

Stichting Schone Kleren Campagne/Clean Clothes Campaign  
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Amsterdam, 18 april 2017

Behandeld door: A. Koek  
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Geachte mevrouw Janssens,

Hierbij zenden wij u één door ons ondertekend exemplaar van onze controleverklaring bij de jaarrekening 2016 van Stichting Schone Kleren Campagne/Clean Clothes Campaign te Amsterdam, alsmede tien exemplaren waarin verwezen wordt naar het door ons origineel getekende exemplaar. Tevens zenden wij u één door ons geïdentificeerd exemplaar van de jaarrekening.

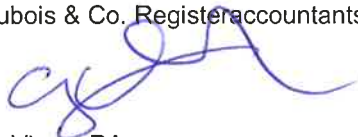
Het door ons ondertekende exemplaar van de controleverklaring en het geïdentificeerde exemplaar van de jaarrekening zijn bestemd voor uw archief. De exemplaren van de controleverklaring waarin verwezen wordt naar het door ons origineel getekende exemplaar, zijn bestemd voor inbinding in de jaarrekening. Dit conform het advies van de beroepsorganisatie NBA ter vermijding van fraude met handtekeningen van accountants.

Wij geven u toestemming de controleverklaring met de tekst 'origineel getekend door' gedateerd op 18 april 2017 op te nemen in de jaarrekening 2016. De jaarrekening dient te worden uitgebracht overeenkomstig het door ons geïdentificeerde exemplaar.

Wij merken op dat wij in de controleverklaring de statutaire naam hanteren, namelijk: Stichting Schone Kleren Kampagne/Clean Clothes Campaign.

Wij vertrouwen erop u hiermee van dienst te zijn geweest.

Hoogachtend,  
Dubois & Co. Registeraccountants



G. Visser RA

#### Bijlagen

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STICHTING SCHONE KLEREN CAMPAGNE/CLEAN CLOTHES CAMPAIGN  
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22 March 2017

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## REPORT OF THE BOARD

### *History and objective*

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

Over the years SKC has evolved into a European network recognised internationally as the Clean Clothes Campaign (CCC). Today CCC is an international network of trade unions and work-related civil society organisations, from both production and consumer countries.

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

1. By putting pressure on companies to take their responsibility and insist that garments are produced under decent working conditions.
2. By supporting workers, trade unions and civil society organisations in production countries.
3. Urging citizens to use their power as consumers. This entails raising awareness among consumers by providing accurate information about working conditions in the sportswear and garment industry.
4. Making use of the existing legal possibilities for improving working conditions and lobbying for additional legislation that will contribute to ensuring good working conditions. The government is held accountable in its role as both legislator and consumer. Therefore SKC/CCC advocates that the government pursues an ethical procurement policy.

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

It is now widely acknowledged that consumers not only have the right to good quality clothing for a reasonable price but equally to clothing produced in a socially responsible manner. Awareness has also successfully been raised in business and industry for socially responsible business practice. A significant number of companies in the garment sector have meanwhile developed policy concerning the work situation in their production chain. By implementing codes of conduct and through specific organisations tasked with monitoring compliance with fair working conditions, efforts are being undertaken to improve the human rights and quality of life of around 30 million people - largely women - worldwide who produce our clothes. In the last few years a trend is even being seen whereby ethical clothing is acquiring a niche market segment. SKC/CCC is proud that it has contributed to garnering public support for this development.

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## 2016 Highlights

### CCC International Office

In 2016 CCC remained involved in the Bangladesh Accord on Fire and Building Safety. Together with the other witness signatories to the Accord, we followed up on the research done in September 2015 into the speed of remediation in H&M supplier factories in Bangladesh. A memo published in January 2016 revealed that there were still considerable delays in ensuring fire safety in H&M supplier factories. By the beginning of April we announced world-wide demonstrations if H&M would not have considerably sped up the installation of fire doors and removal of unsafe exits before its AGM on 3 May. A third memo published shortly before the deadline revealed that H&M had made progress and H&M itself showed a new level of transparency in sharing its efforts in Bangladesh. As we however found that still factories were lacking safe fire exits, over forty H&M shops around the world found activists on their doorsteps on 3 May, urging the company to ensure safe factories for their workers.

