



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

March 4, 2019

Amanda M. McMillian
Anadarko Petroleum Corporation
amanda.mcmillian@anadarko.com

Re: Anadarko Petroleum Corporation
Incoming letter dated December 20, 2018

Dear Ms. McMillian:

This letter is in response to your correspondence dated December 20, 2018 concerning the shareholder proposal (the "Proposal") submitted to Anadarko Petroleum Corporation (the "Company") by Jeanne Miller et al. (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence on the Proponents' behalf dated February 7, 2019. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates
Special Counsel

Enclosure

cc: Sanford J. Lewis
sanfordlewis@strategiccounsel.net

March 4, 2019

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: Anadarko Petroleum Corporation
Incoming letter dated December 20, 2018

The Proposal requests that the Company issue a report describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement's goal of maintaining global temperatures well below 2 degrees Celsius.

We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(7). In our view, the Proposal transcends ordinary business matters and does not seek to micromanage the Company to such a degree that exclusion of the Proposal would be appropriate. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Courtney Haseley
Special Counsel

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

SANFORD J. LEWIS, ATTORNEY

Via electronic mail

February 7, 2019
Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Shareholder Proposal to Anadarko Petroleum Corporation Regarding Paris Compliant Business Plan on Behalf of As You Sow on behalf of Jeanne Miller, the Christopher K. Payne Trust, Daniel Handler & Lisa Brown Family Trust, the Emily Scott Pottruck Revocable Trust, Kaplana Raina, the Park Foundation, the Schwab Charitable Fund f/b/o The Resiliency Fund, SJM Trust, and The Amy Wendel Revocable Trust

Ladies and Gentlemen:

As You Sow on behalf of Jeanne Miller, the Christopher K. Payne Trust, Daniel Handler & Lisa Brown Family Trust, the Emily Scott Pottruck Revocable Trust, Kaplana Raina, the Park Foundation, the Schwab Charitable Fund f/b/o The Resiliency Fund, SJM Trust, and The Amy Wendel Revocable Trust (the "Proponent") is beneficial owner of common stock of Anadarko Petroleum Corporation (the "Company") and has submitted a shareholder proposal (the "Proposal") to the Company. I have been asked by the Proponent to respond to the letter dated December 20, 2018 ("Company Letter") sent to the Securities and Exchange Commission by Amanda M. McMillian of Anadarko Petroleum Corporation. In that letter, the Company contends that the Proposal may be excluded from the Company's 2019 proxy statement.

I have reviewed the Proposal, as well as the letter sent by the Company, and based upon the foregoing, as well as the relevant rules, it is my opinion that the Proposal must be included in the Company's 2019 proxy materials and that it is not excludable under Rule 14a-8. A copy of this letter is being emailed concurrently to Amanda M. McMillian of Anadarko Petroleum Corporation.

SUMMARY

The Proposal asks the Company to issue a report describing if, and how, it plans to reduce its total contribution to climate change and align its operations and capital expenditures with the Paris Agreement's goal of maintaining global temperatures well below 2 degrees Celsius. The supporting statement seeks information, at board and management discretion, on the relative benefits and drawbacks of adopting greenhouse gas reduction targets, reducing capital investments in oil and gas resource development, or investing in renewable energy resources.

The Company argues for exclusion on the basis of micromanagement, claiming that the Proposal impermissibly involves intricate details, probes too deeply into matters on which stockholders are not in a position to make an informed judgement, and impermissibly substitutes for the judgment of the Company. To the contrary, the proposal does not meet the standards for micromanagement. It does not dictate minutia, mandate how or what analyses must be

undertaken by the Company, or predetermine what path must occur. Nor does it substitute shareholder judgment for management. Instead it asks the Company to describe if, and how, it plans to align its total climate change contribution with the global Paris climate agreement.

The question of whether the Company should inform shareholders of its plan, if any, to decrease its total carbon footprint in line with Paris goals is a matter on which shareholders are well equipped to make an informed judgment. It is also an issue on which there is compelling investment market guidance, analysis, strategies and legal liabilities that drive shareholders' affirmative consideration of this issue in their investment decision making, especially institutions with a fiduciary duty to consider the interests of their beneficiaries. Given the impact of climate change on the economy, the environment, and human systems, and the short amount of time in which to address it, proponents believe that Anadarko has a clear responsibility to its investors to account for whether and how it plans to reduce its ongoing climate contributions.

The Proposal does not impose specific time-frames or methods for implementing the request but instead requests information on Company plans without mandating the minutia of the company's day-to-day management. As such it is appropriate and practical for investors to weigh in on, and is of pivotal concern to a significant portion of investors. Therefore, the proposal does not micromanage and is not excludable pursuant to Rule 14a-8(i)(7).

THE PROPOSAL

Paris Compliant Business Plan

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

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

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

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

¹ http://report.ipcc.ch/sr15/pdf/sr15_spm_final.pdf

² <https://nca2018.globalchange.gov/>

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

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

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

A number of peer oil and gas companies have announced policies to reduce their full climate footprint. Shell announced scope 3 greenhouse gas intensity targets.⁵ Total has invested in solar energy⁶ and is reducing the carbon intensity of its energy products.⁷ Equinor is investing in wind energy development.⁸ Orsted, a Danish oil and gas company, sold its oil and gas portfolio and rebranded itself.⁹

While Anadarko has assessed and reported on Company-related risk from climate change,¹⁰ and has adopted plans to reduce its own operational emissions (generally less than 20 percent of its climate footprint),¹¹ Anadarko has not adopted Paris-aligned targets or actions to reduce the full climate impact of its investments in fossil fuel energy sources. Anadarko's Scope 3 product emissions are *increasing*¹² as its ratio of gas to oil reserves declines.¹³

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

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

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

⁵ https://www.shell.com/sustainability/sustainability-reporting-and-performance-data/performance-data/greenhouse-gas-emissions/_jcr_content/par/tabbedcontent/tab/textimage.stream/1534322148157/faafbe2d44f8f9ade10d1202b31b8552a67d1430dc3ae7ddc192fc83e9f835c8/2018-cdp-climate-change-submission-180815.pdf, C4.1b

⁶ https://www.total.com/sites/default/files/atoms/files/total_climat_2018_en.pdf, p. 35

⁷ https://www.total.com/sites/default/files/atoms/files/total_climat_2018_en.pdf, p. 6.

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

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

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

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

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

¹³ https://www.anadarko.com/content/documents/apc/news/Fact_Sheets/Corporate_Fact_Sheet.pdf, p.2.

BACKGROUND

Investment and economic analysts are increasingly recognizing and planning for the economically disruptive effects of climate change, from the economic, environmental, and human toll that increasingly destructive climate events are having, to the transition risks posed by an inevitable need to sharply regulate and curtail carbon dioxide emissions from every sector. Investors are recognizing that climate change not only poses fundamental risk to the individual companies in which they invest, but creates systemic risk across their portfolios as climate change-related harm accelerates globally, causing economy-wide losses. The U.S. recently issued the Fourth National Climate Report underscoring that continued growth in greenhouse gas emissions are projected to cost the U.S. economy hundreds of billions of dollars by 2100.¹⁴ A warming climate is associated with supply chain dislocations, reduced resource availability, lost production, commodity price volatility, infrastructure damage, crop loss, energy disruptions, political instability, and reduced worker efficiency, among others.

In 2015, the Paris Climate Agreement set a global goal of maintaining global warming well below 2 degrees Celsius. The capital markets have begun to register and implement this mandate by including carbon asset risk in portfolio analysis, and through engagements with portfolio companies requesting disclosure and improved performance in alignment with the global climate goal. A state of the industry report, “Tipping Points 2016,”¹⁵ collected data from a group of 50 institutions, including 28 asset owners and 22 asset managers selected based on their diversity. The report found that institutional investors consider and manage their impacts on environmental, societal, and financial systems, and consider those systems’ impacts on their portfolios, with financial returns and risk reduction being two primary motivators for approaching investment decisions on a systemic basis. The report shows asset owners not only consider the financial risks they perceive from environmental, social, and governance risk at the level of specific securities and industries, but are also concerned with measuring and managing climate risk on a portfolio basis. Nowhere is this more the case than with climate change. Investor portfolios commonly hold investments from a wide spectrum of economic sectors vulnerable to widespread disruptions associated with climate change. The combined effect of climate change across the economy is projected to have substantial negative, long-term, portfolio-wide implications.

One important component of this portfolio-based climate strategy is shareholder engagement and, where necessary, the filing of proposals. Institutional Shareholder Services (ISS) issued a report in early 2019 assessing historic support for shareholder proposals during the last decade.¹⁶ The analysis notes that proposals requesting goal-setting and results-oriented risk management approaches (similar to the current proposal) have drawn increasing support.

The December 2015 Paris Agreement . . . made climate change risk management a top policy priority for governments, regulators, and financial institutions. **Climate change mitigation now required**

¹⁴ [pull cite from resolution]

¹⁵ <http://tiiproject.com/tipping-points-2016>

¹⁶ ISS, The Long View: US Proxy Voting Trends on E&S Issues from 2000 to 2018 (2019)

concrete results in the form of carbon emission reductions and alignment with the goal of keeping global temperatures from exceeding 1.5 or 2 degrees Celsius compared to pre-industrial levels.¹⁷ [Emphasis added]

ISS also notes stepped up support for proposals on ESG in voting trends from 2000 to 2018, including the two following trends:

- More shareholders voting in support of environmental and social proposals, witnessed by the rapidly growing proportion of shareholder proposals receiving at least 30-percent support.
- Increased willingness of companies and proponents to work together to forge a solution, supported by a record proportion of environmental and social proposals being withdrawn prior to the vote.

Oil and Gas Companies and Anadarko

Oil and gas companies present a particular challenge to climate stability. To be successful in avoiding catastrophic climate change, the consensus of climate experts is that oil and gas production must phase down over the next several decades. Thus, companies must begin planning for structural change, a process which requires long planning horizons and implementation timelines.

Many oil and gas companies have already announced policies to reduce their climate footprints and begin aligning with Paris goals in various ways, including setting product intensity reduction targets, investing in solar and/or wind energy, and even selling oil and gas resources.

In the face of global climate change and the Paris Climate Agreement, two major strategic questions face every company that is this deeply invested in fossil fuels:

- 1) what are the risks to the company associated with remaining on the current path of product and development efforts directly in opposition to global goals to reduce carbon emitting energy sources?
- 2) whether, as a company, it chooses to be part of the solution or part of the problem?

To date, the Company has focused its climate reporting solely on answering the former question; the current Proposal offers the shareholders of the Company the opportunity to weigh in on the latter. Such questions, regarding whether to redirect the Company's strategy to systematically reducing its full climate footprint, and therefore substantially reducing or eliminating its climate

¹⁷ ISS also notes the growing support: "By 2017, climate change proposals peaked in volume, with a large number receiving significant support, while high-profile proposals at Exxon Mobil and Occidental Petroleum received majority support."

impacts, are appropriate questions for deliberation in the shareholder proposal process.

I. The Proposal may not be excluded under Rule 14a-8(i)(7) Where It Exclusively Addresses Matters Related to the Significant Policy Issue of Climate Change and Does Not Micromanage, Even Where It May Impact Ordinary Business Operations.

The Proposal is not excludable under Rule 14a-8(i)(7) because it directly and solely focuses on a significant policy issue facing the Company and the economy: climate change. The proposal focuses on an essential aspect of this issue for shareholders – whether the Company plans to reduce its investments and loans in projects that maintain or increase global greenhouse gas emissions.

