

February 2, 2024

Whistleblowing Directive

Further to the publication of the EU Whistleblowing Directive 2019 (EU WBD), the Hungarian whistleblowing protection law came into effect on July 24, 2023. This document sets out the type of concerns that can be raised under the new law, the channels available to staff and other eligible persons to report these concerns and the protections afforded to whistleblowers.

Background

On July 24, 2023, the Hungarian transposition of the EU WBD came into effect. The new law requires Citi Hungary to introduce local internal reporting channels for eligible persons to raise Qualifying Concerns.

What is a Qualifying Concern?

Qualifying Concerns (QC) are a subset of concerns that are specifically provided for under the EU WBD with specific protections attached. These are limited to a report of information relating to one or more of the following:

- Financial services, products and markets, prevention of money laundering and terrorist financing
- Consumer protection
- Protection of privacy and personal data and security of network and information systems
- Wrongdoings affecting the financial interests of the EU
- Wrongdoings relating to the EU internal market including breaches of Competition and State aid rules
- Rules on corporate tax including any tax arrangements
- Committed crimes when discovered by a protected person within the performed work or service.
- Public procurement
- Product safety and compliance
- Transport safety
- Protection of the environment
- Radiation protection and nuclear safety
- Food and feed safety and animal health and welfare
- Public health.

Who is eligible to raise a Qualifying Concern?

Under the transposition of the EU Whistleblowing Directive for Hungary, the following persons are eligible to raise a Qualifying Concern:

- a) any employee of the employer;
- b) an employee whose employment relationship with the employer has been terminated; and

c) any person wishing to establish an employment relationship with the employer, provided that the procedure for establishing this legal relationship is pending.

d) a private entrepreneur or sole proprietorship if engaged under contract with the employer;

e) any person who holds an ownership interest in the employer, as well as persons belonging to the administrative, management or supervisory body of the employer, including non-executive members;

f) any persons working under the supervision and direction of contractors, subcontractors and suppliers, provided that the procedure for entering into a contract with the employer is pending, or they were engaged under contract with the employer previously;

g) the employer's volunteers and trainees;

h) any person wishing to establish an employment or contractual relationship referred to in Paragraph d), e) or g) with the employer, provided that the procedure for establishing such employment or contractual relationship is pending; and

i) any person whose employment or contractual relationship referred to in Paragraph d), e) or g) with the employer has ended.

What reporting channels are available?

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| <p>Citi Ethics Hotline</p> | <p>Hotline - Click here for Ethics Hotline contact number</p> <p>Website - Click here to report a concern</p> |
| <p>Citi Hungary Reporting Channel</p> | <p>Local Hungarian reporting channel available with immediate effect</p> <p>HungaryCRM@imceu.eu.ssmb.com (internal mail address)</p> <p>whistleblowinghungary@citi.com (external mail address)</p> |

What are the differences between the reporting channels?

When the Citi Hungary Reporting Channel is used, Qualifying Concerns will be handled in accordance with the Hungarian legislation, including being received and, where appropriate, reviewed in Citi Hungary along with specific response times and follow ups.

Where you contact the Citi Ethics Hotline to escalate a concern, those concerns, including Qualifying Concerns, will be handled in accordance with the processes and procedures governing the Ethics Office. This will not necessarily be handled in accordance with the Hungarian legislation, where, for example, there are prescribed timelines for employers to consider Qualifying Concerns.

Anonymous Reporting & Confidentiality

Anonymous concerns can be made through the Citi Hungary Reporting Channel and the Ethics Hotline.

All Qualifying Concerns raised irrespective of reporting channel are treated as confidentially as possible, consistent with the need to investigate and address the matter.

External Reporting Channels

Qualifying Concerns can also be raised to the local competent external authorities, details of which are outlined below.

- the Directorate-General for Auditing European Aid
- the Hungarian Competition Authority
- the Integrity Authority
- the Public Procurement Authority
- the Hungarian Energy and Public Utilities Regulatory Office
- the Hungarian National Bank
- the Hungarian National Authority for Data Protection and Freedom of Information
- the Hungarian National Media and Infocommunications Authority
- the National Atomic Energy Authority
- the Authority for the Supervision of Regulated Activities
- Commissioner for Fundamental Rights

Protection Against Retaliation

Regardless of the channel used, Citi prohibits any form of retaliatory action against anyone who raises concerns or questions regarding ethics, discrimination, or harassment matters; reports suspected violations of law, regulation, rule, or breach of policy, standard, procedure, or the Code of Conduct; or participates in a subsequent investigation of such concerns.

Should you have any questions in relation to the above, please contact Citi's country compliance experts available at the Citi Hungary Reporting Channel.