In November, together with the other witness signatories, we published a report about the Alliance for Bangladesh Worker Safety, showing that the Alliance overstates its progress in repairing safety defects in supplier factories and highlighting the worrying lack of transparency the Alliance displays.

Following the year in which the Rana Plaza and Tazreen trust funds were established, 2016 was a year of finishing procedures and looking back. Both the Rana Plaza and Tazreen compensation proceedings were completed. In a Lessons Learned Meeting on Access to Remedy for Workplace Injury in the Garment Supply Chain from 1-3 March in Kathmandu, global stakeholders gathered to discuss past experiences and future strategies.

Those future strategies were of utmost importance as the struggle for compensation in the Ali Enterprises case was still outstanding. The surge of activity in the second half of 2015 had helped to bring parties to the table to negotiate, facilitated by the ILO. Outward pressure continued, including a day of action in April 2016, with demonstrations in Pakistan and shows of solidarity across the region. Intensive negotiating, lobbying and campaigning continued and eventually led to the signing of an agreement two days before the four year anniversary of the tragic factory fire on 11 September 2016. KiK promised to pay 5.15 million USD in long-term compensation payment. The setting up of the compensation process is in progress, led by the ILO.

In 2016 we have worked on 21 Urgent Appeal cases in 11 different countries, resulting in 7 (partial) successes, ranging from signing of agreements on fair compensation, to reinstatement, to the EU embassy intervening on severe violations and to companies taking action. Furthermore we have been actively involved in several solidarity campaigns, asking for international attention concerning human rights violations, like for example the Black Monday movement in Cambodia, calling for an end to the intimidation of human rights defenders, or supporting and showing solidarity with 26 arrested labour activists in Indonesia.

During the Never Stop Pushing campaign in October 2016, Indonesian PT PDK workers, together with groups in Hong Kong, Japan, the US and Europe called on Japanese sport brands Mizuno to settle their dismissal case after they organised a strike 4 years ago. The push led to adidas re-engaging in the dispute. At the end of the year, the CCC Network, together with the Global Union federations UNI, ITUC and IndustriALL, started the campaign Wages Not Jail and Every Day Counts to call for an end of the crackdown on unions in Bangladesh.

The Urgent Appeals team at the International Office has built its own train-the-trainer capacity, in order to be able to provide trainings on the Urgent Appeals System to others. After those learnings, Urgent Appeals trainings have been organised in Bangladesh for 5 union federations, 7 organisations (trade unions, women's organisations and labour rights groups) in Sri Lanka, and 11 organisations in Eastern Europe. We worked on capacity building of the Urgent Appeals Coordinators network in Europe by having a training on internet security and a workshop on gender and privilege issues. CCC and CCC network partners have participated in the AWID forum bringing the Urgent Appeal system and work on gender based violence to the front.

In terms of coalition building, coalitions have been set up in South Asia (including India, Sri Lanka, Pakistan, Bangladesh and Nepal) and East Asia (including Hong Kong/China, Taiwan, South Korea and Japan). In both regions, coalition meetings were held where regional activities have been discussed and decided on. In Europe, a regional coalition has also been established (including Norway, Finland, Denmark, Germany, Poland, Czech Republic, Turkey, Austria, Switzerland, Italy, Spain, France, Belgium, Netherlands, UK and Ireland).

Further with regards to the network, a first draft Handbook for new Network Structure has been developed, the Transitional Steering Board included a representative from the region Central, East, South-east Europe and Turkey, our Country Focal Points for Bangladesh, Cambodia and Indonesia have been established, the WIGs system has been established and functioning, allowing all organisations in the network to participate and cooperate. Finally, there is improvement in mutual informing and communication within the network with a bi-weekly internal newsletter, to which all entities in the network can contribute.

During the year we launched country fact sheets on Poland, Czech republic and Albania, highlighting the extremely low wages in the garment industry. In May, we were present at a conference organized by the Dutch and German governments on Living Wage in Islamabad, Pakistan.

To inform a wider public about our position on some of the vital concepts currently discussed in the garment industry, we published a series of position papers on human rights due diligence, transparency and decent work in global supply chains. That last paper was in preparation for the International Labour Conference of the ILO, where a CCC delegation participated in a range of sessions, and addressed the plenary, urging for the establishment of institutional frameworks for remediation and prevention. We also participated in a strategic follow up meeting on the Indonesia protocol. CCC was present at the high level conference launching the European Union Flagship initiative to promote responsible management of the garment supply chain, but was disappointed by the lack of efforts to create real transparency in the garment sector.