It is well settled in Staff determinations that proposals addressing the subject matter of climate change fall within a significant policy issue that transcends ordinary business. Numerous prior Staff decisions at energy companies have made it clear that the kind of analysis sought in the Proposal is appropriate and not excludable based on the doctrine of micromanagement. The Staff has previously concluded that a wide array of shareholder interventions at energy companies, asking them to explain their alignment with global climate goals, are not excludable as ordinary business or as micromanaging. In *Chevron Corporation* (March 28, 2018) the Staff did not allow the Company to exclude a nearly equivalent proposal that requested a report describing how the Company could adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels, including options such as buying, or merging with, companies with assets or technologies in renewable energy, and/or internally expanding its own renewable energy portfolio, as a means to reduce societal greenhouse gas emissions and protect shareholder value. In *Entergy Corporation* (March 14, 2018) the non-excludable proposal asked the company to prepare a report describing how the Company could adapt its enterprise-wide business model to significantly increase deployment of distributed-scale non-carbon-emitting electricity resources as a means of reducing greenhouse gas emissions consistent with limiting global warming to no more than 2 degrees Celsius over pre-industrial levels. At *Hess Corporation* (February 29, 2016) the proposal requested that the company prepare and publish a report disclosing the financial risks to the company of stranded assets related to climate change and associated demand reductions. At *Spectra Energy Corp.* (February 21, 2013) the proposal requested that the board publish a report on how the company is measuring mitigating and disclosing methane emissions. *Exxon Mobil Corp.* (March 23, 2007)(proposal asking board to adopt quantitative goals to reduce GHG emissions from the company's products and operations not excludable as ordinary business); *Exxon Mobil Corp.* (March 12, 2007)(proposal asking board to adopt policy significantly increasing renewable energy sourcing globally not excludable as ordinary business)

These follow a wide array of other climate related decisions by the Staff, finding a significant policy issue and denying exclusion on climate proposals. See, e.g., *DTE Energy Company* (January 26, 2015), *J.B. Hunt Transport Services, Inc.* (January 12, 2015), *FirstEnergy Corp.* (March 4, 2015)(proposals not excludable as ordinary business because they focused on reducing

GHG and did not seek to micromanage the company); *Dominion Resources* (February 27, 2014), *Devon Energy Corp.* (March 19, 2014), *PNC Financial Services Group, Inc.* (February 13, 2013), *Goldman Sachs Group, Inc.* (February 7, 2011)(proposals not excludable as ordinary business because they focused on significant policy issue of climate change); *NRG Inc.* (March 12, 2009)(proposal seeking carbon principles report not excludable as ordinary business); *General Electric Co.* (January 31, 2007)(proposal asking board to prepare a global warming report not excludable as ordinary business). Moreover, Staff Legal Bulletin 14H has made it clear that if a proposal addresses in its entirety a significant policy issue like climate change, it can certainly request information about “nitty-gritty” business matters that are directly related to that subject matter.¹⁸

The Company incorrectly characterizes the issues raised in the Proposal here as ordinary business and asserts that the request would impermissibly interfere with core matters involving the Company’s complex operational and business decisions. This argument holds no water; the Staff has made the standard for evaluating the relationship between a “subject matter” such as climate change, and business matters very clear.¹⁹ A proposal which is squarely focused on a significant policy issue, and for which there is a clear nexus to the Company, will not be found to be excludable under Rule 14a-8(i)(7).

Further, Staff Legal Bulletin 14H has made it clear that if a proposal addresses in its entirety a significant policy issue like climate change, it can certainly request information about “nitty-gritty” business matters that are directly related, *such as strategic financial and investment decisions, etc.* Indeed, any proposal addressing a complex policy issue like climate change necessarily must delve into such issues if it is to be meaningful to the company and its investors.

II. The Proposal Does Not Micromanage: It does Not Probe Too Deeply into Complex Matters, Impose Specific Methods or Timelines, Involve Intricate Detail, or Impermissibly Interfere with the Company’s Ordinary Business.

¹⁸ Staff Legal Bulletin No. 14H (October 2015), section C. Rule 14a-8(i)(7)

¹⁹ See, Staff Legal Bulletin 14E, Oct. 27, 2009. “On a going-forward basis, rather than focusing on whether a proposal and supporting statement relate to the company engaging in an evaluation of risk, we will instead focus on the subject matter to which the risk pertains or that gives rise to the risk. The fact that a proposal would require an evaluation of risk will not be dispositive of whether the proposal may be excluded under Rule 14a-8(i)(7). Instead, similar to the way in which we analyze proposals asking for the preparation of a report, the formation of a committee or the inclusion of disclosure in a Commission-prescribed document — where we look to the underlying subject matter of the report, committee or disclosure to determine whether the proposal relates to ordinary business — we will consider whether the underlying subject matter of the risk evaluation involves a matter of ordinary business to the company. In those cases in which a proposal’s underlying subject matter transcends the day-to-day business matters of the company and raises policy issues so significant that it would be appropriate for a shareholder vote, the proposal generally will not be excludable under Rule 14a-8(i)(7) as long as a sufficient nexus exists between the nature of the proposal and the company. Conversely, in those cases in which a proposal’s underlying subject matter involves an ordinary business matter to the company, the proposal generally will be excludable under Rule 14a-8(i)(7). In determining whether the subject matter raises significant policy issues and has a sufficient nexus to the company, as described above, we will apply the same standards that we apply to other types of proposals under Rule 14a-8(i)(7).”

There is nothing impractical about shareholders considering and encouraging the company to investigate and plan to expeditiously reduce the company's greenhouse gas emissions in line with Paris goals. This basic issue is neither outside the expertise of shareholders, nor does it delve too deeply into intricate details best left to management. In fact, as indicated by the growing number and type of shareholder actions around climate change, information about the scale and pace of a Company's greenhouse gas reduction activities is fundamental to good investment planning.

A long line of staff decisions have held that Proposals are excludable on the basis of micromanagement where they seek prescriptive actions on day-to-day levels of minutia. For instance, in *Marriott International Inc.* (March 17, 2010) the proposal addressed minutia of operations – prescribing the flow limits on showerheads. In *Duke Energy Corporation* (February 16, 2001) the proposal attempted to set what were essentially regulatory limits on the company — 80% reduction in nitrogen oxide emissions from the company's coal-fired plant and limit of 0.15 lbs of nitrogen oxide per million British Thermal Units of heat input for each boiler excludable despite proposal's objective of addressing significant environmental policy issues.

The Company's assertions of micromanagement, and its detailed articulation of the complexity of the underlying decision-making terrain, cite to recent Staff decisions and Staff Legal Bulletin 14J²⁰ which appear to invite companies to make new arguments that long-standing types of shareholder proposals, including issues raising important public policy concerns, suddenly entail micromanagement when applied at a particular company. This has resulted in numerous no action requests for the 2019 season going to great lengths to assert that “complex issues” like management of greenhouse gases, the use of antibiotics in the supply chain, promotion of gender equity, management of the firm's pollution impacts, impacts on civil rights, etc. -- essentially a broad range of long-standing and established areas of shareholder concern -- have suddenly become prohibited areas, the consideration of which creates risk of undermining board and management's well-considered decisions, priorities, and strategies.

This trend could fundamentally change the relationship between companies and share owners. Shareholders have a long-standing and appropriate role of engaging with portfolio companies through the shareholder proposal process. Proposals directed toward guiding and even redirecting business strategy decisions on significant policy issues have long been at the core of the shareholder proposal process, and not a basis for exclusion.

In Staff Legal Bulletin 14J, Staff attempted to consolidate its discussion of micromanagement and noted an intent to consider the potential for micromanagement in proposals addressing “specific timelines and methods.”²¹ However, the Bulletin also noted that it was the Staff's intention to implement this new framework “consistent with the Commission's guidance in this area.”²² The Commission's prior pronouncements on this issue have made it abundantly clear that it has not endorsed or proposed a prohibition against requests for timelines or specific methods.

²⁰ Staff Legal Bulletin 14J, Oct. 23, 2018.

²¹ Staff Legal Bulletin 14J, Oct. 23, 2018.

²² See Release No. 34-40018 (May 21, 1998).

Quite to the contrary, the Commission in the 1998 Release, the most recent and authoritative Commission-level statement regarding the application of micromanagement -- made it clear that requests regarding methods and timelines are not prohibited:

. . . . in the Proposing Release we explained that one of the considerations in making the ordinary business determination was the degree to which the proposal seeks to micromanage the company. We cited examples such as where the proposal seeks intricate detail, or seeks to impose specific timeframes or to impose specific methods for implementing complex policies. **Some commenters thought that the examples cited seemed to imply that all proposals seeking detail, or seeking to promote timeframes or methods, necessarily amount to ordinary business. . . We did not intend such an implication. Timing questions, for instance, could involve significant policy where large differences are at stake, and proposals may seek a reasonable level of detail without running afoul of these considerations. (*Emphasis added*).**

An often-cited example of a “small” difference between a proposal’s request and company actions was highlighted by a proposal filed with DuPont over the timing of the phase-out of ozone-depleting CFCs. Where the company had effectively come into line with the proponent’s original requested phase-out date for CFCs, the court held that the negligible difference from the proponent’s requested date and the company’s planned phase-out date no longer amounted to a significant policy issue and could be considered a matter of ordinary business. *Roosevelt v. E.I. Du Pont De Nemours & Company*, 958 F.2d 416 (1992) (“Dupont”).

In contrast, it has never been the case, and would be an incorrect interpretation of the Commission’s Release, to conclude that a request to set a GHG reduction goal to be met in a specific number of years would constitute micromanagement. *See Dupont*. Nor is it inappropriate to include details in a proposal sufficient to allow shareholders and management to understand what is being requested, and how it differs from the company’s current policies. Every proposal must strike a correct balance between specificity and vagueness.²³

The Proposal here, which addresses the significant policy issue of climate change and achieving greenhouse gas reductions in line with a global policy goal, where large differences in company action are at stake, is consistent with the Commission’s 1998 Release.

The Proposal here does not dictate the company’s day-to-day decision-making, but rather provides a larger strategic redirection that is part and parcel of the shareholder proposal process. The Company’s day-to-day decisions would be made within this strategic framework, but the minutia would not be dictated by it. It is one of the most fundamental truths, and a long-standing bedrock principle of the shareholder proposal process, that a proposal redirecting company policy or business models on an issue of significant social or environmental impacts of the company is the right of investors through the shareholder proposal process and is not reserved to

²³ If a proposal is too vague in defining what is requested, the Staff will exclude it under Rule 14a-8(i)(3). Further, a vague proposal that *fails* to ask for action scaled and paced to global needs - merely asking for a climate strategy - may also be subject to challenge by even the most poorly performing companies under Rule 14a-8(i)(10).

management, regardless of how intricate and detailed the company's policies are on the issue. As the Commission and case law have declared, strategic direction is the prerogative of investors in the shareholder proposal process and proposals framed toward redirecting business strategy on important public policy issues are not excludable under Rule 14a-8(i)(7).

The Commission has made it clear since 1976 that proposals addressing business choices with major implications for society transcend ordinary business:

[A] proposal that a utility company not construct a proposed nuclear power plant has in the past been considered excludable ... In retrospect, however, it seems apparent that the economic and safety considerations attendant to nuclear power plants are of such magnitude that a determination whether to construct one is not an "ordinary" business matter. Accordingly, proposals of that nature, as well as others that have major implications, will in the future be considered beyond the realm of an issuer's ordinary business operations, and future interpretative letters of the Commission's staff will reflect that view. (Exchange Act Release 3412999 (Nov. 22, 1976)).

The Staff decisions in the decades subsequent to 1976 identified various significant policy issues that transcend ordinary business where the proposal asked the company to reduce its impacts on society in various arenas, some of which include: pollution, human rights violations, climate change, discrimination, slavery, doing business with governments and companies implicated in genocide.

This concept was judicially clarified in *Medical Committee for Human Rights v. SEC*, 432 F.2d 659 (D.C. Cir. 1985) in which the D.C. Circuit Court found that shareholder proposals are proper (not ordinary business) when they raise issues of corporate social responsibility or question the "political and moral predilections" of board or management. The take-away from this decision is that board and management have no monopoly on expertise over investors when it comes to guiding company strategy on issues with broad and significant social consequence. Investors are entitled to weigh in through the shareholder proposal process.

