

Clean Trade

Trustees Report and Financial Statements

Financial period: 1st September 2021 – 31st August 2022

Charitable Incorporated Organisation Registration number 1177571

Reference & Administrative Details:

Board of Trustees:

Prof. Leif Wenar (Chairperson) (indefinite appointment)

Mr. Paul Jourdan (appointed on 14th March 2018 for a five-year term, to be proposed for re-appointment)

Mr. Richard Meeran (re-appointed on 17th June 2022 for a four-year term)

Dr. Octavio Ferraz (re-appointed on 18th June 2021 for a three-year term)

Chief Executive:

Mr. Andrew Togher

Registered Office:

78 Offord Road

London

N1 1EB

Principal Bankers:

Virgin Money

154 – 158 Kensington High Street

London

W8 7RL

Type of Governing Document: Constitution of a Charitable Incorporated Organisation whose only voting members are its charity trustees

INTRODUCTION

The Trustees of Clean Trade present their report and accounts for the financial period 1st September 2021 - 31st August 2022.

Clean Trade was incorporated as a Charitable Incorporated Organisation on the 14th March 2018. The trustees would like to offer sincere thanks to all those involved in supporting Clean Trade for their hard work since then, seeking to establish the right of peoples to benefit from their countries' natural wealth and resources.

Objectives for the financial period ending 31st August 2022 were to continue research and outreach to put into action the strategy agreed by the Trustees in September 2019. Funding was in place to allow operations to continue in the financial year 2021-22.

The core strategy of engagement with the United Nations Human Rights Treaty Bodies was derailed by the global pandemic, but by the beginning of 2022 the core team reached the conclusion that conditions would be improved by the summer, and that events to showcase Clean Trade's message would be likely to succeed. For the remainder of 2021 the team developed collateral that would form the background to approaches to key stakeholder groups: the United Nations Human Rights Treaty Bodies, investors and the legal profession.

Governance

Clean Trade was formed using the standard Foundation constitution for Charitable Incorporated Organisations provided by the Charity Commission of England & Wales. The charity was formed with four trustees who will each serve terms as listed above, as founding trustees. The charity has been formed as a CIO whose only voting membership is its charity trustees. The founding trustees were selected by the Chair based on their respective sets of expertise; future trustees will be selected based on their relevant expertise and will be appointed by the existing Board of Trustees.

Policies & Procedures

Clean Trade has put in place policies and procedures on the following subjects, which are available upon request:

- General Data Protection Regulations
- Fundraising

- Health & Safety
- Whistleblowing, Complaints & Safeguarding
- Risk Management
- Anti-Money Laundering
- Conflicts of Interests

As the charity currently has no direct employees, with staff working on a consultancy and/or voluntary basis, human resources policies are not yet required.

Objectives

The trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008 to have due regard to the Charity Commission's general guidance on public benefit.

The charitable objects set out in Clean Trade's incorporation documents are:

To promote human rights (as set out in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights and subsequent United Nations conventions and declarations), and in particular the right of all peoples to enjoy and utilise fully and freely their natural wealth and resources, so that they may for their own ends freely dispose of their natural wealth and resources.

Background and mission

By 2012, the world's leading resource-rich states outside the West were on average no richer, no freer and no more peaceful than they were even in 1980. What drives these failures is who controls resource revenues in these states. In most major resource-exporting states, the revenues are controlled by authoritarian regimes and armed groups that are entirely unaccountable to the people of the country; this empowers them to be more oppressive or violent or corrupt. Authoritarians and armed groups in countries that export high-value extractives - oil, metals and gems - can ignore their citizen's rights while seeding wars and terrorism that impact the security and prosperity of people around the world.

Most civil wars, most authoritarian regimes, most hunger crises, and most highly corrupt governments are in countries rich with oil,

metals or gems. These countries are also the source of most of the world's refugees and will soon be home to most of the world's extreme poverty.

Western consumers sponsor misrule when they buy products - from oil to mobile phones - without knowing where their raw materials come from, or that they are sending trillions of dollars a year through supply chains to fund authoritarian regimes. Stolen resources make their way into every facet of daily lives across the world.

Since the 17th century, national trade laws made it legal to buy natural resources from anyone who has control over them, even if the control is by force. This rule of 'might makes right' is what gives legitimacy to the purchase of resources from oppressive regimes and armed groups. Other forms of 'might makes right,' such as the slave trade and colonial rule, have long been abolished in international law—yet coercion-based trade in resources remains the international norm today.

Fortunately, the language of international Human Rights law is clear: it insists that it is the people, and not the powerful, who have the ultimate right to control the resources of their country. Clean Trade works to bring resource trade into the modern era by increasing recognition of the human right of all peoples to the natural resources of their country. Countries where the people can hold their government accountable for resource exports are much less likely to suffer authoritarian rule, grand corruption, civil war, and their resulting tragedies.

Clean Trade's vision is for a world in which all peoples can hold accountable those who sell off their natural resources. Our mission is to see citizens' rights to their natural resources respected worldwide, as a matter of national and international law.

