Name of donor/prospect: BP

Existing Relationship to Museum: Funding partner for Enterprising Science project

Gift Information (where it is coming from, amount and what for):
Approx £[или][или]$ for SMG Science Engagement Academy. Likely to come from community investment team.

Source of Wealth:
BP is an oil and petrochemicals firm which supplies customers with fuel for transportation, energy for heat and light, lubricants to keep engines moving, and the petrochemicals products used to make products such as paints, clothes and packaging.

BP was established in the UK in 1909, after its founder first identified oil in Persia in 1908, and the global headquarters for the firm’s parent company, BP plc. are in London.

BP is one of the world’s largest energy companies, as well as being one of the biggest companies in the UK. BP now operates in more than 70 countries worldwide, employing over 80,000 people. BP plc. is the parent company of 93 BP subsidiaries, some of which also have their own subsidiaries. The business is separated into two distinct areas: Upstream (finding, developing and extracting oil and gas) and Downstream (transporting and trading, manufacturing, and marketing). After an early focus on the Middle East, upstream exploration now takes place in a number of countries including the USA, UK, Russia, Norway, Canada, South America and Asia. The company also has midstream activities in three major pipelines (the Trans Alaska pipeline system, the Forties, and the Central Area Transmission System). BP also operates a Renewables business sector, which is the largest amongst the major oil and gas firms, and which focuses on biofuels from Brazilian sugar cane and offshore wind.

BP brands also include Aral (a German fuel company); Castrol (motor oil); ampm (US convenience stores); and Wild Bean Café (cafes found in UK BP petrol stations). BP also owns a 19.75% stake in Russian oil and gas company Rosneft, with whom they have reciprocal agreements to jointly explore Russian oil fields.

BP plc. (the global parent company) had a turnover of £150.9bn in FY2015 but made a loss of £6.4bn overall. Turnovers in the four previous years had ranged between £227bn and £241bn, so the FY15 turnover was significantly lower, which the company attributes in its Annual Report to lower Upstream profits compared to previous years, which was only partially offset by increased Downstream earnings. The overall loss is partly attributable to these drops in profits, as well as to lower oil and gas prices, but also in large part due to claims arising from the 2010 Deepwater Horizon oil spill in the Gulf of Mexico. (Source: Annual Report 2015)

Financial reports for the latest quarter (Q4 2016) reveal quarterly profit of £497m. Figures comparing the actual year of 2016 with the year of 2015 showed that an overall profit of £115m, compared to a loss of £6.4bn in the same period of 2015. (Source: BP press release 07/02/17 – ‘Group results Fourth quarter and full year 2016’)

BP currently lists 141 institutional shareholders, of which the following own more than 1% of shares:
Giving history/Associations with other benchmark organisations (examples of partnerships, major philanthropic gifts):

**CULTURAL**

BP gave £10m in five-year deals running up to 2017 to four organisations: the British Museum; the National Portrait Gallery; the Royal Opera House; and Tate Britain. (Source: BBC News 28/07/16)

“In support of our strategy, we recently announced a further five year investment of £7.5 million from 2018 for a range of projects at the British Museum, the National Portrait Gallery, the Royal Opera House and the Royal Shakespeare Company.” This confirms support for these organisations until 2022. (Source: BP website)

**British Museum**

BP is one of the British Museum's longest-standing partners, supporting the public programme on an annual basis since 1996 and encouraging over 4 million visitors to attend an exhibition, display or activity. Sponsored exhibitions: Sunken Cities: Egypt's Lost Worlds; Indigenous Australia: enduring civilisations; Ming: 50 years that changed China; Vikings: Life and Legend; Shakespeare: Staging the World.

**Royal Opera House**

BP and the Royal Opera House (ROH) have worked together for 28 years, making this the ROH's longest corporate partnership. For the last 16 years, BP has supported the free Big Screens live relays of opera and ballet performances direct from Covent Garden to an increasing number of sites across the country. In 2016 around 23,000 people watched BP Big Screens in 14 locations across the UK.

**National Portrait Gallery**

BP is the most enduring corporate supporter of the National Portrait Gallery. Indeed, the Gallery's annual BP Portrait Award, the world's most prestigious competition of its kind and aimed at encouraging artists to develop portraiture in their work, is now in its 28th year of sponsorship by BP.

**Royal Shakespeare Company**

BP's relationship with the Royal Shakespeare Company (RSC) began in 2011 with support for The World Shakespeare Festival, a UK-wide, eight month celebration, produced by the RSC as part of the cultural celebrations for the London 2012 Olympics.
The World Shakespeare Festival reached 1.8 million people as UK and international artists and producers explored Shakespeare as the world's playwright. It resulted in 69 productions, seven exhibitions, six film screenings, nine short plays, 263 amateur shows and 28 digital commissions and films.

