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GUIDELINES FOR REMOVAL AND RESETTLEMENT OF COMMUNITIES

1. PURPOSE

Define guidelines for the removal and resettlement of the communities affected by business developments and/or activities carried out by Petrobras.

2. SCOPE

It applies to Petrobras.

3. DESCRIPTION

These Guidelines for Removal and Resettlement of Communities integrates macro process standard PP-1PBR-00191- Social Responsibility Management Macro Process Manual.

During its activities, the company may acquire or access public or private land, and this land may be either occupied or used in some way. The acquisition of land or land use rights for a given project, activity or operation may result in the displacement of land owners and users. The displacement of communities, as a result of the acquisition of the land associated with a project, activity or operation and/or land use restrictions, may be of a physical or economic nature.

The removal and resettlement of communities include cases of physical displacement (removal and loss of housing) and economic displacement (loss of assets or access to assets that leads to situations of loss of income or livelihoods) caused by land acquisitions or access and use restrictions.

Removal and resettlement are deemed involuntary when the communities affected do not have the right to object to the land acquisition or restriction, resulting in physical or economic displacement.

Within this context, the planning, preparation, management and execution of the Community Removal and Resettlement Plan must be carried out by the managers responsible for the project, activity or operation in question, according to these Guidelines.

Petrobras' Social Responsibility Executive Management is responsible for assisting in its planning and execution, in addition to performing a critical analysis of the effectiveness of the actions and measures adopted.

In cases of expropriation, which is the acquisition or the institution of easement of passage in a property or more than one property, from the public notice on the commencement of works, the managers responsible for the project, activity or operation in question must, in addition to complying with legal obligations, contact local authorities in prior articulation with the Social Responsibility (RS), External Relations (REX), Communication (COM), Legal (JUR) and Corporate Intelligence & Security (ISO) in order to define procedures regarding its coexistence with the people affected, aiming to minimize the social and economic impact of the actions in question.

DI-1PBR-00328 meets the internal legal and regulatory requirements listed in Item 6 - References.

3.1. GENERAL GUIDELINES

The handling of populations affected by projects and works must be guided by two fundamental premises:

- Avoid or minimize the need for communities to be displaced.

The managers responsible for the project, activity or operation in question must, when planning a given business development or activity, assess project alternatives and identify solutions in the technical and economic areas that can prevent the removal and resettlement of communities. If this removal and resettlement is necessary, measures must be implemented in order to minimize the number of people affected.

The plan for a business development must take into account an estimate of expropriation costs and compensation for improvements, as well as the costs associated with restoring the livelihoods of impacted communities, in order to maintain social, economic and cultural conditions that are similar to the preexisting ones as much as possible.

- Provide assistance and services that are in line with the specific needs of each social segment affected, based on a fair compensation assessment (technical, legal and social elements, loss of profit, etc.) when there is a need to displace communities.

3.1.1 BASIC PRINCIPLES

Principle of human dignity: This principle aims to guarantee people's constitutional right to housing and work. In this context, reparations for socioeconomic impacts aim to restore, as much as possible, preexisting conditions in place before the need for removal or resettlement of the affected communities.

Integrated social management: this principle sets out that there must be open communication channels between developers, partners and the communities affected in order to foster dialog between the parties and acknowledge the demands of the impacted community. Additionally, it aims to promote partnerships with public

institutions, local associations and non-governmental organizations that may assist in the execution of removal and resettlement projects.

Transparency and objectiveness: this principle highlights the importance of defining clear and objective criteria to include or exclude communities from the Removal and Resettlement Plan. It also aims to guarantee the social and institutional control of the Removal and Resettlement Plan. The PL-OSPB-00013 - Social Responsibility sets forth that we are, in all of our activities, committed to communicating in a clear, objective and transparent way all the information associated with our operations regarding sustainability, reaching all stakeholders.

Stakeholder Engagement: a principle deemed essential so that the removal or resettlement in question is successful, the engagement of all stakeholders refers to the efforts made in order to understand and respond to the concerns of potentially impacted or affected people, in addition to building relationships based on trust.

