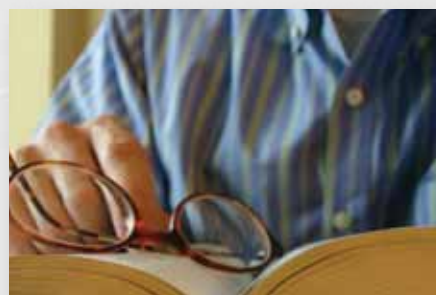




## Pathway to EHS Excellence



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## Purpose

The purpose of this document is to define a set of Company-wide EHS requirements within which all of the Company's activities must be conducted. The requirements are grouped in the following eight elements to facilitate interpretation and implementation:

Mission, Vision and Policy	Contractor Management
Performance Management	Crisis Management & Emergency Response
Procedures and Programs	Auditing
Operational Safety & Risk Management	Emerging Issues & Advocacy

By design, the majority of the requirements within each element are structured to provide individual businesses and their facilities flexibility in determining how best to implement. In this way, businesses and facilities can adopt procedures and processes for each requirement that best match their unique operating or business environment.

Each requirement is also structured so that periodic assessments can be made as to the degree to which implementation has occurred at the Company, business and facility level.

## Responsibilities and Accountabilities

In order to ensure that the Company's EHS activities are conducted within the requirements set forth in this document, it is essential that those responsible and accountable for the implementation of each requirement are clearly identified.

Line and staff accountabilities must be clearly defined for all critical EHS-related tasks and activities including compliance with regulation, with the requirements of this Pathway to EHS Excellence, and with the Company's EHS vision, mission, policy, procedures and programs. Additionally, ownership for EHS performance must be clearly defined.

A responsible manager or managers are therefore designated for each requirement contained in this document. Such managers, in turn, identify and delegate appropriate authority to those accountable for implementation.

## Training

Training is provided to all employees to:

- Permit them to effectively perform those EHS-related tasks for which they are accountable;
- Undertake their work in a safe and environmentally responsible manner; and
- Understand their personal role and obligations in meeting the requirements of this Pathway to EHS Excellence.

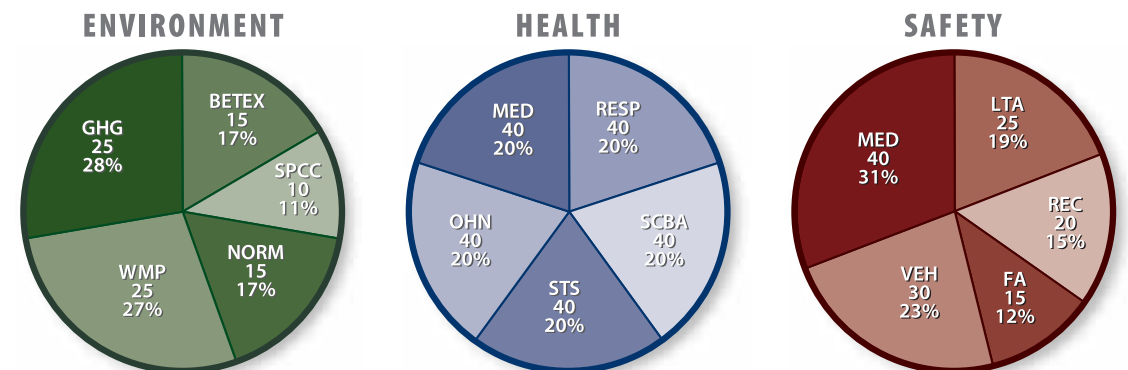
The efficacy of all such training is periodically determined and training programs modified where needed to ensure continuous EHS performance improvement.

## Vision, Mission and Policy

1. Executive management develops an EHS vision, mission and policy for the Company.
2. The EHS vision, mission and policy are communicated to all employees by executive and line management.
3. The EHS vision, mission and policy are formally reviewed by executive management at least annually to confirm relevance and currency, and modified if needed.
4. Line management periodically reviews the EHS vision, mission and policy with employees as a means of reinforcing the Company's commitment to EHS.
5. Executive and line management demonstrate visible commitment, involvement and action to drive continuous EHS performance improvement.
6. Executive staff and other senior management receive periodic EHS awareness orientation.
7. The Company and individual businesses utilize EHS Leadership Teams to provide oversight of EHS performance and programs and a forum within which EHS issues can be reviewed and resolved.

## Performance Management

1. Annual and/or multi-year EHS performance improvement goals are established for the Company based on recommendations from business unit management. These goals support long range performance improvement and require specific contributions from each of the Company's component businesses, facilities and individual employees.
2. Business unit managers develop annual and/or multi-year performance improvement goals for their area.
3. Performance against all such goals is routinely monitored and reported within the Company by all levels of management to provide employee awareness, solicit feedback and stimulate ongoing improvement.
4. Positive recognition and reward is provided by all levels of management for meeting or exceeding approved EHS goals.
5. A combination of appropriate leading and lagging indicators is recommended for reporting purposes. Properly selected leading indicators should, over time, correlate with incident prevention and may be modified as needed by individual business units to drive continuous performance improvement.
6. The Company periodically benchmarks EHS performance against that of peer companies and industry leaders to provide a competitive assessment.
7. Executive management and business unit managers take action to remedy consistent failures to meet performance goals e.g. provide resources to address deficiencies, external audits as needed, development and approval of revised guidelines or procedures.