Medical Committee involved a proposal at Dow Chemical seeking an end to the production and sale of napalm during the Vietnam War. The proposal requested the Board of Directors to adopt a resolution setting forth an amendment to the Composite Certificate of Incorporation of the Dow Chemical Company that napalm shall not be sold to any buyer unless that buyer gives reasonable assurance that the substance will not be used on or against human beings. The SEC initially found the proposal was excludable. The appellate court in *Medical Committee* remanded the no-action decision to the SEC for further deliberation by the SEC consistent with the court's conclusion that the SEC should defend the rights of shareholders to file proposals directed toward significant social issues facing a company.

In deciding *Medical Committee*, the court noted that it would be appropriate for shareholders to use the mechanism of shareholder democracy to pose “to their co-owners, in accord with applicable state law, the question of whether they wish to have their assets used in a manner which they believe to be more socially responsible.” The court had noted such a choice was not appropriately reserved to the board or management. The same logic applies here - directing the business away from harmful and financially risky activities associated with harmful carbon emissions - is not a choice reserved exclusively to management or boards.

As stated in *Medical Committee*:

[T]he clear import of the language, legislative history, and record of administration of section 14(a) is that its overriding purpose is to assure to corporate shareholders the ability to exercise their right — some would say their duty — to control the important decisions which affect them in their capacity as stockholders and owners of the corporation. (*SEC v. Transamerica Corp.*, 163 F.2d 511, 517 (3d Cir. 1947), cert. denied, 332 U.S. 847, 68 S. Ct. 351, 92 L. Ed. 418 (1948)).

* * *

What is of immediate concern... is the question of whether the corporate proxy rules can be employed as a shield to isolate such managerial decisions from shareholder control. After all, it must be remembered that “[t]he control of great corporations by a very few persons was the abuse at which Congress struck in enacting Section 14(a).” *SEC v. Transamerica Corp.*, supra, 163 F.2d at 518.

In the decades that followed, numerous proposals on diverse subject matters have appropriately asked companies to change their business model in some way that reduced impact, and were not excluded. The strategic choices regarding reducing large impacts of the company on society have long been established as within the protected zone of shareholder democracy.

A. The Proposal Does Not Probe Too Deeply Into Complex Matters or Mandate Specific Analyses or Conclusions

Anadarko’s No-Action Letter alleges that the Proposal involves a four-part test to which the Company must respond, thereby probing too deeply into matters of a complex nature beyond the comprehension of shareholders. However, the four-part test alleged by the Company does not occur in the Proposal.

The plain language of the Proposal asks the Company to **report on if, and how, it plans to reduce its total contribution to climate change and align with the Paris goals**. It offers flexibility for the company to fulfill that request. Instead of asking for the Company to do so by calculating and reducing its carbon footprint, it offers a menu of possible approaches, and asks the company to assess, at its discretion, those approaches.

Specifically, the resolved clause of the proposal asks the company to issue a report “describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement's goal of maintaining global temperatures well below 2 degrees Celsius.” In the supporting statement, the proposal asks the company to discuss “the relative benefits and drawbacks” of adopting GHG reduction targets, reducing capital expenditures on oil and gas development, and investing in renewable energy resources. *These are the primary means by which peer oil and gas companies have proposed to align with Paris goals.* The supporting statement does not direct the company to pursue any particular paths, but instead offers the board and management *a menu of possible approaches* to report on, at its discretion.²⁴

The Company also asserts that this request requires it to undertake a cost benefit analysis. It does not. The Company has discretion as to *whether* to conduct a cost-benefit analysis or simply provide the Company’s analysis of the relative benefits and drawbacks. Like any other requested report element, the Company can respond at the level of detail it believes appropriate. **There are no mandatory parameters or criteria other than producing a report discussing “if and how” the company plans to align with the global goals.**

B. The Proposal Does Not Set or Require Specific Timelines

The Company alleges that, “although the Proposal does not contain a specific date by which the Company must issue the report,” the Proposal’s citation to IPCC deadlines for avoiding catastrophic climate change and the Proposal’s allegation that the Company is a large contributor to climate change, implies that it should issue a report shortly.

The Company is correct in assuming that the Proposal seeks the requested report in the near term or as soon as possible. That general preference is not, however, a stated, specific timeline. If the Company seeks to develop a plan to align its carbon footprint with Paris goals, it will take time to complete. There is nothing in the Proposal that suggests the Company should not take a reasonable amount of time to develop such a plan. If, however, the Company does not intend to adopt such a plan, it would be reasonably expected to provide the requested report in the nearer term, as little analysis or planning is presumably required.

C. Precedents Cited by the Company Are Inapposite to the Facts of this Proposal

The Company Letter discusses a number of recent Staff decisions that found certain proposals requesting targets, timelines, or specified methods to constitute micromanagement. The Company Letter cites to *Amazon.com, Inc.* (March 6, 2018), and similar cases in which staff concurred that proposals asking the company to evaluate the feasibility of achieving net zero emissions by various dates, or no date, could be excluded. While staff’s decision in these cases may ultimately be found to be in error under the Commission’s 1998 release, they are inapposite

²⁴ The Company Letter argues that the Supporting Statement request is mandatory, not at company discretion, reading the “discretionary” language out of the Statement based on placement of commas. Such a reading is unreasonable. The language “among other issues at board and management discretion” is intended to indicate that the requested items are among the list of discretionary issues the Company might address. To read it otherwise would make the discretionary language superfluous.

here. The Proposal does not set a target, a timeline for action, nor does it ask the Company to set a net zero emissions goal.

The Company cites in great length to *EOG Resources* (Feb 26, 2018) which focused on a request to set “quantitative, time bound targets for reducing greenhouse gas emissions,” a request that is acceptable under both the 1998 Release and the *Dupont* court ruling discussed at page 9. Despite the detailed chart created by the Company, attempting to create similarities between the *EOG* proposal and this Proposal, *EOG* is fundamentally inapposite here. The Proposal does not require the company to set a target. Nor does it set forth a specific time line for action or ask the Company to adopt a net zero emissions goal.

More importantly, if asking for a plan for the company to align with global policy objectives were found to constitute micromanagement, shareholders would effectively be denied any meaningful requests relating to the important public policy of global warming. This does not appear to be the intent of Staff. It is entirely appropriate, and long-standing practice, to file proposals that ask companies to describe how they will fulfill, respond to, or be impacted by emerging public policies. Often such policies have time frames and levels of effort implicit in them, and it is clearly not micromanagement for shareholders to request adequate disclosure of how the company sees its activities scaled and paced against public policy demands. Nothing of the kind was implied by the prior Commission pronouncements.

D. *A Proposal May Not Be Excluded As Micromanagement Because the Company Already Has Climate-Related Policies in Place*

The Company Letter asserts that the Proposal micromanages because the Company has certain policies and disclosures in place in relation to climate change that would be required to be supplemented with additional disclosures and management efforts if the Proposal were to be implemented. The Company, correctly, does not claim that its current policies or disclosures “substantially implement” the guidelines or essential purpose of the Proposal as would be required under Rule 14a-8(i)(10), but only that the Proposal delves too far into the ordinary business of the company by recommending policies that might drive the Company toward different risk management considerations, actions, or data gathering.

Notably, the items described in the Company’s current climate policies and reporting stop short of any plan to reduce the Company’s total greenhouse gas footprint and contribution to climate change. This is the thrust of the Proposal, and the “delta”²⁵ or change requested by the Proposal from current practices. The Company Letter describes the Company’s existing climate report, but does not and could not assert that this report involves substantial implementation of the proposal’s request. The climate report as summarized by the Company describes: (1) the Company’s integration of climate-related risks into its Enterprise Risk Management process, (2) the levels of oversight exercised by the Company’s board of directors and management over the Company’s exposure to risk, including climate-related risk, (3) portfolio forecasts which incorporate various price and demand outlooks under several climate change scenarios, including a scenario

²⁵ Staff Legal Bulletin 14J.

consistent with limiting global warming to 2 degrees Celsius or below, and (4) the Company's expectations regarding portfolio resilience in the face of various climate change scenarios. The report also provides examples of steps the Company has taken to reduce emissions across its operations, including large-scale facility design changes.

In short, the Company's report touches on certain emissions reduction measures, and then examines issues of pricing and risk for the company's energy portfolio, including a scenario in which climate policy enforces a 2° scenario. **In contrast, the Company's actions taken in the climate report do not purport to describe "if, and how, it plans to reduce its total contributions to climate change and align its operations and investments with the Paris Agreement's goal." It stops short of doing so –considering risk scenarios rather than a proactive plan of reducing its impacts consistent with global needs.**

The Company notes that its Climate Report was the result of careful consideration and analysis by the Company, including senior management and the board of directors. It does not, however, suggest that its level of effort and activities are intended to align with the Paris Agreement's goal, nor report to investors "if and how" it intends to align with such a goal.

The claims in the Company Letter that exclusion is appropriate because existing processes are complex, decisions and strategies are well-considered, and priorities have been set *amounts to an assertion that the performance and goals that the company has adopted* are not subject to any intervention or change request by the Company's investors. If this were the case, it would eliminate the vast majority of shareholder proposals directed toward improving performance or reducing negative impact of companies.

Staff's prior decisions do not support such a broad reading of micromanagement. Staff has consistently allowed proposals addressing an important public policy to go forward even where those proposals might interfere or change capital spending or investment decisions made by the companies.

An example is *Franklin Resources, Inc.* (December 30, 2013), a proposal addressing a significant policy issue of human rights associated with investment in companies that contribute to genocide or crimes against humanity. The *Franklin* Proposal requested:

“. . . that the Board institute transparent procedures to avoid holding or recommending investments in companies that, in management's judgment, substantially contribute to genocide or crimes against humanity, the most egregious violations of human rights. Such procedures may include time-limited engagement with problem companies if management believes that their behavior can be changed. In the rare case that the company's duties as an advisor require holding these investments, the procedures should provide for prominent disclosure to help shareholders avoid unintentionally holding such investments.”

Proponents' request for disclosure from the Company regarding its investment choices related to companies that were implicated in genocide was found to be not excludable pursuant to Rule 14a-8(i)(7). One particular company, PetroChina, implicated in funding the genocide in Darfur, was of main concern. The Company argued that the Proposal was excludable on the basis of 14a-

8(i)(7) because, among other points, the Proposal sought to micro-manage the Company. In particular, the Company argued that the Proposal dealt with its ordinary business of buying and selling securities and that the Proposal, if implemented, would interfere with the Company's buying and selling of portfolio securities, micro-manage the Company's communications with its Portfolio Companies, and micro-manage the investment process overall by defining the subject matter and goals of the Company's discussions with its clients, specifying which companies the Company could engage with and requiring divestment along set deadlines.

Despite these arguments, proponents successfully argued that their proposal did not micro-manage because it did not specify the details of the procedures requested, or their implementation on a day-to-day basis, and left it to the Board and management's judgment to define the companies to be avoided and the procedures to be implemented. Proponents also noted that the Company's peers in the industry had already implemented such investment policies. The Staff found that the proposal focused on the significant policy issue of human rights and did not seek to micromanage the company to such a degree that exclusion of the proposal would be appropriate. Accordingly, the Staff was unable to concur in the Company's view that it could omit the proposal from its proxy materials in reliance on Rule 14a-8(i)(7).

ING Emerging Countries Fund (May 7, 2012) similarly saw a proposal requesting that the Company institute procedures to prevent holding investments in companies implicated in genocide. In this proposal as well, the Company sought exclusion on the basis of Rule 14a-8(i)(7), arguing that the proposal would micro-manage the Company's day-to-day investment decisions. The Staff was unable to concur with the Company's view, in spite of arguments that the Staff had previously found that "requiring an investment company to divest its holdings in one specific company impermissibly interferes with the conduct of the investment company's ordinary business" and "requiring an investment company to divest from a select group of companies also impermissibly interferes with the conduct of an investment company's ordinary business" (the Company citing *College Retirement Equities Fund*, (May 3, 2004) and *College Retirement Equities Fund*, (May 23, 2005), and did not allow exclusion on the basis of Rule 14a-8(i)(7).

