Management Report
2020

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Disclaimer

The Management Report seeks to comply with current regulations, such as Law no. 6404/1976 and the guidelines of the Brazilian Securities and Exchange Commission, or CVM (Comissão de Valores Mobiliários). In addition, the financial information contained in this report was prepared in compliance with the International Financial Reporting Standards (IFRS) and also in accordance with the accounting practices adopted in Brazil by the Accounting Pronouncements Committee, or CPC (Comitê de Pronunciamentos Contábeis).

This document may contain forward-looking statements that reflect only the expectations of Company's managers. The terms "anticipates," "believes," "expects," "predicts," "intends," "plans," "projects," "objective," "should" and other similar terms are intended to identify such forward-looking statements, which evidently involve risks or uncertainties that may or may not be anticipated by the Company, and therefore are not guarantees of our future results. Therefore, the future results of our operations may differ from the current expectations, and the reader should not rely exclusively on the information contained herein.

Management's comments on our financial performance consider the scope of each business segment, as defined in Note 13 to the Petrobras Financial Statements.

NOTICE: This publication is a free translation of Petrobras' 2020 Management Report, filed with the CVM. We inform that in case of divergences between the wording of this version and the original Portuguese wording of the report, the original Portuguese wording will prevail.

Message from de CEO

Dear Shareholders,

I am very happy to present the report on Petrobras financial performance in 2020, when the Company had a superb performance in a very challenging environment.

Amidst a severe global recession and the effects of a very strong global shock to the oil industry, we promised to engineer a J-shaped recovery. The goal was to emerge better than before.

We delivered on our promises.

Costs were reduced and are set to remain on a downward path, productivity is growing, the company is laser focused on investing in world-class assets and has a large pipeline of non-core assets to divest.

We are very proud of our team for the fast and efficient response to the oil crisis. Our employees worked relentlessly to win, corporate people at their homes and operations people at the refineries, plants and oil and gas platforms in the sea.

The execution of the strategy launched in January 2019 was accelerated as well as digital transformation to support the efforts to lower costs and to boost efficiency and operational safety. The work of multidisciplinary agile teams was instrumental to leverage our key resources and to strengthen resilience to high volatility scenarios.

Oil and oil & gas production reached all-time highs at 2.28 MMbpd and 2.84 MMboed, respectively, while most of our global competitors showed output reduction. A major part of our production - about 66% - came from the pre salt fields at an average lifting cost of US$2.5 per boe. This means also higher oil quality sold at a premium on the Brent price as well as less greenhouse gases (GHG) emissions.

Total average lifting cost, at US$ 5.2 per boe in 2020, dropped 42.2% relatively to the 2015-2019 average of US$9.0 per boe.

Petrobras oil and fuel oil exports also reached historical records. Crude oil sales increased 33% and our Tupi and Buzios brand names were consolidated with Asian clients.

Our sales and marketing team is developing initiatives to diversify by geographies and clients. In 2020 they were able to add 14 new clients to the international clientele.

Exports of fuel oil rose 45.9 percent, mainly due to the successful marketing initiative of the low-sulfur product to the Singapore market, a global hub for long-distance sea shipping.

New and successful inroads were made in the sales of naphta, propane, ethane and coke.

Whereas oil prices plunged 35%, our operational cashflow (CFFO) went up 13% and free cash flow (FCF) 20%.

CFFO reached US$ 28.9 billion, the highest of the last 10 years, even comparing with a period of oil prices around US$ 100 per bbl, more than double of last year's average price of US$42/bbl. When compared to major oil companies, Petrobras was the only one to show an increase in a very challenging environment.

FCF of US$22.1 billion (US$ 24.1 billion if divestments are included) was an all-time high figure for our company. It was also the highest among major oil companies, and almost eight times the average number for the group, at US$2.8 billion. If we add the FCF of all the majors, the value generated by Petrobras is even greater.

We were also the only major oil company in the West to reduce debt.

Consistently with the focus on meritocracy and value creation, we started the implementation of EVA® as a management system in 2019.

The strength of cashflow generation and a more efficient capital allocation were the main factors underlying the EVA® increase of US$2.3 billion in relation to 2019.

The meaningful cashflow allowed us to continue to deleverage the balance sheet. Total debt was reduced by US$11.6 billion, to US$ 75.5 billion, from US$87.1 billion as of December 31, 2019, another great achievement.

Net debt of US$63.2 billion at the end of 2020 dropped US$15.7 billion against the position of December 31, 2019.

Cash holdings of US$ 12.4 billion are still greater than optimal. They should be reduced over time to improve the efficiency of capital allocation as attractive opportunities for debt pre-payment arise.

Debt reduction and lower costs of debt contributed to a substantial decline in interest burden. For instance, the ratio between interest paid and barrel of oil produced was US$3.80 in 2020 against US$7.80 in 2015 – a 51% drop – and also below the average of US$7.70 for 2015-2019.

Total interest payment of US$3.2 billion in 2020, represents a sea change when compared to large payments of over US$7.0 billion per year in the recent past, equivalent to more than the CAPEX required to build an offshore oil production system with capacity of 150-180,000 bpd.

Lower debt and interest payments are key to improve risk perception and to free funds to be invested in world-class assets, particularly in a capital- intensive business such as oil. This is where the focus on finance connects with the focus on operations.

As a result of the burden of excessive debt and interest, Petrobras was forced to drastically cut its investments in exploration and new area acquisitions to US$5.8 billion in 2015-2018, averaging US$1.45 billion. In 2019-2020 we were able to invest US$18 billion, preparing the future of oil production in the next 10/20 years.

Petrobras´ total shareholders return have been very poor over the last few years. Given the strong cash flow performance and continued debt reduction, we are proposing to the Board of Directors a dividend distribution of R$ 10.3 billion – R$0,787446 per common and preferred shares –still relatively modest but more than twice the mandatory for the 2020 calendar year. Dividends are scheduled to be paid on April 29.

Manageable operating expenses fell to US$16.9 billion against US$21.8 billion in 2019 and general and administrative expenses went down by US1.0 billion, to US$1.1 billion against US$2.1 billion.

Lifting costs declined 33% on year-on-year basis to US$5.2 from US$7.8/boe. 63 oil platforms were mothballed given low productivity and high operational costs.

We managed to cut costs with air, storage, maritime and port operations. At the same time, the ship-to-ship operations performed by our wholly owned subsidiary Transpetro increased by 66% relative to 2019 and ship availability was raised to 99.2% in 2H20, against 90% in December, 2019. Transpetro sold 11 ships, most of which with 30 or more years, demanded high maintenance costs.

The company is taking steps to optimize inventory management. The inventory of inputs and equipment was reduced, reaching the lowest level since 2011, and the inventory of oil declined 8 million barrels in a move to eliminate inefficiency and to reallocate capital to better uses.

By the same token, we put for sale some 50,000 tons of scrap and 550 real estate assets.

More than 11,000 employees of Petrobras and its subsidiaries enlisted for the various voluntary dismissal programs, out of which 6,100 left Petrobras in 2019 and 2020 and 5,000 as of 2021. Almost 1,500 managerial positions were eliminated, in-sourcing was adopted to save costs and use of digital transformation and robotization cut the demand for outsourced services.

The health plan, previously a source of high costs and poor services, is being restructured to pursue efficiency gains, lower costs and much better services.

The pension fund (PETROS) of our employees had a deficit of more than R$30 billion due to mismanagement in the past. A professional management was hired and a new deficit coverage plan was approved and implemented in 2019. In January 2021 a defined contribution plan was approved by regulatory authorities. Therefore, PETROS is now much healthier than it was in the recent past.

Several administrative buildings were shutdown. From 23 occupied at the beginning of 2019 we have gone to 9. The number of offices abroad decreased to four from 18 in 2018. Simultaneously, the number of expatriates per office was reduced significantly.

The rationalization of spaces to reduce costs has been facilitated by the reduction of the number of employees and service providers and the adoption of a hybrid system of work, in person and virtual, when we are confident to return to the office. New ways of working are needed to survive and thrive in a technology-driven world.

As in many companies in the world, the adoption of home office for corporate activities, made feasible by the digital revolution, contributed to mitigate the transmission of the coronavirus among our employees and to a significant productivity increase and cost savings.

For instance, travel costs were down by US$40 million in comparison to 2019. A large part of these savings is permanent in a post-COVID world.

Our corporate university was restructured to become leaner, with training programs aligned to the company´s strategic priorities. A program of succession of leaders has commenced, supported by the formation of a new generation of leaders and mentorship.

We have begun to undertake joint initiatives with law enforcement to deter thefts of fuels flowing through our pipelines. The stolen volumes decreased by 56% compared to 2018, the peak of a growing trend.

We achieved great advances in the negotiation of tax and environmental pending issues, inherited from the past, managing to write off significant amounts of liabilities.

Expenditure with oil extraction declined US$2.0 billion to US$4.7 billion in 2020 from US$6.7 billion an year before. Refining costs were also reduced to US$1.1 billion against US$1.5 billion in 2019.

To address the goal of reducing working capital, we launched Mais Valor program in November last year. This program will benefit both suppliers - through bank financing at lower interest rates - and Petrobras – with longer terms to pay for the purchase of goods and services. A good number of large national and international banks have joined Mais Valor.

Since January 2019 we concluded 21 transactions and have other 13 signed, involving asset divestitures amounting to some US$17 billion of cash-in, being US$14.4 billion in that year.

BR Distribuidora was the first case of privatization of a state-owned company through capital markets in Brazil.

Divestment revenue was key to finance the acquisition of Búzios (transfer of rights surplus), the largest offshore oil field in the world, in November 2019.

Two fertilizer plants were leased to a chemical company under a long-term contract, our subsidiary ANSA was shut down and our two natural gas distribution companies in Uruguay had their operating licenses returned to the Uruguayan government allowing Petrobras to leave the business.

Currently, we still have more than 50 assets on sale at different stages in their processes of divestment. Five refineries, Gaspetro and several mature oil fields have reached the final stage for the signing of a sales and purchase agreement.

The divestment program aims to optimize our portfolio, allowing for the reallocation of resources from low-return to high-return assets, to reduce debt and to de-risk the company.

In the last couple of years Petrobras invested US$35 billion, the majority of it in the exploration and production of oil and natural gas in deep and ultradeep waters, our core business.

In 2020 P-70 came on stream for operation in the Atapu field and P-77 (Buzios) and P-67 (Tupi) concluded ramp-ups.

Over the last two years costs of well drilling and completion were reduced by 36%. We started to use new tools for inspection of subsea pipelines to make feasible to lower costs and increase oil output.

The basic project for a new generation of FPSOs was finalized. Thirteen new FPSOs will come on stream from this year to 2025, eight of them are already being built.

Several innovation projects are being developed aiming to minimize exploratory risk, to shorten dramatically the time period between discovery and first oil and to minimize costs of well drilling and completion, among others.

HISEP® is one of these projects in advanced stage. It allows the separation and reinjection of CO2 in the seabed in a real underwater factory that will contribute to reduce capex and opex costs and GHG emissions.

If successful, these projects will enhance considerably the resiliency of our portfolio to very low prices of oil, to allow for the exploitation of new pre-salt fields with high CO2 concentration and to create a cleaner oil and natural gas operation.

The digital twins technology was successfully implemented in our refineries and a program is being executed to reach a significant increase in energy efficiency. Energy is a major component of the operational cost of refining and our goal is to reduce costs and GHG emissions.

Reflecting our client focus, a new type of gasoline with higher cars performance (RON 93) was launched. Production and sales of S10 low-sulphur diesel oil were boosted last year and we are waiting for government license to start the production and sales of renewable diesel.

This product decreases greenhouse gas emissions by 70% relatively to regular diesel, 15% when compared to biodiesel and it is much more friendly to motors. It will be the first product of a new line of biofuels, which includes also bio aviation kerosene, that will meet the demand for decarbonization in air transport.

To widen the menu of options for clients, the sales and marketing team is carrying out auctions for future delivery of fuels in some specific places.

Safety of operations and our employees is one of our strategic priorities.

Total recordable injuries per million men hour continued on a downward trend, reaching 0.56 in 2020, establishing a new benchmark for the global oil industry. For the first time in many years, we celebrate zero fatalities in our operations.

Since the outbreak of the COVID-19 pandemics we adopted strict protocols to protect the health of our employees, adoption of home office for corporate personnel until June 30, 2021, team reduction in the operations, massive testing (520,000 tests up to February), quarantining, use of PPE´s and availability of 24/7 medical services including telemedicine and air ambulances.

Petrobras also helped to fight the effects of the pandemics on the Brazilian society through the donation of tests, medical and hygiene materials, fuel for ambulances and medical vehicles, food and hygiene material for low income families and computing capacity to support research efforts aimed at fighting COVID.

Our social agenda acquired a focus on early childhood education, an investment with high expected social return. Currently, our programs are assisting about 25,000 children.

In January this year we took the first step of a new program, Digital Education for Prosperity, with a grant of 250 laptops to public schools in a low-income community. The plan, in a partnership with a non-government organization and two large global companies, has a much larger scope, donating up to 15,000 computers with Internet access and creating training centers for public elementary school teachers and public high school students.

Digital transformation has been accelerated, supported by training, cultural transformation and a significant enhancement in infrastructure.

High-power computing capacity is increasing to 60 Pflops in 2021, up from just 3 Pflops in 2018, which is critical to the solving of more complex algorithms, machine learning and artificial intelligence.

Simultaneously, we are implementing the SAP S/4 Hana to simplify, digitalize and integrate process to make productivity gains feasible across the company.

Two excellence centers were created, one for agile excellence and the other for robotization and process digitalization. Alongside the two centers, we developed an Ecosystem for Innovation Corporate Lab to foster innovation through hackathons, design thinking, design sprint, lean startup. To stimulate entrepreneurship, we created a program of internal startups, called “Santo de Casa faz milagres”.

Our research center, CENPES, the largest in Latin America, was revamped to become much more integrated with the company strategic goals through the optimization of the R&D project portfolio, partnership with start-up companies and the use of commercial readiness and other instruments.

Energy transition is something to be taken seriously. We strongly believe that, as the largest Latin American oil company, one of our duties is to help in a responsible process of transition. Oil and natural gas are still the backbone of modern economy and they will continue to be relevant for many years, although the global demand tends to grow at a slower and declining pace over time.

Petrobras launched ten commitments to sustainability aiming to minimize GHG emissions, to increase carbon capture and storage and water reutilization, while pursuing innovations to deal with scope 3 emissions and the research of new sources of energy.

The company managed to diminish total GHG emissions for the sixth consecutive year, totaling 56 million tCO_2e, a reduction of 6% when compared to 2019, and compatible with our goal of reducing this total by 25% by 2030, compared to 2015. The E&P carbon intensity was 15.8 $kgCO_2e$ / boe, on track to reaching our medium-term target of 15 $kgCO_2e$ / boe in 2025.

Carbon intensity of the refining business was 40.2 $kgCO_2e$ / CWT, a 3.6% reduction when compared to 2019. It is still too high. We are working hard to converge to 30 $kgCO_2e$/CWT until 2030.

The ultimate sources of economic development are companies. Once they create shareholder value, they have the resources to finance investment, to pay higher wages, to create jobs along the value chain, to invest in social projects and to protect the nature against climate change and to pay taxes.

Petrobras is the largest taxpayer in Brazil. In face of low oil prices and demand contraction we paid R$129 billion in 2020 to the government, totaling R$375 billion in the last couple of years.

Our goal is to become the best oil and gas company in the world at creating shareholder value while respecting people and the environment, focus on safety, and continuing to be a reliable supplier of high-quality products to our customers.

