



Amanda M. McMillian  
Executive Vice President and  
General Counsel

December 20, 2018

VIA E-MAIL

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549  
Email: [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)

Re: Anadarko Petroleum Corporation  
Stockholder Proposal of As You Sow on behalf of certain stockholders  
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that Anadarko Petroleum Corporation (“*we*,” “*our*,” or the “*Company*”) intends to omit from its proxy statement and form of proxy for its 2019 Annual Meeting of Stockholders (collectively, the “*2019 Proxy Materials*”) a stockholder proposal (the “*Proposal*”) and statements in support thereof received from As You Sow on behalf of Jeanne Miller, the Christopher K. Payne Trust, Daniel Handler & Lisa Brown Family Trust, the Emily Scott Pottruck Revocable Trust, Kaplana Raina, the Park Foundation, the Schwab Charitable Fund f/b/o The Resiliency Fund, SJM Trust, and The Amy Wendel Revocable Trust (each a “*Proponent*” and collectively, the “*Proponents*”).

Pursuant to Rule 14a-8(j), we have:

- submitted this letter to the Securities and Exchange Commission (the “*Commission*”) no later than eighty (80) calendar days before the date the Company expects to file its definitive 2019 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponents (through their representative).

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“*SLB 14D*”) provide that stockholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “*Staff*”). Accordingly, we are taking this opportunity to inform the Proponents that if the Proponents elect to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

## THE PROPOSAL

The Proposal states:

**Resolved:** Shareholders request that Anadarko issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement's goal of maintaining global temperatures well below 2 degrees Celsius.

**Supporting Statement:** In the report shareholders seek information, among other issues at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Adopting overall greenhouse gas emission reduction targets for the company's full carbon footprint, inclusive of operational and product-related emissions
- Reducing capital investments in oil and/or gas resource development
- Investing in renewable energy resources

A copy of the Proposal and its supporting statements are attached to this letter as Exhibit A.

## BASIS FOR EXCLUSION

We respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2019 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company's ordinary business operations.

## ANALYSIS

**The Proposal May Be Excluded Pursuant To Rule 14a-8(i)(7) Because The Proposal Deals With Matters Relating To The Company's Ordinary Business Operations.**

### *A. Background.*

Pursuant to Rule 14a-8(i)(7), a stockholder proposal may be excluded if it "deals with a matter relating to the company's ordinary business operations." According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" refers to matters that are not necessarily "ordinary" in the common meaning of the word, but instead the term "is rooted in the corporate law concept [of] providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act

Release No. 40018 (May 21, 1998) (the “**1998 Release**”). In the 1998 Release, the Commission explained that the underlying policy of the ordinary business exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting,” and identified two central considerations that underlie this policy. The first is that “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” The second consideration relates to “the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *Id.* (citing Exchange Act Release No. 12999 (Nov. 22, 1976)).

The Commission stated in the 1998 Release that “proposals relating to [ordinary business] matters but focusing on sufficiently significant policy issues . . . generally would not be considered excludable.” The Staff elaborated on this “significant policy” exception in Staff Legal Bulletin No. 14E (October 27, 2009), in which the Staff noted that, “[i]n those cases in which a proposal’s underlying subject matter transcends the day-to-day business matters of the company and raises policy issues so significant that it would be appropriate for a shareholder vote, the proposal generally will not be excludable under Rule 14a-8(i)(7) as long as a sufficient nexus exists between the nature of the proposal and the company.” The Staff went on to state that, “[c]onversely, in those cases in which a proposal’s underlying subject matter involves an ordinary business matter to the company, the proposal generally will be excludable under Rule 14a-8(i)(7).” Thus, in spite of the “significant policy exception” to the ordinary business exclusion, the Staff has concurred with the exclusion of many proposals that address ordinary business matters, even though those proposals also touch upon a significant policy issue.

The significant policy exception is further limited in that, even if a proposal involves a significant policy issue, the proposal may nevertheless be excludable under Rule 14a-8(i)(7) if it seeks to micro-manage the company by specifying in detail the manner in which the company should address the policy issue. In Staff Legal Bulletin No. 14J (October 23, 2018) (“**SLB 14J**”), the Staff clarified that unlike the first consideration under Rule 14a-8(i)(7), which looks to a proposal’s subject matter, the micro-management consideration does not look to a proposal’s subject matter, and therefore, a proposal that may not be excludable under the first consideration may be excludable under the second regardless of whether the proposal focuses on a significant policy issue. *See* SLB 14J. Thus, the Staff consistently has concurred that stockholder proposals attempting to micro-manage a company by providing specific details for implementing a proposal as a substitute for the judgment of management are excludable under Rule 14a-8(i)(7), notwithstanding a proposal’s focus on a significant policy issue. *See Marriott International Inc.* (avail. Mar. 17, 2010) (concurring that the exclusion of a proposal to install and test low-flow shower heads in some of the company’s hotels amounted to micro-managing the company by requiring the use of specific technologies); *Duke Energy Carolinas, LLC* (avail. Feb. 16, 2001)

(concurring with the exclusion of a proposal which recommended to the company's board of directors that they take specific steps to reduce nitrogen oxide emissions from the company's coal-fired power plants by 80% and to limit each boiler to 0.15 pounds of nitrogen oxide per million BTUs of heat input by a certain year).

Finally, framing the stockholder proposal in the form of a request for a report does not change the nature of the proposal. The Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the report is within the ordinary business of the issuer. *See* Exchange Act Release No. 20091 (Aug. 16, 1983) (the "**1983 Release**"); *Johnson Controls, Inc.* (avail. Oct. 26, 1999) ("[Where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business . . . it may be excluded under [R]ule 14a-8(i)(7)."); *Ford Motor Co.* (avail. Mar. 2, 2004) (concurring with the exclusion of a proposal requesting that the company publish a report about global warming/cooling, where the report was required to include details such as the measured temperature at certain locations and the method of measurement, the effect on temperature of increases or decreases in certain atmospheric gases, the effects of radiation from the sun on global warming/cooling, carbon dioxide production and absorption, and a discussion of certain costs and benefits). *See also* SLB No. 14J (reiterating that "a proposal that seeks an intricately detailed study or report may be excluded on micro-management grounds"). Moreover, we note that the Staff has consistently concurred with the exclusion of stockholder proposals on Rule 14a-8(i)(7) grounds where the proposal requested a report addressing a significant policy issue, but where the requested report also involved intricate detail, specific time-frames or methods for implementing complex policies. *See Verizon Communications Inc.* (avail. Mar. 6, 2018) (concurring with the exclusion of a proposal requesting a report evaluating "the feasibility of the Company achieving by 2030 'net-zero' emissions of greenhouse gases from parts of the business directly owned and operated by the company, as well as the feasibility of reducing other emissions associated with company activities" on the grounds that the proposal sought "to micro-manage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment").

***B. Regardless of Whether The Proposal Touches Upon a Significant Policy Issue, The Proposal Is Excludable Pursuant To Rule 14a-8(i)(7) Because It Seeks To Micro-Manage The Company.***

As noted above, the Commission stated in the 1998 Release that one of the considerations underlying the ordinary business exclusion was "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." The 1998 Release further states that "[t]his consideration may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific

time-frames or methods for implementing complex policies.” The Staff has consistently concurred with exclusion of proposals that involve one or more of these issues.

Here the Proposal requests a report describing “if, and how, [the Company] plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal . . . [and] the relative benefits and drawbacks of . . . adopting overall greenhouse gas emission reduction targets for the company’s full carbon footprint, inclusive of operational and product-related emissions, reducing capital investments in oil and/or gas resource development[, and] investing in renewable energy resources.” Although the “resolved” clause of the Proposal only requests the first two of the items, the subsequent “supporting statement” modifies the “resolved” clause by adding that “in the report shareholders seek information, among other issues at board and management discretion, on the relative benefits and drawbacks” of the following additional three complex and multifaceted considerations: (a) “[a]dopting overall greenhouse gas emission reduction targets for the company’s full carbon footprint, inclusive of operational and product-related emissions,” (b) “[r]educing capital investments in oil and/or gas resource development,” and (c) “[i]nvesting in renewable energy resources.” We note that the additional requests in the “supporting statement” are included as part of the information “shareholders seek” in the report and are not listed as options subject to the board and management’s discretion; thus, the additional requests set forth in the “supporting statement” should be considered a part of the Proposal’s requests when analyzing the degree to which the Proposal seeks to micro-manage the Company.

*1. The Proposal seeks to substitute the judgment of the Company’s management and micro-manage the Company by involving intricate detail.*

The Proposal involves intricate details and probes too deeply into matters of a complex nature on which stockholders, as a group, are not in a position to make an informed judgment. The Proposal’s five-part request would require the Company to conduct a comprehensive series of analyses in order to be able to calculate and/or disclose details on:

- (1) the Company’s “total contribution” to climate change, which would necessarily include calculating the “total contribution” of each of its assets;
- (2) the Company’s specific plans to reduce its “total contribution” to climate change, including asset-specific plans, in a manner consistent with the Paris Agreement’s goal of maintaining global temperatures well below 2 degrees Celsius;
- (3) how each of the Company’s operational segments and assets globally can be aligned to the Paris Agreement’s goal; and

(4) the costs and benefits of (a) adopting measurable greenhouse gas emission reduction targets across the organization, (b) reducing any/each of the Company's investments in oil and/or gas development, and (c) investing in renewable energy resources.

Item (1) is incredibly broad, and would require the Company to conduct costly and extensive analyses to calculate the Company's "total contribution" to climate change, including the "total contribution" of each of the Company's assets, which are located all over the world. Items (2) and (3) would require the Company to provide specific details on how its diverse operations (which include the exploration for, and the production, gathering, transportation, treating, processing, disposing, and exporting of, oil, natural gas, natural gas liquids and water) and assets (which include office buildings, offshore platforms, gathering systems, compressor stations, processing plants, fractionation trains and oil stabilization facilities), can be aligned with the Paris Agreement's goal. Item (4)(a) would require the Company to assess the degree to which the Company would benefit from business unit-specific greenhouse gas emission reduction efforts. Item (4)(b) contains an exceedingly odd request in that it would require the Company – which is, and always has been, an *oil and gas exploration and production company* – to undertake the complex process of calculating the costs and benefits of *not* doing the business it was created to do, and item (4)(c) would require the Company to investigate the feasibility of investing in a completely new industry (i.e., renewable energy) that is totally unrelated to its current business and with which it has no experience.

In requesting that the Company undertake a process of such intricate detail, the Proposal is both extremely broad and extremely particular—requesting that the report cover everything from radical changes to the Company's business, to operation- and asset-specific greenhouse gas emission targets. Moreover, although the Proposal does not obviously impose a time frame for the report, it does by implication. Specifically, the Proposal requests that the Company align its operations and investments with the "Paris Agreement's goal of maintaining global temperatures well below 2 degrees Celsius," and states that, pursuant to the Intergovernmental Panel on Climate Change report, "net emissions of carbon dioxide must fall by 45 percent by 2030 and reach "net zero" by 2050 to maintain warming below 1.5 degrees Celsius." The Proposal also states that "[t]he oil and gas industry is one of the most significant contributors to climate change; Anadarko is the 47<sup>th</sup> largest contributor." Thus, although the Proposal does not contain a specific date by which the Company must issue the report, given the complexity of the Proposal's requests and the time frame set forth in the Proposal's supporting statements, the Proposal is, by implication, suggesting that the Company be in a position to issue a report shortly, and in order to do so, the Company would have to undertake the complex process outlined above immediately.

2. *The Proposal seeks to substitute the judgment of the Company's management and micro-manage the Company by imposing specific methods for implementing complex policies.*

Perhaps more importantly, the Proposal seeks to substitute the judgment of the Company's management and micro-manage the Company by imposing specific methods for implementing complex policies. Specifically, the Proposal admits that it seeks to substitute the judgment of management by effectively modifying the Company's existing approach to climate change reporting. The Proposal acknowledges that the Company has "assessed and reported on Company-related risk from climate change and has adopted plans to reduce its own operational emissions," but states that the Company "has not adopted Paris-aligned targets or actions to reduce the full climate impact of its investments in fossil fuel energy sources." The Proposal's passing reference to the Company's previously published report fails to fully acknowledge that the Company has already made complex business decisions to prioritize and report on its environmental strategies, including with respect to the reduction of greenhouse gas emissions and its global environmental footprint. Specifically, the Company recently published its 2018 Climate Change Risk Assessment and Management report (the "*Anadarko Climate Report*"), in which the Company reports on its efforts to assess and manage climate-related risks in its business. The Anadarko Climate Report is attached to this letter as Exhibit B. The Anadarko Climate Report describes (1) the Company's integration of climate-related risks into its Enterprise Risk Management process, (2) the levels of oversight exercised by the Company's board of directors and management over the Company's exposure to risk, including climate-related risk, (3) portfolio forecasts which incorporate various price and demand outlooks under several climate change scenarios, including a scenario consistent with limiting global warming to 2 degrees Celsius or below, and (4) the Company's expectations regarding portfolio resilience in the face of various climate change scenarios. The report also provides examples of steps the Company has taken to reduce emissions across its operations, including large-scale facility design changes.