Production engineers Dawn Williams (left) and Bob Buck (right) and special projects coordinator Jarvis Cooley (seated) prepare to open the flow of natural gas from the first subsea well to come on-stream at Independence Hub – the world’s deepest production platform.

## Procedures and Programs

1. Minimum standards and programs are defined for worldwide operations that ensure compliance with regulation, with the Company’s EHS vision, mission, policy and Pathway to EHS Excellence.
2. All Company-wide EHS programs and procedures are reviewed in accordance with their associated regulatory requirements, or every two years where no regulatory requirements exist, to ensure continued relevance and currency.
3. EHS procedures are developed and implemented to ensure compliance with relevant regulation and with applicable Company EHS programs and standards.
4. Relevant national or local regulations and industry incident reports are monitored and communicated so that operations management at impacted facilities can ensure ongoing regulatory compliance and incorporate incident learnings.
5. All EHS programs, standards and procedures are documented and available electronically to ensure consistent application.

“The startup and operating procedures for the Independence Hub provide step-by-step valve-operating sequences for starting up wells, shutting in wells, testing wells, hurricane evacuations, you name it,” adds Buck. “Jarvis Cooley is the commissioning lead for Independence Hub. We worked very closely with our field operators to prepare the subsea startup and operating procedures. Anadarko’s operators on this project have years of offshore experience that has equipped them with first-hand knowledge and instincts about the equipment and how it operates.”

## Operational Safety & Risk Management

1. A formal EHS risk management protocol is implemented to permit objective assessment of facilities, operations and projects worldwide.
2. Using the above protocol, periodic risk assessments of all operations & businesses are conducted. Procedures are implemented to mitigate identified risks including the use of HazOp reviews.
3. EHS risks are assessed in all capital projects, in the engineering and design of modifications to existing facilities, in new facility design and construction, and in the acquisition and divestiture of physical assets.
4. Written operating procedures are developed and implemented in compliance with regulations, the company's EHS vision, mission and policy, the EHS Pathway to Excellence and company EHS programs.
5. Designated EHS incidents are investigated using root cause analysis, corrective actions are implemented to prevent recurrence, all such incidents investigations are documented, and corrective actions are tracked to closure.
6. EHS incidents are communicated across the company to facilitate learning and avoid recurrence.
7. Maintenance programs emphasize the avoidance of EHS incidents and downtime.
8. Industrial hygiene and employee occupational medical surveillance programs are established in compliance with regulation.
9. Fitness-for-duty requirements are defined for those jobs requiring non-routine physical skills and job candidates are required to undergo periodic medical evaluations to confirm their suitability.
10. All employees to have written job descriptions that include specific EHS responsibilities.
11. A program is established to encourage employees to report unsafe acts or environmentally irresponsible behaviors without fear of reprisal.
12. Critical systems, alarms and shutdown procedures are regularly tested and drilled at all facilities. Monitoring equipment is regularly maintained and calibrated, and results evaluated.





## Contractor Management

1. Minimum EHS performance and program requirements for contractors are defined by the Company. Contractors must demonstrate compliance with these and with relevant regulation prior to engagement.
2. While working at any Anadarko facility contractors must additionally comply with facility EHS policies and procedures or with their own policies and procedures if more rigorous.
3. One or more employees at each facility are assigned contractor liaison roles with the responsibility of providing EHS oversight during contractor tenure.
4. Contractor safety and, as appropriate, environmental performance are tracked and reported.
5. Contractors must report all EHS incidents to facility management immediately upon their occurrence and undertake incident review and corrective action to prevent recurrence.
6. Contractors recognize that the health and safety of their employees is their direct responsibility.





## Auditing

1. A best-practice EHS audit program is developed and implemented that:
  - a. Provides a periodic in-depth assessment of compliance to regulation and to the Company's EHS policy, programs, procedures and Pathway to EHS Excellence;
  - b. Involves both trained EHS and Operations staff to further promote an EHS ethic throughout the Company and provide for mutual learning;
  - c. Recognizes positive examples of compliance as well as opportunities for improvement;
  - d. Requires the documentation, correction and tracking to closure of non-compliances;
  - e. Requires individual businesses and/or facilities to conduct periodic self-assessments to augment more structured EHS audits;
  - f. Provides for periodic audits by a qualified third-party to incorporate industry best practice and expert impartial input; and
  - g. Communicates audit results to business and facility management and, dependant on severity, to executive management.

## Crisis Management & Emergency Response

1. Global and regional crisis management plans are defined and implemented.
2. These plans are tested at least annually. Each test is formally assessed by management and resultant plan improvements are adopted.
3. Crisis command centers are established, equipped and maintained at Anadarko headquarters and, as needed, regionally. These centers are staffed with trained, qualified employees. A test of each center's efficacy is required at least annually.
4. Local emergency response plans are developed, implemented and periodically tested for the operating facilities within each business and for office locations. Corrective actions from such tests are documented and tracked to closure.



## Emerging Issues & Advocacy

1. A documented process is established that periodically identifies those emerging EHS issues, including but not restricted to regulatory issues, with the potential to materially positively or negatively impact the Company's business and profitability.
2. A methodology is identified and implemented to comparatively assess and force rank the potential business impact of such issues and communicate such assessments to management.
3. Strategic business plans are defined and implemented to optimize the impact of those issues of greatest potential.
4. Those EHS issues on which the Company should take an advocacy position are defined.
5. The advocacy position and the optimum advocacy vehicle for each are identified e.g. through one or more trade associations or with more direct Anadarko involvement.
6. The effectiveness of such advocacy is periodically assessed to improve effectiveness.

