

STICHTING SCHONE KLEREN CAMPAGNE/CLEAN CLOTHES CAMPAIGN
Nieuwezijds Voorburgwal 292
1012 RT AMSTERDAM

10 July 2019

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REPORT OF THE BOARD

History, aims and current programmes

The *Schone Kleren Campagne* (SKC) or the Clean Clothes Campaign was launched in 1989 when Dutch and British women as well as solidarity groups protested against the dismissal of garment factory workers in the Philippines who were on strike. The women who worked for the supplier of William Baird (GB) and C&A (NL) were sacked after asking that they be paid the statutory minimum wage. In the same year the workers organised picket lines whilst a solidarity campaign was conducted in the Netherlands and in Great Britain. This marked the launch of the 'Schone Kleding' or 'Clean Clothes' campaign to raise awareness for the demands of southern women's and workers' organisations.

Over the years SKC has evolved into a global network recognised internationally as the Clean Clothes Campaign (CCC). This network consists of trade unions, women's rights and work-related civil society organisations, from both production and consumer countries.

CCC aims to improve the working conditions and position of workers in the global garment industry. The organisation's ultimate goal is to end suppression, exploitation and abuse of workers - mainly women - in the garment sector. CCC seeks to achieve these objectives as follows:

1. By putting pressure on companies and governments to take responsibility to ensure that the rights of manufacturing workers in global supply chains are respected and implemented
2. Working in solidarity with organised workers in global supply chains fighting for their rights anywhere from the workplace to the global level; and take action on concrete cases of violations of the rights of workers and activists
3. Raising awareness and mobilise people to undertake individual and collective action (linked to consumption, citizenship, work, investment or other areas of life);
4. Exploring judicial mechanisms and lobby for legislation to protect workers' rights and hold companies accountable;
5. Promoting public and private procurement that ensures workers' rights are respected in the production process;
6. Working together to develop our own network and strengthen the global alliance for workers' rights.

Considerable strides have meanwhile been made in raising awareness; consumers nowadays are aware that their clothing is usually produced in low-wage countries and that human rights are likely to have been violated in the process. This concerns the right to freedom of association, a living wage and a safe and healthy workplace, or violation of the child labour ban, forced labour and discrimination. Local human rights activists are regularly unjustly prosecuted, physically assaulted or their right to freedom of speech has been curbed. In collaboration with its partners CCC identifies these violations and subsequently brings these to the attention of business and industry, the government(s) and the wider public. We always provide a perspective for action: all those who buy clothes whether individually or wholesale can contribute to a fairer world.

CCC, being one of the founding members of the Fair Wear Foundation (FWF), holds a seat in the FWF Board and the Committee of Experts.

Highlights of 2018

In 2018, CCC, through further coalition building and agenda setting, helped create a favourable landscape around **transparency**. The Transparency Pledge coalition, in which CCC works with major trade union federations and human rights NGOs, is instrumental in creating wider acceptance of transparency in the form of individual factory list disclosure as an indispensable part of due diligence. CCC's work in public campaigning and lobbying towards brands and multi-stakeholder initiatives (MSIs), including a strong presence at international forums, has led to more brands, retail discounters and MSIs moving towards more transparent supply chains. In response to our outreach, the Fair Wear Foundation (FWF) announced its updated transparency policy, including an aggregated publication of production locations. We also worked on broadening the civil society support for our proposed minimum standards through a 'Big Tent' meeting of NGOs and other stakeholders – leading for example to the alignment of the widely known Fashion Revolution transparency index with our standards.

In collaboration with Dutch and Belgian trade unions and NGOs, CCC supports the implementation of the **Freedom of Association Protocol (FoAP)**. The appointed facilitator to the FoAP National Committee has a mandate to build trust between the stakeholders, monitor worker trainings and establish functioning workplace monitoring committees. Efforts continue for more brands and their suppliers to sign the protocol.

A cornerstone of CCC's work remained the **Urgent Appeal system**, and during 2018 we worked – together with network partners – on approximately 20 cases. This worker-led work allows CCC to focus on concrete cases of labour rights violations, and identify and remedy trends of violations, such as shrinking space for activists in countries including Cambodia and Bangladesh, and wage theft after relocation of production. This latter topic was raised forcefully through a public campaign in support of the Jaba Garmino workers' demand for severance payments from Japanese brand Uniqlo. When the brand opened a new flagship store in Amsterdam, the Dutch CCC Secretariat (SKC) organised an action in front of its doors telling Uniqlo to pay the workers what they are owed. While the campaign has not yet convinced Uniqlo to pay up, it has cast a dark shadow on Uniqlo's public image at a crucial time in the company's expansion.

CCC joined 35 organisations from around the world (incl. four global unions) in efforts to end the politically motivated prosecution of Cambodian human rights defender **Tola Moeun**. CCC played a key role in a campaign that included lobbying embassies and reaching out to brands, MSIs and the media. A week after an EU delegation visited Cambodia on a fact-finding mission reconsidering the EBA (Everything But Arms scheme) status of Cambodia in July, legal charges against Tola were dropped.