The Anadarko Climate Report was the result of careful consideration and analysis by the Company, including senior management and the board of directors. Moreover, the Company has already established the goals set forth in this published climate report, including limiting emissions of methane and other greenhouse gases from operations and reducing the environmental footprint of its activities, and has committed itself to achieving those goals, which it believes are in the best interests of its business and its stockholders. Thus, while the Company has, in fact, already issued a complex report on its efforts to assess and manage climate-related risks in its business, the Proposal seeks to micro-manage the specific methodologies of the Company's assessments, goals and reporting.

Further, although it is styled as an "information request," the Proposal seeks to impose additional specific methods for implementing a complex policy – namely, reducing the Company's investment in oil and gas development and beginning to invest in renewable energy. Framing the

Proposal as a request for a report does not change the nature of the Proposal, and the Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the report is within the ordinary business of the issuer. Here, decisions about (i) the level of the Company’s investment in oil and gas development and (ii) whether to invest in renewable energy are indisputably ordinary business matters.

3. *The Staff has concurred on micro-management grounds with the exclusion of proposals that, while similar to the Proposal, requested less substantive detail than the Proposal.*

While the reduction of greenhouse gas emissions is a significant policy issue, the environmental goals of the Proposal are secondary to the Proposal’s effort to micro-manage the Company’s processes and operations to achieve specific objectives. The Staff recently concurred that similar proposals requesting detailed reports on greenhouse gas emissions reduction targets applicable broadly to every aspect of a company’s business amount to an attempt to micro-manage the company, and thus are excludable under Rule 14a-8(i)(7). In *EOG Resources, Inc.* (avail. Feb. 26, 2018; recon. Mar. 12, 2018), the Staff concurred in the exclusion of a proposal requesting that the company “adopt company-wide, quantitative, timebound targets for reducing greenhouse gas . . . emissions and issue a report, at reasonable cost and omitting proprietary information, discussing its plans and progress towards achieving these targets” because the proposal sought to “micro-manage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” The following item-by-item comparison of the Proposal and the proposal in *EOG Resources* clearly demonstrates that the Proposal is at least, if not more, prescriptive than the proposal in *EOG Resources*.

EOG Resources	The Proposal	
Stockholders request that EOG adopt . . . targets	✓	The Proposal requests that the Company report on its “plans to reduce its total contribution to climate change,” “align its operations and investments” with the Paris Agreement’s goal, and describe the “benefits and drawbacks” of “adopting overall greenhouse gas emissions reduction targets” (emphasis added). In order to complete prepare such a report, the Company would have to undertake a complex and time-consuming analysis that would be more or less identical to the analysis that would be required for actually setting greenhouse gas emission targets.

EOG Resources	The Proposal	
The targets must be “company-wide”	✓	The Proposal requests that the targets be for the company’s “ <i>full</i> carbon footprint” and “inclusive of operational and product-related emissions” and that the Company address its “ <i>total</i> contribution to climate change” and plans to align “its <i>operations and investments</i> ” with the Paris Agreement’s goal (emphasis added).
The targets must be “quantitative”	✓	The Proposal asks for the Company to report on adopting overall greenhouse gas emission reduction targets and its alignment with “the Paris Agreement’s goal of maintaining global temperatures well below 2 degrees Celsius,” which would require the Company to, at least internally, establish quantitative metrics.
The targets must be “time-bound”	✓	By asking the Company to report on its plans for aligning to the Paris Agreement, the Proposal necessarily imposes a time frame on the Company’s analysis and would require the Company to address the timing of any such alignment in its report.
The targets must be for “reducing greenhouse gas emissions”	✓	The Proposal requests that the Company’s report describe “if, and how, it plans to reduce its total contribution to climate change,” and also requests that the Company describe the “benefits and drawbacks” of “adopting overall greenhouse gas emissions reduction targets.”
Stockholders request a report	✓	The Proposal requests a report.
The report must discuss the company’s plans and progress towards achieving these targets	✓	The Proposal requests that the report discuss “if, and how the Company <i>plans</i> to reduce its total contribution to climate change” and “ <i>align</i> its operations and investments” to “ <i>maintaining . . .</i> global temperatures well below 2 degrees Celsius” (emphasis added).
<i>Does not contain this requirement</i>	N/A	<i>Requests modifications to a pre-existing climate change report:</i> The Proposal states that while the Company has “assessed and reported on Company-related risk from climate change,” and “has adopted plans to reduce its own operation emissions” it has not “adopted Paris-aligned targets or actions.”
<i>Does not contain this requirement</i>	N/A	<i>Report on operations and investments:</i> The Proposal also requests that the Company report on its plans to “align its operations and investments with the Paris Agreement’s goal.”
<i>Does not contain this requirement</i>	N/A	<i>Report on reducing oil and/or gas resource investments:</i> The Proposal also requests that the Company include in its report the benefits and drawbacks of “[r]educing capital investments

EOG Resources	The Proposal	
		in oil and/or gas resource development.”
<i>Does not contain this requirement</i>	N/A	<i>Report on investment in renewable energy resources:</i> The Proposal also requests that the Company include in its report the benefits and drawbacks of “[i]nvesting in renewable energy resources.”

*See also Amazon.com, Inc.* (avail., Mar. 6, 2018) (concurring with the exclusion of a proposal requesting a report on “the feasibility of the Company achieving by 2030 ‘net-zero’ emissions of greenhouse gases from all aspects of the business directly owned and operated by the Company” because the proposal sought to “micro-manage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.”); *Deere & Co.* (avail. Dec. 27, 2017) (concurring with the exclusion of a proposal requesting that the company “prepare a report to shareholders by December 31, 2018 that evaluates the potential for the Company . . . to achiev[e] ‘net-zero’ emissions of greenhouse gases by a fixed future target date” because the proposal sought to “micro-manage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment”); *Apple Inc. (Jantz)* (avail. Dec. 21, 2017) (concurring with the exclusion of a proposal requesting that the company “prepare a report to shareholders by December 31, 2019 that evaluates the potential for the Company to achieve, by a fixed date, ‘net-zero’ emissions of greenhouse gases relative to operations directly owned by the [c]ompany and its major suppliers” on the basis that the proposal sought “to micro-manage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment”).

Note that although the proposals in *Deere* and *Apple* included time frames for delivery of the requested report, the proposals in *EOG Resources* and *Amazon* did not, and although the proposal in *Amazon* involved a specific time frame for achievement of the greenhouse gas emissions reduction targets, the proposals in *Deere* and *Apple* only stipulated that the targets be achievable by a “fixed date” (and *Apple* suggested fixed dates of 2030, 2040, and 2050) and the proposal in *EOG Resources* included no such restriction, only requiring that targets be “time-bound.” These minor differences in language between the Proposal and these four proposals do not change the fact that the Proposal seeks to micro-manage the Company by substituting management’s judgment on complex issues with that of the Company’s stockholders, who as a group, are not in a position to make an informed judgment. Accordingly, the Proposal should be excluded from the 2019 Proxy Materials pursuant to the same analysis applicable in *EOG Resources* and the additional arguments made in this letter.

***C. The Proposal Is Excludable Pursuant To Rule 14a-8(i)(7) Because It Seeks To Change The Company's Business Operations And Strategies.***

While the Proposal is cast as a broad climate change proposal, it is clear that the Proposal is actually focused on the Company's business operations and strategies, including the Company's approaches to asset investment, and seeks to micro-manage the Company in order to limit and effectively reconfigure the Company's own assessments, business plans and goals to the specific agenda outlined in the Proposal. Specifically, the Proposal states that "[w]hile the investment choices of oil and gas companies can play a major role in the transition to a clean energy economy, every dollar invested in fossil fuel resource development and infrastructure slows that transition." The Proposal also states that "Anadarko has not adopted . . . targets or actions to reduce the . . . impact of its investments in fossil fuel energy sources," and requests that the Company report on, among other things, "align[ing] its operations and investments" to the Paris Agreement's goal and the benefits and drawbacks of "reducing capital investments in oil and/or gas resources development" and "investing in renewable energy resources." Therefore, although the Proposal touches on the significant policy issue of climate change, the objective of the Proposal is to cause the Company to report on its plans for making complex and fundamental changes to its business operations and strategies that are consistent with the Proposal's agenda. Even the name of the Proposal—Paris Compliant *Business Plan* (emphasis added)—makes it clear that the Proposal is in fact targeting the Company's entire business strategy and seeking to micro-manage the Company's approach to climate change.

The fact that the Proposal touches on climate change does not change the above analysis. The Staff has concurred that a stockholder proposal addressing a number of issues is excludable when some of the issues implicate a company's ordinary business operations, even if other issues implicate a significant policy issue. For example, in *FirstEnergy Corp.* (avail. Mar. 8, 2013), the Staff concurred with the exclusion of a proposal that requested a report on "actions the company is taking or could take to reduce risk throughout its energy portfolio by diversifying the company's energy resources to include increased energy efficiency and renewable energy resources" on the basis that the proposal concerned the company's "choice of technologies for use in its operations." See also *General Electric Co.* (avail. Feb. 10, 2000) (concurring in the exclusion of a proposal requesting that the company (i) discontinue an accounting method, (ii) not use funds from the General Electric Pension Trust to determine executive compensation, and (iii) use funds from the General Electric Pension Trust only as intended, on the basis that the proposal related to "the choice of accounting techniques"); *Medallion Financial Corp.* (avail. May 11, 2004) (concurring with the exclusion of a proposal requesting that the company engage an investment bank to evaluate alternatives to enhance stockholder value, on the basis that the proposal related to both extraordinary transactions and nonextraordinary transactions); *Union Pacific Corp.* (avail. Feb. 21, 2007) (concurring with the exclusion of a proposal requesting information on the company's efforts to minimize financial risk arising from terrorist and homeland security incidents, on the basis that the proposal related to the evaluation of risk); and

*Fluor Corp.* (avail. Feb. 3, 2005) (a proposal requesting a statement regarding the offshore relocation of jobs, previously found by the Staff to constitute a significant social policy, was nonetheless excludable because the proposal also sought information regarding the ordinary business matters of job loss and job elimination as a distinct and separate element).

Similarly, while the Proposal addresses matters related to climate change, it also implicates the Company's ordinary business operations by requesting that the Company report on "align[ing] its operations and investments" with the Paris Agreement's goal, on "reducing capital investments in oil and/or gas resource development" and on "investing in renewable energy resources." We note that the renewable energy industry is a completely different business from the Company's oil and natural gas exploration and production business. In addition, the Proposal also states that "investment choices . . . can play a major role in the transition to a clean energy economy [and] every dollar invested in fossil fuel resource development and infrastructure slows that transition," and claims that the Company has yet to adopt targets or actions to "reduce the full climate impact of its investments in fossil fuel energy sources." Therefore, while the Proposal is cast as a broad climate change proposal, it is clear that the Proposal is actually focused on the Company's business operations and strategies, including the Company's approaches to asset investment, and seeks to substitute the judgment of the Company's management with that of the Company's stockholders, who as a group, are not in a position to make an informed judgment.

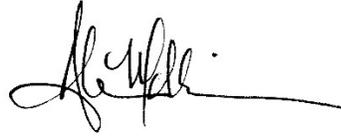
For these reasons and the reasons outlined above, it is clear that the Proposal falls squarely within the scope of the 1998 Release by addressing matters that are so fundamental to management's ability to run the Company on a day-to-day basis that they could not, as a practical matter, be subject to direct stockholder oversight, and by micro-managing the Company by probing too deeply into matters of a complex nature upon which stockholders, as a group, would not be in a position to make an informed judgment. Thus, we respectfully submit that the Proposal may be appropriately excluded under Rule 14a-8(i)(7).

## CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2019 Proxy Materials. We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to me. If we can be of any further assistance in this matter, please do not hesitate to email me at [Amanda.McMillian@anadarko.com](mailto:Amanda.McMillian@anadarko.com).

Office of Chief Counsel  
Division of Corporation Finance  
December 20, 2018  
Page 13

Sincerely,

A handwritten signature in black ink, appearing to read 'A. McMillian', with a long horizontal flourish extending to the right.

Amanda M. McMillian  
Executive Vice President and General Counsel

cc: As You Sow, on behalf of the Proponents

**EXHIBIT A**  
**Proposal Materials**



November 28, 2018

Amanda M. McMillian  
Senior Vice President, General Counsel,  
Corporate Secretary and Chief Compliance Officer  
Anadarko Petroleum Corporation  
1201 Lake Robbins Drive  
The Woodlands, Texas 77380

Dear Ms. McMillian:

*As You Sow* is filing a shareholder proposal on behalf of Jeanne Miller ("Proponent"), a shareholder of Anadarko Petroleum Corp., for action at the next annual meeting of Anadarko. Proponent submits the enclosed shareholder proposal for inclusion in Anadarko's 2019 proxy statement, for consideration by shareholders, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

A letter from the Proponent authorizing *As You Sow* to act on her behalf is enclosed. A representative of the Proponent will attend the stockholders' meeting to move the resolution as required.

We are available to discuss this issue and are hopeful that such discussion could result in resolution of the Proponent's concerns. To schedule a dialogue, please contact Danielle Fugere, President at [DFugere@asyousow.org](mailto:DFugere@asyousow.org).

Sincerely,

Danielle Fugere  
President

Enclosures

- Shareholder Proposal
- Shareholder Authorization

## Paris Compliant Business Plan

**Whereas:** The Intergovernmental Panel on Climate Change released a report finding that "rapid, far-reaching" changes are necessary in the next 10 years to avoid disastrous levels of global warming.<sup>1</sup> Specifically, it instructs that net emissions of carbon dioxide must fall by 45 percent by 2030 and reach "net zero" by 2050 to maintain warming below 1.5 degrees Celsius.

