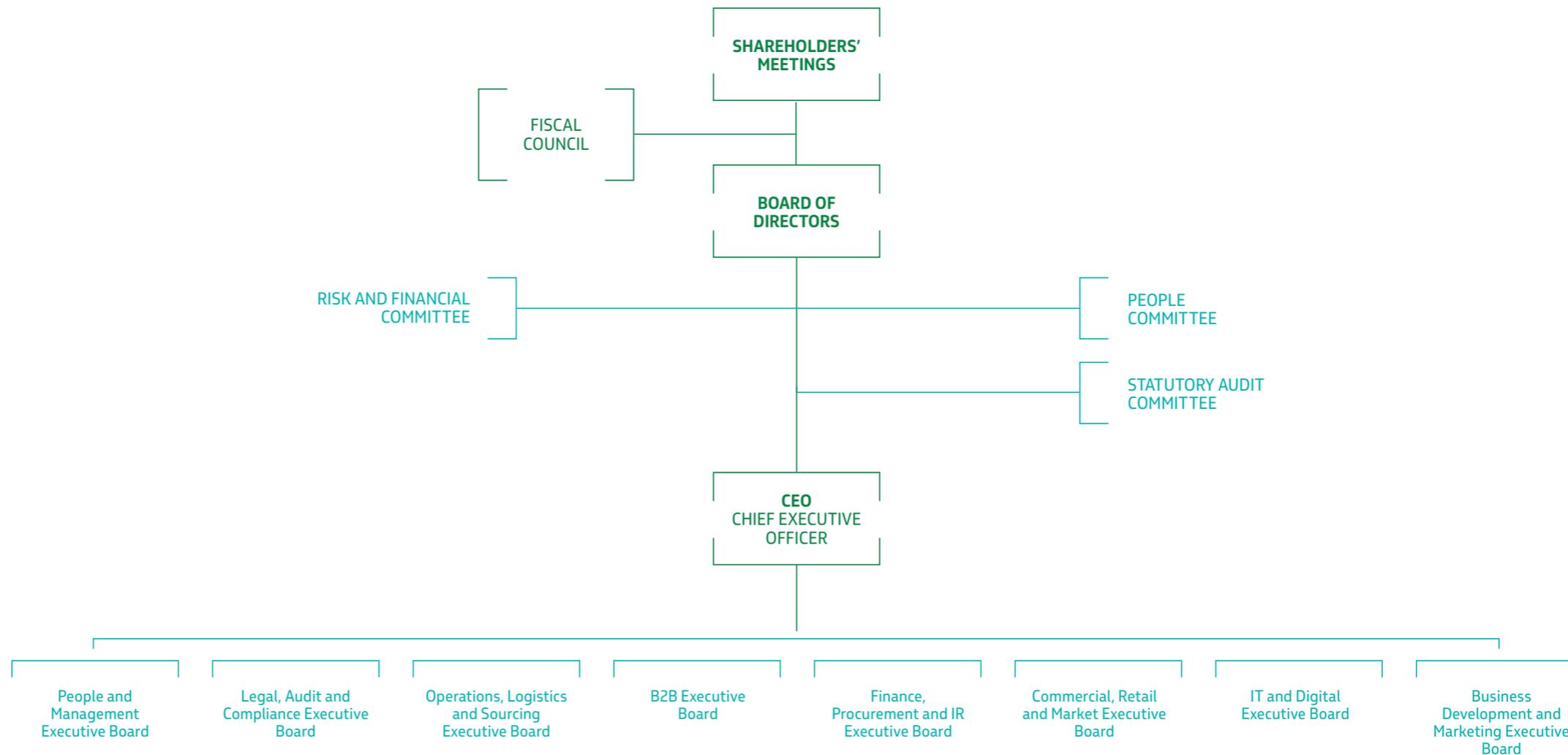
Our Board of Directors is composed of members of the market with reputable experience and technical skills, elected at the General Shareholders' Meeting. Also, the board members' tenure is combined, it cannot exceed two years, and reelections are authorized. The same parameters apply to members of the Board of Executive Officers. Also, we prohibited the positions of Chief Executive Officer and Chairman of the Board of Directors to be performed by the same person.

The Board of Executive Officers and other managers of the company are professionals with high expertise in their areas, and experience in respective markets of operation. All current members of the Board of Executive Officers, for instance, have wide experience in the fuel distribution sector.

We carry out the performance evaluation of the Board of Directors, Fiscal Council and Board of Executive Officers. During the process, we analyze the performance and the contribution from the Company's Management bodies, its managers and members of the Board of Director's advisory committees.

New organizational structure

From January 2020, our Management bodies now observe the following structure: GRI 102-18



Below, the structure of our Management bodies:

BOARD OF DIRECTORS

GRI 102-19, 102-22, 102-23, 102-24, 102-26

Guidance and senior management body, composed of 9 members. Among its duties, we point out: to set out the overall guidance of our businesses; approve, as proposed by the Board of Executive Officers, and monitor the strategic plan and multi-year plans; define the Company's overall policies. In the current composition, the chairman and all board members are independent, overcoming the requirement of the *Novo Mercado* rules.

| Member | Position |
|-----------------------------|---------------------|
| Edy Luiz Kogut | Chairman |
| Alexandre Firme Carneiro | Independent members |
| Carlos Augusto Leone Piani | |
| Claudio Roberto Ely | |
| Leonel Dias de Andrade Neto | |
| Maria Carolina Lacerda | |
| Mateus Affonso Bandeira | |
| Pedro Santos Ripper | |
| Ricardo Carvalho Maia | |

BOARD OF EXECUTIVE OFFICERS

GRI 102-20

It shall be incumbent upon the Board of Executive Officers to manage our businesses according to our mission, objectives, strategies and guidelines set out by the Board of Directors.

| Member | Position |
|---------------------------------|--|
| Rafael Salvador Grisolia | Chief Executive Officer |
| Flavio Coelho Dantas | Chief Commercial, Retail and Market Intelligence Officer |
| Marcelo Fernandes Bragança | Chief Operating, Logistics and Sourcing Officer |
| Marcelo Cruz Lopes | Chief B2B Officer |
| André Corrêa Natal | Chief Financial, Procurement and IR Officer |
| Selma Rocha Fernandes | Chief People and Management Officer |
| Henry Daniel Hadid | Chief Legal, Audit and Compliance Officer |
| Aspen Ricardo Andersen da Silva | IT and Digital Officer |
| Leonardo de Castro Burgos | Business Development and Marketing Officer |

FISCAL COUNCIL

It is composed of three sitting members and respective deputies, elected at the Annual General Meeting. Their duties include overseeing the Management's acts and verify compliance with their legal and statutory duties; issue an opinion on the Management report; and analyze the balance sheet and other financial statements.

| Membro | Posição |
|------------------------------|---|
| Bruno Passos da Silva Melo | Sitting member (deputy: Eduardo Damázio da Silva Rezende) |
| João Verner Juenemann | Sitting member (deputy: Maria Carmen Westerlund Montera) |
| Maria Salete Garcia Pinheiro | Sitting member |

ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

GRI 102-33

The following committees, linked to the Board of Directors, are permanent statutory bodies advising the board members.

- **Risks and Financial Committee:** it aims at analyzing and issuing recommendations on financial management-related risks, business, and strategic plans.
- **Statutory Audit Committee :** it analyses the performance and the quality of external and independent auditors, as well as the quality of financial statements, among other responsibilities.
- **People Committee:** it advises the Board of Directors in nomination, compensation and succession matters.

The complete structure of Committees is available at <https://ri.br.com.br/governanca-corporativa/administracao/>.



HSE COMMITTEE

GRI 403-1

The Safety, Environment and Health Executive Committee ("HSE Committee"), linked to the Board of Executive Officers, acts as a forum of discussions of issues relating to safety, environment, health and sustainability, promoting an integrated and participative management of the entire Company.

Integrity & Compliance



GRI 103 | 205

The Legal, Audit and Compliance Executive Board concentrates the audit activities, compliance, internal controls, risk, ombudsman and institutional relations activities. It is liable for maintaining the Company's compliance and integrity, by means of our Integrity Program, which includes initiatives to prevent, detect and treat misappropriations, especially those relating to fraud, corruption and related issues.

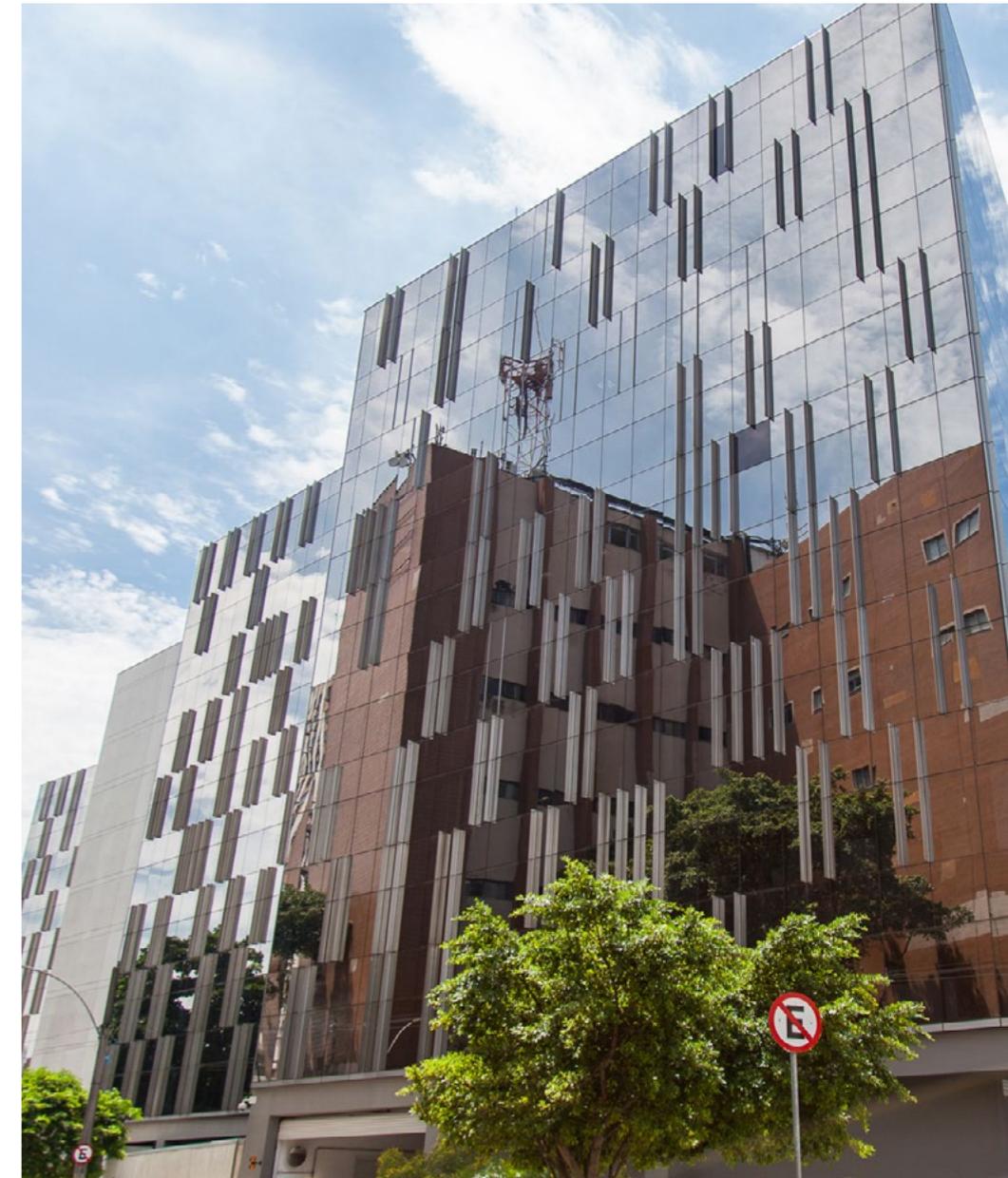
Our Integrity Program undergoes continual improvement, with the implementation of new mechanisms that prevent, detect and treat events of fraud, corruption, and related, as well as review and improve mechanisms, such as: [GRI 102-25](#)

- creation of our Compliance Policy;
- creation of rules relating to anti-money laundering and terrorism financing;
- creation of rules relating to the Processes Compliance Evaluation;
- review of our Guide of Conduct;

- review of BR Anti-Corruption Program;
- review of the due diligence process of the counterparties integrity;
- review of checking processes;
- review of the monitoring process of interactions with Political Agents and Political Parties; and
- review of the evaluation process of the Integrity Background Check.

In 2019, we continued improving our initiatives relating to governance, compliance and business integrity, risk management and internal controls.

This structure observes the mission of elaborating and monitoring the execution of the governance model, reinforce the integrated vision of corporate risks, manage and guide activities in conformity with internal controls. The review of the Company's Integrity Policy (until 2019 named Compliance Policy) was one of the year's highlights, which aims at establishing compliance guideline principles.



We improved the implementation of mechanisms that prevent, detect and respond to events of fraud and corruption, comprising, among other initiatives, the assessment of integrity in the designation of members for senior management and all managers (background check), besides training courses for our employees focused on disseminating ethical standards. All our operations undergo a corruption risk assessment. GRI 205-1

As partners of the National Brazilian Institute of Internal Auditors, in May 2019, we participated in the International Month of Internal Audit Professional Awareness (IIA May). Promoted by the Institute of Internal Auditors (The IIA), this action foment and values internal audit activities. Our participation in IIA relies on a positive governance action for companies listed on B3. GRI 205-1

Ethics Channel GRI 102-33

The Ethics Channel is a way of enhancing our commitment to transparency and ethics. This independent, confidential and neutral tool is available for external and internal stakeholders, it receives reports on infringements to the rules of our Code of Ethics and our Guide of Conduct. Complaints are

received in a safe and confidential environment, hosted and managed by an outsourced company.

Whistleblowing, suggestions and doubts can be made via phone call (0800 800 8585), on the website <https://www.contatoseguro.com.br/brdistribuidora>, or via app Contato Seguro, available for iOS and Android operational systems. Customer services are 24/7, 365 days/year. Identification is not necessary, ensuring anonymity. All complaints are submitted to analysis within the scope of Ombudsman, to verify if the comply has minimum acceptance requirements.

**The Ethics Channel
is a way of reinforce
our commitment with
transparency and
ethics**



ETHICS AND CONDUCT TRAINING

GRI 102-17

All employees upon admission are aware of our Code of Ethics and our Guide of Conduct. Our internal stakeholders are also required to take up training courses to prevent fraud, corruption and infringements to the economic order, as well as money laundering and terrorism financing, via distance education. Other two optional courses (“Ethics in daily activities” and “Ethics in public utility”) complement such training. Senior management members periodically take part in on-site training on ethics and business integrity.

In 2019, 100% (15) of members of the Company’s governance body were trained on anti-corruption policies. The total number of people trained decreased, due to a reduction in staff, after the Optional Dismissal Program.

Anti-corruption training indicators GRI 205-2

All employees were notified about anti-corruption training courses, through in-house communication campaigns (via intranet and e-mail) of our distance education contents.

In relation to the total number and percentage of business partners who were notified of the policies and anti-corruption procedures adopted, by region (BR), we

inform it was not possible to check these data.

We point out that the Compliance Management distributed our booklet guiding third parties' conduct, addressed to business areas. Our Business Channel also brings information on ethical conduct, basic concepts of compliance, anti-corruption, and tools developed to fight corruption and promote integrity.

In 2019, 31 cases of fraud and corruption were confirmed, involving misappropriation of assets and other issues, resulting in the punishment of 7 employees and the replacement of one service provider. In other cases, it was not possible to apply a disciplinary measure, especially because those identified violators no longer had employment relationship with the Company. GRI 205-3

Employees notified and trained in anti-corruption policies and procedures by region - BR

| Region | Measurement | 2018 | 2019 |
|--------------|-------------|-------------|-------------|
| North | No. | 100 | 125 |
| | % | 61,7 | 97,6 |
| Northeast | No. | 307 | 292 |
| | % | 72,5 | 99,3 |
| Mid-West | No. | 163 | 151 |
| | % | 74,4 | 98,7 |
| Southeast | No. | 2248 | 1512 |
| | % | 107,4 | 99 |
| South | No. | 142 | 178 |
| | % | 60 | 100 |
| Total | No. | 2960 | 2258 |
| | % | 95 | 99 |

Employees notified and trained in anti-corruption policies and procedures by employee category - BR

| Employee Category | Measurement | 2018 | 2019 |
|-------------------------|-------------|-------------|-------------|
| Executive Board | No. | 5 | 4 |
| | % | 100 | 80 |
| Management | No. | 261 | 250 |
| | % | 88 | 100 |
| Coordination | No. | 54 | 47 |
| | % | 83 | 100 |
| Technical / Supervision | No. | 108 | 97 |
| | % | 86,5 | 97 |
| Administrative | No. | 2537 | 1861 |
| | % | 96 | 99,1 |
| Total | No. | 2965 | 2258 |
| | % | 95 | 99 |

All current officers took up the course in 2020.

RISK MANAGEMENT POLICY GRI 102-11, 102-15, 102-30

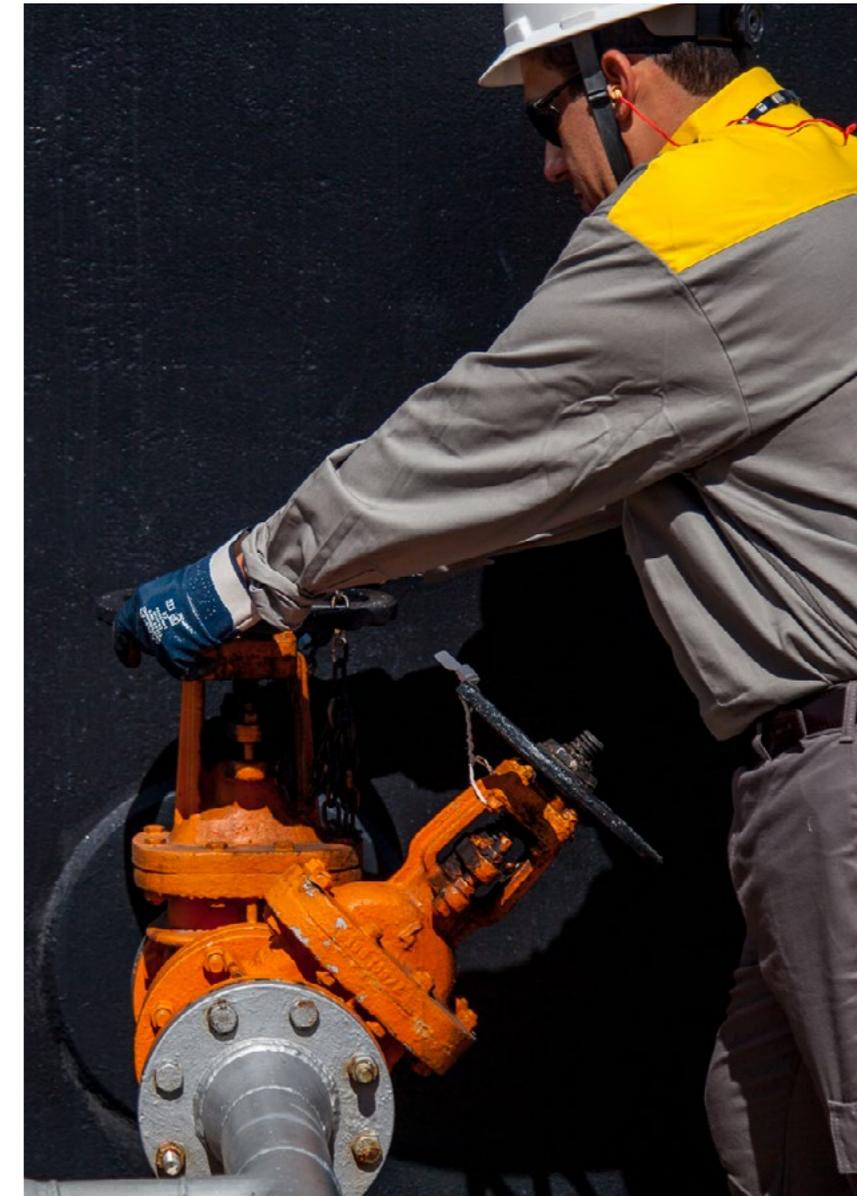
Our Risk Management Policy sets out the principles and guidelines to manage the Company's business risks so that to identify, assess, monitor, and mitigate the risks to which we are exposed due to our operations and activities. Approved in 2015 and updated in March 2018, our policy is based on risk management internationally recognized recommendations, such as those released by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and ISO 31000 standard, besides observing the Guidance Guide on Corporate

Risk Management of the Brazilian Institute of Corporate Governance (IBGC).

