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REPORT OF THE TRUSTEES AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**REPORT OF THE TRUSTEES
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The trustees who are also directors of the parent charity for the purposes of the Companies Act 2006, present their report with the financial statements of the parent charity and subsidiary undertakings for the year ended 31 December 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Institute for Human Rights and Business (IHRB) is the leading international think tank on business and human rights. IHRB's mission is to shape policy, advance practice and strengthen accountability in order to make respect for human rights part of everyday business.

IHRB serves as an independent voice on human rights and business issues around the world and holds ECOSOC Special Consultative status within the United Nations, and Observer Status within the United Nations Framework Convention on Climate Change COP process. IHRB works across its programmes with public and private sector partners in both developing and developed countries and:

- produces in-depth reports, practical briefings and regular commentaries
- provides trusted and impartial advice to governments, businesses and international organisations
- brings together diverse stakeholders in collective action programmes to achieve significant impact

IHRB prioritises its work through time-bound programmes that can have the greatest impact, leverage and catalytic effect, focusing both on geographic programmes (countries in economic and political transition) and thematic programmes (business sectors that underpin globalisation, in relation to the flow of for example workers or commodities). This includes collective-action leadership involving different stakeholders.

Significant activities

In order to achieve its objectives, IHRB works through both its geographic, regional programmes and its global, thematic programmes, with public and private sector partners in both developing and developed countries. In order to achieve these objectives, IHRB has so far participated in the founding of four separate organisations:

- **Myanmar Centre for Responsible Business (MCRB)**, in partnership with the Danish Institute for Human Rights (DIHR);
- **Centro Regional de Empresas y Emprendimientos Responsables (CREER)** in Colombia;
- **The Corporate Human Rights Benchmark (CHRB)**, a global initiative ranking the world's largest publicly listed companies and led by an alliance of investors and NGOs (dissolved in 2021 and now under the control of the World Benchmarking Alliance);
- **The Centre for Sport and Human Rights (CSHR)**; a Swiss non-profit association dedicated to creating positive outcomes for people and communities affected or impacted by sport;
- **IHRB Nordic**, a Danish charitable association.

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Furthermore, IHRB maintains additional in-house initiatives, with more currently in development:

- **"Employer Pays Principle": The Leadership Group on Responsible Recruitment**, founded in 2016, a collective action approach working to abolish all worker fees to recruitment agents worldwide by 2026 consisting of major brands, UN agencies and civil society organisations.
- **"Dignity by Design"**: for human rights in the built environment, a collective action initiative launched in 2020.
- **"Just Transitions for All"**: focusing on human rights and climate change, an evidence-based approach to the social implications of preventing climate change and building resilience.

IHRB undertakes the vast majority of its work through the support of donations and grants but a small amount (around £54k in 2021) is provided in the form of services to governments and non-profit organisations through the subsidiary IHRB Trading Ltd.

How our activities deliver public benefit

The public benefit delivered is through the realisation of human rights by both governments and businesses through the protection of rights (in the case of the former), the integration of human rights due diligence in business world-wide and the promotion of remedies for the victims of human rights abuse.

In setting and reviewing our objectives and aims, and in planning and carrying out our activities, we have due regard to the public benefit guidance published by the Charity Commission.

A short note on 2021

The global COVID-19 pandemic continued during 2021 and affected all of IHRB's programmes to some extent - with some activities being virtual rather than in person or being postponed. However, IHRB has been resilient to new patterns of working, in part as there has always been a virtual component to our internal organisation - e.g. with permanent office space in Yangon, Bogota, Geneva and Copenhagen, but not in the UK, USA, Singapore or France.

2021 brought sad news in the form of the death of Professor John Ruggie, author of the UN Guiding Principles on Business and Human Rights, an eminent political scientist and former UN Assistant Secretary- General to Kofi Annan. John was Chair of IHRB's International Advisory Council for several years and we all miss him and his work.

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ACHIEVEMENT AND PERFORMANCE

Charitable activities

COVID-19 continued to seriously impact the global economy and in particular on 'essential' workers such as nurses, doctors, carers, supermarket workers, agricultural workers, migrant workers, seafarers and other supply chain workers. IHRB reports and convenings raised awareness of particular issues faced by such vulnerable groups and the pandemic influenced IHRB's work over the past 12 months. Programme activity was adapted based on inability to travel and host or participate in in-person meetings and events, however most meetings and events continued to be held virtually or hybrid remote-in person, with some deferred until 2022.

During 2021, highlights of IHRB's activities and achievements included:

1. Commodities

During 2021, IHRB continued to promote human rights due diligence in the commodity trading sector. IHRB conducted outreach with multiple organisations, focusing primarily on copper and cotton. Copper is a critical 'transition mineral' and as such will play a huge role in ensuring a transition from fossil fuel to a renewable energy economy. Ensuring that this transition is just is a core strategy and programme for IHRB, and our work on copper has played a key role in informing our just transition work. In May 2021, IHRB convened an invitation-only Chatham House Rule event to promote human rights due diligence across the copper value chain. Speakers included the CEO of the London Metal Exchange, the Executive Director of The Copper Mark, Deanna Kemp of the Sustainable Minerals Institute in Australia, ICoCA CEO Jamie Williamson, and a representative of the OECD Responsible Business Conduct Unit.

In July, IHRB's CEO led a discussion amongst Swiss Trading and Shipping Association (STSA) members on the findings of IHRB's 2020 report (Taking Stock, Looking Ahead - Human Rights and the Commodity Trading Sector) on how far the commodity sector has moved on integrating human rights due diligence in business operations. IHRB also engaged with STSA's shipping committee, cross-cutting with IHRB's Shipping programme.

IHRB worked bilaterally with selected actors in the cotton industry to understand current issues in the cotton supply chain and cotton trading sector. In collaboration with the International Labour Organization office in Uzbekistan, IHRB interviewed businesses, civil society and thematic experts, to identify examples of responsible business practices relating to cotton in transition economies. The research aimed to explore good practice examples where economic transition has been guided by international standards, as well as assess responsible business pathways for the cotton industry in Uzbekistan and globally.

In July 2021, IHRB convened an invitation-only Chatham House Rule event including focus on the perspectives of cotton traders on current challenges in sourcing and trading cotton in alignment with international standards including the UNGPs. Speakers included the Global Head, Sustainability at Louis Dreyfus Company, the CEO of the Responsible Sourcing Network, the Head of Economic Globalisation and Human Rights at the Raoul Wallenberg Institute, the Forced Labour Program Director, at Global Labor Justice/ Cotton Campaign, the Executive Director of the Myanmar Centre for Responsible Business and a former US State Dept staffer. A summary meeting report was published in August 2021 and a state of play report on the cotton value chain will be published in 2022.

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2. Discrimination

Work on discrimination is at the core of IHRB's programmes, and we do not see it as distinct. IHRB continued to speak on the topic at various fora, including on LGBT rights at the UN Global Compact. IHRB also focused on the COVID-19's impact on women workers in the Bangladesh garment sector, participating in several webinars as part of outreach efforts following the publication of IHRB's report prepared with the University of California Berkeley. The report was very well-received, and IHRB participated in virtual webinars in Bangladesh, Switzerland, the US, and the UK. IHRB also hosted lectures on discrimination and cognitive bias at its annual course on business and human rights in Bergen, with lectures on racism in the US and corporate response.

3. Digital Technology

The impact on digital technology on human rights is manifold. Bearing that in mind, IHRB previously engaged with digital companies on issues related to privacy and surveillance, continued ongoing research on digital technology's use during the pandemic, and made digital technology integral to some of our work. This includes an extended IHRB Voices podcast with Facebook's Head of Human Rights about the company's new human rights policy at a time when the company is facing increased scrutiny about the content it publishes or removes from its platform. IHRB also published a blog by an activist critical of the policy.

IHRB also participated in an event organised by the Business and Human Rights Resource Centre on the need to and steps necessary to protect human rights defenders from digital surveillance. IHRB also participated in the governance group set up by Twitter's Trust and Safety Council, as well as a World Economic Forum initiative on using technology to improve diversity and inclusion.

IHRB published staff-written blogs on Spotify's decision to remove contentious content and the role of tech companies in the Russian war on Ukraine. IHRB also moderated a discussion at Access Now's conference on human rights and freedom of expression in the tech sphere and corporate responsibility with the Special Rapporteur on Freedom of Expression and the Secretary General at Amnesty International. IHRB was also involved in close, confidential discussions with companies caught in difficult situations in countries where human rights are violated routinely, as they planned their responses to those crises. Finally, IHRB has included digital technology's uses as an integral part of a project it has begun for UNDP Business and Human Rights Hub (Asia-Pacific).

4. Dignity by Design - Human Rights in the Built Environment

Building decarbonization and a just transition

As finance flows into reducing emissions from buildings, IHRB highlighted the actions policy-makers and investors must take to align policies with human and workers' rights - through a policy report; multi-stakeholder event with an emphasis on implications for the right to housing; COP26-related engagement; and serving on the taskforce for the World Green Building Council's "Beyond the Business Case" report. This work will develop further into global research on built environment just transitions through 2022 - 2024, with deep-dives into specific countries combined with global-level communications and advocacy.

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Urban planning, human rights and just transition in Cartagena, Colombia

IHRB, Rafto Foundation and IHRB's sister organisation in Colombia CREER, conducted fieldwork in Cartagena in the last quarter of 2021. This involved participation in three community consultations on the city's new territorial plan in predominantly afro-Colombian neighborhoods of the city as well as research and interviews with representatives of government, civil society and business. The findings will inform recommendations for the city's new territorial plan, a workshop in 2022 and development of ongoing partnerships with key actors in the city. This work will develop into similar efforts in other ports and coastal cities.