The Fourth National Climate Assessment report, issued November 2018, finds that with continued growth in emissions, "annual losses in some U.S. economic sectors are projected to reach hundreds of billions of dollars by 2100 —more than the current gross domestic product of many U.S. states."<sup>2</sup> Other studies estimate global losses over \$30 trillion.<sup>3</sup>

These climate change impacts present systemic portfolio risks to investors. A warming climate is associated with supply chain dislocations, reduced resource availability, lost production, commodity price volatility, infrastructure damage, crop loss, energy disruptions, political instability, and reduced worker efficiency, among others.

The oil and gas industry is one of the most significant contributors to climate change; Anadarko is the 47<sup>th</sup> largest contributor.<sup>4</sup>

While the investment choices of oil and gas companies can play a major role in the transition to a clean energy economy, every dollar invested in fossil fuel resource development and infrastructure slows that transition, increasing risk to the global economy and investor portfolios.

A number of peer oil and gas companies have announced policies to reduce their full climate footprint. Shell announced scope 3 greenhouse gas intensity targets.<sup>5</sup> Total has invested in solar energy<sup>6</sup> and is reducing the carbon intensity of its energy products.<sup>7</sup> Equinor is investing in wind energy development.<sup>8</sup> Orsted, a Danish oil and gas company, sold its oil and gas portfolio and rebranded itself.<sup>9</sup>

While Anadarko has assessed and reported on Company-related risk from climate change,<sup>10</sup> and has adopted plans to reduce its own operational emissions (generally less than 20 percent of its climate

---

<sup>1</sup> [http://report.ipcc.ch/sr15/pdf/sr15\\_spm\\_final.pdf](http://report.ipcc.ch/sr15/pdf/sr15_spm_final.pdf)

<sup>2</sup> <https://nca2018.globalchange.gov/>

<sup>3</sup> <https://www.theguardian.com/environment/2018/may/23/hitting-toughest-climate-target-will-save-world-30tn-in-damages-analysis-shows>

<sup>4</sup> <https://www.theguardian.com/sustainable-business/2017/jul/10/100-fossil-fuel-companies-investors-responsible-71-global-emissions-cdp-study-climate-change>

<sup>5</sup> [https://www.shell.com/sustainability/sustainability-reporting-and-performance-data/performance-data/greenhouse-gas-emissions/jcr\\_content/par/tabbedcontent/tab/textimage.stream/1534322148157/faafbe2d44f8f9ade10d1202b31b8552a67d1430dc3ae7ddc192fc83e9f835c8/2018-cdp-climate-change-submission-180815.pdf](https://www.shell.com/sustainability/sustainability-reporting-and-performance-data/performance-data/greenhouse-gas-emissions/jcr_content/par/tabbedcontent/tab/textimage.stream/1534322148157/faafbe2d44f8f9ade10d1202b31b8552a67d1430dc3ae7ddc192fc83e9f835c8/2018-cdp-climate-change-submission-180815.pdf), C4.1b

<sup>6</sup> [https://www.total.com/sites/default/files/atoms/files/total\\_climat\\_2018\\_en.pdf](https://www.total.com/sites/default/files/atoms/files/total_climat_2018_en.pdf), p. 35

<sup>7</sup> [https://www.total.com/sites/default/files/atoms/files/total\\_climat\\_2018\\_en.pdf](https://www.total.com/sites/default/files/atoms/files/total_climat_2018_en.pdf), p. 6.

<sup>8</sup> <https://www.equinor.com/en/how-and-why/climate-change.html>, p. 30

<sup>9</sup> <https://www.ft.com/content/57482c0b-db29-3147-9b7e-c522aea02271>

<sup>10</sup> <https://www.anadarko.com/content/documents/apc/Responsibility/ClimateChange-RiskAssess-Mngt-FINAL.pdf>

footprint<sup>11</sup>), Anadarko has not adopted Paris-aligned targets or actions to reduce the full climate impact of its investments in fossil fuel energy sources. Anadarko's Scope 3 product emissions are *increasing*<sup>12</sup> as its ratio of gas to oil reserves declines.<sup>13</sup>

**Resolved:** Shareholders request that Anadarko issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement's goal of maintaining global temperatures well below 2 degrees Celsius.

**Supporting Statement:** In the report shareholders seek information, among other issues at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Adopting overall greenhouse gas emission reduction targets for the company's full carbon footprint, inclusive of operational and product-related emissions
- Reducing capital investments in oil and/or gas resource development
- Investing in renewable energy resources

---

<sup>11</sup> <http://www.lse.ac.uk/GranthamInstitute/tpi/new-research-shows-only-two-large-oil-gas-companies-have-long-term-low-carbon-ambitions/>

<sup>12</sup> <https://www.anadarko.com/content/documents/apc/Responsibility/ClimateChange-RiskAssess-Mngt-FINAL.pdf>, p.17

<sup>13</sup> [https://www.anadarko.com/content/documents/apc/news/Fact\\_Sheets/Corporate\\_Fact\\_Sheet.pdf](https://www.anadarko.com/content/documents/apc/news/Fact_Sheets/Corporate_Fact_Sheet.pdf), p.2.

10/13/2018

Andrew Behar  
CEO

As You Sow Foundation  
1611 Telegraph Ave., Ste. 1450  
Oakland, CA 94612

**Re: Authorization to File Shareholder Resolution**

Dear Andrew Behar,

As of the date of this letter, the undersigned authorizes As You Sow (AYS) file, cofile, or endorse the shareholder resolution identified below on Stockholder's behalf with the identified company, and that it be included in the proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder: Jeanne Miller (S)

Company: Anadarko Petroleum Corporation

Annual Meeting/Proxy Statement Year: 2019

Resolution: Report on Carbon Asset Risk

Background information re: AYS Campaign: <https://www.asyousow.org/our-work/energy/climate-change>

The Stockholder has continuously owned over \$2,000 worth of company stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2019 .

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

DocuSigned by:

*Jeanne Miller*

F80B398806F74B9...

Jeanne Miller



November 28, 2018

Amanda M. McMillian  
Senior Vice President, General Counsel,  
Corporate Secretary and Chief Compliance Officer  
Anadarko Petroleum Corporation  
1201 Lake Robbins Drive  
The Woodlands, Texas 77380

Dear Ms. McMillian:

*As You Sow* is co-filing a shareholder proposal on behalf of the following Anadarko Petroleum Corporation shareholders for action at the next annual meeting of Anadarko:

- Christopher K. Payne Trust
- Daniel Handler & Lisa Brown Family Trust
- Emily Scott Pottruck Revocable Trust
- Kaplana Raina
- Park Foundation
- Schwab Charitable Fund FBO The Resiliency Fund
- SJM Trust
- The Amy Wendel Revocable Trust

The Proponent has submitted the enclosed shareholder proposal for inclusion in the 2019 proxy statement, for consideration by shareholders, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

Please note that *As You Sow* also represents the lead filer of this proposal, Jeanne Miller.

Letters authorizing *As You Sow* to act on co-filers' behalf are enclosed. A representative of the lead filer will attend the stockholders' meeting to move the resolution as required.

Sincerely,

Danielle Fugere  
President

Enclosures

- Shareholder Proposal
- Shareholder Authorizations

## Paris Compliant Business Plan

**Whereas:** The Intergovernmental Panel on Climate Change released a report finding that "rapid, far-reaching" changes are necessary in the next 10 years to avoid disastrous levels of global warming.<sup>1</sup> Specifically, it instructs that net emissions of carbon dioxide must fall by 45 percent by 2030 and reach "net zero" by 2050 to maintain warming below 1.5 degrees Celsius.

The Fourth National Climate Assessment report, issued November 2018, finds that with continued growth in emissions, "annual losses in some U.S. economic sectors are projected to reach hundreds of billions of dollars by 2100 —more than the current gross domestic product of many U.S. states."<sup>2</sup> Other studies estimate global losses over \$30 trillion.<sup>3</sup>

These climate change impacts present systemic portfolio risks to investors. A warming climate is associated with supply chain dislocations, reduced resource availability, lost production, commodity price volatility, infrastructure damage, crop loss, energy disruptions, political instability, and reduced worker efficiency, among others.

The oil and gas industry is one of the most significant contributors to climate change; Anadarko is the 47<sup>th</sup> largest contributor.<sup>4</sup>

While the investment choices of oil and gas companies can play a major role in the transition to a clean energy economy, every dollar invested in fossil fuel resource development and infrastructure slows that transition, increasing risk to the global economy and investor portfolios.

A number of peer oil and gas companies have announced policies to reduce their full climate footprint. Shell announced scope 3 greenhouse gas intensity targets.<sup>5</sup> Total has invested in solar energy<sup>6</sup> and is reducing the carbon intensity of its energy products.<sup>7</sup> Equinor is investing in wind energy development.<sup>8</sup> Orsted, a Danish oil and gas company, sold its oil and gas portfolio and rebranded itself.<sup>9</sup>

While Anadarko has assessed and reported on Company-related risk from climate change,<sup>10</sup> and has adopted plans to reduce its own operational emissions (generally less than 20 percent of its climate

---

<sup>1</sup> [http://report.ipcc.ch/sr15/pdf/sr15\\_spm\\_final.pdf](http://report.ipcc.ch/sr15/pdf/sr15_spm_final.pdf)

<sup>2</sup> <https://nca2018.globalchange.gov/>

<sup>3</sup> <https://www.theguardian.com/environment/2018/may/23/hitting-toughest-climate-target-will-save-world-30tn-in-damages-analysis-shows>

<sup>4</sup> <https://www.theguardian.com/sustainable-business/2017/jul/10/100-fossil-fuel-companies-investors-responsible-71-global-emissions-cdp-study-climate-change>

<sup>5</sup> [https://www.shell.com/sustainability/sustainability-reporting-and-performance-data/performance-data/greenhouse-gas-emissions/jcr\\_content/par/tabbedcontent/tab/textimage.stream/1534322148157/faafbe2d44f8f9ade10d1202b31b8552a67d1430dc3ae7ddc192fc83e9f835c8/2018-cdp-climate-change-submission-180815.pdf](https://www.shell.com/sustainability/sustainability-reporting-and-performance-data/performance-data/greenhouse-gas-emissions/jcr_content/par/tabbedcontent/tab/textimage.stream/1534322148157/faafbe2d44f8f9ade10d1202b31b8552a67d1430dc3ae7ddc192fc83e9f835c8/2018-cdp-climate-change-submission-180815.pdf), C4.1b

<sup>6</sup> [https://www.total.com/sites/default/files/atoms/files/total\\_climat\\_2018\\_en.pdf](https://www.total.com/sites/default/files/atoms/files/total_climat_2018_en.pdf), p. 35

<sup>7</sup> [https://www.total.com/sites/default/files/atoms/files/total\\_climat\\_2018\\_en.pdf](https://www.total.com/sites/default/files/atoms/files/total_climat_2018_en.pdf), p. 6.

<sup>8</sup> <https://www.equinor.com/en/how-and-why/climate-change.html>, p. 30

<sup>9</sup> <https://www.ft.com/content/57482c0b-db29-3147-9b7e-c522aea02271>

<sup>10</sup> <https://www.anadarko.com/content/documents/apc/Responsibility/ClimateChange-RiskAssess-Mngt-FINAL.pdf>

footprint<sup>11</sup>), Anadarko has not adopted Paris-aligned targets or actions to reduce the full climate impact of its investments in fossil fuel energy sources. Anadarko's Scope 3 product emissions are *increasing*<sup>12</sup> as its ratio of gas to oil reserves declines.<sup>13</sup>

**Resolved:** Shareholders request that Anadarko issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement's goal of maintaining global temperatures well below 2 degrees Celsius.

**Supporting Statement:** In the report shareholders seek information, among other issues at board and management discretion, on the relative benefits and drawbacks of integrating the following actions:

- Adopting overall greenhouse gas emission reduction targets for the company's full carbon footprint, inclusive of operational and product-related emissions
- Reducing capital investments in oil and/or gas resource development
- Investing in renewable energy resources

---

<sup>11</sup> <http://www.lse.ac.uk/GranthamInstitute/tpi/new-research-shows-only-two-large-oil-gas-companies-have-long-term-low-carbon-ambitions/>

<sup>12</sup> <https://www.anadarko.com/content/documents/apc/Responsibility/ClimateChange-RiskAssess-Mngt-FINAL.pdf, p.17>

<sup>13</sup> [https://www.anadarko.com/content/documents/apc/news/Fact\\_Sheets/Corporate\\_Fact\\_Sheet.pdf, p.2.](https://www.anadarko.com/content/documents/apc/news/Fact_Sheets/Corporate_Fact_Sheet.pdf, p.2.)

# PARK FOUNDATION

October 30, 2018

Andrew Behar  
CEO  
As You Sow  
1611 Telegraph Ave., Ste. 1450  
Oakland, CA 94612

**Re: Authorization to File Shareholder Resolution**

Dear Andy,

The undersigned (the "Stockholder") authorizes As You Sow to file or cofile a shareholder resolution on Stockholder's behalf with Anadarko Petroleum Corporation (the "Company"), relating to reporting on carbon asset risk, and that it be included in the Company's 2019 proxy statement, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder has continuously owned over \$2,000 worth of Company stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2019.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,



Jon M. Jensen  
Executive Director

October 26, 2018

Andrew Behar  
CEO  
As You Sow  
1611 Telegraph Ave., Ste. 1450  
Oakland, CA 94612

**Re: Authorization to File Shareholder Resolution**

Dear Andrew Behar,

The undersigned Stockholder authorizes As You Sow to file a shareholder resolution on the Stockholder's behalf with below mentioned Company, and that it be included in below mentioned Company's 2019 proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

Stockholder:           The Amy Wendel Revocable Trust  
Company:               Anadarko Petroleum Corporation  
Resolution Request:   Report on Carbon Asset Risk

The Stockholder has continuously owned over \$2,000 worth of stock of the above mentioned Company, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company's annual meeting in 2019.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder.