Activities and outcomes

The activities Clean Trade has pursued for the public benefit during the financial period of 1st September 2021 – 31st August 2022, were in pursuance of the charitable objects, namely to promote human rights and in particular the right of all peoples to enjoy and utilise fully and freely their natural wealth and resources.

Strategy

Clean Trade has undertaken research and built contacts in the areas that have a bearing on international trade in natural resources. Funding from the Joffe Foundation in 2019 allowed the team to develop a three-year strategy. This involved global stakeholder outreach and analysis, and a legal and economic analysis of Clean Trade's evidence base. This work was completed in September 2019, and formed the core of Clean Trade's subsequent strategic plan. This three-year plan was delayed by the COVID-19 pandemic, but a key goal, dialogue with key stakeholder groups, was realised in 2022.

Clean Trade's strategy seeks to promote peoples' rights to their natural resource wealth. These rights in international law are based on the human rights treaties that form the International Bill of Human Rights: the International Convention on Civil & Political Rights (ICCPR) and the International Convention on Economic, Social and Cultural Rights (ICESCR).

The strategic aim for Clean Trade is to seek clarification of the natural resource rights aspects of these major Human Rights treaties. We focused on the articles affirming the resource rights of peoples, common to both treaties. Article 1.2 of both treaties states:

All peoples may, for their own ends, freely dispose of their natural wealth and resources... In no case may a people be deprived of its own means of subsistence.

Such clarification would underpin and bring credibility to our quest for legal remedies, for government legislation, and help bring about the adoption of natural resource rights in business and investor standards. The route to achieve this is to prepare the case for a General Comment or other clarification on the interpretation of the articles affirming the resource rights of peoples, to be made by one or both of the two relevant UN Treaty Body Committees (CESCR and HRC). We were fortunate to be joined by Prof. Jérémie Gilbert who is based at Roehampton University London, and has extensive experience in this area.

Activities and achievements

In order to construct a case for the United Nations, the team gathered evidence from CESCR and HRC documents. Past documentation from the treaty bodies such as General Comments, State Party Reports, and Lists of Issues was analysed for references relevant to Clean Trade's mission, across all states covered by the two treaties, going back ten years.

The Clean Trade Governance Index is updated annually and forms the core evidence base for the legal, investment and government workstreams. It allows organisations to measure their exposure to states that do not respect their citizens' natural resource rights. The Index is an amalgamation of external indices which measure how each country respects its peoples' rights to have a voice in and benefit from their natural resource wealth, and provides a ranking of countries based on these rights.

The Index was updated in 2021 using the latest figures from the World Bank, the Economist and Freedom House, reviewed for accuracy and suitability, and checked for institutional bias. The Index was further tailored following investment sector feedback.

Clean Trade continued to participate in and offer strategic input to the Publish What You Pay alliance, which makes collective representations to governments and gatherings such as the G7 meetings.

At the beginning of 2022 there were signs that the UN was experiencing less disruption, and Environmental Social and Governance based investing was going from strength to strength. Encouraged by this we decided to hold a series of summer events leveraging the expertise of our Trustees in international law, investment, and litigation.

Unforeseen at that time, the tragic events in Ukraine gave even more urgency to our mission. Clean Trade's assertion is that when authoritarians control resource revenues without being accountable to citizens, there are strong links to corruption and violence, which frequently takes place outside the borders of the source country. We see this in the use of Russian oil revenues to support military action.

Clean Trade and the Transnational Law Institute at King's College London co-sponsored the event ***The Rights of Peoples over Natural Resources*** on June 21st 2022 at Kings College. UN Human Rights Treaty body members, a UN Special Rapporteur and leading academics explored the possibility of a General Comment on the articles affirming the resource rights of peoples, from the two UN Committees that monitor the Human Rights Covenants.

Clean Trade, Amati Global Investors and the Transnational Law Institute co-sponsored the event ***Breaking the Link between Oil & Gas and War: Putting Human Rights into ESG*** on 27th June at King's College. This saw journalists, industry practitioners, investors and analysts examine the absence of critical human rights

considerations in ESG investment, and the difficulties in finding practical solutions. ESG investing, having seen explosive growth is under scrutiny for making claims that are not necessarily followed through in practice. The goal of the meeting was to underline the gap between, for example, the high ESG scores given to Russian oil companies and the violence that is funded by their oil and gas revenues.

Clean Trade, Leigh Day and the Transnational Law Institute co-sponsored a full-day event on 29th June at Leigh Day: **Human Rights and Natural Resources**. Panels of legal experts used four case studies to examine the human rights impacts of natural resource extraction and exploitation. Leigh Day have successfully litigated against Shell and other multinationals, and this event explored existing and fresh opportunities to hold corporates to account; for Clean Trade this holds the expectation of new avenues to disincentivise trade with authoritarian resource rich states.

Each of these avenues reinforces the others. The UN takes into account evidence that the legal and investment sectors see resource rights as a critical issue. The prospect of litigation, and advances in international law leading to revised corporate standards motivates investors. In addition the legal sector can develop new tactics when international law is clarified by the UN, as well as seeking opportunities in ESG 'greenwashing' litigation.

