



Annual Report 2005



**Stichting Schone Kleren Overleg
(Clean Clothes Campaign)
Amsterdam**

CCC Annual Report

2005

Dear Reader,

The Clean Clothes Campaign is pleased (and fittingly proud) to present its Annual Report 2005. Although no large, world-wide campaigns were conducted this year, the CCC activities continued with unabated vigour. The effort of former years is ripe for harvest now, and the CCC accepted the new challenges this implies. In many ways the clothing brands are on the move. In answer to the campaigns, companies design new measures and establish new networks of collaboration. At times these intend or lead to improvements of the kind long advocated by the CCC. At other times the business world however undertakes initiatives that, in the eyes of the CCC, do not hold evident promise of structural improvements. Either way, the CCC takes on the task of relevant response.

The position of the critic is often an uncomfortable one. But this is the role the CCC elected to fulfil. Its first responsibility is to the women on the work floor. Of benefit to them is only the clearest formulation of the problems they encounter during their daily or nightly toil. The Social Audit Report 2005 is a – hopefully effective – contribution to this.

It is no less true that well-founded criticism can always count on support. Such encouragement, too, was part of the CCC experience in 2005. Even so, while CCC convictions are widely shared, they are not yet always widely implemented. Here lies a continued quest also in the year to come. We hope that, again, we can count on your support.

Evert de Boer

Chairman Clean Clothes Campaign

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This annual report is available at <http://www.cleanclothes.org/ftp/annual2005.pdf>.

A hard copy can be obtained from the International Secretariat, for contact information see above.

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Introduction

The Clean Clothes Campaign (CCC) aims to improve working conditions in the global garment industry and to empower workers, most of whom are women, with the ultimate goal of ending the oppression, exploitation and abuse in this sector. The CCC began in 1989 when solidarity and women's organisations in the Netherlands and UK took up the case of a garment factory lockout in the Philippines. Women at this William Baird (UK) and C&A (NL) subcontractor, were fired for demanding their legal minimum wage. During the year the workers picketed, groups in the Netherlands and UK continued campaigning. Campaigning for "clean clothes" had started, taking up the demands of Southern women's' groups and labour organisations. Having started in the Netherlands and the UK, the CCC is now a Europe-wide network that has built up over the past sixteen years. This Europe-wide network is in turn part of a larger international network of trade unions and labour NGO's, both in producing and consuming countries, which strives to advance workers' rights worldwide.

With this annual report the CCC wishes to inform everyone interested in the "Stichting Schone Kleren Overleg", internationally known as the Clean Clothes Campaign, particularly about the activities of the International CCC Secretariat (IS) and the Dutch CCC Secretariat. You will find links to our detailed activities report (both for the IS and the Dutch Secretariat) in the text.

Clean Clothes Campaign – Mission

In our foundation charter (see for the complete text: http://www.cleanclothes.org/ftp/ccc_foundation_charter.pdf) we state the following about the objective of the foundation:

Article 2.

1. The foundation has as its objectives:
 - a. To contribute to the improvement of working conditions in the garment industry world-wide but especially in developing nations; and
 - b. To accomplish the above goal in — in the most general sense — any manner that is relative to this objective.
2. Making profits is explicitly not the objective of this foundation.

The CCC aims to achieve these objectives by:

- Putting pressure on companies to take responsibility to ensure that their garments are produced in decent working conditions.
- Supporting workers, trade unions and NGOs in producer countries.
- Raising awareness among consumers by providing accurate information about working conditions in the global garment and sportswear industry, in order to mobilise citizens to use their power as consumers.
- Exploring legal possibilities for improving working conditions, and lobbying for legislation to promote good working conditions and for laws that would compel governments and companies to become ethical consumers.