Sincerely,

DocuSigned by:  
  
25BB9E974DA9455...  
Daniel Meisel

Trustee  
The Amy Wendel Revocable Trust

October 15, 2018

Andrew Behar  
CEO  
As You Sow  
1611 Telegraph Ave., Ste. 1450  
Oakland, CA 94612

**Re: Authorization to File Shareholder Resolution**

Dear Andrew Behar,

The undersigned Stockholder authorizes As You Sow to file a shareholder resolution on the Stockholder's behalf with below mentioned Company, and that it be included in below mentioned Company's 2019 proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

Stockholder: Christopher K Payne Trust U/A DTD 05/04/2007

Company: Anadarko Petroleum Corporation

Resolution Request: Report on carbon asset risk

The Stockholder has continuously owned over \$2,000 worth of stock of the above mentioned Company, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company's annual meeting in 2019.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder.

Sincerely,

DocuSigned by:  
*Christopher Payne*  
A7D2699E4BB6400...  
\_\_\_\_\_  
Christopher Payne

Trustee

Christopher K Payne Trust U/A DTD 05/04/2007

November 2, 2018

Andrew Behar  
CEO  
As You Sow  
1611 Telegraph Ave., Ste. 1450  
Oakland, CA 94612

**Re: Authorization to File Shareholder Resolution**

Dear Andrew Behar,

The undersigned Stockholder authorizes As You Sow to co-file a shareholder resolution on the Stockholder's behalf with below mentioned Company, and that it be included in below mentioned Company's 2019 proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

Stockholder: Daniel Handler & Lisa Brown Family Trust  
Company: Anadarko Petroleum Corporation  
Resolution Request: Report on Carbon Asset Risk

The Stockholder has continuously owned over \$2,000 worth of stock of the above mentioned Company, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company's annual meeting in 2019.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder.

Sincerely,

DocuSigned by:  
*Daniel Handler*  
0F34BA850BDF487...  
Daniel Handler

Trustee  
Daniel Handler & Lisa Brown Family Trust

DocuSigned by:  
*Lisa Brown*  
22AB8809C26C487...  
Lisa Brown

Trustee  
Daniel Handler & Lisa Brown Family Trust

October 3 , 2 18

Andrew Behar  
CEO  
As You Sow  
1611 Telegraph Ave., Ste. 1450  
Oakland, CA 94612

**Re: Authorization to File Shareholder Resolution**

Dear Andrew Behar,

The undersigned Stockholder authorizes As You Sow to o-file a shareholder resolution on the Stockholder's behalf with below mentioned Company, and that it be included in below mentioned Company's 2019 proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

Stockholder: Emily Scott Pottruck Revocable Trust  
Company: Anadarko Petroleum Corporation  
Resolution Request: Report on Carbon Asset Risk

The Stockholder has continuously owned over \$2,000 worth of stock of the above mentioned Company, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company's annual meeting in 2019.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder.

Sincerely,

DocuSigned by:  
  
0A7568D89BFG4ED...  
Emily Scott Pottruck

Trustee  
Emily Scott Pottruck Revocable Trust

November 16, 2018

Andrew Behar  
CEO  
As You Sow  
1611 Telegraph Ave., Ste. 1450  
Oakland, CA 94612

**Re: Authorization to File Shareholder Resolution**

Dear Mr. Behar,

The undersigned Stockholder authorizes *As You Sow* to file a shareholder resolution on the Stockholder's behalf with the named Company for inclusion in the Company's 2019 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. The resolution at issue relates to the below described subject.

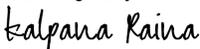
Stockholder: Kalpana Raina  
Company: Anadarko Petroleum Corporation  
Resolution Request: Report on Carbon Asset Risk

The Stockholder has continuously owned over \$2,000 worth of Company stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company's annual meeting in 2019.

The Stockholder gives *As You Sow* the authority to address on the Stockholder's behalf any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder.

The shareholder further authorizes *As You Sow* to send a letter of support of the resolution on Stockholder's behalf.

Sincerely,

DocuSigned by:  
  
22E83C074F1449C...  
Kalpana Raina

As Account Owner  
Kalpana Raina

October 30, 2018

Andrew Behar  
CEO  
As You Sow  
1611 Telegraph Ave., Ste. 1450  
Oakland, CA 94612

**Re: Authorization to File Shareholder Resolution**

Dear Andrew Behar,

The undersigned Stockholder authorizes As You Sow to co-file a shareholder resolution on the Stockholder's behalf with below mentioned Company, and that it be included in below mentioned Company's 2019 proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

Stockholder: Schwab Charitable Fund FBO The Resiliency Fund

Company: Anadarko Petroleum Corporation

Resolution Request: report on Carbon Asset Risk

The Stockholder has continuously owned over \$2,000 worth of stock of the above mentioned Company, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company's annual meeting in 2019.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder.

Sincerely,

DocuSigned by:  
  
39590213F37D495  
Jen Hicks on behalf of Wetherby Asset Management

Authorized Discretionary Advisor  
Schwab Charitable Fund FBO The Resiliency Fund

November 5, 2018

Andrew Behar

CEO

As You Sow

1611 Telegraph Ave., Ste. 1450

Oakland, CA 94612

**Re: Authorization to File Shareholder Resolution**

Dear Andrew Behar,

The undersigned Stockholder authorizes As You Sow to file a shareholder resolution on the Stockholder's behalf with below mentioned Company, and that it be included in below mentioned Company's 2019 proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

Stockholder: SJM Trust

Company: Anadarko Petroleum Corporation

Resolution Request: Report on Carbon Asset Risk

The Stockholder has continuously owned over \$2,000 worth of stock of the above mentioned Company, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company's annual meeting in 2019.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder.

The shareholder further authorizes As You Sow to send a letter of support of the resolution on Stockholder's behalf concerning the resolution.

Sincerely,

DocuSigned by:  
  
3A8D061DC4A14CE...  
Susan Moldaw

Trustee

SJM Trust

December 17, 2018

JEANNE BRONWEN MILLER

\*\*\*

Dear Ms. Miller:

I am writing to confirm one of the securities held in your Fidelity Investments brokerage account.

Fidelity Investments, a DTC participant, acts as the custodian for the Jeanne Bronwen Miller Individual account. As of the date of this letter, Jeanne Bronwen Miller held, and has held continuously for at least 13 months, 92 shares of Anadarko Pete Corp. common stock (CUSIP 032511107, Symbol APC).

I hope this information is helpful. If you have any questions regarding this matter, please contact Veris Wealth Partners, LLC at (212) 349-4172.

Sincerely,

A handwritten signature in black ink that reads "Thomas M. Gillet". The signature is fluid and cursive, with a large initial "T" and "M".

Thomas M. Gillet  
Client Service Manager

Our file: W510280-06DEC18

**The Northern Trust Company**

50 South LaSalle Street  
Chicago, IL 60603  
(312) 630-6000



December 7, 2018

RE: Park Foundation \*\*\*

This letter is to confirm that The Northern Trust holds as custodian for the above client 150 shares of common stock in Anadarko Petroleum Corporation. These 150 shares have been held in this account continuously for at least one year prior to and including November 28, 2018.

These shares are held at Depository Trust Company under the nominee name of The Northern Trust Company.

This letter serves as confirmation that the shares are held by The Northern Trust Company.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Frank Fauser".

Frank Fauser  
Vice President

**EXHIBIT B**

**Anadarko Climate Change Report**

# CLIMATE CHANGE

## Risk Assessment and Management

2018



Committed to being good stewards of the environment.

To learn more please visit [www.anadarko.com](http://www.anadarko.com).



# EXECUTIVE SUMMARY



**Danny Brown**  
EVP, U.S. Onshore  
Operations



**Bob Gwin**  
EVP, Finance and  
Chief Financial  
Officer



**Mitch Ingram**  
EVP, International,  
Deepwater and  
Exploration



**Amanda McMillian**  
EVP and General  
Counsel



**Bobby Reeves**  
EVP and Chief  
Administrative  
Officer



**Al Walker**  
Chairman,  
President and  
Chief Executive  
Officer

*At Anadarko, we are committed to producing oil and natural gas in a manner that is consistent with our core values and beneficial to the Company and our stakeholders.*

*We recognize that some of our stakeholders are interested in the potential impacts of global climate change on our operations, as well as how potential changes in future regulations, initiatives and global energy demand could impact the landscape in which we operate. While we share the view of many industry analysts that oil and natural gas will remain a significant portion of the world's energy supply for the foreseeable future, we appreciate that climate change is an important issue. We actively monitor climate-related issues and potential policy changes as a means to assess and manage potential risks. Our current climate strategy is to limit emissions of methane and other greenhouse gases from our operations, and reduce the environmental footprint of our activities. We believe this strategy is in the best interests of the environment, our Company and our stakeholders.*

***Anadarko's climate strategy is to limit emissions of methane and other greenhouse gases from our operations, and reduce the environmental footprint of our activities.***

*We are dedicated to environmental stewardship which we believe includes supporting scientific research that improves the understanding of climate patterns and their potential sensitivity to human activities. Furthermore, Anadarko is committed to working with agencies and other stakeholders in developing sound public policy that promotes appropriate and effective regulations, while recognizing that oil and natural gas are essential to modern life and critical to the success of the global economy.*

Executive Committee  
ANADARKO PETROLEUM CORPORATION

# INTRODUCTION

This report highlights our efforts to assess and manage climate-related risks in our business.

The Task Force on Climate-related Financial Disclosures (TCFD) has recommended a reporting framework, which includes information on four core elements: governance, risk management, strategy, and metrics and targets. Although adherence to the TCFD's recommendations remains voluntary, the industry-led initiative designed the four elements for broad adaptability across business sectors, and as such provides a useful framework for this disclosure.

We appreciate the input we have received from our stakeholders on this important topic, and plan to continue to engage with investors and other stakeholders to further inform our ongoing evaluation of future disclosures of material climate-related risks.



**R. A. Walker**

Chairman, President and Chief Executive Officer

---

## Table of Contents

<b>4 Our Mission and Company</b>	<b>16 Metrics and Targets</b>
<b>5 Governance and Risk Management</b>	16 Greenhouse Gas Emissions Metrics
5 Governance	18 Greenhouse Gas and Air Quality Committee
5 Risk Management	18 Examples of Emissions Reduction
7 Risk-Aware Corporate Culture	<b>20 Conclusion</b>
<b>8 Strategy: Portfolio Analysis and Resilience</b>	<b>21 Cautionary Language</b>
10 Anadarko Portfolio Analysis	
11 2040 IEA Outlook	
12 2025 IEA Outlook	
12 Anadarko's Capital Allocation Through 2025	
13 Benchmarking Against North American Peers	
15 Portfolio Resilience	

# OUR MISSION AND COMPANY



Anadarko Petroleum Corporation's mission is to deliver a competitive and sustainable rate of return to shareholders by developing, acquiring and exploring for oil and natural gas resources vital to the world's health and welfare. As of year-end 2017, the Company had approximately 1.4 billion barrels of oil equivalent (BOE) in proved reserves, making it one of the world's largest independent oil and natural gas exploration and production companies.

Anadarko employs approximately 4,400<sup>1</sup> men and women and expects to invest between \$4.5 and \$4.8 billion<sup>2</sup> in 2018 to find and develop the oil and natural gas resources that are essential to modern life. We are one team partnering with employees, contractors and stakeholders to protect people, health and the environment and striving for the continuous improvement of our people and processes. Our business success is driven through living our core values of integrity and trust, servant leadership, open communication, people and passion, and commercial focus.



<sup>1</sup> As of Dec. 31, 2017

<sup>2</sup> Does not include WES capital investments and \$175 million of acquisitions as of Nov. 2018

# GOVERNANCE AND RISK MANAGEMENT



The evaluation and management of climate-related risk is incorporated into Anadarko's approach to governance and risk management. Anadarko uses a long-standing Enterprise Risk Management (ERM) process to assess risks that may affect the Company's ability to achieve its strategic and financial goals. The ERM process, which is overseen by the Company's Board of Directors and administered by senior management and Anadarko asset teams, cultivates a risk-aware corporate culture at Anadarko.

## Governance

At Anadarko, the highest level of governance resides with the Board of Directors. Anadarko has developed well-defined governance practices and principles which guide the Board of Directors' roles and responsibilities regarding corporate risk oversight. The Board is comprised of 10 independent directors with substantial experience across multiple industries, including oil and natural gas, chemicals, transportation, financial investing, artificial intelligence and data science. Each independent director serves on one of three standing committees: the Governance and Risk Committee, the Audit Committee, or the Compensation and Benefits Committee.

The Governance and Risk Committee, as part of the ERM process, provides oversight regarding Anadarko's exposure to risk, including climate-related risk. In its oversight role, the Board of Directors considers the outcomes of scenario analyses (described in more detail in the Strategy section of this report) and reviews policy initiatives and actions related to climate change. The Board convenes a minimum of four times per year in regularly scheduled meetings with additional meetings throughout the year as appropriate.

