

# Anti-Fraud Policy EIT Manufacturing 2021 - 2023

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## 1. Key abbreviations

|      |                                                                  |
|------|------------------------------------------------------------------|
| AF   | Anti-Fraud                                                       |
| CEO  | Chief Executive Officer                                          |
| COO  | Chief Operating Officer                                          |
| SPOC | Single Point of Contact                                          |
| OLAF | European Anti-Fraud Office                                       |
| SUGA | Start-Up Grant Agreement                                         |
| EIT  | European Institute of Innovation and Technology                  |
| EITM | European Institute of Innovation and Technology of Manufacturing |
| KIC  | Knowledge Innovation Community                                   |

## 2. Introduction and context

EIT Manufacturing has been created in 2019, headquartered in France. To develop the Strategic Agenda accordingly and to ensure the integrity of the KIC, EIT Manufacturing developed its Anti-Fraud policy during the SUGA year and has now updated it for the period 2021 – 2023, including both objectives defined by EIT its own objectives prevent any Fraud.

## 3. Guiding principles and standards

As EIT Manufacturing is part of Horizon Europe, and its main source of revenue is generated by the membership fees of its Partnership portfolio, a zero tolerance for any kind of Fraud will be enacted by the KIC. This policy aims to ensure that the risks are adequately assessed and the consequences of breaking any of the rules are well identified and all parties are aware.

In order to mitigate the risk of Fraud EIT Manufacturing has also developed a conflict-of-interest policy, as well as a code of conduct.

The main principles observed by the KIC and any party in relation with the KIC are the following :

- Ethics and integrity;
- Transparency in every process (financial and non-financial);
- A fluid and clear communication on any significant change to the governance of the KIC.

## 4. Definitions

There is no one generally accepted definition of Fraud and it varies among countries and jurisdictions. The term “Fraud” is commonly used to describe a variety of dishonest practices. In line with the EU Directive 2017/13716 Fraud is a deliberate act of deception intended for personal gain or to cause a loss to another party.

For purposes of this Policy, Fraud is defined as the use of deception by an individual with the intention of obtaining an advantage for himself or herself or for a third party or parties, avoiding an obligation, or causing loss to another party. The term Fraud is used to describe offences such as, but not limited to, deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, and collusion.

This policy covers a range of practices including (but not exclusively):

- Misrepresenting the EIT Manufacturing employment status to obtain a benefit from a national government or private sector;
- Abusive use of official signature, or official position;
- Any wilful or gross negligent breach of the conflicts of interests policy (as described in the Conflict of Interests policy);
- Exercise blackmailing or pressure to obtain any financial or non-financial advantage or induce any damage;
- illicit gifts and extravagant invitations from a supplier, subcontractor, customer, or partner;
- extortion, theft or misappropriation of materials or funds;
- facilitation payments;
- money laundering;
- abuse of power, nepotism;
- any practice that could endanger the integrity of EIT Manufacturing.

The list above is not exhaustive and does not necessarily include all actions that could be considered as a Fraud.

## 5. Fraud risk assessment

In order to further focus on and reduce the risk of Fraud, and in line with the OLAF's Guidance and Methodology, EIT Manufacturing carries out a risk assessment (risk logs) including an EIT Manufacturing risk register, to be reviewed once a year. This risk assessment exercise contains a dedicated part 'EIT Manufacturing Anti-Fraud Risk' which is mainly focused on the risk of Fraud in the different processes taking place within the EIT Manufacturing.

The Fraud risk assessment is conducted once a year. It combines Fraud risks identified in the different processes in place within all departments and Fraud risks in those functions categorized as sensitive. The Fraud risk assessment is mainly focused on the following areas of risk:

- **Financial:** use of (the) grant(s), payment, beneficiaries etc. ;
- **Legal:** contracts, tax regulation, financial transactions etc. ;
- **Reputation:** e-reputation, use of the branding, use of official names, partnership relationship ;
- **Administrative:** recruitment, procurement policy, relationship with regulation bodies.

## 6. Objectives and actions

The strategic objectives of the Anti-Fraud Strategy are driven by the EITM's priorities and values. EITM needs to set objectives to counter Fraud at all levels within and outside the Community, i.e., The partnership, the supervisory board, the EIT, the local regulation body, the staff and the external contractors (customer or suppliers).

These objectives aim at encompassing all stages of the anti-Fraud cycle: prevention, detection, investigation, recovery and sanction. Whilst prevention should remain one of the most important objectives of the Anti-Fraud Strategy, it is deemed appropriate to focus our efforts also on detection, by a clearly defined straightforward process to timely raise the alert and prevent any damage against the Organization.

In order to address the identified Fraud risks in the preceding section, the following strategic objectives have been defined:

- Develop, optimise, and improve coordination, cooperation and workflows for the fight against fraud in the Community;
- Ensure transparency and fluidity in all processes by improving and automating them;
- Train people to improve their sensibility to the risk of Fraud.

## 7. Functions addressing and preventing Fraud

The Chief Operation Officer is in charge of ensuring the KIC integrity and should be aware of any alert or any suspicion of Fraud within the KIC or with any third party in relation to the KIC.

