



Annual Report 2019

Clean Clothes Campaign /
Schone Kleren Campagne

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Introduction from the board

Looking back on 2019, we see a turbulent year, although, from the perspective of the turmoil the industry is currently in because of the COVID-19 pandemic, the ups and downs might seem mild. The year brought many victories: On successful urgent-appeals cases where workers no longer face jail or could return to work; in the field of transparency, where the number of companies that are open about where they outsource their production has more than doubled (including many Dutch brands). We saw many women leaders acquire new skills to continue their struggle for workers' rights, and intense behind the scenes work started towards a new EU-funded project on wages and transparency, due to be launched officially in 2020.

We have seen tremendous campaigning capacity around the world, with activists from our world-wide network protesting for labour rights and safe factories in Bangladesh, and for H&M to keep its promise and pay workers a living wage. Millions mobilised online, to show solidarity with Indonesian workers who are still fighting for the payments UNIQLO owes them. After decades of failing voluntary initiatives, and years of lobbying on our side, it is now becoming clear to more and more stakeholders that only binding, legally enforceable agreements can lead to real change and we are seeing a growing momentum and actual steps towards legislation being passed that requires companies to guarantee human rights in their supply chain, both in the context of Dutch and EU politics.

We have, however, also seen setbacks. In December 2018 and January 2019 the government of Bangladesh embarked upon a massive crackdown of workers who were rightfully and peacefully protesting for a decent wage. The Bangladesh-based office of the Accord on Fire and Building Safety in Bangladesh has been at risk of being forced from the country since 2018, due to action by factory owners and the government. Our global campaign contributed to the continuation of its presence for another year, but the compromise eventually agreed upon left many questions open on how workers will be ensured safe factories in the future. And H&M, despite all the public pressure, still does not pay a single worker a living wage.

In 2019, CCC has grappled with long-term absence of several staff members due to health reasons, resulting in an increase of overtime for remaining staff. Some activities had to be pushed forward to 2020. We have updated our personnel handbook and worked on better policies and practices to support and monitor the well-being of our staff.

In 2019, Clean Clothes Campaign's global network was present in the press, on the streets, on social media, and in the rooms of EU institutions, the OECD and many other policy makers, including the Dutch government, parliament, branch organisations and

embassies. We worked towards change through dialogue with brands, multi-stakeholder initiatives, embassies, and politicians. The Dutch CCC (Schone Kleren Campagne) maintained its public following and networks among the Dutch public, as well as through public naming and shaming of brands that are reluctant to take action to improve workers' conditions in their supply chains. We worked hard to raise funds, enabling us and the network as a whole to continue our work, and to build capacity within the network.

This work is possible and successful because of our global network, which this year expanded to 236 organisations including, for example, eight new organisations in Myanmar. We are present in the countries where the factories operate, and in the cities where the boardrooms are located. This connection between the bottom and the top of the supply chain is key to our campaigning. Four regional coalitions (three in Asia and one in Europe) have regular meetings, which network members use to strategise, organise and strengthen connections.

We are strong because we have a shared vision. Our current Global Strategic Framework was agreed by the network in 2015 and has guided our work for five years. In 2019, we therefore started the herculean task of reassessing where the garment industry stands now, and how our strategies should be adapted and our goalposts reset. After analysing the new trends that should frame our strategy development, collective work started towards a renewed Global Strategic Framework, which shall be concluded in 2020 – setting our goals for the years to come.

To remain strong, we need the financial means to do our work. Over the year, we have been able to maintain the same level of financial income as the previous year, and have continued to strengthen our long-term relations with institutional donors and funders, many of whom have committed to supporting our work also in the years to come. After hard work that started in 2019, we now know that the Dutch Ministry of Foreign Affairs has selected the Fair, Green and Global Alliance, of which we have been an active member for the past ten years, for a renewed strategic partnership until 2025. We will step up our advocacy towards key donors and funders, drawing their attention to the critical importance of supporting global networks that work towards system change. In the end we are strong because of our growing global network, which brings real change on the ground as well as in the boardrooms of the garment industry.

The CCC/SKC board

1/ Urgent appeals

Highlights

- Thirty cases were investigated following the Bangladesh crackdown, with charges against workers being dropped in 5 cases.
- The first worker tour in Europe of our #PayUpUniqlo campaign reached 3.5 million people online.
- Complaint successfully filed against Uniqlo with the Fair Labor Association for violating the FLA code of conduct.

The #PayUpUniqlo campaign reaches new record

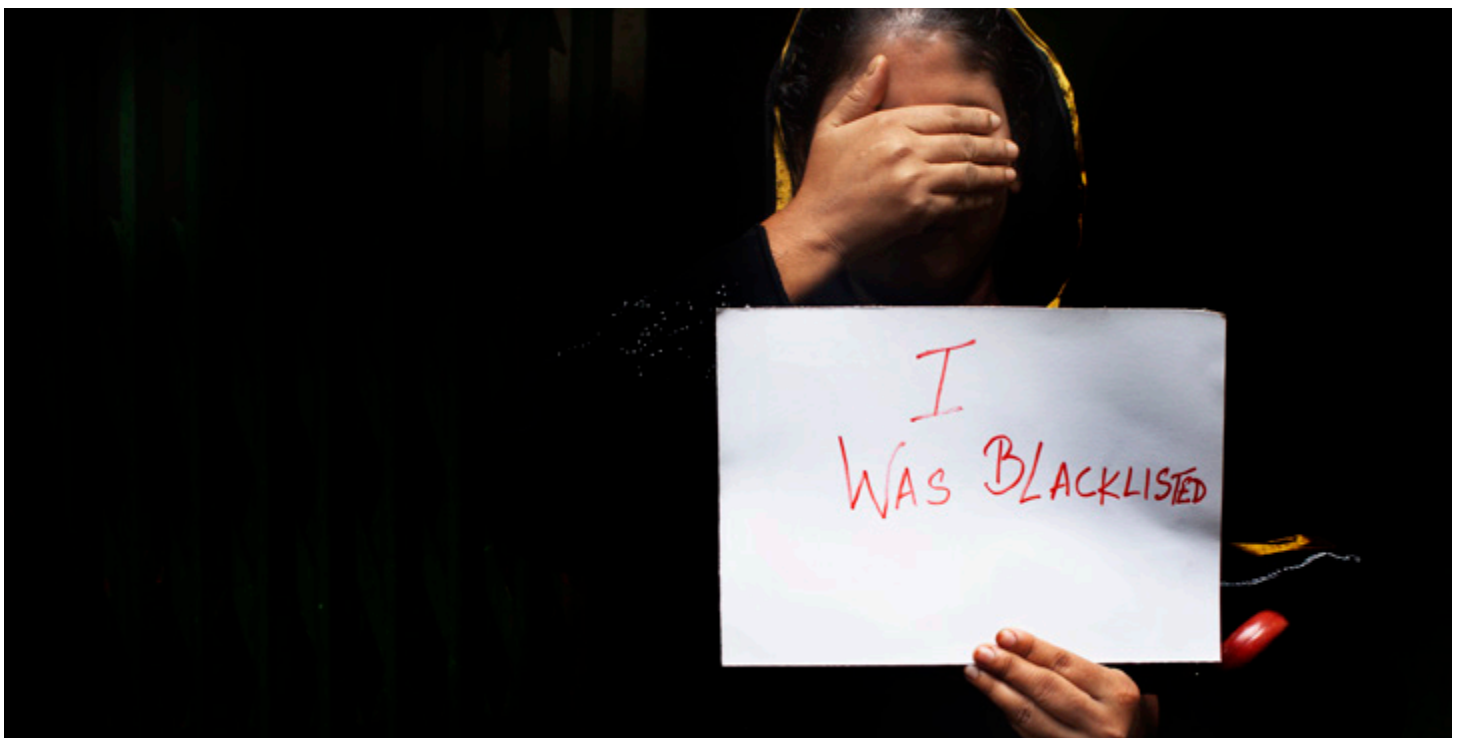
This year we amplified our #PayUpUniqlo campaign, in support of 2,000 mostly women workers, who were denied wages and severance pay after the Jaba Garmino factory closed down. Following the success of 2018's East Asia speaker tour, workers from the factory embarked on a second tour to Denmark, coinciding with the opening of Uniqlo's flagship store in Copenhagen, and engaged in key consumer actions and discussions. The tour successfully heightened public awareness, with online coverage reaching 3.5 million people.

