EIT Health Anti-Fraud Strategy

Version: 1

Approved by EIT Health Management Board on 6 November 2024

0. Definitions

"**KIC LE**" shall mean the EIT Health e.V.

"**CLCs**" shall mean one of the co-location centres of EIT Health, as defined in article 2.3.6 of the Articles of Association of EIT Health e.V.

"**EIT Health Staff**" shall mean members of the Supervisory Board of KIC LE and tis CLCs, the members of the Management Board of KIC LE and the other persons employed under a labour contract by KIC LE, CLCs and any other legal entities under the control of the KIC LE, the persons providing services to KIC LE and the CLCs, the personnel or consultants of the EIT Health partners when acting in an EIT Health coordination role for the benefit of the KIC.

"**OLAF**" shall mean the European Anti-Fraud Office

"**Partnership Agreement (PA):** the agreement between the Association, laying down the general terms and conditions under which the KIC EIT Health must operate as an institutionalized European partnership.

(Model) Grant Agreement ((M)GA): an agreement signed between the Association and the EIT, laying down the provisions concerning the implementation of the KIC Business Plan through grants.

1. Introduction

In accordance with Article 6.c) of the PA between EIT and EIT Health, the KIC must adopt an Anti-Fraud Strategy in order to reinforce the highest standards of integrity and to reduce the risk of fraud. The Anti-Fraud Strategy must be reviewed every two years.

2. Purpose

The purpose of the Anti-Fraud Strategy is to improve prevention, detection and the conditions for investigations of fraud and irregularities, and to pursue adequate deterrence and reparation, with proportionate and dissuasive sanctions.

The maintenance and enhancement of an antifraud culture underpinned by a high level of awareness, impartiality and transparency within EIT Health and its activities will reinforce EIT Health's commitment to the highest standards of integrity and create and enable a fraud-proof environment.

The proper implementation of the provisions on fraud foreseen under the PA and MGA, reduces the risk of fraud.

3. General provision and guiding principles

- Zero tolerance approach
- Fair and consistent approach to dealing with fraud at all levels of EIT Health and its activities
- Openness and transparency

Ethics and transparency are key concerns for EIT Health's activities. EIT Health is fully committed to ensuring that these principles are applied at the highest standards, therefore EIT Health has zero tolerance for fraud, irregularities, or dishonesty. This means that EIT Health staff, members of the EIT Health Supervisory Board, external experts and consultants working for EIT Health, and EIT Health partners benefiting from EIT grants or other funding sources, third parties, and contractors are not to engage in acts of fraud.

EIT Health is committed to preventing, identifying and addressing all acts of fraud against EIT Health, through raising awareness of fraud risks, implementing cost-effective controls aimed at preventing and detecting fraud, producing swift corrections (including recovery of defrauded funds and judicial/administrative sanctions) and enforcing EIT Health's Anti-Fraud Strategy.

It is not possible to entirely prevent fraud, corruption or any other illegal activity. However, EIT Health continues working on the adoption and implementation of strong measures to reduce any existing risk. In this respect, EIT Health will take prompt action where any fraud indicators, including documentary evidence, are observed or there are allegations of fraud.

This Strategy shall apply to all EIT Health activities and operations, including its partners, which are funded through the EIT budget or funds from other sources: EIT Health Supervisory Board members, EIT Health Management Board members, EIT Health staff and trainees, experts and consultants, EIT Health partners implementing EIT Health activities as well as contractors and other third parties.

4. Definitions of Fraud

There is no one widely 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*.

In the context of the EIT Health Anti-Fraud Strategy, the concept of fraud encompasses both internal and external misbehaviour linked to EIT Health or by external parties. It relies on the assumption that the reputational impact of a misbehaviour might be equally important to, or even more important, than the financial damage itself.

EIT Health deems appropriate to maintain a wide definition of fraud for the purpose of the application of this document. It serves the purpose of preventing and detecting the highest possible number of illegal behaviours and keeping high the attention of staff members also in instances likely to create reputational damage.

Examples of fraud and corruption include, but are not limited to, the following actions:

- o Forging documents (e.g. in project applications, in CVs), preparing false entries in EIT Health systems or making false statements to obtain a financial or other benefit for oneself or another/others;
- o Misuse of EIT funds or other EIT Health funds or budgets, by EIT Health staff, partners and third parties;
- o Favouritism, collusion, or other anti-competitive schemes between suppliers during a procurement process;
- o Forging the signature of an EIT Health board or staff member or forging a document purporting to be from EIT Health;
- o Using another user's IT identity or password, or creating false identities/passwords, without consent or authority, to manipulate EIT Health processes or cause the approval or denial of actions;
- o Accepting gifts or hospitality such as meals or entertainment from a contractor or third party without declaring it and obeying with relevant policies;
- o Misrepresenting the EIT Health employment status to obtain a benefit from a national government or private sector;
- o Failing to disclose a financial or familial interest in a business or outside party while participating in the award/management of a contract/grant to the benefit of that business or outside party;
- o Processing the cost of personal travel as part of an official travel;
- o Making misrepresentations, including educational credentials or professional qualifications, on a personal history form in the context of a job application, and
- o Falsifying documents, making false statements, preparing false entries in the EIT Health systems or other deceptive acts to the detriment of those seeking to disfavour, or to discredit a person, a programme, or EIT Health.
- o Theft, inappropriate access or misuse of property (including intellectual property), facilities, or services.

