



Annual Report 2022

Clean Clothes Campaign /
Schone Kleren Campagne

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Our year started strong with the European Union (EU) making strides towards corporate accountability through new sustainable due diligence rules proposed by the European Commission (EC). While not meeting all recommendations, this proposal marked progress towards binding obligations for companies to conduct human rights and environmental due diligence. With the explicit inclusion of freedom of association and collective bargaining, a living wage, and health and safety among human rights impacts that companies will have to address, the proposal opened a pathway, which we call on the EU to reinforce to ensure that all workers are protected.

This year's advocacy efforts for robust EU due diligence legislation involved a tour by Pakistani unionists in Brussels, The Hague, and Amsterdam. They engaged policymakers to emphasise the need for strong supply chain regulations and country-level programmes for garment and textile workers' rights.

Our work on transparency for the sector also made headway with brands like Amazon, Disney, and Gap making significant supply chain disclosures; Amazon and Disney are now disclosing production locations, and Gap is fully aligning with the demands of the Transparency Pledge coalition. While supply chain transparency is never a goal in itself, it enables much of the work we do, such as work on Urgent Appeals, research on living wages and gender pay gap reduction, and addressing unsafe factories.

Despite the world moving past the COVID-19 pandemic, garment workers faced ongoing challenges. With a landmark victory in March, we continued the fight for severance and paid restitution through the Pay Your Workers campaign. Victoria's Secret paid out \$8.3 million (USD) to the workers of Brilliant Alliance in Thailand in the largest wage theft settlement ever at an individual garment factory we are aware of. Throughout the year, the campaign secured over \$10 million (USD) in unpaid wages and severance stolen from workers during the pandemic.

The pay restitution that this campaign has achieved only scrapes the surface of the monumental \$11.85 billion (USD) in unpaid income and severance still owed to garment workers globally from March 2020 to March 2021. The exponential growth of severance theft and union busting during the pandemic marked the clear need for a legally binding agreement on severance and freedom of association. Cornell University validated our proposal, emphasising the lack of adequate social protection for garment workers and the responsibility brands have towards their supply chains. Our fight continues, urging brands to take responsibility for the effects of their purchasing practices, ensuring fair compensation, and labour rights for workers.

COVID-19 travel restrictions lifted, allowing us to hold in-person meetings like the "A Living Wage is Possible!" Forum in Croatia in June, where strategies were shared and collaborations formed. The forum gathered 120 Clean Clothes Campaign members, partners, and external participants worldwide.

The same month also saw workers in Pakistan's Sindh province, a key garment-producing hub, win a major victory through an unprecedented 40% increase to the minimum wage for unskilled workers. After a year of fighting against strong employer push-back, the victory represents a crucial step for workers' rights in Pakistan.

Continued repression of labour rights activism affected our network throughout the year. Our support for our colleagues in Myanmar consisted of access to resources that strengthened labour organisations' safety and their continued calls for economic sanctions. We also saw the Sri Lankan government increase its repression amidst an economic and political crisis, sending the army on workers protesting peacefully. We called for support for a programme of emergency relief, mid and long-term financial support, and a democratic political solution to the crisis.

The full-scale Russian invasion of Ukraine rocked Europe as waves of people sought refuge in the West. We called on brands to ensure workers in their supply chain in Ukraine continued to receive income and urged brands sourcing from the region to exercise heightened human rights due diligence. With Ukraine under martial law, workers' rights were severely compromised.

After celebrating the announcement of a new International Accord for Health and Safety in the Textile and Garment Industry last year, this year ended with the long-awaited arrival of the Pakistan Accord. Ten years after the deadliest garment factory fire in history took place in Pakistan, killing over 250 workers at the Ali Enterprises factory, this will be the country's first independent and transparent health and safety system.

These achievements were possible due to the support of the Clean Clothes Campaign network's activists, allies, and funders. We remain grateful for their crucial role in advocating for worker-led, sustainable change in the global garment and sportswear industry, with a focus on protecting all garment workers' rights. We will keep on fighting to ensure the rights of all garment workers are protected.

1/ Urgent appeals

Highlights

- **Increasing access to international solidarity with our Urgent Appeal database**
- **Jaba Garmino write an open letter to UNIQLO and s.Oliver**
- **Landmark legal case against Tesco**
- **Continued support for activists in Myanmar**

The Clean Clothes Campaign network continuously takes up requests from workers, activists, trade unions, and other labour rights organisations, in specific cases of violations of their rights, known as ‘urgent appeals’. In 2022, CCC worked on 35 urgent appeals (UA) cases in 13 countries, five of which closed during the year. Workers fought against union busting, wage theft, gender-based violence, health and safety violations, and factory closures without due compensation, among other rights abuses. When urgent appeal cases result in a victory for workers, not only does the case remedy violations for the specific workers, but it can help set a precedent for improvements on a larger scale and inspire other workers who face similar issues in other workplaces. Lessons learned from urgent appeal cases are integrated into CCC’s strategies for systemic change.

We continued to update and improve the UA database. Historical information on 247 cases that the CCC network worked on, dating back to 2008, provides valuable information, research, and learning sources for the network.

Tesco and Intertek allowed forced labour to happen in the VK Garment factory

Garment workers are bringing a landmark legal case against Tesco and social auditing firm Intertek for negligence and against Tesco for unjust enrichment. Burmese migrants were made to work up to 99 hours a week on unlawfully low wages and in forced labour conditions at a Thai factory making clothes for Tesco’s F&F fashion range. A letter before action detailing the allegations has been sent on behalf of 130 migrant factory workers and one migrant child by law firm Leigh Day. The letter of claim is the first step in legal proceedings and notifies the defendants of the workers’ allegations. The case was covered in a range of articles in the UK newspaper, The Guardian. Tesco lawyers have responded to state that the company does not accept that the legal letter discloses any arguable claims against Tesco and does not accept that the claims should be brought in England.

“They did not respect us, and they shouted at us most of the time. We were not happy, but I didn’t have any option other than carrying on with my work. I have a family and I had to consider their wellbeing too.”

- Win Soe. 48. who lost the tip of his index finger when it got jammed in a button machine while making F&F denim jackets in 2018. Quoted in The Guardian on 18 December 2022.

Jaba Garmino workers continued their fight

2,000 former Jaba Garmino workers have been fighting for the \$5.5 million (USD) they are owed since 2015. After the Japanese brand Uniqlo withdrew orders from the Jaba Garmino factory in Indonesia, the factory went bankrupt, and workers lost their jobs without being paid severance.

In October 2019, the Clean Clothes Campaign and Indonesian labour union, FSPMI, filed a complaint to the Fair Labor Association (FLA) on behalf of workers. Both Fast Retailing (Uniqlo) and smaller Jaba Garmino buyer s.Oliver were members of FLA. s.Oliver has since left FLA and joined the Fairwear Foundation. In July 2021, the FLA recommended that the brands collaborate to establish a financial relief fund for the affected workers.

On 22 April 2022, on the 7th anniversary of the Jaba Garmino factory bankruptcy, workers released an open letter to the chairman of Uniqlo and the CEO of s.Oliver, calling on the brands to implement the FLA recommendation and finally pay up the \$5.5 million (USD) owed.

SKC - Urgent Appeal Showcase

In April 2022, Schone Kleren Campagne (SKC) published an Urgent Appeal Showcase on its [website](#), presenting six strategic cases that CCC has been working on through its Urgent Appeal system. The showcase is intended to explain the UA work of SKC to the public and invite readers to participate in solidarity actions. The UA showcase tells the stories of the cases through the voices of the activists and workers fighting for their rights. These demonstrate how the CCC network supported their cases in collaboration with unions by amplifying their voices and holding brands accountable for workers' rights in global supply chains.

Jaba Garmino workers fighting for their rights as depicted in the Urgent Appeal showcase.



