

CODE OF ETHICS



KARPATSKÁ
NADÁCIA

This Code of Ethics summarizes policies and guidelines expressing basic values of the Foundation and its organizational culture, concerning all the members the Foundation's bodies (Board of Directors, Supervisory board, Director) and members of Foundation's advisory bodies (program evaluation committees), members of permanent and ad-hoc committees established to decide matters related to the Foundation's activities, grant-making or in-kind support provision to third parties, as well as to all the employees of the Foundation.

The Code of Ethics forms a part of the Foundation's organization system and, unlike other parts of the organization system, it is a publicly available document. Breaching of the rules and principles defined in the Code of Ethics may result in removal from the Foundation's bodies, standing and ad-hoc committees or in the termination of employment contracts – termination of employment of a Foundation's employee or termination of any other labor relationship. An employee of the Foundation shall mean any person with whom the Foundation has an employment relationship or a similar relationship, or cooperates with such person on regular or occasional basis.

This Code of Ethics is a part of the Organizational rules (OP) of the Foundation, and unlike the other parts of the OP, it is a public document. A breach of this Code of Ethics may lead to an exclusion from the Foundation's bodies, from permanent or ad-hoc committees, to a termination of an employee relationship with an employee, or to the ending of any different contractual relationship.

This Code of Ethics consists of:

1. Definition of conflict of interest;
2. Policies for avoiding conflict of interest:
 - policy of impartiality and independence
 - gift acceptance policy
 - partnership principles
 - neutrality policy
 - equal treatment and non-discrimination policy
3. Foundation's Procedure in cases of violation of Code of Ethics

The Carpathian Foundation respects principles of honesty and fairness in fulfilling its mission and in all of its operations.

Conflict of interests is a situation which may concern any member of the Foundation's bodies, its employee, volunteer, member of the evaluation committee of a program or any other permanent or ad-hoc committee when getting involved in the Foundation's activities. In order to prevent such situations and also in order to define clear guidelines for their identification and evaluation, these policies have been introduced. Their purpose is to provide a clear definition of the conflict of interest, set sanctions for the breach of rules, and create a procedure for dealing with the situation of conflict of interest.

Definition of conflict of interests

For the purposes of this Code of Ethics, the conflict of interests shall mean any existing or potential conflict between the Foundation's public benefit mission and the private interests of person who takes part in its activities, which may have a negative influence on the actions of a person in relation to the Foundation, mainly such which may provide unjustified financial benefits to a person acting in conflict of interests, to its close persons or to any other person, at the expense of the Foundation's public benefit mission.

Policies for avoiding conflict of interests

These Policies apply to all members of Foundation's bodies, as well as members of permanent or temporary advisory bodies created for the purposes of decision-making concerning the Foundation's activities, providing financial grants or other forms of support to third persons, as well as on the Foundation's employees.

POLICY OF IMPARTIALITY AND INDEPENDENCE

1. Members of the Foundation's bodies may only be persons who have no material interests in the programs supported by the Foundation. In unique cases, when the decision concerns the support of a project in which a member of the Foundation's bodies has a personal interest, such member does not participate at the decision-making, and the decision must be approved by the Board of Directors, which must be informed about the conflict of interests in a due and timely manner.
2. Members of the Foundation's bodies, advisory bodies, permanent and ad hoc committees, employees of the Foundation and their close persons and organizations, in which they have employment or other similar relationship, or for which they work as contractual suppliers of services, may not apply for a grant.
3. Members of the advisory bodies (evaluation committees) of the Foundation and their close persons, and organizations in which they have employment or other similar relationship, or for which they work as contractual suppliers of services, may not apply for a grant from a program for which they are members of the advisory body. These persons are not excluded from the possibility to apply for a grant from a different program of the Foundation.
4. Members of the Foundation's bodies and employees of the Foundation may not have any financial or material income from the grants awarded.
5. Members of the Foundation's bodies, members of Foundation's advisory bodies, permanent and ad hoc committees, employees of the Foundation and their close persons who are a) volunteer members of another non-governmental organization, and at the same time b) have no financial or material benefit from the grants awarded from the Foundation's programs for these organizations, are not in conflict of interest in case these organizations apply for a grant. They are however obliged to inform the decision-making body about this, and also refrain from participating at the decision-making.
6. In case the Foundation uses the services of an organization/company owned or co-owned by a member of the Foundation's bodies, an employee of the Foundation or its close person, this cooperation must be beneficial for the Foundation, either financially, by terms of quality or the specification of services, and its benefits must be supported by market research, or at least by another 1 alternative offer of such services. Each such case shall be assessed by the director of the Foundation, and in controversial cases, by the Board of Directors or Supervisory board.
7. Members of the Foundation's bodies, advisory bodies, permanent and ad hoc committees, which participate at the decision-making and control processes in relation to grants and other schemes of support, are obliged to use standard means of communication when communicating with the potential or existing grant applicants, and avoid such communication with these applicants, which could constitute any doubts about their impartiality and independence.