The integrated management of these risks is carried out jointly, with duties shared between the Board of Directors, the Board of Executive Officers, the Risks and Financial Committee, the Statutory Audit Committee and our managers, supported by various other internal areas.

Business risks monitored GRI 102-29

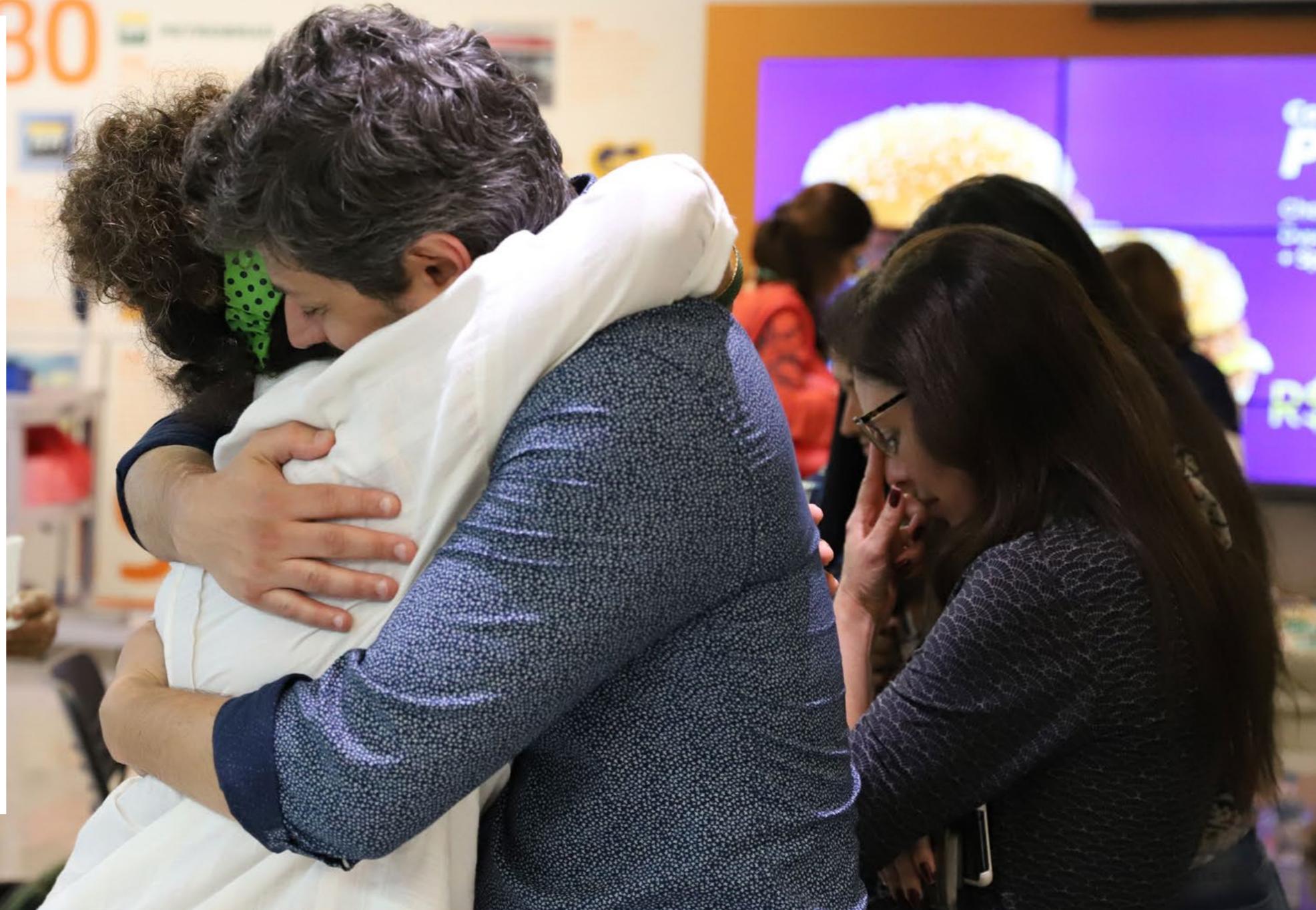
| Risk Category | Potential Impact |
|---------------|--|
| Strategic | Risks which may compromise the strategic objectives and/or the execution of business and management plan |
| Business | Risks relating to our businesses according to the value chain (Consumer Market, Lubricants Production, Stations Network and Services) |
| Financial | Financial risks, especially the accounting, market, credit and liquidity risk, which may compromise cash flows and financial reports |
| Compliance | Risks relating to the compliance with laws and related regulations, as well as the Code of Ethics, Guide of Conduct, etc. |
| Operational | Risks as to the efficient and effective use of operational resources, relating, among others, to our processes and information systems |



PEOPLE

In this chapter:

- Organizational Transformation Plan and Optional Dismissal Program (PDO)
- Corporate learning and career development
- Performance evaluation and compensation
- Supplementary private pension



PEOPLE

GRI 102-7, 102-8

The People and Management Executive Board was created in 2019, became effective as of 2020, and is responsible for human resources activities, attraction, retention and development of talents, improvement of workplace and other people management actions. The compensation by meritocracy, cost optimization, talent retention and productivity gains are the key objectives of this area.

Our employees went through relevant changes in 2019. Besides pursuing productivity gains concerned with reassessment of duties and tasks, and the introduction of new technologies in internal processes, people management included actions to gear up our internal stakeholders for this new reality as a private company. This moment also requires an adjustment to the phases of talent prospecting, attraction and retention, with higher flexibility in the hiring process, now compatible with the market practices.

Human Resources Indicators

GRI 102-7, 102-8

Employee profile on December 31, 2019

Employees by type of employment agreement

| Type of employment | Employee | | | Outsourced | | | Total | | |
|--------------------|-------------|------------|-------------|-------------|------------|-------------|-------------|-------------|-------------|
| | Men | Women | Total | Men | Women | Total | Men | Women | Total |
| Full time | 1748 | 516 | 2264 | 1512 | 691 | 2203 | 3260 | 1207 | 4467 |
| Part time | 2 | 11 | 13 | 0 | 0 | 0 | 2 | 11 | 13 |
| Total | 1750 | 527 | 2277 | 1512 | 691 | 2203 | 3262 | 1218 | 4480 |

Employees by region

| Region | Employee | Outsourced | Total |
|--------------|-------------|-------------|-------------|
| North | 128 | 346 | 474 |
| Northeast | 294 | 167 | 461 |
| Mid-West | 151 | 146 | 297 |
| Southeast | 1526 | 1387 | 2913 |
| South | 178 | 157 | 335 |
| Total | 2277 | 2203 | 4480 |

All employees have employment contracts for an indeterminate period.

All information contained in the chapter "People" was collected from our control systems via SAP and discussed to compose this chapter.

Employees by age group

| Age group | Employee | Outsourced | Total |
|---------------------|-------------|-------------|-------------|
| < 30 years | 115 | 484 | 599 |
| From 30 to 50 years | 1740 | 1497 | 3237 |
| > 50 years | 422 | 222 | 644 |
| Total | 2277 | 2203 | 4480 |

Employees category

| Employees category | Total |
|----------------------------|-------------|
| Executive Board | 5 |
| Management | 250 |
| Coordination | 46 |
| Technical/supervision | 37 |
| Employees without category | 4142 |
| Total | 4480 |

Individuals of governance bodies

| Governance bodies | Total |
|---|-------|
| Board of Directors and Fiscal Council of BR | 15 |
| Board of Directors and Fiscal Council of Stratura | 3 |



ORGANIZATIONAL TRANSFORMATION PLAN AND OPTIONAL DISMISSAL PROGRAM (PDO) GRI 102-10

In November 2019 we announced our Organizational Transformation Plan, which promoted, as of January 2020, several operational adjustments and reformulations in the Company's organizational chart. All the Executive Boards had internal areas restructured, which resulted in reducing nearly 140 managerial positions and the People and Management Executive Board was created to reflect the appreciation of our human capital. The plan included the adequacy of the compensation structure and a review of outsourced services agreements. Annual savings relating to restructuring are estimated at R\$650 million.

Jointly with the Organizational Transformation Plan, an Optional Dismissal Program (PDO) was launched, to fine-tune the size of our workforce to the changes in the organizational chart and our market reality. A total of 1,044 employees adhered to the PDO, with dismissals effective between December 2019 and May 2020. In percentage terms, the workforce plunged 27%, due to PDO and the Voluntary Severance Program (PIDV), launched in 2018.

CORPORATE LEARNING AND CAREER DEVELOPMENT

Our corporate learning model was devised based on education trends and best market practices. Reflecting on the demands of our cultural transformation process, its guidelines underscore the employee's leading role and stimulate self-development. The more intensive use of digital technologies includes training via e-learning, practical training with virtual reality resources and collaboration incentives through in-house social media.

After follow-on, we also initiated the development of a new career model to broaden the possibilities of using our employees' potential and bolster the alignment of management with key business challenges. We are considering current vast experience, which already reinforces career leading role and meritocracy, with the best market practices, aiming at devising an evolution model compatible with challenges of this new phase.

PERFORMANCE EVALUATION AND COMPENSATION

Employees performance evaluations observe the "360°" model, which includes feedback of managers, employees, customers and pairs. In 2019, all employees were included in this format. For 2020, a review of competencies matrix is underway, which identifies the competencies necessary to current positions and contributes to incentivize behavior, skills and attitudes necessary to bolster results and the organizational cultural transformation.

Annual average compensation came in line with previous years at BR, with a -2% variation, due to a reduction in the number of employees who left the Company in 2019. The 9.09% reduction in the highest compensation paid in 2019 was on account of individuals changing positions. All employees are covered by collective bargaining agreements. GRI 102-41

**New career model
expands harnessing
the potential of our
collaborators**



Proportion between most well-paid individual compensation and the annual average compensation of all employees GRI 102-38

| | 2017 | 2018 | 2019 |
|---|--------------|--------------|--------------|
| Highest compensation paid (R\$) | 1.327.000,20 | 1.334.413,56 | 1.213.103,52 |
| Annual average compensation for all employees (R\$) | 185.087,04 | 186.142,28 | 182.393,48 |
| % | 14% | 14% | 15% |

¹ Calculation only considers base salary, according to track record informed by BR (short-term, non-variable, guaranteed monetary compensation) and full-time employees.

Percentage increase of total annual compensation GRI 102-39

| Compensation ¹ | 2017 | | 2018 | | 2019 | |
|---|--------------|------------|--------------|------------|--------------|------------|
| | Compensation | Increase % | Compensation | Increase % | Compensation | Increase % |
| Highest compensation paid (R\$) | 1.327.000,20 | 6,63 | 1.334.413,56 | 0,56 | 1.213.103,52 | -9,09 |
| Annual average compensation for all employees (R\$) | 185.087,04 | 6,60 | 186.142,28 | 0,57 | 182.393,48 | -2,01 |
| % | | 1,00 | | 1,02 | | 0,22 |

¹ Calculation only considers base salary, according to track record informed by BR (short-term, non-variable, guaranteed monetary compensation) and full-time employees.

SUPPLEMENTARY PRIVATE PENSION GRI 201-3

We sponsor three supplementary private pension plans: the Petros Plan (PPSP-NR), the Petros - Repactuados Plan (PPSP-R), in the defined benefit mode (BD), and Petros-2 Plan, which is a variable contribution plan (CV). BR employees level of participation in each plan has the following composition: 9.49% (PPSP-R), 1.28% (PPSP-NR) and 78.83% (PP-2). Among total employees, 10.40% opted for not having a private pension plan. All supplementary private pension plans sponsored by the company have voluntary adhesion, and there is no difference on account of the region.

PERFORMANCE IN 2019

In this chapter

- Market context
- Strategy
- Economic performance
- Operational performance
- Relationship with stakeholders



PERFORMANCE IN 2019

In a year with lots of internal changes and preparation for a new phase in our history, we reassessed BR's strategy and operational model, considering the distribution market scenario, the domestic and international macroeconomic trends. The economic activity upswing and the advance in the sector's law reforms came below expectations. Despite this scenario, we delivered positive results in 2019, and we set in motion the transformations to lead us to another level of competitiveness and efficiency as of 2020.

We recorded a positive performance, amid challenges



Slight Increase in total volume of fuel sold

Market Context

In 2019, the total volume of fuel sold in Brazil slightly increased from the previous year (+2.92%), according to data of the National Petroleum, Natural Gas and Biofuel Agency (ANP). The analysis includes data of anhydrous ethanol, hydrated ethanol, gasoline C, aviation gasoline, LPG, fuel oil, diesel oil, kerosene (QAV) e illuminating kerosene. The lubricant market had a slightly more positive year, with a 5.16% sales volume increase.

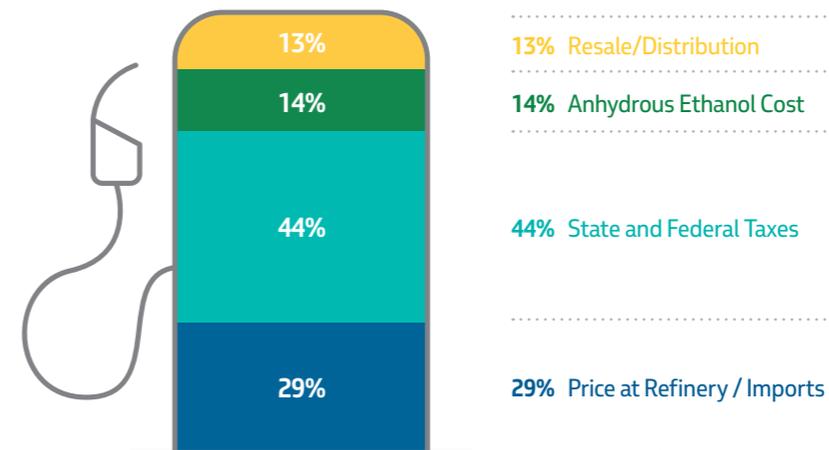
Year-on-year gasoline C sales shrank 0.49%, while hydrated ethanol sales rose 16.30%, which can be explained by biofuel competitive advantage in relation to fossil fuel, which endured from April 2018 to January 2020. The share of hydrated ethanol in total Otto cycle increased from 44.32% to 44.47%, y-o-y. Diesel sales advanced 3% in 2019 from previous year. GRI 102-7

PRICING POLICY GRI 103-2, 103-3



Gasoline price is a day-to-day issue discussed by drivers. According to the image below, a distributor's margin on gasoline sales chain, from oil refinery to the pump, is the smallest among all margins incurring on consumer's cost.

CONSUMER PRICE COMPOSITION (AVERAGE BRAZIL)¹



It is worth noting that margin does not only represent profit but also the costs of several investments made in logistics, quality control, marketing and added services.

For additional information, access: www.br.com.br/precos

¹ Collection period: 01/26/2020 to 02/01/2020

Strategy GRI 103 | 201

From follow-on, we defined 10 strategic initiatives – 7 of them connected with the Company’s core business and other 3 deriving from additional opportunities - to guide our value creation process:

1. Pricing
2. Sourcing
3. Logistics and Transportation
4. Managing Expenses
5. People Management
6. Marketing and Relations
7. Portfolio Relations management
8. Convenience stores (additional opportunity)
9. Lubricants (additional opportunity)
10. Financial services and loyalty programs (additional opportunity)

The 10 strategic initiatives are guided by the pillars of Digital Transformation and Outdoor Environment Monitoring.

Each initiative had a strategic map with clear directions and objectives so that to maximize opportunities. Our value creation is based on our position as market leaders, relying on a solid infrastructure and a set of diversified products and services. We are the top of

mind brand in the fuel industry and we identified relevant growth possibilities, potentialized by a positive outlook - Brazil is one of the world’s largest fuel markets, highly dependent on the highway mode of transportation of goods and products (nearly 60% of total).

Concurrently with the development of these 10 strategic initiatives, we geared up for energy matrix evolutions, and climate change effects on the fuel market. With the transition to a scenario in which diesel will lose current relevance, various possibilities arise, such as increased use of electricity and natural gas, as sources of energy. In line with our Sustainability Agenda, we rely on research and development projects in electric mobility and renewable source fuels, such as biodiesel and green diesel, alternatives that should gain relevance over the upcoming years.



Pillars:

- Digital Transformation
- Outdoor environment monitoring

ECONOMIC PERFORMANCE

GRI 102-7, 103-2, 103-3

Fluctuations in the supply and fuel prices in 2019 influenced our financial performance, which was especially adversely affected in the second quarter of the year. From follow-on, several reviews of financial area management contributed to counter-balance external influences and recover margins affected; one example was increased fuel imports (including biofuel), a trend already seen in other competitors. In December 2019, a historical moment for BR, we received in a single operation, 103,000 cubic meters of imported diesel shipped at the Pacific Rawan tanker. Fuel was destined to the States of Maranhão, Piauí, Pará, and Tocantins.

The organizational restructuring and the introduction of more stricter cost control in 2019 will be fully seen in 2020 results. As evidence of market and potential investors' confidence in our financial health, we received in January 2020, the corporate rating "Ba1/Aaa.br" from the international ratings agency Moody's Investors Service, with a stable outlook. Such rating ratifies recent changes in our governance and the positive outlook estimated by our Business and Management Plan, allowing access to credit and funding under more favorable conditions.