I would like to express our solidarity to those who suffered the terrible pain caused by the pandemics and to praise medical professionals and scientists who have been real heroes in great battle for the preservation of human lives.

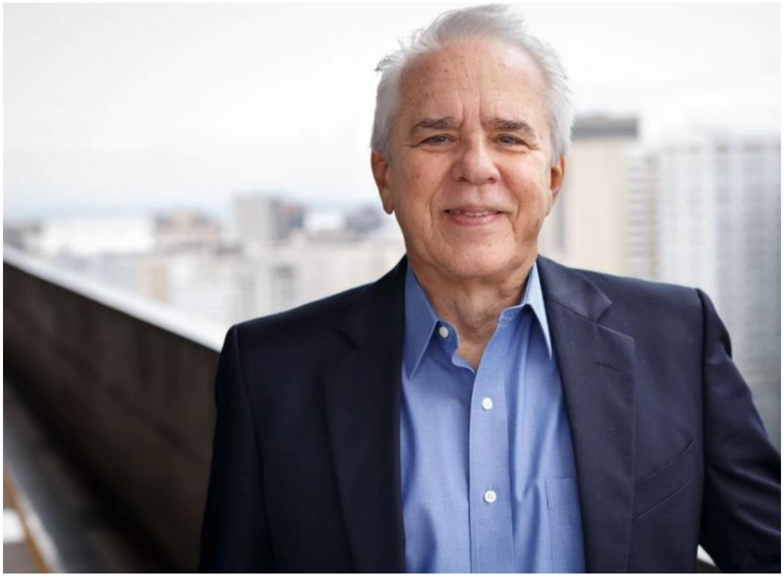
My acknowledgement to our Board of Directors for its important role and continuous support to strategy execution in this journey.

Last but not least, people are the most valuable asset of Petrobras. Our executives and employees had no doubt to go for the extra mile in the dark hours of a deep recession to keep the ship running safely through rough waters.

Thank you!

Roberto Castello Branco

Chief Executive Officer



Production and Sales 2020

Highlights

Petrobras had its best operating performance in 2020, overcoming considerable challenges arising from the pandemic, contraction in global demand for fuels and low prices.

We reached annual production records of 2.28 million barrels per day (MMbpb) of oil and NGL and 2.84 million barrels of oil equivalent per day (MMboed) of total production. Previous production records had been reached in 2015, of 2.23 MMbpd and 2.79 MMboed, respectively.

Another positive aspect relates to the qualitative aspect of production, which is extremely important for value generation.

In 2020, production in the pre-salt fields was 1.86 MMboed, accounting for 66% of total production, against only 24% in 2015. This means lower operating costs and better-quality oil.

The BUZ-12 well, located in the Búzios field, had the highest average production in the year, at 52.4 Kboed.

The average annual production of oil, NGL and natural gas is in line with the revised production target disclosed in the 3Q20 Production and Sales Report (2.84 MMboed) and exceeds the original target by 5% (2.7 MMboed).

The average production of oil, NGL and natural gas in 4Q20 was 2.68 MMboed, 9.1% below the previous quarter, due to the resumption of most of the scheduled maintenance stoppages that could not be carried out in 2Q20 and 3Q20 due to the pandemic.

We highlight the following aspects, which were of paramount importance to our solid performance in 2020:

- increased production of the P-74, P-75, P-76 and P-77 platforms, in the Búzios field, supported by the expansion of the oil and gas processing capacity of the units, through the use of temporary generation energy gaps and gas compression availability, in addition to the high production potential of the wells and the reservoir;
- fewer interventions than expected for combating CO2 corrosion in subsea gas injection pipelines, made possible by the development of new inspection tools and technologies;
- lower production decline than expected in the Tupi and Sapinhoá fields, as a result of the better performance of the reservoirs;
- greater production efficiency and optimization of production maintenance stoppages in platforms, despite the scenario of operational restrictions resulting from the impacts caused by the pandemic.

Moving forward with the active portfolio management, in 4Q20 we signed contracts to sell all of our interest in 27 onshore and shallow water fields, located in the Recôncavo and Sergipe-Alagoas Basins. At the same time, we completed the sale of our stakes in Baúna (Santos Basin) and Tucano Sul Clusters (Tucano Basin), which produced 14.2 Kboed in 2020.

In November 2020, the transportation of FPSO Carioca began from the shipyard in Dalian, China, to Brazil. The arrival at the shipyard in Angra dos Reis, in Rio de Janeiro, is scheduled for the first week of February, when the integration and commissioning activities will be completed. This production platform will be installed in the Sépia field, with production expected to start in mid-2021, and will have a processing capacity of 180 Kbpd and 6 million m^3 of natural gas per day.

Despite the second wave of growth in the number of COVID-19 cases in Brazil, we are managing to keep our operation and maintenance activities, with no impact to our operational goals, while keeping strong vigilance in access controls to our facilities through massive testing, tracking and quarantining. Since the beginning of the pandemic, Petrobras has applied approximately 480,000 tests to its employees and service providers.

In a year in which excess inventories were a considerable challenge for the global oil industry, our focus on improving inventory management has allowed our inventories to be reduced by 8 million barrels of oil in 2020.

This focus on efficient resource allocation - as demonstrated by the rationalization of our offices outside Brazil - coupled with the greater integration of logistics, marketing and sales resulted in record exports of oil and fuel oil, offsetting the contraction in domestic demand for fuels, mainly in 2Q20.

Oil exports played a crucial role during the worst moments of the pandemic, allowing cash generation at a critical time and preventing production losses. In April, at the height of the crisis, 1 million barrels were exported per day (physical outputs). In addition, it is important to highlight the successful performance of Búzios oil, the main oil in our export basket, with the inclusion of 14 new customers throughout 2020.

In January, we continued with a good performance in oil exports, breaking another record, at the Angra dos Reis terminal, of 19.3 million barrels of oil exported in January 2021. The previous record, in May 2020, was 18.7 million barrels of oil exported.

Even in an adverse scenario, sales of oil products remained at a similar level to that of 2019, allowing the utilization factor of the refining park to reach the same level as the previous year, despite its significant reduction in 2Q20. This was possible due to the increase in exports, especially low-sulfur fuel oil (with an annual record of 194 Kbpd in 2020), coupled with new commercial efforts made in 2020, such as diesel and gasoline auctions.

In 2020, there was an increase of 2.8% in the production of oil by-products, consistent with the marketing and sales efforts of our products in the global market and better logistical structuring.

The production of S-10 diesel, with low sulfur content, has been reaching record levels since July, reflecting the commercial actions implemented by the Company to expand the offer of this product to replace S-500 diesel. In October, we reached the 408 Kbpd mark. The total production of S-10 diesel in 2020 reached an annual record of 121 million barrels, consistent with our strategic objective of launching cleaner products for environmental conservation.

In the Gas and Power segment, power generation in 2020 was 1,756 average MW, representing a 13% drop compared to 2019, due to lower consumption resulting from the decrease in economic activity, as a result of the pandemic. However, in 4Q20 power generation increased 315.4% compared to 3Q20, reflecting lower rainfall, resulting in a strong increase in demand for natural gas to replace hydroelectric power generation.

CONSOLIDATED PRODUCTION VOLUME

Production Volume (kbpd)	2020	2019	Δ 2020 / 2019 (%)
Diesel	716	698	2,6
Gasoline	356	394	(9,6)
Fuel Oil	293	205	42,9
Napththa	106	78	35,9
LPG	125	124	0,8
Jet Fuel	57	105	(45,7)
Others	175	175	-
Total	**1,828**	**1,779**	**2,8**

CONSOLIDATED SALES VOLUME

Sales Volume (kbpd)	2020	2019	Δ 2020 / 2019 (%)
Diesel	687	725	(5.2)
Gasoline	343	378	(9.3)
Fuel Oil	40	39	2.6
Napththa	116	82	41.5
LPG	235	229	2.6
Jet Fuel	60	119	(49.6)
Others	182	166	9.6
Total oil products	1,663	1,738	(4.3)
Alcohols, nitrogenous, renewable and others	8	7	14.3
Natural gas	292	350	(16.6)
Total domestic market	1,963	2,095	(6.3)
Exports of petroleum, oil products and other	957	735	30.2
Sales of international units	85	101	(15.8)
Total external market	1,042	836	24.6
Grand total	**3,005**	**2,931**	**2.5**

NET IMPORTS AND EXPORTS

Thousand barrels per day (kbpd)	2020	2019	Δ 2020 / 2019 (%)
Net export (import)	**743**	**381**	**95.0**
Import	214	354	(39.5)
Crude oil	97	168	(42.3)
Diesel	18	70	(74.3)
Gasoline	10	28	(64.3)
Naphata	14	8	75.0
LPG	70	62	12.9
Other oil products	5	18	(72.2)
Export	957	735	30.2
Crude oil	713	536	33.0
Fuel oil	194	133	45.9
Other oil products	50	66	(24.2)

Proved Reserves in 2020

Petrobras discloses its proved reserves of oil, condensate, and natural gas, according to SEC (US Securities and Exchange Commission) regulation, estimated at 8.816 billion barrels of oil equivalent (boe), as of December 31, 2020. Oil and condensate, and natural gas correspond to 86% and 14% of this total, respectively.

The table below presents the evolution of proved reserves, in billions of barrels of oil equivalent.

PROVED RESERVES VARIATION IN 2020

Reserve evolution	Volumes in billions of boe
a) Proved Reserves in december/2019	**9.590**
b) Incorporations in 2020	**0.932**
c) Economic Impact in 2020	**-0.667**
d) Divestmnets in 2020	**-0.117**
e) Production in 2020[1]	**-0.922**
f) Annual variation (b+c+d+e)	**-0.774**
g) Proved Reserves in december/2020 (a+f)	**8.816**

1 The reported production does not consider:

(a) natural gas liquids, since the reserve is estimated as a reference point prior to gas processing, except in the United States and Argentina;

(b) volumes of injected gas;

(c) production of extended well tests in exploratory blocks; and

(d) production in Bolivia since the Bolivian Constitution does not allow the disclosure of reserves.

In 2020, we booked new reserves related to the approval of new projects and the good performance of reservoirs, especially in Santos Basin pre-salt, resulting in an appropriation equivalent to 101% of the year's production. This effect was partially offset by the reduction of oil prices by 32% in 2020, used as future prices, according to SEC regulation.

Considering positive and negative effects on our reserves, and disregarding the reduction due to assets sold, the reserves replacement was 29% of 2020 production.

Asset sales in 2020 are aligned with the maximization of portfolio value, focused on world-class deepwater and ultra-deepwater assets, and their impact was not relevant to the total volume of reserves.

The R/P ratio (ratio between proved reserves and production) is 9.6 years.

Petrobras historically submits at least 90% of its proved reserves to independent evaluation according to SEC definitions. Currently, this evaluation is conducted by DeGolyer and MacNaughton (D&M).

Financial Performance 2020

Highlights of the 2020 results:

1	The company's recurring net income and adjusted EBITDA were R$ 13.2 billion and R$ 127 billion, respectively, without considering the effects of special items.
2	Adjusted EBITDA was R$ 143 billion, despite the adverse scenario caused by the pandemic, with Brent's 35% devaluation in the year.
3	Gross debt reached US$ 75.5 billion, 13% less than the target of US$ 87 billion for 2020.

Main Items

TABLE 1 – MAIN ITEMS

R$ million	2020	2019	Δ 2020 / 2019 %
Sales revenues	272,069	302,245	(10.0)
Gross profit	123,962	122,105	1.5
Operating expenses	(71,069)	(40,951)	73.5
Consolidated net income (loss) attributable to the shareholders of Petrobras	7,108	40,137	(82.3)
Recurring consolidated net income (loss) attributable to the shareholders of Petrobras *	13,244	36,954	(64.2)
Net cash provided by operating activities	148,106	101,766	45.5
Free cash flow	112,820	73,232	54.1
Adjusted EBITDA	142,973	129,249	10.6
Recurring adjusted EBITDA *	126,997	134,696	(5.7)
Gross debt (US$ million)	75,538	87,121	(13.3)
Net debt (US$ million)	63,168	78,861	(19.9)
Net debt/LTM Adjusted EBITDA ratio	2.22	2.41	(7.9)
Average commercial selling rate for U.S. dollar	5.16	3.95	30.6
Brent crude (US$/bbl)	41.67	64.30	(35.2)
Domestic basic oil by-products price (US$/bbl)	254.37	296.01	(14.1)
TRI (total recordable injuries per million men-hour frequency rate)	0.56	0.76	(26.3)

* See reconciliation of Recurring net income and Adjusted EBITDA in the Special Items section in the Financial Performance Report.

Net Revenues

TABLE 2 – NET REVENUES BY PRODUCTS

R$ million	2020	2019	Δ 2020 / 2019 %
Diesel	70.984	90.770	(21,8)
Gasoline	32.074	38.710	(17,1)
Liquefied petroleum gas (LPG)	17.347	16.400	5,8
Jet fuel	6.965	15.113	(53,9)
Naphtha	8.470	6.579	28,7
Fuel oil (including bunker fuel)	4.016	4.038	(0,5)
Other oil by-products	13.945	13.453	3,7
Subtotal Oil By-Products	153.801	185.063	(16,9)
Natural gas	18.485	23.379	(20,9)
Renewables and nitrogen products	296	960	(69,2)
Revenues from non-exercised rights	2.283	2.539	(10,1)
Electricity	5.635	5.196	8,4
Services, agency and others	4.182	3.692	13,3
Total domestic market	184.682	220.829	(16,4)
Exports	80.229	71.612	12,0
Crude oil	58.692	52.186	12,5
Fuel oil (including bunker fuel)	17.982	13.161	36,6
Other oil by-products and other products	3.555	6.265	(43,3)
Sales abroad	7.158	9.804	(27,0)
Total foreign market	87.387	81.416	7,3
Total	**272.069**	**302.245**	**(10,0)**

In 2020, although total sales volumes went up - derived from a 30% increase in exports when compared to 2019, as a consequence of the drop in demand in Brazil -, net revenues decreased by 10% due to the 35% drop in Brent prices and lower sales of oil by-products, with higher added value than crude oil, partially offset by FX conversion effects.

We had the following distribution of export destinations:

TABLE 3 – CRUDE OIL EXPORTS

Country	2020
China	62%
Chile	7%
USA	5%
Portugal	4%
Others	22%

TABLE 4 – OIL BY-PRODUCTS EXPORTS

Country	2020
Singapure	61%
USA	27%
Others	12%

Cost of Goods Sold

TABLE 5 – COSTS OF GOODS SOLD

R$ million	2020	2019	Δ 2020 / 2019 %
Brazilian operations	(143,220)	(172,237)	(16.8)
Acquisitions	(31,239)	(51,403)	(39.2)
Crude Oil imports	(16,458)	(21,188)	(22.3)
Oil by-products imports	(8,270)	(17,010)	(51.4)
Natural Gas imports	(6,511)	(13,205)	(50.7)
Production	(107,935)	(114,021)	(4.0)
Crude Oil	(85,666)	(88,131)	(3.5)
Production taxes	(27,553)	(33,692)	(16.4)
Other costs	(58,114)	(54,440)	4.1
Oil-by products	(11,009)	(14,789)	(13.5)
Natura Gas	(11,259)	(11,100)	2.6
Production taxes	(1,937)	(2,754)	(29.7)
Other costs	(9,322)	(8,346)	13.4
Services rendered, electricity, renewables, nitrogen products and others	(4,047)	(6,813)	(51.5)
Operations abroad	(4,887)	(7,903)	(38.2)
Total	**(148,107)**	**(180,140)**	**(17.8)**

COGS reduced 17.8% in 2020, when compared to 2019, following the decrease in oil by-products production and lower Brent prices (impacting both import costs and production taxes). Also contributed to this result the higher pre-salt share in the production mix and lower lifting costs, which enabled the reduction on crude oil production costs despite higher production volumes.