After a long struggle, unlawfully dismissed union members of the **Meridian Garment Industries Limited** factory in Cambodia were reinstated and/or received back pay, thanks to cooperation between international labour rights groups (incl. CCC) and brands that sourced from the factory.

Enhancing **occupational health and safety** was again central for CCC. As a result of relentless campaigning by CCC and its partners, the survivors and families of victims of the Ali Enterprises fire in September 2012 have started receiving life-long pensions. After reaching this milestone, CCC moved to more long-term work pertaining to this tragedy: making the case for social auditor liability and working towards preventive safety. CCC and its partners in Italy, Germany and Pakistan launched an OECD complaint against social auditor RINA, which had certified the factory weeks before the fire. Furthermore, partner organizations in Pakistan took first steps towards reaching sustainable solutions in the field of preventive safety by jointly developing a proposal for a Pakistani programme modelled after the Bangladesh Accord.

2018 was a crucial year for the Bangladesh Accord, with its mandate due to run out. CCC was in the forefront of the campaign (with Bangladeshi, European and US network partners and allies) for the 2018 Transition Accord, which resulted in over 190 brand signatories (from 60 in the beginning of the year), including for the first time home textile brands. The task of convincing brands of the continued need of this programme without a factory incident in fresh memory (which CCC is immensely proud of), was aided by the great deal of media attention for the fifth anniversary of the Rana Plaza collapse. Our network contributed to coverage by over 150 media outlets and highlighted the continued importance of the Accord's work, as well as the need for a National Employment Injury Insurance Scheme.

SKC invited Kalpona Akter, human rights defender from Bangladesh, for a multi-day program in the Netherlands to talk to Dutch Accord brands, representatives of the ministry of foreign affairs, the media and the public during an event in the Balie about the importance of Accords work for the safety of garment workers.

The work remains on shaky ground, after the Bangladesh High Court ordered a restraining order on the Bangladesh operations of the Accord. After work behind the scenes failed to remove this threat, our partner coalition started an intensive public campaign and lobby work to convince the government of Bangladesh to support the work of the Accord. Thousands of signatures, mounting political and public pressure and considerable media attention have not yet convinced the Bangladeshi government, but might have been of decisive influence in the postponement of a final decision until 2019.

Bangladesh's long overdue minimum wage review was another focus for CCC in 2019. We supported the struggle of our partners for a unified demand of 16,000 *taka*, with public support and direct outreach to brands and MSIs to use their leverage in pressuring employers and the government. SKC reached out to the Fair Wear Foundation and the Dutch Agreement on Sustainable Garment and Textile resulting in joint letters to the government of Bangladesh expressing concerns about governments and employers reactions to workers protests and to support an increase of minimum wages for Bangladeshi garment workers. Together with the Dutch trade unions FNV and CNV, SKC organised a demonstration in front of the Embassy of Bangladesh in The Hague calling for a halt to the repression of garment workers and unions in Bangladesh.

The outcome of a highly unrepresentative process was an 8,000 *taka* minimum wage, which is far lower than any credible living wage calculation. Our efforts in relation to the demand for a living wage culminated in the #TurnAroundHM campaign, an attempt to hold H&M to its 2013 promise to pay a living wage to workers in its supply chain within five years. The campaign kicked off with a physical presence at the H&M AGM, and included street actions in at least 30 cities (including Utrecht), research in four countries, and strong online campaigning leading to more than 120,000 petition signatures. It has helped put brand responsibility for wages in their supply chain on the agenda, and signaled our future efforts in this area.

CCC supports the **capacity building** efforts of 27 Global South organisations in Asia, Europe and Central America. For many of those partners, this support enabled them to increase their staffing and capacity considerably. This has enhanced their capabilities towards building the leadership and organizing skills of factory-level women worker leaders who are seeking to form unions or other worker representative groups, and developing leadership capacity and knowledge of women worker leaders at trade unions and workers' organizations. Some important results indicated by the Global South partners in 2018 are increased supply chain awareness among women leaders, improved attitudes towards women leaders at the factory level and increased participation of women leaders at strategy meetings and negotiation meetings.

CCC's **lobby and advocacy** work included participation in the UN binding treaty process as well as work on EU legislation and an EU Action Plan on Business and Human rights. For this CCC has had a number of meetings with the EU Commission and Parliament, was involved in the development of a shadow EU Action Plan on Business and Human Rights and contributed to a number of parliamentary opinions. Our work around trade has focused on the implementation of the international conventions and standards related to the EU's Generalised Scheme of Preferences (GSP/GSP+) around increased transparency, accountability and space for civil society.

Active support to **coalition building** has further strengthened our network structures (regional and global coordinating bodies) and cooperation, and enhanced secure communication and digital security. At the end of 2018, the network consisted of 212 members and partners.

Profile

CCC is a network organisation consisting of a strong international partner network. The network consists of trade unions and civil society organisations (women's organisations, consumer organisations, research institutes, fair trade organisations, solidarity groups, youth organisations, churches, etc.). Our international partner network comprises civil society organisations, trade unions, individuals and institutes in most countries where garments are produced. CCC also works in association with sister organisations in countries including the United States of America and Canada. This network model was explicitly chosen even though it means that the name CCC will sometimes feature less prominently. Collaboration with organisations that have a considerable constituency after all means a wider reach and greater impact.