KEY ECONOMIC INDICATORS GRI 201-1

Revenue from sales of products and services rendered (R\$ million)



Gross profit (R\$ million)



Operating income (R\$ million)



Adjusted EBTIDA (R\$ million)



Net income (R\$ million)



Net Income, basic and diluted per share of capital stock* (R\$ million)



*Capital stock composed of 1,165,000,000 common shares

Direct economic value generated (R\$ million)

| Generated | 2019 |
|-----------|------------|
| Revenue | 119.105,54 |

Distributed economic value (R\$ million)

| Distributed | 2019 |
|----------------------------------|-------------------|
| Operating expenses | 91.115,88 |
| Employees' salaries and benefits | 2.043,22 |
| Payments to capital providers | 3.022,38 |
| Payments to the government | 20.252,18 |
| Investments in community* | - |
| Total | 116.433,66 |

* BR Distribuidora does not disclose its investments in the community.

Retained economic value (R\$ million)

| Retained | 2019 |
|---|---------------|
| "Direct economic value generated" less "distributed economic value" | 92.797.701,54 |

Total monetary amount of financial assistance received by the organization of any government (R\$ million) GRI 201-4

| Type of assistance ¹ | 2017 ² | 2018 | 2019 |
|---------------------------------|-------------------|------|-------|
| Tax incentives/ credits | NA | 5,94 | 18,01 |

¹ Incentives relating to cultural and artistic activities; sports activities; maternity leave extension; Worker Food Program (PAT) were considered.

² No tax incentives in 2017 as the Company recorded a fiscal loss in the period and data informed in 2018 were updated.

Financial management highlights

CASH REINFORCEMENT WITH DEBT PAYMENT

Receivables management recorded substantial gains in 2019, from an early settlement of Amazonas Energia S.A.'s debt with BR. The payment, in the amount of R\$1.44 billion, was announced in September. Also in 2019, we continued receiving amounts referring to Debt Confident Instruments (ICDs) signed by Eletrobras. Until the end of 2019, we received a total amount of R\$4.23 billion in monthly installments.

PORTFOLIO DIVESTMENTS

In line with strategic initiative No. 7 (portfolio management), we announced to the market our intention of selling 100% interest in Stratura Asfaltos.

In January 2020, we initiated the negotiation of terms of sale of Stratura to Bitumina Industries, based in Dubai.

In December 2019, we signed a contract to sell our 49% interest in CDGN Logística S.A., a company operating in the compressed natural gas logistics, serving industrial and gas distribution customers. The transaction was recently authorized by the Brazilian Antitrust Authority (CADE) and is under the phase of the conclusion. These two transactions contribute to keep a focus on our core business and maximize the value creation for shareholders.

Significant gains from
a early settlement of
Amazonas Energia
S.A.'s debt



We signed an
agreement to sell our
49% interest in
CDGN LOGÍSTICA S.A



OPERATING PERFORMANCE



GRI 102-7

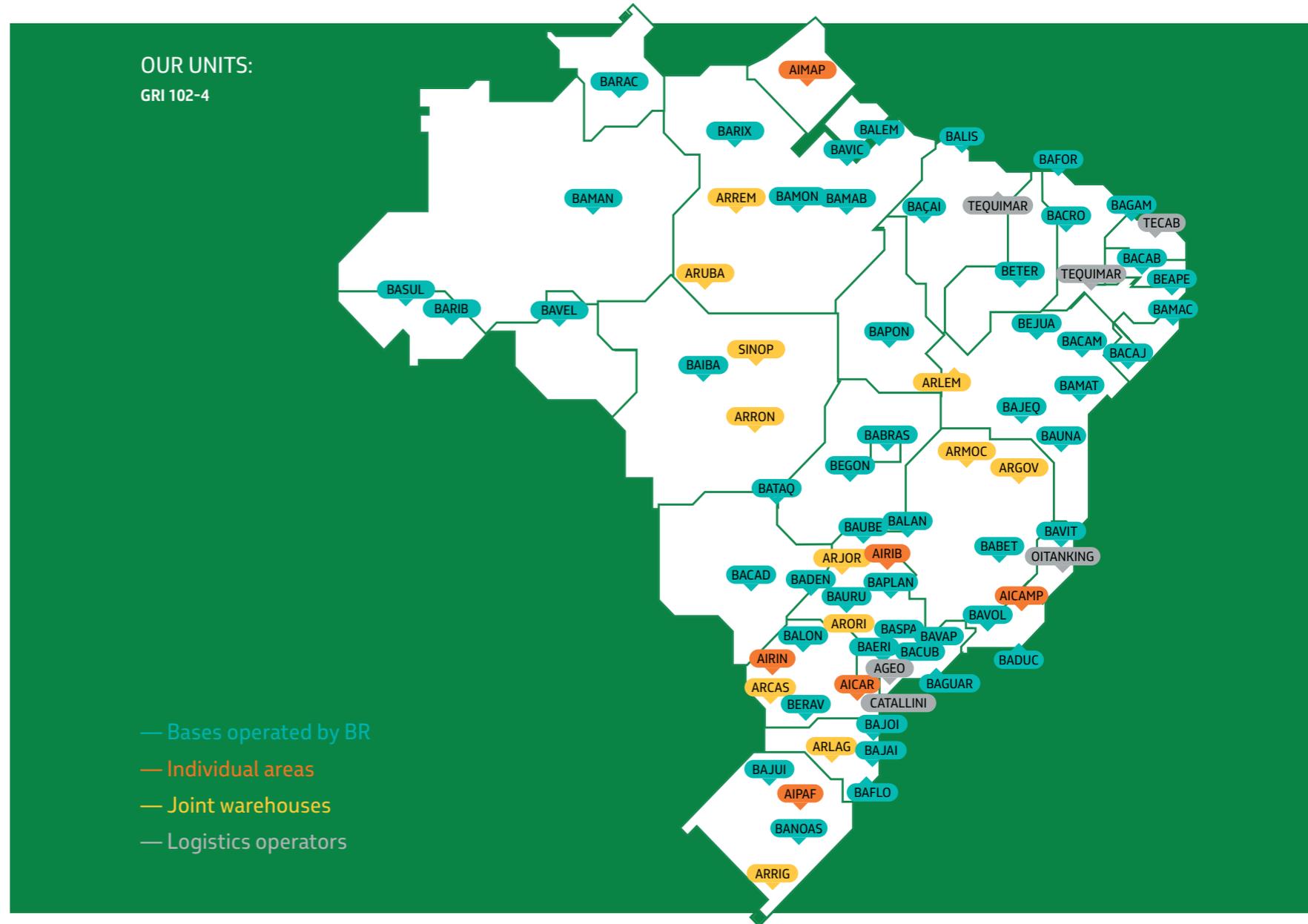
We are present throughout the Brazilian territory, distributed into 95 operating units: 52 bases operated by us, 17 joint bases (pool with partner(s)), 12 warehouses jointly with other distributors, 8 warehouses at ports and 6 logistics operators. In 2019, we handed, on average, 196,000 m³ /day. We have a storage/tankage capacity of approximately 1.4 million m³. GRI 102-4, 102-7

95 operating units

storage capacity 1,4 million m³

196 thousand m³ handled/day

OUR UNITS:
GRI 102-4



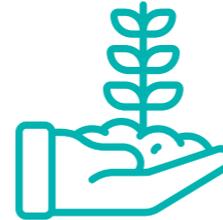
- Bases operated by BR
- Individual areas
- Joint warehouses
- Logistics operators

We continuously invest in our facilities, in the expansion of its operational boundaries and processes automation. We daily monitor approximately 3,500 tanker trucks (CT) through our Fleet Control Center (CCF), which provides our customers with real-time information on the estimated arrival of CT at their premises – which allows greater predictability and service reliability. We also stimulate disciplined activity. Carriers are required to strictly comply with schedules, without reversals, delays, and unnecessary stops.

In 2019, we redesigned our Logistics and Transportation Directive Plan (PDLT), reflecting the changes in the suppliers' contract process. Priority was to obtain scale gains and optimize the use of fleet and freight costs. Approved in August, the PDLT started to be tested in November in few bases and will be implemented throughout the country in 2020.

Concerning customer services, we implemented the opening of equipment and virtual service calls (Chatbot) in our Business Channel, the "Rota Fácil" app for communication with our drivers, and the implementation of a system that allows monitoring in real-time the product arrival estimate in Business Channel or via mobile.

R\$ 2,7 billion
investment estimated
until 2023



Our BR Business and Management 2019-2023 Plan, presented in December 2018, foresees investments of R\$ 2.7 billion until 2023. In 2019, the total amount invested in infrastructure and other areas summed up R\$717.8 million.

Out of total investments planned, R\$388 million refer to services station network maintenance; R\$631 million to corporate and lubricants market, including corporate customers' facilities, works in airports, maintenance, and upgrade of the Lubricants Plant, and investments in special markets; R\$1,291 million in operations and logistics, including maintenance, improvements, and bases auto-mation, compliance with legal and environmental claims, participation in port areas auctions and creation of new partnership pools; and R\$431 million in IT, maintenance of the administrative structure and equity interests.

Winner in port terminal
concession auction



As a party to a consortium composed of the other two fuel distributors, BR won a port terminal auction held in March 2019, becoming a partner in the concession of four port terminals (three in the State of Paraíba and one in the State of Espírito Santo). This project totals an investment of nearly R\$200 million, for the next 25 years. The Vitória terminal (ES), yet to be built, was considered the most important terminal in the lot and should receive slightly more than half of this amount. Besides broadening the capacity of our logistics operations, terminals will be relevant for the development of economic activity in the States of Espírito Santo and Paraíba.

2019 highlights GRI 103-2



Services stations network

We are leaders in Brazil's services stations and convenience stores segment, with a network that exceeded 7,800 resellers in 2019. In 2019, our retail commercial area sought to improve current operations relating to the management of BR Mania and Lubrax+ franchises and Petrobras Premmia loyalty program. From the last quarter of 2019, we invested in a more defined segmentation of the network units from their location: urban services stations and highway stations, with a careful look at freight road transportation and its demands.



Leader in the
Brazilian segment of
services stations and
convenience stores with
a network of

7,700
resellers

Among key sector advances in the year, we highlight:

- **Mobile services station in Pacaraima:** In March, we inaugurated the first gas station in the city of Pacaraima (RR). The mobile unit met an urgent need of the local population, which after closing Brazil and Venezuela borderline, lost access to the single services station in the region (next to the Venezuelan side).
- **Rede Duque Merger:** in June, we announced the merger of 52 services stations of Rede Duque into BR brand. Present in the States of São Paulo and Rio de Janeiro, the services stations are located in corridors which receive a high traffic flow of vehicles – strategic points for fuel consumers and convenience stores.
- **Truck Driver Card:** in 2019, we launched the Truck Driver Card, a prepaid card that exchanges cash with liters of diesel, ensuring purchase without price variation within a 30-day period. Firstly available at 70 services stations of Rede Siga Bem, this solution can be adopted by self-employed workers, carriers and shippers.

Consumer Market

It concentrates our fuel and lubricants B2B customer portfolio, which in 2019 hit the record of 6,300. One of the advances in serving this public was the launch of Fuel Automatic Re-Supply in 2019. Available in the Business Channel, this system monitors and automatically manages each customer's inventory to identify the re-supply timing, ensuring an efficient and automatic replacement.

We ended 2019 with 8 Supply Points (domestic consumption) and two resellers who adhered to this Automatic Re-Supply model, monthly handling over 10,000 m³ of fuel.

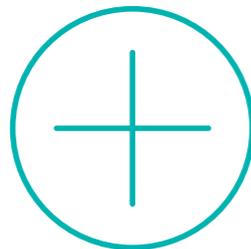
Also, we are the largest integrator of chemical products consumed by operations that explore wells and produce oil and gas in Brazil. We have qualified teams who technically serve customers, with a solid understanding of the supply chain, enabling the acquisition of high-efficient inputs. We rely on five operating assets located in the largest demanding regions of on and off-shore supply.

To meet this industry's growth outlook, in 2019 our assets were enlarged and upgraded, receiving initiatives focused on business sustainability and our facilities,

especially at Duque de Caxias (RJ) unit, we installed solar power poles, we reactivated the storage tank and use of rainwater, we adapted the access to the offices to reduce the use of air conditioners and we adopted a solar heating system for locker rooms showers.

At Macaé (RJ) unit, with the arrival of a surge site nearby Port of Açu, we remodeled our services logistics. Therefore, without altering the services level, it was possible to decrease the heavy fleet by over 50%, reducing gas emissions and fuel burn in transportation.

Through ES Gás, we will continue acting as a concessionaire state distribution of piped gas.



Aviation

We operate in the distribution and trading of kerosene and aviation gasoline, lubricants and services related to business, executive and military customers. In 2019, we maintained our leading position in the sector, present in 90 airports throughout the Brazilian territory, serving approximately 1,600 customers.

In August 2019, we participated in the 17th edition of the Latin American Business Aviation fair (Labace), Latin American's largest event for the executive aviation sector. We advertised our services to the aviation sector, as well as the advantages of the BR Aviation Club Relationship Program and the use of BR Aviation Card.

Present in 90 airports throughout the territory national.



Special Markets

This sector includes operations with chemical, energy, and coke products. The incorporation of Companhia de Gás do Espírito Santo (ES Gás) in July 2019, was the greatest news in 2019, in partnership with that state government. Through ES Gás, we will continue operating as a pipeline gas distribution state concessionaire.

The concession comprises historical investments exceeding R\$370 million to serve approximately 53,000 users in the metropolitan region of Vitória and North, South, and Northwest regions of the State, comprising 13 municipalities and over 450 km of operating distribution network. A mixed-capital company controlled by the State Government of Espírito Santo, ES Gás has a distribution agreement valid for 25 years.

The coke market results in 2019 were incredibly positive, with volumes delivered above expectations and favorable commercial margins. For 2020 and upcoming years, we will bolster our presence in the energy sector, investing in the supply of sources, such as liquid natural gas (LNG), distributed generation of electricity, and trading in the free market.

RELATIONSHIP WITH STAKEHOLDERS

GRI 102-43, 102-44, 103-2, 103-3

We operate in highly diverse sectors, thus, we seek customer and partner relationships on a segmented basis.

SERVICES STATIONS NETWORK

BR services stations network is our point of contact with end consumers; we pursue a close relationship with the network so that to ensure good operation, business, and services competitiveness, besides a positive image with our customers. Over 50% of 7,800 resellers are BR's partners for, at least, 10 years. The Petrobras Services Stations Network Forum, a key event targeted to the network representatives, takes place yearly; the 2019 edition relied on the participation of approximately 2,000 people. Presentations highlighted innovative services, with customers at the core of management's decisions.

Other forms of engagement with resellers and gas station attendants include regular visits of our team to gas stations, promotion of events and meetings, meeting of Resale Council, besides interactions through the Business Channel (reseller-dedicated portal), incentive programs and marketing emails.

In 2019, we participated in events relating to service stations and convenience stores, such as the NACS Show, held in Atlanta (USA) – the sector's world largest event, where key trends of convenience industry and fuel retail are discussed. We also continued investing in managers and gas station teams training, and the support to the formulation of strategies and marketing actions to attract and retain consumers, underlining a greater convenience, especially through BR Mania stores and Lubrax+ services.

LUBRICANTS DISTRIBUTOR

At our Lubrax Distributors Convention held yearly, we gather the 25 Lubrax lubricant largest distributors of the city of São Paulo. Agenda includes lectures, training, business alignments, and exchange of experiences, aiming at strengthening our relationship. In 2019, the Convention took place in October.





CONSUMER MARKET

Our operation in this segment was again guided by market variations. With a lower demand for fuels from a few relevant consumers, something expected due to a sluggish recovery of industrial activity, we started thinking about new solutions and products for our customers, such as automatic resupply.

We strengthened our relationship with customers participating in sector events, such as the "Arena ANTP", the 21st TranspoSul, the Confenar Agenda, the 16th Paint International Congress (ABRAFATI 2019), the Latin American Fair of Business Aviation (LABACE 2019) and the Supplier of the Year of ADERJ (Association of Wholesalers and Distributors of the State of Rio de Janeiro).

**We reviewed
our supplier
relationship
process**



SUPPLIERS GRI 102-9

A complete review of the suppliers' selection process, contract, and management was one of the immediate strategic priorities after follow-on. A new supplier management platform was implemented jointly with a revised model of transport contract, without the restrictions imposed by Law No.13.303/16 (Law of Government-Owned Companies). The objective was to reduce the number of operators contracted and optimize cost management and service quality.

Driven by a cost management strategy, the area focused on more centralized acquisitions and careful contract management. The logistics sector manages the supply chain, monitoring demands from business areas, sales estimates, inventories, and requests to the procurement area.

We maintain agreements with suppliers of products and services comprising the acquisition of fuels and biofuels, additives, basic oils, packages, production inputs, and services providers related to the industrial area. Concerning transportation, road, cabotage, waterway, road-waterway transportation services are contracted, employed in the shipment of fuel and lubricants. Supplier relationship is guided by our Code of Ethics (which requires respect to ethical principles and conduct commitments defined therein) and our

Guide of Conduct, which contains a specific section on customer and supplier relationship.

INVESTORS

According to the Organizational Restructuring Plan, the former Financial and Investor Relations (IR) Executive Board now is referred to as Executive Board of Finance, Procurement and IR, and shareholder relationship is among its duties. Besides the schedule of periodic meetings and conference calls to present results and announce material facts, this area also carried on studies on products addressed to shareholders, such as reports, to provide greater transparency to our management.

Investors' interest in monitoring our management, which heightened after the IPO (Initial Public Offering) in 2017, has intensified with follow-on. Shareholders greatly participated in discussions about the format and structure of the new Board of Directors.

SECTOR ASSOCIATIONS GRI 102-13

The engagement with the National Union of Fuels and Lubricants Distributors (SINDICOM) and resellers unions occurs by means of participation in forums and sector meetings. The topics raised by entities are analyzed and discussed at permanent commissions' meetings among related managers.