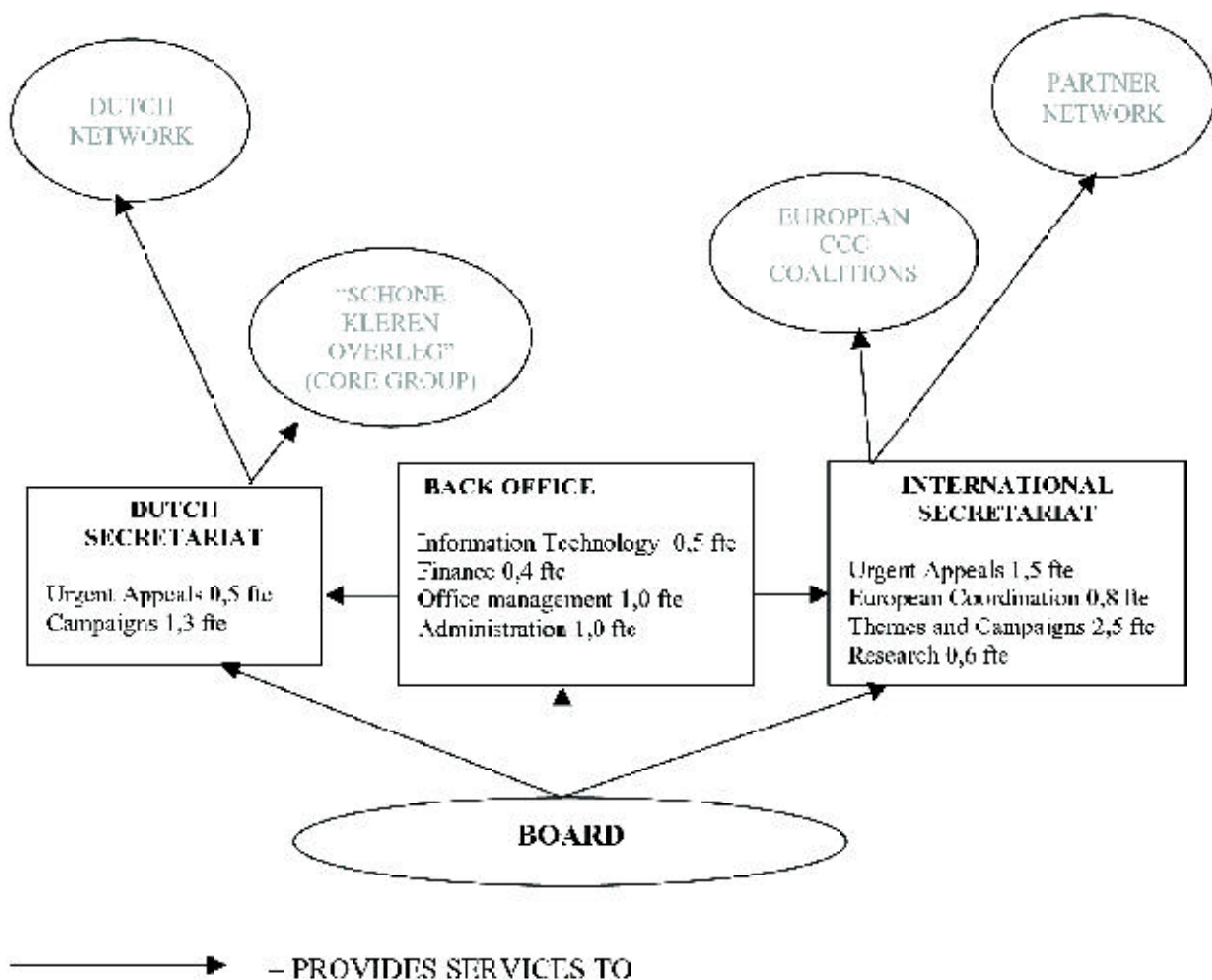
Clean Clothes Campaign – Organisation profile

The CCC is a network organisation, made up of

- European CCC coalitions: autonomous coalitions with NGOs (consumer, research, women's, fair trade and youth organisations, solidarity groups, churches, etc) and trade unions as members in European countries, each with a national secretariat
- CCC 'projects', 'project groups' or 'task forces' in several garment producing countries (Eastern Europe, India)
- An international partner network of NGOs, unions, individuals and institutions in most countries where garments are produced.
- A loose, informal network of organisations or coalitions that run similar campaigns in other consumer countries (ex. US groups, Fair Wear in Australia, Ethical Trade Action Group in Canada), several NGOs in European countries that do a lot of CCC-related work and may one day establish a complete campaign (Italy, Portugal) and the international trade union organisations.
- An international secretariat

Over 200 different organisations participate in the campaign.