### ***Schone Kleren Campagne***

Three years after the Rana Plaza collapse fixing unsafe factories was still very high on the priority list of SKC. The year started with a report on the unsafe factories in leading global brand H&M's supply chain. Even though the company promised to improve safety in the production locations in Bangladesh it turned out their main suppliers were still unsafe, leading to the #hmbrokenpromises campaign. Fortunately there were positive developments as well: finally a agreement was made for the survivors and families of two other industrial disasters in Bangladesh (Tazreen factory fire, 2012) and Pakistan (Ali Enterprises factory fire, 2012). Four years after the fire swept through their workplaces they finally received compensation for loss of earnings, medical and rehabilitation costs.

In its policy on business and human rights the Dutch Ministry of Foreign Trade and Development Cooperation prioritised signing multi-stakeholder agreements in different risk sectors. One of the sectors where business has a very high probability of contributing to human rights violations is of course the garment industry. The ministry asked the Social and Economic Council of The Netherlands (SER) to facilitate the process of proposing a covenant between garment companies, the government, unions and NGOs. In March 2016 the SER launched its plans for such a agreement. Although Schone Kleren Campagne was involved in the negotiations on the content of the plans from the beginning, the organisation decided not to sign the deal. Mainly because the lack of concrete goals, binding rules and regulations in the document and the absence of checks and balances accessible to local stakeholders. In July of 2016 75 companies and organisations signed the Covenant Sustainable Fashion and Textiles. Although SKC is not a participant, it will monitor the activities of the companies and organisations.

With funding from the Dutch Postcode Lottery, Mama Cash and Clean Clothes Campaign work together to support women's organisations in garment producing countries, and, in The Netherlands, highlight garment workers' activism and showing the importance of women's power in changing the fashion industry. SKC launched its campaign site, providing the campaign with an attractive platform for news and activities, such as updates on worker trainings in Sri Lanka and Pakistan, and campaign activities in The Netherlands like pop-up sweatshop The Mad Rush.

In May 2016 as part of the Women Power Fashion project SKC opened a pop-up shop in De Kalverstraat, the most famous shopping street in The Netherlands. What at first glance looked like a hip and trendy clothes store, uncovered itself as a sweatshop and exhibition on the life and work of female garment workers. As soon as potential shoppers stepped into the fitting room, they ended up in a sweatshop where volunteers were producing tote bags. After having to move through the cramped space the shocked shopper was welcomed by a team member to talk about their experience and the conditions in garment factories in Asia. The project received massive media coverage, in The Netherlands, but also in the UK, Germany, Belgium, USA and India. Because of its effectiveness and popularity SKC organised two more pop-up sweatshops, in Utrecht and Groningen, and will further develop the concept in 2017.

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In cooperation with the India Committee of The Netherlands SKC conducted research on the working conditions in factories in South-India producing for 10 Dutch brands. The report Doing Dutch showed these working conditions are downright bad. No garment worker earns a living wage. More than one third of the workers didn't even get the official minimum wage. Mandatory overtime is often not paid, intimidation is widespread and women earn even less than men. SKC launched a petition to the companies and the government and was signed by thousands of consumers. The petition would be handed over to the Minister of Foreign Trade and Development Cooperation in the first quarter of 2017.

## **Profile**

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

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

In 2016 the average number of employees was 14.3 FTEs. In January headcount was 11.0 FTEs, and in December 15.4 FTEs were employed. In addition a staff member from the Work and Income Department of the municipality of Amsterdam works at the Office under a four-day secondment contract.

### **The International Office (CCC-IO)**

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

### **The Dutch Secretariat (SKC)**

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

### **The Bureau**

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

## The Board

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

The Board's duties are as follows:

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

### Composition of the Board

*Evert de Boer*

Board member since 1995, expiry of current term of office: June 2018.

Position: chair and responsibility for supporting human resource policy.

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

*Hester Klute*

Board member since December 2009, expiry of current term of office: December 2018.

Position: secretary and Human Resource adviser.