The AF SPOC is the main interlocutor with EIT and is in charge of ensuring that the policy and documents are available for all. The AF SPOC is appointed by the COO and report to him in case of any question. The AF SPOC is part of the Operations team.

The AF SPOC can be contacted by any employee of EIT Manufacturing or any third parties if they need support in understanding the ins and outs of the policy and if they need any guidance to raise an alert.

Every employee is responsible for raising the alert when appropriate and should not hide any relevant information or delay the alert when the event occurs. Such behavior could be interpreting as complicity and lead to sanctions taken at the KIC level.

## 8. Reporting allegation of Fraud

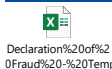
EIT Manufacturing staff members should be aware of the potential for Fraud and should report any reasonably suspected Fraud. Concerns which should be reported include, but are not limited to, staff committing or attempting to commit, any dishonest or Fraudulent act, such as:

- Misuse of signatures in order to obtain any advantage;
- Forgery or alteration of documents or accounts;
- Misappropriation of funds, supplies or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Personal gain by misusing an official position or enabling family members or others to do so;
- Unlawful Disclosure of official activities or information for obtaining personal advantage;
- Attempt to achieve personal gain from third parties by virtue of misusing an official position or authority;
- Theft or misuse of property (including intellectual property), facilities, or services.

This policy also applies to the members of the Supervisory Board, the Partner Assembly and any third parties legally binded by an agreement.

If there is any suspicion of Fraud the witness should take note by written notice of all pertinent details, including what was said or done by whom, the date, the time, the location and the names of the individual(s) involved.

→ In case of suspicion of Fraud please fill the enclosed file and send it directly to [Anti-Fraud@eitmanufacturing.eu](mailto:Anti-Fraud@eitmanufacturing.eu) with the following subject : [Confidential] Alert of Fraud in EITM



*In case the COO and/or CEO are also a witness in the alert of Fraud, then the highest decision body (Supervisory Board) will be involved in the assessment.*

## 9. Review and Monitoring

This policy will be reviewed once a year by the AF SPOC. It will aim to update the risk register to ensure that all risks are identified, and an action plan is available for every situation.

Once a year a training will be available for EIT Manufacturing employees, this training will be part of the onboarding process and must be validated prior to the end of the trial period. This training will include the policy itself, a slide deck to illustrate the risks and a questionnaire to consolidate and ensure the understanding of the ins and the outs of this policy.

The policy will be available on the website to ensure transparency so that any third party agrees with it.

## 10. Disciplinary actions

Once the Fraud has been identified and confirmed, , the following actions should be taken :

**Employees:** immediate dismissal in accordance with the provisions of the applicable labour law.

**Partners:** exclusion from the Business Plan and KIC activities , any relationship with this Partner would be forbidden in the future.

>>> In accordance with the article of the association the exclusion will be as follow:

*The Chairperson, based on a decision taken by Supervisory Board, will provide a written notice to the presumed defaulting Member with a one (1) month deadline to remedy the said default. Within the one (1) month deadline, the presumed defaulting Member may file written explanations and observations on the said default to the Chairperson.*

**Supervisory Board / Partner Assembly members:** immediate exclusion from the related body, in accordance with the provisions of the applicable law.

**Suppliers / customers:** black-listed, any relationship will be forbidden in the future.

In all cases, in order to safeguard the interests of EIT Manufacturing, EIT Manufacturing can take necessary measures such as suspension of rights of the individuals concerned or other precautionary measures, including legal actions before competent court.

**For the avoidance of doubt, In the case of alert raised against the same person / organization but not (yet) recognized by OLAF as a Fraud but deemed justified by EIT Manufacturing, internal sanctions can be taken to ensure the integrity of EIT Manufacturing. Such decision will be taken by the Supervisory Board or by the CEO for members of the staff.**



## 11.Action Plan

Please describe the actions that will be taken by your entity in the course of implementation of the AF strategy.

### Action Plan for 2021 – 2023

| AF Measure & Action                                                                     | Responsible              | Deliverable                                                                                                                           | Periodicity            |
|-----------------------------------------------------------------------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Participation in the Anti-Fraud meeting with EIT                                        | AF SPOC                  | NA                                                                                                                                    | On request from EIT    |
| Implementation of the action plan                                                       | AF SPOC                  | Regular updates of other policies to ensure the alignment among all the procedures within the Organization                            | Continuous improvement |
| Yearly campaign for AF prevention                                                       | AF SPOC and HR           | Yearly campaign of training for all staff members to maintain a high awareness of the Fraud risk. Re-assessment of the risk register. | Yearly                 |
| Coordination with EIT and other KICs to share the best practices in terms of prevention | AF SPOC                  | Improvement of the materials in place and if appropriate new materials / training / info session to be put in place                   | Twice a year (minimum) |
| Ensure accessibility to the AF policy                                                   | AF SPOC and COO          | Last version of the policy should be published publicly. In case of any updates the policy is updated and published.                  | Daily basis            |
| Secure and automate processes to guarantee a systematic approach                        | Head of Operations (COO) | IT ecosystem                                                                                                                          | On-going to 2023       |