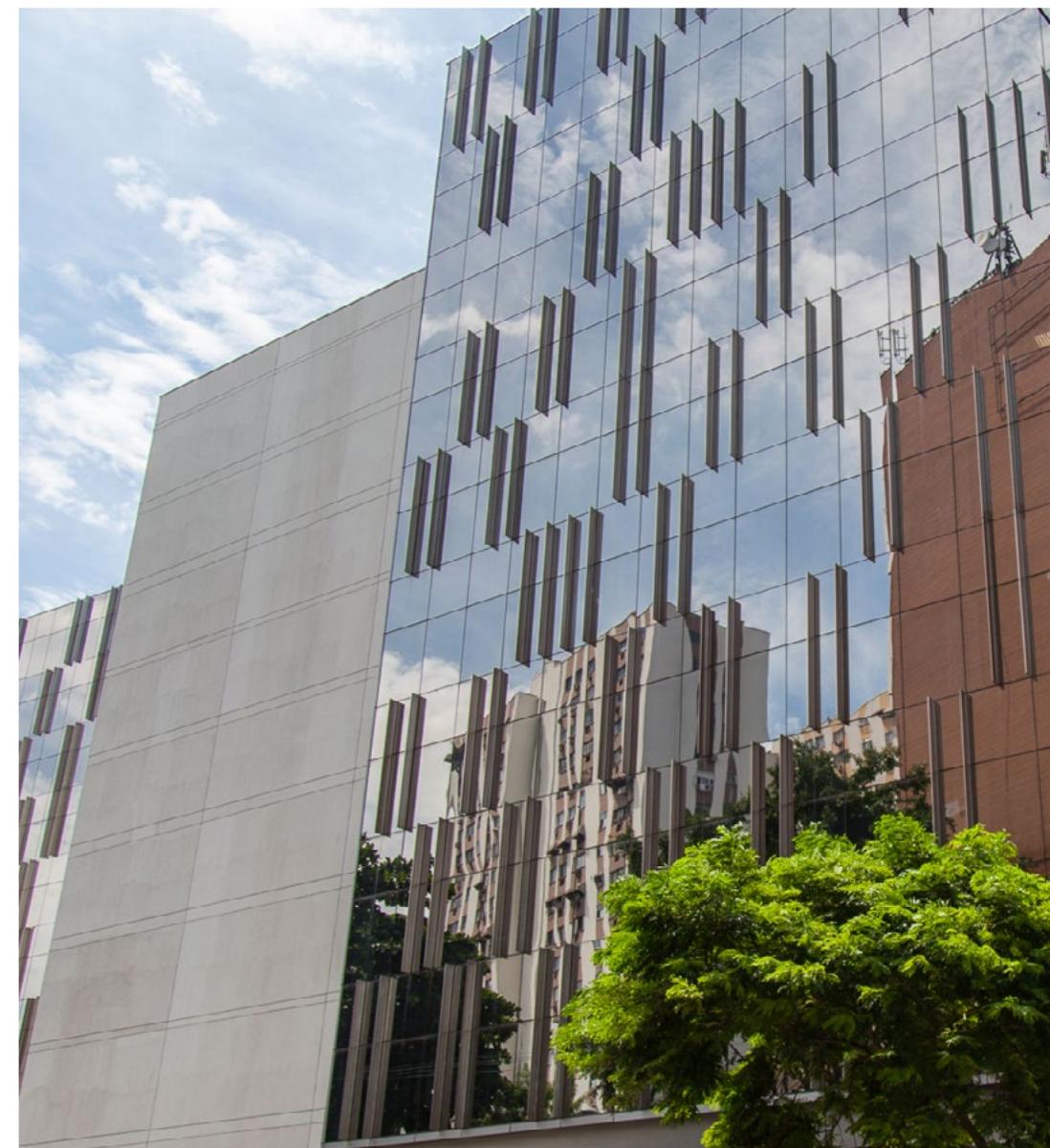
In June 2019, we attended the 9th International Meeting with the South American Market, in Rio de Janeiro. The event discussed the outlook of the lubricants Market and the segment's global scenario, with a focus on South America. The topics discussed included operational challenges, mobility, consumer habits, and impacts on society's life quality.

Engagement with union representation entities

The negotiation of the collective bargaining agreement on the category's base date occurs between the National Union of Fuel and Lubricants Distributors (SINDICOM) discussing topics, such as work conditions, salaries, benefits, health, and safety. Also, specific topics of the Company pointed out by union entities are analyzed and discussed with professional category union representatives.

MECHANISMS OF COMPLAINT GRI 102-33

The most common types of complaint received by our Ombudsman are complaints on Petrobras Premmia program and the quality of services at BR services stations, business relationship with resellers, supplementary health assistance (AMS), fraud and corruption whistleblowing, and psychological violence at work. Complaints are registered in the Control System of Ombudsman Demands (SCDO) and analyzed as to their validity.



The Customer Service (SAC) registers low-complexity routine complaints about Petrobras Premmia program, quality of service and price practices at services stations, Petrobras card, and fuel improper characteristics.

Complaints received by Ombudsman are categorized among "complaints", "fraud and corruption whistleblowing" and "other complaints" and for each category, there is a different forward process. Complaints are treated by BR's internal areas.

During 2019, BR consolidated the Petrobras System's

Whistleblowing Channel, in charge of receiving complaints. Fraud and corruption whistleblowing was firstly analyzed by Petrobras General Ombudsman, which defined the level of case risk, and, according to the level imputed, the complaint was sent to be analyzed by Petrobras or BR compliance area. However, in July 2019, due to BR's privatization, this procedure has changed, so that the risk level of fraud and corruption whistleblowing now is attributed by BR Ombudsman and BR compliance area received whistleblowing, which was treated by Petrobras, as well as, now it analyzes all new fraud and corruption whistleblowing.

In the case of whistleblowing of other nature, after receipt by Petrobras General Ombudsman, the analysis was made by BR, which occurred during 2019.

Analyzing the charts below, we realize that over the last three years, the total number of complaints significantly declined, on account of improvements introduced in the analysis of end consumer's demands.

Mechanisms of complaint

| Complaints | 2017 | | 2018 | | 2019 | |
|--|-----------|--------|-----------|--------|-----------|--------|
| | Ombudsman | SAC | Ombudsman | SAC | Ombudsman | SAC |
| No. of complaints identified by means of a mechanism | 3.599 | 87.864 | 3.341 | 70.601 | 2.565 | 32.419 |
| No. of complaints addressed | 3.177 | 1.633 | 2.869 | 35.162 | 1.421 | 23.058 |
| No. of complaints solved | 3.360 | 69.429 | 3.025 | 70.419 | 2.545 | 30.668 |
| No. of complaints registered before the period covered by report solved during this period | 161 | 32 | 217 | 15.374 | 47 | 581 |

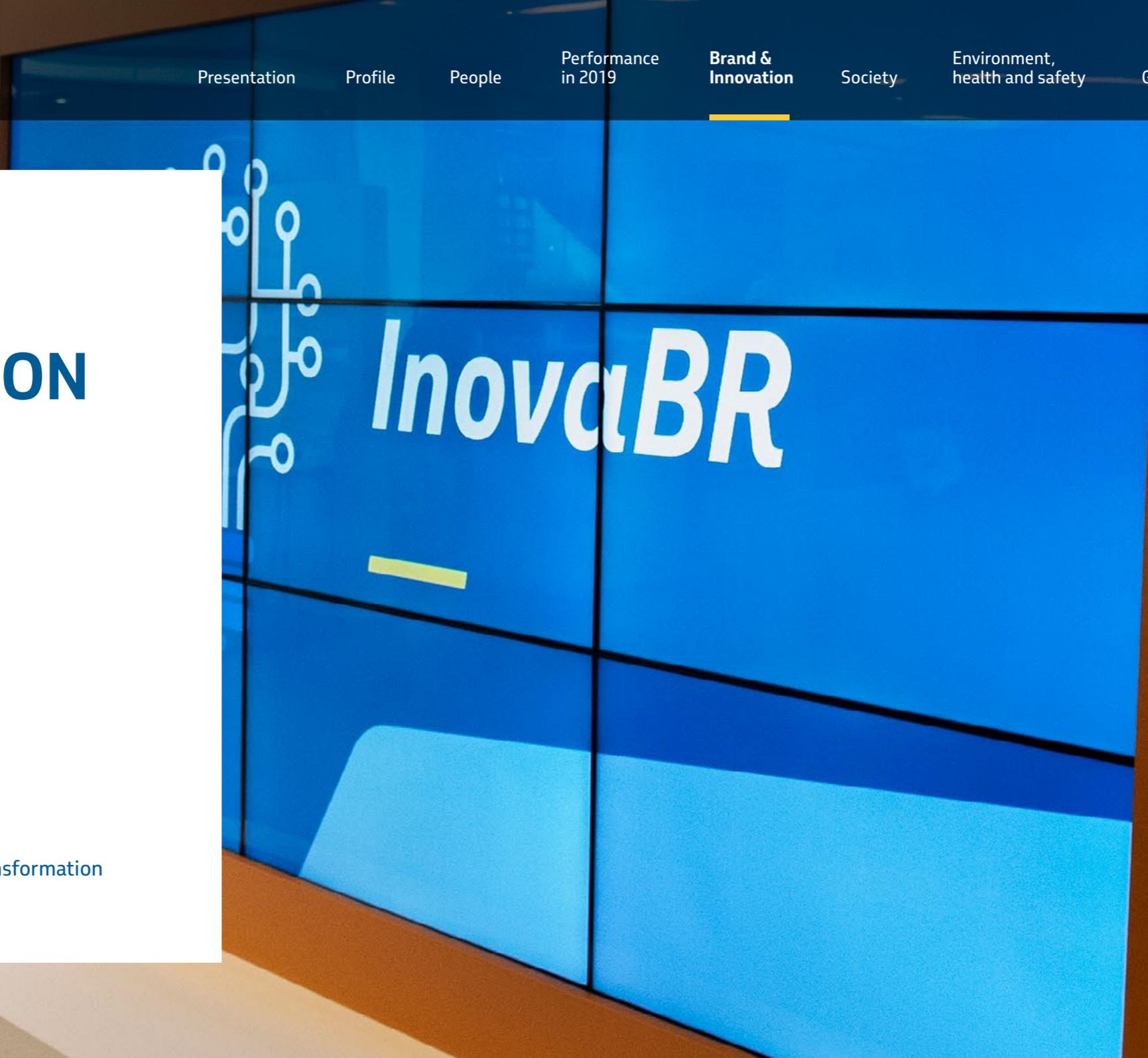
94,9%
of complaints
received in 2019
were solved



BRAND & INNOVATION

In this chapter

- Mobility
- Innovation and Digital Transformation



InovaBR

BRAND & INNOVATION

GRI 103-2 | 103-3



Our leading position in the distribution market is also due to the strong presence of our brand throughout Brazil. Petrobras' licensee in the use of products sold at our services stations network and as a brand, BR is Brazilian consumers' top of mind in the best fuel and lubricant categories, with Lubrax brand, according to DataFolha (Top of Mind Folha de S. Paulo). Other related brands with outstanding positions in the market are the BR Mania convenience stores and the Petrobras Premmia loyalty program (which relies on over 14 million members).

During 2020, we will present a broad plan of brand communication and repositioning, to redefine BR image towards the public, so that to reflect the Company's new momentum.

Top of mind: Our brands of fuels and lubricants were consumer's top of mind



Mobility

GRI 103-2 | 103-3



An emerging topic over the past years, mobility was always built into our business, helping people and businesses to reach their destinations. Understanding the changing demands of society, we now include this topic in our corporate strategy and we guide our performance

in three ways: within our innovation projects (see Innovation), focused on corporate mobility (see Corporate Mobility Diagnosis) and new businesses, focusing on renewable energies and new ways of motorization.



LAUNCHES, CAMPAIGNS, AND PARTNERSHIPS

BR Mania

Our convenience stores brand completed 25 years in 2019. Between October 2019 and January 2020, the promotion “25 Anos de Verão BR Mania” distributed bikes, skateboards, [hoverboards](#), and roller-blading to store customers, besides monthly rewards of R\$25,000. Members of the Petrobras Premmia program who acquired products participating in this promotion gained extra points.

In August 2019, we announced a partnership with Clique Retire, a company specialized in collect terminals of products sold online. This agreement foresees until 2021, the installation of 400 Click & Collect terminals at BR Mania stores, expanding the range of convenience services available at BR stations. Another relevant collaboration was executed with Lojas Americanas: we initiated studies on the feasibility of a strategic partnership to develop joint convenience solutions.

Also in 2019, BR Mania launched its first store in the Fernando de Noronha (PE) islands. The single gas station of this famous tourist destination is a BR brand and was reinaugurated in September.

Linha Lubrax

The leading brand of the Brazilian lubricants markets gained 6 new products in 2019: Lubrax Turbina X (mineral lubricant for turbines and circulatory systems), Lubrax TRM 235.12 (developed for commercial vehicle manual transmissions), Lubrax Hydra NZ (for hydraulic systems operating under severe pressure and temperature conditions), Lubrax CVTF (synthetic lubricant applied in automatic transmissions), Lubrax Turbo ME (monoviscous mineral lubricant for commercial vehicles transmissions) and Lubrax Top Turbo Pro (multiviscous for diesel engines).

These lubricants and all other of Lubrax brands started to be sold also by Lubrax Store (<http://www.br.com.br/lojalubrax>), launched in 2019 to serve resellers. Part of BR Business Channel, e-commerce brought greater convenience and agility in the offer of our products.



**Lubrax brand
launched 6
new products
in 2019**





Ethanol Grid

In August 2019, we launched (with exclusiveness in the State of São Paulo) the Ethanol Grid, high-quality biofuel with additives. The friction reducer is one of its greatest advantages, less wear on engine parts and better use of mechanical energy in accelerations and start speed; detergents; dispersants; and corrosion inhibitor, which increases the metal parts useful life.

Motor Sports

For the fourth consecutive year, we sponsor the Stock Car Brasil, Brazil's top car racing category, we provide fuels (Podium) and Lubrax lubricants to all championship teams. In 2019, this partnership had a special meaning since the year set the 40th anniversary of the competition. In April, the category promoted the 500th race of its history, at the Velopark circuit (RS).

BR started sponsoring motorsports events organized by Mitsubishi Motors do Brasil: Mitsubishi Cup (speed rally), Mitsubishi Motorsports (regularity rally), and Mitsubishi Outdoor (strategy rally). The partnership includes the use of Lubrax lubricants in the line that produces car maker's vehicles and post-sale, at dealers network.

2019 also set the end of Lubrax in Formula 1, with the termination of the technology partnership between the BR and McLaren team. Besides the brand exposure on the team cars, this collaboration enabled technical cooperation and fuels and lubricants improvement tests.

Presence in events

Through our brands, we were present in events directly or indirectly related to the distribution market and the world of innovation. Examples include the partnership of Premia Program with Game XP fair (Rio de Janeiro), which allowed its members using their points in services offered at the event; at “Salão Duas Rodas” (São Paulo), event targeting the motorcycle industry, we set up the stand Dream Lounge Podium, which exhibited the Podium high-octane gasoline; and we sponsored the Passenger Highway Transportation Innovation Seminar held at ANTP Arena (São Paulo). This last event relied on the participation of BR’s CEO, Mr. Rafa Grisolia, and Mr. Marcelo Cruz Lopes, our B2B Commercial Executive Officer.

AWARDS AND RECOGNITIONS IN 2019

Besides again being nominated the top of mind fuel and lubricant brand in 2019 (according to the Top of Mind/Folha de S.Paulo survey), the following recognitions also deserve attention in 2019:

- WEPs Brasil Award, Large Corporate Bronze Category (read more in Diversity)
- “Empresas Mais Estadão” Award, in the Corporate Governance Category
- “Estradão 2020” Award of the Cargo Highway Transportation International Show (Fenatran) – Best Fuel
- “Os Eleitos 2019 Revista Quatro Rodas” (2019 Elected by Quatro Rodas Magazine)
- Suppliers of the Year 2019 Award by Association of Wholesalers and Distributors of the State of Rio de Janeiro (Aderj) – Fuels and Lubricants
- Most Innovative Fuel Distributor Award from Whow! -Innovation Festival (read more in Innovation)
- Gender Equality Campaign Award (AMPRO Globes) – Best Social/Educational Responsibility Project (read more in Diversity)



INNOVATION AND DIGITAL TRANSFORMATION

GRI 103, 103-2, 103-3

Besides one of our relevant topics, innovation is an essential part of the internal culture we have been consolidating. Various initiatives seek to disseminate innovation, focused on transformations enabled by digital technology, the development of more sustainable products, lesser impacts, and the company's business model transition.

The Innovation Executive Committee is the body in charge of identifying innovation initiatives, analyzing and proposing projects to contribute to our development. In 2019 and over the upcoming years, our efforts in dealing with this topic will be concentrated in Digital Transformation, Intraentrepreneurship, and Open Innovation. BR Innovation Platform, officially launched in September 2019, will combine projects and tools to speed up the creation and implementation of innovative ideas.

Digital Transformation

We built a digital transformation plan to subsidize through organizational scenarios, the technological architecture, digital businesses, and information technology operational model. This plan envisages projects

initiated in 2019, aiming at fomenting the technological qualification, digital skills, and the best **time-to-market**.

Among the 2019 initiatives, we highlight the cloud journey of BR computing environment, intensive use of mobile platforms and collaboration to increase productivity, besides an enhanced portfolio to develop digital businesses, with apps, such as Petrobras Premmia and other B2B. We also intensified the marketplace models in our Business Channel, to expand our customers' mobility and convenience, including lubricants.

It is also worth noting the definition of a new **CRM platform** (Customer Relationship Management), focused on customer 360o vision. New ways of customer interaction were also implemented, such as automatic resupply and energy e-commerce.

Concerning the corporate environment, productivity platforms, and combined communication were implemented, such as Office 365, positively impacting employees' collaboration, allowing them to work seamlessly, with video conference and remote work.



Our digital transformation vision enabled the creation of a new operational model with an emphasis on decisions based on data, through analytical platforms and data science, always pursuing cybersecurity and collaborating with the company's image and reputation.

Inova BR Program

The Inova BR is a program that stimulates our employees to think of innovative solutions for our customers. The second cycle of this initiative commenced in October 2018, was extended to September 2019, with the monitoring of 8 projects produced in the first cycle and the development of new ideas presented by different areas of the Company.

In recognition of our advances, the Inova BR was the case that led us to receive in July the Whow! Innovation Award, as the most innovative fuel distributor in 2019.

Whow! Innovation Award in 2019



Whow! is one of Brazil's largest events concerned with business innovation.

As a major tool to foment entrepreneurship, the Inova BR adopts innovative ways of work (mentorship, agile methodology and prioritization) and teams involved in projects may partially or fully dedicate to the initiatives. As a way of accelerating the advance of ideas, this program also promotes inspiring models and initiatives, the technological cooperation agreements we signed with other large companies, the concept of open innovation and innovation ecosystems, and the relationship between current companies in their markets and [startups](#).

Open Innovation and Startups

In 2019, we initiated a collaboration with 10 BR [startups](#) selected still in the previous year to the BR Startups Challenge: a public selection, in partnership with

Collaboration with 10 companies selected in BR Startups Challenge



National Service of Industrial Education (Senai) and the Brazilian Service of Support to Micro and Small-Sized Companies (Sebrae), for companies in their early stage, to present innovative solutions for our operating segments, from three aspects: people mobility, business mobility and sustainability.

An evaluation committee of BR Distribuidora selected 10 [startups](#), which received financial support to devise short-term projects, employing resources, such as the [Internet of Things \(IoT\)](#), augmented reality, virtual reality, artificial intelligence, and [big data](#).

