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.

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

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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 men and women and expects to invest between $4.5 and $4.8 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 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.

\[1\] As of Dec. 31, 2017
\[2\] 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 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 (ERMC), which reports to the Risk Council, identifies, measures and monitors enterprise risks. Part of the risk evaluation process of the ERMC 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 ERMC works with the risk owners to recommend actions to mitigate each critical risk.

The Financial Risk Management Committee (FRMC), 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 ERMC and FRMC 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.
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.”

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

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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 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

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.

Anadarko’s $50 per barrel planning price is well below the IEA’s oil price in the Sustainable Development Scenario in the year 2040.

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 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.
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.

![Major Oil Play Breakevens](chart)

Source: RS Energy Group

Two of Anadarko’s largest assets, in the DJ Basin and Delaware Basin, have some of the LOWEST BREAKEVEN COSTS in North America.
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
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.
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$_2$-equivalent (CO$_2$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\(_4\)/MBOE), while midstream methane intensity is reported in metric tonnes of methane per million cubic feet of natural gas (CH\(_4\)/MMcf).

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

<table>
<thead>
<tr>
<th>ENVIRONMENT PERFORMANCE DATA</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 CO(_2)e)</td>
<td>2.4(^5)</td>
<td>2.7(^5)</td>
<td>2.3(^6,7)</td>
</tr>
<tr>
<td>Methane emissions (thousand metric tonnes CH(_4))</td>
<td>58.1</td>
<td>54.9</td>
<td>26.8</td>
</tr>
<tr>
<td>Methane intensity (metric tonnes CH(_4)/MBOE)(^9)</td>
<td>0.23</td>
<td>0.22</td>
<td>0.16</td>
</tr>
<tr>
<td>Combustion emissions (million metric tonnes CO(_2)e)(^8)</td>
<td>0.5</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Flaring emissions (million metric tonnes CO(_2)e)(^8)</td>
<td>0.3</td>
<td>0.5</td>
<td>0.7</td>
</tr>
<tr>
<td>Venting emissions (million metric tonnes CO(_2)e)(^8)</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 CO(_2)e)</td>
<td>2.7(^5)</td>
<td>5.3(^5,10)</td>
<td>3.5(^6,7)</td>
</tr>
<tr>
<td>Methane emissions (thousand metric tonnes CH(_4))</td>
<td>3.5</td>
<td>45.6(^6)</td>
<td>15.7</td>
</tr>
<tr>
<td>Methane intensity (metric tonnes CH(_4)/MMcf)(^11)</td>
<td>0.002</td>
<td>0.026</td>
<td>0.010</td>
</tr>
<tr>
<td>Combustion emissions (million metric tonnes CO(_2)e)(^8)</td>
<td>2.0</td>
<td>3.3</td>
<td>2.4</td>
</tr>
<tr>
<td>Flaring emissions (million metric tonnes CO(_2)e)(^8)</td>
<td>0.1</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Venting emissions (million metric tonnes CO(_2)e)(^8)</td>
<td>0.6</td>
<td>1.5</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>TOTAL INDIRECT GHG EMISSIONS (MILLION METRIC TONNES CO(_2)e)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope 2 emissions(^12)</td>
<td>1.2</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>Scope 3 emissions(^6)</td>
<td>7.6</td>
<td>6.3</td>
<td>11.3</td>
</tr>
</tbody>
</table>

\(^5\) Scope 1 includes onshore and offshore U.S. EPA Greenhouse Gas Reporting Program (GHGRP) boundaries and international activities (Mozambique).

\(^6\) U.S. EPA GHGRP boundaries

\(^7\) The divestiture of operations in Texas and Pennsylvania in 2017 accounts for the decrease in total Scope 1 emissions reported compared to 2016.

\(^8\) U.S. EPA GHGRP boundaries, U.S. onshore only

\(^9\) 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

\(^10\) 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.

\(^11\) 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

\(^12\) 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](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.
Governance and Risk Management

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.
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.