The effects of the war in Ukraine on garment workers

The Russian full-scale invasion of Ukraine in February 2022 also heavily affected garment workers in the area. The global Clean Clothes Campaign network released a statement in solidarity with garment, textile and all workers in Ukraine and condemned the invasion of Ukraine by Russian forces.

In the spring of 2022, CCC undertook informal research on and outreach to brands sourcing from Ukraine, most of which stated that they were still sourcing and factories were operating. The garment industry is concentrated in the Western part of the country and is, therefore, less affected by direct conflict. Our research from 2020 revealed that approximately 200,000 Ukrainian garment workers earned a fifth of a living wage, often not even the minimum net monthly wage of 126 EUR (2019). This made it particularly important for brands to take responsibility towards workers at this time of distress, knowing that workers had no financial buffers to fall back on. Later in the year, we expressed our concerns about limitations to workers' right to strike and protest under martial law and the effects of newly imposed laws restricting workers' rights.

Sri Lanka: workers pay the price for the financial crisis

A severe financial and political crisis developed in Sri Lanka in 2022, eventually leading to the president's ousting. Massive inflation levels further threatened the livelihood of garment workers, who were already surviving on poverty wages. The Sri Lankan government increased its repression amidst the crisis, sending the army to workers protesting peacefully. Sri Lanka is home to some of the world's largest garment manufacturers, with major brands sourcing from Sri Lanka, including Hugo Boss, Amazon, ASOS, Gap, L Brands, Levi Strauss, Lidl, Lululemon Athletica, Marks and Spencer, Nike, Next, Patagonia, PVH, Tesco and Boohoo. Women workers make up the majority of

the country's garment workforce and are the drivers of an industry representing 40% of the country's total exports. CCC, Labour Behind The Label, Maquila Solidarity Network, Workers United and War on Want closely followed the unfolding crisis and supported the demands of the unions, whose voice was increasingly being ignored by the government. In solidarity statements, media work, and advocacy efforts, we stressed the need to make Sri Lankan unions central to any measures to overcome the crisis. In the meantime, while being denied a voice in normal tripartite procedures, unions already faced the crisis by creating solidarity kitchens to support workers at this time of exploding food prices.

Continued support for embattled activists in Myanmar

Myanmar activists and the country's labour movement are not giving up their organising work and fight against labour violations despite the repressive regime, deteriorating regulatory regimes and hostility to labour organisations. We are supporting labour groups to access various resources that strengthen the safety and sustainability of their organisations. We also continue to support solidarity campaign actions, call for economic sanctions, and engage with governments and multinational mechanisms in supporting human rights defenders (HRDs). These efforts help raise awareness of the threats and risks faced by leaders and members of the labour movement. It also helps provide mechanisms to protect their safety. Through our advocacy with international bodies, we are helping to shield labour organisations from arbitrary legal actions by the military regime.

Unions in Sri Lanka organised solidarity kitchens to sustain workers during the crisis.

Complaint against C&A closed with disappointing outcome

SKC, SOMO, and a Myanmar-based labour rights organisation rounded off a complaint procedure against C&A with the Complaints and Disputes Committee of the Dutch Agreement on Sustainable Garments and Textile after two years. The complaint was filed to raise C&A's need for more effort to solve problems at a factory in Myanmar where clothes for them were being produced. In 2018, the newly established factory union was suppressed by management, and union leaders were fired.

C&A ignored calls to action around this issue. The Complaints and Disputes Committee ruled that C&A should have entered into a conversation with the labour rights organisations regarding their lack of action towards union suppression and their sudden departure from Myanmar following the military coup in 2021. The complainants regretted that freedom of association continues to be lacking at the factory and criticised the efficiency and accessibility of the complaints procedure.



Capacity development

During 2022, 88 people from trade unions and labour rights organisations participated in Urgent Appeals training sessions in Indonesia, Pakistan, Cambodia, Bangladesh, India, and Sri Lanka to learn more about the new Urgent Appeals system and evidence gathering.

In December 2022 in the Philippines, 46 garment workers and 25 online participants attended a women's leadership training on basic labour rights, the Urgent Appeals mechanism, the ILO Convention 190 or the convention to eliminate violence at work and the importance of leadership in organising and being part of unions as it brings them together to unite for common demands and struggles, and the importance of campaigns and advocacy.

Human rights defenders

In October, the Network shared social media posts calling for the immediate release and dropping of trumped-up charges against Filipino labour rights activists Kara Taggaoa of Kilusang Mayo Uno (KMU) and Larry Valbuena, PASODA-Piston President. In October, they were temporarily released on bail.

2/ Wages

- **Victoria's Secret workers win \$8.3 million USD owed in severance**
- **Launch of Good Clothes, Fair Pay: The European Citizens' Initiative**
- **120 CCC organisations meet at "A Living Wage is Possible" Forum**
- **adidas called out in global action**
- **Unprecedented minimum wage win for workers in Pakistan**

Historic victory for Victoria's Secret workers

After months of worker protests and campaigning by activists internationally, Victoria's Secret has provided financing for the Brilliant Alliance Thai Global workers who made their lingerie to receive the full \$8.3 million USD in severance they were owed.

The 1,250 workers who sewed bras for Victoria's Secret, Lane Bryant, and Torrid, were fired in 2021 without their legally mandated severance. Their struggle was supported by activists around the world as part of the Pay Your Workers campaign and led to the largest-ever wage theft settlement at a garment factory.

Fashion Checker

In 2022, we published 311 brand profiles on Fashion Checker, in collaboration with Wikirate and Fashion Revolution, in addition to the 246 brand profiles published in 2021. We also launched the Facility Checker, a tool that pulls data from the same database as Fashion Checker, but it uses production facilities as a starting point rather than garment brands and retailers. On Fashion Checker, we aim to show how much workers in supply chains of certain brands are earning; on the Facility Checker, you can search for a specific facility and see how much workers are earning in that facility. It will still show the user which brands are linked to the facility (per year). The [tool](#) is available in ten languages.

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Brilliant Alliance workers received their legally owed severance after months of struggle.



We added more wage data to the Fashion Checker. In total, we now have wage information on 94 facilities, with 61 links to brands. For 56 facilities, we have collected wage data at least at two different points in time, allowing us to monitor if wages in those facilities have gone up or not. We also monitor other indicators, such as whether a collective bargaining agreement (CBA) covers the facility, whether the brands sourcing from a facility have made a public commitment to pay a living wage, etc. This enables us to do more elaborate analyses of the specific situation in a factory. Did the wages go up after the CBA was signed? Did wages increase or decrease once a specific brand started buying from the facility? In the future, we hope to be able to use the Fashion Checker and Facility Checker for this main purpose and translate our findings into campaign messaging or lobby work.

Living Wage Forum

In July, the International Office helped coordinate the “A Living Wage is Possible!” Forum held in Zagreb, Croatia, hosted by Croatian union, Novi sindikat. The forum allowed over 120 Clean Clothes Campaign members and partners from North America, Asia, Africa, and Europe to meet in person for the first time since the pandemic. We discussed key campaigns with our global colleagues, such as the new European Citizens’ Initiative, the Pay Your Workers campaign, public communications and long-term goals for our transparency tool, Fashion Checker.

Former Orjjava worker fighting for severance pay offers an object to the Museum of Broken Relationships to symbolise the broken relationship between the workers and the factory and the brand Olymp and the factory.

18 Dutch brands received a survey to collect data on their supply chain transparency and to assess their efforts to pay a living wage. The results are made public in the Fashion Checker. SKC attended a stakeholder dialogue of the Dutch brand Zeeman and gave input on living wages and freedom of association.

