Anadarko’s core values of integrity and trust, servant leadership, open communication, people and passion, and commercial focus continue to provide a crucial foundation that guides all of our actions, from the field to our corporate headquarters. By living these values, we further the success and sustainability of Anadarko into the future. Given challenges in recent years, Anadarko is determined to continually improve and innovate operations to be safer, cleaner and more cost-effective. We also commit to increase transparency to our shareholders through our environmental, social and governance (ESG) performance and programs.

This report provides a scorecard detailing selected ESG metrics over a three-year period. Subsequent sections of the report feature discussion of year-to-year trends, noteworthy initiatives and programs implemented in 2017 and a glimpse into life at Anadarko and the culture that makes our workplace tick. We are proud to be among Houston’s top workplaces. I continue to be humbled by the actions and heart of our employees.

Our employees believe that the only work worth doing is work done safely. In 2017, we established a Safety and Process Safety Review group to investigate our current policies and programs and assess areas for improvement.

We were honored to document two extremely rare and one possibly new species during exploratory drilling off the coast of Colombia, and see more than 2,000 students enrolled in professional skills classes at Kasdi Merbah University in Algeria through Anadarko’s partnership with its Careers Development Center.

We invite you to learn about these activities and more of our 2017 Corporate Responsibility performance and highlights. For further information regarding our programs, policies and management, please visit the Responsibility section of our website.

— Al Walker
This report documents the processes in place to ensure compliance, protect corporate assets and limit liability to personnel and the corporation with regard to health, safety, environment (HSE) and sustainability at Anadarko Petroleum Corporation and its subsidiaries. Under the directive of the Corporate HSE Policy, each Executive Vice President who reports to the Chief Executive Officer shall report to the Board of Directors (BOD) the results of the compliance efforts within their area of responsibility.

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R. A. Walker
Chairman, President and Chief Executive Officer

Mitch Ingram
Executive Vice President, International, Deepwater and Exploration
## HEALTH AND SAFETY PERFORMANCE DATA

<table>
<thead>
<tr>
<th>SAFETY</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MILLION HOURS WORKED</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>12.9</td>
<td>10.5</td>
<td>9.4</td>
</tr>
<tr>
<td>Contractors</td>
<td>53.6</td>
<td>34.1</td>
<td>42.7</td>
</tr>
<tr>
<td>Total workforce</td>
<td>66.5</td>
<td>44.6</td>
<td>52.1</td>
</tr>
<tr>
<td><strong>RECORDABLE INCIDENTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>22</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td>Contractors</td>
<td>177</td>
<td>125</td>
<td>143</td>
</tr>
<tr>
<td>Total workforce</td>
<td>199</td>
<td>144</td>
<td>159</td>
</tr>
<tr>
<td><strong>TOTAL RECORDABLE INCIDENT RATE (TRIR)</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>0.34</td>
<td>0.36</td>
<td>0.34</td>
</tr>
<tr>
<td>Contractors</td>
<td>0.66</td>
<td>0.73</td>
<td>0.67</td>
</tr>
<tr>
<td>Total workforce</td>
<td>0.60</td>
<td>0.65</td>
<td>0.61</td>
</tr>
<tr>
<td><strong>LOST-TIME INCIDENTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>6</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Contractors</td>
<td>50</td>
<td>47</td>
<td>34</td>
</tr>
<tr>
<td>Total workforce</td>
<td>56</td>
<td>54</td>
<td>35</td>
</tr>
<tr>
<td><strong>LOST-TIME INCIDENT RATE (LTIR)</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>0.09</td>
<td>0.13</td>
<td>0.02</td>
</tr>
<tr>
<td>Contractors</td>
<td>0.19</td>
<td>0.28</td>
<td>0.16</td>
</tr>
<tr>
<td>Total workforce</td>
<td>0.17</td>
<td>0.24</td>
<td>0.13</td>
</tr>
</tbody>
</table>

<sup>1</sup> Rate per 200,000 hours worked
### ENVIRONMENT PERFORMANCE DATA

#### GREENHOUSE GAS (GHG) AND AIR EMISSIONS

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL UPSTREAM GHG EMISSIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct emissions (Scope 1) (million metric tonnes CO₂e)</td>
<td>2.4²</td>
<td>2.7²</td>
<td>2.3³,⁴</td>
</tr>
<tr>
<td>Methane emissions (thousand metric tonnes CH₄)⁵</td>
<td>58.1</td>
<td>54.9</td>
<td>26.8</td>
</tr>
<tr>
<td>Methane intensity (metric tonnes CH₄/MBOE)⁶</td>
<td>0.23</td>
<td>0.22</td>
<td>0.16</td>
</tr>
<tr>
<td>Combustion emissions (million metric tonnes CO₂e)⁵</td>
<td>0.5</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Flaring emissions (million metric tonnes CO₂e)⁵</td>
<td>0.3</td>
<td>0.5</td>
<td>0.7</td>
</tr>
<tr>
<td>Venting emissions (million metric tonnes CO₂e)⁵</td>
<td>1.3</td>
<td>1.3</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>TOTAL MIDSTREAM GHG EMISSIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct emissions (Scope 1) (million metric tonnes CO₂e)</td>
<td>2.7²</td>
<td>5.3²,⁷</td>
<td>3.5³,⁴</td>
</tr>
<tr>
<td>Methane emissions (thousand metric tonnes CH₄)⁵</td>
<td>3.5</td>
<td>45.6³</td>
<td>15.7</td>
</tr>
<tr>
<td>Methane intensity (metric tonnes CH₄/MMcf)⁸</td>
<td>0.002</td>
<td>0.026</td>
<td>0.010</td>
</tr>
<tr>
<td>Combustion emissions (million metric tonnes CO₂e)⁵</td>
<td>2.0</td>
<td>3.3</td>
<td>2.4</td>
</tr>
<tr>
<td>Flaring emissions (million metric tonnes CO₂e)⁵</td>
<td>0.1</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Venting emissions (million metric tonnes CO₂e)⁵</td>
<td>0.6</td>
<td>1.5</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>TOTAL INDIRECT GHG EMISSIONS (MILLION METRIC TONNES CO₂e)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope 2 emissions⁹</td>
<td>1.2</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>Scope 3 emissions</td>
<td>7.6</td>
<td>6.3</td>
<td>11.3</td>
</tr>
<tr>
<td><strong>U.S. WATER</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fresh water¹⁰</td>
<td>120.5</td>
<td>63.4</td>
<td>57.8</td>
</tr>
<tr>
<td>Recycled and reused water</td>
<td>2.7</td>
<td>0.9</td>
<td>2.4</td>
</tr>
<tr>
<td>Total water</td>
<td>123.2</td>
<td>64.3</td>
<td>114.9</td>
</tr>
<tr>
<td><strong>U.S. WATER SOURCES (MILLION BBLS)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Groundwater</td>
<td>46.3</td>
<td>23.0</td>
<td>6.2</td>
</tr>
<tr>
<td>Surface water</td>
<td>73.0</td>
<td>39.6</td>
<td>51.6</td>
</tr>
<tr>
<td>Brackish and seawater</td>
<td>0.5</td>
<td>0.3</td>
<td>56.2</td>
</tr>
<tr>
<td>Municipal (buildings)</td>
<td>1.2</td>
<td>0.8</td>
<td>0.9</td>
</tr>
</tbody>
</table>

² Scope 1 includes onshore and offshore U.S. EPA GHGRP boundaries and international activities (Mozambique).
³ U.S. EPA GHGRP boundaries
⁴ The divestiture of operations in Texas and Pennsylvania in 2017 accounts for the decrease in total Scope 1 emissions reported compared to 2016.
⁵ U.S. EPA GHGRP boundaries, U.S. onshore only
⁶ 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
⁷ 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.
⁸ 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 and 10K
⁹ U.S. onshore and international activities, variable boundaries
¹⁰ Per CDP, fresh water sources are generally characterized by having low concentrations of dissolved salts (below 1,000 mg/l) and other total dissolved solids.
### ENVIRONMENT PERFORMANCE DATA