The Audit Committee serves in an advisory role and can provide an assessment of risk control effectiveness as requested.

## Risk Management

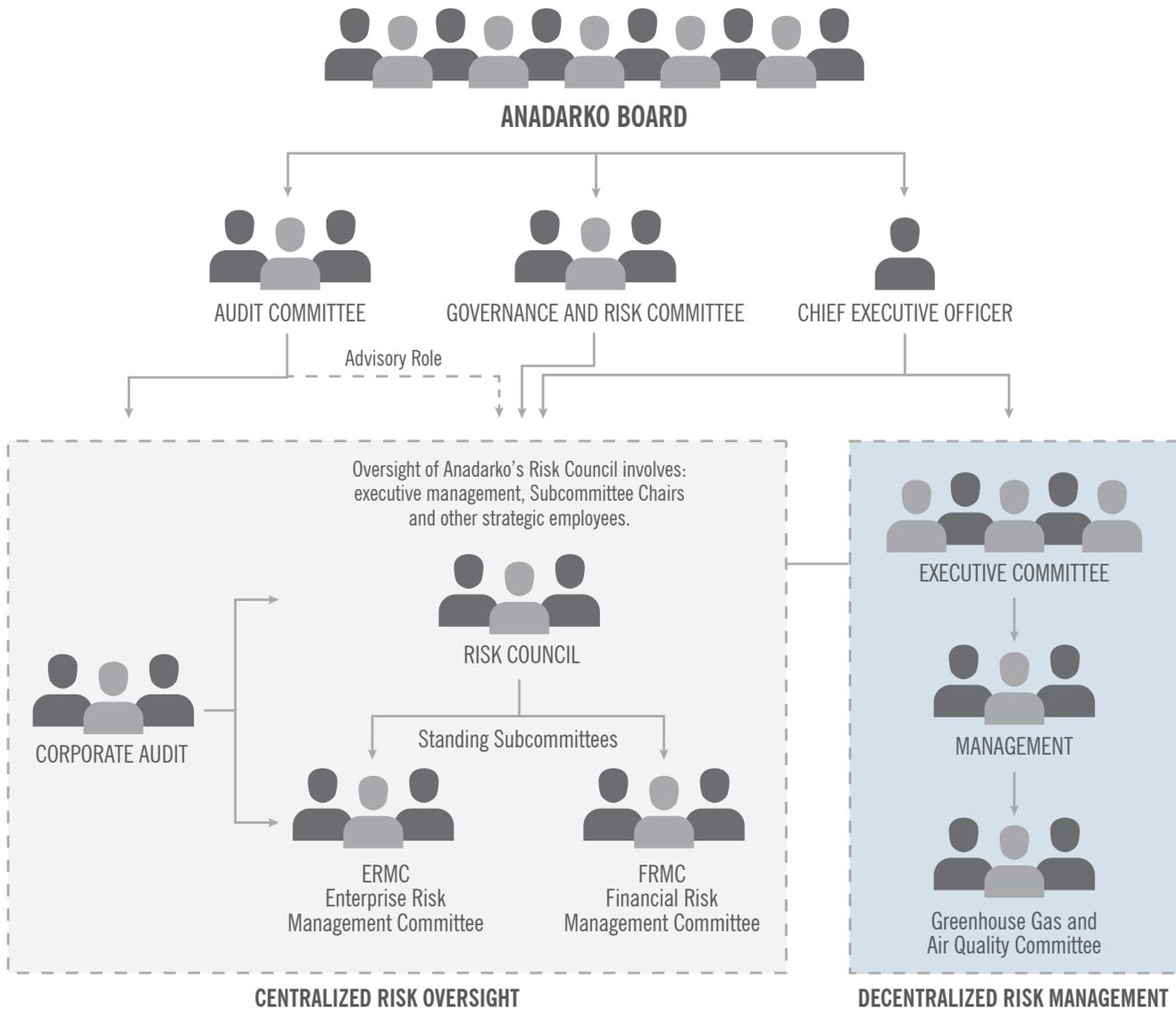
The ERM process provides a formalized view of Anadarko's philosophy and approach to risk management. Risk management objectives include:

- Risk-informed decision making
- Risk-based capital allocation
- Operating a highly reliable organization and preserving Anadarko's social license to operate
- Providing a comprehensive view of risk from all levels of the organization



Anadarko employs a rigorous Enterprise Risk Management process to evaluate risks. Climate-related risks are captured in this process, ensuring consistency across the Company.

# ANADARKO'S RISK MANAGEMENT STRUCTURE



Anadarko's risk management structure includes oversight from the Board, with implementation and monitoring from the **Risk Council** and the standing risk management subcommittees. The Risk Council is responsible for oversight of the Company's risk management activities and is authorized to develop, implement and enforce risk management procedures. The Risk Council reports to the Governance and Risk Committee and Anadarko's Chief Executive Officer (CEO). Anadarko's Corporate Audit team serves in an advisory capacity to the Risk Council and its subcommittees.

The **Enterprise Risk Management Committee (ERM)**, which reports to the Risk Council, identifies, measures and monitors enterprise risks. Part of the risk evaluation process of the ERM includes maintaining a corporate Risk Register. The Risk Register categorizes risks into a matrix for communication to the Risk Council, Executive Committee (EC) and the Board of Directors. For each risk, the matrix includes a risk rank, relative impact assessment, likelihood estimation and risk owner identification. The ERM works with the risk owners to recommend actions to mitigate each critical risk.

The **Financial Risk Management Committee (FRM)**, which reports to the Risk Council, identifies, measures and monitors financial risks, such as commodity price, interest and foreign exchange rates, credit, and other financial risks. Together, the ERM and FRM represent diverse disciplines within the Company to provide a comprehensive view of risk exposure to the Risk Council.

The Board of Directors and Risk Council provide centralized risk oversight, while Anadarko’s executive management is responsible for risk management in their respective areas.

To emphasize climate-related decisions at a regional level, Anadarko formed an internal Greenhouse Gas and Air Quality (GHGAQ) Committee, which reports to Anadarko’s management and directly to the Board of Directors’ Governance and Risk Committee. The Committee organizes, evaluates and recommends operational actions on air quality and greenhouse gas (GHG) issues throughout the year. To learn more about the GHGAQ Committee, please see the Metrics and Target section of this report.

Anadarko’s long-standing ERM process ensures consistent evaluation of risk, including climate-related risk, across the Company. Evaluation of future policy as well as legal risks, market risks, reputational risks and weather risks contain aspects of climate-related risk, which Anadarko’s Board and management regularly discuss.

## Risk-Aware Corporate Culture

Anadarko’s ERM process creates the foundation for a risk-aware corporate culture and is embraced by employees throughout the Company.

The Board of Directors, CEO and EC monitor risks that impact the total enterprise. The senior vice president and vice president management levels focus on divisional or regional risk threats and mitigations.

General Managers (GM), asset teams and employees in the Company’s business units provide the most specific focus. Various asset teams manage operational and field-level risk mitigation.

These three layers of risk management provide a comprehensive view of risk from multiple levels, and assign necessary responsibilities for identifying and assessing risks, including climate-related risks. From assessing the total corporate risk profile to authorizing mitigation actions to identification of field-level risks, a risk-aware corporate culture is cultivated by Anadarko’s ERM process.



# STRATEGY

## Portfolio Analysis and Resilience



As part of Anadarko's strategic planning process with the Board of Directors, a range of oil and natural gas demand and pricing forecasts, as well as other market analyses, are considered. The Company uses data from a range of sources including but not limited to Wood Mackenzie, IHS Markit, PIRA Energy Group, Rystad Energy, Genscape, Energy Aspects, OPEC, Argus Media, S&P Global Platts, Poten & Partners, ICF, Facts Global Energy, RS Energy, the U.S. Energy Information Administration (EIA) and the International Energy Agency (IEA) World Energy Outlook. This data helps form management's assumptions regarding future operational and regulatory environments and drives decisions on the optimal investment profile considering both environmental and business performance expectations.

To address climate-related risk, this report evaluates Anadarko's portfolio against the scenarios published in the IEA 2017 World Energy Outlook. Although the IEA 2017 World Energy Outlook scenarios are not the only available long-term outlooks, they have been widely used as reference cases for corporate strategies on climate change and can provide stakeholders with a benchmark in which to compare companies across, and outside of, the oil and natural gas industry.

There are three scenarios described in the IEA 2017 World Energy Outlook, including a scenario consistent with limiting global warming to 2 degrees Celsius or below.

Each of the scenarios assumes differing levels of enacted climate policy and contains future oil price and demand levels through the year 2040.

- The Current Policies Scenario assumes only current policies are in place.
- The New Policies Scenario incorporates existing energy policy and likely policies that have been officially announced. The IEA 2017 World Energy Outlook considers the New Policies Scenario its "central scenario."

1

### Current Policies Scenario

The Current Policies Scenario is an outlook based on policies currently in place, and projects increasing oil demand through 2040.

2

### New Policies Scenario

The New Policies Scenario is an outlook based on policies currently in place and those officially announced, and projects increasing oil demand through 2040.

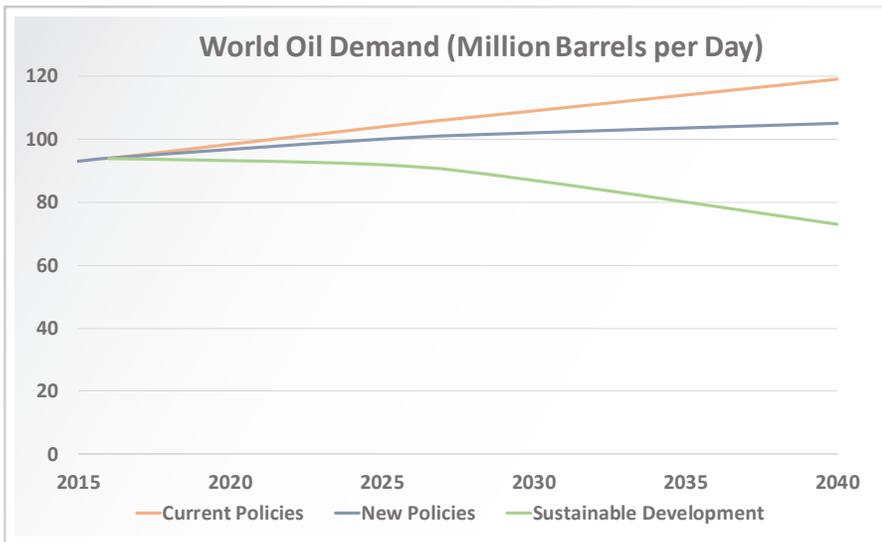
3

### Sustainable Development Scenario

The Sustainable Development Scenario was introduced by the IEA in 2017 and reflects main energy-related components of the United Nations' 2030 Agenda for Sustainable Development. This scenario assumes efforts to limit global warming to 2 degrees Celsius or below.

The Sustainable Development Scenario is presented as a pathway to achieve universal access to energy by 2030, substantially reduce air pollutants, and combat climate change by limiting global temperature rise to less than 2 degrees Celsius. According to the IEA’s 2017 World Energy Outlook, “... the scenario is designed to take ambitious action, using all available technologies (even if not commercially available today at significant scale) to keep the world on track through the projection period towards the long-term objectives of the Paris Agreement.”<sup>3</sup> The Sustainable Development Scenario is an aggressive stress test on Anadarko’s portfolio.

For each of the IEA scenarios, including the Sustainable Development Scenario, oil demand remains significant through 2040. The IEA’s New Policies Scenario, its central scenario, shows increasing oil demand to approximately 105 million barrels per day by 2040. While the Sustainable Development Scenario shows oil demand declining over the next two decades, it remains significant.



All IEA scenarios show oil will be a **significant** part of the energy mix for the foreseeable future.