The CCC office in Amsterdam consists of three teams: the International Office (CCC-IO), the Dutch Secretariat (SKC) and administrative support (the Bureau).

In 2018 the average number of employees was 16.8 FTEs. In January the headcount was 16.0 FTEs, and in December 16.9 FTEs were employed. In addition a staff member from the Work and Income Department of the municipality of Amsterdam works at the office under a four-day secondment contract.

The International Office (CCC-IO)

- coordinates international activities and campaigns;
- facilitates the development of network strategy and policy;
- facilitates the structure of international campaigns and communication;
- is responsible for publications, makes information accessible to a wide audience and conducts research or commissions an external agency to carry out research;
- provides training to the network.

The Dutch Secretariat (SKC)

The Dutch Secretariat is engaged in raising awareness and activating the Dutch public through activities such as providing information and conducting campaigns. Furthermore SKC actively lobbies among Dutch clothing firms and contributes to seeking constructive solutions for implementing socially responsible choices in their supply chain. SKC also supports workers and their organisations with urgent appeals in which Dutch companies are involved. Lastly, SKC calls for the Dutch government to formulate and implement effective corporate accountability legislation and to ensure that the government itself conducts a responsible procurement policy.

The Bureau

The office provides services to the Dutch Secretariat and the International Office, and is responsible for finance, planning and monitoring planning, quality assurance, administrative duties, human resource policy, ICT, maintaining websites and providing other facilities. The office also serves as the general contact centre for the organisation.

The Board

The SKC/CCC governance principles are set out in the Articles of Association and in further regulations. The organisation has a five-member Board. The Board members do not receive remuneration, a salary or any other form of compensation from the organisation. Board members are entitled to claim reasonable expenses incurred for the performance of their position.

The Board's duties are as follows:

- monitoring the financial situation, and adopting the annual budget and financial and other reports;
- responsibility for human resource policy;
- supervising the performance of the International and Dutch Secretariats and monitoring implementation of the annual plan;
- Supporting the International and Dutch Secretariats in implementing various campaigns.

Composition of the Board

Evert de Boer

Board member since 1995, expiry of current term of office: June 2019.

Position: chair and responsibility for supporting human resource policy.

Evert de Boer has been working as coordinator of the Philippine Solidarity Group Netherlands since 1987. In the 1980s he was involved in campaigns supporting the garment workers in the Philippines who had opposed the closure and relocation of the factories where they worked. One campaign led to the decision to launch the Clean Clothes Campaign. He was thus one of the founders of the Clean Clothes Campaign in 1989. He has actively participated in the Clean Clothes Consultation and the Clean Clothes Platform since they were launched.

From 1995 he was also closely involved in setting up the Fair Wear Foundation (FWF).

Hester Klute

Board member since December 2009, expiry of current term of office: December 2021.

Position: secretary and human resource adviser.

After having worked in public relations, marketing and communication, coordination and business management in the cultural sector for a decade, Hester Klute took up a new position at Ideëel Organiseren, an event management agency, in 1999. She subsequently joined the VARA Broadcasting Association where she was responsible for membership recruitment and retention as well as marketing communication for RTVI programmes. She currently works as a fundraiser for Lilië Fonds.

Just van der Hoeven

Board member since March 2011, expiry of current term of office: March 2022.

Position: general member of the Board and legal affairs adviser.

After having worked as a project team member for Nederland Bekent Kleur, Amsterdam Anders/De Groenen and after a brief stint at the Clean Clothes Campaign (Play Fair 2002 FIFA World Cup), Just van der Hoeven joined the Equal Treatment Commission in the role of legal policy adviser. He subsequently worked for the Legislation Advisory Department of the Netherlands Council of State as parliamentary draftsman. He currently works in the Private Law sector of the Legislation and Legal Affairs Department at the Ministry of Justice and Security. Board membership offers him an opportunity, alongside legislation, to devote efforts towards achieving more tangible fair trade objectives.

Sjef Stoop

Board member since January 2013, expiry of current term of office: January 2022.

Position: treasurer.

Sjef Stoop began working for SOMO, the Centre for Research on Multinational Corporations in 1990. In 2000 he moved to FNV Formaat to take on the role of trainer/adviser for European Works Councils. From 2003-2007 he worked as International Verification Coordinator for the Fair Wear Foundation. In 2007 he returned to FNV Formaat where he also initiated projects themed around Corporate Social Responsibility. Moreover he still feels strongly committed to initiatives aimed at improving the position of garment workers.

Nina Ascoly

Board member since September 2013, expiry of current term of office: September 2019.

Position: general member of the Board and campaign adviser.

