

Overview of the handling of whistleblowing reports

[9 October 2023]

1. What is the purpose of the whistleblowing system?

The whistleblowing system (System) is a system for remedying or eliminating conduct that is the subject of a report, based on information provided about illegal or suspected illegal acts or omissions or other violations.

2. What legal regulations apply to reporting?

The most important legal regulations are as follows.

- o Act XXV of 2023 on Complaints, Disclosures in the Public Interest, and Related Rules on Reporting Abuses of Public Interest (Whistleblower Protection Act)
- o Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, repealing Directive 95/46/EC (General Data Protection Regulation, GDPR).

3. What are the basic principles of the system?

The person participating in the procedure shall act

- o in line with the criteria of objectivity and impartiality;
- o in good faith;
- o fairly;
- o according to the principle of cooperation;
- o in accordance with the Code of Ethics (the principle of fair process).

The protection of the whistleblower is of the utmost importance and, therefore, the whistleblower, their co-worker or family member must not suffer any retaliation, discrimination or other unfair treatment. The whistleblower cannot be disadvantaged even if investigation proves the report made in good faith to be unfounded.

4. What is abuse?

Abuse is defined as an unlawful act or omission or other misconduct (e.g. ethical misconduct).

5. What is whistleblowing?

Whistleblowing is any indication or signal that draws attention to a circumstance the remedy or elimination of which serves the legitimate interest of the company or a business interest of the company not violating legal regulations, or the elimination of a threat to public safety, public health or the environment.

6. What information can I share in the report?

In order to initiate the procedure, the whistleblower must provide the following information or make the following declarations:

- o the name and contact details of the whistleblower;
- o a description of the alleged abuse and all relevant information for the assessment of the case, including the company to which the report relates;
- o evidence relating to the case supporting the fact that the abuse was committed;
- o whether, to the best of their knowledge, the abuse concerns a senior officer of the company, or the Service Provider;
- o a declaration by the whistleblower that the report is made in good faith on circumstances of which they have knowledge or there are reasonable grounds to believe that they are true.

7. Is it possible to make reports anonymously?

Yes, but there is no obligation to investigate such reports.

8. Can I disclose confidential information?

Where a report is lawfully made, the whistleblower cannot be deemed to have breached any restriction on disclosure of a legally protected secret or any other legal restriction on disclosure of information and cannot be held liable in respect of such disclosure if the whistleblower had reasonable grounds to believe that the disclosure was necessary to uncover the circumstances to which the disclosure relates.

Where a report is lawfully made, the whistleblower cannot be held liable for obtaining or having access to the information contained in the report, unless the whistleblower has committed a criminal offence by obtaining or having access to the information.

The whistleblower cannot be held accountable for a lawful report if the whistleblower had reasonable grounds to believe that the disclosure was necessary to uncover the circumstances to which the disclosure relates.

9. Can I make a report verbally?

Yes. The Service Provider provides the possibility to do so. The Service Provider also documents the report, a copy of which is given to the whistleblower.

10. Who is the Service Provider?

It provides support for the operation of the whistleblowing system as an external, impartial and non-conflicted organisation.

The Service Provider's primary task is to:

- o receive reports;
- o maintain contact with the whistleblower, and request information and clarification, if necessary, in order to investigate the whistleblowing;
- o assist in the conduct of the investigation;
- o inform the whistleblower in writing of the events relating to the report, in particular the outcome of the investigation initiated on the basis of the report, the action taken by the company or the refusal to conduct an investigation.

11. What happens if the report concerns the Service Provider?

If the sensitive marker has been used for the report, it will be forwarded to the designated member of the Ethics Committee without the Service Provider being informed.

12. What happens after the report is sent?

The Service Provider

- o receives the notification;
- o sends confirmation within 7 days;
- o informs the whistleblower of, among other things, the rules of procedure and data processing;
- o if the report is not satisfactory, the Service Provider contacts the whistleblower to request further information;
- o forwards the report to the senior officer of the company concerned.

The senior officer examines the report,

- o starts an investigation and
- o decides, on the basis of the investigation, whether to proceed with the notification, or
- o terminate the procedure without investigation.

13. When is the report not investigated?

Based on the decision of the senior officer, no investigation is opened if

- o the report is made by an unidentified whistleblower;
- o the report is made by a person not entitled to do so under the Whistleblower Protection Act;
- o repeated report by the same whistleblower with the same content as a previous one;
- o the whistleblower has provided materially false information in bad faith;
- o the harm to the public interest or to an overriding private interest would not be proportionate to the restriction of the rights of the natural or legal person concerned by the report resulting from the investigation;
- o the conduct objected to is clearly not abusive;
- o if he finds that they do not have jurisdiction to investigate or assess the act;
- o he decides as part of immediate action.

If, following a notification or indication received, the senior officer becomes aware that

- o liability can be clearly established, and
- o supporting evidence is available, and
- o the measures required do not require major consideration,
- o he decides without delay without conducting an investigation (immediate action).

14. How long does it take to conclude the investigation?

Facts of the report are investigated within the shortest time allowed by the circumstances, but not later than within 30 days from the date of receipt of the report, which time limit may only be waived in particularly justified cases – except in the case of a report from an anonymous or unidentified whistleblower – and only with concurrent informing of the whistleblower by the senior officer. In such cases, the Service Provider informs the whistleblower of the expected date of the investigation conclusion and the reasons for the extension of the investigation.

The duration of the investigation may not exceed 3 months, even in the event of an extension.

15. How is the investigation carried out?

The senior officer, with the support of the Service Provider, conducts the investigation. The aim of the investigation is to clarify the situation and gather evidence. To this end, the senior officer (or the Service Provider, if so requested)

- o may interview persons;
- o may review documents;
- o may visit sites;
- o may engage experts.

The investigation is concluded by a summary report.

16. How is the interview conducted?

The interview is conducted by the person carrying out the investigation and a person of administrative position. At the request of the person interviewed, his manager exercising employer authority and his legal representative may also be present.

The person interviewed is informed of his rights.

Minutes are taken of the interview.

17. Can the procedure be terminated without a decision?

Yes, if

- o the whistleblower has provided materially false information in bad faith;
- o it has become clear that the conduct under investigation did not constitute abuse;
- o the investigation does not establish abusive conduct and the continuation of the procedure is not expected to produce results;
- o a final decision or an official position has already been adopted by an authority or court concerning the case investigated.

The Service Provider communicates the termination of the procedure to the whistleblower.

18. What decisions can be taken?

The senior officer

- o establishes that the conduct under investigation constitutes abuse, establishes individual responsibility and takes steps to apply the appropriate legal consequences;
- o concludes that the conduct under investigation does not constitute abuse and closes the case.

The senior officer, if required by law, initiates a procedure before the competent authority.

If the abuse also constitutes a specific breach of obligations required by law or internal regulatory documents, the senior officer forwards the decision and the necessary information to the professional organisation or person responsible for the supervision of the area concerned for further investigation.

19.Is the whistleblower informed of the decision?

Yes. The Service Provider informs the whistleblower in writing of

- o whether or not the notification is being investigated, and the reasons for possible non-investigation;
- o the outcome of the investigation of the report;
- o the measures taken or planned.

Written information provision may be omitted if the whistleblower has been informed verbally and has acknowledged the information.

In case of doubt or dispute regarding the interpretation of the Regulations, the Hungarian text shall prevail.