"Turning the tables" - Participatory decision-making in the built environment

IHRB conducted in-depth interviews with organisations working to strengthen local community participation and agency in decisions about what gets built and how, in countries ranging from Portugal to Bangladesh, from Senegal to Bulgaria and Albania. Summaries and analysis will be published in 2022, and interviewees will be invited to join a virtual global teach-in to share their experiences and recommendations on how to strengthen community agency in the built environment.

Convening UN experts on Dignity by Design

The coalition hosted a virtual discussion for UN Rapporteurs on risks and opportunities for human rights in the built environment, particularly in the context of the COVID-19 pandemic. The session was attended by the Rapporteur on the Right to Health and the Rapporteur on the Right to Housing, with representation from the mandates on the Right to Privacy, Rights of People with Disabilities, and Rights of Older Persons. The event highlighted the ways in which the built environment and its power dynamics have major implications across the full spectrum of human rights. This initiative recognises the growing role of technology within the urban fabric: which can contribute to the realisation of rights but also poses significant risks of rights abuses, including on privacy, targeting of defenders, discrimination, and differentiated benefits throughout a city.

Addressing architecture and the right to housing in Egypt

IHRB co-presented together with housing rights expert Yahia Shawkat on a webinar hosted by the John D. Gerhart Centre for Philanthropy at the American University of Cairo, attended by a large group of architects and architectural students. The session honed in on roles and responsibilities of decision-makers throughout the built environment lifecycle. It elevated in particular the responsibilities of architects for human rights, through design decisions for buildings, for planning processes, and even for regional and national socio-economic plans. Shawkat made the case for a "Hippocratic oath" (to do no harm), for architects and elevated the ways in which related principles are in fact already included in existing engineering and architectural codes, and need to be adhered to in practice.

Management school students develop built environment case studies

On a placement with IHRB, three management school students mapped challenges and opportunities for advancing human rights in the built environment in India, Czech Republic, Germany, Canada, and Ukraine. These mapping studies will be a powerful stepping stone in developing plans for future work with local and national partners in these countries.

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Advancing the "Building Dignity Project" in Bergen, Norway (in partnership with IHRB Nordic)

The city of Bergen published its second report on progress on integrating the Framework for Dignity in the Built Environment into a specific project -the conversion of a former teacher training college into a centre providing services for newly-arrived migrants and refugees. The process has provided vision and purpose across the project team, and specific lessons on how to put the city's designation as a "human rights city" into practice in the context of building projects. Cities in all regions have the opportunity to learn from this project and take up the approach in their own projects.

Presenting the Dignity by Design Framework in planning and building processes

IHRB advocated throughout 2021 for rights-based approaches, with the lifecycle "Framework Dignity in the Built Environment" as a touch-point, in multiple fora. These included engagement on city-level action, with municipal officials from Guayaquil, Lisbon, Utrecht, and Munich through participation in a "Conscious Cities - Warsaw" event on Diversity and Inclusion in a City; financial action, for example through IHRB's submission to the EU social taxonomy process, and presentations to UNEP-FI North America, Climate Positive Europe Alliance and individual banks; and industry action, for example through participation in BRE Group's social equity working group; a presentation to the Spanish Green Building Council, and input to the Global ABC guidelines on building material passports.

5. Just Transitions for All

Building on the publication of the 'Just Transitions for All' report in November 2020, throughout 2021 IHRB produced a series of reports and commentaries, and organised meetings related to Just Transitions. These included the Better Buildings - Financing Human Rights based Decarbonisation in Europe's Built Environment event and a closed-door roundtable on The Global Demand for Copper and the Human Rights Challenges Ahead, both held in June and; a commentary on Telenor's Exit from Myanmar - A Cautionary Tale for the Just Transition published in September.

IHRB secured 'observer status' within the United Nations Framework Convention on Climate Change's COP process and hosted an event within the UN zone of COP26 in Glasgow. The 2 November 2021 high-level in-person discussion on the Just Transition at the COP26 conference in Glasgow opened with remarks from IHRB Patron and Chair of the Elders Mary Robinson, ITUC General Secretary Sharan Burrow, BP's CEO Bernard Looney, the Scottish Government Minister for the Just Transition, and Maxine Burkett, the Senior Advisor to the US Climate Envoy John Kerry. Participants included senior representatives from industries representing the demand, supply and finance side of the energy transition, as well as leading figures from civil society and global governments.

To mark International Human Rights Day (10 December 2021), IHRB launched a white paper on Just Transitions in relation to the international banking sector produced in collaboration with Clifford Chance and the Commonwealth Development Corporation (now British International Investment).

At the level of practice, IHRB continued to work with its sister organization in Colombia, CREER, to focus on the application of human rights to the 'transition out' of coal mining in the La Guajira and Cesar regions of northern Colombia. At the end of 2021, IHRB formalised its approach on Just Transitions in relation to twin objectives: to assist the development of international norms to guide worldwide approaches to Just Transition, and to evidence this process through place-based research from different countries and global value chains. IHRB will also partner with Wilton Park to host a residential meeting in October 2022 to guide collective work through COP27 and COP28.

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6. Migrant Workers Programme and the Leadership Group for Responsible Recruitment

In 2021, this Programme maintained a strong programme of research, webinars, consultations and delivered a substantial number of commentaries and Voices podcasts for IHRB, despite, due to COVID-19, the cancellation of a number of in-person stakeholder meetings in SE Asia, a key area of focus for members of the Leadership Group for Responsible Recruitment and our programme.

IHRB's Southeast Asia Regional Advisor (based in Singapore), worked closely on a number of initiatives with the International Labour Organization (ILO) and International Organization for Migration (IOM) along with regular engagements many other stakeholders. In Japan IHRB links to Caux Roundtable has seen us help organise a series of webinars and other events for Japanese companies, many of whom have substantial operations or suppliers employing large numbers of migrant workers in SE Asia. Japanese companies are showing increased interest in the Business and Human Rights agenda both at home and abroad. The appointment of a new IHRB Research Fellow Bonny Ling has also led to a significant amount of work focused on Taiwan where large numbers of migrant workers are employed, including the delivery and participation in a number of webinars and workshops. This is particularly important given the status of Taiwan in relation to China meaning that ILO and IOM do not have a presence there.

In 2021, the Programme expanded with the creation of a new regional hub for North America, and the appointment of a Leadership Group for Responsible Recruitment Manager and North America Regional Coordinator post. This role (based in Mexico) is primarily focussed on migrant workers travelling through the Mexican corridors into the USA and Canada. IHRB involvement in the region has been welcomed by other stakeholders and IHRB will be co-ordinating the newly formed North American Responsible Recruitment Network bringing together a range of organisations focused on recruitment challenges for dialogue and collaborative action.

The Leadership Group for Responsible Recruitment is now 6 years old and a strategic review of the Group, its achievements and how best to drive progress further was conducted this year. The issue of recruitment fees as a human rights challenge is now firmly established, and IHRB with its promotion of the Employer Pays Principle, has played a significant part in making that so. It is no longer exceptional for companies to have a "no recruitment fees to migrant workers" policy. Challenges remain however in business implementation in supply chains and securing appropriate legislation that is effectively and consistently enforced.

A further recruitment to the team was a Programme Communications Assistant, and having a dedicated communications resource for the Programme increases our capacity to support team activities, and allows us to produce a range of attractive communications assets that are consistent and branded across the programme. It has also enabled us to experiment with new ideas such as short animations.

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Due to COVID-19 the annual Global Forum for Responsible Recruitment (GFRR2021) took place in online form only. The Forum serves as both a showcase and thought platform for all those working on the recruitment of migrant workers and remains a significant contribution to the subject. In 2021 IHRB partnered with the ILO and IOM to deliver a series of webinars, panel discussions and debates over 4 days. Managing the event this way demonstrated the many advantages of an online format and this will feature in all future fora perhaps in hybrid form with a combination of online and in person activities. Highlights from the 2021 Forum included:

- Keynote speakers for opening and closing sessions included Secretary Generals of the International Labour Organisation (ILO), International Organisation for Migration (IOM), International Organisation of Employers (IOE), and International Trade Union Confederation (ITUC), as well as Migrant Forum in Asia.
- Increased participation - 1650 individual participants over 4 days, plus 18,500 interactions between attendees.
- 79 speakers in total and a 50- 50 gender balance across all panels
- Scheduling to cover all time-zones / geographies and 4 languages available during live sessions.
- 47 Expo booths recording total 1700 visits.
- Inclusion of the voices of a far greater number of migrant worker support organisations and smaller NGOs to better include worker's voice.
- 1,400 posts on the social media wall.

7. Migrant Workers in Qatar

In 2021, IHRB renewed its cooperation with the International Labour Organization (ILO) Project Office in Qatar and the Ministry of Administrative Development, Labour and Social Affairs (ADLSA) to promote responsible recruitment and decent work in key sectors. The third phase of the ILO Qatar-IHRB partnership builds on previous engagement with the hospitality and security sectors to disseminate learnings and strengthen the capacity of all businesses in Qatar regarding responsible recruitment and employment. Drawing on the guidance developed for the hospitality sector in 2020, IHRB and the ILO developed a draft cross-sector due diligence tool for businesses in Qatar. Other activities to be undertaken as part of the ILO-IHRB partnership include consultations on the applicability of the due diligence tool with selected sectoral committees convened by the Qatar Chamber of Commerce and Industry and roundtable discussions bringing together members of the Hospitality Working Group, World Cup Sponsors and the Supreme Committee for Delivery and Legacy to exchange information about shared challenges and align expectations in the run up to the tournament, as well as discuss opportunities to continue to advance workers' rights in Qatar beyond 2022.