After having worked in public relations, marketing and communication, coordination and business management in the cultural sector for a decade, Hester Klute took up a new position at Ideeel Organiseren, an event management agency, in 1999. She subsequently joined the VARA Broadcasting Association where she was responsible for membership recruitment and retention as well as marketing communication for RTVI programmes featuring nature and the environment, drama and culture, and information and debate. She coordinated financial matters for the Communication and Marketing Department and organised 'Op weg naar Het Lagerhuis' (On the road to the Lower House of the Dutch Parliament), a large-scale debating contest for secondary school pupils. She currently works as a fundraiser for Médecins sans Frontières.

*Just van der Hoeven*

Board member since March 2011, expiry of current term of office: March 2017.

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 Security and Justice. He also serves as deputy secretary for the Parenthood Government Review Commission. Board membership offers him an opportunity, alongside legislation, to devote efforts towards achieving more tangible fair trade objectives.

*Sjef Stoop*

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

Position: treasurer.

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

*Nina Ascoly*

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

Position: general member of the Board and campaign adviser.

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

## **Financial Statements**

### **Budget versus actual variance analysis**

The difference between the 2016 budget and the actual spendings is explained by two factors. On the one hand new staff that had been budgeted for was recruited and joined SKC/CCC later than planned. This led to less staff costs, as well as some activities being pushed forward to 2017 due to lack of capacity. On the other hand many activities were realised with considerable costs savings.

### **Financial position**

SKC/CCC is a member of the Fair Green and Global Alliance. This Alliance has a Strategic Partnership with the Ministry of Foreign Affairs concerning Lobby and Advocacy for the period 2016 - 2020. The Strategic Partnership currently is SKC/CCC's main source of funding. Mid-2017 the Women *Power* Fashion project with Mama Cash, funded by the Dutch Postcode Lottery, will end.

In 2017 fund-raising efforts will continue; SKC/CCC aims to have a yearly budget of approximately €2.000.000.

SKC / CCC's equity as at 31 December 2016 amounted to € 479,795. The organisation posted a result of € 70,701 for 2016. The result will be added to equity/earmarked reserves.

Fund-raising costs amounted to € 52,984 in 2016 and mainly concern staff costs. SKC/CCC acquires funds almost entirely by applying for grants rather than relying, for instance, on the generosity of the Dutch public.

In 2016 the percentage of income spent on the objective was 88%. The percentage in 2015 was 120%.

In 2016 the percentage of expenditure on the objective was 91%. The percentage in 2015 was 93%.

### **Investment policy**

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

### **Volunteer policy**

SKC/CCC works with volunteers on a regular basis. Before undertaking activities for the organisation, an intake interview is first conducted with prospective volunteers. The organisation also contacts their references. Prospective volunteers must sign a volunteer agreement which sets out agreements on various aspects including a modest volunteer allowance.

Evert de Boer

Chairman of the Board



**SKC / CCC**  
**Budget 2017**

Activities	IO / International Office		Budget 2017
		Living Wage	€ 93,888
		Occupational Health & Safety	€ 207,754
		Lobby & Advocacy	€ 101,644
		Partner & Network	€ 485,691
		Employment Relations	€ 84,616
		Public Outreach	€ 81,532
		Urgent Appeals & Review	€ 284,180
	Total IO		€ 1,339,306
	SKC / Dutch Secretariat		
		Bedrijven	€ 130,582
		Politiek en Partners	€ 109,976
		Public Outreach	€ 153,669
	Total SKC		€ 394,227
	Management & Administration	€ 256,252	
		€ 256,252	
		€ 1,989,785	

In:	2017
Dutch government	€ 1,720,091
NPL through Mama Cash	€ 270,012
Private Funds	€ 27,000
Interest	€ 2,500
<b>Total</b>	<b>€ 2,019,603</b>

<b>Result</b>	<b>€ 29,818</b>
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STICHTING SCHONE KLEREN CAMPAGNE/CLEAN CLOTHES CAMPAIGN