Continued online activism also ensured Uniqlo felt the heat of public outcry, as we called on supporters to participate in social media actions. The magnitude clearly had an impact, with Uniqlo shutting down its Facebook page, following floods of negative public feedback.

Alongside public actions, Clean Clothes Campaign, in collaboration with Jaba Garmino workers, filed a complaint with the Fair Labor Association against its members Uniqlo and s. Oliver, for violating the FLA's code of conduct. An investigation is now underway.

Under scrutiny of both the FLA and intensifying consumer outrage, the pressure on Uniqlo to act is extremely high.

In the wake of the crackdown in Bangladesh many workers were blacklisted. Credit Taslima Akhter.



The Bangladesh crackdown

Last December, in what is considered the worst repression seen in Bangladesh in two decades, the Bangladesh government and apparel factory owners carried out a brutal crackdown on workers, who had engaged in peaceful protest against the way the country's new, and still far too low minimum wage, was distributed. This led to the firing of over 10,000 workers, hundreds of workers blacklisted, and thousands of workers facing criminal charges.

In collaboration with unions and labour rights groups in Bangladesh and internationally, including Worker Rights Consortium and Labour Rights Forum, we led a global response. This included attracting significant media attention, publicly tracking brands' responses to the crackdown, and encouraging consumer pressure on brands to act. We also organised a week of solidarity, holding demonstrations in various cities, in solidarity with the Bangladeshi garment workers. Media coverage for the issue included reports in the South China Morning Post.

Through our collective efforts, all workers were released from detention and some workers reinstated, with 5 trumped up criminal cases dropped, affecting thousands of workers who now no longer face prison sentences. The struggle to ensure more cases are dropped will continue into 2020.

Migrant workers

CCC Turkey released a report investigating the exploitation of Syrian refugees in the Turkish garment industry. Through interviews with Syrian garment workers, their research found that despite years of public attention to the situation, and brand commitments to responsible business conduct, the working conditions of Syrian workers remain exploitative, with children under 15 particularly vulnerable to abuse and exploitation.

In the Netherlands, a protest was organised outside the Bangladesh Embassy, the Hague. In addition to calls for the end to workers' and labour rights repression, protestors also called for living wages for garment workers and the continuation of the Bangladesh Accord. SKC communicated with the Dutch Agreement on Sustainable Garment and Textiles and Dutch companies to encourage them to intervene on behalf of the charged workers. Online, labour rights advocates also raised their voices in support of garment workers in Bangladesh and their right to living wages, workplace safety, and freedom from repression.

Representatives of CCC, SKC and Dutch political party PvdA talk with the Bangladeshi ambassador about the crackdown and the future of the Bangladesh Accord.



Promoting freedom of association

As unions face a climate of heightened repression against freedom of association, we continued to support fundamental groundwork underway to ensure justice for workers.

We organised capacity-building sessions with network organisations in Thailand and Myanmar, addressing how the CCC Urgent Appeal system can complement workers' struggles, as well as practical skills such as project and financial management.

We also helped unions fight against legal cases involving union busting. While some cases are pending, others were met with success, including illegal attempts to remove the leadership of the National Trade Union Federation (NTUF) in Pakistan.

“All respect and thanks to CCC and its leadership who stood with us at a very crucial juncture of our survival”

– Nasir Mansoor, NTUF's Deputy General Secretary

Moreover, in collaboration with War on Want and IndustriALL, we demanded action be taken after hundreds of members of the Free Trade Zone and General Services Employees Union went on strike, following the illegal dismissal of workers and union members at ATG Ceylon Pvt Ltd, and alleged harassment of a woman worker. In just five days, we gathered 6,000 signatures for a petition, which we handed to the Sri Lankan High Commission on the second month anniversary of the strike, calling for urgent action.

Protest in Sri Lanka. Credit FTZ GSUE.

The case of PT Kahoindah Citragarment in Bekasi, Indonesia, has been resolved, with an agreement on the payment of full severance to the workers by the company. The total amount will be 4.5 million USD, which is likely the largest amount workers have ever won in a single case of illegally denied severance, and an important precedent in Indonesia.

In Cambodia, we have maintained our efforts to support human rights defenders, in collaboration with CENTRAL. For instance, following the conviction of six trade union activists for engaging in peaceful protests over the minimum wage level, we endorsed a global letter of support, co-signed by 95 organisations. Their convictions were successfully overturned.

SKC worked hard in connecting with Dutch companies on a range of cases, including a union busting case in the Roo Hsing factory in Myanmar, where C&A thus far has remained unresponsive. The support of the Dutch embassy in Myanmar has been of great value to our partners, for example when a human rights defender from a trade union was being accused of defamation for organising a workers' strike when union members were dismissed at a Japanese-owned factory. There was a serious threat of her bail being withdrawn, resulting in immediate imprisonment. Upon request from CCC, the Dutch embassy committed to observing the trial and the factory refrained from submitting a request for bail cancellation.



2/ Living wages

Highlights

- Tailored Wages report showed none of the top 20 brands could provide evidence of their workers receiving a living wage. All brands except one received the lowest rating possible.
- Over 180,000 signatures for our Turn Around H&M petition.
- Submitted Living Wage Fund proposal at H&M AGM.

Zero brands paying living wage, according to new report

This year we followed up on our 2014 “Tailored Wages” report, focusing on whether brand commitments to pay a living wage have been met. We found that while 85% of the top 20 clothing companies showed some commitment to ensuring living wages, none of them showed any evidence of putting these commitments into practice. In fact, 19 out of the 20 brands surveyed received the lowest rating possible (E), meaning they produced no evidence that any worker making their clothes was paid a living wage. The report was widely received in the media, and reported by major outlets including the Financial Times, the Guardian, Thomson Reuters and The Independent.

The findings from the Tailored Wages report were also summarised and translated for SKC’s Dutch audience.

Five years after our first Tailored Wages report brands are still doing next to nothing to pay workers a living wage.

Tailored Wages 2019

The state of pay in the global garment industry

Clean
Clothes
Campaign



Turn Around H&M Campaign reaches finale

Our “Turn Around H&M campaign”, demanding H&M commit to its promise from 2013 that 850,000 workers would be paid a living wage by 2018, came to a close. The campaign successfully mobilised consumers around the world, resulting in over 180,000 signatures on our petition, thousands of social media messages, and media coverage globally. H&M has backtracked on the extent of its commitment, and even edited documents on its website, in an attempt to conceal evidence of their initial promises. They also claim they have “exceeded” their goals, despite our research and H&M’s own wage data showing otherwise.

H&M’s deceptive portrayal of concern for workers’ wages became even more apparent when we attended H&M’s Annual General Meeting, where we handed over the signatures to the CEO of H&M and submitted a shareholder proposal for a living wage fund to be put in place, until workers’ wages reached living wage level. Our proposal was rejected by the shareholders, and once again H&M’s CEO denied that the company had ever made the promise of paying workers a living wage.

In 2013, H&M received significant praise and attention for demonstrating a clear attempt to address the living wage issue in their supply chain. However, its actions throughout this campaign have only indicated this as a performative act, conducted simply to utilise the image of sustainability and promote its brand, while preserving workers’ impoverished wages.

