

Anti Fraud Policy

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If you have a query concerning the implementation or updating of this document, please contact the Compliance Team as an owner of this policy.

The policy takes effect on the day of publishing and can be accessed on Cezanne/Workspaces/Documents as well as on SharePoint.

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1. Key Abbreviations

This Anti-Fraud Policy for EIT RawMaterials includes the following key abbreviations to ensure clarity and consistency throughout:

Abbreviation Description

AF	Anti-Fraud – Refers to the overall anti-fraud framework, including all policies, procedures, and guidelines aimed at preventing, detecting, and responding to fraudulent activities within EIT RawMaterials.
CEO	Chief Executive Officer – Responsible for the overall leadership of EIT RawMaterials, including ensuring effective implementation of all policies, including anti-fraud measures.
COO	Chief Operating Officer – Manages daily operations and ensures that anti-fraud measures are fully integrated across EIT RawMaterials’ activities.
SPOC	Single Point of Contact – Designated individual responsible for managing fraud-related issues, including reporting, inquiries, and ensuring policy compliance.
OLAF	European Anti-Fraud Office – The EU investigative body focused on protecting EU financial interests by identifying and investigating potential fraud. Supports investigations involving EIT RawMaterials as needed.
EIT	European Institute of Innovation and Technology – An EU body under Horizon Europe, providing funds and oversight to EIT RawMaterials and other Knowledge and Innovation Communities (KICs).
EITRM	EIT RawMaterials – Refers specifically to the KIC focused on advancing sustainable development and innovation in Europe’s raw materials sector.
KIC	Knowledge and Innovation Community – EIT-supported consortia dedicated to tackling societal challenges through innovation in specific sectors; EIT RawMaterials focuses on the raw materials sector.

2. Introduction and Context

EIT RawMaterials, established under the European Institute of Innovation and Technology (EIT), plays a vital role in driving Europe's transition towards a sustainable and innovative raw materials sector. The Anti-Fraud Policy for EIT RawMaterials is essential to ensure the transparency, accountability, and integrity of its operations. As a Knowledge and Innovation Community (KIC) funded under the Horizon Europe framework, EIT RawMaterials is committed to implementing rigorous standards to prevent, detect, and address any form of fraudulent or corrupt activity that could impact its resources, reputation, or the trust placed in it by stakeholders.

The Anti-Fraud policy has been updated for in 2024 for the period 2025 – 2026.

Fraudulent or unethical conduct can undermine the mission of EIT RawMaterials, disrupt operations, and diminish the resources critical to fulfilling its mandate. To this end, EIT RawMaterials adopts a **zero-tolerance approach** to fraud and corruption, in line with the European Union's commitment to financial integrity and effective resource management. This policy is established to promote an ethical culture and an environment where all staff, partners, and third-party contractors understand their responsibilities in upholding the highest standards of honesty and integrity.

Scope of Application: This Anti-Fraud Policy applies to all levels of EIT RawMaterials, including:

- I. Executive Board members of EIT RawMaterials
- II. All EIT RawMaterials staff members
- III. All non-staff affiliates of EIT RawMaterials, such as trainees, consultants, and external experts
- IV. EIT RawMaterials implementing partners and associated staff, including committee members
- V. Contractors and other third-parties involved with EIT RawMaterials activities

The policy is designed to complement and work alongside other relevant internal policies, such as the Code of Conduct ensuring a comprehensive approach to managing and mitigating fraud risks within EIT

3. Guiding Principles and Standards

The guiding principles and standards outlined in this policy are intended to promote an ethical, transparent, and fraud-resistant culture within EIT RawMaterials, ensuring compliance with EIT's overall Governance and safeguarding the resources allocated for achieving its objectives.

Core Principles:

1. **Ethics and Integrity:** EIT RawMaterials is committed to fostering an ethical culture where integrity, respect, and honesty are the foundation of all actions. All individuals connected with EIT RawMaterials are expected to demonstrate ethical conduct and accountability, contributing to a work environment free from any form of misconduct or unethical behavior.
2. **Transparency:** EIT RawMaterials ensures that its financial and operational processes are transparent and accessible, with all records maintained clearly and accurately. This commitment to transparency enables strong accountability and aligns with EIT's guidelines, ensuring that funds are used responsibly.