**2016 FINANCIAL STATEMENTS**

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Amsterdam, 18 APR 2017

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STICHTING SCHONE KLEREN CAMPAGNE/CLEAN CLOTHES CAMPAIGN

BALANCE SHEET

	31-Dec-16		31-Dec-15	
	€	€	€	€
<b>FIXED ASSETS</b>				
Fixtures and fittings	6,731		9,987	
<b>Total fixed assets</b>		6,731		9,987
<b>CURRENT ASSETS</b>				
Receivables and prepayments	93,837		495,378	
Cash and cash equivalents	1,500,608		905,572	
<b>Total current assets</b>		1,594,445		1,400,950
<b>TOTAL ASSETS</b>		<b>1,601,177</b>		<b>1,410,936</b>
<b>RESERVES</b>				
Continuity reserve	409,212		339,166	
Earmarked reserve for operating assets	6,731		9,987	
Earmarked reserve for NPL activities	53,497		53,875	
Earmarked reserve for accrued training budget	10,355		6,066	
<b>Total reserves</b>		479,795		409,094
Current liabilities	1,121,382		1,001,842	
<b>Total current liabilities</b>		1,121,382		1,001,842
<b>TOTAL LIABILITIES</b>		<b>1,601,177</b>		<b>1,410,936</b>

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# STICHTING SCHONE KLEREN CAMPAGNE/CLEAN CLOTHES CAMPAIGN

## STATEMENT OF INCOME AND EXPENDITURE

INCOME	Actual 2016		Budget 2016	Actual 2015	
	€	€	€	€	€
Income from own fund-raising activities	32,186		20,000	37,954	
Government grants	1,270,257		1,485,394	1,220,082	
Income from third-party campaigns	567,316		428,440	-	
Interest income and income from investing activities	5,203		2,500	2,898	
Other income	1,500		2,000	2,048	
<b>TOTAL INCOME</b>		<b>1,876,462</b>	<b>1,938,334</b>		<b>1,262,982</b>

## EXPENDITURE

### SPENT ON OBJECTIVES

Press and public outreach:

NL	158,194		165,189	135,373	
Abroad	331,309		347,628	289,035	
Campaigns					
NL	127,592		138,659	127,124	
Abroad	1,029,713		1,101,955	969,480	
		1,646,808	1,753,432		1,521,012

% of income spent on objective 88% 90% 120%

*In 2016 the percentage of income spent on the objective was 88%. Because the Nationale Postcode Loterij (NPL) contribution of € 500,000 is included in income in 2014 but the associated costs only incurred in 2015, expenditure on the objective in 2015 were more than the income. The percentage in 2015 was 120%.*

### INCOME GENERATION

Costs for acquiring government grants	52,984		52,406	35,682	
		52,984	52,406		35,682
% of income from own fund-raising activities + government grants		4%	3%		3%

### MANAGEMENT AND ADMINISTRATION

Management and administration costs	105,968		104,811	71,364	
<b>TOTAL EXPENDITURE</b>	<b>1,805,761</b>		<b>1,910,649</b>	<b>1,628,059</b>	

% of expenditure on objective 91% 92% 93%

### RESULT

<b>70,701</b>	<b>27,685</b>	<b>-365,077</b>
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### APPROPRIATION OF THE RESULT

Added to the continuity reserve	70,046		85,316	
Charged to the earmarked reserve for operating assets	-3,256		-2,612	
Charged to the earmarked reserve for NPL	-378		446,125	
Added to the earmarked reserve for accrued training budget	4,289		-1,655	

## ACCOUNTING POLICIES AND DETERMINATION OF THE RESULT

### 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 650 for financial reporting by fund-raising institutions published by the Dutch Accounting Standards Board (DASB). The guideline was revised by the DASB in 2011. The purpose of the guideline is to obtain insight into the costs of the organisation and whether the funds have been spent on the objectives for which they were acquired. The application of this guideline is one of the requirements imposed by the Central Bureau on Fund-raising (CBF) concerning the award of the CBF seal of approval to small charities.

### 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%.

### 5. Reserves and funds

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

### 6. Management and administration costs

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

### 7. Determination of the result

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

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

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



STICHTING SCHONE KLEREN CAMPAGNE/CLEAN CLOTHES CAMPAIGN

NOTES TO THE BALANCE SHEET

FIXED ASSETS

	31 December 2016	31 December 2015
	€	€
<b>Fixtures and fittings</b>		
Opening balance		
Purchase cost	31,082	28,454
Accumulated depreciation	-21,095	-15,855
Book value	9,987	12,599
Capital expenditure in the financial year	1,335	2,628
Depreciation in the financial year	-4,591	-5,240
Total movements	-3,255	-2,612
Closing balance		
Purchase cost	32,417	31,082
Accumulated depreciation	-25,685	-21,095
Book value	6,731	9,987

CURRENT ASSETS

	31 December 2016	31 December 2015
	€	€
<b>Receivables and prepayments</b>		
Debtors	681	155
Amounts due from partners	20,536	32,021
Grants receivable	-	416,101
Loans to partners	20,000	-
Deposit	7,650	7,650
Interest receivable	5,265	2,855
Sick pay receivable	-	1,304
Prepaid expenses	39,699	34,967
Staff	5	325
	93,837	495,378

The post 'amounts due from partners' represents the difference between advances granted and amounts reported in 2015 and 2016.