SKC raised concerns in the Netherlands regarding H&M’s claims that it is pursuing higher wages in its supply chains through the establishment of employee committees in factories. H&M refuses to acknowledge that these committees can rather be an obstacle on the journey towards living wages, in particular, the fact that employee committees are not allowed to negotiate wages, and are often used to counter unions. Conflating the role of union representation and employee committees, H&M uses these committees as a badge of honour, to embellish its ‘commitment’ to living wage.

- *Sharing information about H&M’s failure to pay a living wage as promised, ahead of the AGM in Stockholm.*





Progress made on enforceable Living Wage Agreement

H&M's CEO received almost 180,000 signatures urging the company to pay a living wage.

Plans for the creation of an enforceable living wage agreement were underway, with a total of 75 unions, womens' rights organisations and advocacy organisations engaging with us on the proposal. The first steps to accomplishing the agreement were taken in Nepal, where 28 union representatives from across South Asia, Eastern Europe, and South East Asia came together to strategise. This resulted in the drafting of a letter, written and endorsed by union leaders, to Global Union Federations addressing a common desire to pursue the agreement.

Transparency

Highlights

- 39 brands have committed to following the Transparency Pledge standards, increasing from 17 in 2017.
- In 2019, 9 Dutch brands signed the Transparency Pledge.
- Factory list disclosure was made mandatory for affiliates of the Fair Labor Association.
- 25,000 facilities were uploaded on Open Apparel Registry.

Transparency Pledge

As part of the Transparency Pledge coalition, we published 'Fashion's Next Trend', an update on our 2017 report, evaluating brand commitments to transparency. In 2017, 17 of the 72 companies we contacted promised to align with the Transparency Pledge standard. This year, our investigation showed that in total, 39 brands have now fully aligned or are committed to aligning with the standard. Many other companies have published details of their suppliers, even though they still fall short of the pledge standard.

We also evaluated the commitment of Responsible Business Initiatives (RBIs) to transparency, and found that only the Fair Labor Association was willing to engage with us towards significant progress, announcing factory list disclosure will be mandatory for its affiliates. The remaining six RBIs showed some to no commitment to supply chain transparency in response to our outreach.

While there is momentum towards transparency in the garment industry, the report indicates many brands and Responsible Business Initiatives are still not doing enough.



Following our ongoing campaigning work as a prominent member of the Transparency Coalition, we convinced eight member brands of the Dutch Agreement on Sustainable Garments and Textile (AGT) to sign on to the Pledge, after already signing up Zeeman earlier in the year. This means they are now committed to publicly disclosing information on their production locations, a crucial step to help addressing abuse in the garments supply chains.



Lobbying Work on Transparency

Dutch brands sign the Transparency Pledge. Photo: Dirk Hol.

Several steps were taken to ensure transparency remains a fundamental item on the agenda for promoting workers' rights in the garment industry, with initiatives taking place at a global scale.

We engaged in coalition work and participated in various international events, such as the OECD Forums and the UN Forum on Business and Human Rights, contributing to greater awareness and acceptance of supply-chain transparency. Throughout our activities, we emphasised that transparency must be a pivotal aspect of due diligence, that includes providing crucial information such as a factory list disclosure, to hold companies accountable for their actions.

To extend action on both modern slavery and transparency, we also helped to establish the Business and Human Rights Network Hong Kong. This led to the development of a joint position paper from the network, and built pressure on the Stock Exchange of Hong Kong to improve transparency in its Environmental, Social, and Governance guideline.

SKC continued to work with Fair Wear and the AGT, encouraging them to improve their own levels of transparency as well as convince their members to take action to ensure transparency in their supply chains. We also lobbied politicians and Dutch garments and textiles business branch organisations for more transparency, addressing the need for mandatory human rights due diligence in the Netherlands and at the EU level.

Making data accessible through the Open Apparel Registry

In March 2019, the Open Apparel Registry (OAR) was officially launched. It is an open source tool which maps garment facilities worldwide, assigning each of them a unique ID number. The OAR is a neutral, non-profit organisation, with a multi-stakeholder board of directors representing civil society, the open data sector, factory groups, industry MSIs and brands.

CCC is represented on the Board, and has actively promoted the tool as part of the wider campaign for more transparency in the garment industry. The OAR is committed to keeping all data available freely, without restrictions. This is very much in line with CCC's policy and intentions.

The OAR was met with enthusiasm; at the end of 2019 the number of facilities had grown to 25,000. As more and more brands upload their supplier lists to it, it becomes much easier for CCC's members and partners to find out which brands source from a factory, enabling them to find out where they can go to for complaints and remedy. The OAR also opens up new possibilities to research and discover sourcing trends in the industry over time, such as a shift in production locations.

Zara RESPECT-ing its workers? An investigation

Highlighting the need for transparency, SKC financially supported an investigation by the CCC-Switzerland partner, Public Eye, and others, tracing the production of Zara's R.E.S.P.E.C.T. hoodie, to see if the brand practices what it preaches and respects workers within its own supply chain. Through persistent efforts to obtain information from Zara on the hoodie's production locations, Public Eye traced the item all the way to factories in Izmir, Turkey. The investigation found workers living on meagre wages and excessive hours, with many also placed in precarious contracts. According to calculations, Zara earned twice as much per hoodie than all the people involved in its production put

together. Despite Zara branding itself as a transparent company that places an utmost importance on its workers' wellbeing, it does not disclose any data on suppliers' wages or purchase prices.

This extensive investigation demonstrated the importance of ensuring transparency, to ensure brands are complying with their own codes of conducts and treating their workers with 'R.E.S.P.E.C.T'.



4/ Worker safety and health

Highlights

- Around 40 apparel companies expressed support for the continuation of the Bangladesh Accord.
- Report highlights inability of Bangladesh government to take over Accord's work.
- Unions and NGOs in Pakistan reached consensus on what a future binding safety Accord should look like.
- Stakeholders are committed to start up a trial Employment Injury Insurance Scheme in 2020.

Employment Injury Insurance Scheme due for first trial

We persisted with our efforts to introduce an Employment Injury Insurance Scheme (EII) in Bangladesh, which would ensure workers and families affected by factory incidents are compensated, as stipulated in ILO Convention 121. Our ongoing calls for its introduction were met alongside support from the ILO and labour rights groups in Bangladesh.

In late 2019 all parties, the government, the association of garment exporters BGMEA, and trade unions, committed to implementing a trial on EII in the garments sector starting in June 2020, with details on funding and the implementing body to be finalised before June.

A National Employment Injury Insurance is urgently needed in Bangladesh



Make Employment Injury Insurance a Reality



Progress on the Pakistan Accord

Pakistan's deadly factory fire of 2012 – the Ali Enterprise fire in which over 250 workers died – never led to the establishment of a credible initiative aimed at addressing workplace safety. This means that health and safety is still a significant problem in the country's garment industry.

For that reason, we have been supporting Pakistani unions and NGOs in taking the first steps to establish a Pakistan Safety Accord, based on the existing Accord on Fire and Building Safety in Bangladesh. There has been immense support for the initiative, with the unions and NGOs in Pakistan jointly working on the principles and content for the Pakistan Accord, and a joint declaration signed by Pakistani groups endorsing the Accord.

The agreement has also been taken to government representatives, with a representative of the Bangladesh Accord visiting Pakistan to present the Accord model to key stakeholders, including members of the government, industry, civil society and unions. Each group expressed willingness to establish the Pakistan Accord, and a time frame for launch has been estimated for early 2021.

To further advocate for a Pakistan Accord, the Clean Clothes Campaign collaborated with Pakistani and US organisations on the report, "Pakistan Garment Workers Need a Safety Accord," released on the 7th Anniversary of the Ali Enterprises tragedy, to address the existing health risks in Pakistan's factories, as well as the inadequacy of existing safety initiatives. Particular issues with the programmes in question included the absence of worker participation in their implementation, lack of enforceability, and limited transparency.