Funds and Fundraising

Funds at the beginning of the financial year were £19,462. Contact was maintained with funders, seeing updates and input to the Joffe Trust and Polden Puckham. Expenses were kept as low as possible and considerable pro-bono work has been volunteered by the team. The only spend was £10, a payment to Andy Togher in June 2022 necessary to keep the bank account open, as no other payments had been made since March 2021. This left Clean Trade in a strong position with £19,451.90 in the bank.

People

Leif Wenar and Jérémie Gilbert continued in their roles at Stanford and Roehampton Universities respectively, while working with Clean Trade on a pro-bono basis. Andy Togher works on a consultancy/pro bono basis according to budget available.

We are extremely fortunate to have active and committed Trustees in the investment, legal and academic worlds, and we extend grateful thanks for their advice and participation to Paul Jourdan, Richard Meeran and Octavio Ferraz.

Risk

Risks are monitored closely by both trustees and colleagues. The following risks were identified as requiring monitoring and mitigation strategies:

Risk:	Mitigation Strategy:
Changing composition of UN Treaty Bodies lessens possibility of agreement on a General Comment	Seek clarification of Articles 1.2 via shadow reports; encourage supporters on treaty bodies to incorporate supportive language into current draft General Comments.
Insufficient funds to continue at current level with paid contractors and to pursue planned workstreams.	The team controls expenditure and dedicates significant resource to fundraising outreach.
Loss of core team member	Other members have agreed to take on increased responsibility if necessary, and arrangements would be made where possible to move the colleague into a trustee or advisory role to retain knowledge, skills and relationships.
Operational failure, including IT failure and errors as a result of members of the team being located internationally.	A process has been put in place to review and confirm key decisions.
Negative press coverage and/or erroneous/ potentially libellous information given out by Clean Trade via research, analysis or communications.	The team will ensure that communications and, where necessary, legal advice is sought as part of the internal review process for communications.

Financial review

Clean Trade ended its fourth financial year with cash available at £19,452.

X

Leif Wenar



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**For the period
from**

To

**Unrestricted
funds
to the nearest
£**

**Endowment
funds
to the nearest £**

	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Sub total (Gross income for AR)	-	-	-
A2 Asset and investment sales, (see table).			
n/a	-	-	-
	-	-	-
Sub total	-	-	-
Total receipts		-	-
A3 Payments			
Payment to A Togher	10		-
		-	-
		-	-
		-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Sub total	10	-	-
A4 Asset and investment purchases, (see table)			
n/a	-	-	-
	-	-	-
Sub total	-	-	-
Total payments	10	-	-
Net of receipts/(payments) -	10	-	-
A5 Transfers between funds	-	-	-
A6 Cash funds last year end	19,462	-	-

Cash funds this year end	19,452	-	-
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Section B Statement of assets and liabilities at the end of the period

Categories	Details	Unrestricted funds to nearest £
B1 Cash funds	Cash in bank (at 31 Aug 2021)	19,462
		-
		-
	Total cash funds	19,462
	(agree balances with receipts and payments account(s))	ok
		Unrestricted funds to nearest £
B2 Other monetary assets	Details	to nearest £
	No other monetary assets	-
		-
		-
		-
		-
		-
		-
B3 Investment assets	Details	Fund to which asset belongs
	No investment assets	
B4 Assets retained for the charity's own use	Details	Fund to which asset belongs
	No retained assets	

B5 Liabilities

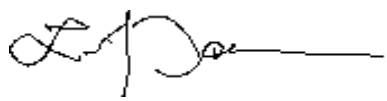
Details
No liabilities

**Fund to which
liability relates**

Signed by one or two trustees on
behalf of all the trustees

Signature

Print N

A handwritten signature in black ink, appearing to read 'Leif W.', followed by a horizontal line.

Leif W.

o (if any)

CC16a

Aug 31, 22

Total funds to the nearest £	Last year to the nearest £
-	20,000
-	
-	-
-	-
-	-
-	-
-	-
-	-
-	20,000
-	
-	-
-	-
-	20,000
10	2,000
-	8,000
-	-
-	-
-	
-	-
-	-
-	-
-	-
10	10,000
-	
-	
-	-
10	10,000
-	10,000
-	-
19,462	9,462

19,452

19,462

Restricted funds
to nearest £

-
-
-
-

**Endowment
funds**
to nearest £

-
-
-
-

OK
Restricted funds
to nearest £

-
-
-
-
-
-

OK
**Endowment
funds**
to nearest £

-
-
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-

Cost (optional)

-
-
-
-
-

**Current value
(optional)**

-
-
-
-
-

Cost (optional)

-
-
-
-
-
-
-
-

**Current value
(optional)**

-
-
-
-
-
-
-
-

- -

**Amount due
(optional)**

**When due
(optional)**

-
-
-
-
-

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Date of approval

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Jun 23, 23