Source: IEA 2017 World Energy Outlook

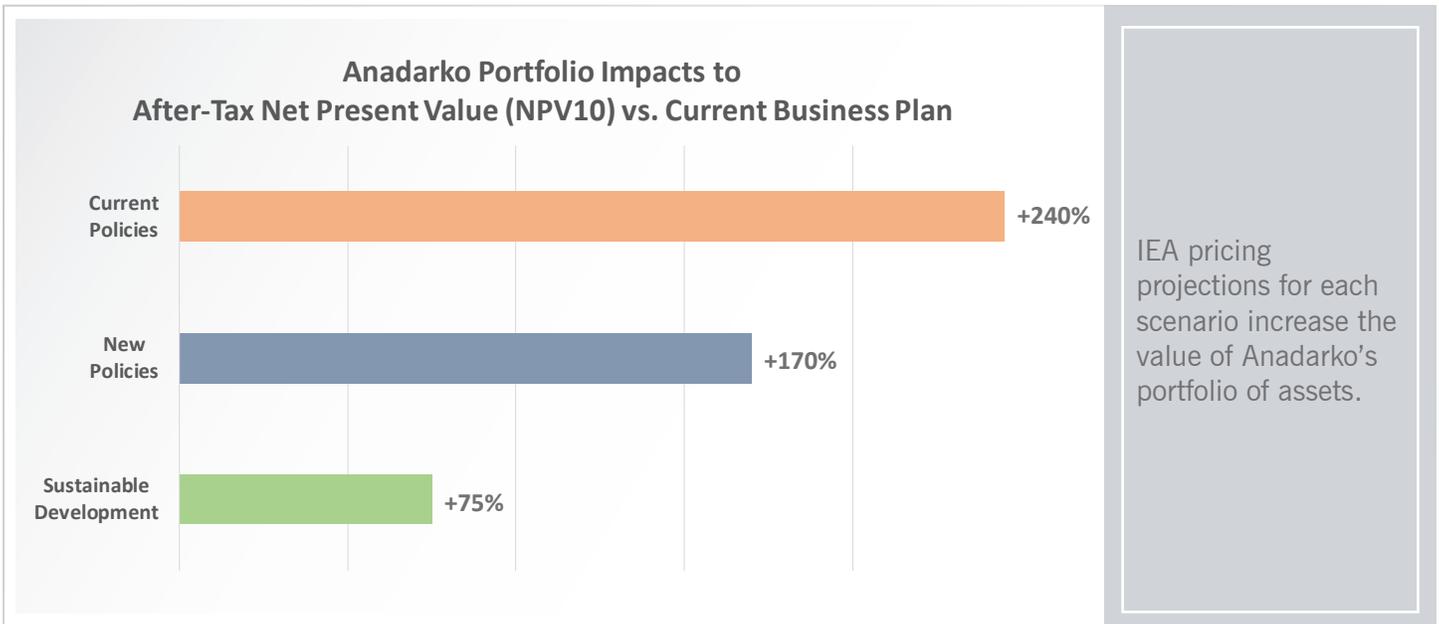


<sup>3</sup> IEA 2017 World Energy Outlook, page 131.

## Anadarko Portfolio Analysis

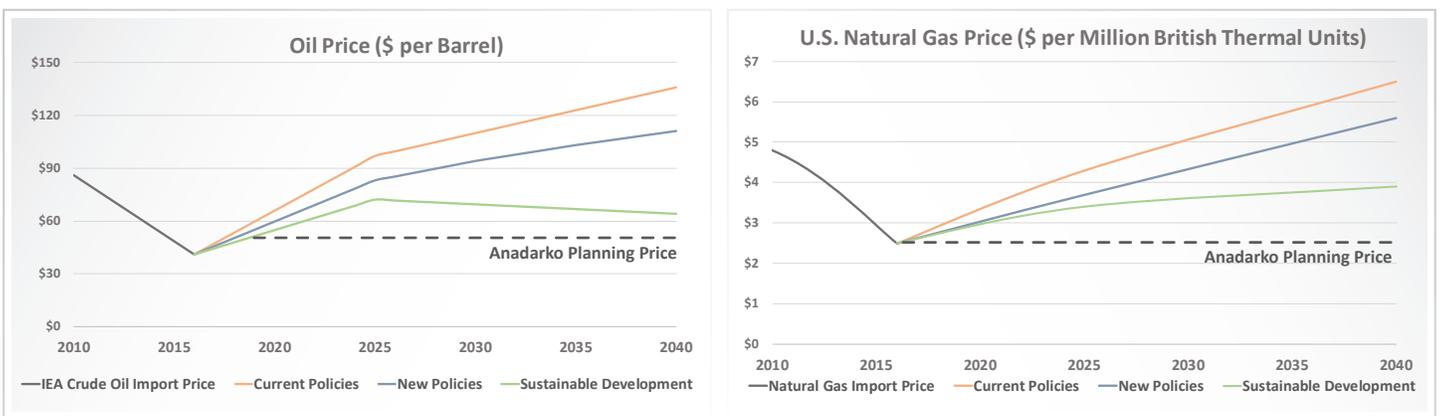
Portfolio impacts were assessed by applying the oil, natural gas and carbon prices set forth in the three IEA scenarios to Anadarko’s current, long-range business plan. Anadarko’s business plan is a multi-year capital investment program with associated production and operating costs. It forecasts cash flows over time and includes all captured resources, not just proved reserves as defined by the U.S. Securities and Exchange Commission (SEC). The net present value of future cash flows using a 10 percent discount rate (NPV10) of the current business plan was compared to the NPV10 under the three IEA scenarios.

The results of the analysis show the underlying value of Anadarko’s portfolio of assets *increases* under all three of the IEA 2017 World Energy Outlook scenarios.



Summary of the asset level after-tax NPV10 values

The increase is driven by the fact that Anadarko’s business plan is formulated using a global (WTI and Brent) oil price of \$50 per barrel<sup>4</sup> which is *lower* than the price projections in each of the three IEA 2017 World Energy Outlook scenarios, including the most aggressive Sustainable Development Scenario.

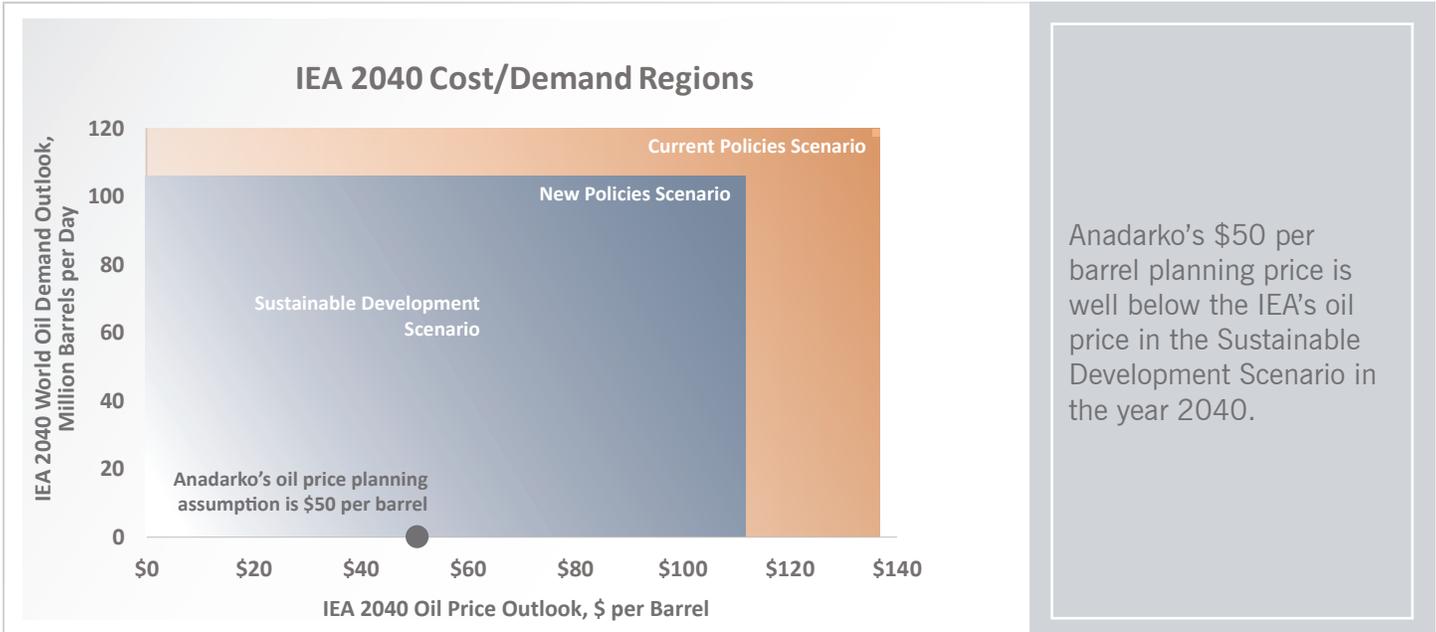


Source: IEA 2017 World Energy Outlook

<sup>4</sup> All oil assets priced at \$50 per barrel, except Mozambique LNG which is planned on a \$60 per barrel Brent price (real 2018 dollars).

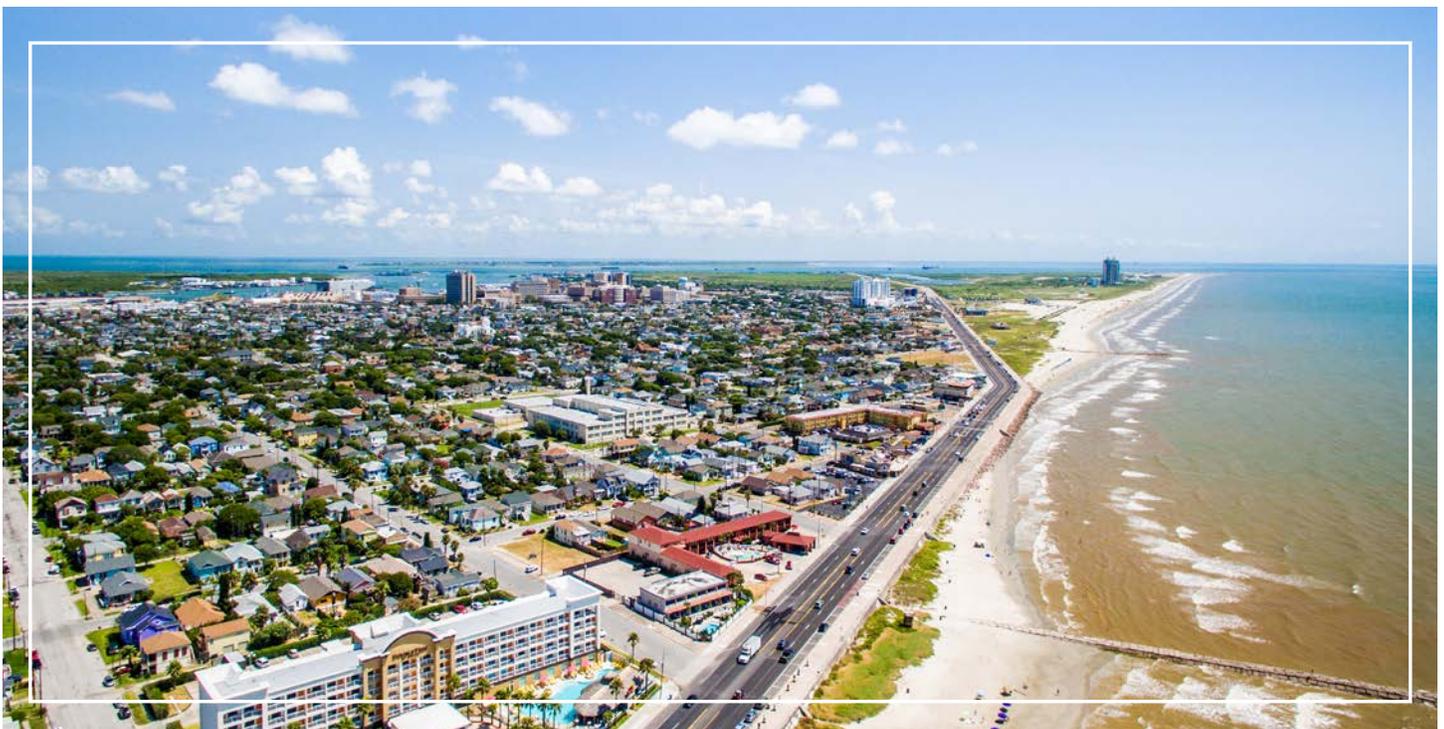
## 2040 IEA Outlook

The IEA 2017 World Energy Outlook scenarios project world oil demand in 2040 to range from 73 million barrels of oil per day (MMBOPD) to 119 MMBOPD, a range which represents +/- 20 percent of current world oil production. The wide band of outcomes highlights the broad range of assumptions embedded in IEA's analyses. In addition, there is substantial uncertainty regarding the cost and makeup of supply in the year 2040. Despite these uncertainties, Anadarko's conservative approach to future commodity pricing results in value accretion in each of the three IEA demand scenarios and in applying these scenarios the Company sees no negative value impact to Anadarko's portfolio through 2040.



Source: IEA 2017 World Energy Outlook

The conservative commodity price assumptions upon which Anadarko's business plan is predicated speak to the quality and depth of the underlying opportunity set. The Company expects to generate significant free cash flow under the current business plan, which supports its strategy of returning value to shareholders.



## 2025 IEA Outlook

Given the numerous uncertainties potentially impacting energy markets over a longer timeframe, a separate analysis was conducted over a shorter time horizon. Global oil demand and price outlooks for the year 2025 are published in IEA's 2017 World Energy Outlook. Anadarko's planning price of \$50 per barrel is below oil prices in each of the three IEA Scenarios through 2025.



Anadarko's \$50 per barrel planning price is well below the IEA's oil price in the Sustainable Development Scenario in the year 2025.

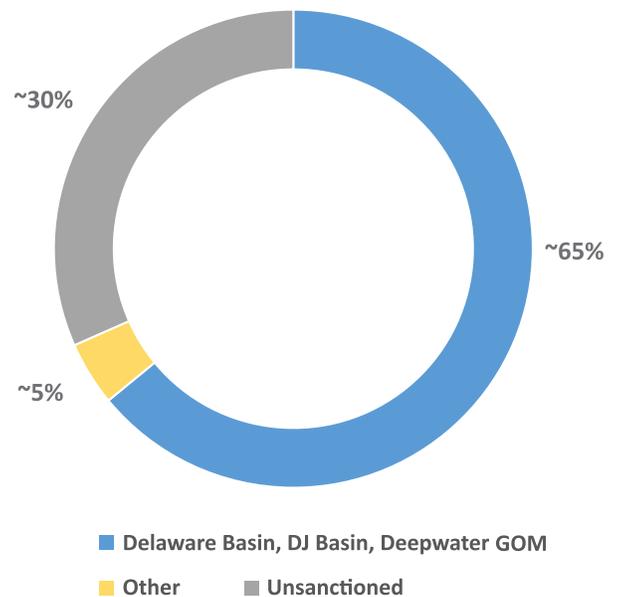
Source: IEA 2017 World Energy Outlook

## Anadarko's Capital Allocation Through 2025

The certainty level of Anadarko's investment opportunities is higher through 2025. In this time horizon, approximately 65 percent of Anadarko's expected capital investment is concentrated in three areas, the Delaware Basin, the DJ Basin and Deepwater Gulf of Mexico (GOM). These high-quality assets provide a low cost of supply and support the ability of Anadarko's portfolio to deliver competitive economics even under the Sustainable Development Scenario.