Concerning the people mobility topic, the idea was to create initiatives to cause a positive impact on customers' perception of the services stations network. In business mobility, we sought digital technology projects to boost our B2B. In the sustainability topic, proposals are sought, which among others, mitigate the risks of impacts on the security of operations, society, and environment. Ten [startups](#) were selected, and projects have been developed under the acceleration model along with Innovation SENAI Institutes.

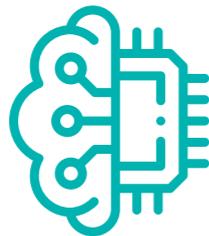
OTHER 2019 HIGHLIGHTS

Artificial Intelligence at Petrobras Premmia

The Petrobras Premmia loyalty program will receive artificial intelligence resources (AI) to bolster the engagement of its 14 million participants, through offers optimization and customization. Therefore, we executed a partnership with Big Data, a leader in the Brazilian market for corporate technological solutions with IA.

With **machine learning** algorithms and the application of more than 17,000 variables, it will be possible to identify the specific offer to make more sense for each Premmia's participant, among thousands of items available from the program partners. This recommendation then will be presented to the user, on date, time, and channel equally customized from each participant's profile.

**Petrobras
Premmia: artificial
intelligence
to bolster
engagement**



Launch of first-fill diesel awarded

We commercially launched the first-fill diesel developed from common diesel S10 especially to supply recently produced diesel cycle vehicles, customized to meet the car makers' needs. The product was one of the winners in 2018 of ANP Technological Innovation Award, granted by the National Agency of Petroleum, Natural Gas and Biofuels (ANP). Jointly developed by BR, Petrobras and MAN Latin America, this fuel went through tests and adjustments at the Petrobras Research and Development Center Leopoldo Américo Miguez de Mello (Cenpes).

**Our first-fill diesel
was one of the
winners ANP Award
of Innovation
Technological**



Corporate Mobility Diagnosis



Since 2018, we have been developing the Corporate Sustainable Mobility project, and the collection of information on headquarters and lubricants plant employees' commuting hours subsidized the elaboration of a Corporate Sustainable Mobility Plan. The data collected on employees' commuting hours (home-work-home) were summarized in a Corporate Mobility Diagnosis, built with the support of the Sustainable Mobility Laboratory of the Federal University of Rio de Janeiro (UFRJ).

We recorded approximately 60% of survey respondents at the plant and headquarters, a result that contributed to elevating the workforce's awareness of sustainable mobility. In 2019, the plan was mentioned in the study Corporate Mobility Transport Challenge, published by the World Economic Forum, as an example of initiative with a positive impact on global corporate sustainability.

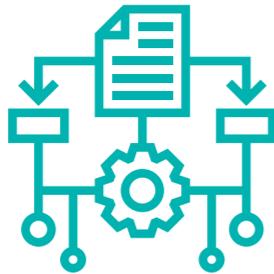
FORUMS AND MEETINGS

Hacking.Rio

We were present in Latin America's largest hackathon, the Hacking Rio, held in the city of Rio de Janeiro in October 2019. Besides sponsoring one of the event's work clusters ("Distribution and convenience", of which we also participated in the mentorship team), we were represented in the "Education" cluster and in the panel "Open innovation and startups". BR's IT and Digital Officer, Mr. Aspen Andersen, presented the Company's advances in open innovation and our technological cooperation agreements with AWS, Cisco, and Microsoft.

BR Mania Digital at the ExpoPostos & Conveniência Fair
Especially for the ExpoPostos & Conveniência 2019 fair, held in August, we set up a BR Mania Digital area to

Presence in
Latin America's
largest
hackathon, the
Hacking.Rio



present to the market the latest novelties in innovation for convenience stores. The pilot store, a type of laboratory for new technologies, underscored the digitalization of consumer's experience. Innovations, such as order and purchases made via the Petrobras Premmia app, or tablets available on the store desks, could be tested; desks also offered mobile phones and laptops top-up points.

Salesforce Tour

In June 2019, we received at our headquarters, the event Salesforce Tour – promoted by Salesforce, a global leading company in CRM solutions. On that occasion, solution development agile methods were presented for digital services and tools concerning customer relationship management, in line with the cultural and digital transformation the Company is undergoing.

The pilot store,
BR Mania
Digital offered
novelties and
innovations



SOCIETY



In this chapter

- Participation in external initiatives
- Sustainability Forum 2019
- Human Rights and Diversity Program
- Community engagement

SOCIETY

Our relationship with society is guided by respect for human rights and the environment; responsibility in the engagement with communities in areas in which we operate; and attention to business sustainability, which includes the transition to an energy matrix with less social and environmental impacts

Our Social Responsibility Policy includes a commitment to identify and deal with social risks involved in our activities; the consolidation of social and environmental issues in the management and strategy; the development of social and environmental programs and projects; and the promptness to act in potential emergencies or crises along with communities. GRI 102-11

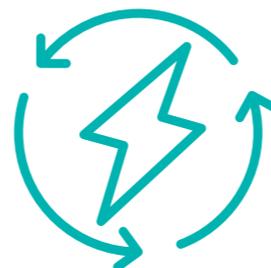
Our policies can be fully consulted at <http://www.br.com.br/pc/sociedade-e-meio-ambiente/politicas-e-diretrizes>.

Sustainability Agenda

Our performance is guided by our Sustainability Agenda, developed from material topics and the United Nations (UN) Sustainable Development Goals (SDG).

In 2019, we advanced our Sustainability Agenda, with initiatives to reduce greenhouse emissions; decrease the social and environmental impacts of our infrastructure; create a positive impact on people's mobility, and increasingly use renewable energies in our businesses.

Actions in 2019 included the higher use of renewable energy



SIGNIFICANT INDIRECT ECONOMIC EFFECTS (2019)

GRI 103 | 203 | 203-2

We mapped the most relevant indirect economic impacts of our activities on people directly or indirectly involved in our business. In 2019, the key impacts are summarized in the chart below:

| Mapped impact | Initiatives |
|--|---|
| Changes in productivity of organizations, sectors or economy as a whole | Organizational Transformation Plan Optional Dismissal Program (PDO) |
| Economic impact of improved social or environmental conditions | Sponsorship to Crescer e Viver Circus Donation of fuel to policemen of Brumadinho Doação de combustível às forças policiais de Brumadinho |

PARTICIPATION IN EXTERNAL INITIATIVES

GRI 102-12 | 102-13 | 102-15



UN Global Compact: we participated in the Global Compact, between 2003 and 2019 through Petrobras. In 2019, we initiated individual participation. The Global Compact is the largest global initiative that fosters sustainability and promotes human rights in the business environment.



National Pact for Eradication of Slave Labor: since 2005, we have been undertaking to eliminate slave labor from our value chain.



Women Empowerment Principles (WEPs): in 2018, we adhered to this worldwide commitment created by the UN Women and Global Compact to reinforce initiatives that promote gender equality.



“Laço Amarelo” Program: with this initiative, the National Observatory of Road Safety acknowledges good actions of companies and governments relating to traffic safety.



Pro-Gender and Race Equality Program: we participate in this initiative of the federal government since its 3rd edition, we already received 3 Pro-Gender and Race Equality Seals.

“Na Mão Certa” Program: Created by Childhood Brasil Foundation, this program promotes the protection of children and adolescents against sexual abuse and exploitation, especially in Brazilian highways.



The Business Coalition for Racial and Gender Equality was created by Ethos Institute and Center of Studies of Labor Relations and Inequalities (CEERT), to foment pro-equality actions in the Brazilian business environment.



Corporate Sustainability Index (ISE)

ISEB3

For the first time in our history, we were included among the companies listed on B3’s Corporate Business Sustainability Index (ISE), gathering Brazilian publicly-held companies distinguished by their corporate sustainability management. The 30 companies composing the 15th ISE portfolio (effective until the end of 2020) are assessed in seven dimensions: general, economic-financial, social, environmental, nature of product, governance, and climate change. In the 2020 portfolio, we were the only fuel distribution company to be accepted.

Also in 2019, we were one of the sponsoring companies of B3’s 15 year Commemorative Package, participating in the construction of LÉXICO ISE B3 (digital solution for evaluation of corporate sustainability) and Fórum ISE B3 15 years, to be executed in December 2020.

It is worth noting that this was the first time that BR pleaded its acceptance at ISE, being submitted to a strict process, which included performance evaluations, workshops, questionnaires, and evidence of good sustainability practices. The result reaffirms our continual pursuit of excellence in the treatment of environmental, social, and governance topics.

Sustainability Forum 2019

On June 28, 2019, at our headquarters in Rio de Janeiro, we held the first BR Sustainability Forum. With this event, we seek to raise the awareness of partners, suppliers, customers, and employees on the most varied topics contained in the sustainability concept, guided by our Sustainability Agenda commitments.

Sustainable businesses, human rights, relationships with communities, diversity, corporate mobility, and social innovation were some of the topics discussed in the event presentations. A Sustainable Fair, with handcraft, clothing, food stands, and donation campaigns, complemented the activities.

Among the organizations represented at the Forum, we highlight B3, Natura, Atados, InPacto, Childhood Brasil, Industry Federation of the State of Rio de Janeiro (Firjan), Sodexo, Federal University of Rio de Janeiro, Conectora de Oportunidades, Karibu, Troca, APAE-Rio, Converger, All Dubbing, PLVB, Asaprev, Ecolorir, Amoreira and Solar Meninos de Luz.

Human Rights and Diversity Program

The BR Distribuidora Human Rights and Diversity Program aims to ensure the rights of our workforce and our stakeholders, having as an assumption the promotion of fair and decent work conditions and appreciation of inclusive diversity, so that people may achieve their full potential.

The protection of human rights in our activities reinforces our socially responsible operation. Also, the promotion of diversity provides various benefits for companies: innovation, profitability, more creativity, better reputation, reduction of conflicts at a friendly and stimulating workplace.

The lines of activity and dimensions are in line with the Social Responsibility Policy, the Code of Ethics, and the Guide of Conduct which foresee the respect for human rights and diversity appreciation.

BR GENDER EQUALITY CAMPAIGN

With our Gender Equality Campaign, we seek to understand women's reality inside our corporate environment. A broad survey with employees, services provider(s), and trainee(s) identified chauvinist and sexist behavior, many of them unconscious or culturally ingrained, which were reproduced in posters, message boards, and in-house communication vehicles at headquarters. The 6-week campaign promoted during the first quarter of 2019 (and included March 8, the International Women's Day), was approved by 80% of BR's employees. This initiative caused an impact on media, mentioned by paid TV channel GNT and the activist profile "Quebrando o Tabu". In October, the campaign won the AMPRO Globes Awards with a silver medal in the Social, Environmental and Educational Project category.

Our Gender
Equality
campaign was
approved by
80% of our
employees



21 DAYS OF ACTIVISM

We participated in the campaign “21 Days of Activism for the End of Violence Against Women”, between November and December 2019, we posted in our social media profiles, messages of awareness and appreciation of women and human rights. This action takes place in 159 countries, also comprises the National Black Awareness Day (11/20), the World AIDS Day (12/01), and the Men Mobilization Day for the End of Violence Against Women (12/6). This campaign, part of the program “De Carona com Elas”, which since 2010, has sought to stimulate women’s autonomy at traffic and discussed issues, such as mobility, sorority and empowerment (<http://hotsitesbr.com.br/decarona>).



GENDER EQUALITY EVENT AT ORGANIZATIONS

Since 2018, we are signatories of the Women Empowerment Principles (WEPs), and concerning this specific topic, in May 2019, we promoted the event “Gender Equality at Organizations”, in partnership with Usina de Comunicação and Great Place to Work. Among the activities, we highlight presentations on toxic masculinity, gender division of labor, and double shift.

In August, we hosted the launch of the report “Paternity Situation in Brazil: Time to Act”, elaborated by the non-governmental organization, Promundo. The event had the participation of Gary Barker, Promundo’s CEO, who raised thoughts on young and black paternity, besides the roles played by companies and health sectors.



Also in December 2019, we organized the III WEPs Rio de Janeiro Forum, along with UN Women. Because of these and other initiatives, for the third consecutive year, we received the WEPs Brazil Award, in the Large Corporates category, granted to companies which value gender equality and women’s role in the workplace.

SOCIAL RESPONSIBILITY IN THE SUPPLY CHAIN

To be included in our records, suppliers need to electronically agree with a Statement of Social Responsibility, which covers issues relating to labor practices and human rights, such as the prohibition of child labor and forced labor (similar to slave labor or under degrading conditions), freedom of association and collective bargaining and prohibition of gender, race, religion or sexual orientation discrimination. These companies are also required to observe our Code of Ethics, Guide of Conduct, and our Social Responsibility Policy.

We are signatories of the National Pact for Eradication of Slave Labor, and we do not conduct business with companies included in the records of employers who had maintained slave labor. In cases when a business relationship is identified with any company included in these records, the contractual precepts setting out the termination of the relationship shall apply. Also, we require our suppliers to not maintain a business relationship with persons and companies listed in referred records, and we recommend the adherence to the National Pact for Eradication of Slave Labor.

Community engagement GRI 103 | 203

We seek a transparent dialogue with populations around our operations, with emphasis on communities nearby our headquarters in Rio de Janeiro and our lubricants plant, in the municipality of Duque de Caxias (RJ). We carry out actions in partnership with schools, community associations, and local organizations of public and private sectors.

The Community Relationship Plans are integrated into our Corporate Volunteering Program, which seeks to stimulate employees' participation in actions to contribute to local development. We also maintain an open dialogue channel with communities through our Customer Service (SAC) and Ombudsman which also receive complaints. The key topics and concerns raised in this engagement refer to safety issues, human rights, and community demands.

PARTICIPATION IN THE COMMUNITY COUNCIL OF CAMPOS ELÍSEOS

We participate in the Community Council, a space of exchange between organizations, which act, generate income and impacts in the region. In July 2019, we received in our headquarters the Advisory Community Council of Campos Elíseos – a body composed of local leaders of Duque de Caxias, municipality's businessmen, and representatives of BR Sustainability Coordination. We had the opportunity of presenting the plant's activities and discuss the business development outlook in the region.

PARTNERSHIP WITH KARIBU AND SANTA CABRINI FOUNDATION

During the Environment Week, in June, this initiative combined social responsibility and environmental management. Upcycling products, like vests of Petrobras services stations and BR Aviation promotional campaigns, were donated and converted into eco bags and straw-holder kits and sold at BR Mania stores chain. Items were produced by socially vulnerable communities and women prisoners, selected and trained by Santa Cabrini Foundation and Karibu social innovation startup.



CIRCO CRESCER E VIVER

We chose the partnership with “Crescer e Viver” Circus as our main private social investment (ISP) in 2019. Located close to our headquarters, in Cidade Nova neighborhood, the circus has a school for children and young people aged from 7 to 24, most of them from deprived communities.

BR sponsors this project through the Municipal Law of Incentive to Culture, which collaborates to raise participants’ self-esteem, strengthen autonomy, develop creativity and professional training. The “Crescer e Viver” Circus also promotes an event called Solidary Carnival to collect food destined for daycare centers in the region.

The rounds of conversation promoted with students of the “Crescer e Viver” arts program was another initiative that reinforced the community relationship and fomented discussions on human rights, through our Corporate Volunteering Program.

The Circus has been a relevant partner to develop actions in the district of Cidade Nova. During the Covid-19 pandemic, we jointly distributed staple baskets through food cards to socially vulnerable households, hygiene and cleaning materials for the social organizations operating in the surrounding area. This project also hired and trained local community agents to give support and guide the population on how to protect and prevent the spread of the virus.



CiR cres
CO cer &
viver

HEALTH, SAFETY & ENVIRONMENT

In this chapter

- Environment
- Health and safety



HEALTH, SAFETY & ENVIRONMENT

GRI 103 | 403



Our health, safety, and environment management (HSE) is guided by a structured Policy approved by the Board of Directors, which comprises guidelines and behavior aiming care with life, environment, and promotion of ethical and safe behavior at work. Among the commitments undertaken in our HSE Policy, we highlight:

- Reduce the risks to people's safety and health and reinforce processes security;
- Take care of each other at the workplace, and in case of doubt, stop and seek help;
- Prevent and minimize the environmental impacts of projects, processes, products, and businesses, bolstering the company's sustainability;
- Consider the HSE requirements and climate change in business decisions;
- Prevent, monitor and control the impacts of our activities in the communities in which we operate;
- Build up an HSE culture, focused on education, training, awareness, and discipline;

- Clearly communicate information and performance in HSE;
- Pursue the alignment with the industry's HSE good practices in conformity with laws, regulations, rules, and standards;
- Require from suppliers and partners, the observance to HSE requirements and recommendations, and foment its compliance by customers and related parties;
- Foresee and promptly respond to emergencies;
- Continuously implement HSE improvements.

With the Commitment to Life Program, we reinforce processes security, with analysis of risks, standardized combined actions, and a system of consequences.

The result of these efforts is the monitoring by means of indicators with annual targets to be achieved, such as oil and byproducts leakage impacting the environment (VAZO), the Recordable Accident Rate (TAR) and the Percentage of Lost Time (PTP).



| Health & Safety Indexes | Results in 2019 | Alert Limit in 2019 |
|---|-----------------|---------------------|
| Oil and byproducts leakage with impact on environment (VAZO, m ³) | 1,80 | 14,40 |
| Recordable Accident Rate (TAR accident/ million of HHER) | 0,38 | 0,75 |
| Percentage of Lost Time (PTP, %) | 1,92 | 2,35 |



Historical record efficiency in VAZO index



33%
Drop in the Recordable Accident Rate (TAR)

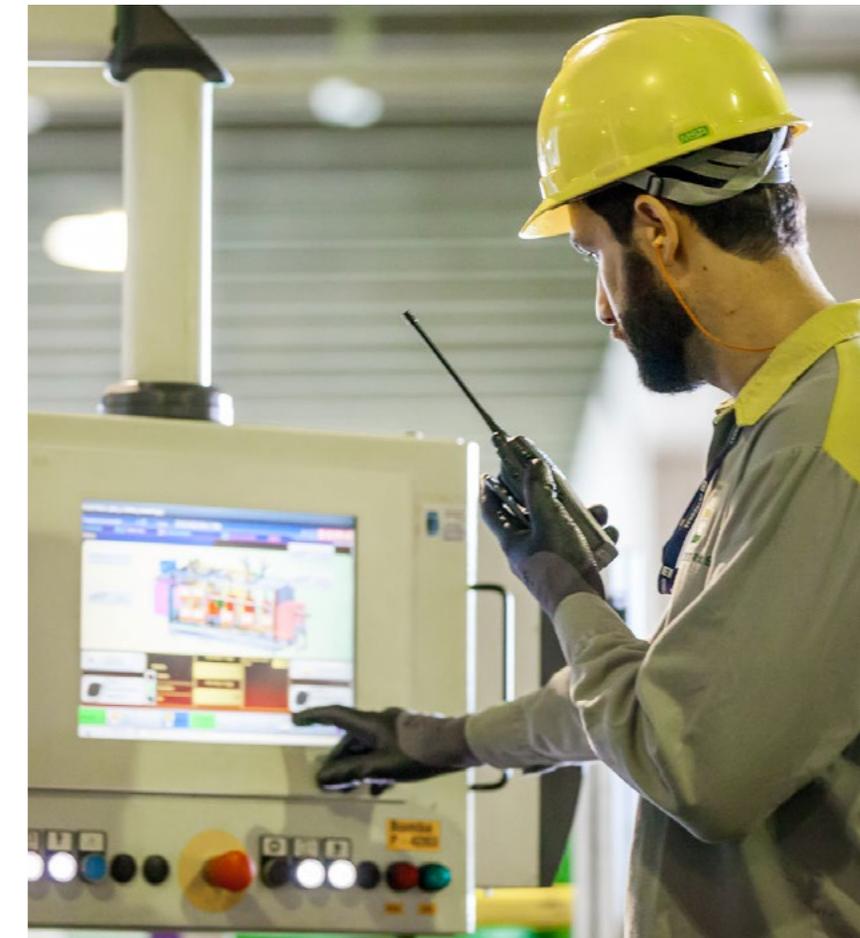
Our commitment is to maintain these indicators always below the alert limits; in 2019, we reached a historical record of efficiency in the VAZO index; TAR was 0.38, 33% lower than in 2018 (0.57), the decrease was greater compared to 0.82 in 2017. [GRI 402-3](#)

Our gas stations offer training to attendants to make them capable of preventing and reacting to environmental and safety emergencies. We also recorded positive results in HSE management in our product transportation. Targets relating to accident prevention were fully achieved.