Good Clothes, Fair Pay: The European Citizens’ Initiative

SKC, as part of a coalition of European organisations, launched the Good Clothes, Fair Pay campaign, calling for legislation for all brands importing into the European market to ensure workers in their supply chain are paid a living wage. The campaign, which is a European Citizens’ Initiative, intends to responsabilise brands and retailers for livable wages. Together with other organisations such as Fair Wear Foundation, Fashion Revolution, Solidaridad and ASN bank, we collected around 100,000 signatories at the end of 2022.



#adidasSteals global action

#PayYourWorkers

As part of our ongoing campaign to make brands sign the Pay Your Workers - Respect Labour Rights agreement on severance and wage theft and the right to organise, we launched a [website](#) to showcase the history of wage theft in adidas' supply chain. Textile workers in Cambodia who produced garments for adidas, among other brands, were deprived of an estimated \$109 million (USD) in wages in April - May 2021 alone, according to a comprehensive inventory by unions in 114 factories. adidas is linked to the largest wage theft in the Cambodian factory sample despite high profits during the pandemic. The losses inflicted on 30,190 workers across eight adidas supplier factories since the pandemic's beginning add up to \$11.7 million (or \$387 per capita, USD). In 38 cities in more than a dozen countries, including Pakistan, Cambodia, Italy, and the United States, unions and workers' rights groups protested at adidas supplier factories and stores in a united chorus to tell the brand to prioritise workers' rights and ensure that workers in their supply chain are never again deprived of their full wages and severance pay and are guaranteed their right to organise, as part of the Pay Your Workers campaign.

Also, as part of the Pay Your Workers campaign, we took action for workers denied their severance or full wages in the supply chains of other brands, including the former Violet Apparel workers in Cambodia who used to sew for Nike, as well as the former OrLjava workers in Croatia who made shirts for German brand Olymp, until their factory suddenly closed. The Pay Your Workers campaign activity not only helped secure a historic victory for Brilliant Alliance workers, but also helped secure millions of back pay for garment workers in Karnataka, India.

A new study on alternative models for social protection for garment workers by Cornell University validates the proposed Pay Your Workers-Respect Labour Rights agreement.

During the Global Week of Action in October, SKC also took to the streets and held an action in front of the adidas shop in Amsterdam's famous shopping street, the Kalverstraat. Earlier in the year, with two trade union representatives (one from Bangladesh and one from Sri Lanka), SKC met with C&A to discuss the Pay Your Workers - Respect Labour Rights Agreement and further negotiate the agreement with trade unions.

Labour Education Foundation protest in Pakistan during the global week of action to urge adidas to sign the Pay Your Workers agreement in October 2022.



Minimum wage victory for workers in Pakistan's Sindh province

In June 2022, workers in Pakistan's Sindh province, a key garment-producing hub, won a significant victory in the form of a 40% increase to the minimum wage for unskilled workers, from 17,500 Pakistani Rupee (PKR) to 25,000 PKR (approximately 116 Euros) per month.

The wage increase was first announced on 9 July 2021 by the Sindh provincial government, however, the order was stalled due to objections from employers who appealed to the Supreme Court, expressing fears that they would be unable to cover the increased costs. As workers struggled to survive on poverty wages, facing high inflation and a steep rise in the cost of living, global clothing brands sourcing from the region were slow to defend workers' rights. CCC reached out to H&M, Gap, C&A, Bestseller, Carrefour, Mango, Levi's, Boohoo, Fruit of the Loom, and Tom Tailor, yet each brand refused to issue a public statement in support of the new wage and failed to publicly reassure suppliers they would adjust their payments to factor in the higher wage costs. This lack of action came despite claims from brands that they support workers' rights and previous commitments to working towards a living wage in their supply chains. Despite brands' inaction, workers achieved a positive Wage Board ruling in June, which included an obligation to provide back pay of up to 19,000 PKR for the months since July 2021.

SKC was able to meaningfully engage with brands throughout 2022 to lobby for wage increases for garment workers. SKC urged Dutch brands to clearly communicate, publicly and to their suppliers in Sindh province, their willingness to include this wage increase in the buying price. The social-economic council interviewed SKC on this case for their publication on meaningful stakeholder engagement.

3/ Health and safety

Highlights:

- **Cheap Tricks: How Levi's & IKEA profit off of the Accord**
- **Employment Injury Insurance pilot launched in Bangladesh**
- **10 years since the Ali Enterprises factory fire**
- **The Accord launched in Pakistan**

Throughout the year, 27 new brands, including Fruit of the Loom, Migros, and Missguided signed the International Accord on Health and Safety in the Garment and Textile Industry, bringing the number of signatories to 187 by the end of 2022. The legally binding Accord monitors and enforces brands' obligations on factory and building safety, and workers can raise health and safety-related issues in their factories through the complaint mechanism. In 2022, we organised campaign pushes to convince Levi's, IKEA, and French supermarket chain Auchan to sign the International Accord.

While IKEA and Levi's are vocal about their sustainability credentials, they state that their own internal, opaque systems are enough to protect workers.

We also focused campaigning efforts on Auchan, Decathlon, Asda, and other non-signatory brands. Our supporters sent hundreds of emails to the brands calling for them to sign the Accord through our [website](#) set up last year.

"It is time that brands stop hiding behind the efforts of their competitors and their own weak go-it-alone programmes"

- Cheap Tricks report.

- Campaign image drawing attention to Auchan's failure to sign the International Accord.



Levi's and IKEA's cheap tricks

The report "Cheap Tricks: How Levi's and IKEA are freeriding on their competitors' progress on workplace safety in Bangladesh" was written in collaboration with Future in Our Hands (Norway). It explores several examples of Levi's and IKEA freeriding off Accord signatory brands' supply chains by sourcing from factories that are made safe under the programme. Our research showed that they both failed to ensure safe working conditions in their supplier factories before the formation of the Accord. Inspection reports at the beginning of the Accord programme's monitoring showed that many safety hazards had remained unaddressed despite years of IKEA and Levi's sourcing. Only once these factories became covered by the Accord, thanks to signatory brands like H&M, Lidl, and Primark also sourcing from the factories, did their safety improve. Thanks to the efforts of their competitors, Levi's and IKEA can profit off a programme they refuse to pay into.

The report covers safety violations at factories supplying to either Levi's or IKEA, including dangerous electrical wiring, locked fire exits and improper storage of chemicals and flammable materials. The findings both showed the importance of safety monitoring and remediation by the Accord and the urgency of calling on brands like Levi's and IKEA to sign.

Schone Kleren Campaigne action in front of an IKEA store urging the company to sign the Accord.

Employment Injury Scheme pilot launched in Bangladesh

In June, the Bangladeshi government, in association with employers, trade unions, the International Labour Organisation (ILO), Germany, and the Netherlands, successfully released a landmark pilot project of the country's first Employment Injury Insurance scheme for garment workers. This pilot has been in progress by the ILO since 2015.

We have been supporting the ask of our partners in Bangladesh for an injury insurance scheme for many years. Despite relative costs being minimal and clear urgency and benefits, it still took brands, employers, and the government almost a decade to reach an agreement. This has left countless injured workers and families of those killed in the workplace without adequate and guaranteed compensation. It is important that this pilot will lead to legislation and will include a bridging solution covering those left without adequate compensation in the past decade.

"This is a milestone for the over 4 million garment workers in Bangladesh. The delay has left countless injured workers and victims' families without adequate and guaranteed compensation. The urgency and benefits were high."

- Ineke Zeldenrust of Clean Clothes Campaign International Coordinator.



Ten years since the Ali Enterprises fire

On 11 September 2012, we commemorated the over 250 lives lost in the Ali Enterprises fire in Baldia town, Karachi. This was a horrific and preventable disaster. Ali Enterprises was a clear death trap, without working fire fighting equipment or fire alarms, only one functional fire exit, and a building that violated many local and international regulations.