Organisation Chart



1 fte (full-time equivalent) – 36 hours/week
gender ratio – 6,8 fte women, 3,3 fte men

The CCC Amsterdam office consists of three self-steering teams: one for the international secretariat, one for the Dutch secretariat and one for administrative support (back office). The office manager acts as liaison between the teams, who are beneficiary-driven, and collectively make decisions in regular team meetings. The staff collectively decides about the general matters of the organisation, thereby supported by the board. Strategic decisions regarding target and priority setting that concern the whole CCC network are made at both international and European CCC meetings.

The International Secretariat

- Coordinates the international activities and campaigns
- Facilitates the international campaign structures and channels
- Coordinates and/or facilitates the international urgent appeals
- Generates publications, makes information accessible for a broad public and carries out or commissions research

The International Secretariat meets three times a year with the European CCC coalitions. These meetings serve to set up new strategies, coordinate ongoing activities and improve communication structures. The general outlines are elaborated in task- and working groups on specific themes and campaigns, formed on these occasions.

With the international partner network there are continuous bilateral contacts on concrete casework (urgent appeals). Apart from this ongoing work, thematic and regional meetings are organised under the supervision of the International Secretariat for general strategy and agenda-setting; these meetings provide the framework for the CCC long range strategic plans.

The Dutch Secretariat

- Carries out the Dutch campaign coordination, particularly aimed at raising the awareness of Dutch consumers about the working conditions in the garment industry in general and in factories producing for specific brands in particular and at lobbying and campaigning on Dutch companies
- Follows up on international urgent appeals regarding Dutch companies, e.g. by pressuring companies to (re)act upon the demands of workers in their supply chain after the observation of violation of the international ILO conventions
- Sends a Dutch representative to meetings of the European and international networks.

The Dutch core group (“Schone Kleren Overleg”) consists of three national organisations on labour rights issues. The core group meets once a month, and gives input on the strategies and policies of the Dutch CCC Secretariat in the national context.

Members of the core group are:

- Landelijke India Werkgroep
- Filippijnengroep Nederland
- Stichting Onderzoek Multinationale Ondernemingen.

The broader Dutch Network serves to bring unions, human rights and labour NGOs and consumer organisations together on international labour rights issues. Three times a year the network meets under the supervision of the Dutch Secretariat, where the most salient issues are discussed and agendas are set for the coming period.

Participating organisations are:

- NOVIB
- FNV Mondiaal
- Amnesty International
- CNV jongeren
- Stichting Omslag
- de Landelijke Vereniging van Wereldwinkels
- Max Havelaar
- Solidaridad
- Stichting Natuur en Milieu
- Stichting Oikos
- NVVH
- Consumentenbond
- ICCO
- Hivos
- CNV internationaal
- Vastenactie
- Cordaid
- Fair trade organisatie
- Nationale Jeugdraad
- Nederlandse vrouwen Raad
- Sari WereldMode Winkels
- SOMO
- Filippijnen Groep Nederland
- Burma Centrum Nederland
- Goede Waar & Co
- Landelijke India werkgroep
- COS

The back office

The back office provides services to both the International Secretariat and the Dutch Secretariat. It is responsible for the administrative tasks, human resource management, external information services, websites, finances and facilities.

The board

The board consists of five members. The board members do not earn honorariums, salaries, or other forms of compensation from the foundation. They do have the right to reasonable remuneration for the costs incurred while performing their function. In 2005 no expenses were claimed by board members.