The majority of the remaining capital spend expected in the 2018–2025 timeframe is related to activities not yet sanctioned, including Anadarko's LNG development in Mozambique, potential development in Wyoming's Powder River Basin, GOM tieback opportunities and other potential investments related to the appraisal and development of exploration success. Anadarko has the flexibility to allocate this capital based on expected future commodity market conditions and the relative economic quality and cost of supply of these opportunities.

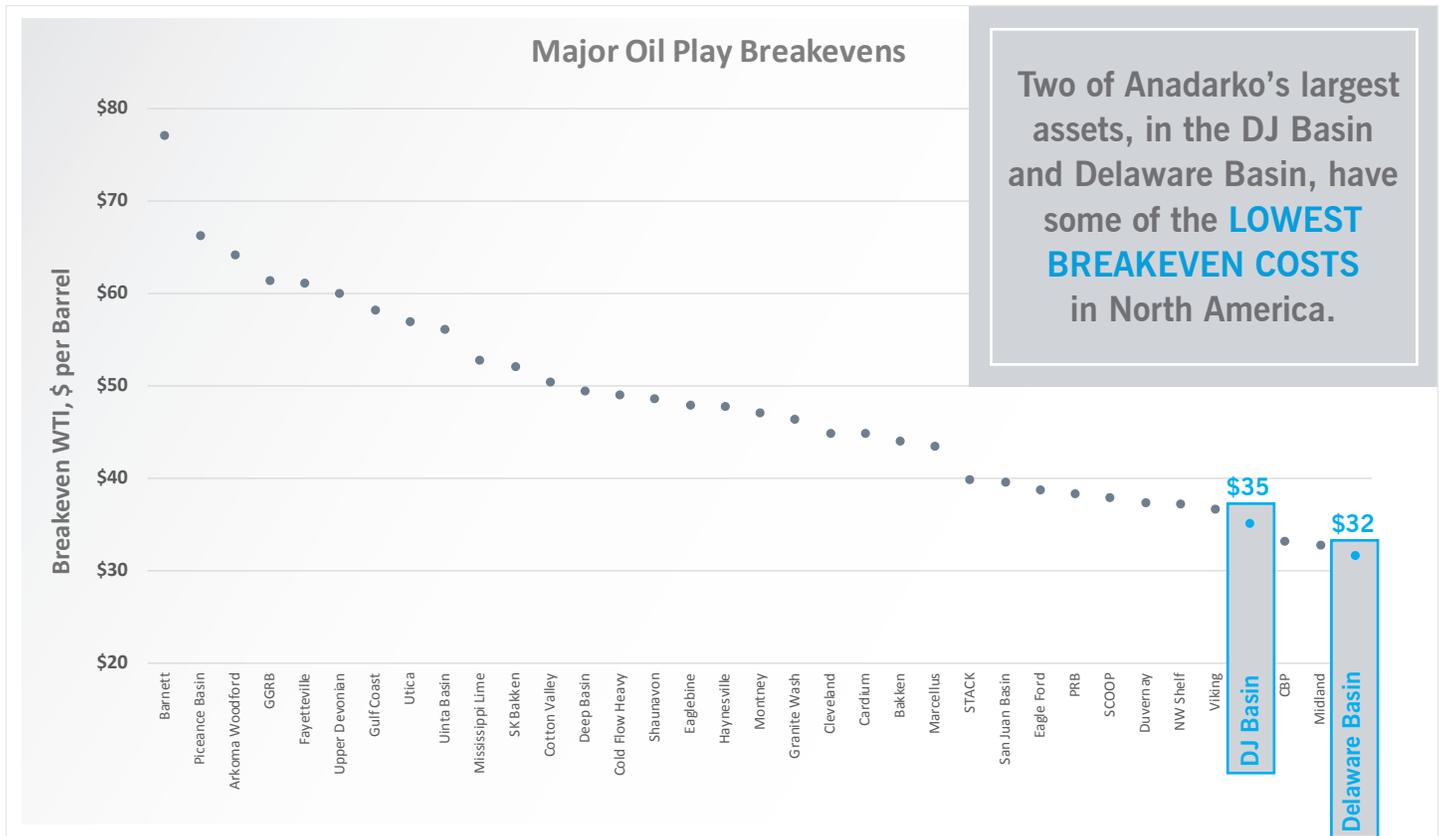
### Anadarko's Expected Capital Allocation 2018 - 2025



## Benchmarking Against North American Peers

One of the best mitigants of climate-related risk is the strong underlying economics of Anadarko’s future investment opportunities, which deliver a low relative cost of supply. This competitive advantage minimizes financial risk even in a carbon-constrained future.

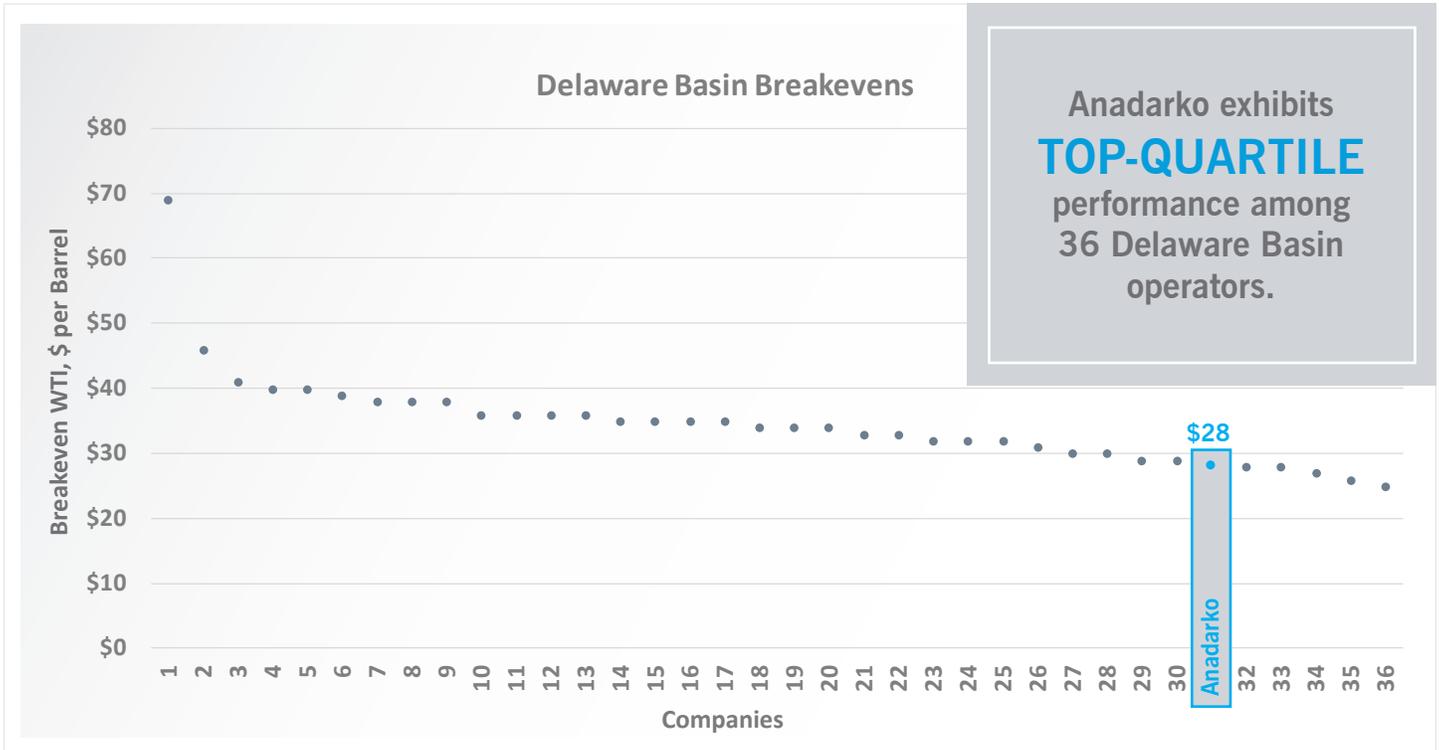
Both the Delaware Basin and DJ Basin are recognized by an independent research analyst as having some of the lowest breakeven oil prices in North America. Anadarko’s GOM opportunities are competitive with these two economically advantaged basins.



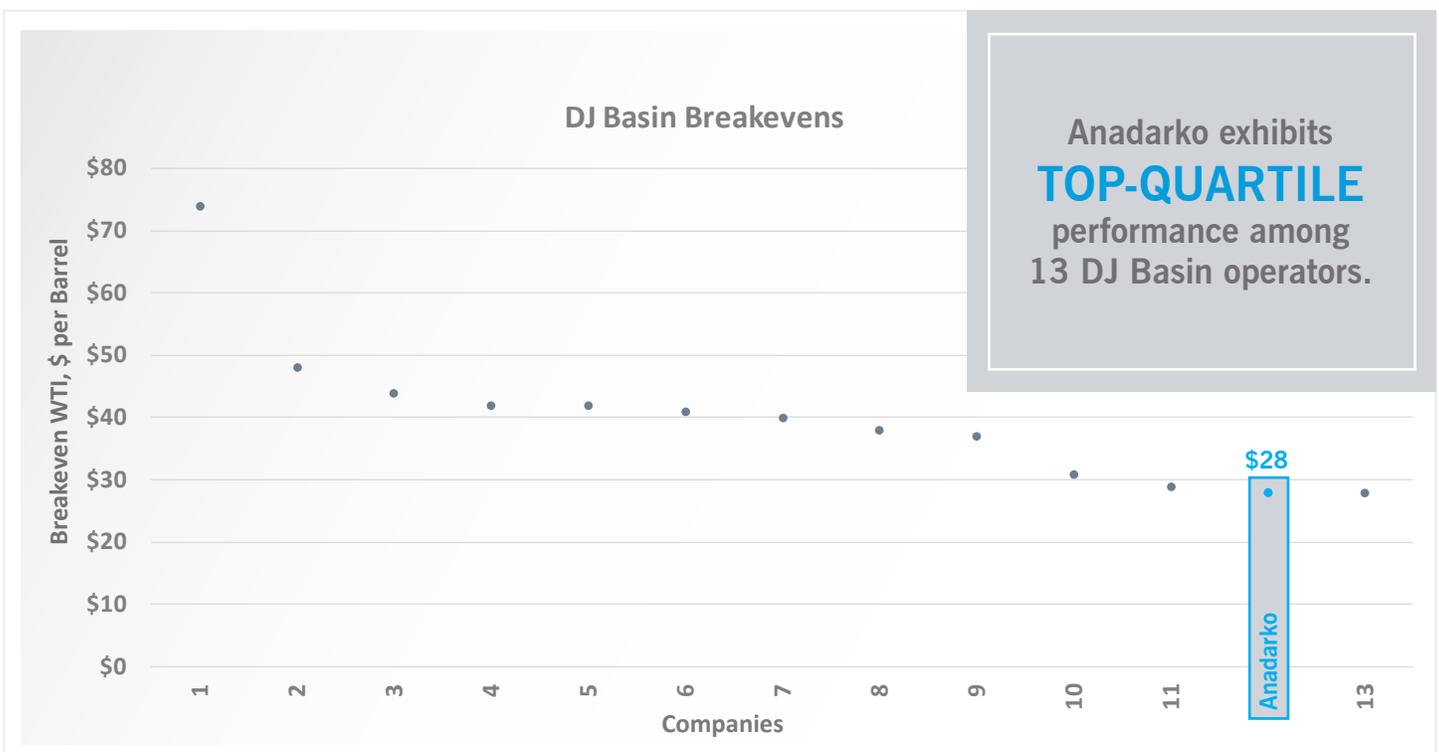
Source: RS Energy Group



In addition to operating high-quality assets in the most competitive North American basins, Anadarko strives to be a safe and efficient operator within those basins. Anadarko routinely benchmarks its operating cost position against key competitors to ensure the ability to safely deliver the lowest possible cost of supply, further minimizing the risk of stranded assets. The Company’s benchmarking analysis is annually presented to the EC and Board of Directors. An independent research analyst also recognizes Anadarko as highly competitive within the Delaware and DJ Basins of North America. Anadarko’s large acreage positions and relatively low breakevens provide the Company competitive advantages in both basins.



Source: RS Energy Group



Source: RS Energy Group

## Portfolio Resilience

Anadarko has a proven track record of active portfolio management. The Company implemented a targeted portfolio restructuring beginning in 2015, which was designed to monetize dry gas assets and focus on oil-weighted opportunities with enhanced economics. As a result of the successful execution of this program, the underlying economics of the portfolio significantly improved and the Company received approximately \$10 billion in gross proceeds from the monetizations. This restructuring enabled Anadarko to focus on world-class, highly competitive, low-cost assets, which compete favorably in nearly any commodity-price environment. Anadarko continues to take a proactive approach in its risk management and strategic planning processes to adjust to changes in policy and energy markets as required.