Despite a fire breaking out at the factory six months prior, audit company RINA awarded Ali Enterprises a SA 8000 certification (social accountability in the workplace) just before the factory burnt down. While 10 years have passed since the disaster, the working conditions in factories in Pakistan have hardly changed, placing workers in the same unsafe conditions with no power to rectify them. On this day, we again amplified the call of our partners in Pakistan to expand the Accord programme to their country.

The start of the Accord in Pakistan is announced

Throughout the year, we amplified the call of our partners in Pakistan to make Pakistan the first country for the International Accord to expand its operations. An extensive report released together with the Wales Institute of Social and Economic Research and Data (WISERD) at Cardiff University showed the urgent need for expansion of the International Accord to Pakistan. 85% of workers reported no access to proper exit stairwells in the case of a fire. One in five workers reported that their workplace lacked fire drills and were unaware of emergency escape routes and exits. Additionally, the survey found that independent factory inspections were not taking place in Pakistan; therefore, while workers reported the existence of fire alarms and some safety mechanisms, no regular inspections have been conducted to ensure systems and equipment are operating safely.

Another brief launched in November provided a snapshot of the safety issues in factories in the supply chains of major brands sourcing from Pakistan. The brief stressed the need for a swift start of the Accord programme in Pakistan, along the needs laid out by workers representatives in Pakistan.

Rifit Bibi, her four children and her father-in-law were among the many families who lost loved ones in the Ali Enterprises fire of 2012.

Credit: Amar Guriro.



One month later, the International Accord announced the Pakistan Accord on Health and Safety in the Textile and Garment Industry. Unions and labour groups in Pakistan welcomed the Accord and called upon all brands producing in Pakistan to sign it.

This process highlights the strength of the CCC network, which played a prominent role in achieving a result that will benefit millions of workers through network building with trade unions and labour NGOs in Pakistan, capacity development of Pakistan partners to lobby brands and policymakers, cross-border collaboration between trade unions and other workers' organisations, producing research and reports that highlighted the deficiencies in safety protections in the garment industry in Pakistan, and active public campaigning.

Gender

The report "An Intersectional Approach: Challenging discrimination in the garment industry" serves as a basis to frame and inform the Clean Clothes Campaign's work on discrimination and develop a holistic, intersectional approach to challenge discrimination and structural inequalities in the industry.

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"After years of fighting for the expansion of the Accord to Pakistan, our workers can finally be brought under its monitoring and complaint mechanisms. If enough brands sign, workers will not have to fear for their lives when going to work and will know who to appeal to when their factory is unsafe."

- Nasir Mansoor, Secretary-General of the National Trade Union Federation in Pakistan

4/

Lobby and advocacy

Highlights

- Pakistani trade unionists lobby tour
- Increased corporate accountability in the EU
- Increased transparency in global supply chains

Lobby tour to Amsterdam, The Hague and Brussels of three Pakistani trade unionists

SKC and the CCC International Office (IO) organised a worker tour with Pakistani trade union leaders and a former garment worker in the Netherlands and Belgium to advocate for a swift launch and implementation of the Pakistan Accord. The three participants first visited Brussels to call for a worker-centred safety approach and strong due diligence laws. Trade union leaders Nasir Mansoor, secretary general of the National Trade Union Federation Pakistan (NTUF), Zehra Khan, secretary general of the Home-based Women Workers Federation (HBWWF), and garment worker Seemi Mustafa talked to policymakers, representatives of garment brands, journalists, and other stakeholders. They stressed their own and professional knowledge of and experiences with the global garment industry and factory-level violations in the field of health and safety, gender-based violence, the right to organise, and wage payments to argue that upcoming European Union (EU) legislation should be worker-centred, gender-sensitive, and comprehensive and that direct steps are needed to ensure workers can feel safe in the workplace.

Corporate Sustainability in the EU

On 23 February 2022, the European Commission released its proposal for a directive on Corporate Sustainability Due Diligence. This directive could represent a landmark step in minimising the negative impacts of businesses on workers, communities and the environment worldwide. In response, over 220 NGOs and trade unions from around the world welcomed the proposal in a statement as an essential and long-awaited step toward corporate accountability but called for the proposal to be strengthened further to guarantee that the law will effectively prevent corporate harm to human rights, the environment and climate; as well as provide victims of corporate abuse with access to effective remedies.

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Nasir Mansoor, Seemi Mustafa and Zehra Khan at the European Parliament.



The three participants visited policymakers in The Hague and Amsterdam and met with four Dutch brands to discuss the situation in Pakistan and the need for due diligence legislation and to convince them to sign the Accord. As the visit coincided with the launch of the Pakistan Accord, we held an online press conference to comment on this victory. All the brands that spoke to the tour participants have since signed the Pakistan Accord.

Increased transparency in global supply chains

CCC is an active Board member of Open Supply Hub, launched in 2022 as the follow-up to the Open Apparel Registry. This coincided with major brands like Amazon and Disney using the platform to disclose their production locations across their garment and other supply chains.

Also in 2022, following earlier advocacy by the Transparency Pledge coalition, the Fair Labor Association (a multi-stakeholder organisation with about 50 members, including industry giants) made adherence to the Transparency Pledge mandatory for its members, resulting in many more supply chain disclosures.

26 brands became fully aligned with the Transparency Pledge, including some large ones like GAP. Many more have started disclosing at least their name and address and are moving towards full compliance.

We also helped convene a larger coalition of NGOs to work out a shared call to action for transparency beyond Tier 1 suppliers, with public campaigning on that call to action starting in 2023.

CCC took part in various expert working groups working on the EU's CSRD (Corporate Sustainability Reporting Directive), working together with a wide coalition of other NGOs to provide input into the upcoming reporting standards and advocating for mandatory disclosure of garment and textile supply chains, including information on wages and working conditions.

Forced labour

We released a statement on the proposed regulation prohibiting products made with forced labour on the European Union market. The proposed Forced Labour Regulation falls significantly short of its potential. Of great concern is that the proposal fails to consider the fate of workers forced into exploitation, both inside and outside the European Union. The proposal must be amended to focus on ensuring that workers receive remediation and to ensure that both affected and potentially affected workers' views and interests are taken into account at all stages of the investigation and decision processes. We called upon the European Parliament and EU Member States to improve the proposal where it is missing its purpose while building on its key positive elements.

After the EU's legislative proposal on Corporate Sustainability Due Diligence was published, critiques arose from civil society on its shortcomings around human rights and social sustainability. SKC welcomed the proposal as an essential step toward corporate accountability, responsible business conduct and access to justice but also listed a series of gaps and put forward concrete proposals for how the directive should be improved.

SKC Political lobby

SKC lobbied for solid legislation on International Corporate Social Responsibility (Internationaal Maatschappelijk Verantwoord Ondernemen, IMVO) on national as well as European levels, working towards a law that obliges companies to take people and the environment into account at all levels of the supply chain. Together with the MVO platform and most closely with the trade union CNV, SKC advocated for the adoption of the 'Bill on Responsible and Sustainable International Business Conduct' in the Dutch parliament. Additionally, during the December lobby tour with partners from Pakistan, which led to meetings with the Ministry and in Parliament to talk about the importance of this bill.

5/ In the media

Highlights

- Increased social media presence of IO and SKC
- New website adidasSTEALS.com
- Over 200 media mentions of our organisations

CCC in the media

The CCC International Office's social media presence continued to grow in 2022, breaking 100K followers on Instagram and climbing to 114K. Our Facebook, Twitter and LinkedIn follower base remained strong. CCC was mentioned 170 times in English-language news, including a series of articles in the Guardian written in collaboration with CCC on the VK Garments lawsuit against Tesco. Our website attracted 279,681 visitors, and our new website, adidasSTEALS.com, gained 6,945 visits from our launch in September 2022 through the end of the year. That includes 5,900 unique visitors and 9,700 page views. We also entered a new media market by publicly launching our podcast series, initially produced for internal use in the network.