8. Migrant Workers in the GCC

In 2021, IHRB recruited a Gulf Regional Coordinator to lead IHRB's Middle East research and outreach across five Gulf States (Bahrain, Kuwait, Oman, Saudi Arabia and UAE). IHRB worked with external consultants to produce seven research briefs as part of the assessment of the feasibility of an intra-Gulf platform to promote migrant rights and responsible business across the GCC. Research topics included:

- Policy analysis on migrant rights in two clusters - Saudi Arabia/Bahrain and Kuwait/Oman/the UAE;
- Political and security risks in the GCC;
- The role of US foreign policy in advancing migrant rights and responsible business in the GCC;
- The role of higher education networks in advancing migrant rights in the GCC;
- A feasibility scoping of the Built Environment Sector in the GCC; and
- The role of climate change and the renewable energy sector in advancing migrant rights and responsible business practices in the GCC.

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Research topics were selected based on the most salient issues and strategic potential areas of leverage identified by IHRB, with input from a Research Advisory Group, established in December 2020. During 2021 particular attention was paid to the new forms of leverage that might arise due to the Gulf's interest in diversifying its economy, and in particular investments in low-carbon energy, built environment and infrastructure.

As part of the feasibility assessment, IHRB planned to host in-person consultations in Europe and the GCC, but these were held remotely due to COVID-19. Despite the limitations of COVID-19, IHRB pursued additional opportunities for engagement with experts, businesses, investors, and academics to build and strengthen relationships, test research findings, and discuss the potential for an intra-Gulf platform to advance migrant rights. Among others, IHRB undertook consultations with local and regional organisations in the GCC, UN agencies, the EU delegation in the UAE, experts from the oil and gas, construction, and financial sectors, as well as academics and experts focusing on a broad range of subjects, from the impact of climate change on migration to the role of digital media in influencing behaviour change.

Plans remain to launch the pilot phase of an intra-Gulf platform in the latter part of 2022.

9. Myanmar (Burma)

2021 marks the ninth year of the Myanmar Centre for Responsible Business (MCRB) operations in Myanmar. January 2021 was a relatively quiet month with the effects of COVID-19 continuing to be felt, and with a pause before the anticipated start of the newly elected Parliament. Following the military coup on 1 February 2021, the implementation of much of MCRB's programme was paused until there was greater clarity about the situation and risks to staff safety and partners could be addressed. Through the year, MCRB proved to be a rich source of analysis and commentary on the economy and business for foreign missions, development partners, and the media, including impacts of actual or planned sanctions.

Following the coup, activities involving engagement with government officials were stopped. This resulted in a significant adjustment to MCRB's work under the "Protect, Respect, Remedy" framework - with the Centre shifting its primary focus to activities under the Respect Pillar.

Collective Action

Despite having put a halt to engagement with government officials, MCRB pursued some significant collective actions with messaging intended for decision makers in the military's State Administrative Council (SAC). These included:

- Facilitation of a joint Statement of Concerned Businesses Operating in Myanmar focused on the importance of the rule of law and respect for human rights, democracy and fundamental freedoms. It was signed by 230 companies and endorsed by some foreign chambers of commerce and used by other organisations as a template to draft their own response.
- An analysis by MCRB of the human rights aspects of the February 2021 draft of the cybersecurity law provided a foundation upon which business chambers and companies made public statements on shortcomings of the draft. These comments appear to have led the SAC to reconsider the draft with some sections incorporated into an amended Electronic Transactions Law, severely deficient in privacy protections, and the cybersecurity law remaining in draft.
- Facilitating a multistakeholder statement highlighting the negative impacts on Myanmar's economy and development of a two-month long mobile data shutdown, and 'whitelisting' of certain websites. Participants included the Global Network Initiative and its member companies, and multinationals from beyond the telecoms sector.

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- Collaborating with the international chambers in July and August to mobilise funds from companies in MCRB's networks for medical NGOs active during the deadliest wave of the COVID-19 pandemic in Myanmar. US\$200,000 was raised from 14 organisations, which was used to source oxygen concentrators and medication.

Human Rights Due Diligence (HRDD)

From February onwards, MCRB provided advice on heightened human rights due diligence (HRDD) to numerous local and international companies contending with issues including employee participation in demonstrations, employee and customer safety, how to respond to calls for tax resistance, and other demands on business. Advice on these issues was compiled into a draft guide on heightened HRDD based on actual company experiences, of which elements were shared with trusted organisations and companies throughout the year.

The examples and recommendations in the draft guide were also incorporated into the almost thirty Myanmar-focused panel discussions and webinars during which MCRB Executive Director shared her insights. These events were jointly arranged with international chambers, UN bodies, investor alliances, business groupings, governments, as well as thinktanks, consultants/lawyers and other organisations.

Responsible Business Conduct

In response to demand from international businesses in Myanmar, five multinational company peer-to-peer meetings were organised by MCRB, co-chaired by the ILO, with OECD-headquartered multinational companies to discuss responsible business conduct. These peer-to-peer meetings provided an opportunity for MCRB to highlight the views of other stakeholders on business and human rights, including opposition groups such as trade unions, and investor coalitions; discuss emerging issues such as the draft cybersecurity law and internet shutdown; and encourage collective action.

MCRB also had regular contact with the major Myanmar banks on human rights risks, security, staff and customer safety, freedom of expression, corporate governance and disclosure. In addition to giving feedback to some banks on addressing human rights risks, MCRB assisted the INGO Forum to connect with KBZ, CB and AYA Banks to discuss the Know Your Customer (KYC) problems faced by banks and NGOs.

Garment Sector

In the garment sector, MCRB communicated with brands and multistakeholder member organisations such as the Ethical Trading Initiative, Fairwear Foundation, and the Fair Labor Association to share advice on HRDD. MCRB (re)built links with Action Labor Rights, Labour Power Group, Yaung Chi Oo Workers Association, Solidarity Trade Union of Myanmar and Coordination Committee of Trade Unions to discuss their operational challenges and needs, and the situation of garment workers in Myanmar. This included discussing their views on the call for total divestment ('comprehensive economic sanctions').

Based on the labour groups' feedback, MCRB arranged training on the Open Apparel Registry (OAR) to help them identify which brands sourced from supplier factories with problems. In view of its value as a resource for promoting transparency in the garment sector, MCRB provided inputs to improve the quality of OAR's Myanmar data.

MCRB had regular coordination meetings with EuroCham Myanmar's Garment Advocacy Group, the EU delegation and the EU's SMART programme, and was invited to join the SMART Steering Committee. MCRB contributed much of the content to EuroCham Myanmar's May statement: The Garment Industry in Myanmar: Status Update and Current Dilemmas: Should We Stay or Should We Go.

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Emerging Human Rights risks were also highlighted by MCRB in two seminars co-hosted by the OECD and EuroCham Myanmar, one on heightened HRDD and the second a deep dive with over 250 participants on manufacturing with a garment focus. These were organised by the OECD as part of the Myanmar element of the EU/ILO/OECD Responsible Supply Chains in Asia project.

Responsible Exit

Given the rapid deterioration in Myanmar's economy stemming from the political unrest, the responsible exit of business increasingly became a theme on which MCRB gave guidance. MCRB published its first post-coup newsletter in May and contributed to the IHRB's blog 'Can Companies Continue to Operate Responsibly in Myanmar?' and a blog on "Staying or Leaving Myanmar? What's Needed is a Human Rights-led Approach", as well as providing extensive media commentary, on and off the record for foreign and local media outlets, appearing in 20 to 30 articles every quarter throughout 2021.

Support to Civil Society Organisations (CSOs)

First initiated in January, but then paused until the political and security situation become clearer, MCRB continued its online outreach to CSOs, partly to promote networking, but also to better inform MCRB's advice to business. In July, MCRB held a closed-door online 'knowledge roundtable' with CSOs and individual activists, including labour, disability and LGBT rights, and the environment. MCRB sought feedback from them on the local situation, including business activities, and discussed their needs and the potential for future cooperation.

Throughout the year, MCRB continued to focus on disability and business. For International Day of Persons with Disabilities 2021, MCRB, Shwe Minn Tha Foundation (Myanmar), and Myanmar Independent Living Initiative (MILI) held a webinar on "MSMEs, Disability Leadership and Inclusion in the Post COVID-19 World". The aim was to understand the current challenges experienced by MSMEs led by persons with a disability, how they are adjusting to the current economic situation and the support they need; and to explore how these businesses can access resources such as financial support and skills training.

Transparency and Corporate Governance

The research phase for the 7th Pwint Thit Sa / Transparency in Myanmar Enterprises (TiME) Report commenced in October in partnership with Yever, which is again working pro bono on assessments. The 2022 Pwint Thit Sa report is expected to assess over 270 companies in the same categories as in 2020. However, in addition to banks, all Myanmar insurance companies will be included in the Financial Institutions category. The 2020 Pwint Thit Sa report, launched in December 2020 assessed 260 companies and was downloaded almost 4000 times during 2021, in both English and Myanmar languages.

In response to the difficulty of obtaining accurate data about investment in Myanmar, MCRB embarked on the TRIM-MAP (Towards Responsible Investment in Myanmar) Project, which aims to provide freely accessible information to investors and others in the form of an online mapping tool and dashboards that will show investment overlayed with environmental, social and conflict information. The Project, being undertaken in partnership with Yever, Thibi, and overseen by an Advisory Group, builds on MCRB's work on extractives, tourism, oil palm, biodiversity, indigenous peoples, land and will ultimately support companies, investors and other stakeholders to identify cumulative impacts. It draws on the work of others including WWF, EITI, and OneMap Myanmar. Peace Nexus have provided a financial contribution towards the early development and piloting of the project in Tanintharyi Region. If successful, it could be expanded to other locations.