Operating Expenses

TABLE 6 – OPERATING EXPENSES

R$ million	2020	2019	Δ 2020 / 2019 %
Selling, General and Administrative Expenses	(30,545)	(26,114)	17.0
Selling Expenses	(25,020)	(17,746)	41.0
Materials, third-party services, freight, rent and other related costs	(21,297)	(14,549)	46.4
Depreciation, depletion and amortization	(2,924)	(2,160)	35.4
Allowance for expected credit losses	20	(192)	–
Employee compensation	(819)	(845)	(3.1)
General and administrative expenses	(5,525)	(8,368)	(34.0)
Employee compensation	(3,813)	(5,621)	(32.2)
Materials, third-party services, freight, rent and other related costs	(1,264)	(2,119)	(40.3)
Depreciation, depletion and amortization	(448)	(628)	(28.7)
Exploration costs	(4,170)	(3,197)	30.4
Research and development expenses	(1,819)	(2,268)	(19.8)
Other taxes	(4,971)	(2,484)	100.1
Impairment of assets	(34,259)	(11,630)	194.6
Other income and expenses, net	4,695	4,742	(1.0)
Total	**(71,069)**	**(40,951)**	**73.5**

In 2020 operating expenses increased due to higher impairment, derived from a reduction in projected Brent prices, and to higher selling expenses, led by an increase in export volumes and in international freight costs and by the sale of 90% of TAG in 2019, resulting in higher payments of the associated tariffs. On the other hand, there was a 34% decrease in G&A expenses, due to resilience measures and FX depreciation.

The table below shows impairment losses and reversals recognized within the statement of income in 2020:

TABLE 7 - IMPAIRMENTS

(losses) / reversals - R$ million

Assets by nature	Impairment
E&P producing fields	(34,215)
Oil and gas production and drilling equipment	(613)
Comperj	1,340
Second refining unit in RNEST	(114)
Corporate facilities	(788)
Others	(131)
Total	**(34,259)**

The Company annually tests its assets for impairment or when there is an indication that their carrying amount may not be recoverable.

During 2020, impairment losses were mainly recognized in the first quarter, arising from significant and adverse effects on the oil and oil by-products market:

(i) the outbreak of the COVID-19 pandemic, with a sharp reduction in the circulation of people and in the world economic activity, causing a shock on demand of these products, and

(ii) failure in negotiations between members of Organization of the Petroleum Exporting Countries (OPEC) and its allies, led by Russia, to define production levels, which contributed to an increase in the global oil supply with a reduction in price in early March.

These events led the Company to adopt a set of measures, in 1Q20, aiming at preserving cash generation, as well as to revise the key assumptions of the 2020-2024 Strategic Plan, such as Brent prices, exchange rates, oil product spreads, among others, whose effects were accounted for in1Q20.

On November 25th, 2020, management concluded and approved its 2021-2025 Strategic Plan, considering a complete update of economic assumptions, as well as its project portfolio and estimates of reserve volumes, which support the impairment tests conducted in this reporting period. T

The key assumptions of the 2021-2025 Strategic Plan were expected Brent prices, depreciation of Brazilian real against U.S. dollar, economic slowdown and reduction of demand for oil and oil products.

Adjusted EBITDA

In 2020, adjusted EBITDA decreased only by 11%, to US$ 143 billion, even with the 35% depreciation of Brent prices in the year. This result was achieved through initiatives that increased the company's resiliency and efficiency, such as: (i) higher exports, which compensated the reduction of demand and margins of oil by-products in Brazil, (ii) lower G&A and (iii) cost reversals of health care plan, as a consequence of the revision in the company's future obligations. There were also gains related to the exclusion of the VAT tax from the calculation basis of the PIS/COFINS and lower contingencies.

Net income (loss) attributable to Petrobras' shareholders

In 2020 net income reduced 82% to R$ 7.1 billion due to the drop of 35% in Brent prices, higher impairment charges, lower gains with divestments and the depreciation of 31% of the Real against the US dollar. On the other hand, initiatives that increased the company's resiliency and efficiency and continuous debt reduction contributed to partially compensate the impacts brought by the crisis, as can be seen by the cost reversals of health care plan, of R$ 13.1 billion, as a consequence of the revision in the company's future obligations, gains with the exclusion of VAT from the PIS/COFINS calculation basis of R$ 16.4 billion, lower G&A expenses and contingencies as well as lower interest expenses.

Recurring net income attributable to Petrobras' shareholders and recurring adjusted EBITDA

In 2020 non-recurring items (mainly impairment charges) affected negatively net income, which would have been R$ 13.2 billion excluding those items. Adjusted EBITDA was positively impacted by non-recurring items and would have been R$ 127 billion excluding those items (mainly the cost reversals of health care plan, as a consequence of the revision in the company's future obligations, and the exclusion of VAT tax over PIS/COFINS).

Capex

Investment amounts (Capex) encompass acquisition of property, plant and equipment, including costs with leasing, intangible assets, investments in subsidiaries and affiliates, costs with geology and geophysics, costs with research and development and pre-operating costs.

TABLE 8 – CAPEX BY SEGMENT

US$ milhões	2020	2019	Δ 2020 / 2019 %
Exploration and Production	6,557	8,410	(22.0)
Refining	947	1,463	(35.3)
Gas and Power	353	543	(35.0)
OThers	200	328	(39.0)
Total	8,057	10,743	(25.0)
Signature Bonus	-	16,671	-
Total	**8,057**	**27,414**	**(70.6)**

In 2020, investments amounted US$ 8.1 billion a 25% reduction when compared to 2019, reflecting our resilience measures announced in March that revised 2020 Capex to US$ 8.5 billion and also the E&P portfolio revision, which focused on resilience, prioritizing projects with Brent price breakeven of not more than US$ 35/barrel.

Portfolio Management

In 2020, cash inflows from divestments totaled US$ 2.1 billion until February 24th, 2021, as detailed below, including transactions signed between 2018 and 2021. The main assets sold during the year were PO&G BV, Liquigás, the Baúna field and the Pampo and Enchova Cluster.

Debt

Even in an adverse scenario, our solid cash generation and resilience initiatives contributed to a relevant debt reduction. Gross debt reached US$ 75.5 billion, 13% lower than the US$ 87 billion target for 2020. In addition, liability management helped increase the average maturity from 11.19 in September 30th, 2020 years to 11.71 years in December 31st, 2020.

Therefore, the gross debt/LTM adjusted EBITDA ratio decreased to 2.66x on December 31st, 2020 from 2.80x on September 30th, 2020.

Net debt reduced 5%, reaching US$ 63.2 billion. The net debt/LTM adjusted EBITDA ratio decreased to 2.22x on December 31st, 2020 from 2.41x on December 30th, 2020.

TABLE 9 – DEBT INDICATORS

US$ million	12.31.2020	12.31.2019
Financial Debt	**53,888**	**63,260**
Capital Markets	30,137	35,944
Banking Market	18,597	21,877
Development banks	1,516	1,967
Export Credit Agencies	3,424	3,233
Others	214	239
Financial Leases	21,650	23,861
Gross Debt	**75,538**	**87,121**
Adjusted cash and cash equivalents	12,370	8,260
Net Debt	**63,168**	**78,861**
Net Debt / (Net Debt + Market Cap) - Leverage	47%	44%
Average interest rate (% p.a.)	5.9	5.9
Weighted average maturity of outstanding debt (years)	11.71	10.80
Net debt/LTM Adjusted EBITDA ratio	2.22	2.41
Gross debt/LTM Adjusted EBITDA ratio	2.66	2.66
R$ million		
Gross Debt	**280,038**	**254,982**
Financial Leases	**112,510**	**95,179**
Adjusted cash and cash equivalents	64,280	33,294
Net Debt	**328,268**	**317,867**

Reconciliation of Adjusted EBITDA

EBITDA is an indicator calculated as the net income for the period plus taxes on profit, net financial result, depreciation and amortization. Petrobras announces EBITDA, as authorized by CVM Instruction 527 of October 2012.

In order to reflect the management view regarding the formation of the company's current business results, EBITDA is also presented adjusted (Adjusted EBITDA) as a result of: investments, impairment, results with divestments and write-off of assets, and reclassification of comprehensive income (loss) due to the disposal of equity-accounted investments.

Adjusted EBITDA, reflecting the sum of the last twelve months (Last Twelve Months), also represents an alternative to the company's operating cash generation. This measure is used to calculate the Gross Debt to Adjusted EBITDA metric, helping to evaluate the company's leverage and liquidity.

EBITDA and adjusted EBITDA are not provided for in International Financial Reporting Standards (IFRS) and should not serve as a basis for comparison with those disclosed by other companies and should not be considered as a substitute for any other measure calculated in accordance with IFRS. These measures should be considered in conjunction with other measures and indicators for a better understanding of the company's performance and financial condition.

TABLE 10 - RECONCILIATION OF ADJUSTED EBITDA

R$ million	2020	2019	Variation (%) 2020 / 2019
Net income (loss) from continuing operations	6,246	30,842	(79.7)
Net finance income (expense)	49,584	34,459	43.9
Income taxes	(6,209)	16,400	–
Depreciation, depletion and amortization	58,305	58,502	(0.3)
EBITDA	**107,926**	**140,203**	**(23.0)**
Results in equity-accounted investments	3,272	(547)	–
Impairment	34,259	11,630	194.6
Reclassification of comprehensive income (loss) due to the disposal of equity-accounted investments	225	127	77.2
Results on disposal/write-offs of assets and on remeasurement of investment retained with loss of control	(2,709)	(23,798)	(88.6)
Foreign exchange gains or losses on provisions for legal proceedings	–	476	–
Adjusted EBITDA from continuing operations	**142,973**	**128,091**	**11.6**
Adjusted EBITDA from dIscontinued operations	–	1,158	–
Adjusted EBITDAl	**142,973**	**129,249**	**10.6**
Adjusted EBITDA margin (%)	**53**	**42**	**11.0**

Shareholders' compensation

Our Shareholders' Compensation Policy has as its principles, among others, to establish the rules and procedures related to the distribution of earnings by means of Dividends and/or Interest on Capital (IOC), in a transparent manner and in accordance with the legal, statutory, and other internal regulations, seeking to ensure the Company's continuity and financial sustainability in the short, medium, and long terms, and to promote the predictability of the flow of dividend payments to shareholders.

In 2020, the Policy was revised to establish objective parameters for the payment of dividends, giving investors more transparency about their compensation, considering our level of indebtedness and cash flow. This revision has made it possible for Management to propose the payment of dividends compatible with the company's cash generation, even in years when no accounting profit is calculated.

In a scenario where the company's gross debt is above US$ 60 billion, Management may submit a proposal to distribute dividends, without accounting profit, when net debt reduction is verified in the previous twelve-month period, in which case Management believes that the company's financial sustainability is preserved. The proposed distribution should be limited to the net debt reduction. Under the revision that occurred in 2020, it was also defined that the company may, in exceptional cases, propose the payment of extraordinary dividends, exceeding the minimum legal mandatory dividend or the annual amount calculated from the formula:

Compensation = 60% x (Operating cash flow – CAPEX)

It is important to highlight that the following are not considered as CAPEX: resources coming from the sale of assets; payments for participating in bidding rounds for exploration and production of oil and natural gas; and payments related to the acquisition of companies or equity stakes.

The new policy is in line with the strategy of reducing our indebtedness and the search for greater value creation for our shareholders.

As provided for in the Policy, the decision to distribute dividends and/or other income, to be defined when the calculation of the fiscal year 2020 is made, will take into consideration several factors and variables, such as the company's results, financial condition, cash requirements, future prospects of the current and potential markets of operation, existing investment opportunities, maintenance and expansion of production capacity.

The Shareholder Compensation Policy can be accessed online at our website www.petrobras.com.br/ri

Proposed shareholder compensation for the 2020 fiscal year

The proposal for the payment of remuneration to our shareholders, in the form of dividends, in the amount of R$10.3 billion, is being submitted by the Management for approval at the 2021 Annual General Meeting (AGO).

Dividends			
Common shares (PETR3)	Groos value per share(R$)	Shareholder position date	Payment date
Single installment	**0,787446**	04/14/2021	04/29/2021
Preferred shares (PETR4)			
Single installment	**0,787446**	04/14/2021	04/29/2021

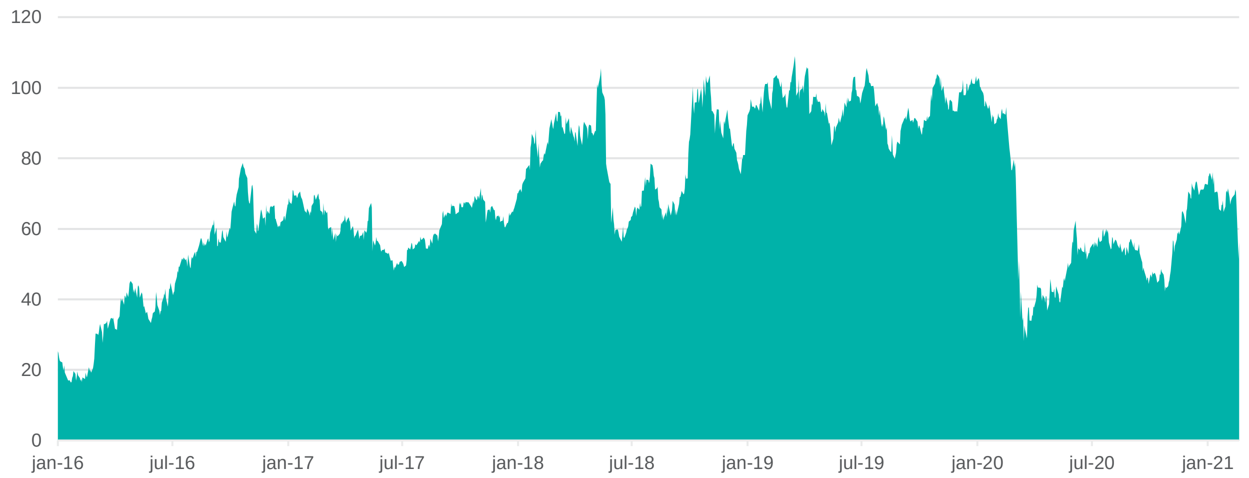
Value creation

We are evolving in the direction of a new, more sustainable, competitive Petrobras, which operates safely and ethically, generating more value for its shareholders and for society.

Shareholders

In 2020, Petrobras' stock performance was negatively impacted by the effects of Covid-19 and the decline in Brent, our market value, from US$ 101 billion in December 2019 to US$ 72.8 billion at the end of 2020. On February 23, 2021, market cap was R$56.2 billion.

MARKET CAP – PETROBRAS **(US$ BILLION)**



In 2020, our common and preferred shares devalued by 9.8% and 6.1%, respectively, and accumulated a high of 237% and 323% in the last five years, while the Ibovespa index appreciated 174% in this same period. In 2021, until February 23, our common and preferred shares presented, respectively, devaluation of 18.6% and 15.1%.