SKC used the Pakistan report to inform and involve the Ministry, the Dutch embassy, Fair Wear and AGT in this process and lobbied to enhance the access of Pakistani partners to vital stakeholders.

Nasra Bibi is showing her son Waqas Ahmed's photo who died in the Ali Enterprises fire in 2012. She got a large amount of money as compensation from the government, but after receiving it her husband stole the money and divorced her. Credit: Amar Gurio - RS91



The Bangladesh Accord continues

We sustained our resistance against attempts by the Bangladesh government and Bangladesh Garment Manufacturer and Exporter Association (BGMEA) to shut down the Bangladesh Accord through legal procedures at the High Court. This was largely done by mobilising allies and citizens around the world, engaging brands through public statements and reports, and outreach to key stakeholders. Our efforts led to almost 40 apparel companies expressing their support for the Accord, supportive statements from many other vital stakeholders, and over 70 English language and international media articles covering the issue in 2019, including several major outlets, such as AFP, the Guardian, and Forbes.

In addition, our report, written together with other Witness Signatories to the Accord, called “Bangladesh’s Government’s Safety Inspection Agencies Not Ready to Take over Accord’s Work”, demonstrated the lack of readiness of the government to assume responsibility for health and safety in the garment industry, with factories under the government’s inspection program still yet to eliminate high risk safety hazards, and unsafe factories remaining open.

Thanks to this concerted pressure, the Bangladesh Accord’s local office was not evicted, as the restraining order hanging over its head had threatened to do. Instead, the Global Union Federations and brand signatories to the Accord reached an agreement with the BGMEA, laid down in a Memorandum

of Understanding in May 2019, which then was accepted as a solution by the High Court. The court ruling allowed the Bangladesh office of the Accord another year of operation in the country, after which its work would transition to establish the RMG Sustainability Council (RSC) with joint governance of brand signatories, unions, and employers. As witness signatories, we expressed our relief about the conclusion of a period of extreme uncertainty about the Accord’s future, but nevertheless raised concerns that the Accord’s achievements and independence would be at risk. Our monitoring of the Accord’s operations and negotiations towards the establishment of the RSC continued throughout the year.

In the Netherlands, several actions were taken to support the continuation of the Bangladesh Accord, including a demonstration held in front of the Bangladesh embassy in January, the lobbying of relevant stakeholders, and outreach to Dutch brands. This led to nine Dutch brands out of 40 in total publicly expressing support for the Accord.

CCC and SKC protest outside the Bangladeshi embassy in The Hague for the continuation of the Accord.



Gender equality

Highlights

- Supported women's leadership development initiatives and women-led organising efforts in at least 85 garment factories.
- At least 400 women worker leaders received training and capacity-building in leadership development.
- At least 700 factory-level women workers are receiving training and capacity building on leadership and organising skills.

Promoting gender justice and women's leadership in the supply chain

Many women and migrant workers face inequality, discrimination and gender-based violence at the workplace. Women bear the burden of domestic work and child care next to their factory jobs, and often have little time to organise themselves and fight for their rights. Their gendered roles in society mean that they have a lot to lose when they voice their dissent. Advancing efforts towards gender equality in the supply chain, we supported women in garment producing countries all over the world in women-led organising and campaigning efforts, urgent appeals and training for workers and women leaders.

One of our partners in Honduras, Centro de Derechos de Mujeres, trained women worker leaders in trade unions, addressing topics such as labour rights, the history of women's human rights and feminism. Additionally, our partner MAP Foundation in Thailand, which works with migrant garment workers, organised exchange forums between women worker leaders, to develop workers' knowledge about unions and to support the development of their organising skills. In Sri Lanka, a CCC network organisation organised local public campaigns to mobilise women workers, raise awareness of their labour rights, and recruit new union members.

Our partners in Cambodia launched two advocacy campaigns during the past year. One campaign sought to win compensation for pregnant female workers whose contracts were terminated because of their pregnancy. Ultimately, the women workers were not reinstated, but received full payouts for termination of their contracts.

As a result of the trainings and urgent appeals support, women workers feel more secure and empowered to participate in union decision-making and are able to transmit their knowledge to other women workers in their factories and the community, and help colleagues resolve labour disputes. It is hugely important to have trained women leaders in the labour movement, in order to promote participation of women in trade union structures and to strengthen efforts to combat violations of women's rights.

We also supported public education activities to build support for gender equality within supply chains across East Asia, with a total of six events occurring in Hong Kong, Taiwan, and Thailand.



Promoting gender equality in the living wage discourse

The National Garment Worker Federation in Bangladesh demonstrates for ratification of ILO conventions on social protection and against violence in the workplace. Credit NGWF.

Gender equality was amplified in the media too, as we published a report with Public Eye/CCC Switzerland, emphasising the importance of adopting a gender-sensitive approach to the living wage discourse. The report highlighted three factors we argue must be considered in living wage calculations, including adjustments to how the basic food basket is calculated, a broader definition of family that addresses societal expectations of women beyond immediate family care, and developing an estimation of a living wage that reflects unpaid care work by women.

Historic win with new ILO convention to combat violence and harassment

After years of campaigning and sustained efforts, CCC members, partners, and friends saw the International Labour Conference make history, by adopting Convention 190 and an accompanying Recommendation to combat violence and harassment in the workplace. This is a significant step that supporters argue will help address gender-based violence at work, an issue prevalent across the supply chain and the first international standard specifically aimed at addressing these issues in the workplace. We will push governments and brands to make sure the standard will be ratified and implemented.

6/ Lobby & Advocacy

Highlights

- **Fig Leaf for Fashion report exposed social auditing initiatives for failing to protect workers from preventable disasters including Rana Plaza and Ali Enterprises factory fire.**
- **A coalition of over 100 civil society organisations called for EU law to address environmental and human rights abuses in corporate supply chains.**
- **Co-organised a workshop on strategic litigation for civil society organisations.**