SKC in the media

In 2022, SKC issued seven press releases in the Netherlands and was mentioned 23 times in newspapers and online articles. SKC was interviewed twice by the consumer programme, Radar, in January about false sustainability claims of clothing brands. In July, it was interviewed for their YouTube channel on fast fashion brand SHEIN in a video that received 19,000 views. SKC was also interviewed by the consumer programme, Kassa. SKC's footprint on social media remained strong, with around 2,600 Instagram followers and a 15% growth in reach, 18,000 Facebook followers, 5,000 Twitter followers and more than 35,500 website visitors over the year.



6/ Organisation

CCC is founded under Dutch law and has its registered office in Amsterdam. The foundation is a Public Benefit Organisation (ANBI) and prepares its annual accounts in accordance with Guideline C1 of the Council for Annual Reporting for small organisations without profit. CCC has a board for which the board principles are formulated in the Articles of Association. The chair heads the Board, which consists of five members. The Board is collectively responsible for human resource and financial management of the organisation and safeguards the identity and mission of the Foundation. The board members do not receive any allowance, salary or other form of compensation from the Foundation. The board meets four times a year.

CCC consists of three teams: the International Office (CCC IO), the Schone Kleren Campagne (SKC), and administrative support (the Bureau). The CCC IO facilitates and coordinates international activities and campaigns within the CCC global network. The SKC raises awareness among the Dutch public and lobbies Dutch garment companies and the Dutch government. The Bureau holds the organisational and operational support mandate, including finance, human resources, grant management, fundraising, administration and IT.

CCC is a workplace democracy organisation and does not have a director or management as commonly understood as being the persons having executive power within the organisation. Strategic and governance decision-making is based on consensus and non-hierarchical principles within a clearly defined framework of self-managing teams. The foundations' employees earn the same salary regardless of their function, job title, or seniority. A Cross Team body is responsible for streamlining operational management. The body consists of three elected employees.

CCC continued to strengthen its global network, which currently counts 240 organisations, through mutual capacity development, support to regional coordinating bodies and enhancing secure communication and digital security. Ten organisations unfortunately had to leave our network throughout the year for various reasons.

Some did not have the capacity to continue the collaboration within the network and others have been unresponsive or inactive for longer. We welcomed eight new organisations from six production countries based in Bangladesh, Bosnia, Pakistan, the Philippines, Romania, and Serbia.

Staff

The foundation is a professional self-steering organisation with experienced and motivated employees. We devote attention to personal growth and development while stimulating self-reliance and autonomy. CCC's goals include being a diversity-based organisation regarding gender, race, ethnicity, and sexual orientation. CCC aims to offer all employees an accommodating environment and conditions (for example, adapted working hours and workplace, provision of additional support etc).

At the end of 2022, we retained 28 staff members, as we did at the start of the year (22.98 FTE initially and 22.87 FTE by year-end).

Board

Marlies Filbri

- *Board member since June 2020*
- *Position: Chair*

In 1998, Marlies Filbri started working on international trade and investment relations, corporate social responsibility and human rights issues, including labour rights in the sportswear industry when she joined SOMO, the Centre for Research on Multinational Corporations. She remained engaged on these issues in her work at Oxfam Novib where she led the advocacy and campaigns unit till 2015. At UNICEF she was responsible for the development and execution of programmes strengthening children's rights in the Caribbean part of the Dutch Kingdom. Since June 2020 she leads an organisation that advocates for the needs and rights of homeless people in the Netherlands.

Nathalie Noach

- *Board member since December 2021*
- *Position: Treasurer*

Nathalie Noach is trained in the field of social sciences, focusing on the political climate of the border between Thailand and Myanmar. She has gained experience in China, Hong Kong, Thailand and Myanmar. Currently, she is a non-financial risk officer at ING's Operational Risk World Bank department for Financial Markets and Group Treasury. With the desire to combine these interests and experiences, she aims to improve the social and economic positions of people who work in the garment industry.

Metin Akyol

- *Board member since February 2021*
- *Position: Secretary*

Metin Akyol is trained in the field of international and European law and international relations with a focus on War Studies. He works as a lecturer for the Law Faculty of The Hague University of Applied Sciences (THUAS), where he lectures in Public International Law, European Law, Human Rights and Law of War. Previously, he gained international experience in the US, UK and South Africa. He worked for the Royal Netherlands Embassy in Washington, DC. In addition to his work at THUAS and his CCC board membership, he is an ambassador for ECHO (Expertise Centrum Diversiteitsbeleid) and an active member of Stichting Prinsjesfestival and of a long-standing political party in the Netherlands.

Tessel Pauli

- *Board member since September 2022*
- *Position: General member of the Board*

Trained as a cross-cultural psychologist, Tessel Pauli joined the Clean Clothes Campaign as Urgent Appeals Coordinator in 2006. Having worked for 14 years (2006 - 2020) in several roles in the organisation, she brings an extensive, in-depth knowledge of the CCC global network, and a solid understanding of CCC's internal structure and operations. In 2020 she started training as a science teacher and currently teaches chemistry and physics at a pre-vocational (vmbo) school in the province of Groningen.

In 2022, Monique de Jong and Nina Ascoly left the board. Monique has been a board member since 2019 and Nina served on the board since September 2013. We are thankful for their contribution and commitment and add a special thanks to Nina for serving on the board for nine years. Her guidance, energy, and enthusiasm have been invaluable to the Foundation.

Social and environmental responsibility

CCC has laid out a set of rules outlining the responsibilities and proper practices of the organisation in our Integrity Policy. The policy reflects the nature of our organisation and what we stand for. We are part of a network with members all over the world, representing organisations on the ground in production countries in the Global South, as well as activist organisations and unions worldwide. It is this diversity of people, interests, viewpoints and activism which can interact on a basis of equality that makes us strong.

Several instruments are continuously updated, including the Employee Handbook, Code of Conduct, Integrity Complaints Committee, Complaint Procedure, External Councillor, and Whistleblower reporting point.

On an annual basis, the Integrity Complaints Committee and the External Councillor provide the Board with an annual account of its activities. In 2022, no complaints were brought forward.

We have our current bank account at Triodos Bank, which only does business with organisations that support a healthy natural environment and promote a social economy. We have a savings account at ASN Bank, as the bank's objectives are in line with the organisation's vision. We offer our staff and visitors coffee from the Zapatistas, indigenous farmers who fight for inclusion and autonomy. Our paper is FSC-certified, and while we minimise the use of paper, we print everything double-sided. We recycle our paper, glass, and batteries and use biodegradable cleaning products. Used printer toners and cartridges are picked up and recycled by Eeko, which donates the proceeds to Stichting Aap, a shelter for non-indigenous animals.

Our staff commutes using bicycles and public transport. Much of our work involves working with international partners, particularly in Asia, and we cannot avoid air travel. We do, however attempt to limit these trips and travel by train on shorter distances as well as frequently use digital platforms as an alternative to face-to-face meetings.

Fundraising

We are proud to be able to play an independent role when campaigning for worker rights. The foundation does, therefore, not accept financial support from any garment brand, retailer or related foundation. As part of our multi-year fundraising strategy, we continued our pro-active fundraising approach, focusing on new donor identification and strengthening the relations with our current funders. We have been successful in our efforts to secure new grants during the year, including the renewed partnerships with the NoVo Foundation and with a US-based Philanthropic foundation. Also, a new grant from the Bureau of Democracy, Human Rights and Labor of the US Department of State has been secured. Finally, we are very grateful to our private donors who donated EUR 30,780 for our work this year.

