

TRANSPARENCY CODE

PRINCIPLES

1. We are committed to transparency

We bear full responsibility for our actions at all times. Transparency is an essential prerequisite for this. We provide our external stakeholders with information they deem relevant, thereby rendering account of our work. To the extent possible, we specifically include the people impacted by our work in the further development of our projects.

Our work aims to improve the living conditions of disadvantaged people sustainably. We strive to achieve the best possible outcomes for them. Transparent and continuous analysis of our activities as well as open dialogue with our stakeholders are vital to constantly enhancing the impact of our work.

Transparency underpins our credibility, the trust of stakeholders in our work and the broad-based support for our aid organisation.

2. We have a duty of transparency

Our values and principles are the source of our duty of transparency in our actions and in reporting on them. We are committed to already existing standards that set key transparency requirements. Besides the provisions of law, the main ones include the relevant provisions of ZEW0.¹ The most important criteria to be met by an organisation to obtain the ZEW0 seal, in addition to the effective and cost-efficient use of donations for the designated purpose and integrity in fundraising and communication, also include transparency regarding activities and financial reporting. Other important standards are the provisions of Swiss GAAP FER21².

3. Our understanding of transparency

- We report promptly, appropriately and openly on our work, structures and finances. We do so using different communication channels and information tools and in a manner tailored to suit the respective stakeholder groups.
- We render account actively and passively³ to our stakeholders as to the goals, activities and outcomes of our work. In so doing we explain how the work was done, how the resources were used and the extent to which the goals have been attained.



- We take up the feedback we receive from the people who are directly affected by our work. It forms an important basis for further improving on our work.

We comply with statutory and contractual obligations. These may even entail restrictions determining the confidentiality of certain information (e.g. the protection of individuals, professional secrecy or the protection of project partners in politically sensitive situations).

4. We owe it to them to be transparent

We are committed to transparency both internally and externally, in particular with respect to stakeholders who are affected by or facilitate our work:

- Our project partners as well as project beneficiaries, whom we support in their endeavours to improve their living conditions;

Explanatory notes

- 1 The 21 Zewo Standards, Zewo Foundation Zurich, April 2016
- 2 Generally Accepted Accounting Principles: Professional recommendations for improved comparability and relevance of annual financial statements and (financial) reporting. Swiss GAAP FER 21 contains accounting and reporting recommendations for charitable, social, non-profit organisations. The Zewo Foundation has declared them mandatory for reporting by Zewo-certified organisations.
- 3 Active accountability: putting out our own publications (e.g. Annual Report), passive accountability: responding to requests from the outside

- the Federation of Swiss Protestant Churches, which gives us the mandates for our work, and its member churches;
- the donors who finance our projects;
- those who contract our services, on whose behalf we implement projects, and
- interested members of the public.

5. How we achieve transparency

We provide our stakeholders with adequate, easily accessible information. The choice of information tools and channels and the scope of the disseminated content are geared to the varying needs of the different stakeholders and to our own possibilities. We are careful to ensure that the outlay for transparent reporting is proportionate and does not generate unnecessary administrative costs. We provide information promptly and factually when it is needed and upon request.

We render account passively and actively with respect to the above-mentioned stakeholders. Our communication channels allow for feedback from those stakeholders. This feedback is taken into consideration for the further development of project work.

We report regularly on the status of implementation of these guidelines.

6. How we communicate

Our communication is oriented towards dialogue and problem solving.

We communicate honestly and realistically. Our information is factual, understandable, sound and geared to stakeholder expectations.

CONTENT

In terms of content, we place the following areas at the centre of transparent reporting.

7. General information on the organisation

In our public communication we clearly portray our character and worldview, furnishing truthful information in that regard (Zewo Standard 2.2b).

Basic information about our organisation, its strategy and work, e.g. constitution of the foundation, mission statement, strategy, values, annual reports, information on individual projects as well as our important working and contact partners, can be viewed at any time via the Internet on a regularly updated website.

8. Annual activity and financial report

Our annual reporting covers the entirety of our activities. The annual reporting comprises an annual report as well as the audited annual financial statement according to Swiss GAAP FER 21 (Zewo Standard 12.2).

The annual report consists of a self-portrait of our organisation. It lays out the purpose and aims of our organisation, our core activities, a performance report, and takes a look at the future.

The annual report also provides information on important events from the review period and on (outside) developments and trends in our sphere of activity. We publish the annual and financial report at the latest six months following the end of the financial year.

We also give an account, separately from the annual activity report, of projects, services or programme areas undertaken or supported by us. Information regarding ongoing projects and programmes, more specifically about aims, activities and outcomes, is made available on our website and when requested.

We prepare our annual financial statement in accordance with Swiss GAAP FER accounting standards and apply Swiss GAAP FER 21 – Accounting for charitable non-profit organizations (Zewo-Standard 13.2).

In the notes to the annual financial statement we disclose fundraising expenses (Fundraising and advertising expenses, incl. the corresponding personnel expenses) as well as administrative expenses (incl. the corresponding personnel expenses). Administrative expenses calculated according to Zewo method are disclosed separately in the notes to the financial statement (Swiss GAP FER 21, paragraph 22).

The annual financial statement contains information on our investment regulations and reserve targets, if the reserves fall outside the range defined by Zewo (Zewo Standards 11 and 15).

Our accounts and our annual financial statement are subject to a regular audit (Zewo Standard 14).

We report on the outcome of this audit.

9. Performance measurement

We issue a performance report appropriately describing our activities and providing information on cost-effectiveness (efficiency) and performance. Established annual goals are disclosed (in accordance with the Constitution, Regulation and decisions of the Board of Trustees and management). We explain how the attainment of qualitative and quantitative goals is measured and assessed. We describe the services provided in relation to the goals set and back up our statements as far as possible with meaningful figures (Swiss GAAP FER 21 para 51 a) + b)).

We furnish as much information as possible in the performance report on satisfaction amongst service recipients and/or beneficiaries.

When project objectives are not attained, we address and explain the situation. We discuss risks (Swiss GAAP FER 21 para 51c)) and report openly on setbacks and failures in our work and on the conclusions and lessons we draw from them.

10. Organizational structure and corporate governance

We provide information about our personnel, organisational and decision-making structures and describe the make-up of our organisation and its organs in terms of their respective tasks, their staff composition and the form and process of staff appointment.

The annual report discloses information about the following specific areas:

- The occupation of our Board of Trustee members;
- Mandates and connections of our Board of Trustee members, if they are relevant to the activities of the organisation (Zewo Standard 5.2);
- The total amount of the remuneration and costs of our Board of Trustee members (Swiss GAAP FER 21 para 24) and separately, the President's remuneration (Zewo Standard 8.7);
- Information about the members of the management body, their function, as well as the overall amount of that body's remuneration, including contractually agreed costs and expenses and other outlays (Swiss GAAP FER 21 para 24).

We disclose transactions and the resulting receivables from or payables to related organisations and persons (Swiss GAAP FER 21, paragraph 25).

Our Board of Trustee members provide their services on an honorary basis. Moderate and reasonable remuneration may be paid to Board of Trustee

members for particularly time-consuming work (Zewo Standard 8).

Remuneration for employees and the Executive Board must be consistent with requirements, qualifications, responsibility and work performance and must be in line with the levels in effect in other similar charitable organisations (Zewo Standard 8.5).

11. Memberships and partnerships

In the annual report we disclose our connections with affiliated organisations (Swiss GAAP FER 21 para 27).

In particular, the annual report discloses links with subsidiary companies, partnerships with other organisations and memberships in their managing bodies.

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