The board performs the following tasks:

- It is responsible for human resource management
- It supervises the goal-setting and functioning of the International Secretariat and the Dutch Secretariat and sees to it that the annual planning is carried out.
- It supports the International Secretariat and the Dutch Secretariat in carrying out the various campaigns
- It monitors the financial situation and authorizes the annual (financial) reports

Composition of the Board

Chairman: E. de Boer.

Substitute: D.J. Binnerts

Tasks and functions:

- Surveys board and CCC activities
- Prepares – together with the secretary – and presides over the board meetings

Secretary: V.A. Schipper

Substitute: E. de Boer

Tasks and functions:

- Is responsible for HRM of the two secretariats and the back office (incl. evaluations, career planning and conflict mediation)
- Prepares – together with the chair – the board meetings

Treasurer: M. Simons

Substitute: A.P.M. de Vries

Tasks and functions:

- Surveys financial matters of the CCC organisation and is responsible for reporting to board
- Develops and improves financial administration in close cooperation with the back office

Vice chairman: D.J. Binnerts

Substitute: V.A. Schipper

Tasks and functions:

- Advises the CCC staff on the improvement of the CCC organisation in terms of efficiency and efficacy

Vice treasurer: A.P.M. de Vries

Substitute: M. Simons

Tasks and functions:

- Supports the CCC staff in the development and implementation of various campaigns
- Advises on funding applications
- Is well informed about the structure of the Dutch and international network.



Clean Clothes Campaign - Activities

International Secretariat

The 2005 activities of the International Secretariat were part of the 2002-2006 program “*The Right to Organize – The Right to Know*”. Among the highlights of the International Secretariat’s activities (see for our extended activities report http://www.cleanclothes.org/ftp/CCC_Activities_2005.pdf):

Support and expansion of the international network, especially in production countries

In 2005 the CCC carried out activities to strengthen its network in Asia, Africa, Central, Eastern and Western Europe.

In 2005, staff from the International Secretariat visited various countries (Bangladesh, China, Hong Kong) and participated in international workshops (Korea, Indonesia, Vietnam) as part of the Play Fair at the Olympics Campaign “From Athens to Beijing”. During discussions with partners the focus was on follow-up activities to the Programme of Work for the Sportswear Industry (launched in 2004).

Field trips were organized to two countries, Morocco and Tunisia, where the CCC had not yet established strong ties with local organisations. In these countries various trade union organisations, human rights and women’s organisations and national offices of the ILO were visited. As a follow up a French language mailing list was set up to share information and facilitate an ongoing dialogue with these new partners in the international CCC network. The CCC participated in workshops in South Africa and Madagascar, covering the future of the African garments industry and the forming of new unions. An intensive workshop in Swaziland that brought together shop stewards, trade unionists from African countries and labour researchers and campaigners from Africa, Europe, Asia and the United States deepened knowledge of working conditions at units owned/producing for Asian manufacturing multinationals.

In the Central and Eastern European “Train the Trainers” project (started in 2003), organisations from Serbia and Montenegro, Romania, Bulgaria, Poland, Turkey and Macedonia were trained to gather information, do research into the working conditions in their own region and to build national networks. In 2005 workshops were organized in two countries to follow up on research projects that finished the year before.

In April for the first time four labour rights NGOs and consumer organisations joined together to try and forward structural collaboration on the issues. The International Secretariat will extend support for this aspiring new CCC in the same way as support continues to be provided for the other CCC coalitions in Europe.

Urgent appeals

In 2005 the CCC International Secretariat worked on 29 new cases. In addition work continued on 14 cases out of the previous year(s). The appeals originated in Bangladesh, Cambodia, China, Haiti, India, Indonesia, Lesotho, Macedonia, Madagascar, Namibia, Nicaragua, Pakistan, Sri Lanka, Swaziland, Thailand, Tunisia and Turkey. The CCC activities in these cases included writing letters of concern to the



local management of factories, writing letters to brands, lobbying companies sourcing at the factories involved, placing case updates on the CCC International Secretariat's website and as a last resort, launching public action requests on the website.