Nina Ascoly worked for the Clean Clothes Campaign for 12 years (1998-2010). Her wide-ranging activities include developing the international network. In the first few years she was mainly involved in setting up and expanding the Urgent Appeal Network. She has been working for Friends of the Earth International as international programmes facilitator since 2010. In that capacity she contributes to the development of international strategies and campaigns for ecologically sustainable and just alternatives to the current global neoliberal model.

Financial Statements

Budget versus actual variance analysis

The difference between the 2018 budget and the actual spendings is explained as following. Throughout the year more grants were acquired, which primarily contributed to building capacities within the CCC network for advocacy and campaigning, and to increasing the coordination between the CCC network and key labour rights (campaign) organisations to effectively defend the right to organise, a fundamental condition for ensuring improvements in labour conditions and to instigating broader social change. The total amount of spending on direct campaign costs is therefore almost 15% higher than foreseen. While the increased spending on activities was covered by this larger range of donors, with a slight change in allocation from government grants to grants from other non-profit organisations, increased fundraising costs and non-collectible dues partners explain the negative result of 12,994 Euros.

Financial position

CCC is a member of the Fair Green and Global Alliance. This alliance, which consists of five more organisations (SOMO, TNI, Both Ends, Milieudedefensie and Action Aid) has a strategic partnership with the Ministry of Foreign Affairs concerning lobby and advocacy for the period 2016 - 2020. This partnership remains CCC's main source of funding.

At the same time, 2018 saw a more diversified donor landscape for the organisation, which will hopefully stand us in good stead for the coming years. The NoVo Foundation-funded, three-year programme, under which CCC and some of its allies will expand their work on living wages, worker safety and urgent appeals, got started. Two two-year programmes, focused on strategic casework and support for our Southern partners (funded by the Open Society Foundation), and building women leadership with an eye to our Tokyo 2020 Olympics campaign (funded by a US-based philanthropic fund) also got under way, as well as our collaboration with Mama Cash on a project advancing female empowerment in the garment industry.

In addition, we attracted two sizeable anonymous donations from the same donor, which is a testament to the appreciation for the importance of our work. The Anonymous Donor is known by the organisation, but the donor required to be referred to as Anonymous Donor as a condition for receiving the grant. The grant is unrestricted and is to be used to accomplish the objectives of the organisation. The donor does not represent corporate interests in the garment industry. And finally, CCC and a number of partners successfully applied for a European Commission grant on transparency and living wages.

SKC / CCC's equity as of 31 December 2018 amounted to € 526,396. The organisation posted a result of minus € 12,994 for 2018. The result will be deducted from equity/earmarked reserves.

Fund-raising costs amounted to € 63,841 in 2018 and mainly concern staff costs. SKC/CCC acquires funds almost entirely by applying for grants rather than relying, for instance, on the generosity of the Dutch public.

Investment policy

SKC/CCC holds no shares or bonds. Any funds not required immediately are credited to the organisation's savings account. SKC/CCC has expressly chosen to take out a savings account with ASN Bank since the bank's objectives are in line with the organisation's vision.

Evert de Boer
Chairman of the Board

**SKC / CCC
Budget 2019**

IO / International Office		2019
	Living Wage	€ 211,452
	Occupational Health & Safety	€ 169,306
	Lobby & Advocacy	€ 107,082
	Partner & Network	€ 1,049,486
	Employment Relations	€ 68,085
	Public Outreach	€ 135,137
	Urgent Appeals & Review	€ 418,585
Total IO		€ 2,159,134
SKC / Dutch Secretariat		
	Bedrijven	€ 99,690
	Politiek en Partners	€ 116,372
	Public Outreach	€ 95,607
Total SKC		€ 311,669
Management & Administration		
		€ 280,429
		€ 280,429
		€ 2,751,232

In:	2019
Dutch government	€ 1,779,769
Novo/Tides	€ 971,455
Private Funds	€ 22,000
Interest	€ 500
Total	€ 2,773,724

Result	€ 22,492
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STICHTING SCHONE KLEREN CAMPAGNE/CLEAN CLOTHES CAMPAIGN

2018 FINANCIAL STATEMENTS

STICHTING SCHONE KLEREN CAMPAGNE/CLEAN CLOTHES CAMPAIGN

BALANCE SHEET

	<u>31-Dec-18</u>		<u>31-Dec-17</u>	
	€	€	€	€
FIXED ASSETS				
Fixtures and fittings	<u>20,906</u>		<u>2,745</u>	
Total fixed assets		20,906		2,745
CURRENT ASSETS				
Receivables and prepayments	64,085		85,308	
Cash and cash equivalents	<u>1,574,445</u>		<u>1,284,450</u>	
Total current assets		1,638,530		1,369,757
TOTAL ASSETS		<u>1,659,436</u>		<u>1,372,502</u>
RESERVES				
Continuity reserve	473,371		472,652	
Earmarked reserve for operating assets	-		2,745	
Earmarked reserve for NPL activities	38,497		53,497	
Earmarked reserve for accrued training budget	<u>14,528</u>		<u>10,496</u>	
Total reserves		526,396		539,390
Current liabilities	<u>1,133,040</u>		<u>833,112</u>	
Total current liabilities		1,133,040		833,112
TOTAL LIABILITIES		<u>1,659,436</u>		<u>1,372,502</u>