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Digital Rights

Although plans for a 5th Myanmar Digital Rights Forum had to be put on hold, MCRB continued to work on digital rights, surveillance, and the impacts on businesses and consumers of laws and restrictions on access to the internet. In addition to raising awareness of the importance of privacy and data protection with a variety of Myanmar stakeholders, this work also brought MCRB into contact with the emerging international debate on internet governance, privacy, artificial intelligence, and the responsibility of the private sector and regulators.

MCRB engaged with various organisations and meetings to share the Myanmar experience, including the United Nations Office of the UN Envoy on Technology, and actively participated in the follow-up to the High-Level Panel Report and Secretary-General's Roadmap on Digital Cooperation. MCRB also identified relevant work by other international organisations such as UNCTAD, ASEAN, the Asian and Pacific Training Centre for ICT for Development (APCICT/ESCAP), the International Telecommunication Union, to inform its work in Myanmar. MCRB also engaged with the Freedom Online Coalition, Global Network Initiative, Internet Society, IO Foundation, Center of Digital Technology and Society, and Asia Pacific Regional Internet Governance Forum 2021.

Following the arrest of a director of Myanmar Centre For Responsible Business Ltd by the military government in Myanmar in August 2022, the directors have been consulting with the six donor governments and partners, including how best to support MCRB's other staff members. The donors have indicated strong support and to find ways of supporting MCRB's work whilst also protecting staff. Directors currently believe the company to be a going concern and that funding will still be provided to IHRB in 2023 for Myanmar-related activities. They have the full support of IHRB trustees on this issue.

10. Protection of human rights defenders

Though the pandemic has prevented IHRB from building fresh contacts with human rights defenders (HRDs), as travel has been curtailed significantly, HRDs continue to be central to IHRB's thinking and we continue to make them a major plank of our work. For example, four Rafto laureates addressed students at the course in Bergen, and IHRB also offered comments to and participated in a workshop by the International Finance Corp/World Bank on measures the IFI is taking to stop reprisals against HRDs. Many of these comments were reflected in the report, and additionally IHRB spoke at the launch event. IHRB also raised HRD concerns at the Access Now forum in its conversation with the UNSR and Amnesty and participated in a closed-door meeting organised by the Resource Centre on Technology and HRDs.

As Co-Chair of the World Economic Forum's Human Rights Council (2020-22), IHRB's CEO, has led a programme of work to develop the Guidance for Board Members globally in relation Affected Stakeholders - including a major focus on Human Rights Defenders. During 2021, this work on human rights defenders was spearheaded by Harpreet Kaur (UNDP) and William Anderson (Adidas) with the support of many of the other Council members and interviews with companies and human rights defenders. This report will be launched in Davos in May 2022.

11. Shipping

As part of efforts to strengthen business practices closely linked to commodity trading via the Commodities programme. IHRB worked with the Sustainable Shipping Initiative and the Rafto Foundation for Human Rights to develop a Code of Conduct that charterers (i.e. commodity companies) can apply to ensure shipping companies undertake human rights due diligence and implement adequate policies to respect seafarers' rights. The Code of Conduct is accompanied by a self-assessment tool that is available for all shipowners and operators to assist in their human rights due diligence process. It also sits on the Rightship platform alongside additional guidance for providing evidence of progress (although as a self-assessment tool, it is not verified).

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The development of the Code of Conduct was accompanied by extensive research and consultation across the industry (including the STSA Shipping Committee) and represents a significant milestone in advancing the human rights agenda within the maritime sector. The Code and the self-assessment questionnaire were launched with a webinar, in mid-October, where panellists included trade union, civil society and business representatives. Publicity around the launch was significant, with amplification from the International Maritime Organization, ITF, and many industry bodies.

As the crew change crisis continued into 2021, IHRB worked with IMO, ILO, Office of the High Commissioner for Human Rights (OHCHR), and UN Global Compact to develop a tool for charterers, commodity and commodity trading companies, and container cargo owners, specifically to ensure Due Diligence around Maritime Human Rights Risks and the COVID-19 Crew Change Crisis. The resulting Guidance is available on the UN Global Compact website.

IHRB has worked with the Consumer Goods Forum to develop due diligence guidance for container cargo owners (consumer brands) that complements the work with charterers mentioned above. The Container Cargo Working Group, which includes some of the world's biggest brands and shipping companies, as well as seafarer representatives, and CSOs. The aim of this informal group is to gauge the needs of global brands around their awareness and visibility of human rights standards aboard ships that carry their goods, help to address their responsibilities, and lead them to using their combined leverage to improve crew welfare standards aboard container ships.

12. Sport and Human Rights

Whilst being a separate charity under UK law, the Centre for Sport and Human Rights (www.sporhumanrights.org) remained under the control of IHRB until July 2021 when it transitioned into an independent entity, with IHRB as one of 7 founding members.

13. IHRB Academy

IHRB's Masters course on Business and Human Rights, a popular annual module delivered over three weekends in September, October and November, were held online in 2021. The course is a joint endeavour with the Rafto Foundation for Human Rights and the University of Bergen's Department of Comparative Politics and is taught by a faculty of global experts from the worlds of business, academia and civil society.

During 2021, IHRB continued its relationship with the global CEMS network (30 of the leading business schools globally), delivering skills seminars in business and human rights for its Masters in Management course, in Finland, Norway and UK. IHRB repeated its academic placement programme for CEMS students in June and July 2021, with 10 students from globally disparate universities coming together to research and address programmatic issues.

14. Ongoing legacy work with the IHRB co-founded organisations

IHRB has a history of working in partnership with others to establish organisations, there are five organisations which IHRB still advises on their strategic direction.

These are:

- The Myanmar Centre for Responsible Business (MCRB), based in Yangon
- El Centro Regional de Empresas y Emprendimientos Responsables (CREER), based in Bogota
- World Benchmarking Alliance (the new home for the Corporate Human Rights Benchmark - CHRB)
- The Centre for Sport and Human Rights (CSHR), based in Geneva.
- IHRB Nordic, based in Denmark.

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Together with IHRB itself, these six organisations can be referred to as the "IHRB family". That said, CREER, CSHR and IHRB Nordic are fully independent legal entities with their own reporting structures and CHRB is now fully owned by the World Benchmarking Alliance. MCRB remains under the control of IHRB through MCRB Ltd.

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

The Institute retains its independence from all funders and strives to operate with complete impartiality. We believe it is important that we accept funding from all major constituencies - in particular Governments, Business and Civil Society (Private Foundations) - as these represent some of the major groups involved in our work. We actively work towards an even distribution between these three sources of funding.

However, the following conditions apply to our solicitation and acceptance of funding:

- Government and Foundation funding is allocated to specific projects but only if the Institute's impartiality is respected.
- Business funding is only accepted as core funding with no conditions attached.

The Institute does not provide specific services to any business in return for funding received other than for training or stakeholder representation. The Institute does sometimes undertake advisory work with governments and inter-governmental bodies on a contractual basis.

The Institute will not take money from any organisation actively engaged in deliberate abuse of human rights or the undermining of development and progress with regard to business and human rights. From 2021, an additional requirement for donors is to have Net-Zero carbon commitments for 2050 at the latest.

The Institute publishes its funding sources and expenditure in accordance with UK Charity law.

Donations and grants made

Donations of £174,408 (2020 - £nil) were made by the Charity to IHRB Nordic and Yever during the year.

FINANCIAL REVIEW

Financial position

The charity's financial position is shown in detail on the balance sheet.

The charity holds circa £500,000 (approximately 3 months working capital) in unrestricted reserves and this reflects the Trustees' assessment of the charity's risks and ability to manage their financial impact.

Principal funding sources

The charity's principal funding sources are from grants and donations.

Investment policy and objectives

The Institute for Human Rights & Business Limited only uses the services of banks and other financial service providers who have a strong ethical investment and lending criteria. The Institute holds business current account and card services with The Co-operative Bank and deposit account services with Triodos Bank. The decision to use the services of these banks was made on an ethical basis.

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The cornerstones of corporate governance are ethical behaviour, accountability and openness. In recent years, corporate governance has also developed to reflect the interests of stakeholders other than shareholders. The 'triple bottom line' approach focuses on economic and financial stability, social responsibility and environmental responsibility with ethical investment policies and products.

FINANCIAL REVIEW

Reserves policy

The trustees view the holding of general reserves as an integral part of risk management to build organisational resilience against unexpected financial demands, and to be able to satisfactorily meet all current and known future liabilities. The reserves level is approximately three months of working capital, with plans to increase it to cover an optimal four month period.

Trustees and senior management monitor the financial position regularly to keep abreast of any upcoming risks that may impact on the reserves position. Trustees' approval is required before the reserve can be accessed.

This policy is reviewed periodically by the trustees, and the reserves level is adjusted based on perceived risks, and changes in financial commitments or contractual, statutory and legal obligations.

Risk management

The trustees have identified how and where risks should be managed and mitigated.

Under duty of prudence, the trustees have ensured that: the charity is and will remain solvent; charitable funds and assets are used reasonably, and only in furtherance of the charity's objects; undertaking activities that might place the charity's funds, assets or reputation at undue risk is avoided and special care when investing the funds of the charity, or borrowing funds for the charity to use is taken into consideration.

Under duty of care, the trustees have ensured that they seek external professional advice on all matters where there may be material risk to the charity, or where the trustees may be in breach of their duties.

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PLANS FOR FUTURE PERIODS

Commodities

In 2022 IHRB will strengthen the link between the Commodities and Just Transitions for All programmes, focussing on transition minerals such as copper, lithium and cobalt. IHRB has built constituencies representing the "Supply" (energy companies, mining and commodity companies), "Demand" (governments, cities, technology companies and other high energy users) as well as the "Financing" of the energy transition (multilateral and development banks, private banks, export credit agencies, impact investors). Following on from its event at COP26, IHRB plans to push the conversation on climate change to include just transition and protection of people both in the transition away from fossil fuels and the transition into renewable energy. As commodities such as copper, lithium and cobalt play such a huge role in the transition, but also present huge human rights risks, all IHRB's extensive activities around Just Transition are highly relevant to commodity traders.