<table>
<thead>
<tr>
<th>SPILLS AND RELEASES</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total count</strong></td>
<td>1,132</td>
<td>879</td>
<td>1,390</td>
</tr>
<tr>
<td><strong>Agency reportable count</strong></td>
<td>340</td>
<td>236</td>
<td>241</td>
</tr>
<tr>
<td><strong>Volume hydrocarbons (thousand bbls)</strong></td>
<td>6.70</td>
<td>3.49</td>
<td>19.11</td>
</tr>
<tr>
<td><strong>Volume water (thousand bbls)</strong></td>
<td>11.33</td>
<td>7.67</td>
<td>89.46</td>
</tr>
<tr>
<td><strong>Volume other (thousand bbls)</strong></td>
<td>2.66</td>
<td>0.80</td>
<td>0.52</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AGENCY EXCEPTIONS AND FINES</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total agency exceptions</strong></td>
<td>28</td>
<td>39</td>
<td>44</td>
</tr>
<tr>
<td><strong>Total agency fines paid (USD)</strong></td>
<td>234,911</td>
<td>146,193</td>
<td>1,588,507</td>
</tr>
</tbody>
</table>

### SOCIAL PERFORMANCE DATA

<table>
<thead>
<tr>
<th>SOCIAL INVESTMENT</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social investment spend (millions USD)</strong></td>
<td>17.8</td>
<td>8.7</td>
<td>25.4</td>
</tr>
<tr>
<td><strong>Employee volunteering during paid working hours (est.)</strong></td>
<td>16,400</td>
<td>28,800</td>
<td>28,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GENDER DIVERSITY</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total number of employees</strong></td>
<td>5,822</td>
<td>4,556</td>
<td>4,424</td>
</tr>
<tr>
<td><strong>Total females in the workforce</strong></td>
<td>29%</td>
<td>28%</td>
<td>28%</td>
</tr>
<tr>
<td><strong>Female officers and managers</strong></td>
<td>17%</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Female Board of Directors members</strong></td>
<td>10%</td>
<td>10%</td>
<td>20%</td>
</tr>
</tbody>
</table>

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11 In December 2017, the Company entered into a consent agreement and final order with the EPA with respect to alleged violations of the U.S. Resource Conservation and Recovery Act at certain facilities associated with the Gulf of Mexico and agreed to pay a penalty of approximately $1.4 million. There were no allegations that waste was improperly disposed of or released into the environment.

12 U.S. community donations, U.S. and international social investment related to APC assets and in-kind contributions

13 As of December 31st of 2017

14 During the 2014 to 2016 period, Anadarko and the broader industry experienced significant volatility in commodity prices. As the company focused its efforts on preserving value instead of pursuing growth during this period, it continuously high-graded its asset base, reduced staffing levels and reduced rig activity in its focus areas, among many other actions aimed at positioning it for future success.

15 As of April 30th of 2017, independent board members only
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, the company had approximately 1.4 billion barrels of oil equivalent (BOE) of proved reserves, making it one of the world’s largest independent oil and natural gas exploration and production companies.

Anadarko employs approximately 4,400 men and women and expects to invest between $4.2 and $4.6 billion 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 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.
Corporate HSE Policy

HSE compliance at Anadarko is a joint effort across the Company, with shared ownership and responsibility among all operating groups, select staff departments and the HSE department. The HSE department provides broad HSE program development worldwide and supports senior management in its execution of Anadarko’s HSE policy statement. The Company achieves sustainability by living its core values of integrity and trust, servant leadership, open communication, people and passion, and commercial focus, all of which guide its activities.

HSE Purpose

To respect and protect the safety and health of the public, our employees, our contractors and the environment in all countries and communities in which we conduct our business.

Policy

The policy of Anadarko with respect to the environment, health and safety is to:

• Promote a culture that allows for employee involvement in maintaining a safe work environment while recognizing that safety, health and environmental incidents are preventable
• Strive for zero injuries and incidents
• Be a recognized leader in environmental stewardship
• Promote continuous improvement in our processes, reducing risk to safety, health and the environment
• Adhere to applicable laws, regulations, Anadarko policies and procedures, and recognized standards

Additionally, everyone has the responsibility, and will be held accountable, to work safely and in an environmentally sound manner.

• Our number one priority is the safety and well-being of the public, our employees, and contractors
• Our business activities will be conducted to minimize our environmental impact

R. A. Walker
Chairman, President and Chief Executive Officer
Anadarko’s Approach to Corporate Responsibility: A Collaborative Effort

Sustainable development and adding value to the communities in which we live and work is rooted in our core values throughout every facet of our organization.
Identifying, Assessing and Mitigating Risk

Risk identification, assessment and mitigation is integral to how we conduct our daily business and is a core responsibility of Anadarko employees. There are various types of risks, including financial, below ground (reserves), and above ground (health, safety, environmental, and license to operate). Below is the process we use to identify, assess and mitigate risks, and a few examples of this process in action.
Greenhouse Gas (GHG) Emissions

- **Identify the Risk:** Stakeholders regularly request that industry reduce methane emissions, which are associated with social license to operate and financial risks. Additionally, the U.S. Environmental Protection Agency's (EPA) regulation of oil and natural gas sources through the New Source Performance Standard (NSPS) Subpart OOOOa includes methane as a regulated pollutant, triggering a requirement for EPA to evaluate whether the industry will also need air-quality control regulations for existing sources.

- **Assess the Risk:** Anadarko’s facility design, operations, air-quality and other internal specialists regularly meet to discuss the redesign of upstream operations to minimize emissions. This team considers data from various studies and emerging technologies to help design “the facility of the future” and implement innovative control strategies to improve compliance with regulations.

- **Develop Mitigation Strategies:** Anadarko strives to comply with all EPA regulations, which include NSPS Subpart OOOOa and the GHG Reporting Program (GHGRP). NSPS Subpart OOOOa requires air-quality controls for new facilities. Along with compliance with federal and state regulations, Anadarko is continuously improving facility designs and communicating these innovations to stakeholders.

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**Mitigating GHG Emissions Risk**

An example of technology implemented to mitigate GHG emission risk includes the use of Lease Automatic Custody Transfer (LACT) units that enable the Company to sell produced hydrocarbons through pipelines as opposed to relying on oil haulers to bring them to the marketplace. The improved tank battery design reduces the potential for emissions from tank thief hatches, piping and relief valves. These potential emissions are instead recovered and sold directly from a pressurized bulk separator. The bulk separator design reduces air emissions by utilizing air-driven pneumatic devices, electric-driven compressors for gas lift and providing for a closed-loop system that greatly reduces potential venting and flaring activities. Additionally, Anadarko is continuing to evaluate methods or technologies to remove potential venting from facility design by directly routing natural gas, oil and water to gathering pipelines.

**Promising Partnerships**

Anadarko is a founding member of the American Petroleum Institute's (API) The Environmental Partnership that includes more than 30 natural gas and oil producers. Participating companies will begin implementing voluntary programs targeted at reducing emissions from a significant portion of the participating companies’ emission sources.

*For more information on The Environmental Partnership, please see the Air and GHG Emissions section of this document.*
**Wildlife and Habitat Protection**

- **Identify the Risk:** An increasing number of species are considered “at-risk,” and an increasing number of protected areas are being established to conserve habitats. Simultaneously, a number of regulations and performance standards serve as a compliance backdrop to how Anadarko’s operations meet the growing focus on protecting biodiversity.

- **Assess the Risk:** Understanding our footprint is critical to our ability to develop and implement fit-for-purpose actions to minimize impacts on species and habitats. Through technological advancements in horizontal drilling, Anadarko estimates a reduction in impacts to habitats at our U.S. onshore operations by more than 70 percent.1

- **Develop Mitigation Strategies:** Integrating environmental sensitivities into project design is key to delivery of our Company’s environmental stewardship commitment. Anadarko maintains this commitment through institutionalizing wildlife and habitat protection by developing a consistent approach to baseline data management and mapping. This effort, coupled with continued technological advancement and collaboration with our asset teams, helps drive reductions in the equipment, roadways and pipelines needed to complete projects, thereby lowering impacts on species and the habitats on which they depend.