STICHTING SCHONE KLEREN CAMPAGNE/CLEAN CLOTHES CAMPAIGN

STATEMENT OF INCOME AND EXPENDITURE

INCOME	Actual 2018		Budget 2018	Actual 2017	
	€	€	€	€	€
Income from private individuals	18,694		20,000	27,350	
Income from government grants	1,509,901		1,717,149	1,492,283	
Income from lottery organisations	-		-	272,684	
Income from other non-profit organisations	1,345,186		971,455	-	
Sum of raised income	2,873,781		2,708,604	1,792,317	
Other income	-		2,000	764	
TOTAL INCOME		2,873,781	2,710,604		1,793,080
EXPENDITURE					
Staff costs	1,127,765		1,131,517	969,737	
Accommodation costs	56,048		58,550	55,039	
Office and general expenses	104,790		98,079	102,698	
Direct campaign costs	1,599,260		1,400,466	608,589	
TOTAL EXPENDITURE		2,887,863	2,688,612		1,736,063
Result before financial income and expenditure		14,082-	21,992		57,017
Balance of financial income and expenditure		1,089	500		2,578
RESULT		-12,994	22,492		59,595
APPROPRIATION OF THE RESULT					
Added to the continuity reserve		-2,026			63,440
Charged to the earmarked reserve for operating assets		-			-3,986
Charged to the earmarked reserve for NPL		-15,000			-
Added to the earmarked reserve for accrued training budget		4,032			141

ACCOUNTING POLICIES AND DETERMINATION OF THE RESULT

Statutory Name: Stichting Schone Kleren Campagne / Clean Clothes Campaign

Legal Form: Foundation (Stichting)

Registered Office: Amsterdam

Registration Number Chamber of Commerce: 41210820

1. General

Stichting Schone Kleren Campagne (SKC) was founded on 27 September 1991. The objects of the organisation are: to contribute to improving the working conditions in the global garment industry, particularly in the low-wage countries. To perform everything related or conducive to the foregoing, in the broadest sense.

2. Dutch Guideline for Financial Reporting by Fund-raising Institutions

The Annual Report has been drawn up in accordance with the format set out in Guideline C1 'Kleine organisaties zonder winststreven' for financial reporting published by the Dutch Accounting Standards Board (DASB).

3. Accounting policies and determination of the result

Unless stated otherwise, the balance sheet items are carried at face value. Income and expenditure are based on historical cost and revenues are allocated to the year to which they relate, unless stated otherwise. To the extent anticipated, account has been taken of receivables net of a provision for doubtful debts.

4. Tangible fixed assets

Fixtures and fittings are stated at purchase price. Depreciation is calculated as a percentage of the purchase price in accordance with the straight-line method based on the estimated economic life of the asset. The depreciation rate is 20%-33.33%.

5. Reserves and funds

Total equity is available for allocation to SKC's objectives.

6. Management and administration costs

Management and administration costs are costs incurred by the organisation for the purpose of internal control and keeping the accounts. They are not allocated to the objectives or income generation.

7. Determination of the result

The result is determined as the difference between the income and expenditure allocated to the year.

Charitable and other donations are recognised in the year of receipt.

Grants are recognised in the same period in which the costs were incurred.

STICHTING SCHONE KLAREN CAMPAGNE/CLEAN CLOTHES CAMPAIGN

NOTES TO THE BALANCE SHEET

FIXED ASSETS

	31 December 2018	31 December 2017
	€	€
Fixtures and fittings		
Opening balance		
Purchase cost	32,417	32,417
Accumulated depreciation	-29,672	-25,685
Book value	<u>2,745</u>	<u>6,731</u>
Capital expenditure in the financial year	20,185	-
Depreciation in the financial year	-2,024	-3,987
Total movements	<u>18,162</u>	<u>-3,987</u>
Closing balance		
Purchase cost	52,602	32,417
Accumulated depreciation	-31,696	-29,672
Book value	<u>20,906</u>	<u>2,745</u>

CURRENT ASSETS

	31 December 2018	31 December 2017
	€	€
Receivables and prepayments		
Debtors	1,450	-
Amounts due from partners	2,261	15,934
Grants receivable	27,649	-
Loans to partners	-	-
Deposit	8,060	8,060
Interest receivable	1,071	2,563
Sick pay receivable	-	711
Prepaid expenses	22,424	58,039
Staff	1,171	-
	<u>64,085</u>	<u>85,308</u>

The post 'amounts due from partners' represents the difference between advances granted and amounts reported.

The deposit relates to three months' rent and Post NL.

	31 December 2018	31 December 2017
	€	€
Cash and cash equivalents		
ASN	1,506,519	1,203,956
ING	406	1,411
Triodos	62,737	78,280
Paypal	3,082	-
Cash in hand	1,701	803
	<u>1,574,445</u>	<u>1,284,450</u>

Cash and cash equivalents are payable on demand.