3.1.2 REQUIREMENTS FOR REMOVAL AND RESETTLEMENT

This standard must be applied in cases of physical displacement of people and/or economic displacement (livelihood) whenever one or more of the following requirements for removal and resettlement exist:

- Project for a new development;
- Project to expand or modify existing operations, including decommissioning;
- Environmental liability area occupied by land owners and users;
- Existence of a specific condition resulting from environmental licensing;
- Other activities in a similar situation to those specified above.

3.1.3 ACTION PLAN

The requirements defined herein are for guiding purposes only; therefore, the particularities of each project must be taken into account. In this context, and according to the guidelines listed in item 3.1, the managers responsible for a project, activity or operation must draw up, manage and execute an internal action plan, containing at least:

- Purpose and goals;
- Schedule;
- Risk analysis, according to the guidelines found in Technical Regulation N-2782 - Techniques applicable to the analysis of industrial risks;
- Communication plan for all stakeholders, drawn up jointly with the Communication area, assisted by the Social Responsibility, External Relations and Corporate Intelligence & Security areas.
- Justification, including the reason for the need for removal or resettlement within the scope of the project or the need for the recovery of environmental liabilities;

- Methodology, including how the activities will be implemented, how to raise awareness and approach the target audience, and mechanisms for community participation;
- Socioeconomic survey, including the identification of all major leaders and representative entities, as well as preexisting conflicts and negotiation strategies;
- Record of meetings, lectures, assemblies, public hearings, debates, campaigns and other actions carried out;
- Communication channel between the community and the developer, with periodic reports;
- Methodology for fair compensation assessment (technical, legal and social elements);
- Mapping and individual technical registration for removal and resettlement;
- Photographic report.

3.1.4 TRADITIONAL COMMUNITIES

Indigenous peoples, quilombolas and other groups deemed vulnerable to removal and resettlement impacts must be specifically consulted, according to the process standard “Managing Community Relations and Social Risks”. This consultation takes into account the need for establishing a continuous relationship with these groups as soon as possible when planning a project, activity or operation, as well as throughout its life cycle.

Indigenous peoples must be notified, by means of the aforementioned communication plan and using culturally appropriate and accessible language, about projects, activities or operations that may take place on their lands.

A Free, Prior and Informed Consent (CLPI) must be provided to these communities so that they have the opportunity to give or withhold their consent to a given project, activity or operation before it begins.

The CLPI aims at the effective participation of indigenous or quilombola communities (councils of elders, village councils, as well as members of affected indigenous communities, for instance) in the administrative and legislative decision-making process, guaranteeing the participation of these communities in public consultations or hearings regarding the licensing process, which may occur through a representative body.

The CLPI must allow Indigenous Peoples sufficient time for decision-making processes.

This consultation must take into account the realities of these indigenous or quilombola communities and allow them sufficient time so that their internal decision-making processes reach conclusions that are deemed legitimate by the majority of the stakeholders concerned.

The CLPI does not necessarily require a unanimous decision and can be obtained even if individuals or groups within the community explicitly disagree with it.

3.1.5. DISCLOSURE, CONSULTATION AND PARTICIPATION.

Relevant information must be disclosed beforehand to the communities affected and other stakeholders so that all parties understand the risks, impacts and opportunities associated with the removal or resettlement in question.

The consultation and participation of these stakeholders must be organized and interactive. The opinions expressed by people and communities on matters that affect them must be taken directly into account in the reporting of decision-making processes.

Therefore, the managers responsible for a project, activity or operation must draw up a communication plan, assisted by the Communication and Social Responsibility Executive Managers, in order to manage the public's expectations regarding the impacts of a project and its benefits, in addition to observing the guidelines set forth in standard PL-OSP-00011 - Communication Policy.

All communities potentially affected by removal or resettlement, or any other stakeholders, must be included in the communication plan.

Host communities, that is, the communities to which displaced persons will be relocated, must be included in the general removal or resettlement plan, and the socioeconomic and cultural impacts on them must be identified by the managers responsible for the project, activity or operation in question and minimized.

3.1.6. COMPENSATION METHODS

The involuntary removal of communities is authorized after an expropriation decree is published at an Official Gazette, declaring the public utility of the development and authorizing the expropriation or easement of passage. In this case, the expropriation may take place in an amicable way out of court, in which case the developer and the individual in question reach an agreement on the amount of compensation.