Many of the key issues in these cases involved union repression: for example, in one case workers labouring in factories with poor occupational health and safety conditions decide to form a union to negotiate a better collective bargaining agreement with management. Other reasons for forming a union were to secure better pay or to end forced and unpaid overtime. Incidents of union repression often led to harassment or dismissal of union members and their representatives. Other urgent appeals dealt with obtaining back wages for workers and ensuring that workers received legally entitled severance pay if their positions were terminated.

Three examples of cases that were successfully resolved in 2005 are the MSP Thailand case, the Stella International case in China and the Ring Shine case in Bangladesh.

One case received in 2005 resulted in a long scale campaign: On April 11 the Spectrum-Shahriyar factory collapsed, killing 64 workers and leaving thousands unemployed. More than a dozen brands situated in five European countries were contacted to provide compensation and emergency relief to the workers. Although some initial steps were taken to address the needs of injured workers and families of deceased, the campaign continues into 2006.

Continuation of the activities aimed towards pushing the companies to adhere to a good code of conduct, in which verification of implementation is central



In 2005 research concerning the quality and effects of social audits that monitor compliance with good labour practices in garment industry workplaces, took place in eight countries and resulted in the publication "*Looking for a quick fix: How weak social auditing is keeping workers in sweatshops*" (see http://www.cleanclothes.org/ftp/05-quick_fix.pdf). The report clearly concludes that social audits in their current form are failing to deliver as a tool for assessing code compliance, particularly in determining violations of freedom of association, excessive and forced overtime, abusive treatment and discrimination of workers. Notably the fact that workers and their organisations are marginalized in the social audit processes is of great concern to the CCC.

In 2005 a CD-ROM was compiled about codes, monitoring and verification (see <http://www.cleanclothes.org/codes/index.htm>). This much sought after CD-ROM presents an overview of eight years of code-related work. It provides links to materials that were developed by the CCC and others related to code content, implementation systems and mechanisms for verifying code compliance. The guide also includes materials on the usefulness of codes as a strategy for improving the application of international labour standards throughout supply chains and the primary challenges for the future. A critical assessment of the Business Social Compliance Initiative, written in 2005, is part of this CD-ROM.

Also this year the CCC continued to work together with five other organisations active on the implementation and/or enforcement of labour standards in the Jo-In project (see <http://www.cleanclothes.org/codes/jo-in.htm>.) This year project participants drafted a common code of conduct, agreed upon a trial methodology for the upcoming pilot phase and selected a list of suppliers in Turkey for possible inclusion in this pilot phase.

Apart from these bigger (research) projects, in 2005 the CCC was in contact with companies in the context of urgent appeals cases, pushing companies to remediate violations of workers' rights at factories in the supply chains.

Intensifying activities towards governments (local, national and international), in which governments are approached in their role as legislator as well as (large scale) consumer

The CCC International Secretariat commissioned Dutch CCC member's SOMO to carry out research on seven companies who supply (local and national) governments. The general conclusion was that work wear companies are lagging behind enormously when it comes to supply chain responsibility - possibly due to lack of public campaigning and pressure from communities that they take up these issues. The work wear report can be found at <http://www.cleanclothes.org/campaign/communities.htm>. In the Netherlands, Germany, Belgium North, France and Spain work continued to encourage more cities to adapt resolutions on buying ethical work wear, while in the UK, Sweden, Belgium South and Austria first steps were being made to prepare campaigns on workwear for 2006.

Public campaigns: The Right to Organise – The Right to Know

Also this year the Play Fair Alliance, a cooperation of Oxfam, Global Unions and CCC, continued to call for the Olympic values of ethics and fair play to be applied to the world's abused and exploited sportswear workers. The Alliance contacted all major sportswear companies and asked them to disclose their supplier list following the example set by Nike. A report detailing the responses of all sportswear companies targeted during the Olympic Campaign was put up on the website at <http://www.cleanclothes.org/campaign/olympics2004-eval-company-response.htm>. Each company was given the opportunity to comment on their own chapter, resulting in extensive dialogue.