PETR3 X PETR4 X IBOV JAN 2016 = BASE 100

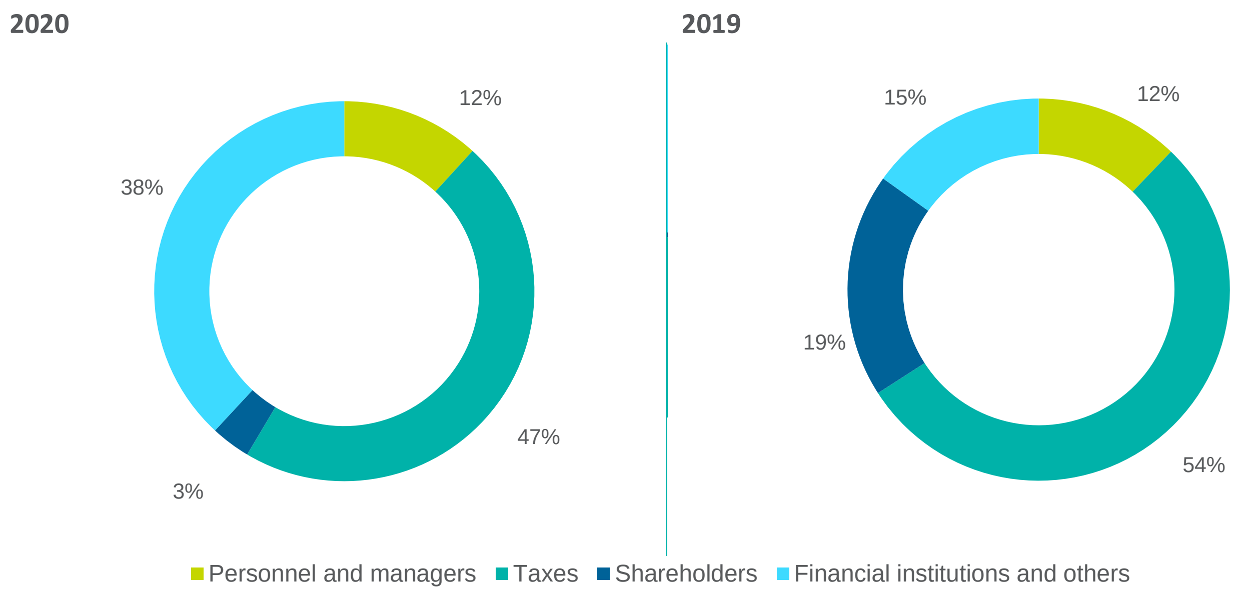
As for our shares traded on the New York Stock Exchange, American Depositary Shares - ADRs, our common shares (PBR) and preferred shares (PBR/A) fell by 29.6% and 25.9% respectively in 2020, while the MSCI Oil & Gas index, which reflects the performance of the largest oil and gas companies in the world, depreciated by 24% over the same period. The Common and Preferred ADRs have appreciated by 161% and 225% over the last five years. In 2021 through February 23, the ADRS common and preferred had devalued 24.6% and 20.3% respectively.

PBR X PBR/A X MSCI OIL & GAS JAN 2016 = BASE 100

Society

By 2020, we created R$185.6 billion of value for society. Our biggest contribution was through taxes (federal, state, municipal and overseas) in the amount of R$86.8 billion, followed by financial institutions and suppliers in the amount of R$70.7 billion. The compensation and benefits related to personnel and management totaled R$21.9 billion and the compensation to our shareholders (including the result of non-controlling shareholders and retained earnings) was R$6.2 billion. The graph below shows the distribution of the created value:

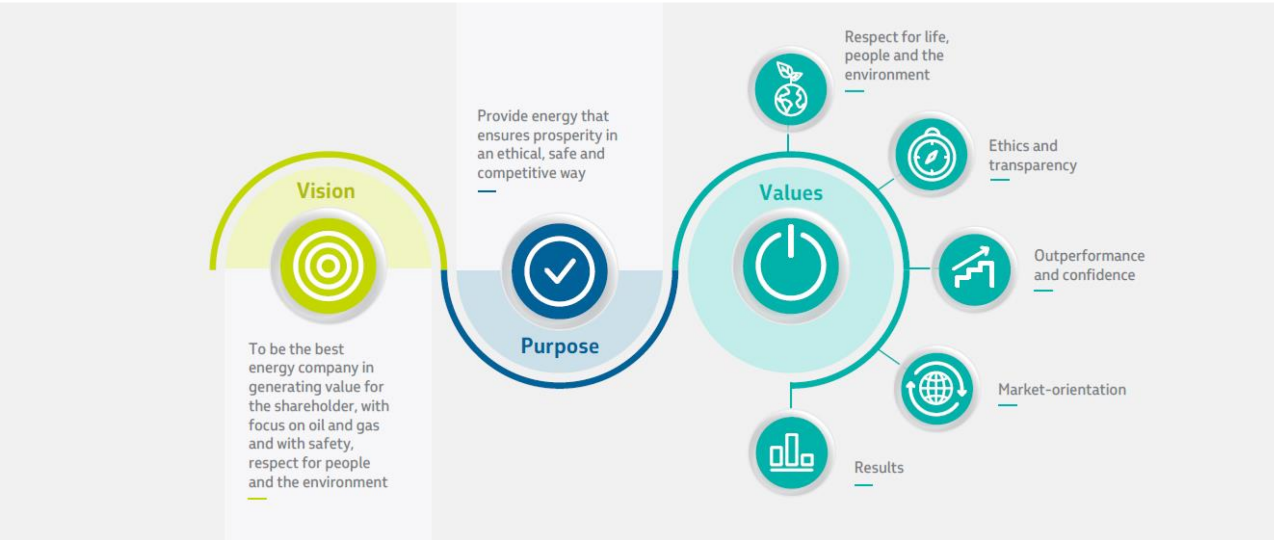
DISTRIBUTION OF CREATED VALUE (%)[1]



1) Includes the discontinued operation in 2019.

Vision, purpose and values

WE PRESENT OUR VISION AND PURPOSE BELOW,
AS WELL AS OUR VALUES, WHICH HAVE BEEN REAFFIRMED:



OUR STRATEGIES HAVE BEEN ADJUSTED, DEFINING THE FOCUS OF OUR ACTIONS BY BUSINESS SEGMENT, AND ARE DETAILED BELOW:

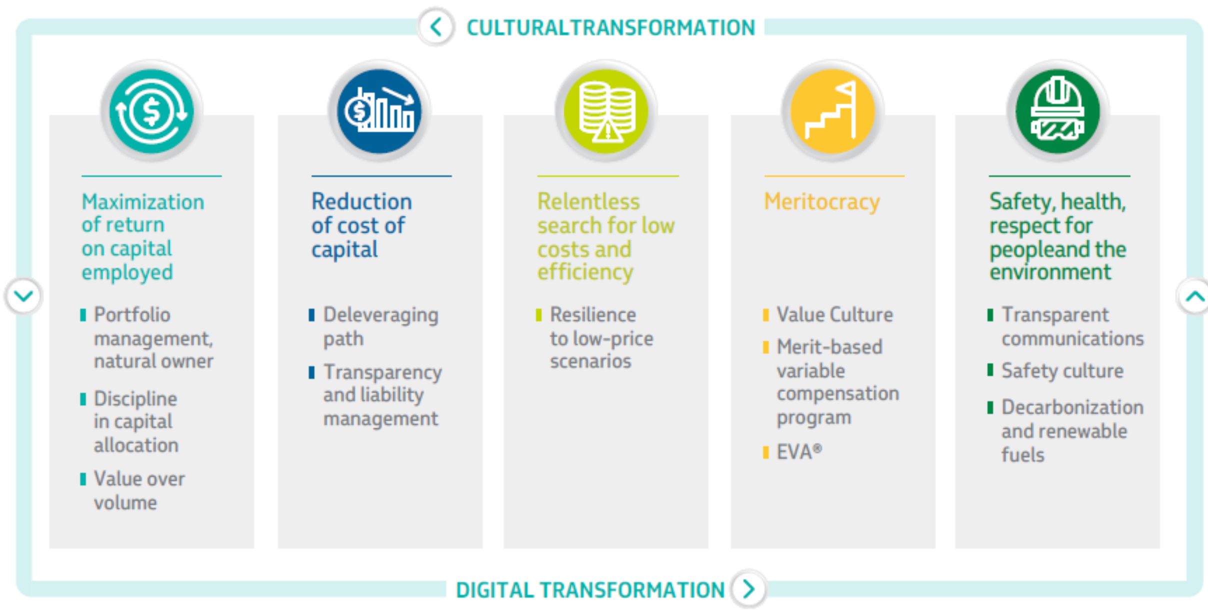
Exploration an Production	_Maximize portfolio value, focusing on deep and ultra-deepwaters, seeking operational efficiency, recovery factor optimization,partnerships and low greenhouse gas intensity; and _Grow sustained by world-class oil and gas assets in deep and ultra-deepwaters.
Gas and Energy	_Act competitively in the trading of our own gas; _Optimize the thermoelectric portfolio focusing on self-consumption and trading of its own gas; and _Withdraw from gas distribution and transport completely.
Refining	_Operate competitively in refining activities, with assets focused on the proximity of the oil supply and of the consumer market; _Withdraw from fertilizers, LPG and biodiesel businesses completely; and _Add value to the refining park, with more efficient processes and new BioRefining products, such as Biokerosene and Renewable Diesel Fuel, moving towards a low carbon market.
Logistics & Trade	_Provide and manage integrated logistics solutions, ensuring an optimal allocation of assets, inputs, and products, with competitive costs, operation sustainability, reliability and security; and _Operate in the oil and oil product trade, in a competitive environment, generating value for the company and its customers, through the integration of our production chain and subsidiaries.
Energy Transition	_Undertake research aimed at operating, in the long term, in petrochemical and renewable energy businesses with a focus on wind and solar power in Brazil.
Competitiveness	_Transform us digitally by delivering solutions to challenges, empowering our employees, generating value, and increasing operational safety; _Develop critical skills and a high-performance culture to meet the new company challenges using economic value added as a management tool; _Constantly pursue a competitive and efficient cost and investment structure with a high safety standard and respect for the environment; and _Strengthen our credibility and reputation.

Our business strategies seek to deploy our resources in the best assets to ensure the highest possible return on invested capital.

Strategic Plan 2021-2025

Our Strategic Plan 2021-2025, called *Mind the Gap*, brings a transformational agenda, which aims to eliminate the performance gap that separates us from the best global oil and gas companies, creating substantial value for our shareholders, and presents the dual resilience model - economic, resilient to low oil price scenarios; and environmental, with a focus on low carbon. Furthermore, the plan is consistent with the five strategic pillars that we have defined:

STRATEGIC PILLARS SUSTAIN OUR TRANSFORMATIONAL AGENDA



The Strategic Plan 2021-2025 proposes a set of strategies that give visibility to issues that were relevant in 2020 for the future of Petrobras, such as:

_ transparency and focus on sustainability (ESG), especially in relation to the decarbonization of operations;

_ strengthening of logistics, marketing, and sales activities;

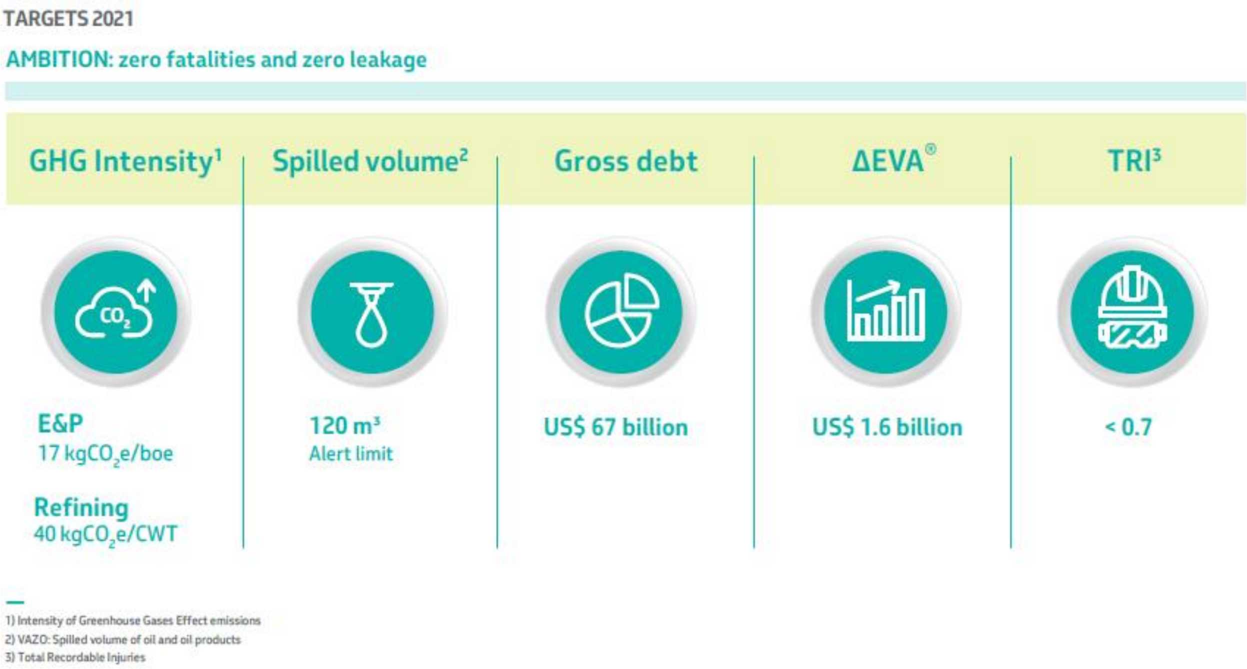
_ search for a more efficient and sustainable Refining -Biorefining; and

_ strengthening of the Petrobras management model.

_ With the execution of this Strategic Plan (SP), Petrobras reaffirms its commitment to become a more financially robust company, with low debt and capital costs, focused on world-class oil and gas assets and on value generation, always acting ethically and transparently, with safety in its operations and respect for people and the environment.

PE 2021-2025 also presents the Top Metrics, which are elements that translate and quantify the attributes of Petrobras' vision and provide more explicit guidance on the Company's main objectives, as a way to ensure that the activities are aligned with the main commitments set out in the Plan.

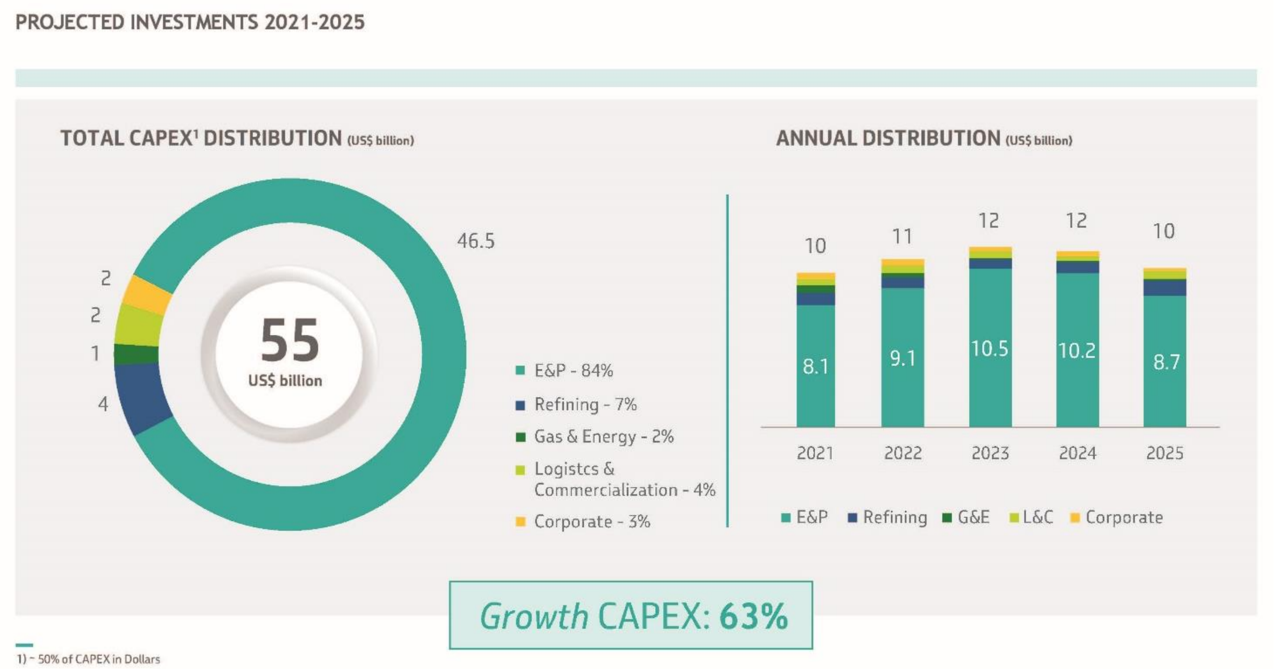
The PE 2020-2024 metrics had already been defined focusing on value generation, debt reduction, and the security and sustainability of operations. For PE 2021-2025 we are maintaining these metrics as shown in the figure below:



Following the example of the Zero Fatality Ambition inserted in the 2020 Plan, for the 2021-2025 PE we are inserting the Zero Spill Ambition, to reinforce Petrobras' commitment to the environment.