In 2013, following this success, BP became the Project Partner for the RSC's £5 ticket scheme for 16-25 year olds. In 2015, the BP 16-25 Shakespeare Pass was introduced. This enables young people in that age group to see five RSC productions in the Company's home town of Stratford-upon-Avon for just £20.

**Hull City of Culture 2017**
BP was the first major corporate partner to support Hull UK City of Culture 2017 which launched on the 1st January 2017. BP Cultural Visions Lecture series - in collaboration with the University of Hull, BP is running a series of lectures designed to spark reflections about culture.

**Tate Britain**
BP had worked with Tate Britain since the beginning of 1990. The partnership ended February 2017 and there was speculation in press that this was connected to protests from climate change activists. (Source: FT [https://www.ft.com/content/fc89bc54-e78f-11e5-bc31-138df2ae9ee6](https://www.ft.com/content/fc89bc54-e78f-11e5-bc31-138df2ae9ee6)). FOI requests had shown that BP gave Tate £3.8m over a period of 17 years, averaging £224k per year. (Source: The Guardian, 26/01/15)

**Edinburgh International Festival**
BP sponsored the Festival for 34 years, but in 2016 it was confirmed that this partnership had ended.

**Natural History Museum**
BP supported the NHM from 1990 – 2013 (based on FOI request and annual reports; BP no longer mentioned as donor after FY13). In 2009 they were paying approx. £30k for a year of corporate membership. (Source: NHM annual report and [https://www.whatdotheyknow.com/request/funding_from_bp](https://www.whatdotheyknow.com/request/funding_from_bp))

**STEM**

**Engineering Development Trust**
BP supports mentoring and coaching related to STEM subjects through sponsorship of the Engineering Development Trust's Go4SET, Engineering Education Scheme and Headstart programmes and also the CREST awards from the British Science Association. (Source: BP website)

Exact amount given by BP unknown. In 2015, the Engineering Development Trust received £177.6k in total for unrestricted sponsorship. (Source: Charity Commission - [http://apps.charitycommission.gov.uk/Accounts/Ends66/0001156066_AC_20150831_E_C.PDF](http://apps.charitycommission.gov.uk/Accounts/Ends66/0001156066_AC_20150831_E_C.PDF))

**Queen Elizabeth Prize for Engineering**
BP is a founder donor to the Queen Elizabeth Prize (QEP), contributing £2m over 5 years. The QEP is a biannual global prize recognising and celebrating outstanding advances in engineering that have changed the world.

**HIGHER EDUCATION/RESEARCH**

**University of Manchester**
In 2012 BP established a $100m International Centre for Advanced Materials (BP-ICAM), based at The University of Manchester, to support fundamental science and the engineering application of advanced materials for use in the energy sector. The ten-year investment will see Manchester acting as the ‘hub’ of the Centre, with ‘spokes’ in three world-leading universities – University of Cambridge, Imperial College London and University of Illinois at Urbana-Champaign – which have specific areas of expertise. (Source: [http://documents.manchester.ac.uk/display.aspx?DocID=15003](http://documents.manchester.ac.uk/display.aspx?DocID=15003) [http://www.icam-online.org/about-us/the-icam-story/](http://www.icam-online.org/about-us/the-icam-story/))

**Royal Academy of Engineering**
BP has committed to supporting the Academy’s Enterprise Hub for the next three years [announced October 2016], helping to grow programmes that identify and develop the UK’s most promising engineering and technology entrepreneurs. (source: RAE press release, 10/16). The RAE’s annual report confirmed that they had received £1.2m towards the Enterprise Hub in FY16. (Source: http://apps.charitycommission.gov.uk/Accounts/Ends74/0000293074_AC_20160331_E_C.PDF)

Chatham House
BP are listed as a Corporate Member of Chatham House: “the Royal Institute of International Affairs, is an independent policy institute based in London. Our mission is to help build a sustainably secure, prosperous and just world” Major Corporate Partnership is from and BP are listed as “Partners” which has no publicly specified value. (Source: Chatham House website and Annual Review 2015/16)

SOCIAL/COMMUNITY

BP is a founding partner of the ‘arc’ programme from Business in the Community, which began in September 2011 to create an employment legacy from the London 2012 Olympic and Paralympic Games. The aim of arc is to create 1,000 new jobs in each area where it operates, by supporting the growth of social enterprises in local communities. (Source: BP website)

Matched Donations
UK communities benefited from nearly $4m in 2015 of employee contributions matched by the BP Foundation, and over 34,650 hours were volunteered by UK-based employees.

