Terms of Understanding of Good Labor Relations


Federation: ICEM – International Federation of Chemical, Energy, Mine and General Workers’ Unions

Petróleo Brasileiro S/A – PETROBRAS, hereafter called Company, represented here by the Executive Director of Human Resources Diego Hernandes, and ICEM - International Federation of Chemical, Energy, Mine and General Workers’ Unions, hereafter called Federation, represented here by the General Secretary Manfred Warda, sign on this date the present Terms of Understanding of Good Labor Relations in Petrobras.

1. Preamble

Petrobras and ICEM are referred to in the present instrument as “the parties.”

2. Object

The object of these terms is to seek understanding on good labor relations at Petrobras abroad.

3. Coverage

These terms cover the Petrobras system abroad. In connection with contracting companies abroad, Petrobras commits itself to striving toward getting these companies to comply with what is laid down in this present instrument.

4. International Standards

The international standards that Brazil is signatory to have the full support of Petrobras.

For the purposes of this clause the following instruments are defined as international standards:

- Universal Declaration of Human Rights
- OECD Guidelines for Multinational Corporations
- ILO Tripartite Declaration on Principles for Multinational Corporations and Social Policy
- UN Global Compact

These instruments incorporate among others the following principles enshrined in the ILO Declaration on fundamental rights at work:

- Trade union freedom and Collective bargaining;
• Elimination of Discrimination;
• Elimination of Forced Labor;
• Effective abolition of slave labor.

Petrobras respects legislation in force in the countries where it operates. In this way the parties understand that the above-mentioned instruments will be assumed voluntarily and will be additional to the legislation in force in every country where Petrobras operates.

5. Labor Relations

In connection with its employees the Petrobras system abroad commits itself to:

• Promoting working conditions favorable to a balance between working, personal and family life on the part of all employees;
• Guaranteeing health and safety at work, making all the necessary conditions and equipment necessary;
• Making formal listening channels available to collect and process all suggestions, aiming at improving internal management processes;
• Recognizing the right to free association on the part of its employees, respecting and making the most of their participation in trade unions and not practicing any type of negative discrimination in relation to trade union members;
• Seeking the permanent accommodation of interests and enforcement of rights by means of the institutionalized channels of negotiation in its relations with the trade unions representing the employees;
• Respecting and promoting diversity and combating all forms of prejudice and discrimination by means of transparent policies. No employee or potential employee will be treated with discrimination as a result of race, skin color, ethnic origin, nationality, social position, age, religion, gender, sexual orientation, personal appearance, physical, mental or psychological condition, marital status, opinion, political conviction or any other factor of individual differentiation.
• Promoting equal opportunities for all employees, in all policies, practices and procedures;
• Developing a business culture which values exchange and spreading of knowledge, and promoting further training for its employees;
• Providing institutional guarantees and protecting the confidentiality of all those involved in ethical accusations, aiming to preserve rights and protect the neutrality of decisions;

Petrobras will strive to get all service providers to comply with the above-mentioned commitments.

6. Health, Environment and Safety

In connection with the environment and as a demonstration of its responsibility toward present and future generations, the Petrobras system abroad commits itself to:

• Conducting its business and activities with social and environmental responsibility, contributing to sustainable development;
• Maintaining patterns of environmental excellence with the aim of guaranteeing products and services in keeping with the expectations of its clients and the environmental legislation in the countries where it operates;
• Contributing to the preservation and recovery of biodiversity by managing the potential impacts of its activities and projects to protect areas and threatened species;
• Developing programs aiming to maximize its energy efficiency and the use of renewable energy sources, accommodating the interests of the system and sustainable development in the countries where it operates;
• Investing in the sustainability of its projects, products and services, maximizing its profits, in economic, social and environmental terms, and minimizing its adverse effects and monitoring the whole life cycle of its installations, operations and products;
• Promoting the sustainable use of water, oil, natural gas and energy; the reduction of consumption; the recycling of materials; the reduction of the generation of solid residues and the emission of polluting gases;
• Communicating in a timely fashion to its consumers, clients, communities and society about any environmental damage, in case accidents occur;
• Supplying to its consumers, clients, communities and society information on any environmental damage resulting from poor use and on the final destination of its products.

7. Relations with Society and Government Bodies

In connection with its relations with society, government and the State the Petrobras system abroad commits itself to:

• Acting in order to make a definitive contribution toward the economic, technological, environmental, social, political and cultural development of the countries where it operates;
• Stimulating social awareness and the exercising of active citizenship on the part of all of its employees by means of its institutional example;
• Refusing all practices of corruption and bribery, maintaining formal control procedures and enforcing consequences for any violation;
• Respecting and contributing to inspections and controls by public authorities.

8. Revision Meetings

The parties will review the points of these terms at joint meetings which will have to be scheduled in advance. The object of these meetings will be to discuss only the questions covered by these terms.

9. Local Labor Relations Practices

These terms of understanding do not aim to substitute local labor relations practices nor to interfere with them, once topics of this nature are related to the exchange of information and negotiation.

The parties respect the principle that labor relations questions are resolved most effectively the closer they are to the work site.
10. Training and Development

Petrobras recognizes that training (education and development) of its employees in health, safety and the environment is important for workers as well as for the company and society in general.

11. Publication

The parties will distribute copies of the present terms to their constituents all over the world.

Any external publication of the terms will have to be mutually agreed by the parties.

12. Administration

Petrobras and ICEM agree that they will both be available continuously to administer and inform on any problem encountered in the application of the present terms and to develop the best solutions.

13. Interpretation

The parties agree that any divergence based on the interpretation in the application of the present terms will be examined jointly in order to be explained. The Portuguese text of the terms is considered to prevail.

14. Renunciation

The parties agree that they can exercise their right to renounce the present terms as long as it is communicated within six months.

15. Validity

The present terms of understanding will be valid for two years (730 days) from the date of signature and can be extended for the same period.

Rio de Janeiro, 2011

For PETROLEO BRASILEIRO S/A – Petrobras
Diego Hernandes

For ICEM
Manfred Warda

Witnesses
Maria das Graças Silva Foster
Gas and Energy Director

João António de Moraes, Federação Única dos Petroleiros - FUP