GIFT ACCEPTANCE POLICY

ACCEPTANCE OF GIFTS FOR THE FOUNDATION

The Carpathian Foundation's annual budget is formed from donations by legal and natural persons, grants provided by various governmental and non-governmental organizations, a percentage of income tax

of legal and natural persons' assignation, income generated through implementation of some activities and last will bequests. Apart from monetary income, the Foundation accepts in-kind donations in the form of pro-bono products and services provided by the Foundation's supporters and donors.

The Foundation complies with the request of a donor to remain anonymous, and respects his/her decision. In all documents, such donor is identified as "anonymous donor". The same rules shall apply to an anonymous donor that apply to any other Foundation's donors, and the ethical source of the donation income must be guaranteed. The ethical source of the income shall be assessed by the Board of Directors, following a request from the Director and an opinion of the Supervisory board.

The Foundation does not accept monetary or any other support from companies and organizations, the cooperation with which could jeopardize the Foundation's good reputation or its program or value integrity. Controversial cases (so-called ethical dilemmas) shall be reviewed by the Foundation on ad hoc basis and shall be decided upon by the Board of Directors of the Foundation.

The Foundation considers as unacceptable the cooperation with organizations whose core business areas include weapons, usury, pornography, or other socially unacceptable areas of business, as well as with entities who severely and demonstrably breach the valid legislation.

The Foundation sensibly considers the cooperation with business entities and checks their ethical behaviour mainly towards their employees, suppliers, purchasers, consumers and others, including the protection of the environment and the nature.

ACCEPTANCE OF GIFTS RECEIVED BY MEMBERS OF THE FOUNDATION'S BODIES AND FOUNDATION'S EMPLOYEES

Members of the Foundation's bodies, members of permanent and ad hoc committees, members of evaluation committees and Foundation employees are not allowed to accept or present gifts or provide services with the aim of influencing the decision to award a grant or control its use, or any other decision.

Gifts obtained from grant applicants, grantees or participants of educational and other activities organized by the Foundation, its partners and cooperating organizations, must be handed over to the Foundation and the Foundation will express gratitude for them in an appropriate way. Small souvenirs, products of little monetary value produced in the course of supported grants and promotional items form an exception to this rule.

Payment for a working meal covered by a grant applicant or a grantee is unacceptable, with the exception of meals prepared en masse during events organized within the scope of supported projects, acceptance of which is a sign of respect and rejection of which would be inappropriate and impolite. Foundation has created a fund for covering the expenses of working lunches, dinners and other events with its partners. Unless there are serious reasons preventing this or other specific circumstances, the Foundation's employee uses the means from this fund to cover the expenses.

PARTNERSHIP PRINCIPLES

In order to fulfill its mission, the Carpathian Foundation cooperates with a number of partners from various sectors and countries. To make these relations beneficial for both sides as well as transparent, the Foundation strives to follow the principles below while developing these relations:

Responsibility for the Foundation's Mission Principle

The Foundation establishes partnership relations and cooperation exclusively with the aim of fulfilling its mission.

Factuality and "Social Investment" Principle

Partnerships must be directed at the development of the region and solving of a particular issue, leading to measurable results; emphasizing the joint social investment concept aimed, primarily, at the development of communities, individuals and organizations which are contributing to the search for local solutions in the long-term.