Projected CAPEX for the 2021-2025 period is US$ 55 billion, of which 84% is allocated to Oil and Gas Exploration and Production (E&P). Of that total, US$ 35 billion are dedicated investments for growth ("Growth CAPEX") and $20 billion are maintenance-related ("Sustaining CAPEX").

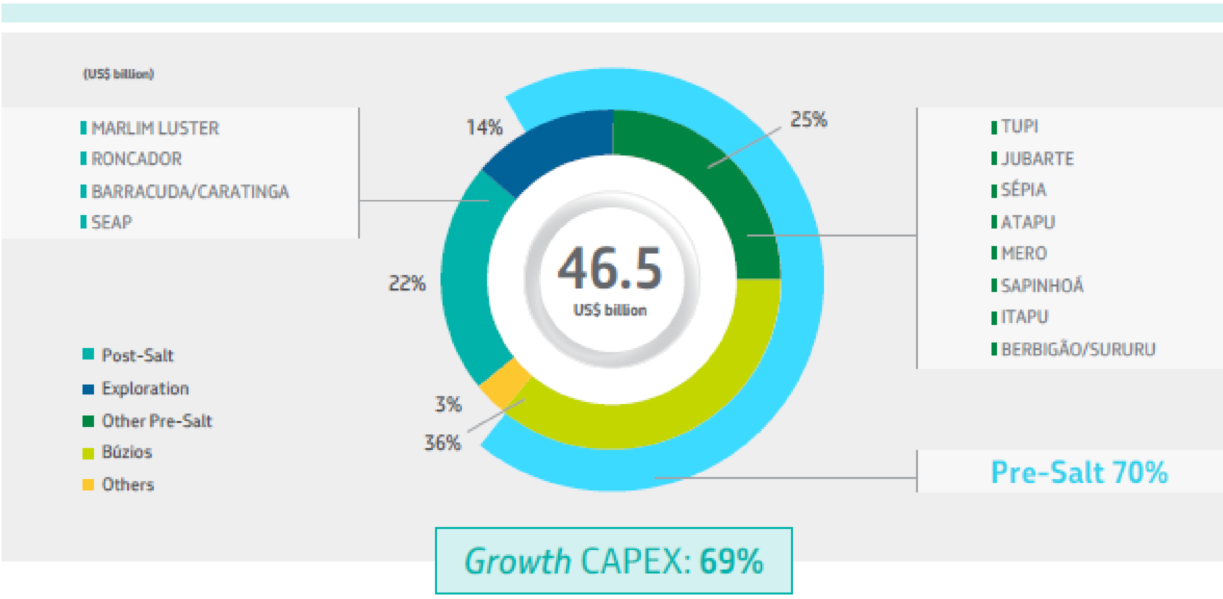
INVESTMENT PLAN 2021-2025 (US$ BILLION)



Of the US$ 46.5 billion of investments in E&P, 70% will be allocated to pre-salt assets, particularly in the Búzios field, where 36% of the total forecasted investment for the E&P segment in the 2021-2025 horizon should be allocated. The allocation is adherent to the Company's strategic positioning, with a focus on world-class assets in deep and ultra-deep waters, which it naturally owns, taking into account the quality of its human capital, stock of technological knowledge, and capacity to innovate.

Capital scarcity imposes competition among projects for "funding", with only those that are resilient to the US$35/bbl Brent oil price being approved.

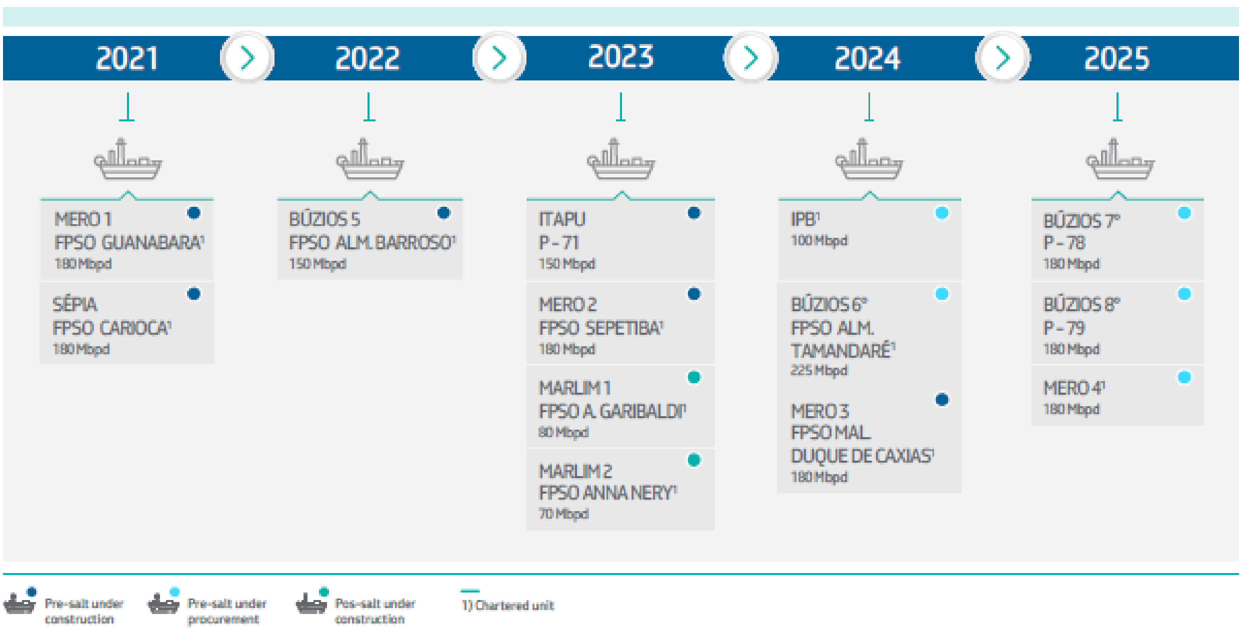
PROJECTED E&P INVESTMENTS 2021—2025



The figure below allows us to visualize the expected entry of 13 new FPSOs by 2025, 11 in the pre-salt and 2 in the post-salt.

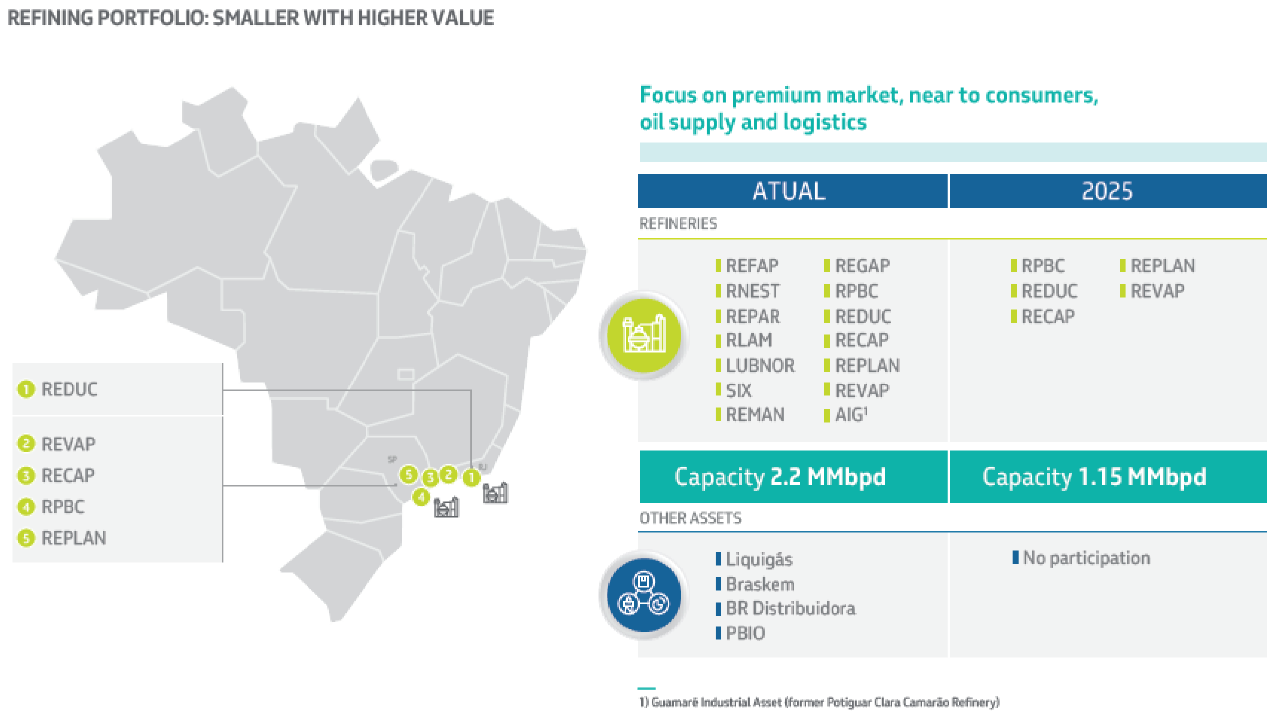
FPSO PROJECTS

6 fields and 13 new FPSOs from 2021 to 2025

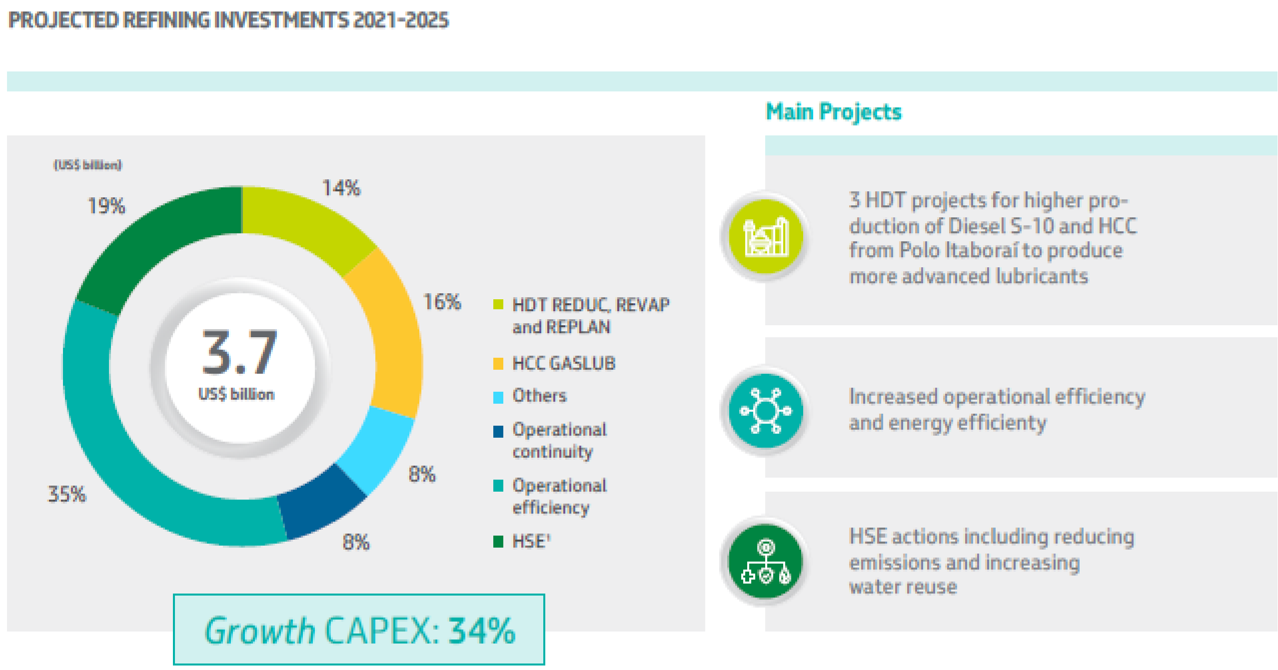


In the Refining segment, it is intended to be smaller, generating more value. This will be possible with a focus on the *premium* market, close to consumption, oil supply and logistics. Of the 13 current refineries, located in various regions of the country, the goal is to keep the 5 refineries in the southeast.