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

	31 December 2016	31 December 2015
	€	€
<b>Cash and cash equivalents</b>		
ASN	1,448,691	820,836
ING	23,638	576
Triodos	27,574	83,115
Cash in hand	705	1,045
	1,500,608	905,572

Cash and cash equivalents are payable on demand.

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**Reserves**

	2016	2015
	€	€
<b>Continuity reserve</b>		
Opening balance	339,166	253,851
Result for year	70,046	85,316
Closing balance	<u>409,212</u>	<u>339,166</u>

*The organisation aims to hold a minimum general reserve to cover six-months staff, accommodation and office costs. In 2016 this would amount to € 1,059,685 x 50% = € 529,842. At the end of the 2016 there is a discrepancy between this aim and the general reserve of € 529,842 less € 409,212 = € 120,630.*

**Earmarked reserve for operating assets**

Opening balance	9,987	12,599
Transfer to/from	-3,256	2,612-
Closing balance	<u>6,731</u>	<u>9,987</u>

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

**Earmarked reserve for NPL activities**

Opening balance	53,875	500,000
Transfer to/from	378-	446,125-
Closing balance	<u>53,497</u>	<u>53,875</u>

*The earmarked reserve was formed for the purpose of performing activities in accordance with the Nationale Postcode Loterij (NPL) contract of 4 March 2014. The reserve will be spend on those activities in the years to come.*

**Earmarked reserve for training budget for individual employees**

Opening balance	6,066	7,721
Transfer to/from	4,289	1,655-
Closing balance	<u>10,355</u>	<u>6,066</u>

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

	31 December 2016	31 December 2015
	€	€
<b>Current liabilities, accruals and deferred income</b>		
Creditors	64,596	127,412
Amounts payable to partners	99,122	58,612
Statutory payroll tax and social security contributions	34,188	14,550
Pension contributions payable	249	320
Grants to be spent	831,501	-
Amount reserved on account of holiday entitlement	28,585	16,126
Amount reserved on account of holiday pay	38,484	18,709
Net salary	8,010	-
Accrued expenses	16,646	22,823
Advances	-	743,289
	<u>1,121,382</u>	<u>1,001,842</u>

*Amounts payable to partners relate to the difference between the advances granted and amounts reported in 2015 and 2016.*

#### **Liabilities not shown on the balance sheet**

*A five-year rental contract was signed for the office on Nieuwezijds Voorburgwal 292, Amsterdam, taking effect on 1 January 2013 and expiring on 31 December 2017. The annual rent is € 43,928 (€ 10,982 quarterly).*

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**STATEMENT OF INCOME AND EXPENDITURE  
INCOME**

	Actual 2016	Budget 2016	Actual 2015
	€	€	€
<b>Income from own fund-raising activities</b>			
Charitable and other donations	32,186	20,000	29,085
Private funds	-	-	8,869
	<u>32,186</u>	<u>20,000</u>	<u>37,954</u>
<b>Government grants</b>			
Europe Aid: Human Rights Defenders (2012-2014)	-	-	63,858
Europe Aid: Living Wage - Empowering Workers	95,401	26,827	193,203
Europe Aid: Living Wage – Raising Public Awareness	-	-	327,180
DGIS: MFS	-	-	455,598
Ministry of Foreign Affairs-DGIS	1,174,856	1,458,567	-
Min. FA Safety Accord 2	-	-	105,243
Oxfam Novib	-	-	75,000
	<u>1,270,257</u>	<u>1,485,394</u>	<u>1,220,082</u>
<b>Income from third-party campaigns</b>			
Mama Cash	<u>567,316</u>	<u>428,440</u>	<u>-</u>
<b>Interest income and income from investing activities</b>			
Interest income	<u>5,203</u>	<u>2,500</u>	<u>2,898</u>
<b>Other income</b>			
Proceeds from merchandise and other income	<u>1,500</u>	<u>2,000</u>	<u>2,048</u>