IHRB will continue to promote the Guidance on Implementing the UNGPs for the Commodity Trading Sector - updating the website to include reference to new and upcoming legislative and other developments.

Digital Technology

In the coming year, IHRB will finalise its work on tech surveillance through reports and briefings, and engage more vigorously with platform policies on freedom of expression, content moderation, the spread of 'fake news' and hate speech.

Dignity by Design - Human Rights in the Built Environment

Bringing a human rights approach to "smart cities"

Following on from IHRB's input to an OHCHR/UN Habitat initiative on human security approaches to smart city development in Sihanoukville, Cambodia, in 2022, IHRB will work with UNDP Asia Pacific to develop a toolkit on smart cities, business and human rights in Asia, with recommendations for governments (particularly municipal government procurers of technology), the private sector (technology and implementation companies), and civil society.

Urban planning, human rights and just transition in Cartagena, Colombia

The findings from the fieldwork conducted by IHRB, Rafto Foundation and IHRB's sister organization in Colombia, CREER, in 2021 will inform recommendations for the city's new territorial plan, a workshop in planned for 2022 and development of ongoing partnerships with key actors in the city. This work will develop into similar efforts in other ports and coastal cities throughout the year.

Protection of Human Rights Defenders

In 2022, with travel regulations easing, IHRB plans to reach out more human rights defenders (HRDs) where appropriate, and learn from their experiences to shape better policy advice as well as make their stories reach more widely. IHRB is also in conversation with the Special Rapporteurs on HRDs and Freedom of Expression about possibly convening an event on tech platforms and HRDs. The World Economic Forum's Guidance Note for Boards on Affected Stakeholders will be launched in May 2022 and translated into a number of languages other than English, including Arabic, French, German, Spanish and Japanese. It will be disseminated to boards worldwide for road-testing and feedback during 2022.

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Just Transitions for All

IHRB's work on just transitions will focus on the full spectrum of transitional implications -out and in. In particular, IHRB will focus on two main areas:

- Encouraging constructive dialogue involving all relevant actors aimed at the further development of norms, standards, and safeguards relating to the implementation of Just Transition strategies by governments, businesses, and local authorities to ensure consistency with international human rights and labour standards.
- Establishing an independent, high-level, expert committee to offer authoritative human rights focused analysis of ongoing transition processes in specific locations.

We will also continue our long-standing work on commodity supply chains and the new challenges associated with the sourcing of much greater amounts of copper, lithium, cobalt, nickel and rare earth metals, as well as the production of key components such as batteries and solar panels. IHRB is actively engaged with policy makers on advancing the just transition, including through our accreditation to the UN Convention on Climate Change and ECOSOC consultative status with the UN Human Rights Council and other relevant inter-governmental bodies.

The planned work in Africa was delayed due to COVID-19, but a partnership will begin between IHRB and the Swiss Embassy in Pretoria focusing on the transition out of the coal industry. IHRB has also helped catalyze a major Just Transition programme within a major Swiss-based mining and commodity-trading giant, which includes closer analysis of cobalt extraction from DRC, as well as the transition out of coal in South Africa (as well as Colombia and Australia).

IHRB also intend on attending COP27 to grow the focus on Just Transition and plans to host a Wilton Park event in 2022 to help achieve this, as well as develop the independent expert committee set out above. Six place-based research programmes will be announced during 2022 to evidence the development of Just Transition norms.

Leadership Group for Responsible Recruitment and Migrant Workers programme

2022 will mark 10 years of the Dhaka Principles for Migration with Dignity, the framework which underpins our entire Migrant Workers programme. Amongst other activities we plan to produce a series of guest commentaries reflecting on every one of the 10 + 2 principles.

In 2022 we will extend our reach further with the establishment of a new regional hub in South Asia. With a focus on transnational migrant worker recruitment from India, Nepal and Bangladesh, work in the hub will allow closer engagement with recruitment corridors and stakeholders in these key countries of origin. This will complement the new workstream on the erosion of remittances to countries of origin through the servicing of recruitment debt. The new hub in South Asia will align and work closely with those in South East Asia and North America. There will also be a clear link to IHRB programmes in the Gulf.

In South East Asia we plan to continue to work with others in particular the IOM CREST programme on a number of initiatives across the region, and continue to build on our work with Japanese companies who are increasingly engaging with suppliers on ensuring migrant worker rights in Thailand, Taiwan, Malaysia and Vietnam. In particular we have been supportive of efforts to provide better access to grievance mechanisms for migrant workers. In Thailand we hope that the new Government Action Plan on Business and Human Rights may provide additional points of engagement to promote our agenda and expect to work closely with the UN organisations and some of the Leadership Group for Responsible Recruitment corporate members who have their own contacts within the Thai Government to achieve this.

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In North America we will continue to build the Responsible Recruitment Network and promote a range of activities to promote migrant worker rights. We have identified that the situation and challenges facing women migrant workers travelling through the corridors and particularly those employed in agriculture are currently absent from many existing initiatives. During 2022 we hope to explore this further, to gain a greater understanding of what is currently lacking and where we might add value. With others we also hope to continue advocacy begun in 2021 with the governments of Mexico and the USA to improve legislation and oversight of recruitment practices for low wage migrant workers in both countries.

Migrant Workers in Qatar

In partnership with ILO Qatar and Qatar's Ministry of Administrative Development, Labour and Social Affairs (ADLSA), IHRB will deepen its engagement with sectoral committees and local businesses to promote the implementation of the due diligence guidance tool and to build business capacity on responsible recruitment and employment. IHRB also hopes to host information sharing sessions with hotels, World Cup sponsors, the Supreme Committee for Delivery and Legacy and the Centre for Sport and Human Rights to discuss growing expectations and ongoing responsibilities in the context of the 2022 World Cup.

Migrant Workers in the GCC

IHRB will continue to undertake consultations with key stakeholders on the viability of an intra-Gulf platform to promote migrant rights and responsible business. Drawing on the research and consultation outcomes, IHRB will develop a platform strategy and business plan, which will inform the development of concrete plans and partnerships for the institutional launch of the platform before the end of 2022.

Myanmar

In 2022, IHRB will publish its report on responsible exit with the experience of Myanmar forming its core research, but also drawing from past contexts, such as apartheid-era South Africa, and reflect on the world changed by the Russian invasion of Ukraine and what it means for companies.

Shipping

IHRB will continue its work on promoting human rights of seafarers among charterers (commodity companies) and shipowners and operators, through the Code of Conduct for Charterers and the accompanying self-assessment questionnaire for shipowners and operators. The first annual report will be published in October 2022 and will provide a comprehensive analysis of uptake of the self-assessment tool, as hosted by RightShip, charting progress against commitments. This will be preceded by a series of communications exercises designed to promote the code and advocate for greater action within the maritime industry.

IHRB will work with the International Transport Workers Federation (ITF), SSI, the Mission to Seafarers and others to conduct outreach with seafarers and local welfare organisations to ensure better representation of worker voice in discussion with charterers and ship-owners and operators.

IHRB will co-host with Mission to Seafarers and SSI the first of an annual "Seafairer" roundtable in Singapore in October 2022 to coincide with the SSI members' annual forum. This will provide an important opportunity for structured and frank dialogue between seafarer representatives, welfare organisations, and union representatives and the companies that have made a commitment to implement the Code of Conduct.

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IHRB will widen its maritime work to include dockworkers and construction workers in port infrastructure, both important but overlooked links in the commodity supply chain from a human rights due diligence perspective. IHRB will engage with port operations - work that will span IHRB's shipping, built environment and migrant worker programmes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

During 2021, the Institute had eight trustees who were responsible for the governance of the charity and ensure that IHRB pursues the objects for which it was founded. Trustees have been selected based on their professional experience and expertise.

Trustees are required to declare any possible conflicts of interest and are therefore unlikely to hold decision-making positions in mainstream business or government during their tenure with the Institute. When recruiting for a new trustee, the Board will make a selection with the aim of having a balanced, well-informed, and effective trustee body that undertakes proper governance of IHRB. Individuals who are passionate about IHRB's purpose and aims and can bring relevant experience and knowledge to enhance the effectiveness of the charity will be sought out. IHRB staff will provide a shortlist of nominations of potential trustee candidates who meet agreed criteria, to which the Board can add nominations for consideration. The IHRB CEO and Deputy CEO, in consultation with colleagues, will advise trustees on the final selection, and facilitate an invitation from the Co-Chairs of the Board to the selected candidate(s). Possible new trustees undertake a period of observer status, usually joining at least one IHRB trustee meetings before their appointment is formalised. The Board will undertake appropriate due diligence to ensure that those who have been disqualified from serving as a trustee are not approached. Additionally, consideration will be made to not making trustee appointments which would potentially give rise to conflicts of interest.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Institute for Human Rights and Business is governed by a board of trustees. Trustee meetings take place at least four times a year, usually by phone. The trustees are regularly informed of financial matters, the progress of the Institute towards its charitable objects, and the success of relevant outputs and impacts relating to each of the programmes. The CEO reports to the board of trustees and runs IHRB on a day-to-day basis. The CEO and Deputy CEO consult the trustees on key and strategic decisions and ultimately manage the IHRB team.