REFINERY PORTFOLIO: SMALLER WITH MORE VALUE



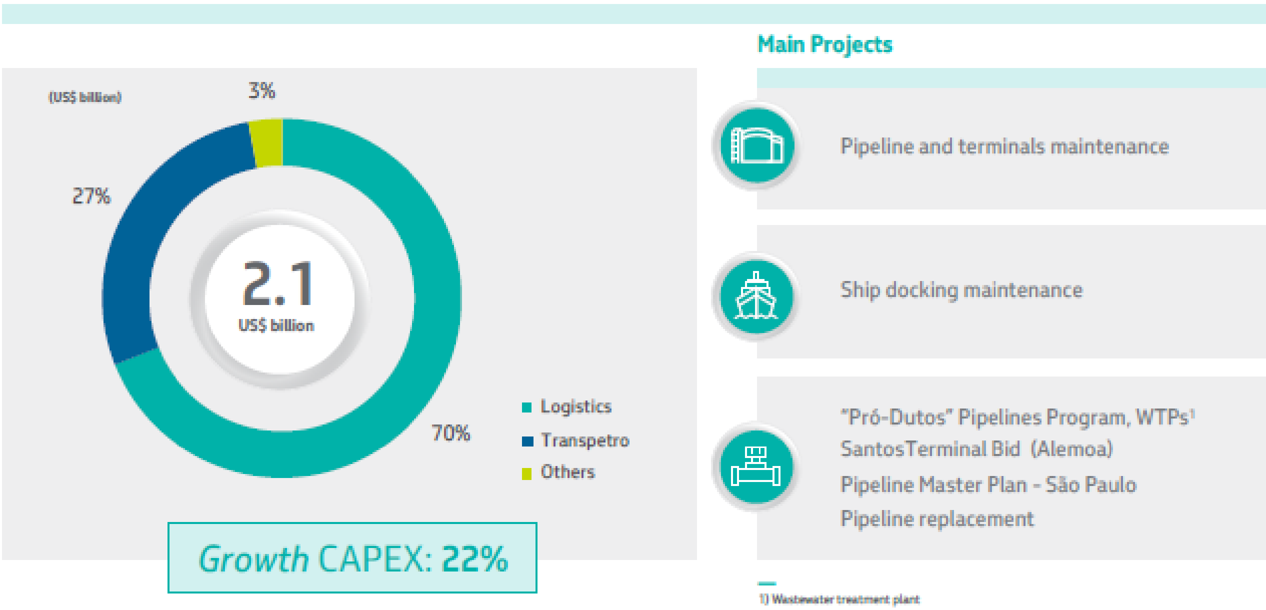
For the next 5 years, a CAPEX of US$ 3.7 billion is forecast, of which 34% will be for the development of new projects, for the refineries that will remain in the company's portfolio. The investments are concentrated in the projects highlighted below:



In the Gas & Power segment, Petrobras will continue as a relevant *player* even after the opening, acting actively in its portfolio. We highlight the investments in Rota 3 and in the natural gas processing unit, which will allow the flow of natural gas from the pre-salt production. The investments are concentrated in the projects highlighted below:

In the Marketing and Logistics segment, we highlight the projects of the São Paulo pipeline master plan, for the removal of oil, LPG, and naphtha pipelines from populated areas in São Paulo. The Marketing and Logistics area, created in 2020, is focused on improving logistics efficiency, safety and availability. The investments are distributed as follows:

PROJECTED MARKETING, SALES & LOGISTICS INVESTMENTS 2021-2025



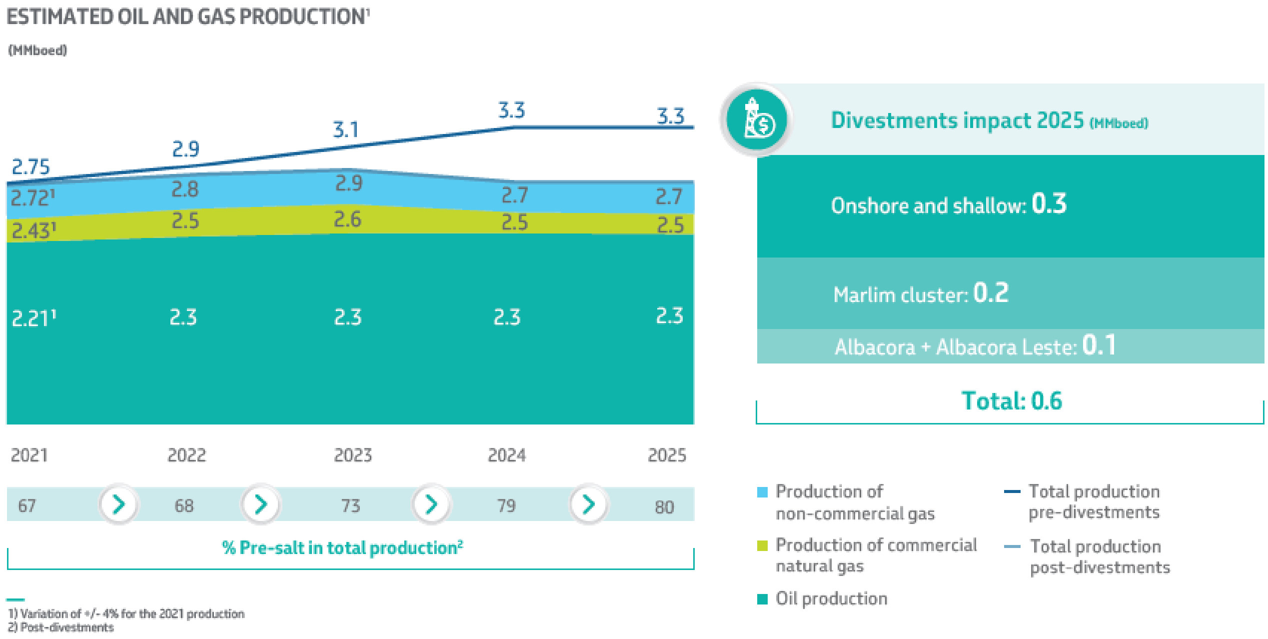
Oil, NGL and Natural Gas Production

The estimated oil and gas production curve for the 2021-2025 period, without considering divestitures, indicates continued growth focused on the development of projects that generate value, with increased participation of assets in the pre-salt, where the cost of extraction is lower. During this period, 13 new production systems are expected to come on stream, all allocated to deep and ultra-deep projects.

Oil production for 2021 reflects the impacts associated with Covid-19 and divestments that occurred in 2020. We consider a variation of 4% plus or minus for the 2021 production.

The production curve estimated in the strategic plan is shown below.

FOCUS ON MAXIMIZING VALUE, WITH GREATER CONCENTRATION ON PRE-SALT AND DIVESTMENTS

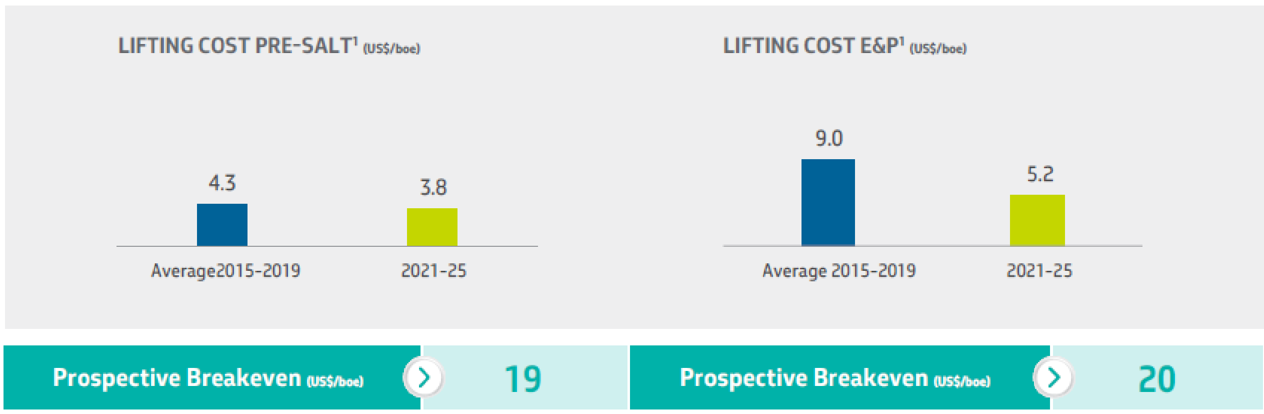


Operating Costs

In line with our strategic pillar, we are relentlessly pursuing lower costs and greater efficiency.

The Strategic Plan 2021-2025 contemplates cost optimization and reduction initiatives, with cost reduction targets in the plan's horizon, as in the case of *lifting cost*, as presented in the figure below.

LOW *BREAKEVEN* AND LIFTING COSTS STRENGTHEN OUR COMPETITIVENESS

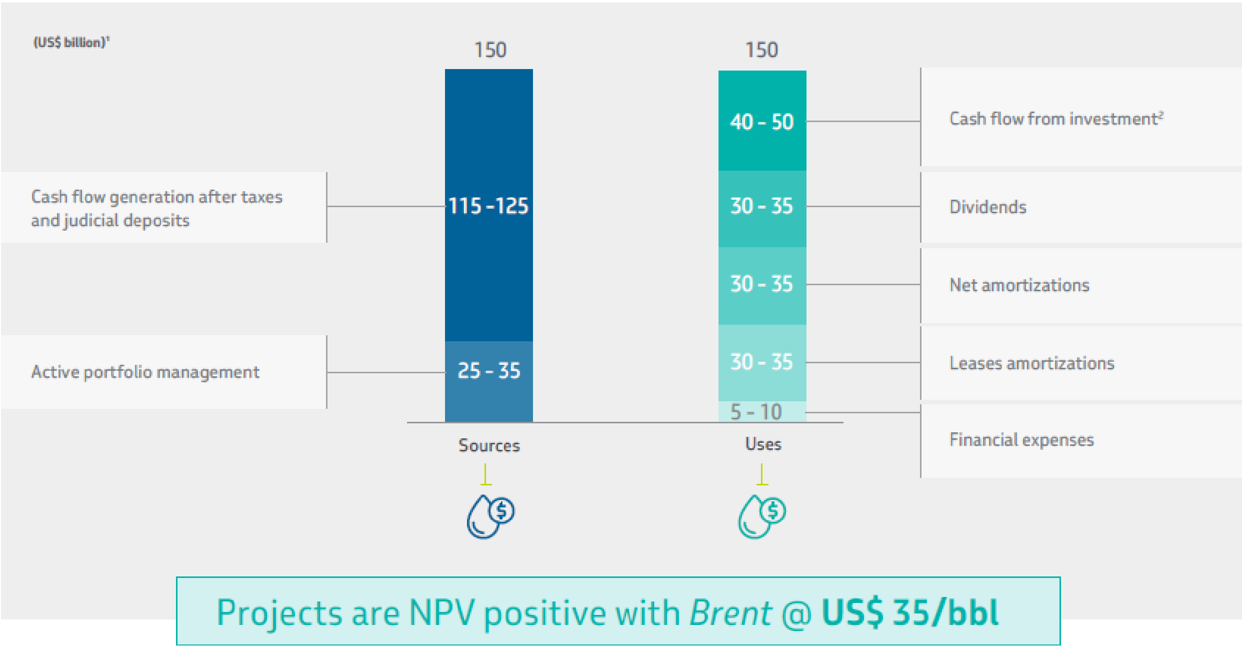


1) Without leasing cost, without government take.

Financeability

The Strategic Plan 2021-2025 considers as sources, as shown in the figure below, a strong cash generation after taxes and judicial deposits, and the sale of assets from the active portfolio management process. With these cash inflows we will be able to make investments, reduce our debt and leasing, pay our debt, and pay dividends.

STRONG EXPECTED FREE CASH FLOW CREATION AT THE CENTER OF CAPITAL MANAGEMENT



1) Considers Brent @ US$ 45/bbl in 2021-22 and US$ 50 until 2025 and long run.
Real FX Rate 2021-2025: R$ 5.50, R$ 4.69, R$ 4.46, R$ 4.28 e R$ 4.07

2) Excludes leases classified as total CAPEX.

Low carbon and sustainability commitments

We reiterate our commitment to the environment and to decarbonization using new technologies, involving for example the reduction of natural gas flaring, re-injection of CO_2, and energy efficiency gains in our operations. An executive management focused on climate change has been created, linked to the Institutional Relations and Sustainability area, and aims to keep Petrobras in the first quartile of the O&G offshore exploration industry in relation to low carbon emissions.

In this regard, our ten commitments to sustainability have been revised[1]:

1) Reducing total absolute operational emissions by 25% by 2030;

2) Zero routine flaring by 2030[2];

3) Re-injection of approximately 40 MM tons CO_2 by 2025 into capture, utilization and carbon storage projects (CCUS);

4) 32% reduction in carbon intensity in the E&P segment by 2025 (15 kgCO_2e/boe, maintained until 2030);

5) 40% reduction in the intensity of methane emissions in the E&P segment by 2025;

6) 16% reduction in refining carbon intensity by 2025, increasing to 30% until 2030 (30 kgCO_2e/CWT);

7) 50% reduction in freshwater withdrawal in our operations by 2030;

8) Zero growth in process waste generation by 2025;

9) 100% of our facilities with a biodiversity action plan by 2025;

10) Investments in socio-environmental projects, human rights programs, and community relations.

—

1) Carbon commitments relative to the 2015 baseline. Other commitments based on 2018.

2) As per the World Bank's Zero *Routine Flaring* initiative

We plan to invest over the next five years approximately US$ 1 billion related to our low carbon and sustainability commitments that will be distributed through innovation initiatives in our operations, biorefining (renewable diesel, BioQAV, bioproducts and lubricants) and the development of skills for the future through R&D in modern renewables, low carbon and petrochemical products and offset projects.

In addition to our sustainability commitments, we have approved five social responsibility commitments:

1) Human Rights training program for 100% of employees.

2) Actions to promote diversity, providing an inclusive environment.

3) *Human Rights* due diligence in 100% of operations.

4) Socio-economic diagnosis of the communities.

5) Measurement and disclosure of the social return of at least 50% of the socio-environmental projects.

Completing our ESG agenda, we have maintained Governance as one of our priorities. Throughout 2020, we made continuous efforts and showed strong development on this issue by approving our Code of Ethical Conduct and our Guide to Ethical Conduct for Suppliers, which contributed to our return to the Partnering Against Corruption Initiative (PACI) of the *World Economic Forum* (WEF). In addition, we presented our two commitments, which are to ensure a governance model that allows a balance between efficiency and control, and to act with integrity and transparency, with zero tolerance to fraud and corruption.

With the execution of this Strategic Plan, we reaffirm our commitment to become a more financially robust company, with low debt and cost of capital, aligned with our peers in the industry and focused on world-class oil and gas assets, always acting in an ethical and transparent manner, with safety and respect for people and the environment.

These initiatives, associated with an expressive generation of operating cash, will allow us to deleverage, make investments, and increase the return to our shareholders.

Sustentabilidade

Evolution of the total recordable injury rate (TRI)

Respect for life, people, and the environment is a value in our strategic positioning.

Our target is to operate within the best security standards worldwide. One of our top metrics is the total recordable injury rate per million man-hours (TRI) below 1.0.

In 2020, we achieved our best result ever with a TAR of 0.56, reducing the 2019 result by 26%, when we realized a TRI of 0.76, below the *peer group* benchmark[1]. The excellent result was supported by the programs to strengthen safety management and the Commitment to Life Program, which consists of actions focused on accident prevention and preservation of life and the environment. The actions of this program are structured based on the results of the HSE management assessments, on the root causes identified in the accident investigation processes, on the critical analysis of our processes, and on the best market practices. The program was launched in October 2016 and is revised each year when new actions are inserted.

In the last cycle of the Commitment to Life Program (4th Cycle), implemented throughout 2020, about 32,000 employees were trained in the "Risk Factors" training. The training aims at raising the employees' awareness in the improvement of the decision-making process with a focus on safety, decreasing the risks inside and outside the work environment, strengthening a safety culture based on human factors.

Other relevant actions of the Program were the development of the Falling Objects Prevention Project (DROPS) and the EAD Hand Care training that trained more than 60,000 employees.

The reduction in TRI is a direct consequence of the implementation of the various initiatives to promote our safety culture which, by 2020, resulted in zero fatalities for the Company. This historic result is in line with the ZERO FATALITIES ambition set by Petrobras in its Strategic Plan.

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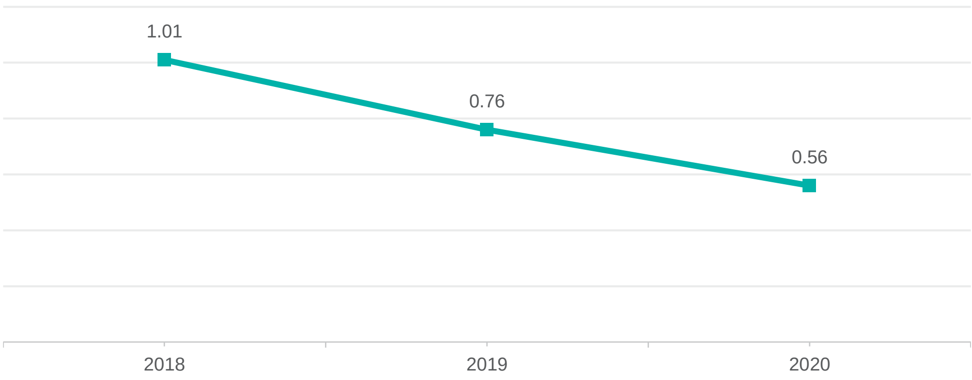
1) TAR below the *peer group benchmark* (0.80): The comparison was made by consulting the results published in the sustainability reports of BP, Shell, Equinor, Total and Exxon, considering the period from 2013 to 2019 where it can be seen that the lowest TAR value of this period, among these companies, is Shell's in the value of 0.8 in the year 2017.