Our infrastructure has 18 units with an Integrated Management System, of which 16 are bases of fuel distribution, one lubricant plant, and natural gas distribution in the State of Espírito Santo. The international quality (ISO 9001:2015), environment (ISO 14001: 2015) occupational health and safety (OHSAS 18001:2007) standards are the references adopted in the certification process. Formal health and safety committees – the Committee of Health Multidisciplinary Assistance (AMS) and the Executive Committee of Health, Safety & Environment (HSE) – account for 100% of the company's workers. [GRI 403-1](#)

Within the labor scope, agreements signed with unions that represent our employees include topics relating to workers' health and safety. The development of initiatives

to improve life quality and occupational health and safety conditions, the creation and activities of CIPAs, and regular health examinations are foreseen in the agreements. [GRI 403-4](#)



ENVIRONMENT

Our environmental performance is improved with training and information systems, seeking to reduce the use of natural resources, manage water, effluents, and drinkable water resources, minimize solid waste generation and atmospheric emissions, prevent impacts on biodiversity and eco-efficiently product transportation. The maintenance of environmental compliance, by monitoring licenses and other legal authorizations relating to the environment, is also this area's priority.

Environmental Cultural Program

We launched on June 5, 2019 (World Environment Day), our Environmental Cultural Program in 22 operating units in the different Brazilian States. In line with our Sustainability Agenda, this Program seeks to disseminate a culture of care with the environment and preservation of natural resources, focused on daily actions. As a priority of the phase of the launch, works were concerned with the prevention of small leaks at operating units, with short-term objectives to reduce the generation of waste and risk of contamination of soil and water.

Water and effluents resources GRI 103 | 303

Among our HSE guidelines, we are required to elaborate and implement water and effluents resources management systems across all our units. Management must include the assessment of resources availability, the monitoring of water quality (collected, distributed, returned to the environment), the rational use, and generation of potentially polluting substances.

Our activities neither use relevant quantities of water in its processes nor demand significant withdrawals

to affect the natural water sources. Even so, we act in two fronts to preserve water resources: reduce the freshwater capture and the generation of effluents. We practice actions, such as rainwater reuse, greywater reuse, installation of taps to decrease dual-drive flow and discharge. Our headquarters has rainwater and greywater treatment stations, allowing us to reuse these two water streams and contribute to the building supply. GRI 303-2

To decrease effluents generation, we prevent leakages and we separate oily and rainwater streams from our operating units. Our industrial effluents are treated and monitored before being launched to the environment safely and in conformity with prevailing laws. With our Effluents Program, launched in 2019, we pursue several structural and behavioral improvements to reduce losses and collapses in processes and improve the quality of effluents generated.

All water resource is managed through a computerized system, which comprises quantitative and qualitative water and effluents data, besides control of compliance with legal obligations.



Percentage and total volume of recycled and reused water GRI 303-3

Our water consumption in 2019 came within standard seen over the last three years, without any relevant alterations

Water withdrawn by source (thousands of m³)^{1,2,3}

| Water withdrawn by source (thousands of m ³) | 2017 | 2018 | 2019 |
|---|--------------|--------------|--------------|
| Surface water, including wet areas, rivers, lakes, and oceans | 4,6 | 4,4 | 4,9 |
| Underground water | 55,5 | 74,5 | 74,5 |
| Rainwater directly collected and stored by the organization | 3,8 | 1,6 | 3,1 |
| Water municipal supply or other water supply companies | 269,9 | 284,4 | 300,7 |
| Total | 333,7 | 364,9 | 383,2 |

¹ In case of water received from concessionaires and other supply companies, information is sought in invoice/water bill. In other cases, like few supplies by Petrobras, information is an estimate. Data observe the Water Balance methodology.

² Data available referring to 2019, in thousands of m³. Underground water: 5.45; = Rainwater directly collected and stored by the organization = 0.77; Water municipal supply or other water supply companies = 20.1 and Total 26.36. It was not possible to outline a comparison with historical series since data consider different parameters due to lower production in 2019 and FNOAS unit's suspension of industrial activities on 03/31/2019.

³ Consumption extracted from water monthly bill issued by the concessionaire. At Paulínia unit (FLIN), through well hydrometer reading. Rainwater volume collected is estimated.

Percentage and total volume of water recycled and reused GRI 303-3**Recycled and reused water**^{1,2}

| Recycled and reused water | 2017 | 2018 | 2019 |
|--|-------|-------|-------|
| Water recycled and reused by the organization (thousands of m ³) | 3,2 | 1,4 | 1,4 |
| Water withdrawn (thousands of m ³) | 333,7 | 364,9 | 383,2 |
| % of recycled and reused water | 0,95 | 0,38 | 0,38 |

¹ Most of water consumption data represent a measurement, and a small portion is estimated. Data observe the Water Balance methodology.

² Asphalt factories: Parameters estimated due to units' average consumption and capacity of recovery boxes (water/oil separators). Data broken down (thousands of m³): Water recycled and reused by the organization (thousands of m³) 0.165; Water withdrawn (thousands of m³) 26.36.

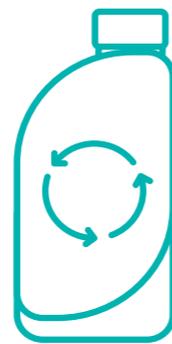
Waste

Main waste generated by our activities are oily waste and metal barrels. Oily waste is preferably sent to co-processing - where they are reused in cement furnaces with energy reuse and ashes are incorporated into cement produced. Barrels go through reconditioning and recycling.

We monitor the entire waste management process to ensure the licensees' correct separation, transportation, and destination. We also control applicable documentation, in compliance with related laws.

The waste phases and documentation are managed by a computerized system, with a continual critical analysis of data, seeking potential waste reduction processes. Concerning the waste generated in the consumption of our products, the lubricant oil used or contaminated (OLUC) and lubricant packages used are the most relevant. We observe the national target of OLUC collection, which after collection is destined to recycling through the re-refining process, and subsequent use in the production of new lubricants. Lubricants plastic packages are collected and environmentally and correctly destined through Jogue Limpo Institute a reverse logistics program to which BR is a founder associate.

Our workforce is also included in the initiatives to reduce and appropriately separate waste. Actions to reduce the consumption of paper and disposable materials are executed throughout the year. In 2019, we hit the mark of 1 million plastic cups not disposed of in our headquarters, stimulating the use of reusable mugs and cups.



Lubricants plastic packages are collected and environmentally-correctly disposed of through Jogue Limpo Institute

Atmospheric emissions



GRI 103, 201-2, 305

We consider in our strategy the idea of a future based on a low-carbon economy. We are committed to the transition to this future and we contribute in many ways for this purpose: reducing the intensity of our GHG emissions, developing businesses with renewable energy, and acting jointly with our suppliers, customers, and partners. We will be ready to answer to risks and opportunities posed by climate change, working with the following topics:

- Operational efficiency: The lower intensity of our emissions through continual improvement of our activities.
- Value chain: partnerships to offer eco-friendly solutions.
- Renewable energy: business development with high value clean energy.

We recognize storms, floods, and other climate effects as operational constraint risks. These risks may be potentially altered in their frequency and intensity due to climate changes.

We also consider the risk of limited use of fossil fuel in a future low-carbon energy matrix. Also, we identified as an economic risk the potential loss of revenue and higher logistics expenses due to climate change, since the supply of products may be jeopardized in regions affected by a heavy rainfall period.

In 2019, we started developing business opportunities in energy distributed generation, in synergy with other products and services. The main difficulty identified is related to the volatile and uncertain regulatory scenario in the country, with discussions involving several sectors of society.

We seek to find opportunities to intensify the offer of renewable energy solutions, building customer loyalty, and attracting new stakeholders, with mutual economic benefits.



We seek to identify opportunities to broaden the offer of renewable energy solutions

EMISSIONS INVENTORY

Since 2006, we have been conducting the emissions inventory through our own computerized system yearly submitted to a third party's check, according to ISO 14.064 standard, and sent to [GHG Protocol's](#) public registration, together with Petrobras. From 2019, our inventory started to be independently built and sent to [GHG Protocol's](#) registration independently.

We have detailed information, registered source by source, for greenhouse gases (carbon dioxide - CO₂, methane - CH₄ and nitrous oxide -N₂O).

We control and monitor the emissions from volatile organic compounds (COVs) by means of technologies, such as seals and floating ceilings in storage tanks; the fuel bottom-loading, which reduces the risks of gases inhalation and the turbulent regime when filling tank trucks, generating fewer emissions. We also rely on steam recovery units in a few distribution bases.

We monitor the use of ozone-depleting substances (SDOs) in our facilities to comply with Brazilian laws, which foresee their removal. These emissions mainly derive from air conditioner systems, without emissions from our production processes. To observe the Conama resolutions

436/2011 and 382/2006, we also monitor the emissions of pollutants regulated in our fixed sources.

At our Asphalt Emulsion Factories, we seek to use cleaner fuels such as natural gas used at the Maracanaú and Ponta Grossa units, and the [liquefied petroleum gas](#) (LPG) used in the Betim unit, in order to reduce impacts on the environment. At the Ponta Grossa plant, we monitor air emissions every six months.



Direct (Scope 1) GHG emissions GRI 305-1

The reduction in total emissions in 2019 is due to lower handling of products caused by Brazil's economic activity slowdown.

| Direct GHG emissions (t CO ₂ equivalent) ¹ | 2017 | 2018 | 2019 |
|--|-------------------|-------------------|-------------------|
| Generation of electricity, heat or steam | 37.574,21 | 38.385,24 | 41.896,46 |
| Transportation of materials, products, waste, employees and passengers | 126.161,39 | 126.515,55 | 118.344,88 |
| Fugitive emissions | 182,72 | 81,76 | 81,76 |
| Total CO₂ gross emissions | 163.918,32 | 164.982,55 | 160.323,10 |

¹ Calculations above consider CO₂, CH₄ and NO₂ gases. Exceptionally, 2017 data also consider HFCs emission, due to the use of cooling gases during that cycle. Base year 2012 (Eco-efficient Transport Program).

The operational control approach was selected to consolidate emissions data. Tools applied in the inventory and conversion factors: GHG Protocol, National Inventory of Atmospheric Emissions by Highway Automotive Vehicles 2013 - Base Year 2012, AP-42: Compilation of Air Emission Factors Environmental Protect Agency - EPA and IPCC Guidelines for National Greenhouse Gas Inventories - 2006.

| CO ₂ biogenic emissions (t CO ₂ equivalent) ¹ | 2018 | 2019 |
|--|-----------|-----------|
| Scope 1 | 16.962,44 | 17.837,37 |

¹ Data were available from 2018.

Indirect (Scope 2) emissions deriving from the acquisition of energy GRI 305-2

| Indirect emissions deriving from the acquisition of energy (t CO ₂ equivalent) ¹ | 2017 | 2018 | 2019 |
|--|-----------|-----------|-----------|
| Indirect emissions | 17.629,00 | 16.847,00 | 15.635,01 |

¹ The BR calculation considers CO₂, CH₄, and N₂O gases. Base year 2012. The operational control approach was selected to consolidate emissions data. Emissions factors applied: electric grid: MCTI, Steam: Compendium of Greenhouse Gas Emissions Estimation Methodologies for the Oil and Gas Industry. The asphalt factories calculation only considers CO₂. Base year 2019.

Other indirect (Scope 3) GHG emissions GRI 305-3

| Other GHG emissions (t CO ₂ equivalent) upstream and downstream ¹ - BR | 2017 | 2018 | 2019 |
|--|----------------------|----------------------|----------------------|
| Activities relating to energy and fuels | 5.762,06 | 2.445,96 | 2.333,53 |
| Transportation and distribution | 214.540,70 | 181.220,90 | 173.083,17 |
| Use of products sold | 90.219.128,00 | 83.440.986,00 | 79.445.017,00 |
| Total | 90.439.430,76 | 83.624.652,86 | 79.620.433,70 |

¹ Calculations above consider CO₂, CH₄, and N₂O gases. Other Scope 3 sources are not considered in BR inventory due to the relevant representativeness of the product use category. Base year 2012. The operational control approach was selected to consolidate emissions data. Tools and emissions factors applied: CDP 2016 (Tool Scope 3 O&G), Brazil GHG Protocol, National Inventory of Atmospheric Emissions by Vehicles.

Highway automotive vehicles 2013 – Base Year 2012, MCTI, GWP, AR4 - IPCC, IPCC Guidelines for National Greenhouse Gas Inventories - 2006.

In the case of our asphalt factories, the inventory initiated in 2019 calculated 9,465.82 t CO₂ equivalent deriving from transportation and distribution (outsourced fleet). These data only consider CO₂ gas and was calculated based on tools: energy efficiency by energy source kg of CO₂: <http://www.en.ipea.gov.br> and distance covered: MSV Stratura Corporate System (Freight Control Report).

| CO ₂ biogenic emissions (t CO ₂ equivalent) | 2017 | 2018 | 2019 |
|---|------------|------------|------------|
| CO ₂ biogenic emissions | 11.199.065 | 12.764.861 | 13.421.311 |

Intensity of GHG emissions GRI 305-4

Our energy intensity came in line during the 2017-2019 period. In the last year, the lowest index was recorded in the period, reflecting our efforts to reduce the intensity of emissions by means of greater eco-efficiency in processes, the business developed in renewable energies and joint action with suppliers and customers.

| Intensity of GHG emissions in "ton CO ₂ eq/thousand m ³ " | 2017 | 2018 | 2019 |
|---|------------|------------|------------|
| Total of BR product handled, in "thousands of m ³ " ¹ | 42.298,03 | 42.290,15 | 41.862,52 |
| Total GHG emissions (t CO ₂ equivalent) ² | 163.918,32 | 164.982,55 | 160.323,09 |
| Intensity of GHG emissions | 3,88 | 3,90 | 3,83 |

¹ Calculation relating to the total emissions by total handling of product at the measurement unit "thousands of m³".

² Calculation considers direct emissions (scope 10 of gases CO₂ - carbon dioxide, CH₄ - methane, and N₂O - nitrous oxide).

Reduction of GHG emissions GRI 305-5

| Reduction of GHG emissions (t CO ₂ equivalent) | 2017 | 2018 | 2019 |
|--|------------------|------------------|------------------|
| Reductions deriving from (Scope 1) direct emissions ¹ | 10.781,38 | 16.420,66 | 10.174,21 |
| Reductions deriving from indirect (Scope 2) emissions of energy acquisition ² | n.a | n.a | 21,23 |
| Reductions deriving from other Indirect emissions (Scope 3) ¹ | 10.751,98 | 12.911,18 | 8.758,02 |
| Total reductions of GHG emissions³ | 21.533,36 | 29.331,84 | 18.953,46 |

¹ Scopes 1 and 3 avoided emissions refer to the eco-efficient transport program where emissions are compared in two scenarios, with and without program initiatives.

² The reduction of Scope 2 emissions is due to initiatives at the company's headquarters to lower electricity consumption. The reduction reported refers to 2018. In 2017 and 2018, this measurement was not recorded.

³ We do not have emissions offset. The index does not apply to our asphalt factories.



Energy Efficiency



GRI 103 | 302

We developed several actions to reduce energy consumption in our operations. Approximately 90% of the total energy consumed by BR is employed in the transportation of products sold.

Developed since 2013, the Eco-Efficient Transportation Program aims at reducing energy consumption and avoiding GHG emissions in the transportation of products. The target is until 2022, obtain a reduction in fuel consumption corresponding to the entire volume consumed by the company in 2012 – a total of 174,000 m³ of fuel.

Energy consumption is managed by an in-house databank, by inserting and monthly checking electricity consumption and each type of fuel used by our operating, administrative units, and vehicles. We use this information to obtain corporate indexes, critical analyses, and devise action plans.

Among the actions implemented, we highlight the upgrade and the increased capacity of contracted truck fleet, the replacement of modes with those consuming less energy per cubic meter of product transported, the

renovation of own fleet and conference calls to reduce the number of employees' air travels.

Since 2018, along with other leading Brazilian logistics sustainability companies, we have been participating in the Brazil Green Logistics Program (PLVB). In partnership with universities and other institutions, the PLVB develops methodologies and disseminates good practices in logistics, besides fomenting cooperation and recognizing the Transport Green Seal. In 2019, our Eco-Efficient Transport Program was published in the "Sustainability Excellence Guide: Good Practices for Cargo Transportation", launched by PLVB.

Photovoltaic energy at headquarters and services stations

Our headquarters, the Lubrax building, has the international certification Leadership in Energy and Environmental Design (LEED), which attests the compliance with sustainability requirements, including lower consumption of resources, electricity, and water. Since 2018, we have initiated the operation of the solar energy generation system installed in the building. Internally developed, this project relies on 274 photovoltaic panels which capture solar energy sufficient to light a whole floor.

In April 2019, we inaugurated our first floating services station in the State of Minas Gerais, called Beira Rio III. As a differential, this unit has 54 solar panels on the vessel ceiling, capable of supplying 30% of electricity consumed. Besides selling Verana Diesel (high-performance fuel), Beira Rio III docked in a reservoir of the city of Capitólio, also has a BR Mania store.



Eco-efficient Transportation Program was published in the "Guide of Excellence in Sustainability: Good Practices for Cargo transport" of PLVB



Our headquarters has 274 photovoltaic panels installed

With technical advisory services and funds, we assisted in the implementation of photovoltaic energy generation systems energy offset system may save up to 30% of electricity expenses. Another alternative is the distributed generation, with remote energy self-production, a service also developed by BR Distribuidora.