5. Fraud risk assessment

EIT Health carries out a risk assessment, in line with OLAF's guidance and methodology. It includes conducting a fraud risk assessment and updating of the risk register at least once a year. It combines fraud risks identified in the different processes in place and fraud risks in those functions categorized as sensitive. The fraud risk assessment is mainly focused on the following areas of risk:

- Use of EIT funds or other EIT Health funds from other sources, payments, beneficiaries
- Data security (IT tools/systems)
- Administrative procedures, such as public procurement and recruitment;
- Reputation, use of brand, partnership relationships
- Whistleblowing and overall strengthening of fraud detection measures

6. Reporting allegation of Fraud

EIT Health Staff shall immediately report any suspicion of fraudulent acts by others concerning EIT Health that come to their knowledge. It is understood that Supervisory Board members shall report such acts to the Chairperson of the Supervisory Board and all other persons shall report to the Head of Governance & Compliance. In case the Supervisory Board Chairperson and/or Head of Governance & Compliance would be involved or cited in the improper advantage claim, the Supervisory Board Deputy Chairperson or the CEO are the alternative reporting routes.

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 behaviour could be interpreted as complicity and lead to sanctions taken at the KIC level. 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.

Moreover, EIT Health's Whistleblowing Policy provides additional guidance on how potential irregularities, fraud, corruption and bribery can be reported, by staff as well as external persons.

7. Functions addressing and preventing Fraud

The risk of fraud cannot be dealt with in isolation. Addressing and mitigating properly the risk of fraud is a key aspect of sound management. Whilst it is essential that all EIT Health staff members should have a clear understanding of EIT Health's Anti-Fraud Strategy and of its action plan, EIT Health has at its disposal the following functions engaged in addressing and preventing fraud:

- Anti-Fraud coordinator: EIT Health Head of Governance & Compliance (reporting to the CEO and Supervisory Board Chair)
- EIT Health Head of Grant Assurance (reporting to the CFO)
- EIT Health Head of Sustainable Development (reporting to the Director of Business Operations)
- Head of IT (reporting to the Chief of IT & Platforms Officer)
- EIT Health Managing Directors of regional offices and any other legal entities controlled by EIT Health e.V.

8. Transparency and accountability

EIT Health Staff must act in a transparent manner and be ready to justify the reasons for particular actions and the context in which they have been taken.

9. Lawfulness

The EIT Health Staff shall act according to law and apply the rules and procedures laid down in applicable law, rules, and regulations. In particular, EIT Health Staff are to comply with privacy and information security laws and regulatory requirements, such as but not limited to the regulation EU 2016/679 when personal information is collected, stored, processed, transmitted, and shared.

10. No Improper Advantage

EIT Health Staff shall not commit or participate in any fraudulent acts. Fraud, corruption, bribery, or other means of obtaining undue or improper advantage, are not to be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving, or accepting anything of value to or from any third party, including national or European government officials, either directly or indirectly through a third party, in order to obtain or retain certain subsidies, approvals or authorizations, or an exemption from legal or contractual obligations.

11. Related Policies

EIT Health has developed several procedures and policies designated to mitigate identified risks, including fraud risks, namely:

- o Code of Conduct incl. Conflict of Interest Policy
- o Conflict of Interest declarations and mitigation declarations
- o Whistleblowing policy including anonymous submission channel
- o Disciplinary policy
- o Grievance policy
- o Finance / Grant assurance policies, such as add 4-eyes-principle and procurement
- o Internal Control System mechanisms

12. Disciplinary actions

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

- Employees: Non-compliance will result in disciplinary measures established in the relevant HR policies including guidance on preventing such occurrences and when incidences occur

(specifically the "Disciplinary Policy"), which are available on the staff intranet Compass. This can lead to immediate dismissal in accordance with the provisions of the applicable labour law. It will be captured in relevant performance review meetings and documentation.

- 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 5.4 partners can be excluded from EIT Health membership by the Supervisory Board.
- 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 Health, necessary measures can be taken 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 an alert raised against the same person / organization but not (yet) recognized by OLAF as a Fraud but deemed justified by EIT Health, internal sanctions can be taken to ensure the integrity of EIT Health. Such decisions will be taken by the Supervisory Board, or by the CEO for members of the staff, with advice from Compliance and HR.

13. Review and monitoring

The Anti-Fraud Coordinator will ensure that EIT Health's approach to managing the risk of fraud is kept up to date with developments in best practices and legislative requirements.

The Anti-Fraud Strategy and its action plan will be reviewed at least every two years, and updated regularly whenever required, to ensure it is compliant with legislative and organisational changes, on the basis of an evaluation of the impact of the Strategy.

Revision History Date	Revision	Author	Description
November 2024	1.0	Sabine Schumann	First version