The Staff has denied exclusion, on the basis of ordinary business, of proposals similar to the current one, where a report on climate is requested and the climate implications are directly related to the firm's business activities even though it might impinge on a company's current business approach. The Staff similarly found that a proposal at a financial institution was not excludable under Rule 14a-8(i)(7) in requesting that the board report to shareholders the company's assessment of the greenhouse gas emissions resulting from its lending portfolio and its exposure to climate change risk in lending, investing, and financing activities. *PNC Financial Services Group, Inc.* (February 13, 2013). PNC had argued that the proposal addressed ordinary business and micromanagement because any proposal involving an evaluation of a wide range of factors associated with its lending, investing, and financing activities are part of its day-to-day lending and investment operations. PNC, in attempting to assert the complexity of the issue, and therefore that the proposal micromanaged, argued:

Any assessment of the effects of the greenhouse gas emissions resulting from PNC's

lending portfolio and its exposure to climate change risk as a result of its lending, investing and financing activities (“GHG/Climate Exposure”) involves an evaluation of a wide range of factors, including the risk that GHG/Climate Exposure will impact the revenues and cash flow of the Company’s borrowers, its trading partners and the institutions comprising its investment portfolio. . . GHG/Climate Exposure is just one of many risks that the Company considers as part of its daily operations in conducting its various lines of business, including its daily lending and investment operations. . . .

That the risk in question relates to an environmental issue does not change the focus of the Proposal -- PNC’s day-to-day choices in extending credit, managing assets, and investing capital, and how PNC measures the totality of the risk associated with doing business with particular customers or making certain investments. . . . In the end, the problem of balancing of the risks arising from GHG/Climate Exposure relative to other risks and considerations relates to the resolution of ordinary business problems and, in the words of the 1998 Release, it is clearly “impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting.” (emphasis added)

The Staff rejected the Company’s argument and found that the proposal did not intrude on ordinary business or micromanage the bank. This followed on the logic of numerous prior proposals that were not excludable under Rule 14a-8(i)(7) in other sectors, asking for action to reduce climate change impacts, even where the “nitty gritty” of business activities may be impacted. These included proposals on scenario planning, potential stranded assets, and transition plans.

PNC followed other financial sector decisions. *Goldman Sachs* (February 7, 2011 and March 1, 2011) reversed the prior staff position²⁶ and found that proposals at a financial institution on climate change were not excludable as ordinary business, regardless of whether they related to an analysis of risk to the environment (March 1, 2011) or an analysis of climate related business risk to the firm (February 7, 2011).

The Proposal here addresses an important public policy issue -- in this instance, climate change. Climate risk is clear, growing, and its impacts are unpredictable on companies and the greater economy. Oil and gas companies such as Anadarko not only experience climate risk, but can have an outsize impact in *creating* climate risk, which affects not only the company but investors’ broader portfolios. Oil and gas company projects can lock in emissions over the next 30 to 40 years since the vast amount of capital is expended in exploration and development, with nominal costs for withdrawing resources thereafter. Such lock-in can make it more difficult for the world to achieve its goal of maintaining global temperatures within a range that will preserve the climate as we know it.

Other oil and gas companies are adopting and publicly announcing a variety of policies to bring

²⁶ The mid-2000’s staff decisions in *Wachovia Corporation* (January 28, 2005), *American International Group Inc.* (February 11, 2004), and *Chubb Corporation* (January 25, 2004) were reached prior to Staff Legal Bulletin 14 E as well as the Guidance on climate disclosure. These prior cases failed to find a significant policy issue and/or a nexus to the companies receiving the proposals.

their companies' climate footprint in line with Paris targets. It is rational for shareholders to ask Anadarko to adopt goals similar to its competitors or to report its unwillingness to do so. The Proposal effectively picks up where the company's current efforts leave off, by asking the company to ensure that the net effect of its efforts is that it is managing its greenhouse gas emissions consistent with global policy demands. In contrast, other companies have taken more aggressive action in the direction of the Proposal, increasing the scale, pace and rigor of their responses to climate change to be scaled to global needs and policies.

E. The Current Proposal is Directed Toward Large Differences in Action that Are Practical for Shareholder Engagement

The Proposal is intended to address the significant difference between the Company's current climate related practices and the types of action necessary to help attain the Paris climate goal of maintaining global temperatures in a range where people, the economy, and the environment can avoid cataclysmic harm. The difference between actions currently adopted by the Company and what shareholders expect is quite large. It is therefore reasonable under the 1988 Release to address this issue and to expect a reasonable level of detail without running into micromanagement prohibitions.²⁷

Further, the need for a plan to reduce invested greenhouse gas emissions in line with a global policy goal is a practical issue for shareholder consideration. There is nothing impractical about shareholders considering and encouraging the company to investigate opportunities to expeditiously reduce the company's total contribution to climate change. This issue is neither outside the expertise of shareholders, nor does it delve too deeply into intricate details. Similarly appropriate is a discretionary request seeking information on the relative benefits and drawbacks of three options for doing so, without specific criteria or disclosures required.

Contrary to the Company's claims, the Proposal strikes an appropriate balance of respecting board and management discretion while providing direction from shareholders that the Company should consider aligning its carbon footprint with global climate policy and needs.

F. The Practicality and Importance of Shareholder Consideration Is Demonstrated by Current Market Action and Expectations

The business community, investment analysts, the accounting community, and others are engaged in activities aligned with promoting the same kind of accountability as requested by the Proposal.²⁸ A significant portion of the investing marketplace is directing its focus toward both disclosure AND action in alignment with the global climate goals. Investors are seeking engagement with portfolio companies both to increase disclosure of climate risk, but also to align their companies with the transition to a low carbon economy as the only way to "future proof" their companies to ensure sustainable economic growth.

²⁷ 1988 Release, p. 6.

²⁸ Making Finance consistent with climate goals, Insights for operationalising Article 2.1c of the UNFCCC Paris Agreement Shelagh Whitley, Joe Thwaites, Helena Wright and Caroline Ott December 2018
<https://www.odi.org/sites/odi.org.uk/files/resource-documents/12557.pdf>

For instance, the International Standards Organization is developing a climate finance standard: ISO 14097, which will track the impact of investment decisions on GHG emissions; measure the alignment of investment and financing decisions with low-carbon transition pathways and the Paris Agreement; and identify the risk from international climate targets or national climate policies to financial value for asset owners. The standard will help define benchmarks for decarbonisation pathways and goals, and track progress of investment portfolios and financing activities against those benchmarks; identify methodologies for the definition of science-based targets for investment portfolios; and develop metrics for tracking progress.

Another initiative, Sustainable Energy Investment (SEI) Metrics, has already tested \$500 billion of equity for 2°C alignment (SEI Metrics, 2018). SEI Metrics covers a limited number of sectors with public equity and corporate portfolios. The project was recently relaunched as Paris Agreement Capital Transition Assessment (PACTA), which aims to measure the current and future alignment of investment portfolios with a 2°C scenario analysis, allowing investors to measure climate performance and address the challenge of shifting capital towards clean energy investments. Since its launch, over 2,000 portfolios have been tested for 2°C alignment with over \$3 trillion in assets under management. Of the 25% of surveyed investors involved in the road-test, 88% said they were likely or very likely to use the assessment in portfolio management, engagement, and / or investment mandate design. In 2017, the model will be expanded to corporate bonds and credit, as well as a broader range of sectors.²⁹

Further, the Science Based Targets initiative (SBTi) is currently creating methods and implementation guidance to companies in setting targets for their investing and lending activities (Cumis et al., 2018). This initiative³⁰ mobilizes companies to set science-based targets and boost their competitive advantage in the transition to the low-carbon economy. The initiative defines and promotes best practice in setting targets, offers resources and guidance to reduce barriers to adoption, and independently assesses and approves companies' targets. Science-based targets provide companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their greenhouse gas emissions. Targets adopted by companies to reduce greenhouse gas emissions are considered "science-based" if they are in line with the level of decarbonization required to keep global temperature increase below 2 degrees Celsius compared to pre- industrial temperatures, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR5).

Investor demand for climate disclosures in general, and science-based targets specifically, has increased substantially as the risks of climate change have become more apparent.³¹ For instance:

Anne Simpson, Investment Director, Sustainability, at California Public Employees' Retirement System: "Mapping a company's carbon footprint, or the emissions it produces, and measuring its progress in this area is an important and growing part of our portfolio analysis. Over the long-term investors are saying to these companies that we

²⁹ <https://2degrees-investing.org/sei-metrics/>

³⁰ <https://sciencebasedtargets.org/>

³¹ <http://sciencebasedtargets.org/what-investors-are-saying/>

want them to align their business strategy with the Paris Agreement.”

Jeanett Bergan, Head of Responsible Investment at KLP states the potential of better long term returns from setting SBTs: “If we as active owners improve the performance of CO2 intensive companies, that will help us secure better returns in the future.”

Andy Howard, Head of Sustainable Research at Schroders has stated: “We want to know how exposed a particular business is to the changing context on climate and what it is practically doing to make the changes required; including its targets, timeframes and the extent of its ambition.”

The support for better disclosure and target setting by individual investment firms and experts has been accompanied by increasing recognition of the need for investor disclosure on climate change, including through the recommendations of the global Task Force on Climate-Related Financial Disclosures³² issued in 2017 by the Global Financial Stability Board. The report focuses on recommendations for disclosure of climate risk in annual financial reports. The report offers recommendations for how companies can better disclose clear, comparable and consistent information about the risks and opportunities presented by climate change, in hopes that improved disclosure will lead to more efficient allocation of capital, and help smooth the transition to a low-carbon economy.

Another of the many examples of investor engagement is the Climate Action 100+ initiative, backed by 310 investors with more than \$32 trillion in assets under management, including 87 North American investors. Climate Action 100+, launched in December 2017, is an initiative led by investors to engage systemically important greenhouse gas emitters and other companies across the global economy that have significant opportunities to drive the clean energy transition and achieve the goals of the Paris Agreement.

CONCLUSION

We believe it is clear that the Company has provided no basis for the conclusion that the Proposal is excludable from the 2018 proxy statement pursuant to Rule 14a-8. As such, we respectfully request that the Staff inform the company that it is denying the no action letter request. If you have any questions, please contact me at 413 549-7333 or sanfordlewis@strategiccounsel.net.

Sincerely,

Sanford Lewis

cc:

Amanda M. McMillian
Danielle Fugere

³² <https://www.fsb-tcfd.org/>



Amanda M. McMillian
Executive Vice President and
General Counsel

December 20, 2018

VIA E-MAIL

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

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

Ladies and Gentlemen:

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

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

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

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

THE PROPOSAL

The Proposal states:

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

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

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

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

BASIS FOR EXCLUSION

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

ANALYSIS

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

A. Background.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

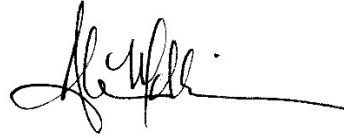
For these reasons and the reasons outlined above, it is clear that the Proposal falls squarely within the scope of the 1998 Release by addressing matters that are so fundamental to management's ability to run the Company on a day-to-day basis that they could not, as a practical matter, be subject to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

CONCLUSION

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda M. McMillian". The signature is fluid and cursive, with a long horizontal line extending to the right.