Dutch Secretariat

In 2005 the Dutch campaign was busy with various activities. As part of the urgent appeals work, several lobby and public campaign activities took place. In the ongoing dialogue with companies, the Dutch CCC coalition continues to highlight the necessity of joining a credible multi-stakeholder initiative, such as the Fair Wear Foundation. To raise public awareness on labour rights issues, activities such as those included in the "scratch and win lottery campaign" were organised as was public distribution of more information about the practices of social auditing. Some highlights of the Dutch CCC activities (see for the extended activities report in Dutch http://www.schonekieren.nl/ftp/Activiteiten_2005.pdf):

Urgent Appeals

The Dutch Secretariat was involved in six urgent appeals cases in 2005. Two of these cases (North Sails and Fila) were so-called public cases, which means that consumers were mobilized to express their concerns to companies sourcing at factories where workers' rights violations took place, and push for remediation actions and changes in companies' policies regarding their CSR policies.

The Global Sports Lanka factory in Sri Lanka, producing for North Sails, unjustly dismissed workers in 2002 because they had gone on strike to protest management's refusal to pay their annual quality bonus. North Sails was contacted by the CCC to demand that their supplier solves this dispute and guarantees

the right to organize at their facility; so far the company has not adequately responded. Consumers were asked to write protest letters to North Sails management and organize protest actions at surf sail events where North Sails was present. The CCC itself was present at the BOOT exhibition in January in Germany, at the HISWA in Amsterdam, and later that year organized a “North Sea” action to draw national attention to this case. Unfortunately, the case still continues.

The second company that was publicly exposed for their failure to promote good labour conditions in their supply chain was Fila. In 2005 the PT Tae Hwa factory in Indonesia closed.. Up to the last day before the factory closed production was for Fila therefore the Dutch CCC asked consumers to push Fila to take responsibility to see that these workers were properly compensated. A short film about the failure of Fila to guarantee fair rights to their workers, featuring Boris Becker at Wimbledon, was broadcast by various regional television channels.



April 11, 2005, the Spectrum factory in Bangladesh collapsed. Many European companies were sourcing from this factory and have been pushed by the whole CCC network to provide compensation to the victims (and their families) of the collapse. In the Netherlands Scapino was approached to join a collective relief fund. To reinforce this appeal, consumers were asked to send protest letters to Scapino.

Other urgent appeals work included cases in Guatemala, Bangladesh and Morocco. Companies producing at the various factories were contacted to act upon the demands of the workers concerned.

Quick Fix tour

Following the publication of the international report on social auditing “*Looking for a quick fix: How weak social auditing is keeping workers in sweatshops*”, the Dutch CCC invited three researchers from different countries (Morocco, United States and Hong Kong) to the Netherlands. These guests launched the report at a public meeting at the Vakbondsmuseum (trade union museum) where 50 representatives of NGOs, unions, companies, critical consumers, students, activists and journalist were present. In the days following this presentation, the researchers and CCC staff met with management of major Dutch retailers Hema, Bijenkorf and We International, who were eager to discuss the outcomes of the report. The association of large textile companies in the Netherlands VGT (Vereniging van Grootwinkelbedrijven in Textiel) was also receptive to a dialogue on credible code monitoring and verification.

Scratch and Win Lottery Campaign

On October 18 the Dutch CCC launched the Scratch and Win Lottery Campaign. During this public campaign free lottery tickets were handed out. People could win 60 euro, the equivalent of one month’s salary of an average garment worker, including long and often compulsory overtime hours. The campaign aimed at increasing public awareness that the salaries paid to garment workers is not a living wage (i.e., not a wage sufficient to meet their needs for nutritious food and clean water, shelter, clothes, education, health care and transport, as well as allowing for a discretionary income.