These partnerships expand our frame of reference and generate new opportunities for fundraising in the future. We are eternally grateful for these partnerships' vital role in the fight for worker-led, sustainable and systemic change in the global garment and sportswear industry. In 2022, this helped us contribute to important victories for workers rights, including the expansion of the International Accord for Health and Safety in the Textile and Garment Industry to Pakistan, important steps on the way to ambitious EU legislation on human rights and environmental due diligence and justice won for garment workers in individual factory cases through the Pay Your Workers campaign.

With 13 CCC members from the European Regional Coalition, we developed a concept note for the European Union's Development Education and Awareness Raising Program (DEAR) for a project on just transition in the global garment industry. The project aims to increase EU citizens' understanding on how fashion production and consumption patterns contribute to inequality, climate change, and workers' rights violations and actively engages EU youth. The concept note was successful, and we will submit a full proposal in 2023.

We prioritised supporting and preparing the CCC coalitions in Asia towards financial self-sustainability. Fundraising sessions have occurred during regional coalition meetings, discussing funding priorities and challenges and developing fundraising strategies. As a result of these meetings, an international fundraising team was established, and recruitment of a Fundraising and Grants Officer in Asia was initiated. The Foundation continues supporting the fundraising strategy towards the self-sustainability of the CCC coalitions in Asia as part of a multi-year strategy.

Planning, monitoring, evaluation and learning

The CCC global strategic framework (GSF) for 2021 - 2026 is our roadmap for change, helping us to forge our path onwards towards a just and sustainable global garment and sportswear industry. Social change is achieved as part of a complex system. In other words, our individual and collective work is part of a larger web of entangled and interdependent activities and social forces. We are therefore prioritising dialogue, learning and collaboration rather than aiming to present “demonstrable” impact or drawing conclusions.

To learn from each other and to know whether we are collectively bringing about the change we aim for, we collaborate, learn from our successes and adjust where we have been less successful. Over the past two years, we have made impressive steps in collective planning and monitoring our progress.

Supportive to this process has been the facilitation of collective planning, documenting our collective progress, and organising network-wide events, including the learning event in which participants reflected on the learnings around key questions related to the ambitious Pay Your Workers campaign. Key takeaways from that session include the importance of winning cases of violations of workers rights. Cases are more likely to be won when supported by complete and accurate evidence, active involvement of local unions, and legal ruling on the case in the country of production. In order to strengthen the evidence and the union’s key role, more capacity is needed to support unions’ engagement, and more funding is needed to support union’s work in collective bargaining and negotiations. In the webinar ‘Putting the GSF into Action’ snapshots of the operational priorities and challenges were shared, and dialogue was fostered.

In 2022, we started preparations for the mid-term evaluation of our Global Strategic Framework to take place in 2023. The mid-term evaluation will analyse the first two years of the implementation of the strategic framework and will prioritise reviewing effectiveness, relevance and the process of collective planning, monitoring, and learning.



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This year we worked together with many different organisations as part of the Good Clothes, Fair Pay Campaign.

Collaboration

Collaboration is critical to advance our agenda to structurally improve working conditions and support the empowerment of manufacturing workers in global garment and sportswear supply chains. As a network, we need leverage and power to fulfil our vision for workers’ rights in the garment and sportswear industries. The network has 240 organisations and eight associates who develop, share, and collaborate intensively on collective strategies of campaigning and advocacy. The network includes organisations working at the global -, regional -, and national levels based in countries that are primarily involved in garment production, as well as consumption. For security reasons, we are not publicly disclosing the names of our members, partners and associates.

Playing our role within an international ecosystem of like-minded actors is central to our values, and we, therefore, also collaborate extensively with individuals, organisations, and alliances outside of the Network. These include Both Ends, Action Aid, Friends of the Earth, Transnational Institute, The Centre for Research on Multinational Corporations (SOMO), The Samdhana Institute, IT for Change, Changing Markets, Anti-Slavery International, Global Witness, Human Rights Watch, the International Corporate Accountability Roundtable (ICAR), Cardiff University, International Trade Union Confederation, IndustriALL Global Union, UNI Global Union, WikiRate, Fashion Revolution, Open Supply Hub, Oxfam, Global Rights Compliance, European Coalition for Corporate Justice, Fashion Revolution, Remake, MVO Platform, Mondiaal FNV, CNV Internationaal, and Fairwear Foundation.

7/ Financial governance and results

Budget versus actual variance analysis

During the year, we received new grants. As a result, actual income and expenditure have increased in relation to the 2022 budget. The new grants support our work for long-term systemic change and have a specific focus on campaigning and coalition building. The total amount of spending on direct campaign costs is €2,318,411.

The board has decided in 2023 that the maximum training reserve for employees will be €25,000. Furthermore, there are no major board intentions/decisions made related to the financial years 2022 and 2023.

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The Pay Your Workers campaign was one of the main campaigns mobilising our network around the world.

Financial position

Partnerships with foundations and institutional donors provide our main sources of income. We are extremely grateful to all partners supporting our work. The partnership with the Dutch Ministry of Foreign Affairs is our longest-lasting partnership and main source of funding.

- CCC is a member of the Fair Green and Global Alliance (FGG). This alliance, which includes seven other organisations (SOMO, Transnational Institute, Both ENDS, Milieudefensie, Action Aid, Samdhana and IT for Change), have a strategic partnership with the Ministry of Foreign Affairs since 2011 to strengthen the lobbying and advocacy capacity of civil society under the theme of Trade and Value Chains. The current financial grant is €7,870,865 for a five-year period.
- The European Commission supports us with a grant since 2019 on transparency and living wages, using an evidence base to increase transparency that supports the empowerment of workers, and responsible purchasing behaviour of European citizens. The financial grant is €1,544,880 for a three-year period.



- The NoVo Foundation Fund of the Tides Foundation supports us and our allies since 2018, promoting long-term systemic change, conducting rapid response advocacy and strengthening the capacity of Global South organisations. The partnership was renewed in 2022 with a grant of \$1,485,000 (USD) for a two-year period.
- With the support from Open Society Foundations since 2018, CCC and its allies increased the much-needed capacity to work on the Pay Your Workers and Respect Labour Rights campaign. With the renewed grant we are able to strengthen unions' capacity, secure legally owed unpaid wages and terminal compensation for garment workers, and build public pressure on brands. The financial grant is \$1,450,000 (USD) for a two-year period.
- The partnership with the Dutch Nationale Postcode Loterij was renewed in 2021 and supports our work in strengthening the regional network's capacity, increasing awareness and activation of citizens in the Netherlands, and intensifying dialogue with governments and garment companies for binding agreements and mandatory human rights due diligence. The financial grant is €1,000,000 for a three-year period.
- Our partnership with the Dutch trade unions FNV Mondiaal and CNV Internationaal, initiated in 2021, is strengthening solidarity across regions and prioritises urgent appeal work with unions and worker organisations in South Asia and South East Asia, as well as awareness-raising and activation of citizens in the Netherlands, and advocacy work on mandatory human rights due diligence. The financial grant is €800,000 for a five-year period.
- A US-based philanthropic fund supports our regional work on wages, urgent appeals, women worker leadership and public awareness in East and South East Asia. The financial grant was renewed in 2022, securing \$350,000 (USD) for a two-year period.
- Since 2021, the Ford Foundation provides support for the operationalisation of the Global Strategic Framework throughout the CCC network. The financial grant is \$50,000 (USD) for a two-year period.
- In 2022, we established a new partnership with Global Rights Compliance and our partners in Pakistan. The partnership is supported by funding from the Bureau of Democracy, Human Rights and Labor of the US Department of State, and aims to advance labour rights of garment workers in Pakistan. The financial grant is \$260,000 (USD) for a two-year period.

Investment policy

CCC holds no shares or bonds. Any funds not required immediately are credited to the organisation's savings account. CCC has expressly chosen to take out a savings account with ASN Bank, whose objectives align with our vision.