The IHRB International Advisory Council provides guidance to trustees and staff about strategic matters and usually meet once a year. The International Advisory Council includes the Board of Trustees and members offer their time and expertise in an unpaid capacity. The other members of the IHRB International Advisory Council have been selected for their global expertise in all areas of business and human rights. All Council members are distinguished in their relevant fields, and bring specialisms that inform and enrich the charity's work. IHRB aims to have representation from all sectors - business, academia, research and civil society - and strives for the Council to be as diverse and representative as possible in terms of gender, ethnicity, age, as well as professional background and skills.

The CREER Centre is independently registered under Colombian law, and sits outside of the direct control of IHRB or its Trustees. The IHRB CEO and Deputy CEO are represented on the CREER Board. The Myanmar Centre for Responsible Business is registered in the UK as MCRB Ltd with a branch office in Myanmar, and two IHRB trustees sit on the Board of MCRB Ltd, as well as the IHRB CEO. The Centre for Sport and Human Rights became an independent entity in 2021, with IHRB as one of 7 founding members, represented by one IHRB trustee and the Deputy CEO. IHRB Nordic is registered as a charitable association in Denmark, and IHRB is one of two members, and the CEO and Deputy CEO sit on the Board.

IHRB annually reviews the salary levels for its core team using the job market in order to be competitive with professional roles in the international NGO sector. Pay reflects the need to attract and retain staff with the leadership, experience, skills and knowledge required to contribute to the work of a dynamic and influential charity. Salary levels also reflect responsibilities and performance. Employees are paid with a salary at least in line with guidance from the Campaign for a Living Wage.

In total, across the "IHRB family" of organisations, there are now 43 staff worldwide. The Institute's core staff and consultants during 2021 were:

John Morrison (CEO)
Frances House (Deputy CEO)
Scott Jerbi (Senior Advisor, Policy and Outreach)
Salil Tripathi (Senior Advisor, Global Issues)
Vicky Bowman (Director, Myanmar Centre for Responsible Business)
Vanessa Bissessur (Chief Operating Officer)
Julia Borgianni-Batho (Head of Labour Rights)
Haley St Dennis (Head of Communications)
Denise Derbyshire (Administrator)
Francesca Fairbairn (Shipping and Commodities Manager)
Kathy McLeish (Governance Officer)
Carmen Pedraza (Communications Officer, Migrant Workers programme)
Alejandra Rivera (Research Consultant)
William Rook (Senior Advisor, Middle East)

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Deborah Sago (Communications Officer)
Annabel Short (Built Environment Senior Advisor)
Guna Subramaniam (South East Asia Regional Advisor, Migrant Workers Programme)
Neill Wilkins (Head of Migrant Workers programme)

In addition, the Institute currently has thirteen Research Fellows.

Mary Robinson and Chris Marsden are Patrons of IHRB. The members of the International Advisory Council are S Batliwala, N Chanda, B Edlund, I Hilton, K Hyland, W Kimathi, M Kjaerum, A Ramasastry, M Taylor and M Wallstrom. L Fernando de Angulo, V Bowman, M Harvey and D Neale are ex-officio members. All IHRB Trustees are also members of the International Advisory Council.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06882940 (England and Wales)

Registered Charity number

1131790

Registered office

Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

Trustees

L R Lindsay (resigned 30.6.21)
D L Kemp
R J D Popper
N Black
P Goyer
R Kunanayagam
D D'Ambrosio Solicitor (appointed 12.5.21)
D Khan Solicitor (appointed 12.5.21)

Auditors

Myrus Smith
Statutory Auditors
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

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REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Co-Operative Bank
PO Box 250
Delf House
Skelmerdale
WN8 6WT

Accountants

LMDB Accountants
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Institute For Human Rights & Business Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 27 September 2022 and signed on its behalf by:

D D'Ambrosio - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Opinion

We have audited the financial statements of Institute For Human Rights & Business Limited (the 'parent charitable company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Group Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 Schedule 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance on the actual and potential litigation and claims, and also any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

Use of our report

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and parent charitable company and the group and parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Jones FCA (Senior Statutory Auditor)
for and on behalf of Myrus Smith
Statutory Auditors
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

Date: 27 September 2022

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	1,192,926	1,963,556	3,156,482	4,006,650
Commercial trading operations	4	55,358	-	55,358	48,069
Investment income	5	321	-	321	1,118
Other income - rent receivable		-	-	-	8,577
Total		<u>1,248,605</u>	<u>1,963,556</u>	<u>3,212,161</u>	<u>4,064,414</u>
EXPENDITURE ON					
Raising funds	6	9,917	-	9,917	24,222
Commercial trading operations		45,037	-	45,037	41,777
Charitable activities	8				
Migrant workers and work with dignity		142,487	656,423	798,910	463,336
Myanmar Centre for Responsible Business		-	567,269	567,269	501,241
Centre for Sport and Human Rights		905,452	729,620	1,635,072	1,107,000
HRD and Discrimination		73,819	-	73,819	85,437
Shipping and Commodities		104,565	107,656	212,221	283,760
High Risk Markets		18,822	-	18,822	48,592
Built Environment		59,013	222,051	281,064	86,671
Just Transition		97,823	53,036	150,859	183,603
Total		<u>1,456,935</u>	<u>2,336,055</u>	<u>3,792,990</u>	<u>2,825,639</u>
NET INCOME/(EXPENDITURE)		(208,330)	(372,499)	(580,829)	1,238,775
RECONCILIATION OF FUNDS					
Total funds brought forward	14	807,956	1,998,048	2,806,004	1,567,229
TOTAL FUNDS CARRIED FORWARD		<u>599,626</u>	<u>1,625,549</u>	<u>2,225,175</u>	<u>2,806,004</u>

There are no recognised gains or losses other than those disclosed above. All results derive from continuing operations

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2021**

	Notes	Consolidated 2021 £	Consolidated 2020 £	Charity 2021 £	Charity 2020 £
FIXED ASSETS					
Tangible assets	15	1,926	8279	1,926	2,585
Investments	16	-	-	2	2
		<u>1,926</u>	<u>8,279</u>	<u>1,928</u>	<u>2,587</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	17	591,104	1,434,182	701,220	1,160,460
Cash at bank		<u>1,955,684</u>	<u>1,629,214</u>	<u>1,825,994</u>	<u>1,270,459</u>
		<u>2,546,788</u>	<u>3,063,396</u>	<u>2,527,214</u>	<u>2,430,919</u>
CREDITORS					
Amounts falling due within one year	18	(323,539)	(265,671)	(309,469)	(152,996)
		<u>2,223,249</u>	<u>2,797,725</u>	<u>2,217,745</u>	<u>2,277,923</u>
NET CURRENT ASSETS					
		<u>2,223,249</u>	<u>2,797,725</u>	<u>2,217,745</u>	<u>2,277,923</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,225,175</u>	<u>2,806,004</u>	<u>2,219,673</u>	<u>2,280,510</u>
NET ASSETS		<u>2,225,175</u>	<u>2,806,004</u>	<u>2,219,673</u>	<u>2,280,510</u>
FUNDS					
Unrestricted funds	19	599,626	807,957	594,125	478,815
Restricted funds	19	<u>1,625,549</u>	<u>1,998,047</u>	<u>1,625,548</u>	<u>1,801,695</u>
TOTAL FUNDS		<u>2,225,175</u>	<u>2,806,004</u>	<u>2,219,673</u>	<u>2,280,510</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 27 September 2022 and were signed on its behalf by:

D D'Ambrosio - Trustee

The notes form part of these financial statements

**INSTITUTE FOR HUMAN RIGHTS & BUSINESS
LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>331,610</u>	<u>428,923</u>
Net cash provided by operating activities		<u>331,610</u>	<u>428,923</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,987)	(7,373)
Sale of tangible fixed assets		525	-
Interest received		<u>321</u>	<u>1,118</u>
Net cash used in investing activities		<u>(5,141)</u>	<u>(6,255)</u>
Cash flows from financing activities			
(Increase)/Decrease in group debtors		<u>-</u>	<u>-</u>
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		326,469	422,668
Cash and cash equivalents at the beginning of the reporting period		<u>1,629,214</u>	<u>1,206,546</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,955,683</u></u>	<u><u>1,629,214</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(580,829)	1,238,775
Adjustments for:		
Depreciation charges	3,659	4,358
(Profit)/loss on disposal of fixed assets	8,156	367
Interest received	(321)	(1,118)
Decrease/(increase) in debtors	843,077	(828,445)
Increase/(decrease) in creditors	<u>57,868</u>	<u>14,986</u>
Net cash provided by operations	<u><u>331,610</u></u>	<u><u>428,923</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank	<u>1,629,214</u>	<u>326,469</u>	<u>1,955,683</u>
	<u>1,629,214</u>	<u>326,469</u>	<u>1,955,683</u>
Total	<u><u>1,629,214</u></u>	<u><u>326,469</u></u>	<u><u>1,955,683</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. STATUTORY INFORMATION

Institute for Human Rights & Business Limited is a private company, limited by guarantee, registered in England and Wales.

The company's registered office address is:

Railview Lofts,
19c Commercial Road,
Eastbourne,
East Sussex,
BN21 3XE

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic Ireland', the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Preparation of the accounts on a going concern basis

The trustees are not aware of any material uncertainties about the charity's ability to continue as a going concern.

Preparation of consolidated financial statements

The financial statements contain information about Institute For Human Rights & Business Limited as an individual charity and do not contain consolidated financial information as the parent of a group. The company is required to prepare consolidated accounts under the Charities Act 2011 and will do so in addition to preparing these financial statements for the individual charity.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grant income is recognised when there is formal offer of funding communicated in writing to the charity which does not relate wholly to future accounting periods.