TOTAL RECORDABLE INJURY RATE - TRI



Commitment to Life Program

_ The Commitment to Life Program is made up of actions focused on accident prevention and preservation of life and the environment. The actions that make up the Commitment to Life Program are structured based on the results of our health, safety and environment (HSE) management assessments, on the basic causes identified in the accident investigation processes, and on the environmental scenarios of the last few years and best market practices. The program was launched in October 2016 and is revised each year when new actions are inserted.

_ The fourth cycle, which started in 2019 and continued throughout 2020, had an emphasis on actions such as:

_ Training in the Risk Factors Program, with the theme "Quit being Automatic";

_ Implementation of the HSE Academy, acting in Knowledge Management directed to critical themes of Health, Environment, and Safety, promoting a culture of organizational learning;

_ Ensuring compliance with the Sustainability Commitments on climate, water, waste, and biodiversity;

_ Further advance in process safety, with prevention, mitigation, and response to hazardous product loss of containment events, with highlight to the release of Petrobras' Process Safety Fundamentals;

_ Improving occupational health information management;

_ Implementation of improvements in the HSE Management Auditing Program - PAG - SMS, with emphasis on the use of data intelligence to optimize the assessment process;

_ Advances in the "Simplified Work Permit (PT)" program, generating more agility, greater productivity, and more security in the process of planning and clearing work;

_ Creation of the "SMS Digital" Program to incorporate new technologies such as *wearables*, video analytics, artificial intelligence etc. in the HSE processes, as well as the creation of a Safety Innovation Lab at the Petrobras Research Center (CENPES) to work in partnerships with start ups, in order to leverage the digital transformation of the HSE area at Petrobras.

Actions against Covid-19

The outbreak of the Covid-19 pandemic and the measures required to contain the virus made 2020 an unusual year. In line with our commitment to people's health and safety, we are engaged in the fight to mitigate the effects of this pandemic, the largest in the last 100 years.

After the World Health Organization declared the Pandemic, Petrobras established an internal Organizational Response Structure (EOR), based on the ICS (Incident Command System) management tool. This provisional structure, composed of PETROBRAS' internal professionals, started to guide, in a uniform way, all the Company's actions to prevent and combat the advance of the new SARS-CoV-2 virus and mitigate its consequences, in all possible fronts.

We acted quickly and adopted a series of measures to preserve the health of our employees in the operational and administrative areas. The initiatives are in line with the recommendations of the World Health Organization and the Ministry of Health and aim to contribute to the efforts to mitigate the risks of the disease. Preventive measures have been adopted such as:

(i) widespread testing, more than 400,000 tests have already been conducted in the workforce by December 2020;

(ii) pre-boarding and pre-shift health monitoring, reinforcement of hygiene measures, distancing, and mandatory mask use in the units;

(iii) reducing the number of personnel aboard platforms, rigs and other vessels to the necessary for the safe operation of each unit;

(iv) intensification of the inspection of compliance with prevention standards in all maritime or onshore operational units, with audits in all units and immediate correction of any deviations;

(v) awareness and orientation actions for employees about individual care;

(vi) health monitoring and access to telemedicine services.

All employees were instructed to report any symptoms immediately. We have publicized specific communication channels (*24-hour call center* and e-mail), as well as an online form for self-reporting suspected symptoms. We monitor the suspected cases and their contacts since the first report, taking all preventive measures to avoid contagion, orienting employees and applying RT-PCR (Reverse Transcriptase Protein Chain Reaction) test, when indicated by the health team.

For the *offshore* sector, considering the special characteristic of containment, we adopt even stricter measures, always keeping in constant contact with regulatory agencies, service companies, and other entities in this sector to align practices. We have implemented monitored home isolation and screening by health professionals in the pre-boarding platforms, with suspension of boarding for anyone presenting any symptoms in the preceding fourteen days, as well as performing diagnostic tests before boarding. We evaluate, through a dedicated health team, all employees with symptoms on board and arrange for the immediate disembarkation of suspected cases and their contacts.

To ensure that best practices are also adopted by our suppliers, we monitor the measures and planning of the companies responsible for chartered units and service providers.

Climate change

Our actions related to climate change are supported by three pillars:

1	2	3
Transparency	Resilience of our fossil position in the face of transition to low carbon	Strengthening our competencies to create value in low carbon
In this context:		
It is our priority to ensure that carbon risks and opportunities are adequately captured in scenarios, quantified and considered in our choices, ensuring the sustainability and resilience of our business. We embrace carbon transparency and highlight our recent public support for the TCFD - *Task Force for Climate Related Financial Disclosures*.	It is our priority to operate with low costs and superior carbon performance, thriving in scenarios of low oil prices, carbon pricing, and possible practices of differentiating oil according to its carbon intensity in production. To this end, we have established a set of low-carbon targets and have a corporate greenhouse gas emissions mitigation program, with a dedicated budget. In 2020, we created an executive management for climate change with the objective of strengthening carbon governance.	In this pillar, our focus is on innovation and the acquisition of skills that could enable future diversification into renewables and low-carbon products. While we work to safeguard a solid financial situation in the medium and long term, we also work on our competitiveness to capture potential diversification opportunities in a long-term perspective.

Our carbon commitments were updated in our Strategic Plan 2021-2025, adding an operational emissions reduction target for 2030 and expanding our intensity targets in *upstream* and refining to 2030. Our absolute operational emissions reduction target encompasses 100% of operated assets in all our businesses, including power generation, for all greenhouse gases (GHG)[1] and is a material, relevant and short-term contribution to addressing climate change. Since 2019, metrics linked to carbon intensity in our E&P and Refining operations are integrated into executive compensation. In 2020, such metrics were incorporated as one of the company's top four indicators, influencing the variable compensation not only of executives, but also of all company employees.

In 2020, our performance in terms of GHG emissions was as follows:

- Total GHG emissions of 56 million tCO_2e, characterizing the sixth consecutive year of absolute operational emissions reduction and consistent with our goal to reduce this total by 25% by 2030 compared to 2015;
- E&P carbon intensity of 15.8 $kgCO_2e$ / boe, on track to reach the medium-term target of 15 $kgCO_2e$ / boe in 2025[1] and maintained through 2030;
- Refining carbon intensity of 40.2 $kgCO_2e$ / CWT, on track to reach the medium-term target of 36 $kgCO_2e$ / CWT by 2025[2] and 30 $kgCO_2e$ / CWT by 2030.

Our carbon intensity targets (E&P and Refining) represent coverage of 76% of the emissions from activities operated by Petrobras, considering the year 2020.

We collaborate with initiatives for climate development and continue to partner with other companies and the science, technology and innovation (ST&I) community. We highlight, for example, our participation in the *Oil and Gas Climate Initiative* (OGCI) and our support for the World Bank's *"Zero Routine Flaring by 2030"* initiative, which is one of our 10 sustainability commitments. Our Connections for Innovation - Startups Module program, held in partnership with the Brazilian Micro and Small Business Support Service (SEBRAE), included themes related to carbon reduction in its two editions (2020 and 2019). One of the winning companies in the 2020 edition, *Alfa Sense*, will work on reducing GHG emissions in our operations and *Pam Selective Membranes*, which was one of the winning companies in the previous edition, started its work on carbon capture technology last year.

1) The indicator kg CO_2e / boe considers in its denominator the gross oil and gas production ("wellhead").

2) The kg CO_2/CWT indicator was developed by Solomon Associates specifically for refineries and has been adopted by the EU Emissions Trading System (EU ETS) and CONCAWE (the association of European oil and gas refining and distribution companies). The CWT (Complexity Weighted Tonne) of a refinery considers the potential greenhouse gas (GHG) emissions, in equivalence to distillation, for each process unit. Thus, it is possible to compare emissions from refineries of various sizes and complexities. Petrobras tracks the kg CO_2/CWT indicator, according to its original identity. We also track an adapted indicator: kg CO_2e/CWT, to allow the inclusion of emissions of the other greenhouse gases (e.g. methane), which, however, represent a small portion of our refining emissions.

Socio-environmental actions

The expansion of economic activity and the continuing process of urbanization bring increasing challenges for water security. As such, aiming to ensure our access to water and contribute to the availability of water in the regions where we operate, we have expanded over the past 15 years the reuse as an alternative source of water for our facilities and, in our commitment basket, we have set a target to reduce our freshwater withdrawal by 50% by 2030, focusing on reuse. Along the same lines, we have committed not to increase our generation of process residues, even with the expansion of our production curve, which will require the expansion of internal actions for generation prevention and the search for preferential reuse, recycling, and recovery routes, practices that have already been expanded in recent years.

Another highly relevant theme for our environmental agenda is the protection of biodiversity, which is fundamental both for its intrinsic value and for the ecosystem services it provides to society as a whole. The management of risks and impacts on biodiversity is internalized in our corporate management and operational activities, and is guided by the mitigation hierarchy (prevention, minimization, recovery and compensation of impacts), through the adoption of good operational and management practices, and by the development of studies that contribute to the knowledge and protection of biodiversity. As such, we can highlight the Santos Basin Regional Characterization Project, developed in the scope of the environmental licensing for maritime drilling activities in the Santos Basin, which brings together 30 lines of research in the areas of biological oceanography, chemistry, physics, and geology, collecting scientific data from an area of 350,000 km² and developing new techniques for biodiversity assessment.

In view of the relevance of the topic, we have also assumed the commitment to have 100% of our facilities with Biodiversity Action Plans by 2025, which will contribute to the improvement of management on the topic, to the optimization of internal processes and to a better identification of opportunities and risks related to biodiversity, in alignment with the best practices in place in the industry. Among the planned actions is the refinement of the mapping of protected and sensitive areas, as well as the characterization of the biodiversity in the area surrounding the units, the strengthening of actions for the management of wild, synanthropic and domestic fauna, and the recovery of degraded areas, among others.

Our spill response plans are structured on local, regional, and corporate levels. The corporate contingency plan provides the structure and information to make available additional resources to the Emergency Response Plans of the units, in Brazil and abroad. These additional resources are distributed in the Environmental Defense Centers (CDAs) and in advanced bases, located in various points of the national territory, in addition to Transpetro's Emergency Response Centers. In 2020, within the new cycle of the Commitment to Life Program, we launched the Blue Sea project, which is a robust initiative to prevent *offshore* leaks.

For 2021, in addition to maintaining the ZERO fatalities ambition, already defined in the previous plan and achieved in the first year, the Company has added the new ambition of ZERO leaks.

Despite the preventive actions and commitments already taken because we are an energy company focused on oil and gas, in performing our activities we use natural resources and impact ecosystems. Over the past three years, the main impacts have been as follows:

MAIN IMPACTS

	2020	2019	2018
Emissions (million tons CO_2 and)	56	59	62
Biodiversity and Ecosystems (Events with confirmed or probable impact on fauna, flora or habitat)	6	17[1]	31
Hazardous solid waste generated in industrial processes (thousand ton)	120	118	120
Effluent (million m^3)	277.5[2]	271.6	289.1
Leaks (m^3)	216.5[3]	415.3	18.5

The slight increase in solid waste generation in 2020 (less than 2,000 tons), with respect to the previous year, is basically due to non-routine cleaning and maintenance activities.

The increase in effluents in 2020 can be explained by the inclusion of sanitary effluent volumes, in addition to possible rainfall variations (rainwater when it falls in places where there may be eventual presence of oil is managed and treated as effluent).

We systematically evaluate, in investment projects, the main risks in the safety, environment, and health dimensions. The results of these evaluations are monitored, periodically, by the Safety, Environment, and Health Committee of the Board of Directors, which consists of three directors and two external expert members.

In 2020, we invested R$ 4.951 billion in initiatives to improve our HSE performance, comply with specific legislation, and contribute to making the operational practices of our units safe, profitable, and environmentally responsible.

1) Leak events greater than 1 barrel of oil or petroleum products that hit terrestrial or marine environments were considered. The volumetric criterion (> 1 barrel) is used in the corporate indicator for Spilled Volume of Oil and Derivatives and is aligned with the ANP's Manual for reporting incidents for E&P activities.

2) Industrial effluent, produced water and sanitary effluent (the latter included only in 2020, in compliance with GRI 303: *Water and Effluents 2018*).It does not include the produced water re-injected into the formations for secondary recovery nor the effluents from open cooling systems.

3) Two major occurrences in 2020 accounted for 98% of the total volume of oil leaked and were associated with pipe/duct rupture and diesel oil discharge. The first one occurred in March, in the Farfan field, due to service line collapse (64 m^3). The second, which occurred in August at P-67, in the Lula field, was the result of a hose failure during a transfer operation with a tugboat (148 m^3).

Through the Petrobras Socio-environmental Program, we invest resources in several socio-environmental projects. The program's lines of action were revised in January 2020, seeking alignment with the Strategic Plan 2020-2024, as well as with the Sustainable Development Goals, SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), SDG 14 (Life in Water), and SDG 15 (Life on Earth). The program also brings as cross-cutting themes early childhood, human rights, and innovation. In this model, the purpose of socio-environmental investment is to contribute to the communities where we operate and to the sustainability of the business, supporting social and environmental initiatives that generate value for Petrobras and for society. In 2020, efforts were also sought to focus on the strategy of transition to a low-carbon economy and on the company's *offshore* operations. To enhance the results and the management of indicators, we encourage the institutions to work in networks.

Our actions as a sponsor were guided by the need to adapt to the scenario established by the Covid-19 pandemic. We adjusted the budget and the negotiation with our sponsors.

In cultural sponsorship, we hold public calls, focusing on initiatives linked to early childhood development, with a scope that allows Petrobras' objectives to be met without resorting to on-site activities. In the business, science and technology segments we also focused on sponsorships that would allow us to reach our targets in a scenario of primarily remote activities, such as remote trade fairs and congresses.

In 2020, we will invest R$ 89 million in socio-environmental projects, 23% less than in 2019. The activities planned for the Petrobras Socio-environmental Program were impacted by adjustments made due to our Resilience Plan, released on March 8, 2020, and by social isolation measures, as many of the activities involved collective and face-to-face events. In order to mitigate the risks related to Covid-19, the projects acted in an agile manner, adopting a series of measures to safeguard the health of the technical teams and their beneficiaries, while maintaining the performance of the activities at a distance. In this period, it was possible to count on the support of our network of socio-environmental projects in actions to distribute food baskets to the communities surrounding our operations, in addition to sharing content and important themes for society in general, through digital platforms and social networks. The sponsored projects participated in more than 430 *livestreams* on social networks, in which content was shared on education, human rights, entrepreneurship, and sustainable development, among others.

We estimate that more than 139,000 people will be benefited by the projects in effect by 2020, by means of activities that are present or developed at a distance due to social isolation, such as: complementary education, environmental education, educational sports, teacher training, training for work, training for sustainable tourism in coastal and marine environments, and technical support for actions that promote the recovery of forests and natural areas, among other actions carried out by the supported projects. In their activities, the projects engage children and teenagers, women, black people, people with disabilities, indigenous peoples, and traditional peoples and communities, promoting inclusion actions for these audiences.

To increase our contribution to society beyond the socio-environmental projects, we made R$ 25.5 million in cash and material donations in response to Covid-19 and other disasters, such as floods, fires, and blackouts which, added to the socio-environmental investment, totals R$ 114.5 million in social benefits.