Amanda M. McMillian
Executive Vice President and General Counsel

cc: As You Sow, on behalf of the Proponents

EXHIBIT A
Proposal Materials



November 28, 2018

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

Dear Ms. McMillian:

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

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

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

Sincerely,

Danielle Fugere
President

Enclosures

- Shareholder Proposal
- Shareholder Authorization

Paris Compliant Business Plan

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

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

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

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

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

A number of peer oil and gas companies have announced policies to reduce their full climate footprint. Shell announced scope 3 greenhouse gas intensity targets.⁵ Total has invested in solar energy⁶ and is reducing the carbon intensity of its energy products.⁷ Equinor is investing in wind energy development.⁸ Orsted, a Danish oil and gas company, sold its oil and gas portfolio and rebranded itself.⁹

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

¹ http://report.ipcc.ch/sr15/pdf/sr15_spm_final.pdf

² <https://nca2018.globalchange.gov/>

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

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

⁵ https://www.shell.com/sustainability/sustainability-reporting-and-performance-data/performance-data/greenhouse-gas-emissions/jcr_content/par/tabbedcontent/tab/textimage.stream/1534322148157/faafbe2d44f8f9ade10d1202b31b8552a67d1430dc3ae7ddc192fc83e9f835c8/2018-cdp-climate-change-submission-180815.pdf, C4.1b

⁶ https://www.total.com/sites/default/files/atoms/files/total_climat_2018_en.pdf, p. 35

⁷ https://www.total.com/sites/default/files/atoms/files/total_climat_2018_en.pdf, p. 6.

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

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

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

footprint¹¹), Anadarko has not adopted Paris-aligned targets or actions to reduce the full climate impact of its investments in fossil fuel energy sources. Anadarko's Scope 3 product emissions are *increasing*¹² as its ratio of gas to oil reserves declines.¹³

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

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

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

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

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

¹³ https://www.anadarko.com/content/documents/apc/news/Fact_Sheets/Corporate_Fact_Sheet.pdf, p.2.

10/13/2018

Andrew Behar
CEO

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

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

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

The Stockholder: Jeanne Miller (S)

Company: Anadarko Petroleum Corporation

Annual Meeting/Proxy Statement Year: 2019

Resolution: Report on Carbon Asset Risk

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

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

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

Sincerely,

DocuSigned by:

F80B398806F74B9...
Jeanne Miller



November 28, 2018

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

Dear Ms. McMillian:

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

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

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

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

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

Sincerely,

Danielle Fugere
President

Enclosures

- Shareholder Proposal
- Shareholder Authorizations

Paris Compliant Business Plan

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

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

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

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

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

A number of peer oil and gas companies have announced policies to reduce their full climate footprint. Shell announced scope 3 greenhouse gas intensity targets.⁵ Total has invested in solar energy⁶ and is reducing the carbon intensity of its energy products.⁷ Equinor is investing in wind energy development.⁸ Orsted, a Danish oil and gas company, sold its oil and gas portfolio and rebranded itself.⁹

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

¹ http://report.ipcc.ch/sr15/pdf/sr15_spm_final.pdf

² <https://nca2018.globalchange.gov/>

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

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

⁵ https://www.shell.com/sustainability/sustainability-reporting-and-performance-data/performance-data/greenhouse-gas-emissions/jcr_content/par/tabbedcontent/tab/textimage.stream/1534322148157/faafbe2d44f8f9ade10d1202b31b8552a67d1430dc3ae7ddc192fc83e9f835c8/2018-cdp-climate-change-submission-180815.pdf, C4.1b

⁶ https://www.total.com/sites/default/files/atoms/files/total_climat_2018_en.pdf, p. 35

⁷ https://www.total.com/sites/default/files/atoms/files/total_climat_2018_en.pdf, p. 6.

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

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

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

footprint¹¹), Anadarko has not adopted Paris-aligned targets or actions to reduce the full climate impact of its investments in fossil fuel energy sources. Anadarko's Scope 3 product emissions are *increasing*¹² as its ratio of gas to oil reserves declines.¹³

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

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

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

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

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

¹³ https://www.anadarko.com/content/documents/apc/news/Fact_Sheets/Corporate_Fact_Sheet.pdf, p.2.

PARK FOUNDATION

October 30, 2018

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

Re: Authorization to File Shareholder Resolution

Dear Andy,

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

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

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

Sincerely,



Jon M. Jensen
Executive Director

October 26, 2018

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

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,


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

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

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

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

Sincerely,

DocuSigned by:

25BB9E974DA9455...
Daniel Meisel

Trustee
The Amy Wendel Revocable Trust

October 15, 2018

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

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

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

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

Company: Anadarko Petroleum Corporation

Resolution Request: Report on carbon asset risk

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

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

Sincerely,

DocuSigned by:
Christopher Payne
A7D2699E4BB6400...

Christopher Payne

Trustee

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

November 2, 2018

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

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

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

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

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

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

Sincerely,

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

Trustee
Daniel Handler & Lisa Brown Family Trust

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

Trustee
Daniel Handler & Lisa Brown Family Trust

October 3 , 2 18

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

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,


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

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

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

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

Sincerely,

DocuSigned by:

0A7560D89BFG4ED...
Emily Scott Pottruck

Trustee
Emily Scott Pottruck Revocable Trust

November 16, 2018

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

Re: Authorization to File Shareholder Resolution

Dear Mr. Behar,

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


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

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

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

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

Sincerely,

DocuSigned by:

22E83C074F1449C...
Kalpana Raina

As Account Owner
Kalpana Raina

October 30, 2018

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

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

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

Stockholder: Schwab Charitable Fund FBO The Resiliency Fund
Company: Anadarko Petroleum Corporation
Resolution Request: report on Carbon Asset Risk

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

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

Sincerely,

DocuSigned by:

39590213F37D495
Jen Hicks on behalf of Wetherby Asset Management

Authorized Discretionary Advisor
Schwab Charitable Fund FBO The Resiliency Fund

November 5, 2018

Andrew Behar

CEO

As You Sow

1611 Telegraph Ave., Ste. 1450

Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

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

Stockholder: SJM Trust

Company: Anadarko Petroleum Corporation


Resolution Request: Report on Carbon Asset Risk

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

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

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

Sincerely,

DocuSigned by:

3A8D061DC4A14CE...
Susan Moldaw

Trustee

SJM Trust

December 17, 2018

JEANNE BRONWEN MILLER

Dear Ms. Miller:

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

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

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

Sincerely,



Thomas M. Gillet
Client Service Manager

Our file: W510280-06DEC18

The Northern Trust Company

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



December 7, 2018

RE: Park Foundation ***

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

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

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Frank Fauser', written in a cursive style.

Frank Fauser
Vice President

EXHIBIT B

Anadarko Climate Change Report

CLIMATE CHANGE

Risk Assessment and Management

2018



Committed to being good stewards of the environment.

To learn more please visit www.anadarko.com.



EXECUTIVE SUMMARY

Danny Brown
EVP, U.S. Onshore
Operations

Bob Gwin
EVP, Finance and
Chief Financial
Officer

Mitch Ingram
EVP, International,
Deepwater and
Exploration

Amanda McMillian
EVP and General
Counsel

Bobby Reeves
EVP and Chief
Administrative
Officer

Al Walker
Chairman,
President and
Chief Executive
Officer

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

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

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

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

Executive Committee
ANADARKO PETROLEUM CORPORATION

INTRODUCTION

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

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

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



R. A. Walker

Chairman, President and Chief Executive Officer

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

OUR MISSION AND COMPANY



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

Anadarko employs approximately 4,400¹ men and women and expects to invest between \$4.5 and \$4.8 billion² 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

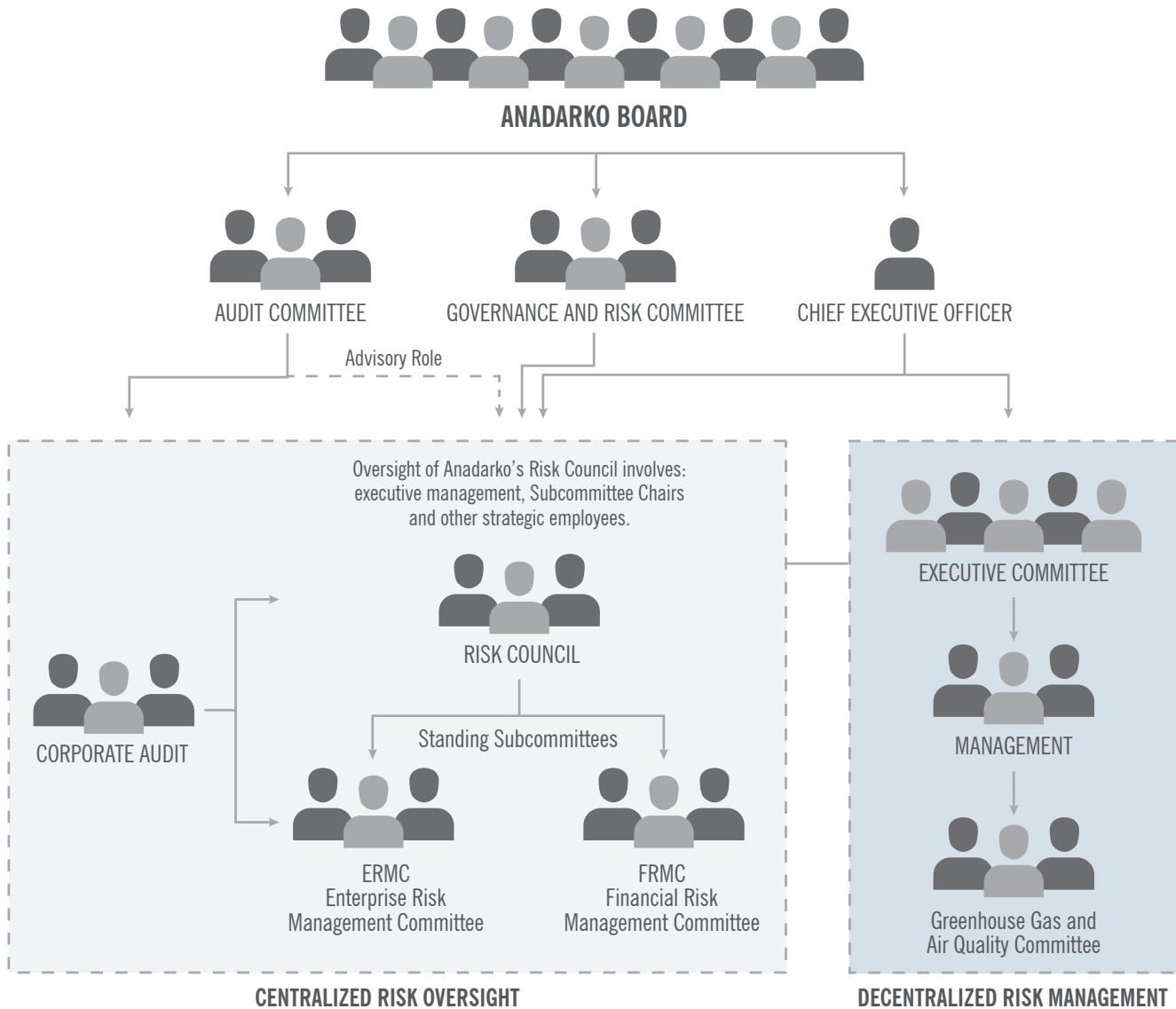
The ERM process provides a formalized view of Anadarko's philosophy and approach to risk management. Risk management objectives include:

- 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



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

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

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

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

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

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

Risk-Aware Corporate Culture

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

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

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

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



STRATEGY

Portfolio Analysis and Resilience



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

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

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

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

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

1

Current Policies Scenario

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

2

New Policies Scenario

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

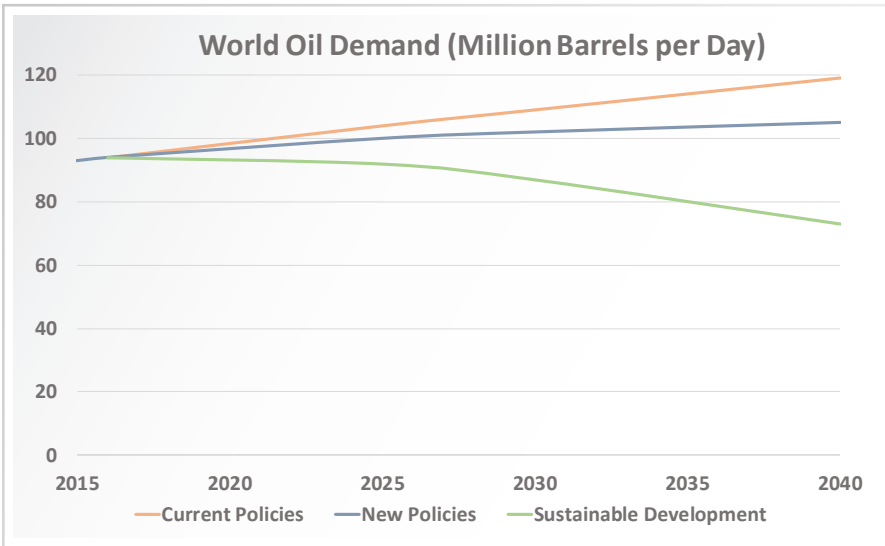
3

Sustainable Development Scenario

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

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

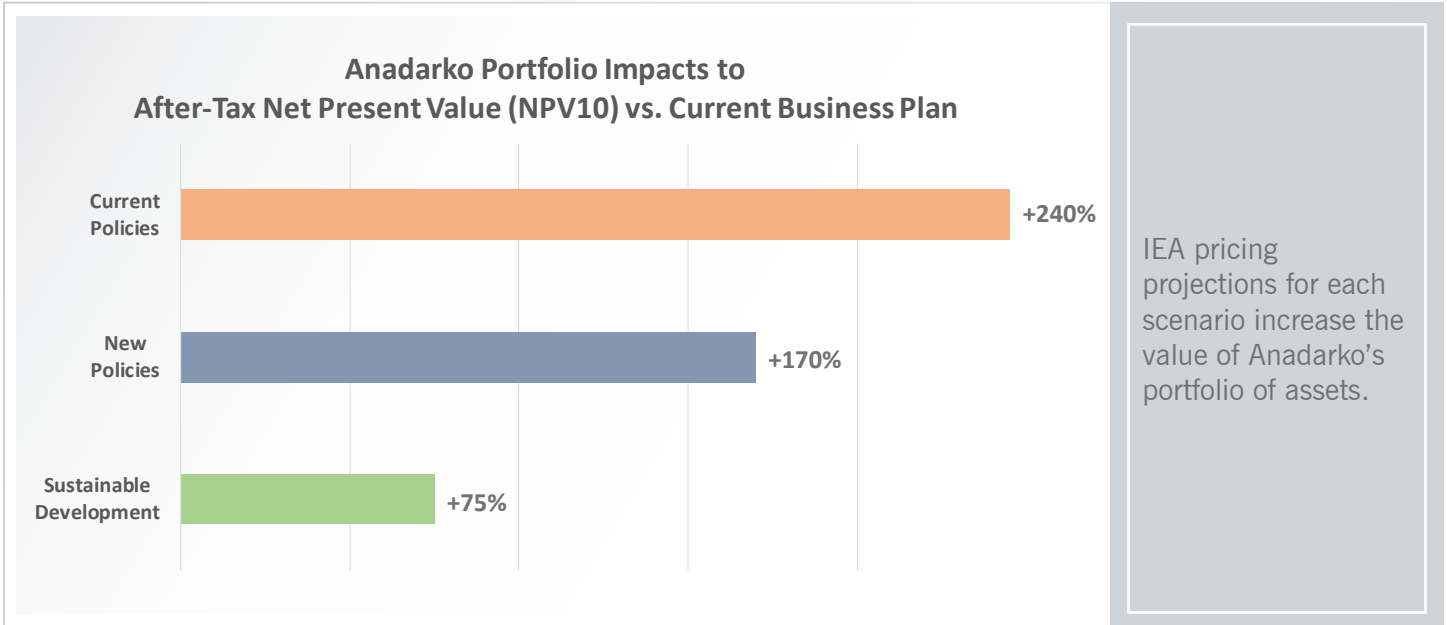


³ IEA 2017 World Energy Outlook, page 131.

Anadarko Portfolio Analysis

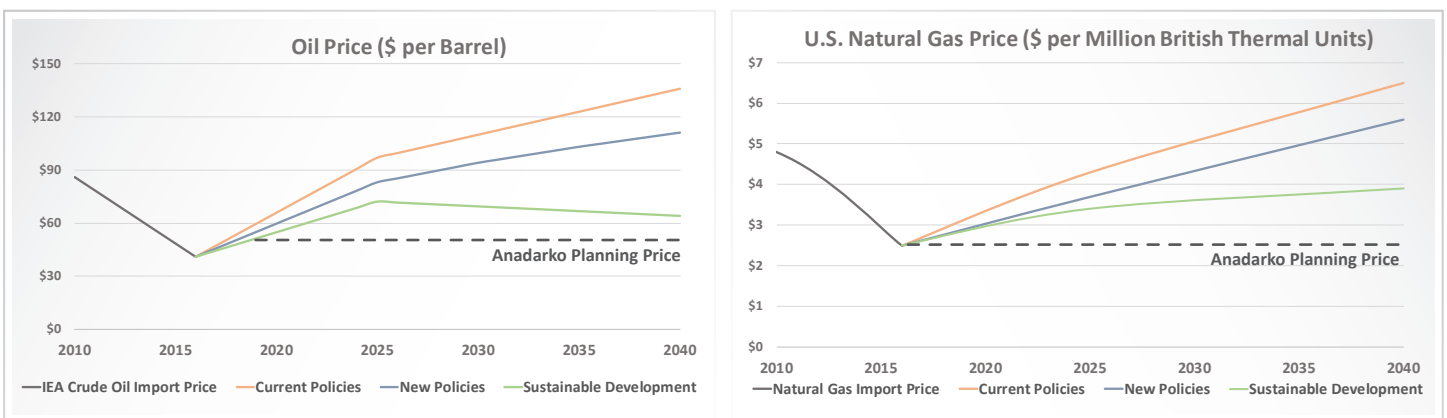
Portfolio impacts were assessed by applying the oil, natural gas and carbon prices set forth in the three IEA scenarios to Anadarko’s current, long-range business plan. Anadarko’s business plan is a multi-year capital investment program with associated production and operating costs. It forecasts cash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

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



Summary of the asset level after-tax NPV10 values

The increase is driven by the fact that Anadarko’s business plan is formulated using a global (WTI and Brent) oil price of \$50 per barrel⁴ 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.