**Containerized Sand Management**

- **Identify the Risk:** In 2019, the U.S. Occupational Health and Safety Administration (OSHA) will implement a new reduced (-66 percent) silica dust exposure rule, a new regulatory requirement with which Anadarko must assess and comply.

- **Assess the Risk:** Anadarko determined that its Delaware Basin and DJ Basin drilling and completion operations are affected by this new rule. The options for compliance needed to be evaluated, including the use of containerized sand management to reduce exposure limits.

- **Develop Mitigation Strategies:** The Delaware Basin and DJ Basin teams instigated a phased-in-approach to address this new rule. Starting in July, the completion teams migrated away from the traditional pneumatic means of conveying sand. Instead, they primarily use a containerized delivery system that surpasses the reduced OSHA exposure limits. In the Delaware Basin, 71 percent of the contracted fracturing fleets began using a containerized sand management system. In the DJ Basin, 75 percent of the completion crews use containerized sand management. Additionally, this approach to sand management reduces truck traffic and associated emissions, greatly diminishes material spills and losses, and requires fewer personnel relative to the traditional means of sand movement.

Photo image of containerized sand delivery at a wellsite.
Health and Safety for Anadarko

To Achieve a LiveSAFE Culture:
We are committed to being industry-leading with our health and safety performance. Our efforts in 2017 have included:

• Establishing a Safety and Process Safety Review Group to pursue assessments of process at Anadarko
• Understanding the performance and efforts of our peer companies through peer assessments and benchmarking surveys
• Increasing communication of safety efforts through use of consistent language and campus-wide safety meetings
• Updating our policies and programs for areas of improvement

Personal Safety

Safety is about protecting people. We are committed to safeguarding our families, our communities, our co-workers and contractors, and loved ones. It’s been over a year since the tragic home explosion in Firestone, Colorado. While no one may ever have all the answers, we continue to fully cooperate with the National Transportation Safety Board’s ongoing investigation. What we do know is that no words can ever bring back the two lives that were lost, nor ease the pain felt by their families, friends and communities.
Health and Safety

Committed to Safety

Despite our efforts to provide an environment where everyone goes home safely to their families, we experienced the loss of one employee and one contractor during our operations in 2017. The employee fatality occurred in January in Platteville, Colorado, due to a vehicle collision with a dump truck. The contractor fatality occurred during tank battery upgrade activities in May in Mead, Colorado.

We have exceptional people at our company who are committed to implementing new efforts to ensure continuous improvement. Through continued recognition that the only work worth doing at Anadarko is work done safely, we renew our commitment to strive to be an industry-leading company that places the safety of our employees, contractors and communities, as well as protection of the environment, above all else throughout our operating areas.

Our 2017 employee TRIR of 0.34 was above our target of 0.30 and represents 16 of our employees injured while performing work. The 2017 contractor TRIR was 0.67 – an eight percent improvement over 2016.
Focusing on Culture

In June, teams across Anadarko participated in a company-wide Safety Stand-Down. The meetings were held to re-emphasize safety as our top priority, discuss safety observations and potential hazards, and encourage each individual to think of ways to enhance safety.

We also focused on Campus Safety. A strong effort was made to expand safety awareness for office personnel, which included: increasing communications, holding monthly campus safety meetings, discussing Safety Moments to initiate all meetings, and other efforts.

Transportation Safety Vehicle Performance

Anadarko continues to focus on improving safe-driving performance. We recognize driving is one of the most dangerous aspects of our job, so we are making enhancements to our Corporate Vehicle Safety Policy. This includes selecting the National Safety Council to administer Defensive Driving training for our company, and we are also testing a new In-Vehicle Monitoring System (IVMS). Collection and analysis of driving performance data and training are key components of our overall plan to prevent vehicle accidents. Anadarko will continue to be more focused and involved in vehicle safety in 2018.

---

Vehicle Incidents*

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Count - Preventable</th>
<th>Total Count - Non-Preventable</th>
<th>Preventable Rate</th>
<th>Non-Preventable Rate</th>
<th>AXPC Preventable Rate</th>
<th>Miles Driven (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1.66</td>
<td>29.61</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>1.65</td>
<td>29.61</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>3.07</td>
<td>3.07</td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

*Preventable = Accident in which the driver failed to do everything that reasonably could have been done to avoid the accident. The driver commits errors and/or fails to react reasonably to the errors of others.

*Non-Preventable = Accident where a driver commits no errors and reacts reasonably to the errors of others.
Global Health Issues

We strive to manage global health concerns including pandemic influenza, tuberculosis and diseases such as malaria, zika and dengue fever. The Company’s International teams create and maintain tools, resources and reference materials to ensure global travelers are aware of their individual health status, understand the health risks they face when traveling, and have the resources to protect against them. The International HSE team has collaborated with the on-site health centers and Human Resources Global Mobility team to ensure consistent messaging and a cohesive approach to managing international travel health needs.

Health Advisory Committee

Anadarko formed a Health Advisory Committee to stay current on occupational health issues and provide consistent information across Anadarko. The Committee consists of cross-functional employees to develop corporate-wide health programs and guidance. This past year’s focus was the development and rollout of the Cholera Program, Infectious Disease Management Program and Tuberculosis and Malaria Control Programs.

Wellbeing Program in Colombia

As part of efforts to implement a local HSE management system, our Colombian Team launched a program called ‘Nuestro Mejor Activo: La Gente’ (Our Best Asset: Our People). This program aims to improve the wellness of all workers in the office and focuses on promoting healthy lifestyles and self-care habits. Incentives for joining exercise programs at local gyms and office-based fitness assessments and yoga are now provided, as well as the introduction of healthy pauses during office hours. This wellbeing program was nominated for the national health and safety awards run by SURA, one of the leading labor risks insurance companies in Colombia.
**SAFETY**

**Process Safety**

**Process Safety Program and Progress**
As part of its commitment to continuous improvement, Anadarko deploys process safety teams at corporate and operational levels. Working together, these teams focus on the development and implementation of processes, procedures and other tools to identify, assess and mitigate operational risk. Our overall process safety program includes procedures that provide step-by-step instructions to implement programs and processes. In addition, consistent tools, forms and templates are developed.

**HSE Process Safety Performance Metrics**
Anadarko tracks various performance metrics related to process safety, based on API Recommended Practice 754, which identifies leading and lagging process safety indicators useful for driving performance improvement. Data from these metrics is used for prevention of process safety incidents by tracking trends in order to analyze incidents, monitor progress and drive operational improvement. The team is working to better gather, understand, interpret, and use our process safety data.

---

**Design • Build • Operate • Maintain**

**Keep It In The Pipe**

- **DESIGN**
  Design to minimize risk

- **BUILD**
  Build according to the DESIGN

- **MAINTAIN**
  Maintain to preserve the DESIGN

- **OPERATE**
  Operate in accordance to the DESIGN
Mexico-U.S. (MEXUS) Full-Scale Exercise
Anadarko became the first independent oil and natural gas operator to participate in a MEXUS exercise with regulatory agencies from Mexico and the U.S. As a follow up from the 2016 MEXUS table-top exercise, Anadarko further demonstrated commitment to improving preparedness and readiness with a full-scale exercise in March of 2017 that offered cross-boundary and international challenges.

During this exercise, more than 300 participants working in Command Post in Schreiber, Louisiana, and Source Control in The Woodlands, Texas, experienced awareness, prevention, response, and recovery from a major oil spill incident involving all local, state, federal, tribal and international response teams, focusing on multi-agency notification and initial response coordination and the use of the Incident Command System (ICS).

We continue to engage with MEXUS. Coordinating emergency responses to an offshore spill incident requires multiple communications efforts across government agencies, environmental groups and law enforcement. The challenges in coordinating such efforts when an incident happens in international waters are significant. The MEXUS initiative is designed to minimize these challenges with biennial meetings and exercises such as the one hosted by Anadarko.