The majority of Anadarko's current portfolio is comprised of short-cycle opportunities – meaning the time between investment and first production is less than approximately one year. This provides considerable flexibility to react to changes in market conditions. Anadarko has the ability to allocate capital investment as needed in response to potential changes in regulations, energy demand or other factors, mitigating financial risks. The only long-cycle investment opportunity currently being considered for development is the Mozambique LNG project. This project will be underpinned by contractual offtake agreements, which will mitigate stranded asset risk.

Anadarko's strategic planning process includes near- and medium-term capital planning, as well as scenario analysis performed over a longer time horizon. When stress tested against the IEA's Current Policies, New Policies and Sustainable Development Scenarios, Anadarko's portfolio business case delivers *increased* net present value. Resiliency of the portfolio is a result of the planned development of large acreage positions in the prolific Delaware and DJ Basins along with competitive deepwater GOM projects that use Anadarko's existing infrastructure. Furthermore, independent research shows that Anadarko is highly competitive within these basins. With a conservative planning price philosophy, an agile capital planning process, top-quality assets and robust ERM processes, Anadarko's portfolio as a whole is resilient to a variety of changes in policy and market conditions, including IEA's Sustainable Development Scenario.



# METRICS AND TARGETS



Anadarko is proactive in limiting emissions of methane and other greenhouse gases from operations, and reducing the environmental footprint of its activity. The Company continually improves communication to stakeholders by sharing initiatives to address potential climate-related impacts and the metrics by which the initiatives are measured. Anadarko considers metrics that are meaningful to both stakeholders and operations teams. By engaging the operations teams, the Company is able to identify and implement strategies and programs to reduce, and in many cases prevent, emissions at the source.



## Greenhouse Gas Emissions Metrics

Anadarko seeks to provide transparency surrounding its annual calculation of Scope 1, 2 and 3 GHG emissions on a CO<sub>2</sub>-equivalent (CO<sub>2</sub>e) basis.

### SCOPE 1

Direct emissions from sources (such as combustion from engines and venting from pneumatic controllers) at facilities over which Anadarko has operational control.

### SCOPE 2

Indirect emissions from the generation of purchased electricity that Anadarko consumes (such as electricity used to run air-driven pneumatic controllers and drive compressor engines in place of natural gas).

### SCOPE 3

Anadarko's Scope 3 emissions are primarily indirect emissions from the consumption of NGL products sold to market from Anadarko's gas processing plants, based on the calculation methodology in the Environmental Protection Agency (EPA) GHG Reporting Rule.



As part of its GHG and air emissions performance metrics, Anadarko discloses a methane intensity metric for both upstream and midstream emissions. Intensities are industry-standard metrics for comparing GHG or methane emissions year-over-year, facility-to-facility, or source-to-source. The methane intensity metric normalizes emissions by presenting them as a fraction. Upstream methane intensity is reported in metric tonnes of methane per thousand barrels of oil equivalent (CH<sub>4</sub>/MBOE), while midstream methane intensity is reported in metric tonnes of methane per million cubic feet of natural gas (CH<sub>4</sub>/MMcf).

GHG and air emissions metrics for the preceding three years are shown in the table below.

ENVIRONMENT PERFORMANCE DATA			
<b>TOTAL UPSTREAM GHG EMISSIONS</b>			
Direct emissions (Scope 1) (million metric tonnes CO <sub>2</sub> e)	2.4 <sup>5</sup>	2.7 <sup>5</sup>	2.3 <sup>6,7</sup>
	58.1	54.9	26.8
Methane intensity (metric tonnes CH <sub>4</sub> /MBOE) <sup>9</sup>	0.23	0.22	0.16
Combustion emissions (million metric tonnes CO <sub>2</sub> e) <sup>8</sup>	0.5	0.2	0.3
Flaring emissions (million metric tonnes CO <sub>2</sub> e) <sup>8</sup>	0.3	0.5	0.7
	1.3	1.3	0.6
<b>TOTAL MIDSTREAM GHG EMISSIONS</b>			
Direct emissions (Scope 1) (million metric tonnes CO <sub>2</sub> e)	2.7 <sup>5</sup>	5.3 <sup>5,10</sup>	3.5 <sup>6,7</sup>
Methane emissions (thousand metric tonnes CH <sub>4</sub> ) <sup>8</sup>	3.5	45.6 <sup>6</sup>	15.7
Methane intensity (metric tonnes CH <sub>4</sub> /MMcf) <sup>11</sup>	0.002	0.026	0.010
Combustion emissions (million metric tonnes CO <sub>2</sub> e) <sup>8</sup>	2.0	3.3	2.4
Flaring emissions (million metric tonnes CO <sub>2</sub> e) <sup>8</sup>	0.1	0.4	0.3
Venting emissions (million metric tonnes CO <sub>2</sub> e) <sup>8</sup>	0.6	1.5	0.8
<b>TOTAL INDIRECT GHG EMISSIONS (MILLION METRIC TONNES CO<sub>2</sub>e)</b>			
Scope 2 emissions <sup>12</sup>	1.2	0.8	0.8
Scope 3 emissions <sup>6</sup>	7.6	6.3	11.3

<sup>5</sup> Scope 1 includes onshore and offshore U.S. EPA Greenhouse Gas Reporting Program (GHGRP) boundaries and international activities (Mozambique).

<sup>6</sup> U.S. EPA GHGRP boundaries

<sup>7</sup> The divestiture of operations in Texas and Pennsylvania in 2017 accounts for the decrease in total Scope 1 emissions reported compared to 2016.

<sup>8</sup> U.S. EPA GHGRP boundaries, U.S. onshore only

<sup>9</sup> Calculated by dividing U.S. onshore upstream methane emissions (U.S. EPA GHGRP boundaries) by total U.S. onshore operated oil and natural gas production

<sup>10</sup> The expansion of boundaries for U.S. EPA GHGRP compliance to include the gathering and boosting sector in 2016 accounts for the increase in total Scope 1 emissions reported compared to 2015.

<sup>11</sup> Calculated by dividing U.S. onshore midstream methane emissions (U.S. EPA GHGRP boundaries) by average processing net throughput as reported in Anadarko's 2017 Annual Report on Form 10-K

<sup>12</sup> U.S. onshore and international activities, variable boundaries

Additional Environmental, Social and Governance (ESG) performance metrics are located on Anadarko's corporate website, at <https://www.anadarko.com/HSEscorecard>.



## Greenhouse Gas and Air Quality Committee

In 2004, Anadarko formed an internal Greenhouse Gas and Air Quality (GHGAQ) Committee, which reports to Anadarko's management and directly to the Board of Directors' Governance and Risk Committee. The GHGAQ Committee was formed to emphasize climate-related issues at the regional level. The GHGAQ Committee organizes, evaluates and recommends operational actions on air quality and GHG issues throughout the year.

The GHGAQ Committee consists of a cross-functional mix of managers, directors, internal legal counsel and corporate officers including an Executive VP sponsor who also serves as a member of Anadarko's EC. The GHGAQ Committee encompasses multiple disciplines including environmental, legal, operations, marketing, financial, corporate planning and communications.

The GHGAQ Committee's goals include:

- Calculate baseline corporate-wide emissions
- Recommend operational, risk evaluation and advocacy actions
- Oversee development and implementation of plans to reduce emissions
- Oversee development and implementation of protocols to identify GHG reductions
- Make recommendations to maximize commercial value of reductions in GHG emissions

The GHGAQ Committee meets at least four times per year and proactively discusses emissions metrics and to develop and monitor emission-reduction efforts.



## Examples of Emissions Reduction

Anadarko has implemented large-scale facility design changes and other changes to existing facilities across the Company to reduce emissions in the Company's operations. Several examples are summarized below.

### Tankless Production Facilities in Delaware Basin

An industry-leading tankless production facility design is being used in the Delaware Basin to support oil, water and natural gas gathering. The facilities consist of only a separator and pumps to gather and transport wellhead products to a gathering system, removing the need for multiple separators, tanks and flares. A similar tankless system was first constructed by Anadarko in the DJ Basin. The design reduces air emissions by utilizing air-driven pneumatic devices, eliminating condensate and produced-water storage tanks and eliminating storage-tank emission control by flares. In addition, truck traffic is significantly decreased, further reducing emissions and the potential for vehicle accidents.

### Water on Demand in DJ Basin

In addition to Anadarko's tankless production facilities, the Company uses Water on Demand (WOD), which is a water recycling and closed-loop system, consisting of more than 150 miles of pipeline. The WOD system uses automation and consolidates equipment to conserve water, reduce traffic by more than 1,500 vehicles per day, and lower GHG emissions. The Company transports approximately 98% of the water it uses in the basin via these pipelines.

### Leak Detection and Repair in all U.S. Onshore Facilities

Leak Detection and Repair (LDAR) is deployed at all of Anadarko's U.S. Onshore operated facilities. Operations personnel are trained in two main methodologies for identifying leaks. The first is audio, visual and olfactory (AVO) inspections. The second method is forward-looking infrared (FLIR) camera surveys. The Company uses both methods to identify leaks at U.S. Onshore facilities, with identified leaks typically repaired within five days.

### Commitment to Remove High-Bleed Pneumatic Devices

Natural-gas driven pneumatic devices are widely used across the oil and natural gas industry to control the opening and closing of valves. There are three classifications of pneumatic controller devices: continuous low-bleed, intermittent-vent and continuous high-bleed. Generally, continuous high-bleed controllers have been identified as releasing higher rates of emissions when a valve is actuated as compared to low-bleed or intermittent-vent devices. In collaboration with The Environmental Partnership, Anadarko has made the commitment to remove high-bleed natural gas-driven pneumatic controllers from its operations by 2023, if not sooner.

These four emissions-reduction examples go beyond current regulatory requirements, or in some cases were adopted voluntarily before regulations were implemented, and serve as a testament to Anadarko's goal of responsible environmental stewardship.

## PROGRAM PARTICIPATION HIGHLIGHTS

Anadarko has a long history of supporting the collection of emissions data for use in further research. The Company also supports scientific research that improves the understanding of climate patterns and their potential sensitivity to human activities.

Since 2005, Anadarko has voluntarily reported annual GHG emissions data, as well as information regarding carbon-management strategies and actions, to the Carbon Disclosure Project (CDP). The CDP maintains a global disclosure system with comprehensive data from more than 6,300 companies and more than 500 cities. Investors can use this extensive database for benchmarking and analysis.

Anadarko is also a founding member of The Environmental Partnership, which is sponsored by the American Petroleum Institute, and implements programs designed to further reduce emissions. Anadarko participates in the program along with more than 40 other natural gas and oil producers.

The Partnership developed three separate Environmental Performance Programs for participating companies to implement and phase into their operations starting January 2018. These programs were created based on U.S. EPA emissions data and are designed to further reduce emissions using proven cost-effective controls from three of the most significant sources of emissions.



Anadarko voluntarily participated in multi-stakeholder studies directed by the University of Texas and Colorado State University (CSU) in partnership with the Environmental Defense Fund (EDF) and other industry representatives, which is progressing understanding of methane emissions through oil and natural gas operations. Anadarko continues to work with EDF and other industry partners in the Methane Detectors Challenge, aimed at identifying next-generation technologies that will improve methane emissions monitoring from oil and natural gas operations.

Anadarko has partnered with CSU to provide support for a \$1.8 million U.S. Department of Energy study, which is helping to develop nationally representative methane emission factors for equipment at midstream facilities.

Anadarko is continually working to improve communication with stakeholders by sharing initiatives to address potential climate-related impacts and the metrics by which the Company will measure its efforts.

## CONCLUSION



Anadarko is committed to an open dialogue with stakeholders about climate-related risks to the Company. We believe this report outlining how we assess and monitor climate-related risks is a tangible step toward additional transparency into our processes, which include oversight by both the EC and the Board of Directors.

We have highlighted our ongoing efforts to limit emissions of methane and other GHG from our operations to reduce the environmental footprint of our activity.

We believe our portfolio analysis performed using the IEA 2017 World Energy Outlook highlights the strength of Anadarko's portfolio and its resiliency under varying policy and market conditions, including a scenario consistent with the goal of limiting the global temperature increase to 2 degrees Celsius or below. Anadarko is committed to a continuous assessment process, recognizing climate-related risk will evolve over time.

Anadarko values your feedback. Please send any comments, suggestions or questions about this report to [publicaffairs@anadarko.com](mailto:publicaffairs@anadarko.com).

## CAUTIONARY LANGUAGE



This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Anadarko believes that its expectations are based on reasonable assumptions. No assurance, however, can be given that such expectations will prove to have been correct. A number of factors could cause actual results to differ materially from the projections, anticipated results, or other expectations expressed in this report, including Anadarko's ability to meet financial and operating guidance and generate free cash flow; to continue to complete and commercially operate the projects, infrastructure and drilling prospects identified in this report, to maintain the low cost of supply identified in the report; and to successfully plan, secure necessary government approvals, enter into long-term sales contracts, finance, build, and operate the necessary infrastructure and LNG park in Mozambique. See "Risk Factors" in the Company's 2017 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other public filings and press releases. Anadarko undertakes no obligation to publicly update or revise any forward-looking statements.

Anadarko 