Reserves

	<u>2018</u>	<u>2017</u>
	€	€
Continuity reserve		
Opening balance	472,652	409,211
Result for year	2,026-	63,440
From the earmarked reserve for operating assets	2,745	-
Closing balance	<u>473,371</u>	<u>472,652</u>

The organisation aims to hold a minimum general reserve to cover six-months staff, accommodation and office costs. In 2018 this would amount to € 1,233,934 x 50% = € 616,967. At the end of the 2018 there is a discrepancy between this aim and the general reserve of € 616,967 less € 473,371= € 143,596.

Earmarked reserve for operating assets

Opening balance	2,745	6,731
Transfer to/from	-	3,986-
To the continuity reserve	-2,745	-
Closing balance	<u>-</u>	<u>2,745</u>

This earmarked reserve was formed for the purpose of replacing fixtures and fittings. The Board has decided that such a reserve is no longer needed and decided to add this to the continuity reserve.

Earmarked reserve for NPL activities

Opening balance	53,497	53,497
Transfer to/from	15,000-	-
Closing balance	<u>38,497</u>	<u>53,497</u>

The earmarked reserve was formed for the purpose of performing activities in accordance with the Nationale Postcode Loterij (NPL) contract of 4 March 2014. The reserve will be spent on these activities in the years to come and/or allocated to the continuity reserve to compensate for a negative result for the year.

Earmarked reserve for training budget for individual employees

Opening balance	10,496	10,355
Transfer to/from	4,032	141
Closing balance	<u>14,528</u>	<u>10,496</u>

Each employee is entitled to an individual training budget to which the organisation makes a contribution each year. This earmarked reserve represents the total amount of accrued entitlements for all employees.

	31 December 2018	31 December 2017
	<u>€</u>	<u>€</u>
Current liabilities, accruals and deferred income		
Creditors	58,039	66,544
Amounts payable to partners	229,480	40,586
Statutory payroll tax and social security contributions	27,985	22,192
Pension contributions payable	-	1,486
Grants to be spent	722,084	597,112
Amount reserved on account of holiday entitlement	28,718	26,991
Amount reserved on account of holiday pay	57,262	45,002
Net salary	15-	-
Accrued expenses	9,486	33,198
Advances	-	-
	<u>1,133,040</u>	<u>833,112</u>

Amounts payable to partners relate to the difference between the advances granted and amounts reported in 2017 and 2018.

Liabilities not shown on the balance sheet

A 4.5 year rental contract was signed for the office on Nieuwezijds Voorburgwal 292, Amsterdam, taking effect on 1 July 2016 and expiring on 31 December 2020. The annual rent is € 54,954, the total liability until the end of the contract is € 164,861. For the office in Brussels a 10 year rental contract was signed, taking effect on 1 October 2017 and expiring on 30 September 2026. The annual rent is € 4,680, the total liability until the end of the contract is € 40,950.

**STATEMENT OF INCOME AND EXPENDITURE
INCOME**

	Actual 2018	Budget 2018	Actual 2017
	€	€	€
Income from private individuals			
Donations and gifts	18,694	20,000	27,350
	<u>18,694</u>	<u>20,000</u>	<u>27,350</u>
Income from government grants			
Ministry of Foreign Affairs-DGIS (2016-2020)	1,509,901	1,717,149	1,492,283
	<u>1,509,901</u>	<u>1,717,149</u>	<u>1,492,283</u>
Income from lottery organisations			
NPL Mama Cash	-	-	272,684
Income from other non-profit organisations			
Tides Foundation (2018-2020)	999,003	971,455	-
Anonymous donor (2019-2020)	41,189	-	-
Silicon Valley Community Foundation (2019-2020)	6,321	-	-
We Trust (2019-2021)	6,202	-	-
Open Society (2019-2020)	130,030	-	-
A US-based philanthropic fund (2019-2020)	162,440	-	-
	<u>1,345,186</u>	<u>971,455</u>	<u>0</u>
Other income			
Proceeds from merchandise and other income	-	2,000	764

Anonymous Donor is known by the organisation, but the donor required to be referred to as Anonymous Donor as condition for receiving the grant. The grant comes unconditional and is to be used to accomplish the objectives of the organisation. The donor does not represent corporate interests in the garment industry.

EXPENDITURE

	Actual 2018	Budget 2018	Actual 2017
	€	€	€
Staff costs			
Salary costs	790,978	812,447	709,880
Social security charges	144,508	135,916	116,916
Pension charges	76,142	83,735	64,243
Sick pay insurance/incapacity for work	34,141	36,656	32,789
Payments from sickness insurance	-152	-30,370	-25,622
Travel and subsistence expenses	24,091	33,813	27,540
Temporary employees/agencies	8,010	8,171	5,769
Volunteers	3,000	2,000	1,650
Other staff costs	47,046	49,149	36,570
	<u>1,127,765</u>	<u>1,131,517</u>	<u>969,737</u>

Payments from sickness insurance are not taken into account in the budgeting process.