Fair compensation should result in living conditions and livelihoods that are similar to the preexisting ones. Since livelihoods often depend on a complex interconnection of assets, such as access to land and other natural resources, social networks and access to employment and capital, the compensation must take into account the restoration of the livelihoods or social well-being of the people subject to displacement.

Hence, careful planning must be undertaken in order to enable that, in cases where removal or resettlement is inevitable, people's livelihoods are restored and communities maintain their social and cultural integrity and continuity.

Efforts must be geared towards establishing dialogs with the purpose of reaching an agreement, in order to avoid judicialization.

3.1.7. MONITORING AND ASSESSMENT

The monitoring and assessment of removals or resettlements must be included in the management process and the budget of the project, activity or operation in question.

Organizational responsibilities, methodology and schedule must be identified, and a Final Executive Monitoring and Assessment Report must be drawn up.

It is recommended that the monitoring and assessment reports include, at least:

1. Stakeholder engagement: all affected stakeholders must be involved before, during and after removal or resettlement, identifying successes, issues and lessons learned.
2. Effectiveness assessment: an assessment on the effectiveness of actions in terms of meeting the needs and expectations of the affected population must be carried out.
3. Final audit: this final audit must demonstrate that the resettlement process was completed and indicate the scope of the measures taken to restore the standard of living of the affected community.

3.1.8. GRIEVANCES AND COMPLAINTS

There must be an accessible way for stakeholders to escalate their grievances and complaints, including reparations, where appropriate, through effective and transparent actions.

In addition to widely publicizing the Petrobras Service center, the managers responsible for the project, activity or operation in question must maintain a local service center for the affected communities, through which they can express and receive responses with regard to their grievances and complaints.

3.1.9. DUTIES AND RESPONSIBILITIES

The managers responsible for a given project, activity or operation are in charge of:

- a) Assessing project alternatives and identify solutions in the technical and economic areas that can prevent the removal and resettlement of communities (Item 3.1);
- b) Estimating expropriation costs and compensation for improvements, as well as the costs associated with restoring the livelihoods of impacted communities (Item 3.1);
- c) Planning, managing and executing the Community Removal and Resettlement Plan (Item 3.1.3);
- d) Maintaining a local service center for the affected communities (Item 3.1.8);
- e) Contacting local authorities in prior articulation with the Social Responsibility (RS), External Relations (REX), Communication (COM), Legal (JUR) and Corporate Intelligence & Security (ISC), in case of expropriation (Item 3);
- f) Drawing up a Final Executive Monitoring and Assessment Report for the removal or resettlement in question (Item 3.1.7);

The Social Responsibility Executive Managers are in charge of:

- a) Define guidelines and requirements for carrying out the removal or resettlement, in accordance with this DI;
- b) Disseminating the guidelines for carrying out the removal or resettlement, and ensuring that they are properly executed, in accordance with this DI;
- c) Assisting in the planning and execution of the Community Removal and Resettlement Plan (Item 3);
- d) Carrying out a critical analysis of the effectiveness of the actions and measures adopted, through the designated managers (Item 3);
- e) Conduct Prior, Free and Informed consultation aimed at the traditional communities affected by the project in question (Item 3.1.4).

6. REFERENCES

N 2624 - Deployment of Onshore Pipelines.

N-2695 - Safety, environment and health relationship actions carried out with communities in areas of influence.

N-2782 - Techniques applicable to the analysis of industrial risks.

Legal and regulatory requirements:

Federal Constitution, Article 6;

City Statute - Law 10.257/2001: Forest Code - Law 12.651/2012;

National Policy on Water Resources - Law 9.433/1997;

Indigenous Population Statute - Law 6.001 /1973;

Civil Action Law - Law 7.347/1985;

Law No. 13.465, of 2017;

Decree 1775/1996;

Decree 4887/2003;

CONAMA Resolution 237.

External References:

World Bank - Operational Manual - Operational Policy 4.12 - Involuntary Resettlement;
BID - Involuntary Resettlement Policy;

International Finance Corporation (IFC) - Handbook for Preparing a Resettlement Action Plan, Performance Standard 5.

International Finance Corporation (IFC) - Handbook for Preparing a Resettlement Action Plan, Performance Standard 7.