Budget 2023

Activities	IO / International Office		2023
		Information and data	€ 280,699
		Partner network	€ 1,297,867
		Campaigns	€ 743,432
		Lobby & advocacy	€ 178,976
		Public outreach	€ 147,850
		Total IO	€ 2,648,823
	SKC / Dutch Secretariat		
		Urgent appeal	€ 36,713
		Occupational health and safety	€ 76,713
	Living wage	€ 59,614	
	Transparancy	€ 87,837	
	Network & communication	€ 176,136	
	Total SKC	€ 437,014	

Management & administration		
		€ 224,416
		€ 224,416
Total		€ 3,310,252

In:	2023
Dutch government	€ 1,947,936
CNV Internationaal and FNV Mondiaal	€ 219,638
Global Rights Compliance	€ 102,767
Novo Foundation of Tides Foundation	€ 435,417
Nationale Postcode Loterij	€ 277,082
Private funds	€ 326,713
Private donors	€ 22,000
Interest	€ 0
Total	€ 3,331,554

RESULT	€ 21,301
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2022 FINANCIAL STATEMENTS

BALANCE SHEET	31-Dec-22	31-Dec-21
FIXED ASSETS		
Fixtures and fittings	€ 9,040	€ 14,340
Total fixed assets	€ 9,040	€ 14,340
CURRENT ASSETS		
Receivables and prepayments	€ 291,341	€ 196,056
Cash and cash equivalents	€ 2,948,211	€ 3,191,145
Total current assets	€ 3,239,552	€ 3,387,201
TOTAL ASSETS	€ 3,248,592	€ 3,401,541
RESERVES		
Continuity reserve	€ 464,906	€ 504,688
Earmarked reserve for NPL activities	€ 25,665	€ 25,665
Earmarked reserve for accrued training budget	€ 25,001	€ 46,741
Total reserves	€ 515,571	€ 577,094
Current liabilities	€ 2,733,021	€ 2,824,447
Total current liabilities	€ 2,733,021	€ 2,824,447
TOTAL LIABILITIES	€ 3,248,592	€ 3,401,541

STATEMENT OF INCOME AND EXPENDITURE

INCOME	Actual 2022	Budget 2022	Actual 2021
Income from private individuals	€ 30,782	€ 22,000	€ 32,126
Income from government grants	€ 1,767,652	€ 1,928,056	€ 1,713,977
Income from lottery organisations	€ 385,837	€ 399,513	€ 121,255
Income from other non-profit organisations	€ 1,903,687	€ 1,060,995	€ 976,850
Total raised income.	€ 4,087,957	€ 3,410,564	€ 2,844,208
Other income	€ 31,867	-	€ 15,656
Total income	€ 4,119,824	€ 3,410,564	€ 2,859,864

EXPENDITURE

Staff costs	€ 1,671,918	€ 1,730,620	€ 1,402,5504
Accommodation costs	€ 83,888	€ 78,400	€ 74,126
Office and general expenses	€ 95,825	€ 113,930	€ 39,752
Direct campaign costs	€ 2,318,411	€ 1,462,704	€ 1,330,633
Total expenditure	€ 4,170,042	€ 3,385,654	€ 2,847,060

Result before financial income and expenditure	€ -50,218	€ 24,910	€ 12,803
Balance of financial income and expenditure	€ -11,305	-	€ -9,557
RESULT	€ -61,523	€ 24,910	€ 3,246

APPROPRIATION OF THE RESULT

Added to the continuity reserve	€ -39,783		€ -5,012
Charged to the earmarked reserve for operating assets	-		-
Charged to the earmarked reserve for NPL	-		-
Added to the earmarked reserve for accrued training budget	€ -21,740		€ 8,258

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 the 27 September 1991. The objectives 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.

NOTES TO THE BALANCE SHEET

FIXED ASSETS	31 December 2022	31 December 2021
Fixtures and fittings		
Opening balance		
Purchase cost	€ 74,252	€ 65,337
Accumulated depreciation	€ -59,912	€ -48,633
Book value	€ 14,340	€ 16,704
Capital expenditure in the financial year	€ 3,793	€ 8,915
Depreciation in the financial year	€ 9,093	€ 11,279
Total movements	€ 12,886	€ 20,194
Closing balance		
Purchase cost	€ 78,045	€ 74,252
Accumulated depreciation	€ -69,005	€ -59,912
Book value	€ 9,040	€ 14,340
CURRENT ASSETS		
Receivables and prepayments		
Debtors	€ 2,888	€ 347
Amounts due from partners	€ 0	€ 0
Grants receivable	€ 199,682	€ 139,043
Deposit	€ 7,700	€ 7,700
Interest receivable	-	-
Sick pay receivable	€ 5,467	€ 3,172
Prepaid expenses	€ 52,085	€ 44,361
Staff	€ 1,634	€ 409
Other receivables	€ 21,885	€ 1,025
	€ 291,341	€ 196,056

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.

Cash and cash equivalents	31 December 2022	31 December 2021
ASN	€ 1,962,650	€ 2,428,503
ING	€ 422,118	€ 198,055
ABN	€ 149,381	€ 349,912
Triodos	€ 377,587	€ 188,826
Paypal	€ 34,288	€ 24,702
Cash in hand	€ 2,187	€ 1,146
	€ 2,948,211	€ 3,191,145

Cash and cash equivalents are payable on demand.

Reserves

	2022	2021
Continuity reserve		
Opening balance	€ 504,689	€ 509,700
Result for year	€ -39,783	€ -5,012
From the earmarked reserve for operating assets	-	-
Closing balance	€ 464,906	€ 504,688

The organisation aims to hold a minimum general reserve to cover six-months staff, accommodation and office costs. In 2022 this would amount to € 1,769,218 x 50% = € 884,609. At the end of the 2022 there is a discrepancy between this aim and the general reserve of € 884,609 less € 464,906= € 419,703.

Earmarked reserve for NPL activities

Opening balance	€ 25,665	€ 25,665
Transfer to/from	-	-
Closing balance	€ 25,665	€ 25,665

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	€ 46,741	€ 38,483
Transfer to/from	€ -21,740	€ 8,258
Closing balance	€ 25,001	€ 46,741

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 2022	31 December 2021
Current liabilities, accruals and deferred income		
Creditors	€ 120,561	€ 89,912
Amounts payable to partners	€ 700,356	€ 439,903
Statutory payroll tax and social security contributions	€ 34,710	€ 27,974
Pension contributions payable	-	-
Grants to be spent	€ 1,479,326	€ 1,997,745
Amount reserved on account of holiday entitlement	€ 143,446	€ 144,142
Amount reserved on account of holiday pay	€ 118,484	€ 92,085
Net salary	€ 18,094	€ 158
Accrued expenses	€ 118,044	€ 32,529
	€ 2,733,021	€ 2,824,447

Amounts payable to partners relate to the difference between the advances granted and amounts reported in 2020-2022.

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 2021 and expiring on 31 December 2025. The annual rent is € 65,730, the total liability until the end of the contract is € 328,650. 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 was € 4,977. By the end of 2022 we were informed that the building will be demolished in the beginning of 2023. We will be able to stay there until the end of March 2023. No new rental agreement has been signed yet.