Accommodation costs

Office rent	44,602	45,900	46,916
Energy	10,068	10,200	9,973
Fixed costs	1,378	2,450	1,849
	<u>56,048</u>	<u>58,550</u>	<u>55,039</u>

	Actual 2018	Budget 2018	Actual 2017
	€	€	€
Office and general expenses			
Office	1,807	1,750	1,668
Business entertainment expenses	4,074	2,000	1,043
Print and photocopying costs	1,548	1,200	757
Communication	4,443	5,176	5,162
Insurances	2,249	2,703	2,179
Accounting costs and auditor's fees	48,367	52,500	53,280
IT	2,170	7,500	4,562
Consultancy fees	4,956	7,000	18,157
Depreciation	2,024	4,250	3,987
Board costs	58	-	18
Non-collectible dues partners	11,789	-	-
Other general expenses	21,307	14,000	11,885
	<u>104,790</u>	<u>98,079</u>	<u>102,698</u>

The post 'other general expenses' mainly consists of costs for the acquisition of grants (i.e. € 17,946).

	Actual 2018	Budget 2018	Actual 2017
	€	€	€
Balance of financial income and expenditure			
Interest income	<u>1,089</u>	<u>500</u>	<u>2,578</u>

Report for “Wet normering topinkomens” (WNT)

On 1 January 2013 the “Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT)” Act came into force. From 1 January 2016 this law applies to the Stichting Schone Kleren Kampagne / Clean Clothes Campaign (SKC/CCC). The report below is prepared in line with the applicable regulation for SKC/CCC in 2018.

The maximum remuneration according to the WNT for SKC/CCC in 2018 is € 189,000. The reported maximum amount per person is calculated based on the full-time equivalent in the labor agreement of the person concerned. The full-time equivalent can never exceed 1.0. For members of the Board, a maximum of 15% (chairman) or 10% (other members) of the maximum amount for executives applies.

Remuneration executives (“leidinggevende topfunctionarissen”)

Stichting Schone Kleren Kampagne / Clean Clothes Campaign is a flat organisation with self-steering teams. The organisation does not have a director or management as commonly understood being the persons having executive power within the organisation. However, since end 2017 there are three employees part of the Cross Team Body, who are accountable for the organisation's core operations (in particular finance, HR, fundraising and grant management) and have the authorisation to enter into commitments on behalf of the organisation. Still, all employees earn the same salary regardless of their function, job title or seniority. This salary is well below the allowed maximum remuneration. In the below table an overview is given of the remuneration of the members of the Cross-Team Body

amounts x € 1	T.D.Pauli	S. Cornelissen	A.P. Papadimitriou
Job title	Urgent Appeals Coordinator	Lobby and Advocacy Coordinator	International Office Team Coordinator
Employed whole 2018?	yes	yes	yes
Part-time percentage	0.8889	0.8889	0.7778
Labour contract?	yes	yes	yes
Remuneration			
Remuneration including taxable expense allowances	39,661	39,661	34,704
Provision post-employment benefits	3,875	2,445	3,913
<i>Subtotal</i>	43,536	42,106	38,617
Individual applicable remuneration maximum	168,002	168,002	147,002
-/- Undue payments	-	-	-
Total remuneration	43,536	42,106	38,617
Explanation exceedance maximum remuneration	n.a.	n.a.	n.a.
Explanation undue payments	n.a.	n.a.	n.a.
Comparison 2017			
amounts x € 1	N.P. Roeland		
Job title	Coordinator		
Employed whole 2017?	yes		
Part-time percentage	0.8889		
Labour contract?	yes		
Remuneration			
Remuneration including taxable expense allowances	39,239		
Provision post-employment benefits	4,601		
Individual applicable remuneration maximum	160,891		
Total remuneration 2017	43,840		

Salary board

The members of the Board do not receive payment for their duties.

Remuneration of other individuals

In addition to the above persons there are no persons who in 2018 received a salary above the Individual applicable remuneration maximum. There are no severance payments paid in 2018 to other officers to be disclosed by the WNT, or paid in previous years that should be disclosed by the WOPT or the WNT.

STICHTING SCHONE KLEREN CAMPAGNE/CLEAN CLOTHES CAMPAIGN

OTHER INFORMATION

STATUTORY PROVISIONS GOVERNING PROFIT APPROPRIATION

The articles of association of the Stichting do not stipulate any provisions governing the appropriation of result.

APPROPRIATION OF RESULT

By decision of the board the result of € 12,994 will be deducted from the reserves.

AUDITORS REPORT

See next page

INDEPENDENT AUDITOR'S REPORT

To: the Board of Stichting Schone Kleren Kampagne/Clean Clothes Campaign
in Amsterdam, The Netherlands.

A. Report on the audit of the financial statements 2018 included in the annual report

Our opinion

We have audited the financial statements 2018 of Stichting Schone Kleren Kampagne/Clean Clothes Campaign based in Amsterdam, The Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Schone Kleren Kampagne/Clean Clothes Campaign as at 31 December 2018 and of its result for 2018 in accordance with the Guidelines for annual reporting C1 "Small not-for-profit organisations" of the Dutch Accounting Standards Board and the Policy rules implementation of the Standards for Remuneration Act (WNT).