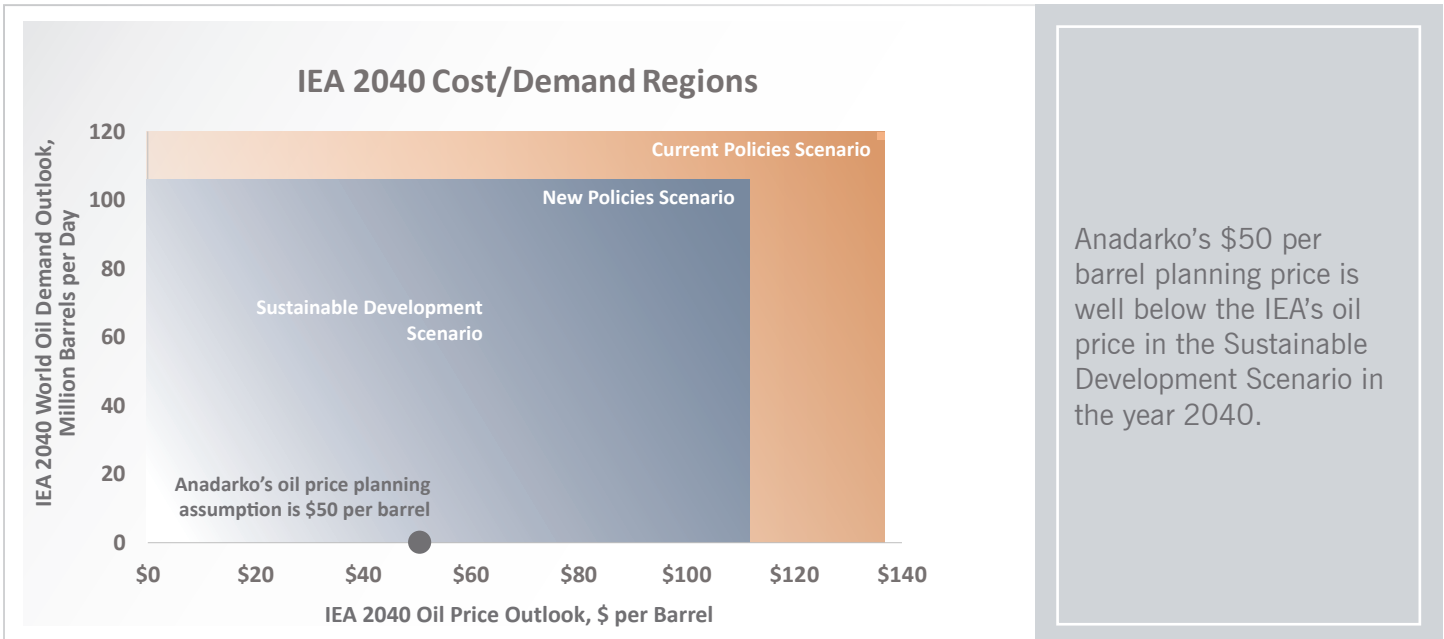


Source: IEA 2017 World Energy Outlook

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

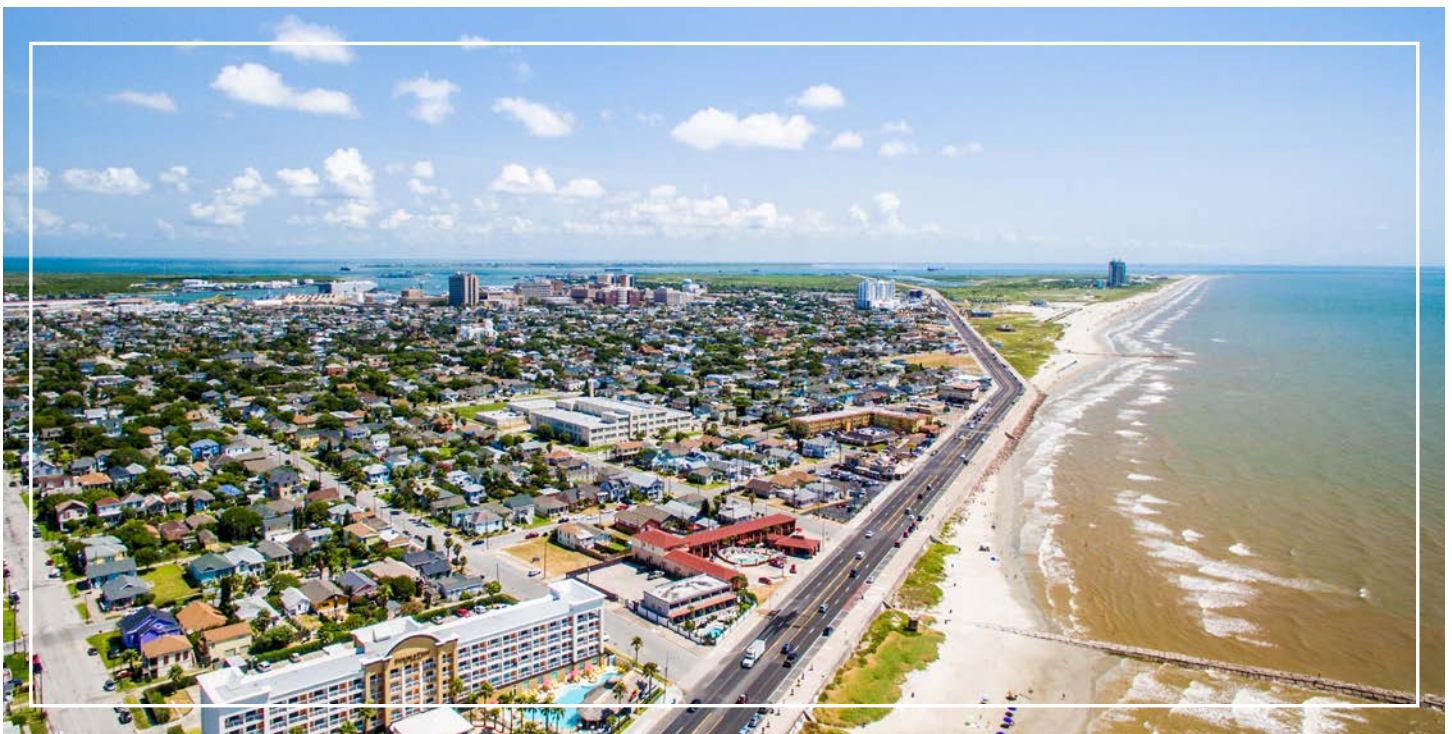
2040 IEA Outlook

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



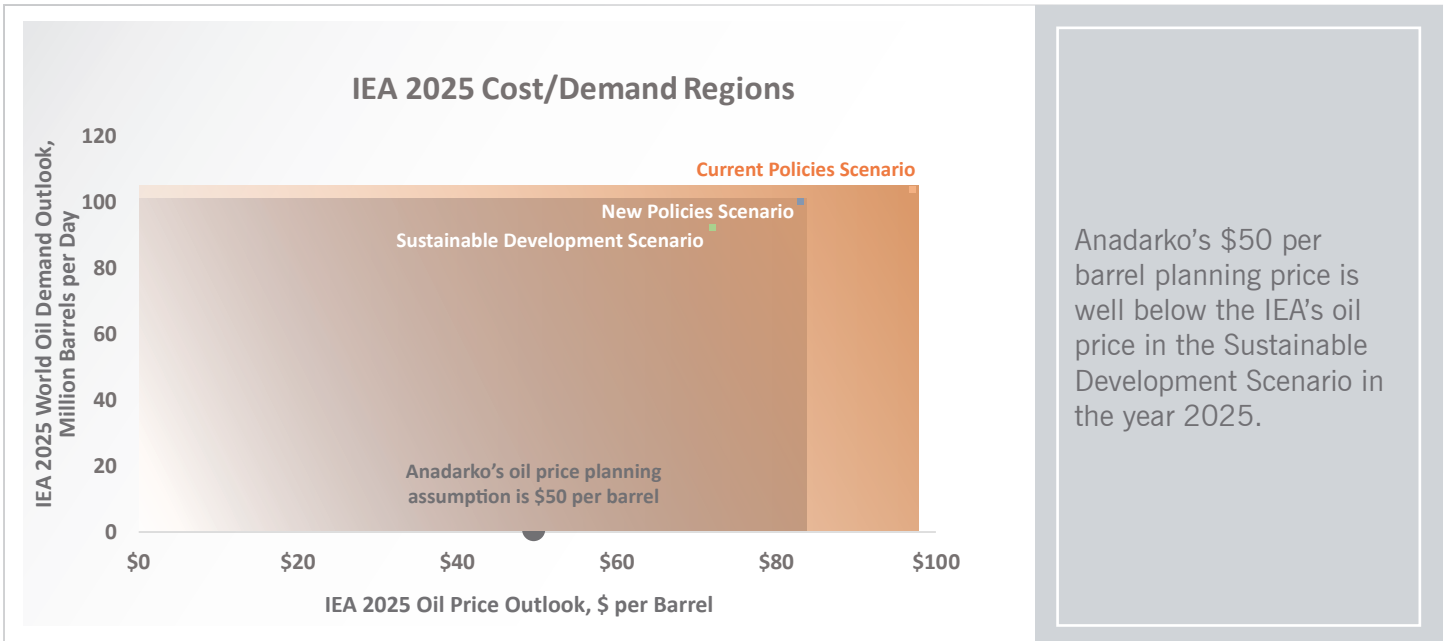
Source: IEA 2017 World Energy Outlook

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



2025 IEA Outlook

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



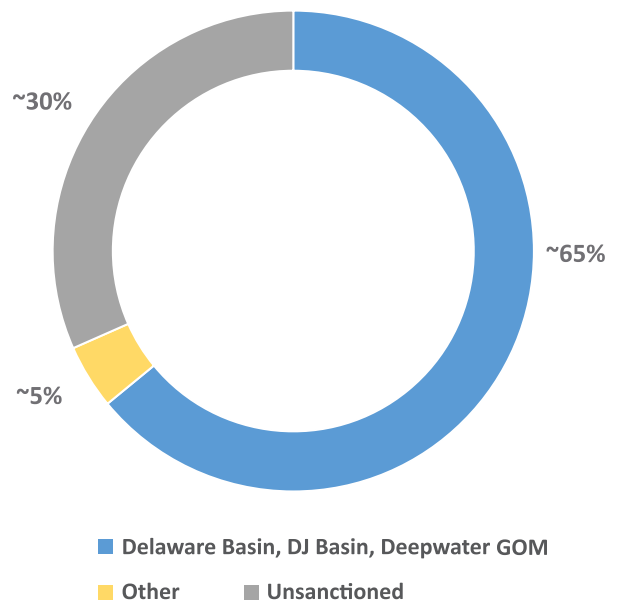
Source: IEA 2017 World Energy Outlook

Anadarko's Capital Allocation Through 2025

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

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

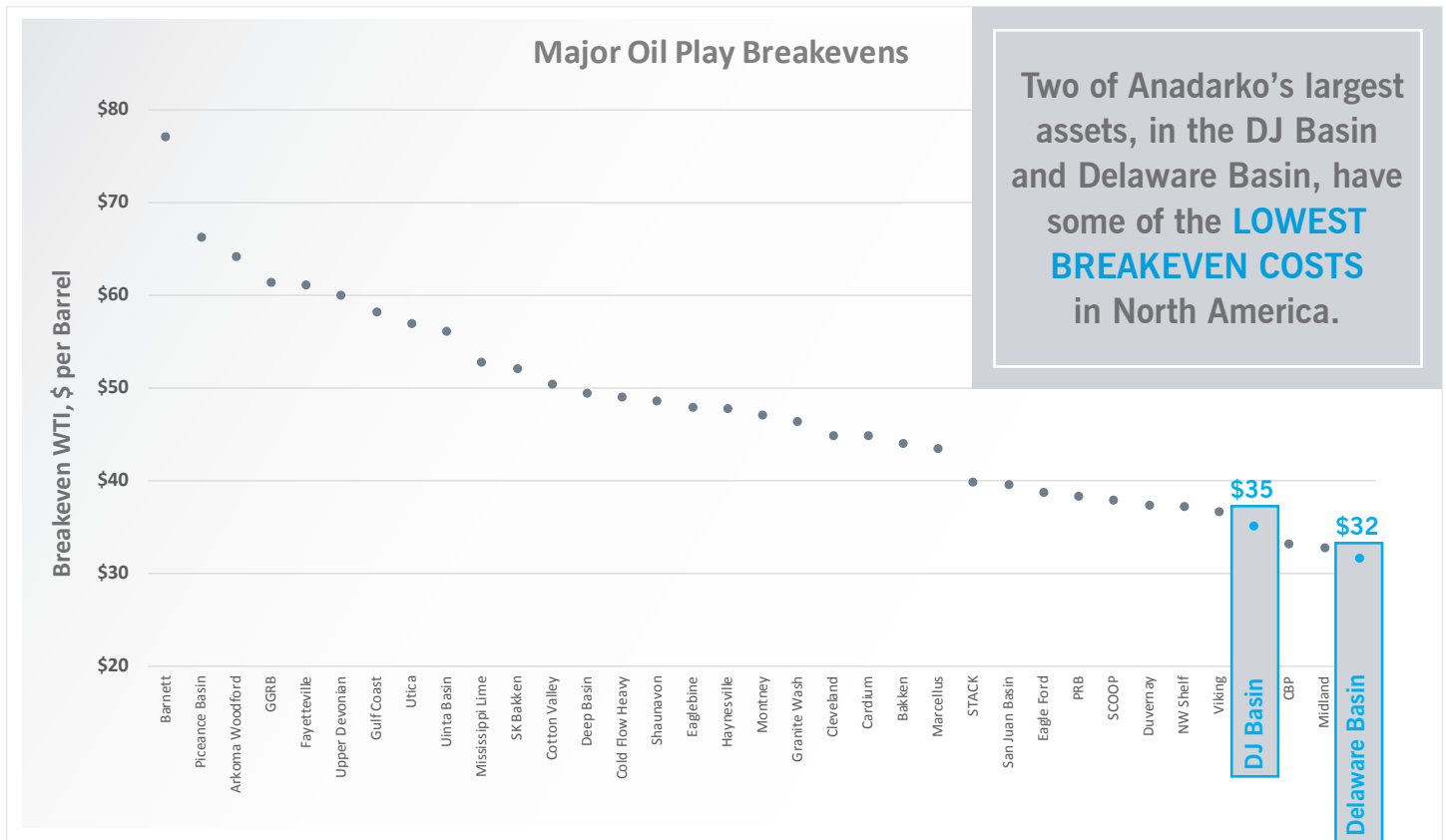
Anadarko's Expected Capital Allocation 2018 - 2025



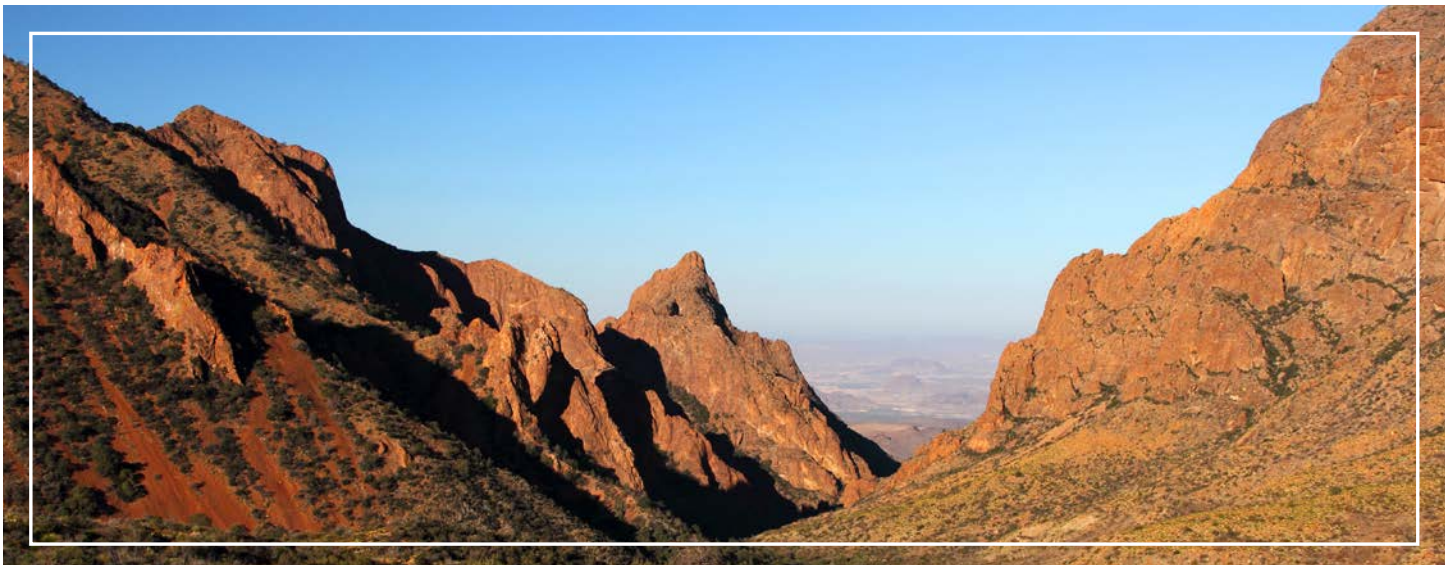
Benchmarking Against North American Peers