STATEMENT OF INCOME AND EXPENDITURE			
INCOME	Actual 2022	Budget 2022	Actual 2021
Income from private individuals			
Donations and gifts	€ 30,782	€ 22,000	€ 32,126
	€ 30,782	€ 22,000	€ 32,126
Income from government grants			
Ministry of Foreign Affairs-DGIS (2021-2025)	€ 1,620,187	€ 1,857,689	€ 1,457,161
EuropeAid: Filling the Gap (2019-2022)	€ 147,465	€ 70,367	€ 256,816
	€ 1,767,652	€ 1,928,056	€ 1,713,977
Income from lottery organisations			
National Postcode Loterij	€ 385,837	€ 399,513	€ 121,255
Income from other non-profit organisations			
Tides Foundation (2018-2021)	-	-	€ 114,075
Tides Foundation (2021-2022)	€ 35,406	€ 51,698	€ 592,066
Tides Foundation (2022-2023)	€ 648,893	-	-
We Trust (2019-2021)	-	-	€ 20,848
Open Society (2021-2022)	-	-	€ 77,581
Open Society (2022-2023)	€ 853,395	€ 643,587	-
Wellspring (2019-2021)	-	-	€ -10,703
Wellspring (2020-2022)	€ 182,661	€ 162,178	€ 105,938
Ford	€ 11,450	€ 42,647	-
CNV Internationaal and FNV Mondiaal	€ 171,882	€ 160,885	€ 77,044
	€ 1,903,687	€ 1,060,995	€ 976,850
Other income			
Proceeds from merchandise and other income	€ 31,867	-	€ 15,656

EXPENDITURE	Actual 2022	Budget 2022	Actual 2021
Staff costs			
Salary costs	€ 1,217,839	€ 1,306,229	€ 1,025,440
Social security charges	€ 222,801	€ 220,000	€ 182,651
Pension charges	€ 121,793	€ 121,793	€ 101,865
Sick pay insurance/incapacity for work	€ 55,743	€ 50,700	€ 30,572
Payments from sickness insurance	€ -5,467	-	€ -10,109
Travel and subsistence expenses	€ 11,152	€ 12,398	€ 4,505
Temporary employees/agencies	-	€ 9,500	€ 5,312
Volunteers	€ 1,700	€ 10,000	€ 4,760
Other staff costs	€ 46,356	-	€ 57,554
	€ 1,671,918	€ 1,730,620	€ 1,402,550

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

Accommodation costs			
Office rent	€ 69,148	€ 69,148	€ 60,253
Energy	€ 13,265	€ 13,265	€ 12,609
Fixed costs	€ 1,475	€ 3,000	€ 1,264
	€ 83,888	€ 85,413	€ 74,126

Office and general expenses	Actual 2022	Budget 2022	Actual 2021
Office	€ 1,160	€ 4,200	€ 2,531
Business entertainment expenses	€ 1,183	€ 1,000	-
Print and photocopying costs	-	€ 1,300	€ 686
Communication	€ 2,746	€ 4,778	€ 1,181
Insurances	€ 1,820	€ 3,000	€ 1,557
Accounting costs and auditor's fees	€ 53,772	€ 23,000	€ 21,381
IT	€ 5,428	€ 6,000	-
Consultancy fees	€ 4,659	€ 12,000	-
Depreciation	€ 9,040	€ 10,000	€ 11,279
Board costs	-	-	-
Non-collectible dues partners	-	-	-
Other general expenses	€ 16,018	€ 7,392	€ 1,136
	€ 95,825	€ 72,670	€ 39,752

The post 'other general expenses' mainly consists of costs for the acquisition of grants (i.e. € 16,018).

Balance of financial income and expenditure	Actual 2022	Budget 2022	Actual 2021
Interest income	€ -11.305	-	€ -9.557

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 € -61,523 will be deducted from the reserves.

Auditors Report

See page 38-40 for our auditors report.

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 Campagne / Clean Clothes Campaign (SKC/CCC). The report below is prepared in line with the applicable regulation for SKC/CCC in 2022.

The maximum remuneration according to the WNT for SKC/CCC in 2022 is € 199,000. The reported maximum amount per person is calculated based on the full-time equivalent in the labour 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 Campagne / Clean Clothes Campaign (SKC/CCC) 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	W. J. Rooijmans	A.A. de Goei	A.P. Papadimitriou
Job title	Coordinator Living Wage and Education	Partners & Network Coordinator	International Office Team Coordinator
Start and end of job performance in 2022	[01/01] – [31/12]	[01/01] – [31/12]	[01/01] – [31/12]
Part-time percentage	88.89%	88.89%	78.70%
Labour contract?	yes	yes	yes
Remuneration			
Remuneration including taxable expense allowances	37,05	43,052	39,263
Provision post-employment benefits	3,705	4,305	3,926
Subtotal	40,757	47,357	43,189
Individual applicable remuneration maximum	176,889	176,889	156,620
-/- Undue payments	-	-	-
Total remuneration 2022	40,757	47,357	43,189
Explanation exceedance maximum remuneration	N/A	N/A	N/A
Explanation undue payments	N/A	N/A	N/A

Comparison 2021

Amounts x € 1	T. Yovel.	A.A. de Goei	I.M.Kelly	A.P. Papadimitriou
Job title	Operational Health & Safety Coordinator	Partners & Network Coordinator	Urgent Appeals Coordinator	International Office Team Coordinator
Start and end of job performance in 2021	[01/01] – [31/12]	[01/01] – [31/12]	[01/01] – [31/12]	[01/01] – [31/12]
Part-time percentage	88.89%	88.89%	88.89%	80.56%
Labour contract?	yes	yes	yes	yes
Remuneration				
Remuneration including taxable expense allowances	39,857	41,836	34,731	37,139
Provision post-employment benefits	3,842	7,862	1,901	3,809
Individual applicable remuneration maximum	43,699	49,698	36,632	40,948
Total remuneration 2021	43,699	49,698	36,632	40,948

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 2022 received a salary above the individual applicable remuneration maximum. There are no severance payments paid in 2022 to other officers to be disclosed by the WNT, or paid in previous years that should be disclosed by the WNT.

INDEPENDENT AUDITOR'S REPORT

To: the Board of Stichting Schone Kleren Kampagne / Clean Clothes Campaign

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of Stichting Schone Kleren Kampagne / Clean Clothes Campaign based in Amsterdam.

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 2022 and of its result for 2022 in accordance with the Guideline for annual reporting C1 'Kleine organisaties-zonder-winststreven' of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the statement of income and expenditure for 2022; and
3. 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. 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.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by the Guideline for annual reporting C1 'Kleine organisaties-zonder-winststreven' of the Dutch Accounting Standards Board.

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.

The Board is responsible for the preparation of the management report and other information in accordance with the Guideline for annual reporting C1 'Kleine organisaties-zonder-winststreven' of the Dutch Accounting Standards Board.

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 Guideline for annual reporting C1 'Kleine organisaties-zonder-winststreven' of the Dutch Accounting Standards Board. 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 the Board 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, 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 the Board'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 the Board 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.

Amersfoort, 31 August, 2023.

WITh Accountants B.V.

Digitaal ondertekend door:
Jan Snoei
31 augustus 2023 13:13 +02:00...



Drs. J. Snoei RA

Our vision

All people working in the global garment and sportswear industries enjoy and exercise their human rights at work and in the community and are able to defend and improve these rights.

We:

- put pressure on companies* and governments to take responsibility to ensure that the rights of manufacturing workers in global supply chains are respected and implemented;
- work 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;
- raise awareness and mobilise people to undertake individual and collective action (linked to consumption, citizenship, work, investment or other areas of life);

Our mission

The Clean Clothes Campaign network works to structurally improve working conditions and support the empowerment of manufacturing workers in the global garment and sportswear industries.

- explore judicial mechanisms and lobby for legislation to protect workers' rights and hold companies accountable;
- promote public and private procurement that ensures workers' rights are respected in the production process;
- work together to develop our own network and strengthen the global alliance for workers' rights.

** The term "company" refers to all companies that we hold responsible for working conditions and workers' rights in garment and sportswear supply chains including global garment and sportswear brands, retailers, agents, global and national manufacturers and sub-contractors.*

**Clean
Clothes
Campaign**

International Office 

SKC

Schone Kleren Campagne
Clean Clothes Campaign