We further maximized our commitment to crisis and emergency management by combining the Marine Safety Unit (MSU) Morgan City PREP exercise with industry-required annual Bureau of Safety and Environmental Enforcement (BSEE) Oil Spill Response Plan (OSRP) exercise requirements. These activities have provided an opportunity for Anadarko to continually raise its preparedness standards, further building upon the Company’s own internally mandated unannounced exercise in 2013.

Anadarko’s Crisis and Emergency Management (CEM) Team is an important contributor to reduce risk, provide operational consistency and enhance regulatory compliance. CEM drives corporate response preparedness through training, planning, equipment depots, exercises, and consistent evaluation and adjustment.

We work to lead the industry by participating in advocacy organizations to maintain awareness of regulatory changes and inform the regulatory process in all areas of operations. We engage with several equipment and service consortia that provide response and containment resources to address negative impacts of identified risks. These organizations plan and conduct training in accordance with regulatory guidelines and industry standard practices.
Air-Quality Initiatives and Regulatory Activities

We recognize the concerns about the risks associated with climate change and the role fossil fuels play in both meeting the world’s energy needs and contributing to global greenhouse gas (GHG) emissions. We share the view of many industry analysts that oil and natural gas will remain a major portion of energy supply for the foreseeable future. The affordability, accessibility and reliability of energy provided by oil and natural gas are essential in improving standards of living worldwide and growing economic prosperity. Our focus is to continually improve the science and data around emissions from oil and natural gas production and work to reduce or eliminate these emissions from our operations.

GHG and Air-Quality Committee
This Committee, which reports to the Board of Directors’ Governance and Risk Committee, continues to evaluate opportunities like those included herein in order to further inform our knowledge about and involvement in GHG emission reduction activities. This group works closely to understand the economic risk pertaining to air-quality and GHG emissions issues and coordinates the assessment of applicable risks by interdisciplinary teams throughout the organization. For more information on how Anadarko assesses risk associated with climate change, please visit our website at https://www.anadarko.com/Responsibility/Sustainable-Development/HSE/Climate-Change-Statement-and-Strategy/.

Anadarko partnered with Colorado State University (CSU) to provide support for a $1.8 million U.S. Department of Energy (DOE) funded study.

The study involves:

• Developing nationally representative, activity-weighted, methane emission factors for each type of principal equipment located at typical gathering compressor stations
• Mitigating and quantifying methane emissions from natural gas infrastructure
• Developing a national model of gathering operations
• Publishing a national model of methane emissions, including activity-weighted emission factors

The objectives of the study are to:

• Conduct a field measurement campaign
• Consolidate and publish measurement results
• Develop estimates of episodic emissions
• Test new methods to characterize intermittent device emissions
API Voluntary Program – The Environmental Partnership

Leak Detection and Repair Program for Oil and Natural Gas Production Sources:

Implement annual leak monitoring, followed by repair within 30 days utilizing Optical Gas Imaging cameras.

Program to Replace, Remove or Retrofit High-Bleed Pneumatic Controllers:

Replace, remove or retrofit high-bleed pneumatic controllers with low- or zero-emitting devices.

Program for Manual Liquids Unloading for Gas Production Sources:

Implement a best practice that minimizes emissions associated with the removal of liquids that, as a well ages, can build up and restrict gas flow. Remain on location to return gas to sales as soon as practicable.

Anadarko is a founding member of the American Petroleum Institute’s (API) new environmental program, The Environmental Partnership. The Partnership works to continuously improve the industry’s environmental performance by taking action, learning about best practices and technologies and fostering collaboration in order to responsibly develop essential oil and natural gas resources in the U.S.

The Partnership has developed three separate Environmental Performance Programs for participating companies to implement and phase into their operations starting on Jan. 1, 2018. These programs have been selected based on EPA emissions data and are designed to further reduce emissions using proven cost-effective controls from three of the most significant sources of emissions.

Regional Highlight

Fixed Gas Detection and Monitoring in the Delaware Basin

In the fourth quarter, the Delaware Basin Completions Team implemented the installation of hydrogen sulfide (H₂S) and methane gas monitoring devices (LEL) on all hydraulic fracturing operation locations. The industry standard, developed by the API, recommends individual personal H₂S monitors for each person at the wellsite. This “pad-level” initiative goes beyond the standard by including methane detection and monitoring of the entire wellsite. The monitoring immediately alerts on-site supervision and HSE personnel of any detection and allows for robust documentation of ambient H₂S and methane at the wellsite.

Image of gas detection monitor utilized at completions operations. The arrow indicates a typical location in close proximity to the wellhead.
GHG Emissions Data and Reporting

Anadarko reports GHG emissions to the U.S. Environmental Protection Agency (EPA) in compliance with its Greenhouse Gas Reporting Program (GHGRP). At its inception in 2010, GHG emissions from select stationary combustion facilities and exploration and production basins were required for reporting. In 2016, the EPA finalized changes to the GHGRP to include the reporting of GHG emissions from gathering and boosting operations, accounting for the increase in Anadarko's overall reported GHG emissions for our processing activities from 2015 to 2016. The 2017 divestiture of operations in South Texas and Pennsylvania accounts for the decrease in total GHG emissions reported compared to 2016. Similar trends are seen for our methane emissions and associated methane intensity.

We have also voluntarily reported Scope 2 GHG emissions to the CDP since 2005. These emissions primarily reflect the impact associated with electricity consumption at our offices, both domestically and internationally.
Water Vision for Anadarko

Anadarko continues to evaluate and mitigate risk and maximize opportunities associated with water management, including an emphasis on reducing the risk of induced seismic events. Our Technical Water and Seismicity Working groups assist Anadarko in the management of water and related environmental matters, using the five-part water strategy below. Each year the internal water and seismicity teams work to continue reducing risks around water management. The Water Committee assists the technical water team with guidance and direction and reports to the Board of Directors’ Governance and Risk Committee on an annual basis.

Strategic Water Committee (SWC) – Five-Part Strategy

1. **Assurance**
   - Identify sustainable, reliable and resilient water sources for each asset

2. **Prudent Use**
   - Support operations in reviewing and testing use

3. **Technology Development**
   - Be aware of new and emerging technologies

4. **Communication**
   - Focus on the development and documentation of emerging good practices

5. **Advocacy**
   - Work with industry trade groups and stakeholders

2017 Continuing Advancements

**First Quarter**

- DJ Basin used mobile treatment technology in the field for water on demand
- Participated on advisory board of Texas Center of Integrated Seismicity Research (CISR)
- Rolled out updated internal Seismicity Guidance on siting wells

**Second Quarter**

- Delaware team mapped out and assessed risk for disposal wells
- Presented at Barclay’s investment group on produced water
- Submitted CDP water submittal

**Third Quarter**

- Joined Stanford Center for Induced and Triggered Seismicity (SCITS)
- Updated seismicity website and outreach materials
- Chaired a session at the Unconventional Resources Technology Conference (URTeC) on induced seismicity

**Fourth Quarter**

- DJ Basin piloted mobile treatment units for use of produced water on-site
- Participated on a Society of Petroleum Engineers (SPE) induced seismicity workshop panel
Minimizing Risk of Water Disposal

The U.S. Department of Energy defines induced seismicity as: “earthquake activity resulting from human activity that causes a rate of energy release, or seismicity, which would be expected beyond the normal level of historical seismic activity.” Along with the oil and natural gas that are produced during drilling, potentially large amounts of natural saline brine water (formation water) may also be produced. Produced water must be separated from the oil and natural gas and, in some cases where treatment and recycling is not feasible, re-injected back into subsurface formations through the use of injection wells permitted in compliance with federal and state regulations. Such wells are common in oil and natural gas producing areas around the globe.

In 2016, Anadarko joined the Center for Integrated Seismicity Research (CISR) to improve our understanding of the mechanisms that may contribute to induced seismicity. In 2017, we joined the Stanford Center for Induced and Triggered Seismicity (SCITS) to further expand our experience and knowledge to prevent impacts from operations.