The value of donated services are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the charity can be reliably measured. An equivalent amount will be included as expenditure under the relevant heading in the Statement of Financial Activities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES - continued

Income

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

All costs are allocated between expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned according to time spent on each activity during the period.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Tangible fixed assets, excluding investments are initially measured at cost and subsequently stated at depreciated historic cost.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Pension costs are allocated to activities on the same basis as set out in the allocation and apportionment of costs policy stated above. Pension costs and liabilities are allocated to restricted and unrestricted reserves based on the allocation of labour time to the charities various funds.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the charity becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and are initially measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due. Cash and cash equivalents are classified as basic financial instruments and comprise cash at bank and short-term bank deposits with an original maturity of three months or less which are an integral part of the charity's cash management.

Financial liabilities issued by the company are classified in accordance with the substance of the contractual arrangements entered into and meet the definitions of a financial liability.

Financial assets are de-recognised when:

- the contractual rights to the cash flows from the financial asset expire or are settled; or
- the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the charity despite having retained some but not all significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments in subsidiaries

Investments in group companies are stated at cost less any identified impairment. An impairment review is undertaken annually by the trustees.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Business donations	418,590	931,423
Foundation grants	1,821,320	1,221,774
Government grants	526,420	1,343,560
Sports Body Donations	<u>390,152</u>	<u>509,893</u>
	<u>3,156,482</u>	<u>4,006,650</u>

Grants recognised as income included multi-year grants for the Myanmar Centre For Responsible Business, the Migrant Workers, Built Environment and Shipping and Commodities programmes. Income is recognised in the year in which the grants were agreed whilst the grant funding was for various periods ending up to 30 September 2022.

4. COMMERCIAL TRADING ACTIVITIES

	2021	2020
	£	£
Consultancy	<u>55,358</u>	<u>48,069</u>

5. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>321</u>	<u>1,118</u>

6. RAISING FUNDS

	2021	2020
	£	£
Staff costs	3,526	10,064
Insurance	498	695
Telephone	208	540
Postage and stationery	13	30
Sundries	172	203
Bank charges	19	16
Consultancy	3,341	10,258
Training	194	17
Website	172	182
Office rent	97	94
IT expenses	242	104
Accountancy and back office support	1,019	1,264
Travel and accommodation	226	112
Exchange rate variances	140	577
Depreciation	<u>50</u>	<u>66</u>
	<u>9,917</u>	<u>24,222</u>

Raising funds are a support cost of the charity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. SUBSIDIARY INCOME AND COSTS

The wholly owned trading subsidiaries IHRB Trading Ltd and Myanmar Centre for Responsible Business Limited are both incorporated in the United Kingdom and pay all of their distributable profits to the parent charity by gift aid. The parent charity owns the entire share capital in each subsidiary, being 1 ordinary share of £1 for each company. A summary of the trading results whilst part of the group is shown below.

IHRB Trading Ltd	2021	2020
	£	£
Turnover	55,358	48,069
Other income	-	-
Administration and other costs	<u>(45,036)</u>	<u>(41,778)</u>
Operating profit/(loss)	<u>10,322</u>	<u>6,291</u>
Net income	10,322	6,291
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>10,322</u>	<u>6,291</u>

As at December 2021, IHRB Trading Ltd had net liabilities of £12,905 (2020 - net liabilities of £23,227). This comprised assets of £96,966 (2020 - £59,577) and liabilities of £109,871 (2020 - £82,804).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. SUBSIDIARY INCOME AND COSTS - continued

Myanmar Centre for Responsible Business Limited	2021	2020
	£	£
Turnover	246,124	292,639
Other income	-	-
Administration and other costs	<u>(246,124)</u>	<u>(292,639)</u>
Operating profit/(loss)	<u>-</u>	<u>-</u>
Net income	-	-
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>-</u>	<u>-</u>

As at December 2021, Myanmar Centre for Responsible Business Limited had net assets of £1 (2020 - £1). This comprised assets of £29,244 (2020 - £62,581) and liabilities of £29,243 (2020 - £62,580).

IHRB USA	2021	2020
	£	£
Turnover	-	-
Other income	-	-
Administration and other costs	<u>20</u>	<u>(358)</u>
Operating profit/(loss)	<u>20</u>	<u>(358)</u>
Net income	20	(358)
Amount gift aided to the charity	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>20</u>	<u>(358)</u>

As at December 2021, IHRB USA had net assets of £8,086 (2020 - £8,066). This comprised assets of £8,086 (2020 - £8,066) and liabilities of £Nil (2020 - £Nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. SUBSIDIARY INCOME AND COSTS - continued

Centre for Sport and Human Rights Limited	2021	2020
	£	£
Turnover	1,117,644	1,599,123
Other income	-	-
Administration and other costs	(1,635,073)	(1,119,258)
Operating profit/(loss)	(517,429)	479,865
Net income	(517,429)	479,865
Amount gift aided to the charity	-	-
Retained in subsidiary	(517,429)	479,865

In July 2021, Centre for Sport and Human Rights Limited ceased to form part of the group. The values stated for 2021 relate to the period of group membership.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 9) £	Support costs (see note 10) £	Totals £
Migrant workers and work with dignity	591,641	-	207,269	798,910
Myanmar Centre for Responsible Business	382,451	98,648	86,170	567,269
Centre for Sport and Human Rights	1,351,630	-	283,442	1,635,072
HRD and Discrimination	43,474	-	30,345	73,819
Shipping and Commodities	148,762	-	63,459	212,221
High Risk Markets	14,182	-	4,640	18,822
Built Environment	153,905	75,760	51,399	281,064
Just Transition	129,619	-	21,240	150,859
	<u>2,815,664</u>	<u>174,408</u>	<u>747,964</u>	<u>3,738,036</u>

Comparatives for the year ended 31 December 2020:

	£	£	£	£
Totals	<u>2,159,056</u>	<u>-</u>	<u>600,584</u>	<u>2,759,640</u>

9. GRANTS PAYABLE

	2021 £	2020 £
Myanmar Centre for Responsible Business	98,648	-
Built Environment	<u>75,760</u>	<u>-</u>
	<u>174,408</u>	<u>-</u>

The total grants paid to institutions during the year was as follows:

	2021 £	2020 £
IHRB Nordic	75,760	-
Yever	<u>98,648</u>	<u>-</u>
	<u>174,408</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. SUPPORT COSTS

	Management £	Finance £	Information technology £	Governance costs £	Totals £
Migrant workers and work with dignity	193,383	296	11,348	2,242	207,269
Myanmar Centre for Responsible Business	66,765	149	16,868	2,388	86,170
Centre for Sport and Human Rights	248,961	769	33,712	-	283,442
HRD and Discrimination	28,312	44	1,674	315	30,345
Shipping and Commodities	59,279	90	3,442	648	63,459
High Risk Markets	4,327	7	258	48	4,640
Built Environment	48,003	73	2,797	526	51,399
Just Transition	19,815	31	1,173	221	21,240
	<u>668,845</u>	<u>1,459</u>	<u>71,272</u>	<u>6,388</u>	<u>747,964</u>

Comparatives for the year ended 31 December 2020:

	£	£	£	£	£
Totals	<u>528,163</u>	<u>2,163</u>	<u>58,817</u>	<u>11,441</u>	<u>600,584</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Auditors' remuneration	6,388	4,000
Audit of trading subsidiaries	4,248	4,817
Depreciation - owned assets	1,887	4,358
Surplus/(deficit) on disposal of fixed assets	<u>8,156</u>	<u>366</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

During the year no trustees (2020 - one) were reimbursed expenses as follows:

	2021	2020
	£	£
Travel expenses	<u>-</u>	<u>416</u>

13. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	960,602	1,004,112
Social security costs	95,787	98,555
Other pension costs	<u>71,283</u>	<u>57,360</u>
	<u>1,127,672</u>	<u>1,160,027</u>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and his deputy. The total employee benefits of the key management personnel of the charity were £459,677 (2020 - £631,506).

Under FRS 102, employee benefits include gross salary, benefits in kind, employer's social security and employer pension costs.

The average monthly number of employees during the year was as follows:

	2021	2020
	<u>35</u>	<u>26</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
£60,001 - £70,000	1	1
£70,001 - £80,000	4	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1
£140,001 - £150,000	1	1
£190,001 - £200,000	1	-
£200,001 - £210,000	<u>-</u>	<u>1</u>
	<u>10</u>	<u>7</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. STAFF COSTS - continued

Retirement benefits are accruing to five employees (2020 - six) earning over £60,000 per annum. The total pension contributions paid in respect of said employees was £46,539 for the year ended 31 December 2021 (2020 - £28,126).

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,291,415	2,715,235	4,006,650
Commercial trading operations	48,069	-	48,069
Investment income	611	507	1,118
Other income - rent receivable	-	8,577	8,577
Total	1,340,095	2,724,319	4,064,414
EXPENDITURE ON			
Raising funds	24,222	-	24,222
Commercial trading operations	41,777	-	41,777
Charitable activities			
Migrant workers and work with dignity	36,595	426,741	463,336
Technology	-	-	-
Myanmar Centre for Responsible Business	-	501,241	501,241
Centre for Sport and Human Rights	319,620	787,380	1,107,000
HRD and Discrimination	85,437	-	85,437
Shipping and Commodities	124,125	159,635	283,760
High Risk Markets	30,155	18,437	48,592
Built Environment	70,003	16,668	86,671
Just Transition	108,602	75,001	183,603
Total	840,536	1,985,103	2,825,639
NET INCOME/EXPENDITURE	499,559	739,216	1,238,775
RECONCILIATION OF FUNDS			
Total funds brought forward	308,397	1,258,832	1,567,229
TOTAL FUNDS CARRIED FORWARD	807,956	1,998,048	2,806,004

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. TANGIBLE FIXED ASSETS - GROUP

	Computer equipment £
COST	
At 1 January 2021	22,621
Additions	5,987
Disposals	<u>(17,483)</u>
At 31 December 2021	<u>11,125</u>
DEPRECIATION	
At 1 January 2021	14,342
Charge for year	3,659
Eliminated on disposal	<u>(8,802)</u>
At 31 December 2021	<u>9,199</u>
NET BOOK VALUE	
At 31 December 2021	<u>1,926</u>
At 31 December 2020	<u>8,279</u>

TANGIBLE FIXED ASSETS - CHARITY

	Computer equipment £
COST	
At 1 January 2021	12,494
Additions	1,229
Disposals	<u>(2,598)</u>
At 31 December 2021	<u>11,125</u>
DEPRECIATION	
At 1 January 2021	9,909
Charge for year	1,887
Eliminated on disposal	<u>(2,597)</u>
At 31 December 2021	<u>9,199</u>
NET BOOK VALUE	
At 31 December 2021	<u>1,926</u>
At 31 December 2020	<u>2,585</u>

Fixed assets are not capitalised below the value of £250.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 January 2021 and 31 December 2021	<u>2</u>
NET BOOK VALUE	
At 31 December 2021	<u>2</u>
At 31 December 2020	<u>2</u>

The above shares in group undertakings represent investment assets held in the UK. In addition the company is a member of one company incorporated in the USA without share capital.