We made financial donations to the states of Minas Gerais and Espírito Santo, contributing to the population impacted by the strong floods of February 2020. In Mato Grosso, we supported the rescue and treatment of animals affected by forest fires, in partnership with the NGO Instituto Sustentar, and in Amapá, we supported vulnerable communities, in partnership with the NGO Oficina Escola de Lutheria da Amazônia (OELA), due to the blackouts that resulted in the lack of power and water supply in 13 of the state's 16 municipalities.

The actions to combat Covid-19 involved the donation of RT-PCR type tests to detect the disease, hospital PPE, hygiene and cleaning items, and fuel to the federative units, to supply ambulances, vehicles to transport health teams, and hospital generators. Financial donations were also made to the Hospital das Clinicas at USP, for the implementation of a digital platform for diagnosis of Covid-19; to SENAI and SITAWI/BNDES, for the repair of pulmonary ventilators; to IBP, for the launching of a public notice for the production of low-cost pulmonary ventilators; and to the ASTA Network, for the production of fabric masks for communities in the area covered by our operations, generating income for 221 women through the Máscara + Renda project.

In June 2020 the Company approved the Human Rights Guideline, in which it assumes as a principle to respect, raise awareness of, and promote Human Rights throughout the life cycle of its projects and operations and act in accordance with the precepts of the Federal Constitution and the international treaties and conventions ratified by the Brazilian State, such as the International Bill of Human Rights and the Declaration of Fundamental Principles and Rights at Work of the International Labor Organization (ILO), as well as the institutional commitments assumed by the company. In addition to the legal precepts and institutional commitments, our performance in Human Rights is guided by the United Nations Guiding Principles on Business and Human Rights.

In December 2020, Petrobras published the 2021-2025 Strategic Plan, in which in its sustainability commitments it pledges to develop by 2025: a Human Rights training program for 100% of its employees; actions to promote diversity, providing an inclusive environment; Human Rights due diligence in 100% of operations; a socioeconomic diagnosis of the communities; and measurement and disclosure of the social return of at least 50% of its socio-environmental projects. For more information about the sustainability commitments undertaken, see the Strategic Plan 2021-2025 item in this report.

Petrobras annually publishes its social and environmental information in its Sustainability Report.

Human Resources

We ended 2020 with 49,050 employees, a 15.4% reduction from 2019, with 8,161 women (16.6%) and 40,889 men (83.4%).

EMPLOYEES' PROFILE

	2020	2019	2018
Employees	**49.050**	**57.983**	**63.361**
Female	8.161	9.331	10.518
Male	40.889	48.652	52.843

GEOGRAPHIC DISTRIBUTION OF PETROBRAS EMPLOYEES

	2020	2019	2018
Geographical Distribution - Petrobras	41,485	46,416	47,556
Southeast	34,047	36,077	35,699
Northeast	4,910	7,400	8,608
South	1,627	1,853	2,101
North	764	929	969
Central-West	137	157	179
Geographical Distribution - Subsidiaries in Brazil	6,789	10,691	13,935
Southeast	5,216	5,697	7,830
Northeast	856	2,328	2,793
South	322	1,616	1,903
North	318	758	918
Central-West	77	292	491
Subsidiaries overseas	776	876	1,870
Total Petrobras employees and subsidiaries	**49,050**	**57,983**	**63,361**

EDUCATION LEVEL OF PETROBRAS EMPLOYEES

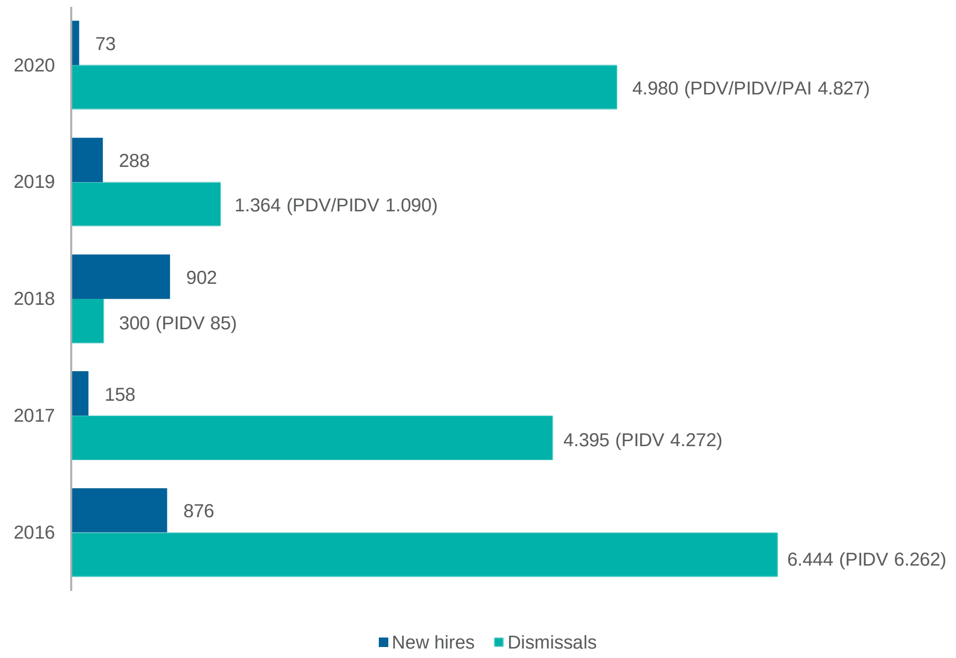
	2020	2019	2018
Education Level			
Primary	98	547	611
Secondary	14,878	17,387	17,987
Higher education	17,688	19,255	19,530
Specialization, Master's and PhD	8,821	9,227	9,428
Total employees of Petrobras	**41,485**	**46,416**	**47,556**

Admissions and terminations

In 2020, the company conducted four voluntary dismissal programs (PDV), with three launched in 2019 for different audiences (retirees, employees from areas undergoing divestment and employees from corporate areas) and one launched in 2020. The Retirement Incentive Program (PAI), launched in May 2020, aimed to encourage employees who already met the legal conditions to apply for their retirement. Of the 10,567 employees enrolled in the four programs throughout 2019 and 2020, 4,815 left the company between January and December 2020 (4,638 through PDV and 177 through PAI). In 2020, 12 employees also left the company due to severance programs launched in previous years (3 from PIDV 2014 and 9 from PIDV 2016), totaling 4,827 employees.

The total number of employees who have left the company since 2014 due to voluntary severance programs (PIDV, PDV or PAI) is 22,417 by December 2020. The total compensation paid as a result of these programs was R$7 billion, representing, from 2014 through December 2020, a financial return of R$36 billion in avoided costs.

PETROBRAS TURNOVER (HOLDING)



As one of the measures adopted to adapt our staff to meet our goals, no public selection process was carried out in 2020. However, a total of 73 employees were hired, 44 of whom were participants in public selection processes in previous years.

Main administrative impacts of Covid-19 on our employees

The outbreak of the Covid-19 pandemic and the measures required to contain the virus made 2020 an unusual year. In line with our commitment to people's health and safety, we are engaged in the fight to mitigate the effects of this pandemic, the largest in the last 100 years.

After the World Health Organization declared the Pandemic, Petrobras established an internal Organizational Response Structure (EOR), based on the ICS (*Incident Command System*) management tool. This provisional structure, composed of PETROBRAS' internal professionals, started to guide, in a uniform way, all the Company's actions to prevent and combat the advance of the new SARS-CoV-2 virus and mitigate its consequences, in all possible fronts.

We acted quickly and adopted a series of measures to preserve the health of our employees in the operational and administrative areas. The initiatives are in line with the recommendations of the World Health Organization and the Ministry of Health and aim to contribute to the efforts to mitigate the risks of the disease.

Preventive measures have been adopted such as:

(i) widespread testing, more than 400,000 tests have already been conducted in the workforce by December 2020;

(ii) pre-boarding and pre-shift health monitoring, reinforcement of hygiene measures, distancing, and mandatory mask use in the units;

(iii) reducing the number of personnel on board platforms, rigs, and other vessels to the minimum necessary for the safe operation of each unit;

(iv) intensification of the inspection of compliance with prevention standards in all maritime or onshore operational units, with audits in all units and immediate correction of any deviations;

(v) awareness and orientation actions for employees about individual care;

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To ensure that best practices are also adopted by our suppliers, we monitor the measures and planning of the companies responsible for chartered units and service providers.

Home office

In April 2018, Petrobras started the implementation of the home office pilot project, targeting employees in administrative regime, with flexible working hours, and stationed in Rio de Janeiro.

The pilot project was voluntary, by signing a term of enrollment and a limit of up to three (3) days a week, whose compliance was negotiated directly with the immediate manager. Implemented in four waves throughout the years 2018 and 2019, with quarterly intervals between the beginning of each wave, the pilot project contemplated 12 executive managements of Petrobras and had the enrollment of more than 1,100 employees.

On 03/17/2020, considering the pandemic scenario resulting from Covid-19 and the provisions of Provisional Measure 927/2020, Petrobras, aiming at the ample and total protection of its employees and other collaborators, unilaterally adopted home office in its entirety, that is, on the five working days of the week. In addition to the employees in administrative regime with flexible hours, this measure included those in fixed administrative regime working in the operational units and special regime employees belonging to the risk group. In this context, about 25,000 employees have been telecommuting since March 2020.

On 08/28/2020, Petrobras' Executive Board approved the permanent Teleworking model for up to three days a week. The option was made available to employees as of 09/01/2020 by signing a Term of Enrollment, which serves as an addendum to the employment contract, in which the rules that must be observed are included.

Variable remuneration

For the 2019 fiscal year, the Board approved a new variable compensation model for all our employees: the Performance Bonus Program (PPP), which, aligned with the Strategic Plan, aims to value meritocracy and bring flexibility to a scenario in which we seek more efficiency and alignment with best management practices. PPP 2019 has been activated due to the achievement of the established minimum prerequisite: Obtaining net income above R$10 billion in the 2019 fiscal year.

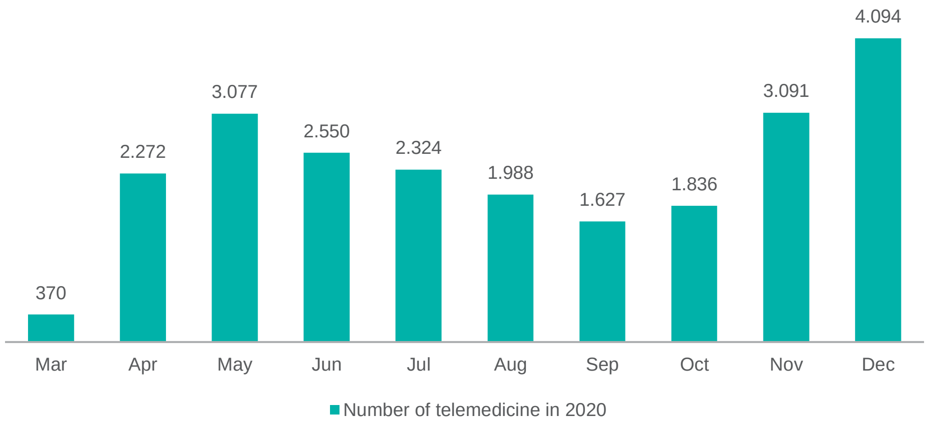
In view of this, throughout the year 2020 the amount of R$ 2,063,015,919.90 was paid, between advances in the first quarter and settlement in the last quarter.

Multidisciplinary Health Care

After the Federal Council of Medicine (CFM) authorized the practice of telemedicine nationwide, AMS was the first self-management operator in Brazil to offer this modality of health care at Hospital Israelita Albert Einstein.

The service began in March to increase the safety of beneficiaries in the face of the Covid-19 pandemic. By avoiding face-to-face consultations during this period, telecare decreases the beneficiaries' exposure to contamination. In 2020, we had 23,229 treatments, with a total amount paid of R$ 10.6 million for the availability and use of the service.

PETROBRAS TELEMEDICINE (HOLDING)



Additional Information

Relationship with Independent Auditors

Our independent auditors cannot provide consulting services during the term of the audit contract, as per article 30 of our Bylaws. Since December 20, 2016 the contracted firm has been KPMG Auditores Independentes (KPMG), responsible for providing independent auditing services in fiscal years 2017 to 2019, with the possibility of renewal for two more years.

The Company has extended the service contract, which includes accounting audit services for fiscal years 2020 and 2021.

During fiscal 2020, KPMG provided the following services to us, including those provided to our subsidiaries and controlled companies:

SERVICES PROVIDED BY THE INDEPENDENT AUDITOR

	R$ thousand	%
Services[1]		
Accounting Audit[2]	28,428	67
Additional audit-related services[3]	12,691	30
Tax Audit[4]	1,569	4
Total Services	42,688	100

1) CVM Instruction No. 381/2003.

2) Includes fees charged in connection with the audit of our annual financial statements, quarterly information, audits of our subsidiaries, comfort letters, consent letters and review of periodic documents filed with the Securities and Exchange Commission - SEC.

3) Additional audit-related services refer to assurance and related services that are reasonably related to the performance of the audit or the reviews of our audited consolidated financial statements and are not classified under "accounting audit".

4) Tax audit are fees related to tax compliance reviews conducted in connection with audit procedures on financial statements.

Acquisition of debentures of its own issue

We inform you that in the 2020 fiscal year there was no acquisition of debentures issued by us, for an amount equal to or less than the nominal value.

Information about Affiliates and Subsidiaries

In compliance with article 243 of Law 6404/76, we inform that our investments in associated and subsidiary companies are listed in explanatory note 31 - Investments of the Petrobras Financial Statements.

Information relating to decisions made as a result of guidelines received from the controlling shareholder and investments made as a result of the exercise of public policies

As a semi-public company, we may have our activities oriented by the Union, with the purpose of contributing to the public interest that justified our creation, aiming to guarantee the supply of oil produtcs throughout the national territory. However, the contribution to this public interest must be compatible with our corporate purpose and market conditions, and cannot jeopardize our profitability and financial sustainability, according to Article 238 of Law 6.404/76.

Thus, if the public interest is served under conditions different from those of any other private sector company operating in the same market, as explained in our Bylaws, the obligations or responsibilities assumed by the Company must be defined in a rule or regulation and be provided for in a specific document, such as a contract or agreement, observing the wide publicity of these instruments, as well as the disclosure of their itemized costs and revenues, including in the accounting plan. In this case, the Union will compensate us, each fiscal year, for the difference between market conditions and the operating result or economic return on the obligation assumed, in accordance with the Company's Bylaws.

For more information about the initiatives to serve the public interest, see the item "Supplementary Information on Public Interest - Law 13.303/16" of the Petrobras Financial Statements.

In addition, in our Annual Public Policy and Corporate Governance Letter, we publish the investments made as a result of the exercise of public policies annually, pursuant to Law 13.303/16. For more information, see the Annual Public Policy and Corporate Governance Letter and item 7.1.a of the Reference Form.

Inflationary effects on the result

Although Brazil's economy has not experienced hyperinflation since the Plano Real, we are presenting information about the results for fiscal years 2017 to 2020 below, monetarily updated by the Final Consumer Price Index (IPCA), from the month of its formation until December 31, 2020. The amounts for the year ending December 31, 2020 have not been updated.

Non-audited Information	2020	2019	2018	2017
Sales Revenue	272,069	318,692	325,432	271,662
Gross Profit	123,962	128,718	124,517	95,111
Operating Expenses	(71,069)	(43,165)	(60,940)	(56,215)
Earnings before financial result, participation and taxes	52,893	85,554	63,577	38,896
Net Financial Result	(49,584)	(36,361)	(24,649)	(33,766)
Net Income (Loss) for the Period	6,246	43,183	28,051	442