Induced Seismicity during Completion Operations

Regulatory authorities in Oklahoma and Alberta, Canada, have required operators to develop contingency plans to address the potential of induced seismicity. Currently, the State of Texas does not require such contingency plans for the drilling and completion of producing wells.

Anadarko’s Delaware Basin Completion Team developed a white paper identifying potential actions that could be implemented to reduce the likelihood of having induced seismicity events. The actions range from well placement as identified and proposed by the geo-technical team to hydraulic fracturing operations. This proactive approach provides opportunities for many subject-matter experts at Anadarko in different teams to weigh in and create a program that provides the best value to the Company while meeting potential state requirements.

We use the results and findings of relevant studies and research on this topic to continually improve our internal procedures and processes for assessment of seismicity risk from wastewater injection operations. The Company adopted a detailed review process that includes evaluating the surrounding area for current and historical seismicity, site geology including mapped faults, well construction data, and other operational parameters. In addition, Anadarko implemented comprehensive strategies in its major operations areas to reduce the need for wastewater injection.
**Wildlife and Habitat Protection**

As part of our commitment to sustainably develop essential energy resources, we recognize our responsibility to protect our environment, biodiversity and public health, while finding and producing oil and natural gas resources that make modern life possible.

Our conservation efforts are rooted in each phase of the development cycle. We make it a priority to partner with landowners, government regulators, environmental and non-government organizations (NGOs), and educational institutions to promote conservation and implement technologies and practices that protect the environment and all that depend on it.

From monitoring wildlife habitats and tailoring development plans to planting native seeds as a part of reclamation efforts, we are proud of our approach to protect and preserve our natural world in a manner that adds value to local and global stakeholders.

**Pecos Watershed Conservation Initiative**

Anadarko is a core member and the first contributor to the development of the Pecos Watershed Conservation Initiative, a novel conservation approach centered on the Pecos River watershed in the northeastern section of the Chihuahuan Desert Ecoregion. Anadarko is collaborating with the National Fish and Wildlife Foundation to improve habitat and species health, address water scarcity, augment water quality, and engage local communities.

The Pecos River watershed provides habitat for many species endemic to Texas and New Mexico – a rich source of biodiversity amid tens of thousands of square miles of native grasslands, shrublands and dunes. The Initiative seeks to deploy through a landscape-level approach conservation outcomes that provide lasting benefits.
**New Fauna Reports During Offshore Exploration Activities in Colombia**

During the preliminary studies for drilling campaigns carried out in the Grand Fuerte (1,500 to 2,200 m water depths) and Grand Col blocks (2,600 to 3,900 m water depths), Anadarko reported the deepest chemosynthetic communities ever seen in Colombian waters. The use of a Remotely Operated Vehicle (ROV) during drilling operations of two wells enabled video recording of several deep-sea organisms. Three observed organisms constitute first-time reports for the Colombian Caribbean sea:

- Belonging to a group known as the “sleeper sharks,” the deep-sea inhabiting Greenland Shark (Somniosus microcephalus), which has never before been seen in tropical waters
- A Bigfin Squid (Magnapinnasp), commonly found in arctic waters, less frequently reported in the Gulf of Mexico and Grand Caymans, and never previously reported in Colombia
- A deep-sea octopus, which according to experts, could be a new species

Video and photo analysis was coordinated with international experts from Hawaii and California State Universities, the Smithsonian Institute and experts from Colombian Universities and select NGOs.

Anadarko thanks I-TECH (a subdivision of Subsea-7) for recording these spectacular videos using the ROVs on board of the Bolette Dolphin drillship.
Reducing Impacts

Anadarko is committed to preventing and minimizing the impacts of spills throughout our operations. This commitment is demonstrated by the implementation of best management practices, engineering design, mechanical integrity, product assessment and training. We promote a culture that enables employee involvement in maintaining a safe work environment, while recognizing that environmental incidents are preventable. Our operations teams strive for ZERO incidents. We believe spills can be prevented by designing and operating equipment and training staff to avoid releases.

In 2017, while our number of agency-reportable spills was similar to those in 2016, we had a 58 percent increase in total spills from 2016 to 2017. This increase is primarily due to operations’ increased focus on process safety and loss of primary containment with subsequent reporting of lower volumes that had previously not been tracked. We also had a single well control event in Texas that caused a significant release of hydrocarbons and produced water, resulting in the increase in total volumes released last year compared to 2016.

Limiting the use of certain materials can also prevent impacts. We marked the seventh consecutive year where Anadarko continued to be “diesel-free” in relation to fracturing chemical usage. All new fracturing fluid materials introduced by our vendors were closely scrutinized to ensure no diesel (or similar materials) were utilized within the fracturing chemical formulations.

Eliminating Waste Improves Bottom Line

We continue to evaluate life-cycle costs associated with various types of waste, including produced water. Costs associated with waste can make up a large portion of the environmental budgets for Operations. Examples of such costs are: underground injection, landfill disposal, treatment and discharge to surface waters, incineration, evaporation, and trucking. In addition, there has been greater focus on produced water disposal wells and induced seismicity. To reduce risk and cost, the HSE teams have begun to ask whether “zero waste” can be achieved. Eliminating waste can also reduce the Company’s potential liability related to landfills, social license to operate and cleanup or remediation.
Our Process

We seek to proactively engage with local governments and the citizens they represent. We respectfully communicate with our stakeholders impacted by the responsible development of oil and natural gas resources. Therefore, we prioritize working with stakeholders at all levels to share information on our operations and listen to and address concerns. Anadarko works to educate stakeholders on the mechanics of our business, including:

- Explaining how a well is drilled and hydraulically fractured or completed
- Describing how we use best management practices to mitigate impacts
- Discussing the economic benefits created by our activity

The Company encourages our teams to engage in two-way dialogues and collaborative efforts for the betterment of the communities where our staff lives and works. Stakeholder engagement is a multidisciplinary effort, with engagement plans customized to the needs of each community.

DJ Basin Stakeholder Engagement

A primary function of proactive engagement is to identify stakeholder organizations within the communities in which we operate. This includes schools, first responders, homeowners’ associations, and religious and civic organizations. We work to establish and maintain lasting relationships by finding a common understanding among stakeholder groups. This process allows employees to identify shared values and opportunities to align operational practices with the needs of the community. Anadarko’s Colorado Stakeholder Engagement Team continues to focus on strategic planning and proactive engagement.

<table>
<thead>
<tr>
<th>2017 Community Activities</th>
<th>2017 Community Engagements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Activity</strong></td>
<td><strong>Number</strong></td>
</tr>
<tr>
<td>Relationship Building</td>
<td>67</td>
</tr>
<tr>
<td>School Curriculums</td>
<td>63</td>
</tr>
<tr>
<td>Board Presentations</td>
<td>62</td>
</tr>
<tr>
<td>Booths / Tables</td>
<td>60</td>
</tr>
<tr>
<td>Presentations</td>
<td>41</td>
</tr>
<tr>
<td>Legislative Outreach</td>
<td>23</td>
</tr>
<tr>
<td>Door-to-Doors</td>
<td>23</td>
</tr>
<tr>
<td>Open House / Community Forum</td>
<td>14</td>
</tr>
<tr>
<td>Other</td>
<td>10</td>
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<td></td>
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</table>
Colorado Response Line

Anadarko’s Colorado Response Line is the primary mode of capturing real time feedback from stakeholders who experience impacts from operations, at any stage of the production lifecycle. The Response Line phone number and email address are published through a wide variety of outlets, including direct mail, regulatory channels, in-person engagements, our website, and community events. Anadarko responds to inquiries within 24 hours and routinely resolves stakeholders concerns in ten days or less.

Inquiries and concerns are carefully cataloged in the Grievance Management Resolution Mechanism (GMRM) database. GMRM allows for issue logging and subsequent development and implementation of unique mitigations for stakeholders who utilize the Response Line. The GMRM allows stakeholder feedback to be translated into business intelligence to inform operational decisions and reduce or remedy the impact of oil and natural gas development on surrounding communities.