Social auditing exposed

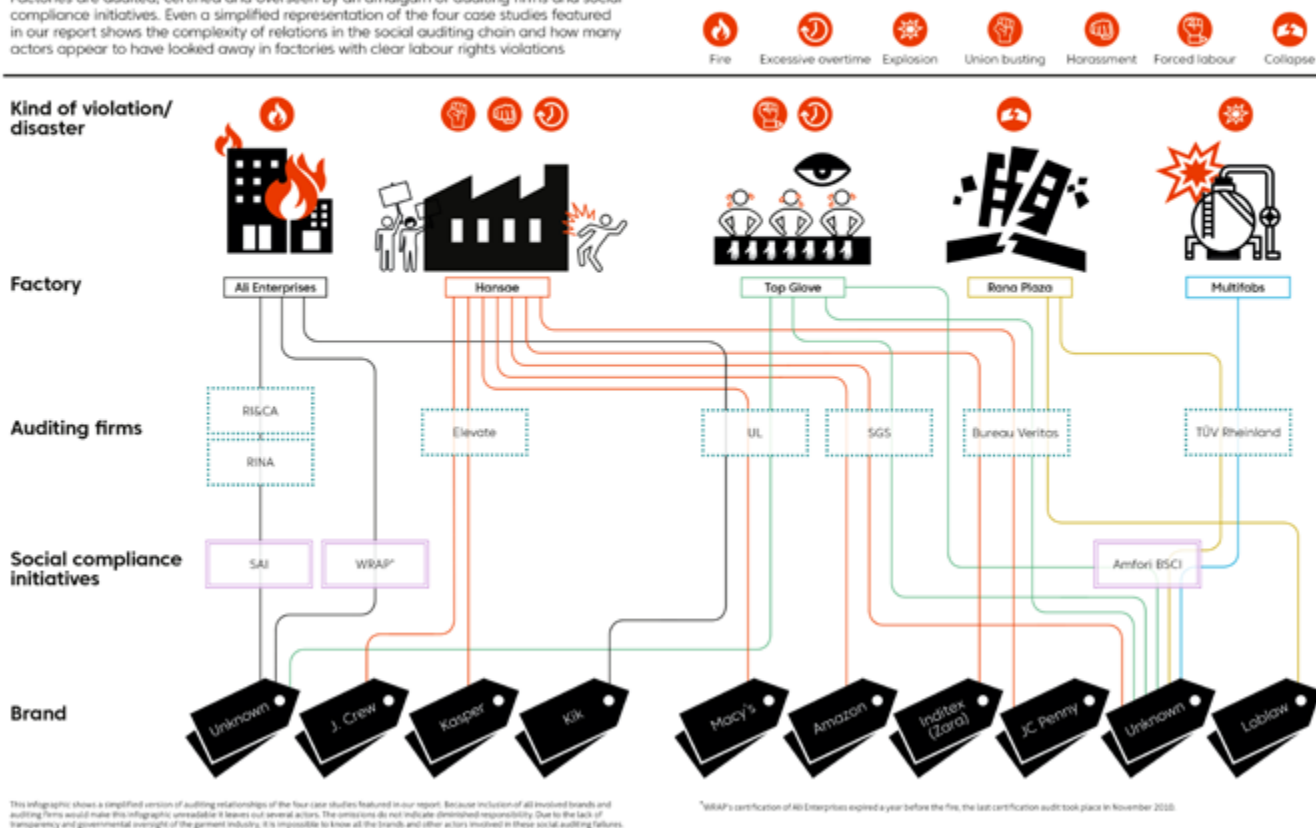
This year, we exposed the multi-billion social auditing industry as being nothing more than a means of protecting the reputation and profits of brands, while aggravating risks to garment workers. Our report, "Fig Leaf for Fashion: How auditing protects brands and fails workers" highlighted the failures of existing auditing companies, in particular, addressing how buildings involved in disasters including Rana Plaza and the Ali Enterprises factory had been given the all-clear by auditing companies, yet just a few weeks or months later, these buildings were reduced to ruins, resulting in hundreds of workers losing their lives in preventable disasters. The report received significant attention from media and industry stakeholders, including coverage in La Repubblica, The Diplomat and on the S&P Global podcast.



We also launched the 'Beyond Social Auditing' portal and blog series with the Business and Human Rights Resource Centre, providing essential materials and news updates on the ongoing work being done to move beyond social auditing, and towards increased accountability and due diligence. We contributed a blog post highlighting our Fig Leaf for Fashion report.

Social auditing: a complex web of responsibility

Factories are audited, certified and overseen by an amalgam of auditing firms and social compliance initiatives. Even a simplified representation of the four case studies featured in our report shows the complexity of relations in the social auditing chain and how many actors appear to have looked away in factories with clear labour rights violations.



Collaborative efforts to lobby EU and governments continue

In 2019, we continued to pressure the EU and national governments to enforce regulations that protect workers.

We organised an international meeting in Nepal with unions and NGOs from Pakistan, Cambodia and Sri Lanka, to learn from each other's experiences with the EU Generalised Scheme of Preferences and strategise over how to ensure trade policies respect and promote workers' rights. A joint statement of trade unions and NGOs lays out our recommendations to reform this trade mechanism and ensure it achieves its stated aims and serves workers' interest.

We also coordinated the preparation of an open letter calling on the European Commission to introduce legislation establishing corporate accountability for human rights and environmental

impact across global operations. This open letter was cosigned by over 100 trade unions and NGOs, including Clean Clothes Campaign and members of the network.

In collaboration with Action Aid and Both Ends, CCC organised a workshop on strategic litigation, where CSOs shared their experiences and learned more about how to use this tool to hold companies accountable. Case studies from Brazil, Mexico, Norway and Uganda were presented.

Progress was made when the EU adopted the Regulation on investors, meaning investors will have to publish their due diligence policies for human rights and environment.

Monitoring progress in the AGT

In collaboration with SOMO, SKC issued a critique of the second AGT annual report. While findings indicated 78% of rated companies were 'on their way' to becoming compliant, and 8% were fully compliant, we found uncertainty surrounding the data, shortcomings with their assessment method, and little evidence to support their conclusions. Moreover, although the agreement expects companies to complete due diligence on their supply chain, brands are free to report their due diligence as they wish. As a result, brand reports we examined had failed to adequately publish details on issues including transparency, local stakeholder involvement in due diligence, living wage and union freedom.

Overall, we believe the agreement has had no positive impact for workers, and chain transparency is still very minimal.

Dutch politicians debate about business and human rights during an FGG-organised panel discussion.

Collaborative efforts to lobby the EU and governments continue

Alongside other Fair, Green and Global (FGG) alliance members, we organised a political debate with Dutch politicians, around the election of the European Parliament in June. Questions to the panel addressed issues such as human rights and the need for a binding UN treaty to compel companies that operate internationally to tackle abuses in their supply chains. Participating candidate MEPs vocalised firm commitments to a binding UN human-rights treaty, and arguments were raised regarding the EU and trade agreements that involve human-rights abuses.



In the media

Highlights

- **New websites launched for Clean Clothes Campaign International Office (IO), Schone Kleren Campagne and Clean Clothes East Asia website, available in four languages.**
- **CCC IO social media had an over 750% increase in followers on Instagram, 14.5% on Twitter, over 100% on LinkedIn, and 8.7% on Facebook.**
- **By the end of 2019, SKC had 19,115 Facebook followers. SKC had 2983 Twitter page visitors and 189,270 tweet impressions.**
- **SKC was mentioned 87 times in Dutch print press; CCC over 200 times in English language media.**

New websites launched!

Increasing accessibility to our work, 2019 saw a range of new websites with better functionality on mobile phones and granting clearer access to information. The International Office launched its new website in September 2019 and the CCC East Asia region developed a multilingual, CCC East Asia website, to raise awareness of garment chain responsibility and CCC's work across East Asia. The CCC EA website is accessible in Chinese, English, Japanese and Korean. The CCC IO website was visited 173,297 times, primarily from the US, the UK, Germany and the Netherlands.

Media highlights

CCC's reports, comments and press releases were mentioned over 200 times in English language media such as the Guardian, New York Times, Reuters, AFP, Forbes, Quartz, and Deutsche Welle. We were also regularly quoted in other language media such as La Repubblica, Vita, Arbetet and DanWatch. Throughout our work, we aim to amplify the voices of local leaders. This year, we successfully initiated the publishing of an op-ed by BCWS director Kalpona Akter on the Rana Plaza anniversary with Reuters, where she addressed the importance of the Accord and brand accountability. We also aim to add our voice to debates, as we did by responding to the news that the Spice Girls feminist merchandise was made in sweatshops.

Social media

The CCC international office social media accounts generally increased in amounts of followers. Instagram grew from 3,227 on 31 December 2018 to 27,533 on 31 December 2019. Twitter grew from 16,163 to 18,504 and LinkedIn increased from 4,440 to 9,003 followers. Facebook went from 48,784 to 52,898 followers.

SKC was mentioned 87 times in Dutch print press in 2019, including in national newspapers such as de Volkskrant, Trouw, het Parool, as well as many regional newspapers. SKC had 19,115 Facebook followers on 31 December 2019. During 2019, SKC had 2983 Twitter page visitors and 189,270 tweet impressions. In March, the SKC website was revamped with a new house style and lots of additional content. The content-management system was also completely overhauled.