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

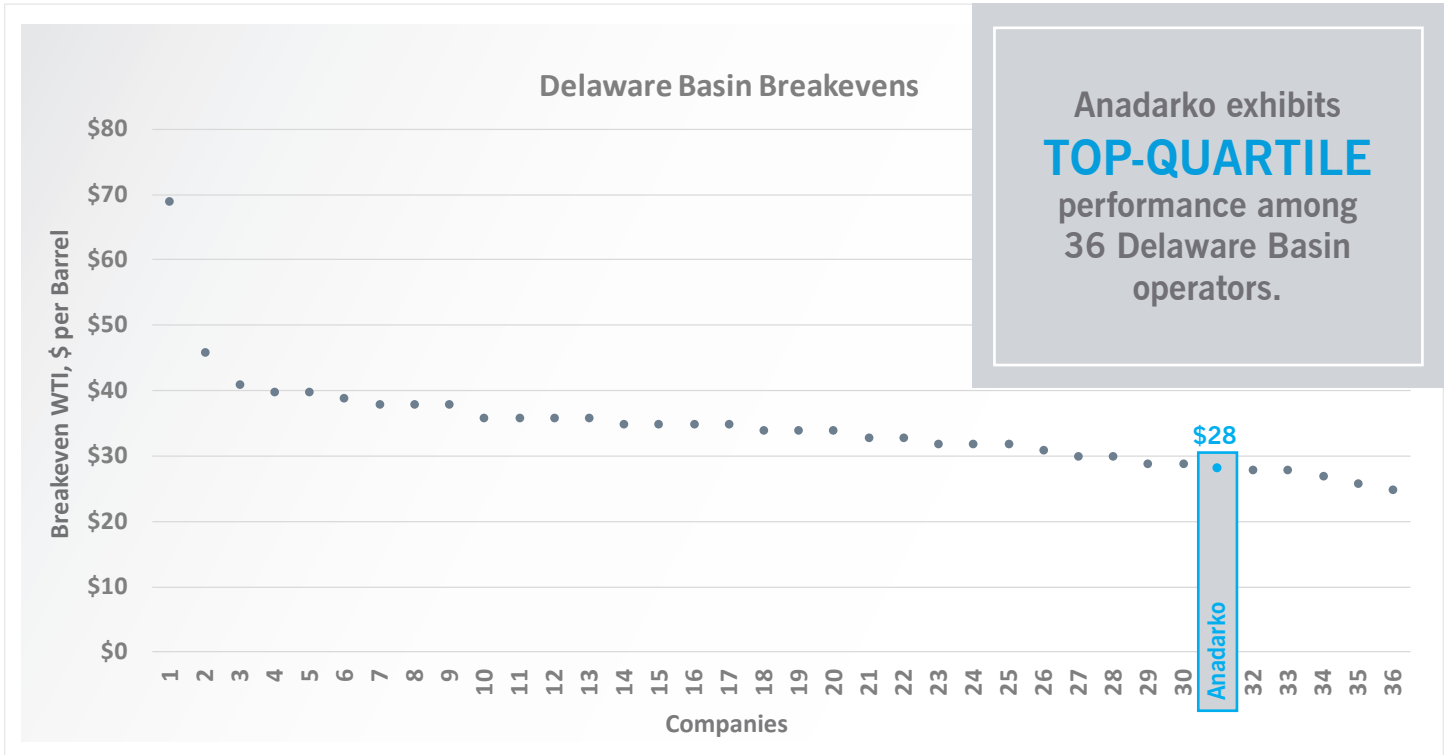
Both the Delaware Basin and DJ Basin are recognized by an independent research analyst as having some of the lowest breakeven oil prices in North America. Anadarko’s GOM opportunities are competitive with these two economically advantaged basins.



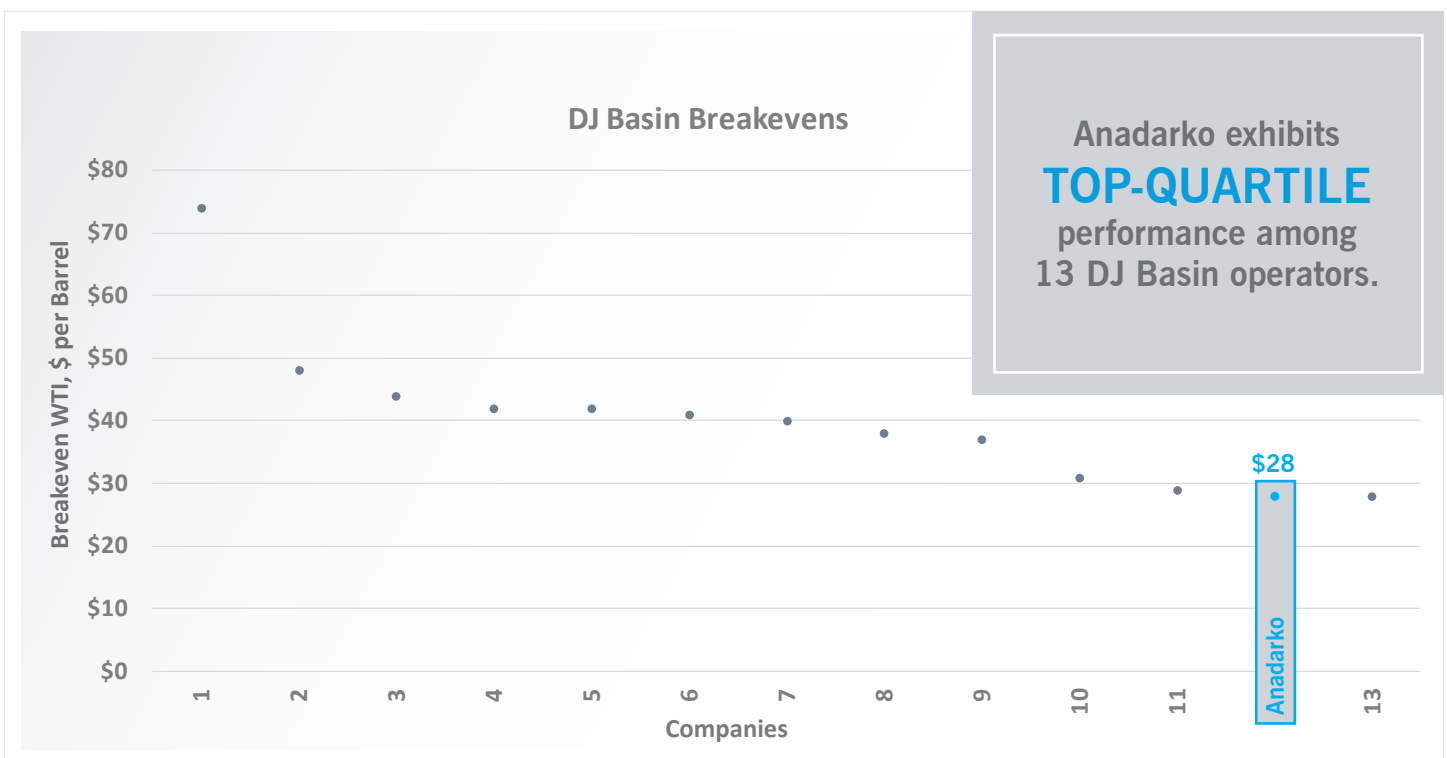
Source: RS Energy Group



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



Source: RS Energy Group



Source: RS Energy Group

Portfolio Resilience

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

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

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



METRICS AND TARGETS



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



Greenhouse Gas Emissions Metrics

Anadarko seeks to provide transparency surrounding its annual calculation of Scope 1, 2 and 3 GHG emissions on a CO₂-equivalent (CO₂e) basis.

SCOPE 1

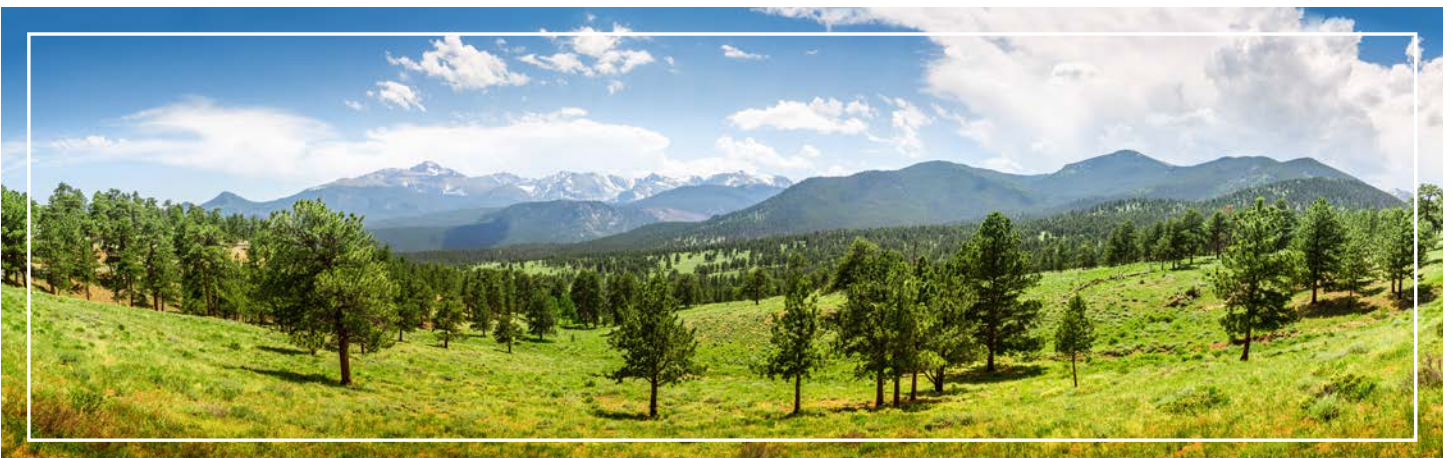
Direct emissions from sources (such as combustion from engines and venting from pneumatic controllers) at facilities over which Anadarko has operational control.

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 (CH₄/MBOE), while midstream methane intensity is reported in metric tonnes of methane per million cubic feet of natural gas (CH₄/MMcf).

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

ENVIRONMENT PERFORMANCE DATA			
TOTAL UPSTREAM GHG EMISSIONS			
Direct emissions (Scope 1) (million metric tonnes CO ₂ e)	2.4 ⁵	2.7 ⁵	2.3 ^{6,7}
	58.1	54.9	26.8
Methane intensity (metric tonnes CH ₄ /MBOE) ⁹	0.23	0.22	0.16
Combustion emissions (million metric tonnes CO ₂ e) ⁸	0.5	0.2	0.3
Flaring emissions (million metric tonnes CO ₂ e) ⁸	0.3	0.5	0.7
	1.3	1.3	0.6
TOTAL MIDSTREAM GHG EMISSIONS			
Direct emissions (Scope 1) (million metric tonnes CO ₂ e)	2.7 ⁵	5.3 ^{5,10}	3.5 ^{6,7}
Methane emissions (thousand metric tonnes CH ₄) ⁸	3.5	45.6 ⁶	15.7
Methane intensity (metric tonnes CH ₄ /MMcf) ¹¹	0.002	0.026	0.010
Combustion emissions (million metric tonnes CO ₂ e) ⁸	2.0	3.3	2.4
Flaring emissions (million metric tonnes CO ₂ e) ⁸	0.1	0.4	0.3
Venting emissions (million metric tonnes CO ₂ e) ⁸	0.6	1.5	0.8
TOTAL INDIRECT GHG EMISSIONS (MILLION METRIC TONNES CO₂e)			
Scope 2 emissions ¹²	1.2	0.8	0.8
Scope 3 emissions ⁶	7.6	6.3	11.3

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>.



Greenhouse Gas and Air Quality Committee

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

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

The GHGAQ Committee's goals include:

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

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



Examples of Emissions Reduction

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

Tankless Production Facilities in Delaware Basin

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

Water on Demand in DJ Basin

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

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

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

Commitment to Remove High-Bleed Pneumatic Devices

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

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

PROGRAM PARTICIPATION HIGHLIGHTS

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

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

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

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



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

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

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

CONCLUSION



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

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

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

Anadarko values your feedback. Please send any comments, suggestions or questions about this report to publicaffairs@anadarko.com.

CAUTIONARY LANGUAGE



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

Anadarko 