The company's investments at the balance sheet date in the share capital of companies include the following:

IHRB Trading Limited

Registered office: Railview Lofts, 19C Commercial Road, Eastbourne, East Sussex, BN21 3XE

Nature of business: Consultancy Services

	% holding	2021 £	2020 £
Class of share:			
Ordinary	100		
Aggregate capital and reserves		(12,905)	(23,227)
Profit for the year		<u>10,322</u>	<u>6,291</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. FIXED ASSET INVESTMENTS - continued

Myanmar Centre For Responsible Business Limited

Registered office: Railview Lofts, 19C Commercial Road, Eastbourne, East Sussex, BN21 3XE

Nature of business: Consultancy Services

	% holding	2021 £	2020 £
Class of share:			
Ordinary	100		
Aggregate capital and reserves		<u>1</u>	<u>1</u>

IHRB USA

Country of incorporation: USA

Nature of business: Charity

The above company is incorporated without share capital, with the Institute For Human Rights and Business being the sole member.

	2021 £	2020 £
Aggregate capital and reserves	8,086	8,066
Surplus / (Deficit) for year	<u>20</u>	<u>(358)</u>

17. DEBTORS – GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	227,342	295,755	226,142	59,509
Other debtors	3,751	13,622	345	345
Amounts owed by group undertakings	-	-	114,722	115,124
Accrued income	337,601	1,074,127	337,601	952,745
Prepayments	<u>22,410</u>	<u>50,678</u>	<u>22,410</u>	<u>32,737</u>
	<u>591,105</u>	<u>1,434,182</u>	<u>701,220</u>	<u>1,160,460</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. CREDITORS – GROUP AND CHARITY

AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	35,466	75,170	33,234	24,307
Social security and other taxes	17,011	26,757	16,879	17,390
Other creditors	29,861	9,398	27,986	8,688
Accrued expenses	11,215	13,299	9,415	8,102
Deferred income	105,306	141,047	97,275	94,509
Grants payable	<u>124,680</u>	<u>-</u>	<u>124,680</u>	<u>-</u>
	<u>323,539</u>	<u>265,671</u>	<u>309,469</u>	<u>152,996</u>

Deferred grant income brought forward from 2020 of £94,509 has been released during the year.

Deferred income as at 31 December 2021 includes grant funding received in the period of £97,275. The grants have been made for activities in 2022.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. MOVEMENT IN FUNDS

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	407,956	(208,330)	(100,000)	99,626
Contingency reserve	<u>400,000</u>	<u>-</u>	<u>100,000</u>	<u>500,000</u>
	807,956	(208,329)	-	599,626
Restricted funds				
Migrant workers and work with dignity	450,509	352,878	-	803,387
Myanmar Centre for Responsible Business	985,631	(424,762)	-	560,869
Centre for Sport and Human Rights	196,352	(196,352)	-	0
High Risk Markets	39,812	(39,812)	-	-
Built Environment	214,472	46,821	-	261,293
Shipping and Commodities	111,272	(111,272)	-	-
Just Transition	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,998,047</u>	<u>(372,499)</u>	<u>-</u>	<u>1,625,549</u>
TOTAL FUNDS	<u><u>2,806,004</u></u>	<u><u>(580,828)</u></u>	<u><u>-</u></u>	<u><u>2,225,175</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,248,605	(1,456,935)	(208,330)
Restricted funds			
Migrant workers and work with dignity	1,009,302	(656,424)	352,878
Myanmar Centre for Responsible Business	142,507	(567,269)	(424,762)
Centre for Sport and Human Rights	533,268	(729,620)	(196,352)
High Risk Markets	(39,812)	-	(39,812)
Built Environment	268,872	(222,051)	46,821
Shipping and Commodities	(3,617)	(107,655)	(111,272)
Just Transition	<u>53,036</u>	<u>(53,036)</u>	<u>-</u>
	<u>1,963,556</u>	<u>(2,336,055)</u>	<u>(372,499)</u>
TOTAL FUNDS	<u><u>3,212,161</u></u>	<u><u>(3,792,990)</u></u>	<u><u>(580,829)</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	(91,603)	499,559	407,956
Contingency reserve	<u>400,000</u>	<u>-</u>	<u>400,000</u>
	308,397	499,559	807,956
Restricted funds			
Migrant workers and work with dignity	232,049	218,459	450,508
Myanmar Centre for Responsible Business	778,498	207,133	985,631
Centre for Sport and Human Rights	174,230	22,122	196,352
High Risk Markets	-	39,812	39,812
Built Environment	-	214,472	214,472
Shipping and Commodities	<u>74,054</u>	<u>37,218</u>	<u>111,272</u>
	<u>1,258,831</u>	<u>739,216</u>	<u>1,998,047</u>
TOTAL FUNDS	<u><u>1,567,229</u></u>	<u><u>1,238,775</u></u>	<u><u>2,806,004</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,340,095	(840,536)	499,559
Restricted funds			
Migrant workers and work with dignity	645,200	(426,741)	218,459
Myanmar Centre for Responsible Business	708,374	(501,241)	207,133
Centre for Sport and Human Rights	809,502	(787,380)	22,122
High Risk Markets	58,249	(18,437)	39,812
Built Environment	231,140	(16,668)	214,472
Shipping and Commodities	196,853	(159,635)	37,218
Just Transition	<u>75,001</u>	<u>(75,001)</u>	<u>-</u>
	<u>2,724,319</u>	<u>(1,985,103)</u>	<u>739,216</u>
TOTAL FUNDS	<u><u>4,064,414</u></u>	<u><u>(2,825,639)</u></u>	<u><u>1,238,775</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. MOVEMENT IN FUNDS - continued

Unrestricted funds represent monies given to the charity without restrictions.

The trustees have a reserves policy of keeping approximately 3 months of working capital in reserves. Unrestricted reserves held as at 31 December 2021 are broadly in line with the policy. As an extension to the policy, £500,000 (£400,000) of unrestricted reserves have been designated as a contingency reserve. The charity is not able to access these funds without trustees' prior approval.

Restricted funds represent monies given to the charity for a particular activity as follows:

Migrant Workers and Work with Dignity: Strengthening protection of migrant worker rights and examining the responsibilities of recruitment agencies.

Centre for Sport and Human Rights: Human rights in the context of sporting events (FIFA World Cup, Olympic Games etc).

Myanmar Centre For Responsible Business: An initiative to encourage responsible business activities throughout Myanmar.

High Risk Markets: Programme related specifically to responsible business conduct in high-risk environments, which includes the role that investors, local companies and governments should play.

Shipping and Commodities: Identifying and developing human rights lifecycle and principles relating to Maritime Sector and work on the extractive sector aiming to embed the protection of and respect for human rights, transparency, and accountability.

Built Environment: Exploring the extent to which built environment promotes, threatens or diminishes human dignity

Human Rights Defenders and Discrimination: Protecting human rights defenders and challenging business and discriminatory practices.

Just Transition: Visible framing for government and business action on climate change.

20. EMPLOYEE BENEFIT OBLIGATIONS

The charity contributed to defined contribution pension schemes for all of the employees during the period. Contributions of £71,283 (2020 - £57,360) have been charged to the Statement of Financial Activities for the period under review. As at 31 December 2021 there were no unpaid contributions (2020 - £nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. RELATED PARTY DISCLOSURES

IHRB Trading Limited

Subsidiary company

As at 31 December 2021 the subsidiary owed the charity £95,801 (2020 - £67,916). An impairment loss has been provided on the loan of £10,322 (2020: £23,228). Provision was made in a prior period. The loan by the charity has no fixed repayment term and is interest free.

Myanmar Centre For Responsible Business Limited

Subsidiary company

The balance due from the subsidiary at the balance sheet date was £29,243 (2020 - £62,582). This loan to the subsidiary has no fixed repayment term and is interest free.

Expenses of £246,124 (2020 - £292,639) were recharged by the subsidiary to the charity during the year.

Centre for Sport and Human Rights Limited

Former subsidiary company

Centre for Sport and Human Rights Limited left the group in July 2021. As at 31 December 2021 the subsidiary owed the charity £nil (2020 - £7,854). The loan by the charity had no fixed repayment term and is interest free.

Upon leaving the group the subsidiary had net assets of £903,400. This amount has been recognised as a donation in the consolidated accounts.

22. CONTINGENT ASSETS

The charity has been awarded grants totalling £446,826, which are for time periods that commence after the balance sheet date. As the charity is presently unable to receive or expend these funds they are not recognised in income in the reporting period.