Stakeholder Tickets by Category – 2017

- Traffic 18%
- Noise 16%
- Mud/Dust 11%
- Property Damage 9%
- Safety/Wellness 7%
- Road Conditions 6%
- Light 7%
- Odor 8%
- Other 19%
- Other 19%
- Gate/Fence – 4%
- Communication – 3%
- Other – 3%
- Aesthetics – 2%
- Water Quality – 2%
- Proximity – 1%
- Quality of Operations – 1%
- Trash – 1%
- Weeds – 1%
- Air-Quality – <1%
- House Gas – <1%
- Personnel – <1%
- Royalty Accounting – <1%
Noise Mitigation in Colorado

On Jan. 1, 2017, our Colorado team began implementing Quiet Fleets. As the DJ Basin completions and residential communities begin to intersect more often and the oilfield becomes more urban, we aim to reduce the impact of noise to residents.

We began working with oilfield service companies that offer fleets of enclosed, sound mitigating equipment that reduces C-scale decibel levels by 13-17 dBC at 1,000 feet. The C-scale decibels tend to be most bothersome to residents as low-frequency sounds that create vibrations. Anadarko continues to add Quiet Fleets and engage with stakeholders on noise and other issues that arise due to operation in urban areas.

Since June, the Quiet Fleet working in Colorado has also been using bi-fuel. Bi-fuel technology permits using readily available natural gas as a substitute for diesel fuel, thereby reducing diesel usage by roughly 50 percent. In November, all contracted hydraulic fracturing crews in our DJ Basin operations began using bi-fuel. Additionally, our new completion design on Niobrara short and mid-lateral length wells has reduced sand usage by 65 percent, significantly reducing truck traffic to and from location.

Reduced noise Quiet Fleet in operation near Fort Lupton, Colorado.
Mozambique Stakeholder Engagement

In 2017, the Mozambique project’s Stakeholder Engagement and Social Affairs team focused on engagement programs with local, national and international Civil Society Organizations (CSOs), and individual Non-Governmental Organizations (NGOs). Engagement with these organizations aims to provide a robust channel to regularly share accurate, relevant and meaningful information based on material issues and concerns voiced by stakeholders.

2017 Highlights

Open Communication

Continued engagement with key influential CSOs and NGOs to ensure open communication of project activities and progress, stakeholder consultation and feedback loop on material issues. This engagement deepens the quality of stakeholder relationships and increases opportunities for mutual collaboration on positive-impact initiatives.

Meetings and Training

• Continued bi-monthly meetings with key CSOs and NGOs in Maputo, Pemba and Palma.
• A successful FOCADE (Forum of Cabo Delgado NGOs) capacity building workshop in October included about 80 participants from both regional organizations and individual stakeholders for training on resettlement best practices.

Stakeholder Engagement

Formalized engagement principles with one of the most influential CSOs in Mozambique (CTV), thereby setting the tone for a new era of constructive engagement between Anadarko and CSOs in Mozambique. These principles seek, promote and steward the well-being of communities in the Mozambique LNG project area. This increases transparency, legal compliance, mutual respect, trust and reciprocity, inclusivity and participation, a shared vision for socio-economic development in the Project area, and adherence to best practice engagement methodology.

Activities

• Participation in Oxfam Summer School in Maputo in December.
• Engagement with clusters of CSOs on high interest subjects, such as the project's resettlement process.
**Summary**

Last year, Anadarko successfully completed all stakeholder engagement activities in Mozambique on schedule and improved the quality of key stakeholder relationships. We were pleased to receive positive feedback from various organizations regarding our efforts to engage and communicate transparently, including CTV, Sekelekani and CIP.

In 2018, we will continue to implement our engagement strategy and program, including interactions with engaged and influential stakeholders. Engagement with those affected by and interested in current resettlement implementation will continue to be a priority to ensure that all stakeholder issues, concerns and grievances are responded to and addressed accordingly.

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**Annual Grievance Summary**

Each year, the team in Mozambique develops an Annual Grievance report summarizing logged complaints, incidents, concerns and issues. This report identifies trends and key performance indicators such as the number of grievances resolved per category and grievances received per village.

In 2017, 50 complaints, issues and incidents were received and distributed into 18 different categories. The greatest number of grievances was seen and addressed in the fourth quarter, possibly related to the announcement of the moratorium and resettlement plan initiation.

<table>
<thead>
<tr>
<th>Complaints/Incidents</th>
<th>Number</th>
</tr>
</thead>
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<tr>
<td>Closed complaints</td>
<td>20</td>
</tr>
<tr>
<td>Closed issues</td>
<td>29</td>
</tr>
<tr>
<td>Closed incidents</td>
<td>1</td>
</tr>
<tr>
<td>Pending</td>
<td>0</td>
</tr>
<tr>
<td>Total cases resolved</td>
<td>50</td>
</tr>
</tbody>
</table>

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**Grievance Fluctuation per Quarter**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 (Jan-Mar)</td>
<td>9</td>
</tr>
<tr>
<td>Q2 (Apr-Jun)</td>
<td>11</td>
</tr>
<tr>
<td>Q3 (Jul-Sep)</td>
<td>5</td>
</tr>
<tr>
<td>Q4 (Oct-Dec)</td>
<td>25</td>
</tr>
</tbody>
</table>

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**Two Percent**

- Safety
- Road Block
- Lack of Accuracy in Shared Information
- Asset Registration
- Opportunistic Behavior
- Misbehavior
- Land Access/Potential Asset Damage
- Land and Opp. Planting
- Job Opportunity
- Census/Asset Survey
- Behavior/Conduct
- Assets Dispute
Anadarko provides financial contributions to numerous nonprofit organizations, and our employees work as collaborative volunteer partners to provide tangible support that strengthens communities and enhances our social license to operate. For more information, please visit https://www.anadarko.com/Responsibility/Adding-Value/.

**Tiered Investment Enhances Effectiveness and Efficiency**

In the U.S., we have established a tiered investment system to prioritize community support. In addition to priority commitments to Habitat for Humanity, Junior Achievement and key local initiatives, we strive to create positive change in communities through United Way. Our employees have supported United Way and its umbrella services for more than 40 years, with the Company matching employee donations dollar for dollar.

Our employees support United Way, by serving on boards of local affiliates, participating in Days of Caring and making personal donations. In the U.K., we support CARE International through a similar annual fundraising and volunteering campaign. Our top-tier financial support also includes university scholarship funds distributed from Anadarko’s Aid to Education Program in support of engineering and science studies.
Community Investment
Anadarko thoughtfully partners with organizations to invest in the communities in which we live and work beyond just philanthropy. We aim to carefully design development initiatives that are mutually beneficial to both our host communities and our operations that oftentimes involve employee volunteers. These projects are developed in partnership with local organizations and community leaders to mobilize affected communities, which take sustainable ownership in the identification, design and delivery of project components.

We participate in regional development initiatives (RDI), large-scale projects bringing benefit to broad geographic regions that are typically administered by a non-profit organization with goals to provide long-term and far-reaching socioeconomic benefits to regional populations.

Regional Highlight

A Dedicated Decade
Anadarko’s Colorado-based employees celebrated a decade of partnership with Habitat for Humanity. Over the last ten years, our employees have donated more than 18,000 volunteer hours to help 12 Colorado families, including two veterans, realize the dream of homeownership.
Regional Highlight

Careers Development Center (CDC) in Algeria
Anadarko continues to partner with World Learning to build workplace readiness at the CDC at Kasdi Merbah University in Ouargla, with a focus on one-on-one career orientation sessions and professional training courses. In 2017, more than 1,300 students registered at the CDC for “English for the workplace” courses and a further 900 benefited from “soft skills” courses.

As part of our relationship with the CDC, Anadarko offers a number of trainings for students studying the energy industry, ranging from site visits to HBNS/El Merk, networking clinics with engineers, and workshops.