Autonomy Principle

Partners must maintain their mutual independence. The Foundation must remain autonomous when implementing its programs and maintaining its principles.

Ethical Origin of Resources Principle

All financial and other resources used by the Foundation must be gained in accordance with the democratic, legal and ethical norms and with this Code of Ethics.

“Refusal of Advertising” Principle

Partners understand that the purpose of cooperation is not to promote any commercial product of any of the partners. A cooperation within the institute of charitable advertising is a specific case and is not in contradiction with this principle.

Continuous Improvement Principle (Innovation Principle)

Partners undertake to work towards an active and ongoing improvement of their cooperation for the benefit of all stakeholders. Partnership is a relationship based on sharing the risks as well as benefits of cooperation.

Openness Principle

Partners shall be open in their mutual communication, particularly in case issues, mistakes, unexpected outcomes or misunderstandings occur, as it is bound to happen in course of cooperation.

A part of the openness principle is also the emphasis of the knowledge of the partners about the existence of this Code of Ethics, which is published on the website of the Foundation so that every partner has the opportunity to be acknowledged with it. In case it is convenient, a special provision of a contract may refer to this Code of Ethics.

Long-term Relationship Principle

Partners shall build long-term relationships and understand they need to continuously invest into their continuation. Partnerships must not turn into a one-off gift, donation, or a media event. In such case, the relation shall be considered as ad hoc cooperation, and not a partnership.

Responsible Publicity Principle

Partners shall publicize outcomes of joint programs exclusively in a form and context that is acceptable for all partners involved and has been approved by both partners.

Principle of Voluntariness and Freedom

Partners understand it may happen that a partnership will not be functional or produce the expected outcomes for all parties involved. Therefore, they respect the possibility for the engaged partners to freely cease their partnership agreement without attribution of blame.

Principle of Legality

Partners understand that the goals of partnership may only be achieved in compliance with the corresponding legal regulation concerning the Foundation and also its partners.

NEUTRALITY POLICY

The Carpathian Foundation as an organization does not promote any political direction nor supports any political party or movement, nor any religious belief, church or sect. The Foundation's neutrality applies to its vision, mission, strategies, aims and objectives and to all activities, establishing of partnerships and all fundraising activities.

Non-partisanship of the Foundation is safeguarded by the following principles:

1. The Foundation has an ambition to participate on the creation of various policies on national, regional and local level, with emphasize to those that directly concern the topics and problems with which it deals on the long term. This ambition is usually enforced by surveys and researches,

producing specialist studies, organizing public presentations and discussions and support of campaigns and projects with similar activities. The Foundation however always remains impartial, does not incline to any political direction, any political party or movement, or any political candidate.

2. In its grant programs, the Foundation does not support any political parties, movements, political candidates or political campaigns organized to influence results of any elections or plebiscites or other general public voting. The only exception to this rule may be the support given to projects aimed at campaigning to change legislation mainly in the area of human rights protection, equality, increase of voter turnout at elections, or mobilization of the public. In specific cases which may be sensitive or controversial, the Director decides in cooperation with the Board of Directors and Supervisory board.

3. The Foundation does not accept financial support from any political parties or movements.

4. The Foundation carefully considers the cooperation with individuals who are publicly identified with a specific political party or are members of a political body. Such cooperation must be approved by the Director and controversial cases must be consulted with the Board of Directors and the Supervisory board of the Foundation.

5. Members of the Foundation's bodies and Foundation employees are not allowed to get actively involved in political activities at national, regional or local levels on behalf of any political party or movement. Active involvement shall mean, inter alia, running for a political post or running to be elected to a political office; or involvement in an active and publicly recognized political campaign in favor of a political party or movement or a political party or movement candidate.

6. General membership in a political party or movement shall not be considered as a violation of the principles and of this Code of Ethics.

7. The Foundation's neutrality policy shall not be compromised if a member of the Foundation's bodies or a Foundation employee becomes actively involved in political activities in their private life to a degree which will not influence the Foundation's operation.