8/ Organisation

CCC is founded under Dutch law and has its registered office in Amsterdam. CCC is a Public Benefit Organisation (ANBI), follows the Good Governance Code from the SBF (Dutch collaboration branch organisations philanthropy) 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 Board is headed by the chair and 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 any other form of compensation from the Foundation. The board meets four times a year.



Organisation

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

The International Office (CCC-IO) facilitates the development of the network strategy and policy, coordinates international activities, campaigns and urgent appeal work on cases related to violations in the garment sector, conducts research, is responsible for publications, lobbies and advocates with governments and inter-governmental institutions, makes information accessible to a wide audience, and facilitates mutual capacity development training to the global network.

The Schone Kleren Campagne (SKC) activates and raises awareness among the Dutch public, lobbies Dutch garment firms and contributes to seeking constructive solutions for implementing socially responsible choices in their supply chain, supports workers with urgent appeal cases in which Dutch companies are involved, and calls for the Dutch government to formulate and implement effective corporate accountability legislation.

The Bureau provides services to CCC-IO and SKC, and is responsible for finance, fundraising, grant management, planning, monitoring and evaluation, quality assurance, administrative duties, human resources, ICT, and providing other operational facilities. The bureau also serves as the general contact centre for the organisation.

CCC is a flat organisation and does not have a director or management. Strategic and governance decision-making is based on consensus and non-hierarchical principles, within a clearly defined framework of self-managing teams. Employees earn the same salary regardless of their function, job title, or seniority. In order to streamline operational management, the Cross Team Body (CTB) was established in 2017. The CTB consists of three elected employees who are accountable for the organisation's operational management. Their roles have been divided among three main portfolios: Finance & Grant Management, Human Resources, and Fundraising.

Staff

CCC is a professional self-steering organisation with experienced and skilled employees, we devote attention to personal growth and development, while stimulating self-reliance and autonomy. The personnel handbook has been fully updated during this year and most staff members participated in a feedback training to support the professional growth of staff.

In 2019, the average number of employees was 23 staff members (18.5 FTEs), and on 31st December the foundation had 24 staff members (19.4 FTEs). 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. Throughout the year we worked with three interns.

Board

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 governance principles are set out in the Articles of Association and in further regulations. In 2019 the Board met quarterly. The Board members are:

Evert de Boer

- *Board member since 1995. Stepped down in August 2019*
- *Position: Chair and 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 thus was 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 launch. From 1995 he was also closely involved in setting up the Fair Wear Foundation (FWF).

Mariëtte Patijn

- *Board member from September 2019 until April 2020*
- *Position: Chair*

Mariëtte Patijn, who had stepped down from the board of the FNV, joined the board in September. Early 2020 she found a new job. Her employer observed a potential conflict of roles between her Board membership and her new job, so she had to resign from the Board in April 2020.

Marlies Filbri

- *Board members since 1 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. In June 2020 she will lead an organisation which advocates for the needs and rights of homeless people in the Netherlands.

Sjef Stoop

- *Board member since January 2013*
- *Position: Treasurer*

Sjef Stoop, who is trained as an economist, 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, that merged into SBI Formaat in 2015, 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.

Hester Klute

- *Board member since December 2009*
- *Position: general member of the Board*

After having worked in public relations, marketing and communication and business management in the cultural sector, Hester Klute took up a new position at Ideëel Organiseren, an event management agency. 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 coördinated financial matters for the Communication and Marketing Department and organised a large-scale debating contest for secondary school pupils. She currently works as a fundraiser for Liliane Fonds Foundation.

Monique de Jong

- *Board members since May 2019*
- *Position: general member of the Board and human resource advisor*

Monique de Jong was trained in the field of Human Resource Management and worked as a Senior HR Advisor for a.o. the FD Mediagroep (BNR Nieuwsradio and Het Financieele Dagblad (the financial daily)). In 2012, she joined IUCN NL as HR Manager and in 2015 she started her own Coaching Company, in addition to her work at IUCN NL.

Just van der Hoeven

- *Board member since March 2011. Stepped down in February 2020 because of family circumstances*
- *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.

Nina Ascoly

- *Board member since September 2013*
- *Position: Secretary 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 neo-liberal model..

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 across the world. It is this diversity of people, interests, view-points and activism which can interact on a basis of equality that makes us strong. As a network and an organisation, we aim to provide a place to all who can contribute to our struggle and to critically assess and eliminate obstacles posed by global structural inequalities and ingrained gender roles in our own ranks.

A number of instruments have been updated, initiated and implemented in 2019 including the Personnel 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 2019 one complaint was brought forward by an employee. By means of mediation a solution that was satisfactory for all parties was achieved.

For our checking account we bank at Triodos Bank, which only does business with organisations that support a healthy natural environment and promote a social economy. We hold our savings account with ASN Bank, since 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 we print everything double-sided. We recycle our used plastic, paper, glass, and batteries, and use biodegradable cleaning products. Our staff commutes using bicycles and public transport. Since much of our work involves working with international partners in the South, we cannot avoid travelling by air. We do however attempt to limit these trips and will travel by train on shorter distances as well as frequently use digital platforms as alternative to face to face meetings. 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.

Fundraising

2019 was an important year in which we strengthened our relations with current and new funders. Our efforts were focused on long term relationship building and on fundraising for the Global Forum. We have been successful in acquiring funding from current and new donors in support of the Global Forum, which will take place on the Indonesian island of Java in 2020, and host an estimated 300 persons from 44 countries across the globe. The Forum is a five yearly major event of our global network and offers a safe space for exchange, learning and collective strategising for change in the global garment and sportswear industry.

We have also been successful in our efforts for renewal grants from our current funders. These grants will be developed further in 2020 and include the renewed strategic partnership till 2025 funded by the Dutch Ministry of Foreign Affairs, as well as the Open Society Foundations' support to our strategic casework and mitigation of the impact of Covid-19 on workers. We are also grateful to our private donors who donated EUR 21,134 for our work this year. Although the majority of our efforts were successful, our application to the National Postcode Lottery for core funding was turned down, as well as our application to the Global Fund to End Modern Slavery on worker empowerment and remedy through a worker grievances app.

We look back at 2019 with gratefulness, and look forward with enthusiasm and confidence. These funds expand our frame of reference and generate new opportunities for fundraising in the future. With the support of our funders, we continue to make systemic change in the global garment and sportswear industry.

Planning, Monitoring, Evaluation and Learning

The CCC global strategic framework is the guiding framework for our work, and the basis for identifying the key impacts we want to achieve at global level. The network's monitoring and evaluation system focuses on collective reflection, knowledge sharing and learning. We continuously collect detailed information about the work according to the agreed goals, while also being actively receptive for unexpected positive and negative results.

In 2019 we reviewed our PMEL cycle applicable to organisational processes, goals and projects. Some components of the cycle were further refined or introduced in 2019. A roadmap was developed for which the work will continue in 2020.

Relationships with stakeholders

Our global network is building a resilient alliance of organisations around the world, creating opportunities for collaboration with each other, as well as seeking alliances with others. Our network consists of over 230 organisations around the world, with three regional coalitions in Asia and one in Europe. More than 80 of our member and partner organisations are trade unions and labour rights organisations based in Asia, while over 130 are Europe-based organisations. The CCC network is a key actor – alongside trade unions, fellow NGOs, and academic centers – within the international workers' rights movement and has strong connections within the business and human rights field. The CCC International Office as well as SKC closely collaborate with national and international partners including Action Aid, Amnesty International, Changing Markets, Anti-Slavery International, Global Witness, Friends of the Earth International, Both Ends, Human Rights Watch, the International Corporate Accountability Roundtable, the European Coalition for Corporate Justice, the European Center for Constitutional and Human Rights, the Business and Human Rights Resource Centre, International Trade Union Confederation, IndustriALL Global Union, and UNI Global Union.