The financial statements comprise:

1. the balance sheet as at 31 December 2018;
4. the statement of income and expenditure for 2018; and
5. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

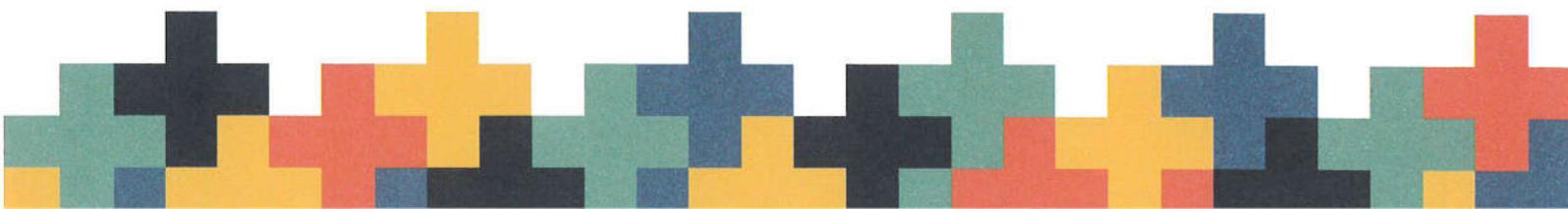
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing as well as the Policy rules implementation WNT, including the Audit Protocol WNT. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Schone Kleren Kampagne/Clean Clothes Campaign in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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KvK nummer 34374865



Compliance with rule against overlapping pursuant to the WNT not audited

In accordance with the Audit Protocol under the Standards for Remuneration Act ("WNT"), we have not audited the rule against overlapping as referred to in Section 1.6a of the WNT and Section 5(1)(j) of the WNT Implementing Regulations. This means that we have not audited whether an executive senior official exceeds the norm as a result of any positions as executive senior official at other institutions subject to the WNT, and whether the explanation required in this context is correct and complete.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of the board's report.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. Management is responsible for the preparation of the other information, including the management board's report, in accordance with the Guidelines for annual reporting C1 "Small not-for-profit organisations" of the Dutch Accounting Standards Board.

C. Description of responsibilities regarding the financial statements

Responsibilities of the Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements, in accordance with the Guidelines for annual reporting C1 "Small not-for-profit organisations" of the Dutch Accounting Standards Board and the Policy rules implementation of the Public and Semi-public Sector Senior Officials (Standard Remuneration) Act (WNT). Furthermore, the Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

The board should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, as well as the Policy rules implementation WNT, including the Audit Protocol WNT, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 19 July 2019

Dubois & Co. Registeraccountants

Signed on original by:
G. Visser RA

INDEPENDENT AUDITOR'S REPORT

To: the Board of Stichting Schone Kleren Kampagne/Clean Clothes Campaign
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The financial statements comprise:

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Basis for our opinion

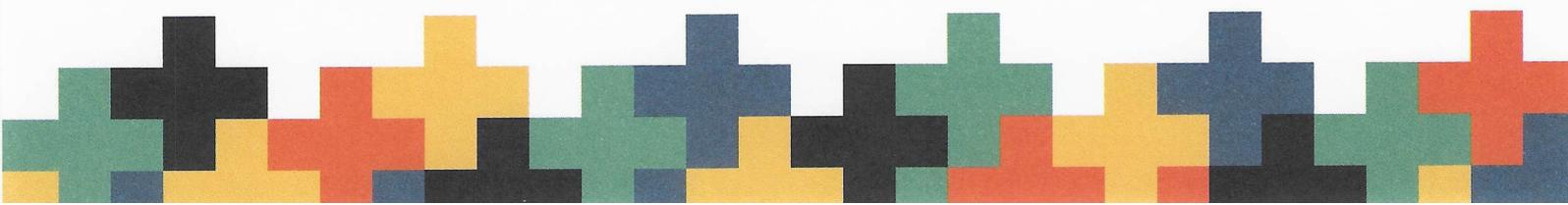
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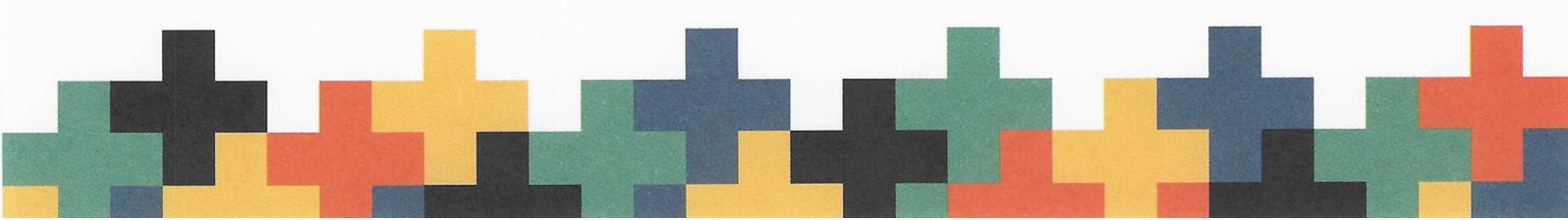
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