**EXPENDITURE**

	Actual 2016	Budget 2016	Actual 2015
	€	€	€
<b>Staff costs</b>			
Salary costs	636,114	664,808	416,088
Social security charges	100,755	119,665	65,975
Pension charges	52,924	46,632	41,714
Sick pay insurance/incapacity for work	26,106	41,477	21,014
Sick pay received	-12,922	-	6,946
Travel and subsistence expenses	20,679	13,500	9,819
Temporary employees/agencies	44,172	9,100	44,609
Volunteers	4,063	4,300	2,552
Other staff costs	43,039	35,670	8,848
	<u>914,930</u>	<u>935,152</u>	<u>603,673</u>

*In 2016 the actual FTE (14.3) was less than budgeted (15.05).*

**Accommodation costs**

Office rent	37,718	35,000	31,042
Energy	8,662	7,750	7,293
Fixed costs	6,410	1,700	105
	<u>52,789</u>	<u>44,450</u>	<u>38,440</u>

*Starting July 2016 CCC rented extra office space (3<sup>rd</sup> floor).*

*In 2016 CCC was invoiced for municipal taxes for the years 2014-2016.*

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	Actual 2016 €	Budget 2016 €	Actual 2015 €
<b>Office and general expenses</b>			
Office	13,496	1,550	4,379
Business entertainment expenses	832	1,500	1,262
Print and photocopying costs	1,139	1,000	1,388
Communication	3,474	2,500	3,656
Insurances	1,355	1,070	1,330
Accounting costs and auditor's fees	44,924	38,700	8,799
IT	3,205	7,014	6,110
Consultancy fees	1,511	5,000	2,862
Depreciation and amortisation	4,591	4,925	5,240
Management costs	-	-	517
Other general expenses	17,439	5,253	35,987
	<u>91,965</u>	<u>68,512</u>	<u>71,529</u>

*Extra costs have been made to equip the recently rented 3rd floor. The post 'other general expenses' mainly consists of costs for the acquisition of grants (i.e. € 13,961)*

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STICHTING SCHONE KLEREN CAMPAGNE/CLEAN CLOTHES CAMPAIGN

Allocation of support costs

	Information provision and raising awareness			Campaigns			Management and administration			Income generation			Actual	Budget	Actual
	Information provision and raising awareness			Campaigns			Management and administration			Income generation			Actual	Budget	Actual
	NL*	Abroad*	NL*	NL*	Abroad*	Abroad*	Abroad*	Abroad*	Abroad*	Own fund-raising activities	Government grants	Government grants	2016	2016	2015
	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€
<b>Overhead costs</b>															
Staff costs	10% 91,493	20% 182,986	5% 45,747	50% 457,465	10% 91,493	-	5% 45,747	914,930	935,152	603,673					
Accommodation costs	10% 5,279	20% 10,558	5% 2,639	50% 26,395	10% 5,279	-	5% 2,639	52,789	44,450	38,440					
Office and general expenses	10% 9,197	20% 18,393	5% 4,598	50% 45,983	10% 9,197	-	5% 4,598	91,965	68,512	71,529					
<b>Subtotal</b>	<b>105,968</b>	<b>211,937</b>	<b>52,984</b>	<b>523,842</b>	<b>105,968</b>	<b>-</b>	<b>52,984</b>	<b>1,059,685</b>	<b>1,048,114</b>	<b>713,642</b>					
<b>Direct campaign costs</b>	7% 52,225	16% 119,372	10% 74,608	67% 499,871	-	-	-	746,076	862,535	873,213					
<b>Subtotal</b>	<b>52,225</b>	<b>119,372</b>	<b>74,608</b>	<b>499,871</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>746,076</b>	<b>862,535</b>	<b>873,213</b>					
	<b>158,194</b>	<b>331,309</b>	<b>127,592</b>	<b>1,029,713</b>	<b>105,968</b>	<b>-</b>	<b>52,984</b>	<b>1,805,761</b>	<b>1,910,649</b>	<b>1,586,856</b>					

\*This distribution of the burden corresponds to the distribution of the burden within the organisation between SKC (in the Netherlands) and the International Office (abroad).