Clean Clothes communities

Governments have a key role to play in ensuring that good labour standards are enforced, not only by regulating the private sector but in their own activities as well. In 2005 the Dutch CCC continued follow up activities on their successful campaign begun in 2000 to pressure the Dutch government to be a

responsible consumer. Profiles of selected companies were compiled to contribute to the SOMO research about work wear suppliers of local and national governments in Europe. Having a lot of experience with the establishment of Clean Clothes Communities, the Dutch CCC is now supporting other CCC coalitions to start similar projects in their countries. In 2005 the Spanish CCC visited Enschede, the first Dutch municipality that integrated far-reaching social and environmental requirements in their buying policy. Later that year the Dutch CCC participated in a meeting for governmental buyers and policy makers in Barcelona.

Dialogue with companies

Part of the regular activities of the CCC is of course the dialogue with companies to push them into adherence to good code of conducts and implementation procedures. Within the scope of the urgent appeals work, the Play Fair at the Olympics Campaign, the launch of the social audit report and the general wish to make more companies join the Fair Wear Foundation, this year a lot of energy was put into communication with companies. The launch of the Business Social Compliance Initiative in 2004 — an initiative heavily criticized by labour rights NGOs for being an incomplete, minimalist model for compliance with labour standards, relying on weak auditing, not being accountable to the public and lacking involvement of key stakeholders — has kept many companies from joining a more credible multi-stakeholder initiative such as the Fair Wear Foundation. Next year the Dutch CCC will continue to stress these objections in all debates and contacts.

Clean Clothes Campaign – Social impact

Staff

As made clear in our organisation chart, the Clean Clothes Campaign does not have a director or management staff. Every staff member is part of the collective decision-making, which contributes to productivity and efficiency because team-members are fully informed and involved, and stand behind each decision since they were part of making. This also means that CCC is internally in line with the values it externally promotes: grass-roots democratic organizing, participatory methods of research, workplace assessments, direct involvement of workers themselves in all processes established to promote their rights. All employees of the Clean Clothes Campaign are paid the same rate, regardless of their age or position within the organisation.

In 2005 the total fte (full-time equivalent) in the organisation has increased with 1,2 fte. An extra urgent appeal coordinator has joined the Urgent Appeals team, thereby increasing the capacity to follow up on cases and build stronger cooperation with partners in different parts in the world. The hours of other staff members have been increased to expand the capacity for work on themes and campaign activities.

In 2005 a personal annual training budget for each employee has been reserved. Staff members are encouraged to use this training budget corresponding to the current tasks they are performing, their wishes to expand their tasks in the future and their personal development that could benefit the CCC as a whole.

The CCC office is re-organized according to recent fire regulations. Two staff members received training in company first aid and are now qualified following Dutch law as “Bedrijfs Hulpverlening” (BHV).

Environment

In 2005 the CCC has switched over to FSC (Forest Stewart Council) paper for all its copies, prints and materials.

Financial Report

Mr. G-J. Jordaan RA, registered accountant in Nieuwegein, approved of the financial report 2005

BALANCE SHEET (after result allocation)	31-12-2005	31-12-2004
assets	(in euros)	(in euros)
<u>tangible fixed assets</u>		
office equipment	569	2.692
<u>receivables and payment</u>		
social premiums	3.539	-
NV work	-	3.247
subsidy receivable	38.298	36.283
<u>liquid resources</u>		
bank deposits	192.652	178.394
petty cash	-	19
total assets	235.058	220.635
liabilities		
<u>capital</u>		
capital as of 31 st December	64.669	64.074
<u>short term liabilities</u>		
subsidies to spend	104.904	105.513
NV work	1.796	-
wage tax	-	2.282
salaries	16.292	18.962
social premiums	-	804
pensions	-	8.645
creditors	40.249	8.923
costs payable	7.148	11.432
total liabilities	235.058	220.635
 STATEMENT OF BENEFITS AND COSTS	 2005	 2004
benefits		
subsidies spent	679.223	374.592
donations	6.931	3.906
interest	2.834	1.566
other benefits	16.947	13.416
total benefits	705.935	393.480
costs		
staff	236.646	175.718
housing	7.551	6.754
organisation	25.855	25.264
activities	433.165	179.339
depreciation	2.123	3.080
total costs	705.340	390.155
result	595	3.325