“Once more, Anadarko proves that it is more than just a company that is after earning money. It is a company that puts its employees’ safety, comfort, and happiness first.”

– Ya-Seen

“I had the chance to talk with an engineer in my field and learn a lot from him. I also talked to engineers from other fields who made me more excited about learning things than I usually am. Words can’t describe how I felt and what I’m feeling. I’m happy to be part of the CDC family.”

– Habbib M-a

“It was the greatest thing ever! Everything was fabulous, especially meeting new people, and learning many new things about working in a multinational company. It was a really good opportunity to learn more about my future career.”

– Ahlem C
Regional Highlight

Algiers STEM Centre in Algeria
The Algiers STEM Centre opened in January 2016 jointly funded by Dow Chemical, Boeing and Anadarko and operated by World Learning. The Centre provided the opportunity in 2017 for more than 820 students from kindergarten to high school to participate in STEM activities. One activity sent an inaugural team from Algeria to the Global Robotics Championship held in Washington, D.C. More than 160 teams from around the world competed in a robotics game themed “Provide Access to Clean Water.”

A message from the Algerian Team

“The Algerian Robotics Team is excited to participate for the very first time in a worldwide robotics competition. Primarily composed of high school students, our team hails from across Algeria. We began our robotics journey with Lego Robotics workshops at the Algiers STEM Center and as part of a larger STEM camp that gathered over 200 students from all corners of the country in August and December 2016 to experience hands-on activities from diverse STEM fields. These STEM experiences encouraged us to delve into the multi-faceted world of science and technology and reinforced our values of teamwork, curiosity and innovation.”
National Fishing and Aquaculture Authority (AUNAP) in Colombia
Anadarko has partnered with AUNAP to develop multiple projects to enhance the local fishing economy. Last year, AUNAP’s artisanal fishing programs trained more than 500 fishermen from La Guajira in business and marketing topics to increase their economic potential. This group replaced 100 sets of fishing gear with equipment to enhance sustainable fishing practices. Additionally, a fishing observer program will compile technical and scientific fishing sector data from various offloading ports along the Caribbean coast. This project, taking place over a 12-month period in the departments of Magdalena, Atlántico and Guajira, is the first in Colombia.

Construction of a center for the collection and marketing of fish in Riohacha will enhance the development of artisanal fisheries, strengthen productive capacity and increase access to markets. This center will ultimately benefit more than 34 separate associations for artisanal fishermen in the region, including 21 from the Wayuu community. Training in fishing, manufacturing practices and business management will be provided. This project will also help connect fishing activities in Guajira with other distribution centers along the Caribbean coast.

The AUNAP partnership resulted in construction of a new Gulf of Morrosquillo Fish Storage and Processing Center, augmenting market opportunities for more than 1,000 fishermen and their families through improved fish cold-chain storage and provision of workshops and commercial training.

Social Justice and Economic Development in Colombia
Anadarko participated in several projects with the international economic development organization ACDI VOCA.

• The Barranquilla Employability Project provided psychosocial support, technical training and job placement for nearly 600 people in Barranquilla.

• The Cacao Improvement Project supported around 150 Arahuaca families in the world’s highest coastal range of the Sierra Nevada de Santa Marta to increase yields, improve bean quality and create sustainable links to the specialty cocoa market.

• In Santa Marta, ACDI VOCA supported organizations representing the interests of Afro-Colombian populations to promote advocacy that ensures societal representation, access to public schools and enhances human rights of vulnerable populations.
Mozambique Social Investment Summary

Catalisa: Catalyzing Local Businesses and Economic Growth
Implemented by TechnoServe, the goal of this project is to promote the inclusive economic development of Palma and Cabo Delgado through increased investment, incomes, local employment and creation and growth of self-sustaining businesses. We are working with agribusiness to establish sustainable market-led value chains in Cabo Delgado in poultry and horticulture through grants and technical assistance. We support a training program to develop work skills and support micro-enterprises for youth in Palma to maximize local benefit from economic opportunities created by Mozambique LNG and other investment flows. This project will create more than 700 jobs and generate up to $600,000 for the local population over five years. This project also creates self-sustaining small and medium businesses, builds capacity and standards, increases local market supply, and improves the capacity of smallholder farmers to profitably produce high-quality yields.

Stakeholder Engagement Through Community Radio
We supported a community radio station in Palma that provides local stakeholders a way of communication with each other on issues of most relevance to local communities to ensure strong editorial independence. This radio station provides Mozambique LNG a way to share information with the community on issues such as progress, resettlement, nutrition, health and sanitation, and agriculture and fisheries.

Vulnerable Populations
We are working with Pathfinder International on a project co-funded by the Centers for Disease Control to positively influence behavior change in vulnerable populations of the Palma District. The project provides behavior change messages and preventive commodities, as well as counseling and testing services and referrals to health facilities for needed services. This project has reached 3,780 female sex workers and 12,000 adolescent girls with behavior change messages and contraceptives. We provided access to testing for nearly 4,000 young women, and were able to connect those who tested positive for HIV, with access to services including antiretroviral treatment.

Defeating Maternal and Infant Malnutrition
Also implemented through Pathfinder International, we are working to reduce the Acute Malnutrition Rate for children (aged six to 59 months) and pregnant women by 50 percent through community rehabilitation groups. So far we have screened 1,400 pregnant women and 9,522 children in the Palma District for malnutrition. Those who were identified as malnourished were enrolled in community nutritional rehabilitation groups for assistance.

Supplying Drinking Water
We are providing much-needed drinking water supplies to the villages of Senga and Nhica do Rovuma, for communities who have no access to clean water.
The Process
A cross-functional project team at Anadarko develops, delivers and implements a single, consistent and standardized Anadarko Management System (AMS) program.

The AMS Level 1 Policy:
• Establishes Anadarko’s commitment to process safety by managing operational risk
• Sets the stage for the development of subsequent documents at the asset team level to support the policy

This company-wide effort enables us to adopt common processes, procedures and tools where consistency is necessary (or efficiencies can be achieved) across the Company.

HSE Data Management
We rely on our data to drive continuous improvement throughout our organization and continue to build a strategy that delivers information necessary to operate in a safe, sound and environmentally responsible manner.

Anadarko identified the need to have a simple and consistent approach to HSE data management and began the journey to establish an Enterprise Management Information System (EMIS). In 2017, HSE and Business Information Technology Systems (BITS) collaborated on selection and implementation of an Enterprise Environment, Health and Safety Quality Software platform, Intelex. In addition to HSE compliance management, the Intelex platform provides an opportunity to collect, view and report company-wide data with a focus on risk reduction.

Data Analytics
In an effort to expand beyond data reporting, a key initiative of the Data and Systems Team included partnering with the Advanced Analytics and Emerging Technologies (AAET) team. The teams worked to evaluate how HSE and operational data collected by Anadarko ties to high-consequence events, with the goal of preventing incidents by identifying key indicators leading to those events. HSE and AAET are using the process of existing program enhancement to develop strategies for improving safety performance. The AAET initiative is worked concurrently with ongoing upgrades and modifications to Anadarko’s HSE data management systems.
Anadarko's auditing process is a key contributor to our operational success. This program provides an internal evaluation of whether our teams have achieved and maintained compliance with applicable regulations and internal programs. Audits are a collaborative effort of Operations, HSE, Engineering, and Management to identify areas of improvement, develop solutions and achieve operational excellence.

### Audit Process – Annual Cycle

1. **Conduct Audit**
2. **Issue Initial Report**
3. **Prepare Corrective Action Plan (CAP)**
4. **Monitor Closure of CAPs**
5. **Maintain Communication**

### The HSE Audit Program

This program consists of both HSE compliance and Process Safety Management (PSM) audits. In 2017, three HSE audits and 16 PSM audits were conducted in accordance with applicable federal and state requirements.

### 2017 HSE Audits and PSM Audits Conducted

#### Findings

Findings from each audit are published in a site-specific Audit Report. Corrective Action Plans (CAPs) are prepared by the audited facility to address deficiencies identified in the Audit Reports. The CAPs define actions required to resolve audit findings and due dates for completion.