The organisation does not have a hierarchical structure and all employees receive the same salary. In 2016 the monthly salary amounted to € 3,375 on a full-time basis. The average number of employees in 2016 amounted to 14.3 FTEs (2015: 11.2).

The Board members received no remuneration, and no loans, advances or guarantees were granted to them.

## Report for "Wet normering topinkomens" (WNT)

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

The maximum remuneration according to the WNT for SKC/CCC in 2016 is € 179,000. The reported maximum amount per person is calculated based on the full-time equivalent in the labor agreement of the person concerned. The full-time equivalent can never exceed 1.0. For members of the Board, a maximum of 15% (chairman) or 10% (other members) of the maximum amount for executives applies.

### Remuneration executives ("leidinggevende topfunctionarissen")

Stichting Schone Kleren Kampagne / Clean Clothes Campaign is a flat organisation with self-steering teams. The organisation does not have executives as defined by the WNT. Mutatis Mutandis one could say that all employees are executives as defined in the WNT. 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 a randomly selected employee:

amounts x € 1	N.P. Roeland
Job title	Coordinator
Employed whole 2016?	yes
Part-time percentage	0.8889
(Former) executive?	no
(Fictitious) labour contract?	yes
<b>Individual WNT-maximum</b>	<b>168,000</b>
Remuneration	38,880
Taxable expense allowances	-
Provision post-employment benefits	4,047
<i>Subtotal</i>	42,927
-/- Undue payments	-
<b>Total remuneration</b>	<b>42,927</b>
<b>Comparison 2015</b>	
Employed whole 2015?	yes
Part-time percentage	0.8889
Remuneration	33,208
Taxable expense allowances	-
Provision post-employment benefits	3,252
<b>Total remuneration 2015</b>	<b>36,460</b>

**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 2016 received a salary above the individual maximum WNT remuneration. There are no severance payments paid in 2016 to other officers to be disclosed by the WNT, or paid in previous years that should be disclosed by the WOPT or the WNT.

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Amsterdam,

18 APR 2017

initials for identification purposes:

**STICHTING SCHONE KLEREN CAMPAGNE/CLEAN CLOTHES CAMPAIGN**

**OTHER INFORMATION**

**STATUTORY PROVISIONS GOVERNING PROFIT APPROPRIATION**

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

**APPROPRIATION OF RESULT**

By decision of the board the result of € 70.701 will be added to the reserves.

**AUDITORS REPORT**

See next page

## INDEPENDENT AUDITOR'S REPORT

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

### A. Report on the audit of the financial statements 2016 included in the annual report

#### Our opinion

We have audited the financial statements 2016 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 2016 and of its result for 2016 in accordance with the Guidelines for annual reporting 650 "Fundraising Institutions" of the Dutch Accounting Standards Board and the Policy rules implementation of the Public and Semi-public Sector Senior Officials (Standard Remuneration) Act (WNT).

The financial statements comprise:

1. the balance sheet as at 31 December 2016;
2. the profit and loss account for 2016; 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 as well as the Policy rules implementation WNT, including the Audit Protocol WNT. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

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

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

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KvK nummer 34374865





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

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

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

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

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. Management is responsible for the preparation of the other information, including the management board's report, in accordance with the Guidelines for annual reporting 650 "Fundraising Institutions" of the Dutch Accounting Standards Board.

## **C. Description of responsibilities regarding the financial statements**

### **Responsibilities of the Board for the financial statements**

The Board is responsible for the preparation and fair presentation of the financial statements, in accordance with the Guidelines for annual reporting 650 "Fundraising Institutions" of the Dutch Accounting Standards Board and the Policy rules implementation of the Public and Semi-public Sector Senior Officials (Standard Remuneration) Act (WNT). Furthermore, the Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company 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 company's ability to continue as a going concern in the financial statements.

### **Our responsibilities for the audit of the financial statements**

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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

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

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

Amsterdam, 18 April 2017

Dubois & Co. Registeraccountants



G. Visser RA

## INDEPENDENT AUDITOR'S REPORT

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

### A. Report on the audit of the financial statements 2016 included in the annual report

#### Our opinion

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#### Basis for our opinion

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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.

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Amsterdam, 18 April 2017

Dubois & Co. Registeraccountants

Signed on original:  
G. Visser RA