ENERGY CONSUMPTION INDICATORS

Energy consumption inside the organization GRI 302-1

The fuel consumption from non-renewable sources came in line with previous years, declining 3 percentage points in relation to 2018, mainly due to lower diesel consumption. The electricity acquired has been seeing a slight reduction since 2017, due to photovoltaic self-generation and energy efficiency actions. The total balance of BR's energy indicators decreased 0.2% compared to the previous year.

In the asphalt plants, there was an increase in energy consumption outside the organization due to the increase in fuel consumption (diesel) in transport operations throughout the national territory, due to the greater distances covered in new commercialization areas, as well as increased CAP transfers between refineries and our factories, in order to meet the company's strategy of increasing units' inventories.

Energy consumption from renewable sources (GJ)

Photovoltaic energy



| Fuel consumption from non-renewable sources (GJ) | 2017 | 2018 | 2019 |
|--|---------------------|---------------------|---------------------|
| Diesel | 2.253.350,23 | 2.322.048,63 | 2.278.672,48 |
| Natural gas | 11.144,36 | 26.166,54 | 6.467,63 |
| LPG | 4.698,10 | 9.830,18 | 5.148,15 |
| NGV | 6.377,26 | 6.453,26 | 25.083,67 |
| Fuel oil | 35.518,89 | 39.528,53 | 72.845,04 |
| Gasoline | 12.725,34 | 26.834,57 | 14.906,35 |
| Total | 2.323.814,18 | 2.430.861,71 | 2.403.123,32 |

Source of conversion factors: National Energy Balance 2019: Base Year 2018 / Energy Research Company -Rio de Janeiro. EPE, 2019. Average fuel equivalence coefficients (multiplication factor to convert cubic meter into giga-joule): diesel oil >> 35.5; fuel oil >> 40.07; automotive gasoline >> 22.24; LPG >> 26.58; NGV >> 0.03684 and natural gas >> 0.03684.

| Energy consumed (acquired) (GJ) | 2017 | 2018 | 2019 |
|---------------------------------|-------------------|-------------------|-------------------|
| Electricity | 146.564,38 | 143.447,44 | 141.904,59 |
| Steam | 207.542,54 | 119.697,83 | 185.636,97 |
| Total | 354.106,92 | 263.145,27 | 327.541,56 |

| Total energy consumed (GJ) | 2017 | 2018 | 2019 |
|----------------------------------|---------------------|---------------------|---------------------|
| Fuels from non-renewable sources | 2.323.814,17 | 2.430.861,72 | 2.403.123,31 |
| Fuels from renewable sources | | 103,18 | 398,3 |
| Energy consumed | 354.106,92 | 268.689,72 | 327.541,56 |
| Energy sold ¹ | NA | NA | NA |
| Total | 2.677.921,09 | 2.699.654,62 | 2.731.063,17 |

¹ Reason for omission: energy sold not applicable to both organizations. At BR, the energy sold is classified as fuel, even when provided to thermal plants (diesel) to generate electricity.

Source of consumed energy conversion factors: National Energy Balance 2019: Base year 2018 / Energy Research Company. - Rio de Janeiro. EPE, 2019.



Energy consumption outside the organization GRI 302-2

We contract fuel transportation services and other products via highway (collection and transfer), railway and waterway modes. Each operation records distance and transported volume data. To calculate the total external consumption of the organization, we sum total distance, for each mode by respective average consumption.

In our asphalt plants, there was an increase in energy consumption outside the organization due to the increase in fuel consumption (diesel) in transport operations throughout the national territory, because of the greater distances covered in new commercialization areas, as well as increased CAP transfers between refineries and our factories, in order to meet the company's strategy of increasing units' product stock.

| Energy consumed outside the organization (GJ) | 2017 | 2018 | 2019 |
|---|--------------|--------------|--------------|
| | 3.076.701,06 | 2.762.919,24 | 2.516.949,44 |

Diesel conversion factor (m³ para GJ): >> 35.5. Source: National Energy Balance 2018: Base Year 2017 / Energy Research Company - Rio de Janeiro. EPE, 2018.

Asphalt Factories Calculation Basis – Total distance travelled in 2019: 7,385,172km (7,856 travels= average 940km/travel) / Diesel average consumption in heavy vehicles: 2.5 km/l / Diesel heat value: 10,100kCal/kg /0.239 /1,000,000 = 0.04226 GJ/kg x 0.8400 kg/l = 0.0355 GJ/l.



Energy intensity GRI 302-3

We observe energy and efficiency management internal standards, in line with complementary documents: N-2894 – Energy Performance Requirements for Industrial Facilities Projects and ABNT NBR ISO 50.001:2011 – Energy Management Systems – Requirements with Use Guidelines.

| Energy Intensity | 2017 | 2018 | 2019 |
|---|--------------|--------------|--------------|
| Total volume of products handled In the company's operations, including sales, supplies and transfers (m ³) | 42.298,03 | 42.379,39 | 41.930,76 |
| Energy consumption within the organization (GJ) ¹ | 2.677.921,10 | 2.694.110,16 | 2.731.063,17 |
| Energy intensity within the organization (GJ/m ³) | 63,31 | 63,57 | 65,13 |
| Energy consumption outside the organization (GJ) | 2.999.108,40 | 2.762.919,24 | 2.516.949,44 |
| Energy intensity outside the organization (GJ/m ³) | 70,90 | 65,19 | 60,03 |
| Total energy consumed within the organization (GJ) | 5.677.029,50 | 5.457.029,40 | 5.248.012,61 |
| Total energy intensity of the organization (GJ/m ³) | 134,21 | 128,77 | 125,16 |
| % of energy intensity within/outside the organization | 0,89 | 0,98 | 1,09 |

¹It considered only the consumption of non-renewable fuels.

Conversion factors applied according to the guidelines of the National Energy Balance 2019: Base Year 2018 / Energy Research Company. - Rio de Janeiro. EPE, 2019



Reduction of energy consumption GRI 302-4, 302-5

We continuously work to optimize the use of energy, seeking initiatives that reduce consumption to include more efficient technologies (in lightning and air conditioner, for instance) and more rational operational practices. In 2019, we reduced 112.79 GJ of electricity consumed through conservation and efficiency improvements. The measurement compares consumption with the greatest representativeness actions in electricity consumption.

The Eco-efficient Transport Program adopts a methodology that allows comparing annual fuel consumption with the base year (2012). The difference between consumption amounts is the efficiency gain obtained, that is to say, the reduction of energy used, with a focus on highway mode. Among the initiatives implemented, we highlight the fleet upgrade, trucks greater capacity and modal transfers, compared with a scenario in which initiatives had not been carried out.

Reduction in energy requirements of products and services sold (GJ)



Biodiversity protection

Due to Brazilian territory extension and diverse operations, we have constant interactions with **protected areas** and **sensitive areas**.

To identify these areas is important, so that we adopt impact prevention, mitigation, or recovery measures, in view of relevance in terms of biodiversity and ecosystem services. The location and characterization of protected and **sensitive areas** are essential for managing several HSE-related processes.

The risk management and biodiversity impacts seek to minimize the impacts both in the development of new ventures and in current operations.

We also develop guidelines to our workforce on the conduction of routine operations interfacing with domestic, **synanthropic**, and wild fauna and flora.

HEALTH AND SAFETY

GRI 103-2 | 403



The Life Commitment Program is the main instrument of our HSE management and envisages structuring actions to support our improved performance in health and safety issues. The Program's actions comprise our key activities, including byproduct distribution bases and areas of aviation, chemical products and lubricants, natural gas network, services stations network, sustainability, shared services, large consumers, and engineering.

Our products and services undergo health and safety risk assessments, aiming at protecting neighboring communities and the end consumer. Evaluation results unfold in management and execution standards, containing safe practices, in Information Records of Chemical Products Safety (FISPQ), and Emergency Records (FE) for Transportation of Hazardous Products.

We regularly promote audits to assess the impacts on health and safety of products and services in our facilities. The impacts on health and safety generated by products and services are assessed to promote improvements in the following life cycle stages: development of product concept; research and development; certification; manufacturing and production; marketing and promotion; storage,

distribution and supply; use and maintenance; and disposal, reuse, or recycling.

Also, our Safe Works Program seeks to reinforce the HSE rules and requirements applicable to engineering areas and operations with contractors and employees. Created to minimize the risks of accidents at works, with nationwide coverage, it establishes different rules of conduct for contractors and our employees.

We carry out in-house preventive health programs and campaigns focused on healthy food, fight against sedentary life, and promotion of mental health. We advanced in the management of leaves due to health problems, by reducing the lost time index by 11% compared to 2018.



Occupational safety indexes GRI 403-2

Our occupational safety indexes have been continuously improving over the past years. Between 2017 and 2019, the number of injuries declined by 52%. In 2019, eight injuries were recorded with leave and one fatality, all of them only involving men. The absenteeism and lost days indexes plunged, as well as injury rate.

BR's Environmental Risk Prevention Program (PPRA), which is issued for each workplace at the Company, includes an assessment and control of occupational risks. We do not have employees with occupational diseases identified. At our asphalt factories, 68 employees (30% of the total workforce, including own employees and outsourced workers) are allocated in operating units under stricter control of exposure to occupational risks. GRI 403-3

**Reduction of
52%**
at injury rate
between 2017
and 2019



| Employees' health and safety rates ^{1,5,6} | 2017 | 2018 | 2019 |
|---|------|------|------|
| Number of injuries ² | 23 | 16 | 11 |
| Injury rates ² | 0,82 | 0,57 | 0,38 |
| Lost days rate ³ | 288 | 292 | 45 |
| Absenteeism rate ⁴ | 2,01 | 2,16 | 1,92 |
| Number of fatalities | 0 | 1 | 1 |

¹ The rules system to record and report accident statistics is based on NBR 14280 – Occupational Accident Record - Procedure and Classification and BR's specific standards on this issue.

² "Number of injuries" and "Injuries rate" consider all fatality accidents, with and without leave, including cases of first aid and medical treatment. Deaths are included in the injury rate.

³ The calculation of "lost days", considers calendar days. Counting begins on the first day after the day of the accident and ends one day before the injured employee's day of return.

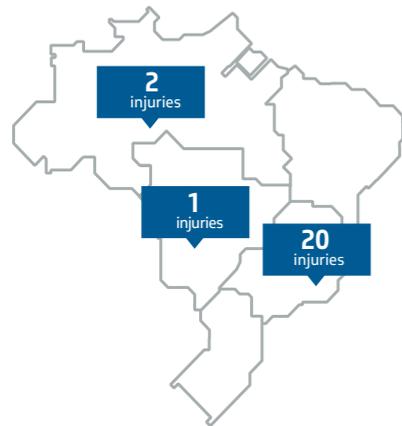
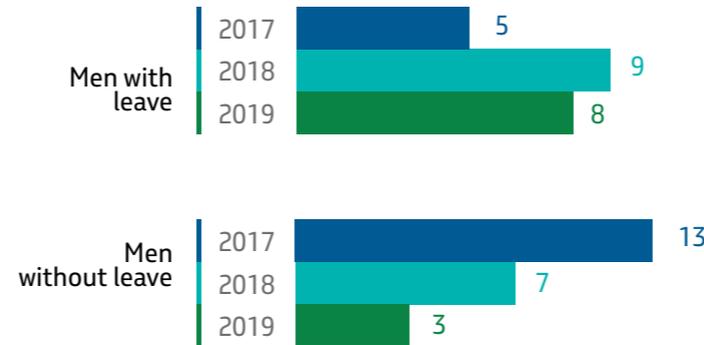
⁴ The absenteeism rate calculation considers only our own employees.

⁵ BR also does not calculate the rate of days lost, therefore it reports absolute values.

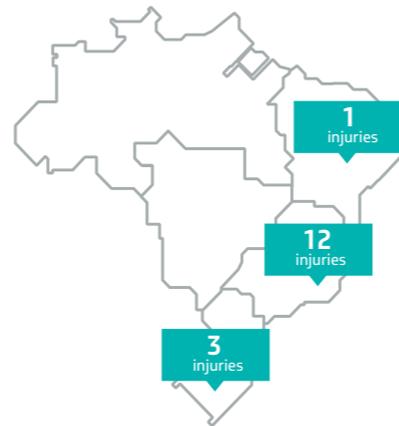
⁶ Injured employee and absenteeism rates (due to health reasons) informed usually are calculated only globally, not broken down by gender or by Region. Frequency calculations include employees, contractors, interns and drivers working for BR.

WORK SAFETY INDICATORS GRI 403-2

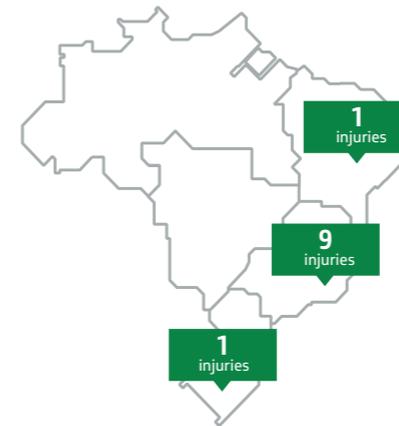
Number of employee injuries



2017



2018



2019

Safety at roads

BR's fuel and lubricant transportation fleet is composed of over 5,000 trucks, which every hour, complete approximate 40,000 km traveled throughout the country.

The traffic accident frequency rate calculated by millions of km traveled (TFAT) was 0.05 in 2019, 17% lower than in (0.06). We maintain two initiatives concerned with accident prevention and safe behavior incentive in the conduction of fuel and lubricant transportation by contracted fleets: the "Motorista DEZtaque" Program and the Transport HSE Risk Management Program.

The "Motorista DEZtaque" Program stimulates, acknowledges and rewards those observing the precepts of Zero Accident Pact in Product Highway Transportation (PAZ) – which seeks to disseminate rules on defensive driving, cautious on road, procedures in cases of emergency and respect to the working hours limits. With this program, we encourage participants to adhere to PAZ, the activities foreseen in the Transportation Risk Management Program (PGR) and traveling without infringing rules. Fewer infringements recorded, more driver gains a better ranking in the program; those most well classified receive "virtual coins" which can be exchanged with rewards.

Since its creation in 2012, the "Motorista DEZtaque" Program contributed to reducing by 79% and 99.43% the occurrence of accidents with contracted fleet and leakages, respectively.

In 2019, we had more than 4,000 drivers, a historical record. Top 10 program participants were invited to participate in a practical driving test in a cutting-edge simulator at the parking lot of Maracanã stadium, in Rio de Janeiro. Seven drivers won a car, each.

The Transportation HSE Risk Management Program (GR) comprises the management of agreements with transportation companies, including vehicles and drivers. Verifications include actions of control, improvement, and reduction of risks of transportation companies's drivers; adequacy of vehicles concerning HSE legal and normative requirements through checklist; drivers training and awareness, as to defensive driving and accident prevention; and travel monitoring.

Within the same context of safe traffic, in 2019, we started monitoring in real-time our light vehicle fleet travels (nearly 700 automobiles and smaller utility vehicles). This monitoring contributes to a quick response to emergencies and plan accident prevention measures.



Customer health and safety

GRI 103 | 416

Our HSE policy discusses the prevention and minimization of environmental impacts of projects, processes, products, and businesses, bolstering the company's sustainability. The policy also foresees that suppliers and partners observe HSE requirements and recommendations, and foment customers and other related parties' observance to these recommendations. All products undergo risk assessment phases concerning health, safety, and environment, aiming at protecting workers, neighboring communities, and end consumers. GRI 416-1

Customer health and safety management is mainly monitored and assessed by sales executives, who are always in contact with resellers and consumers through contacts via Customer Services (SAC); a 24/7 toll-free number (0800 2444 33). Safety Information Records on Chemical Product and Emergency Records of Hazardous Product Transportation can be consulted at the website: <http://www.br.com.br/pc/seguran-ca-e-emergencia/>.

Our services stations recorded a compliance index of 98.4% in 2019 in the ANP Fuel Quality Monitoring Program, above the industry average.

This result reflects our structured processes to assure quality, such as our Integrated Management System, considering the management of the quality, environment, occupational health, and safety. GRI 416-2



GRI EXHIBIT

With our Sustainability Report 2019, we reinforce our commitment to improving communication and relationship with our employees, shareholders, suppliers, consumers, and communities. Information contained in this PDF file refers to the period from January 1 to December 31, 2019, and includes, where applicable, data relating to our asphalt factories.

Our report was prepared in accordance with the Global Reporting Initiative standards (GRI), Core option, also considering our material topics. Information and limitations relating to specific disclosures are indicated in the GRI Content Index (included at the end of the report) or throughout the content presented.