Foundation independence from religions and churches is safeguarded by the following principles:

1. In its grant and other programs, the Foundation does not support or promote any specific religious denomination, church or sect.

2. In programs where involvement of churches is beneficial and contributes to a better outcome, ecumenical solutions shall be preferred allowing for equal involvement of all churches without favoring any of the said churches.

3. In case of providing support to organizations affiliated with a specific religious denomination or church (such as youth organizations established by individual churches) or under their direct influence, the supported project or activity must not, under any circumstance, include activities promoting a religion, practicing of faith or religion forming activities.

EQUAL TREATMENT AND NON-DISCRIMINATION POLICY

The Carpathian Foundation is an open organization which, in any of its activities, is not inclined to support any political direction or candidate, religious denomination, church or a sect. The Foundation treats individuals equally irrespective of their political or religious beliefs, nationality or ethnic affiliation, age, family status, disability, gender, sex, sexual orientation or minority group affiliation of any kind. Any form of discrimination in the Foundation is ruled out.

The Foundation actively encourages the attention to human rights observation, and requires similar approach from organizations which apply for financial support within the Foundation's grant programs, and also from partners within its programs and grants.

The Foundation strives to form opportunities for individuals and organizations belonging to some disadvantaged or vulnerable groups which, for various reasons, deserve increased attention and help.

The equality of chances principle applies to all of the Foundation's activities and processes without exception, including:

- Forming of Foundation bodies and permanent and ad-hoc committees;
- Recruitment and hiring of employees;
- Recruitment and hiring of volunteers;
- Recruitment and hiring of interns;
- Organizing events;
- Awarding of scholarships and other forms of individual support;
- Awarding of grants and other forms of organizational support.

Procedure in cases of violation

1. In the course of their actions, each member of the Foundation's bodies, permanent and ad hoc advisory bodies, evaluation committees and other persons to whom this Code of Ethics may be applied, are obliged to observe, whether there exists or there is a possibility of conflict of interest, and in case it exists or there is a possibility of its occurrence, to inform the Director about this conflict of interest. The Director informs the Board of directors and a member of the Board of Directors informs the Supervisory board of the Foundation.
2. Every person may refer to the Foundation with a petition or request concerning the interpretation and/or application of this Code of Ethics.
3. Petitions and requests concerning this Code of Ethics are to be handled by the Foundation's Director, who also provides opinions / suggestions concerning further action. Director may require a statement concerning the matter from the Board of Directors or from the Supervisory board. A petition / request from the member of the Board of Directors and/or the Supervisory board shall be dealt with at the next meeting of these bodies.
4. If a delivered petition or the Foundation's own findings indicate a suspicion that there has been or there is a breach of this Code of Ethics, the Foundation will investigate the matter with due care. Within its procedures, it will provide all the available evidence and hear all the concerned persons. The evidence for this investigation is to be provided by the Foundation's Director or an employee of the Foundation authorized for this by the Director. In case the suspicion concerns the Director, the Board of Directors will appoint an employee responsible for the investigation.
5. The decisions in cases of conflicts of interests and/or other breach of this Code of Ethics concerning the Foundation's employees and external contractors/collaborators are to be adopted and implemented by the Director of the Foundation. In case the conflict or breach concerns the Director or member of the Supervisory board, the Board of Directors shall adopt and implement the decisions, and in case a member of the Board of Directors is concerned, the Supervisory board has this competence.
6. In case of a minor breach, it is not necessary to implement any sanctions, in case it is possible to adopt such measures which will remedy the breach or eliminate its negative effects.
7. When deciding about the sanctions for a breach of this Code of Ethics, all circumstances are to be taken into consideration, especially the extent, intensity and time duration of the breach, level of culpability, attitude of the person responsible on the breach, whether such person gained or tried to gain material profit, and the amount of damage.
8. For a substantial breach of this Code of Ethics, the following sanctions may be applied:
 - a) written warning about substantial breach of work discipline (in case of employees of the Foundation); in case of a severe or repeated breach even the termination of the employment relationship;
 - b) written warning about breach of contract or termination of contractual relationship or other type of cooperation;
 - c) claim to return the unjustified profit / pay indemnification.