#### Reports

Progress Reports are provided quarterly to Senior and Operations Management regarding the status of each CAP and each action is tracked to closure. Raising organizational awareness about CAPs and their timely closure improves audit effectiveness and drives operational improvement.
In recent years, environmental, social and governance (ESG) reporting has become an increasing area of interest for investors, and Anadarko has made significant strides in improving overall transparency. We continue to take steps to increase focus on and overall awareness of our existing and evolving corporate responsibility initiatives. Anadarko’s increased participation in reporting initiatives has been reflected positively in feedback from external entities.

**CDP**

CDP is an organization based in the United Kingdom that manages a global disclosure database enabling companies to transparently disclose their environmental impacts, specifically pertaining to climate change and water. Anadarko has responded to CDP’s Climate Change Disclosure Request since 2005. Last year, we achieved a C score, in alignment with the “Awareness” level of reporting and consistent with the previous year’s score. Anadarko began responding to CDP’s Water Disclosure Request in 2013. In 2017, we achieved a B score, in alignment with the “Management” level of reporting and consistent with the previous year’s score.

**Tracking Trends**

As part of our engagement with the Dow Jones Sustainability Index and other organizations tracking ESG trends for investment decisions, we provide and discuss information regarding employment and governance processes. As an example, gender diversity and associated metrics is one such topic of interest. Over the past three years, the percentage of females in our workforce and in leadership positions has remained fairly static, despite decreases in total employment.
Dow Jones Sustainability Index (DJSI)

The DJSI was launched in 1999 and is a source of information for the ESG investment community. Anadarko began formally responding to the DJSI questionnaire in 2014. Before 2014, we were evaluated by DJSI personnel through publicly available information. In 2017, Anadarko was included for the first time on the DJSI North American Index, recognizing Anadarko as a sustainability-driven company and exhibiting improvements in our efforts to provide increased transparency to investors.

United Nations Sustainable Development Goals: Incorporating into Industry

The 2030 United Nations Sustainable Development Goals (SDGs) represent an aspirational business plan for the world to overcome poverty, while protecting the planet and ensuring people enjoy peace and prosperity. The SDGs incorporate economic growth in concert with social fairness and environmental sustainability. Pursuing these goals requires a collaborative and practical approach from the private sector and civil society, while recognizing that governments have the primary responsibility to prioritize and implement strategies to address them.

Anadarko seeks to support sustainable development through contributions toward social and economic development. A few examples of our focus on sustainable development include local content and capacity building in Mozambique, fisheries development in Colombia, continuous improvement aiming to decrease the footprint of its facilities, and support of early childhood development in Texas through Junior Achievement.
As a working member of IPIECA, Anadarko supported the development of “Mapping the Oil and Gas Industry to the Sustainable Development Goals: an Atlas.” This document is a collaborative initiative among the United Nations Development Programme, the International Finance Corporation and IPIECA. This work provides a guide based on a shared understanding of how the industry can most effectively support the achievement of the SDGs.

Over the coming months and years, the Company plans to provide tools and information to facilitate communication around how Anadarko’s operations and social-investment programs align with the SDGs, support progress and consider them as a part of the decision-making process.

Sources: IPIECA Mapping the Oil and Gas Industry to the Sustainable Development Goals: An Atlas.
Anadarko's Multi-Faceted Internal Awards Program
The goal of the HSE Recognition and Awards Program is to promote a positive attitude and healthy competition with regard to HSE compliance and a proactive and innovative HSE culture. Every employee has the opportunity to be individually recognized for contributing to innovative practices through region-specific programs. For example, our Gulf of Mexico teams have monthly observation awards (“Catch of the Month”) and onshore employees are recognized in monthly incident reviews or through safety competitions. Additionally, in 2017 our Delaware Basin exploration and production operations received a Workgroup Award for 200,000 hours without a recordable incident including both employees and contractors.

Safety and Environmental Excellence Program (SEEP) Awards
The SEEP was developed to share HSE innovation and best practices across the organization to continually improve sustainable development efforts and performance. Each integrated asset team presents on their HSE performance and provides case studies for the previous year, which are judged by a panel to determine “best in class” performance.

<table>
<thead>
<tr>
<th>Award</th>
<th>Criteria</th>
<th>2017 Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman’s Award</td>
<td>Excellence for Environment and Safety</td>
<td>Deepwater Operations and Projects</td>
</tr>
<tr>
<td>EVP’s Award</td>
<td>Safety Award of Excellence</td>
<td>International</td>
</tr>
<tr>
<td>Honorable Mention</td>
<td>Safety</td>
<td>Deepwater Drilling and Completions</td>
</tr>
<tr>
<td>Honorable Mention</td>
<td>Health</td>
<td>Mozambique</td>
</tr>
</tbody>
</table>
### Programs

**External Awards and Recognition**

<table>
<thead>
<tr>
<th>Award Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volunteer Service Award</td>
<td>MONTGOMERY COUNTY FOOD BANK Recognized for our monthly volunteer visits, Harvey response and annual Bake Auction.</td>
</tr>
<tr>
<td>GRIT Award</td>
<td>PINK PETRO Our Colorado Stakeholder Relations team was recognized for the compassion, resilience and responsiveness they bring to work.</td>
</tr>
<tr>
<td>Large Company Community Service Award</td>
<td>COLORADO OIL AND GAS ASSOCIATION Recognized Anadarko’s commitment to communities across Colorado through partnerships with nonprofit organizations and 5,000+ hours of volunteer service in 2017.</td>
</tr>
<tr>
<td>Legacy Partner Award</td>
<td>VETERAN’S PASSPORT TO HOPE Recognized for our long-term partnership and fundraising efforts for this Colorado-based veterans support organization.</td>
</tr>
<tr>
<td>Strategic Deal of the Year</td>
<td>S&amp;P GLOBAL PLATTS Recognized for the acquisition and integration of Freeport-McMoRan's deepwater Gulf of Mexico assets.</td>
</tr>
<tr>
<td>All-American Executive Team Awards</td>
<td>INSTITUTIONAL INVESTOR MAGAZINE Recognized for the eighth consecutive year by oil and gas E&amp;P sector analysts for investor relations leadership.</td>
</tr>
<tr>
<td>Top 100 Global Energy Leaders</td>
<td>THOMSON REUTERS Identified as an industry leader poised to thrive at the intersection of regulation and commerce.</td>
</tr>
<tr>
<td>Big Five Board Awards</td>
<td>OIL REVIEW AFRICA Acknowledges Anadarko’s contribution to the oil and natural gas industry in Africa.</td>
</tr>
<tr>
<td>Top Workplace in Houston</td>
<td>HOUSTON CHRONICLE AND WORKPLACE DYNAMICS Named the Top Workplace in Houston in the large companies category five times, and have been named to the top workplaces list in all eight years of the award’s existence.</td>
</tr>
<tr>
<td>Company Safety Awards, 2nd Place – Division 1</td>
<td>GAS PROCESSORS ASSOCIATION Recognized for outstanding safety performance among companies with 1 million or more midstream operational hours.</td>
</tr>
<tr>
<td>Deal of the Year</td>
<td>OIL AND GAS INVESTOR Recognized Anadarko and J.P. Morgan for the immediately accretive acquisition of Freeport-McMoRan’s Gulf of Mexico assets.</td>
</tr>
<tr>
<td>America’s Best Corporate Citizens</td>
<td>FORBES/JUST CAPITAL Ranked #3 in the Oil, Gas and Consumable Fuels industry.</td>
</tr>
<tr>
<td>Industry-Leading Internship Program</td>
<td>VAULT, INC. Ranked #2 Energy Internship Program in the U.S., #19 Best Internship for Career Development and #41 Best Overall Internship Program.</td>
</tr>
</tbody>
</table>
Cautionary Language
Regarding Forward-Looking Statements

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. 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.
For more information on how this report correlates with key indices, go to: www.Anadarko.com/Responsibility/Good-Governance/CR-Index/