Questions, critics, and suggestions on the content report can be sent to Consumer Service through our channels of communication:

Telephone: 4090 1337 (city capital) or
0800 770 1337 (other regions)

Electronic form:

www.br.com.br/faleconosco

GRI 102-46, 102-50, 102-53, 102-54

SUSTAINABLE DEVELOPMENT GOALS (SDG)



GRI CONTENT INDEX GRI 102-55

| GRI Standard | Disclosure | Page/URL | Omission | SDG |
|-------------------------------|---|---|----------|-----|
| GENERAL DISCLOSURE | | | | |
| GRI 101: Foundation 2016 | | | | |
| Organizational Profile | | | | |
| GRI 102: General Disclosures | 102-1 Name of the organization | | | |
| | 102-2 Activities, brands, products and services | 9 | | |
| | 102-3 Location of headquarters | Rua Correia Vasques, 250, Cidade Nova, Rio de Janeiro – RJ | | |
| | 102-4 Location of operations | 32 | | |
| | 102-5 Ownership and legal form | A publicly-held corporation, listed at B3's <i>Novo Mercado</i> : https://ri.br.com.br/governanca-corporativa/composicao-acionaria/ | | |
| | 102-6 Markets served | 7 e 9 | | |
| | 102-7 Scale of the | 7, 22, 27, 29 e 32 | | |
| | 102-8 Information on employees and workers | 22 | | 8 |
| | 102-9 Supply chain | 37 | | |
| | 102-10 Significant changes to the organization and its supply chain | 7, 12 e 24 | | |
| | 102-11 Precautionary principles or approach | At BR, the application of precautionary principles is reflected in a formal risk management policy, Social Responsibility Policy and Sustainability Agenda guidelines. | | |
| | 102-12 External initiatives | 51 | | |
| | 102-13 Membership of associations | 38 e 51 | | |

| GRI Standard | Disclosure | Page/URL | Omission | SDG |
|------------------------------|---|----------|----------|-------|
| Strategy | | | | |
| GRI 102: General disclosures | 102-14 Statement from senior decision-maker | 4 | | |
| | 102-15 Main impacts, risks, and opportunities | 51 | | |
| Ethics and integrity | | | | |
| | 102-16 Values, principles, standards and norms of behavior | 8 | | 16 |
| | 102-17 Mechanisms for advice and concerns about ethics | 18 | | 16 |
| Governance | | | | |
| GRI 102: General disclosures | 102-18 Governance structure | 14 | | |
| | 102-19 Delegating authority under economic, social, and environmental topics from highest governance body to executives and employees | 15 | | |
| | 102-20 Executive-level responsibility for economic, environmental and social topics | 15 | | |
| | 102-21 Consulting stakeholders on economic, environmental and social topics | 10 | | 16 |
| | 102-22 Composition of the highest governance body and its committees | 15 | | 5, 16 |
| | 102-23 Chair of the highest governance body | 15 | | 16 |
| | 102-24 Nominating and selecting the highest governance body and its committees | 15 | | 5, 16 |
| | 102-25 Conflicts of interest | 17 | | 16 |

| GRI Standard | Disclosure | Page/URL | Omission | SDG |
|-------------------------------|--|---|----------|-----|
| | 102-26 Role of the highest governance body and executives in the development, approval and update of purpose, mission statement, vision and values | 51 | | |
| | 102-27 Collective knowledge of highest governance body | Information available at https://ri.br.com.br/governanca-corporativa/administracao/ | | 4 |
| | 102-28 Evaluating the highest governance body's performance | It shall be incumbent upon the Board of Directors to yearly evaluate the performance results of individuals and groups, managers and members of the statutory advisory committees | | |
| | 102-29 Identifying and managing economic, environmental and social impacts | 10 e 20 | | 16 |
| | 102-30 Effectiveness of risk management process | 20 | | |
| | 102-31 Review of economic, environmental and social topics | 10 | | |
| | 102-32 Highest governance body's role in sustainability reporting | It shall be incumbent upon the Executive Board the final review and approval of Report | | |
| | 102-33 Communicating critical concerns | 10, 16, 18 e 38 | | |
| | 102-38 Annual total compensation ratio | 25 | | |
| | 102-39 Percentage increase in annual total compensation ratio | 25 | | |
| Stakeholder engagement | | | | |
| GRI 102: General disclosures | 102-40 List of stakeholder group | 40 | | |
| | 102-41 Collective bargaining agreements | In 2019, all our employees were covered by collective bargaining agreements | | 8 |
| | 102-42 Identifying and selecting stakeholders | 10 | | |

| GRI Standard | Disclosure | Page/URL | Omission | SDG |
|------------------------------|--|--|----------|-----|
| | 102-43 Approach to stakeholder engagement | 10 e 36 | | |
| | 102-44 Key topics and concerns raised | 10 e 36 | | |
| Reporting practice | | | | |
| GRI 102: General disclosures | 102-45 Entities included in the consolidated financial statement | Consult at https://ri.br.com.br/divulgacao-e-resultados/central-de-resultados/ | | |
| | 102-46 Defining report content and topic boundaries | 3 e 77 | | |
| | 102-47 List of material topics | 10 | | |
| | 102-48 Restatements of information | None | None | |
| | 102-49 Changes in reporting | None | None | |
| | 102-50 Reporting period | 77 | | |
| | 102-51 Date of most recent report | 26/02/2019 (Petrobras Sustainability Report) | | |
| | 102-52 Reporting cycle | Annual | | |
| | 102-53 Contact point for questions regarding the report | ouvidoria@br.com.br (page. 77) | | |
| | 102-54 Claims of reporting in accordance with GRI Standards | Core option (pág. 77) | | |
| | 102-55 GRI content index | 78 | | |
| | 102-56 External assurance | 89 | | |

| GRI Standard | Disclosure | Page/URL | Omission | SDG |
|------------------------------------|--|-------------------------|----------------|--------------------|
| MATERIAL TOPICS | | | | |
| Economic performance | | | | |
| GRI 103: Management approach | 103-1 Explanation of the material topic and its boundary | 10 e 11 | | |
| | 103-2 The management approach and its components | 10 e 12 | | 1, 5, 8, 16 |
| | 103-3 Evaluation of the management approach | 12, 27, 29, 36, 41 e 45 | | |
| GRI 201: Economic Performance | 201-1 Direct economic value generated and distributed | 29 | | 2, 5, 7, 8, 9 |
| | 201-2 Financial implications and other risks and opportunities due to climate change | 61 | | 13 |
| | 201-3 Defined benefit plan obligations and other retirement plans | 25 | | |
| | 201-4 Financial assistance received from government | 30 | | |
| Indirect economic impacts | | | | |
| GRI 103: Management approach | 103-1 Explanation of the material topic and its boundary | 10 e 11 | | |
| | 103-2 The management approach and its components | 10 e 12 | | |
| | 103-3 Evaluation of the management approach | 12, 27, 29, 36, 41 e 45 | | |
| GRI 203: Indirect economic impacts | 203-1 Infrastructure investments and services supported | Not applicable | Not applicable | 2, 5, 7, 9, 11 |
| | 203-2 Significant indirect economic impacts | 50 | | 1, 2, 3, 8, 10, 17 |
| Anti-corruption | | | | |
| GRI 103: Management approach | 103-1 Explanation of the material topic and its boundary | 10 e 11 | | |
| | 103-2 The management approach and its components | 10 e 12 | | |
| | 103-3 Evaluation of the management approach | 12, 27, 29, 36, 41 e 45 | | |

| GRI Standard | Disclosure | Page/URL | Omission | SDG |
|---|--|-------------------------|----------|--------------|
| GRI 205: Anti-corruption | 205-1 Operations assessed for risks related to corruption | 18 | | 16 |
| | 205-2 Communication and training about anti-corruption policies and procedures | 19 | | 16 |
| | 205-3 Confirmed incidents of corruption and actions taken | 19 | | 16 |
| Energy | | | | |
| GRI 103: Management approach | 103-1 Explanation of the material topic and its boundary | 10 e 11 | | |
| | 103-2 The management approach and its components | 10 e 12 | | |
| | 103-3 Evaluation of the management approach | 12, 27, 29, 36, 41 e 45 | | |
| GRI 302: Energy | 302-1 Energy consumption within the organization | 67 | | 7, 8, 12, 13 |
| | 302-2 Energy consumption outside the organization | 69 | | 7, 8, 12, 13 |
| | 302-3 Energy intensity | 70 | | 7, 8, 12, 13 |
| | 302-4 Reduction of energy consumption | 71 | | 7, 8, 12, 13 |
| | 302-5 Reduction in energy requirements of products and services | 71 | | 7, 8, 12, 13 |
| Water *this topic is not considered material | | | | |
| GRI 103: Management approach | 103-1 Definition of the material topic and its limits | 10 e 11 | | |
| | 103-2 Management approach and its components | 10 e 12 | | |
| | 103-3 Evolution of the management approach | 12, 27, 29, 36, 41 e 45 | | |
| GRI 303: Water | 303-1 Total water withdrawal by source | 60 | | 6, 7 |
| | 303-2 Water sources significantly affected by withdrawal of water | 59 | | 6 |
| | 303-3 Water recycled and reused | 60 | | 6, 8, 12 |

| GRI Standard | Disclosure | Page/URL | Omission | SDG |
|---|--|-------------------------|----------|-------------------|
| Emissions | | | | |
| GRI 103: Management approach | 103-1 Explanation of the material topic and its boundary | 10 e 11 | | |
| | 103-2 The management approach and its components | 10 e 12 | | |
| | 103-3 Evaluation of the management approach | 12, 27, 29, 36, 41 e 45 | | |
| GRI 305: Emissions | 305-1 Direct (Scope 1) GHG emissions | 63 | | 3, 12, 13, 14, 15 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 63 | | 3, 12, 13, 14, 15 |
| | 305-3 Other indirect (Scope 3) GHG emissions | 64 | | 3, 12, 13, 14, 15 |
| | 305-4 GHG emissions intensity | 64 | | 13, 14, 15 |
| | 305-5 Reduction of GHG emissions | 65 | | 13, 14, 15 |
| Occupational health and safety | | | | |
| GRI 103: Management approach | 103-1 Explanation of the material topic and its boundary | 10 e 11 | | |
| | 103-2 The management approach and its components | 10 e 12 | | |
| | 103-3 Evaluation of the Management approach | 12, 27, 29, 36, 41 e 45 | | |
| GRI 403: Occupational health and safety | 403-1 Workers representation in formal joint-management worker health and safety committees | 16 e 58 | | 8 |
| | 403-2 Types of injury, and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities | 58, 72, 73 E 74 | | 3, 8 |
| | 403-3 Workers with high incidence or high risk of diseases due to their occupation | 72 | | 3, 8 |
| | 403-4 Health and safety topics covered in formal agreements with trade unions | 58 | | 8 |

| GRI Standard | Disclosure | Page/URL | Omission | SDG |
|---|---|--|------------------------------------|-----|
| Customer health and safety | | | | |
| GRI 103: Management approach | 103-1 Explanation of the material topic and its boundary | 10 e 11 | | |
| | 103-2 The management approach and its components | 10 e 12 | | |
| | 103-3 Evaluation of the management approach | 12, 27, 29, 36, 41 e 45 | | |
| GRI 416: Customer health and safety | 416-1 Assessment of the health and safety impacts of product and services categories | 76 | | |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 76 | | 16 |
| Product liability – fossil fuel alternatives | | | | |
| Sector Supplement for Oil & Gas Product liability- Fossil fuel alternatives | OG14 Volume of biofuel produced and acquired in accordance with sustainability criteria | In 2019, 5,471,493 liters of biofuels were acquired with suppliers contracted under clauses that fight against slave, child labor, and minor sexual exploitation | Not applicable to asphalt business | |

GLOSSARY

Analytics: applied use of data, analyses and systematic reasoning to be observed in a more efficient decision-making process.

Big Data: set of bulky and complex data to be analyzed by traditional data processing systems. New processing ways are required to allow better decision and optimize processes.

CRM Platform: platform which aims at boosting business through strategies and systems mainly focused on customer satisfaction and management

Due diligence: the company's process of investigation before signing a contract or financial agreement. This process is executed to assess the risks of transaction.

Follow on: name given to the process in which a publicly-held company decides to issue more shares to be traded in the market.

Greenhouse Gas Protocol (GHG Protocol): international tool applied to understand, quantify and manage greenhouse gas (GHG) emissions, originally developed in the United States by the World Resources Institute (WRI), currently it is the method most adopted by companies and governments in GHG inventories.

Hoverboards: 2-wheel vehicle with a portable battery and gyroscope to keep balance, also called as electric skate.

Internet of Things (IoT): it deals with objects connected to each other through network, which exchange information. The IoT can be applied in several sectors, either to optimize the activities of an industry or to make citizens' life easier.

Liquefied Petroleum Gas (LPG): this is one of the lightest oil fractions and its burn is clean, with low emission of pollutants. Due to its characteristics, it is used in closed environments, such as household kitchens, or in pollutant-sensitive industrial applications, such as in the manufacturing of glasses, tiles and food. In usual atmospheric conditions, it is found in its gaseous form. However, from production to bottling in steel gas cylinders, it is maintained in the liquid form, under pressure

Machine learning: artificial intelligence area which aims at providing computers with ability to learn without being explicitly programmed, exploring the construction of algorithms that may extract knowledge and make predictions from data.

On and Offshore: terms used to identify the place of production and services provided in the oil industry. Onshore services are provided in the continent and Offshore at sea.

Otto Cycle: a thermodynamic cycle that represents the operations of internal combustion engines, commonly known as spark-ignition engines. This report describes the consumption and billing measurement relating to the sale of fuel destined to gasoline, diesel and ethanol-fueled vehicles.

Pool: organization based on an intercompany agreement, with the purpose of creating a common market. This report describes investments made by BR jointly with other similar companies.

Protected areas: land or marine areas destined to protect and preserve biology diversity, handled by legal instruments.

Sector players: companies leading for their productivity, performance and financial return with their assets, the market in which they are inserted.

Sensitive areas: zones of high ecologic relevance with less capacity of returning to original conditions, not protected in terms of conservation.

Synanthropic fauna: that one interacting negatively with the human population, causing significant economic or environmental disruption, or to represent risks to public health.

Startups: young company with a repeatable and scalable business model, in a scenario of uncertainties and solutions to be developed.

Time-to-market: expression used to identify the time spent in the product development process, from its design until be announced to customers.

ASSURANCE STATEMENT

STATEMENT OF SGS ICS CERTIFICADORA LTDA. (SGS ON SUSTAINABILITY ACTIVITIES MENTIONED IN THE “ANNUAL REPORT 2019” OF PETROBRAS DISTRIBUIDORA S.A.)

NATURE AND SCOPE OF ASSURANCE

SGS was engaged by PETROBRAS DISTRIBUIDORA S.A. to provide independent assurance about its Sustainability Report 2019. The scope of assurance, based on the SGS sustainability reports assurance methodology, included the text and information relating to the 2019 GRI Standards indicators contained herein.

The information contained in the “SUSTAINABILITY REPORT 2019” and its presentation are the sole responsibility of PETROBRAS DISTRIBUIDORA S.A.’s Management. SGS did not participate in the elaboration of any material included in the referred report. Our responsibility was to issue an opinion on the text, data, graphs, and statements within the scope of assurance, detailed below, intended to inform the stakeholders of PETROBRAS DISTRIBUIDORA S.A.

SGS Group developed a set of Sustainability Notice Assurance protocols based on the best practices presented in the guide GRI Sustainability Reporting Standards and the ISAE3000 assurance standard. These protocols provide different options of Assurance level, depending on the context and the capacity of the Reporting Organization.

This report was assured adopting our protocols to assess the accuracy of the content and its conformity with the GRI Sustainability Reporting Standards requirements, (Universal Standards 101, 102 and 103), also the Topic-specific Standards requirements (GRI 200, GRI 300 and GRI 400), in accordance with material topics identified by PETROBRAS DISTRIBUIDORA S.A. through the process outlined herein. Also, the GRI Oil and Gas Sector Supplement was adopted. Based on this context, the “SUS-TAINABILITY REPORT 2019” is characterized as Core Option.

The assurance process was carried out remotely, due to external conditions and to preserve the health and safety of employees of SGS and PETROBRAS DISTRIBUIDORA S.A., (i) by interviewing strategic employees, involved in the compilation and elaboration of the report when disclosures, data, and processes relating to sustainability management were reviewed, and GRI disclosures were collected; (ii) reviewing the documentation sent by PETROBRAS DISTRIBUIDORA S.A. and comparing with the information included by the company; and (iii) analyzing the versions of this report to be compliant with GRI standards. The accounting information and relating to greenhouse gas inventory of PETROBRAS DISTRIBUIDORA S.A. (audited by SGS in separate audit process) contained and/or referenced in the “SUSTAINABILITY RE-PORT 2019”, was not analyzed as part of this assurance process. Both pieces of information were analyzed in different audit processes.

STATEMENT OF INDEPENDENCE AND COMPETENCE

SGS Group is a global leading company in inspections, analyses, and verifications, operating in over 140 countries and providing services that include the certification of management systems, audits, and qualification in the quality, social, environmental, and ethics areas, sustainability reports assurance and verification of greenhouse gases. SGS affirms its independence from PETROBRAS DISTRIBUIDORA S.A., and it is free of any conflict of interest with the organization, its subsidiaries, and stakeholders.

The assurance team was set up, based on the expertise, experience, and qualification for this service, composed of :

- A Sustainability Report Assurance Lead Auditor, a Lead Auditor of Social, Environmental programs and Environmental Management, a Greenhouse Gas (GHG) Verifier, Lead Auditor in the Renovabio Program.
- A Sustainability Report Assurance Auditor, a Greenhouse Gas (GHG) Lead Verifier, a Lead Auditor of Social and Environmental Programs;
- A Lead Auditor of Environmental Management System, Quality, Energy and Sustainable Events, Lead Auditor in the Renovabio Program.
- A Sustainability Report Assurance Auditor, a Lead Verifier of Greenhouse Gas (GHG) and Climate Change programs, a Lead Auditor in the Renovabio Program.

ASSURANCE REPORT

Concerning the verification of methodology, processes, and data submitted by PETROBRAS DISTRIBUIDORA S.A., we declare that information and data contained in the "SUSTAINABILITY REPORT 2019" are reliable and a balanced representation of sustainability activities developed by PETROBRAS

DISTRIBUIDORA S.A in the 2019 base year. The assurance team's opinion is the report can be used by the company's stakeholders as part of their assessment process of the company. The organization chose the Core Option assurance level, according to its needs.

In our opinion, based on the sampling verified in units and materials submitted by PETROBRAS DISTRIBUIDORA S.A, the report content complies with GRI Standards requirements, including the Oil and Gas Sector Supplement.

ASSURANCE RECOMMENDATIONS, FINDINGS, AND CONCLUSIONS

The Report of PETROBRAS DISTRIBUIDORA S.A., "SUSTAINABILITY REPORT 2019" covers information on all the material topics for the sector and stakeholders. PETROBRAS DISTRIBUIDORA S.A appropriately reported the disclosure 103-1 – Explanation of the material topic and its boundary, but it can improve, by providing greater detail on the management approach of each material topic (disclosures 103-2 – The management approach and its components and 103-3 – Evaluation of the management approach) in its next sustainability report.

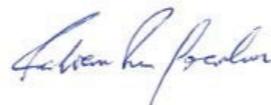
- The report complies with the Sustainability Reporting Standards, (Universal Standards 101, 102 and 103), also the requirements of the Topic-specific Standards (GRI 200, GRI 300 and GRI 400), Core Option.
- We understood as a good practice in the elaboration and report of information that, during the audit process, when disclosures with incomplete information were verified, PETROBRAS DISTRIBUIDORA S.A. decided to exclude referred information and not report it partially. Therefore, all disclosures reported herein are in conformity with GRI Standards, including the Oil and Gas Sector Supplement.

As a contribution to improve the development of future sustainability reports and concerned with greater efficiency in the assurance process, we recommend PETROBRAS DISTRIBUIDORA S.A.:

1. To devise a continual stakeholder and materiality mapping process, avoiding specific periods of the year to carry out this activity. The best practices indicate that material topics should be extracted from the organization's interaction processes with its stakeholders already in progress and to take place throughout the year.
2. We recommend that disclosures relating to the involvement of the highest governance body concerning the delegation of authority over economic, social and environmental topics, as well as its role to identify and analyze these topics (such as 102-19, 102-20, 102-29 and 102-31), are given in more detail in the next sustainability report.

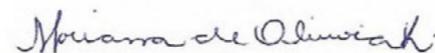
Lastly, SGS believes in the relevance of transparency and congratulates the company for its initiative to conduct an assurance about its report.

Signed by and on behalf of SGS



Fabian Peres Gonçalves

Business Manager - Sustentabilidade
SGS ICS Certificadora Ltda.



Mariana de Oliveira Klein

Sustainability Report Lead Auditor

SGS ICS Certificadora Ltda.

April 23, 2020.

www.sgs.com

ACKNOWLEDGEMENTS

Organized by Petrobras Distribuidora
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COORDINATION

Environment and Sustainability Coordination

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