Before we take our campaigns public, we always exhaust all possibilities with brands and other stakeholders. We sit around the table with brands, trade unions, international institutions and governments to advocate for improved human rights due diligence in supply chains, laws, regulations and trade agreements. By launching public campaigns, social media activities, organising lectures and workshops and conducting research, we inform and engage the media, politics and the general public in the Netherlands, as well as worldwide.

9/

Financial governance and results

Budget versus actual variance analysis

The total expenditure in 2019 was 9% lower than budgeted. The staff costs were increased by 1% due to sick leave coverage and extra capacity required to run campaigns, to coordinate urgent appeal cases and to facilitate the 2021-2025 strategy development process. Long term sick leave has led to overtime hours for remaining staff, as a result of which CCC closed the financial year 2019 with a loss of € 67,232. CCC will encourage its staff to use its leave days within the calendar year and compensate overtime hours as soon as possible. The total amount of spending on direct campaign costs was 15% lower than foreseen, which is to a large extent a result of the 80/20 payment agreement with our regrantee partners. 80% of the 2019 regrantee commitments has been paid to the partners, while the final 20% will be paid in 2020 after final reporting.

Financial position

SKC/CCC is a member of the Fair Green and Global Alliance. This alliance, which consists of five more organisations (SOMO, TNI, Both Ends, Milieudefensie and Action Aid) has a strategic partnership with the Dutch 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, we have a number of ongoing partnerships supporting our work. The NoVo Foundation Fund of the Tides Foundation supports us with a grant to develop leadership capacity for women workers, living wages, worker safety and direct support to workers when violations happen in the factories at the bottom of the supply chain. With funding from Open Society Foundation, CCC is pursuing a two-year programme on strategic casework, lending support to organisers in low- and middle-income countries. A US-based philanthropic fund is funding our campaign on women's leadership in connection with the Olympic Games bringing the responsibility of sponsor brands directly to the workers. CCC is regranteeing funds from Mama Cash to partners in low- and middle-income countries in support of leadership capacity building for women workers. Finally, the European Commission supports us with a grant on transparency and living wages – a network endeavour that began in 2019.

SKC/CCC's equity as of 31 December 2019 amounted to € 473,371. The organisation posted a result of minus € 67,232 for 2019. The result will be deducted from equity/earmarked reserves. Fundraising costs amounted to € 6,383 in 2019 and mainly concern staff costs. SKC/CCC acquires funds almost entirely through grants.

During the preparation of this annual report we are faced with the worldwide coronavirus epidemic. As per current information and forecast, the epidemic did not impact the financial position of SKC/CCC.

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 chosen to take out a savings account with ASN Bank, since the bank's objectives are in line with the organisation's vision.

Budget 2020

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Activities	IO / International Office		2020
	UA		€ 583,438
	Partner Network		€ 1,196,176
	Living Wage		€ 165,237
	Lobby & Advocacy		€ 199,319
	Public Outreach		€ 148,432
	Occupational Health & Safety		€ 114,233
	Transparency		€ 102,005
	Total IO		€ 2,508,839
	SKC / Dutch Secretariat		
	Urgent Appeal		€ 32,951
	Occupational Health & Safety		€ 33,951
	Living Wage		€ 57,141
	Transparency		€ 61,610
	Network & Communication		€ 128,757
	Total SKC		€ 314,408
Management & Administration			
		€ 285,831	
Total M&A		€ 285,831	
TOTAL		€ 3,109,078	

In	2020
Dutch government	€ 1,764,125
Novo/Tides	€ 1,005,362
Private Funds	€ 342,582
Donations and gifts	€ 20,000
Interest	€ 500
TOTAL	€ 3,132,568

RESULT	€ 23,490
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Financial Accounts

2019

BALANCE SHEET	31-dec-19	31-dec-18
FIXED ASSETS		
Fixtures and fittings	€ 18,121	€ 20,906
Total fixed assets	€ 18,121	€ 20,906
CURRENT ASSETS		
Receivables and prepayments	€ 48,571	€ 64,085
Cash and cash equivalents	€ 1,804,888	€ 1,574,445
Total current assets	€ 1,853,459	€ 1,638,530
TOTAL ASSETS	€ 1,871,580	€ 1,659,436
RESERVES		
Continuity reserve	€ 410,158	€ 473,371
Earmarked reserve for operating assets	-	-
Earmarked reserve for NPL activities	€ 25,665	€ 38,497
Earmarked reserve for accrued training budget	€ 23,250	€ 14,528
Total reserves	€ 459,073	€ 526,396
Current liabilities	€ 1,412,507	1,133,040
Total current liabilities	€ 1,412,507	€ 1,133,040
TOTAL LIABILITIES	€ 1,871,580	€ 1,659,436

STATEMENT OF INCOME AND EXPENDITURE

INCOME	Actual 19	Budget 19	Actual 18
Income from private individuals	€ 21,134	€ 20,000	€ 18,694
Income from government grants	€ 1,781,621	€ 2,006,485	€ 1,509,901
Income from lottery organisations	-	-	-
Income from other non-profit organisations	€ 1,252,074	€ 1,410,279	€ 1,345,186
Sum of raised income	€ 3,054,829	€ 3,436,764	€ 2,873,781
Other income	-	€ 2,000	-
TOTAL INCOME	€ 3,054,829	€ 3,438,764	€ 2,873,781

EXPENDITURE

Staff costs	€ 1,271,588	€ 1,259,526	€ 1,127,765
Accommodation costs	€ 57,073	€ 60,850	€ 56,048
Office and general expenses	€ 84,621	€ 81,040	€ 104,790
Direct campaign costs	€ 1,709,418	€ 2,015,636	€ 1,599,260
TOTAL EXPENDITURE	€ 3,122,699	€ 3,417,052	€ 2,887,863

Result before financial income and expenditure	€ - 67,870	€ 21,712	€ - 14,082
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Balance of financial income and expenditure	€ 546	€ 500	1,089
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RESULT	€ - 67,323	€ 22,212	€ - 12,994
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APPROPRIATION OF THE RESULT

Added to the continuity reserve	€ - 63,213		€ - 2,026
Charged to the earmarked reserve for operating assets	-		-
Charged to the earmarked reserve for NPL	€ - 12,832		€ - 15,000
Added to the earmarked reserve for accrued training budget	€ 8,722		€ 4,032

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.

NOTES TO THE BALANCE SHEET

FIXED ASSETS

	31 December 2019	31 December 2018
Fixtures and fittings		
<i>Opening balance</i>		
Purchase cost	€ 52,602	€ 32,417
Accumulated depreciation	€ - 31,696	€ - 29,672
Book value	€ 20,906	€ 2,745
Capital expenditure in the financial year	€ 5,013	€ 20,185
Depreciation in the financial year	€ 7,799	€ - 2,024
Total movements	€ 12,812	€ 18,162
<i>Closing balance</i>		
Purchase cost	€ 57,615	€ 52,602
Accumulated depreciation	€ - 39,495	€ - 31,696
Book value	€ 18,121	€ 20,906

CURRENT ASSETS

	31 December 2019	31 December 2018
Receivables and prepayments		
Debtors	€ 4,128	€ 1,450
Amounts due from partners	€ 3,447	€ 2,261
Grants receivable	€ 3,286	€ 27,649
Loans to partners	-	-
Deposit	€ 7,700	€ 8,060
Interest receivable	€ 541	€ 1,071
Sick pay receivable	€ 6,916	-
Prepaid expenses	€ 17,151	€ 22,424
Staff	€ 1,052	€ 1,171
Other receivables	€ 4,350	-
	€ 48,571	€ 64,085

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 2019	31 December 2018
ASN	€ 1,557,589	€ 1,506,519
ING	€ 1,011	€ 406
Triodos	€ 238,308	€ 62,737
Paypal	€ 6,228	€ 3,082
Cash in hand	€ 1,751	€ 1,701
	€ 1,804,888	€ 1,574,445

Cash and cash equivalents are payable on demand.