SPORTS

Olympics/Paralympics
Between 2008 - 2016 BP was a partner of the British Olympic Association and the British Paralympic Association. BP began its association with Olympic and Paralympic sport when it became a partner of the London 2012 Games. Since then BP has supported a number of high-profile sporting events, including the Glasgow 2014 Commonwealth Games. BP is also a partner of the International Paralympic Committee, the governing body for the Paralympic Movement until 2020. Between 2011- 2016 they sponsored the following athletes:
- Lizzie Deignan, cyclist - Commonwealth champion and Olympic silver medallist at London 2012
- Richard Whitehead, runner - double Paralympic champion, triple World champion and world record holder across multiple distances
- Stef Reid, long jumper - multiple Paralympic medallist and former European champion in the long jump T44

British Paralympic Association annual report for FY16: “In total our commercial partners supported the BPA through sponsorship arrangements with BPE totalling £1,195,234 (2015: 51,141,204), and value in kind—donated goods and services with BPE totalling goods and services is assessed at £676,230 (2015:532,478).” Twelve commercial partners in FY16 = average sponsorship contribution of £100k. [BPE = British Paralympic Enterprises Limited. This is a wholly-owned trading subsidiary of BPA and its principal activity is sports administration and trading.] (Source: http://apps.charitycommission.gov.uk/Accounts/Ends85/0000802385_AC_20160331_E_C.PDF)

Negative/Positive Press:

Deepwater Horizon oil spill
An explosion at BP’s Deepwater Horizon oil rig in the Gulf of Mexico in 2010 resulted in a major oil spill and the loss of 11 crew members lives. The oil spill has been described as the worst
environmental disaster in the US, with roughly 3.2 million barrels (134 million gallons) of crude oil spilling over the course of 87 days, staining 1,100 miles of coastline. However, more recent reports have suggested that the environmental impact has not been as severe as originally feared. (Source: The Telegraph, 20/04/15)

The Guardian reported in the June 2016 that BP had so far set aside $56.4bn to cover settlements, fines and clean-up costs, including: $4bn settlement of criminal charges; an estimated $12.9bn for businesses and individuals; and an $18.7bn environmental settlement. They added that BP also estimates that the cost of responding to the spill and the oil clean-up reached $14bn. (Source: The Guardian, 3/6/16)

- The US Securities and Exchange Commission took BP to the Supreme Court in 2012 on charges of securities fraud around the oil spill, resulting in BP agreeing to pay a $525m penalty to settle the case. (Source: SEC litigation release 15/11/12). In 2014 a group of shareholders took a class action law suit to the US federal district court claiming that BP underplayed the severity of the oil spill. The claimants were awarded $175m, payable during 2016-17, which was far less than the $2.5bn the claimants were seeking. (Source: The Guardian, 3/6/16)
- BP reached agreements in principle with the United States federal government and five Gulf states in July 2015 to settle all federal and state claims arising from the Deepwater Horizon accident and oil spill. In addition, BP also settled the vast majority of claims made by local government entities. Subject to agreement by the court, payments under the terms of the agreements will be made at a rate of around $1.1bn a year for the majority of the 18-year payment period. By the end of 2015 the payments made by BP to settle such claims amounted to $55.5bn. (Source: BP Annual Review 2015, p. 41)
- The Plaintiffs’ Steering Committee (PSC) was established to act on behalf of individual and business plaintiffs in the multi-district litigation proceedings in federal court in New Orleans (MDL 2179). In 2012 BP reached settlements to resolve the substantial majority of legitimate individual and business claims and medical claims stemming from the incident. Approximately $2.3 billion was paid out under the PSC settlements during 2015. Claims continue to be assessed and paid. (Source: BP Annual Review 2015, p. 42)
- In April 2011 BP committed to provide $1 billion in early restoration funding to expedite recovery of natural resources injured as a result of the incident. By the end of 2015 BP had provided approximately $762 million to support restoration projects, with the remaining $238 million expected to be funded in 2016. The federal and state settlements referred to above include more than $7 billion to resolve all natural resource damage claims, which is in addition to this $1 billion. In May 2010 BP committed $500 million over 10 years to fund independent scientific research through the Gulf of Mexico Research Initiative. BP had contributed $278 million to the programme by the end of 2015. (Source: BP Annual Review 2015, p. 42)

Other environmental issues
- BP has suffered a number of other oil rig explosions, including:
  o 2005 – an explosion at Texas City killed 15 workers and injured 180 more. The explosion occurred when hydrocarbon liquid and vapor were released from a "blowdown stack" and ignited. BP admitted that safety procedures were ignored. BP paid over $2bn (£1.26bn) to settle legal claims from the explosion, as well as $71.6m for worker safety violations and $100m in pollution fines.
  o 2006 - Two leaks at BP's Prudhoe Bay oilfield in Alaska in March and August of 2006 created a large spill in Prudhoe Bay. According to the US government, BP failed to heed warning signs of imminent internal corrosion. BP in 2007 agreed to pay a $12m criminal fine, $4m in community service payments and $4m in criminal restitution to Alaska. A further 2009 oil spill onto the tundra adjacent to Prudhoe Bay also took place in 2009.
  o 2011 - Pipeline leaks oily material onto the tundra at BP's Lisburne field in the US. BP said a pipeline ruptured during testing and spilled a mixture of methanol and oily water onto the tundra.
  o 2012 - Explosion during maintenance on a pipeline at BP's Pinon natural gas compressor station near Bayfield in western Colorado kills one worker and injures two others. (Source: The Telegraph, 15/11/12)
• A 2011 class action lawsuit by the residents of a Nevada town next to an abandoned copper mine was successful in claiming $19.5m in settlement based on allegations of toxic chemical leakage. The mine was owned by Atlantic Richfield Co. and its parent BP America Inc. (Source: AP, 06/11/13)

• In 1999 BP Exploration (Alaska) Inc. pleaded guilty to one felony count related to the illegal disposal of hazardous waste on Alaska’s North Slope, and it agreed to spend $22 million to resolve the criminal case and related civil claims, as well as the maximum criminal fine of $500,000. (Source: EPA press release 23/09/99)

• BP was ordered to pay $81m to the South Coast Air Quality Management District in 2005, including $30m for a new community outreach program. The fine was imposed due to illegal escape of toxic gases from its Carson refinery over a 10 year period. (Source: LA Times, 18/03/05)

• BP was taken to the UK high court by a group of Colombian farmers in 2015 for allegations of land contamination and damage caused by the construction of the Ocensa oil pipeline across their land in the mid-90s. (Source: FT, 12/10/14)

Environmental protests
• Environmental activists have protested about BP’s sponsorship of cultural sector organisations, including:
  o In May 2016 85 Greenpeace activists scaled the façade of the British Museum to protest about BP’s sponsorship of the Sunken Cultures exhibition, unfurling large banners carrying the names of cities and regions hit by flooding, storms and rising seas. (Source: The Independent, 9/5/16). A further ‘mermaid flashmob’ protest took place in September of that year and other protests disrupted the opening day and launch events (Source: Artnotoil.org.uk)
  o In 2010 activists from the group Culture Beyond Oil poured an ‘oil-like substance’ around exhibits at both the British Museum and Tate Britain. (Source: BBC News, 13/7/10)
  o In 2016 performers from Art Not Oil invaded the BP-sponsored Royal Opera House screening of the new Frankenstein ballet in Trafalgar Square. Dressed as oily monsters, they addressed the crowd during the interval and then, in the final act, guerilla projectioneers Feral X shone the words "Drop BP" down Nelson's Column. (Source: Artnotoil.org.uk)

Fraud, trading and compliance issues
• In 2004 the CFTC fined BP $100,000 for an employee’s illegal ‘wash trades’. (Source: CFTC Enforcement Orders & Complaints 04/11/04)

• In 2007 BP was fined $7m by the US Federal Energy Regulatory Commission, resolving findings under the Commission’s Open Access Transportation requirements that prohibit buy/sell natural gas transactions; prohibit flipping of short term capacity releases between affiliated shippers; and require natural gas shippers have title to the gas. (Source: FERC Approved Settlement Civil Penalty Actions List, 25/10/07)

• In 2016 BP was fined $20.16 million and ordered to disgorge another $207,169 by FERC after the agency found affiliates of the company had ‘gamed’ the market for natural gas at the Houston Ship Channel (HSC) in 2008 after Hurricane Ike. (Source: NGI's Daily Gas Price Index, 12/07/16)

• In 2013 the EU dropped a major anti-trust investigation into Royal Dutch Shell, BP and Statoil regarding alleged manipulation of fuel benchmarks, citing lack of evidence. (Source: Bloomberg, 7/12/15).

International controversies
• BP is on the Iowa Board of Regent Scrutinized Companies List and the Government Accountability Office report of companies alleged to have worked with Iran. The GAO reports that they investigated BP for public claims that they sold oil to Iran in 2009-10, but BP denies they made any sales after 2008. (Source: Iowa Board of Regent Scrutinized Companies List, 30/06/12; Government Accountability Office report of companies alleged to have worked with Iran, 03/09/10)

• In 2011 the Libyan former foreign minister, Abdulati al-Obeidi, told the BBC that Tripoli granted large oil concessions to BP on the understanding the Abdelbaset al-Megrahi, the
Lockerbie bomber, would be returned home. The Telegraph reported that BP admitted to
lobbying for a deal over the controversial prisoner transfer agreement amid fears any delays
would damage its “commercial interests”, but denied it had been involved in negotiations
concerning Megrahi’s release. (Source: The Telegraph, 07/09/11)

Any Areas of Concern:
Potential reputational impact associated with the firm’s environmental impact.

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<td>Legal status of charity, latest accounts filed</td>
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<td>Any other sources</td>
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