RESERVES

	2019	2018
Continuity reserve		
Opening balance	€ 473,371	€ 472,652
Result for year	€ - 63,213	€ - 2,026
From the earmarked reserve for operating assets	-	€ 2,745
Closing balance	€ 410,158	€ 473,371

The organisation aims to hold a minimum general reserve to cover six-months staff, accommodation and office costs.

In 2019 this would amount to € 1,357,503.11 x 50% = € 678,751.- At the end of the 2019 there is a discrepancy between this aim and the general reserve of € 678,751 less € 410,158 = €268,593.

Earmarked reserve for operating assets

Opening balance	-	€ 2,745
Transfer to/from	-	-
To the continuity reserve	-	€ - 2,745
Closing balance	-	-

This earmarked reserve was formed for the purpose of replacing fixtures and fittings.

The Board has decided in 2018 that such a reserve is no longer needed and decided to add this to the continuity reserve.

Earmarked reserve for NPL activities

Opening balance	€ 38,497	€ 53,497
Transfer to/from	€ - 12,832	€ - 15,000
Closing balance	€ 25,665	€ 38,497

The earmarked reserve was formed for the purpose of performing activities in accordance with the Nationale Postcode Loterij (NPL) contract of 4 March 2014. 1/3 of the reserve will be allocated to the continuity reserve to compensate for a negative result for the year.

Earmarked reserve for training budget for individual employees

Opening balance	€ 14,528	€ 10,496
Transfer to/from	€ 8,722	€ 4,032
Closing balance	€ 23,250	€ 14,528

	31 December 2019	31 December 2018
Current liabilities, accruals and deferred income		
Creditors	€ 87,924	€ 58,039
Amounts payable to partners	€ 251,299	€ 229,480
Statutory payroll tax and social security contributions	€ 24,155	€ 27,985
Pension contributions payable	€ 934	-
Grants to be spent	€ 888,156	€ 722,084
Amount reserved on account of holiday entitlement	€ 75,616	€ 28,718
Amount reserved on account of holiday pay	€ 55,423	€ 57,262
Net salary	€ 231	€ 15-
Accrued expenses	€ 28,770	€ 9,486
Advances	-	-
	€ 1,412,507	€ 1,133,040

Amounts payable to partners relate to the difference between the advances granted and amounts reported in 2018 and 2019.

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 € 56,602, the total liability until the end of the contract is € 56,602. 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 € 4,812, the total liability until the end of the contract is € 27,669.

	Actual 2019	Budget 2019	Actual 2018
Income from private individuals			
Donations and gifts	€ 21,134	€ 20,000	€ 18,694
	€ 21,134	€ 20,000	€ 18,694
Income from government grants			
Ministry of Foreign Affairs-DGIS (2016-2020)	€ 1,474,299	€ 1,686,396	€ 1,509,901
EuropeAid: Filling the Gap (2019-2022)	€ 307,322	€ 320,089	-
	€ 1,781,621	€ 2,006,485	€ 1,509,901
Income from lottery organisations			
NPL Mama Cash	-	-	-
Income from other non-profit organisations			
Tides Foundation (2018-2020)	€ 995,681	€ 1,049,592	€ 999,003
Anonymous donor (2019-2020)	€ 21,614	€ 25,287	€ 41,189
Silicon Valley Community Foundation (2019-2020)	-	-	€ 6,321
We Trust (2019-2021)	€ 15,939	€ 16,520	€ 6,202
Open Society Foundations (2019-2020)	€ 183,873	€ 185,464	€ 130,030
International Labor Rights Forum (2019)	€ 6,607	-	-
Wellspring (2019-2020)	€ 28,360	€ 133,416	€ 162,440
	€ 1,252,074	€ 1,410,279	€ 1,345,186
Other income			
Proceeds from merchandise and other income	-	€ 2,000	-

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 2019	Budget 2019	Actual 2018
Staff costs			
Salary costs	€ 874,280	€ 897,836	€ 790,978
Social security charges	€ 163,372	€ 167,088	€ 144,508
Pension charges	€ 96,369	€ 92,228	€ 76,142
Sick pay insurance/incapacity for work	€ 15,164	€ 14,349	€ 34,141
Payments from sickness insurance	€ - 20,770	€ 0	€ - 152
Travel and subsistence expenses	€ 28,686	€ 33,131	€ 24,091
Temporary employees/agencies	€ 8,010	€ 8,171	€ 8,010
Volunteers	€ 3,400	€ 2,000	€ 3,000
Other staff costs	€ 103,075	€ 44,723	€ 47,046
	€ 1,271,588	€ 1,259,526	€ 1,127,765

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

The average number of employees in 2019 amounted to 18.6 FTEs (2018: 16.8).

Accommodation costs			
Office rent	€ 45,501	€ 45,900	€ 44,602
Energy	€ 10,277	€ 10,500	€ 10,068
Fixed costs	€ 1,295	€ 4,450	€ 1,378
	€ 57,073	€ 60,850	€ 56,048

Office and general expenses			
Office	€ 3,732	€ 3,400	€ 1,807
Business entertainment expenses	€ 1,198	€ 2,000	€ 4,074
Print and photocopying costs	€ 653	€ 1,200	€ 1,548
Communication	€ 4,179	€ 5,176	€ 4,443
Insurances	€ 2,156	€ 2,953	€ 2,249
Accounting costs and auditor's fees	€ 33,380	€ 25,472	€ 48,367
IT	€ 1,709	€ 5,000	€ 2,170
Consultancy fees	€ 19,381	€ 17,000	€ 4,956
Depreciation	€ 7,799	€ 9,500	€ 2,024
Board costs	€ 37	-	€ 58
Non-collectible dues partners	€ - 3,188	-	€ 11,789
Other general expenses	€ 13,586	€ 9,339	€ 21,307
	€ 84,621	€ 81,040	€ 104,790

The post 'other general expenses' mainly consists of costs for the acquisition of grants (i.e. € 6,383.-).

Balance of financial income and expenditure			
Interest income	€ 546	€ 500	€ 1,089

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 2019.

The maximum remuneration according to the WNT for SKC/CCC in 2019 is € 181,000. 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 Campagne / 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	T.D.Pauli	S. Cornelissen	A.P. Papadimitriou
Job title	Urgent Appeals Coordinator	Lobby and Advocacy Coordinator	International Office Team Coordinator
Employed whole 2019?	yes	yes	yes
Part-time percentage	88.89%	85.19%	77.78%
Labour contract?	yes	yes	yes
Remuneration			
Remuneration including taxable expense allowances	€ 40,467	€ 38,780	€ 35,408
Provision post-employment benefits	€ 4,175	€ 2,409	€ 3,991
Subtotal	€ 44,642	€ 41,189	€ 39,399
Individual applicable remuneration maximum	€ 160,891	€ 154,185	€ 140,780
-/- Undue payments	-		
Total remuneration	€ 44,642	€ 41,189	€ 39,399
Explanation exceedance maximum remuneration	n.a.	n.a.	n.a.
Explanation undue payments	n.a.	n.a.	n.a.

Comparison 2018

Job title	Coordinator	Advocacy	Team Coordinator
Employed whole 2018?	yes	yes	yes
Part-time percentage	88.89%	88.89%	77.78%
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
Individual applicable remuneration maximum	€ 168,002	€ 168,002	€ 147,002
Total remuneration 2018	€ 43,536	€ 42,106	€ 38,617

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 2019 received a salary above the Individual applicable remuneration maximum. There are no severance payments paid in 2019 to other officers to be disclosed by the WNT, or paid in previous years that should be disclosed by the WNT.

cleanclothes.org

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.

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.

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);
- 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