3. **Accountability:** Every member of EIT RawMaterials, including staff, board members, and third-party partners, is responsible for adhering to anti-fraud policies and reporting any suspicious activity. Accountability is a shared value within the organization, reinforcing collective responsibility for upholding ethical standards.
4. **Risk Mitigation and Compliance:** EIT RawMaterials conducts regular assessments of fraud risks across its operations, implementing proactive controls to mitigate vulnerabilities. Adherence to EU and EIT regulations on anti-fraud practices ensures that EIT RawMaterials remains resilient against fraud risks and aligned with regulatory standards.

Risk mitigating measures

To enforce these principles, EIT RawMaterials has implemented several risk mitigating measures, including:

- **Code of Conduct:** Provides guidelines on expected behaviors, reinforcing the ethical standards that all EIT RawMaterials members are to uphold. This also includes rules of conduct on conflict of interests.
- **Corporate Governance:** Ensures a clear segregation of duties between the Executive Board and Management, establishing checks and balances essential for fraud prevention.
- **Recruitment Guidelines:** Includes procedures for fair and transparent hiring, with provisions for integrity checks and conflict-of-interest declarations to minimize fraud risks.
- The establishment of an **Anti-Fraud Committee** (as part of the compliance committee), consisting of the IT Representative, the Compliance Officer, Head of HR and the Head of Legal.
- A comprehensive auditing system: EIT Raw Materials is subject to regular audits performed by external auditors auditing the annual financial statements.
- **Whistleblowing System** and corresponding policy, ensuring that all staff can safely report any type of suspicions, incident and nonconformities observed within EIT RawMaterials.
- **Procurement Policy**, including Conflict of Interest declarations for the evaluation committees and for tenderers, and Internal Summary Guidelines for the departments involved and templates to be used in the procurement procedures.
- **Investigation Policy:** EIT RawMaterials has implemented a detailed Investigation Policy to address suspected cases of fraud or misconduct effectively and impartially. This policy establishes a clear framework for assessing and investigating potential fraud, ensuring fair and consistent handling of cases.

It is not possible to eliminate fraud, corruption, or other illegal activities entirely. However, EIT RawMaterials is committed to adopting and implementing strong measures to minimize any existing risks. In cases where indicators of fraud, such as documented evidence or credible allegations, are identified, EIT RawMaterials will take immediate and decisive action in accordance with binding legal requirements and its internal policies.

4. Definitions

There is no universally accepted definition of fraud, and interpretations can vary across countries and jurisdictions. Generally, the term “fraud” encompasses a range of dishonest practices. In line with the EU Directive 2017/1371, **fraud** is understood as a deliberate act of deception intended to obtain personal gain or to cause loss to another party.

For the purposes of the EIT RawMaterials Anti-Fraud Policy, the concept of fraud includes both internal and external misconduct (i.e., actions taken by staff members, individuals linked to EIT RawMaterials, or external entities). This policy is based on the understanding that the reputational impact of such misconduct can be as damaging, or even more so, than financial loss itself.

This definition particularly includes, but is not limited to, any infringement of the financial interests of the EU as outlined in the Convention on the Protection of the European Communities’ Financial Interests (PIF Convention). It also covers misconduct that may not directly affect the financial interests of the EU but still poses a reputational risk, such as certain instances of forgery (e.g., in CVs), concealment of material facts, breaches of IT systems, cyber fraud, unauthorized disclosure of confidential information, and intentionally undeclared conflicts of interest. Additionally, **favoritism** and **collusion** are considered forms of fraud within the scope of this Anti-Fraud Policy.

EIT RawMaterials adopts this broad definition of fraud to maximize the prevention and detection of illegal activities and to raise awareness among staff members about actions that may cause reputational damage.

Examples of Fraud and Corruption

The following list provides examples of fraud and corruption:

- **Forgery and Falsification:** Creating false entries in EIT RawMaterials systems, forging documents, or making false statements to obtain financial or other benefits for oneself or others.
- **Misuse of Funds:** Misappropriating EIT RawMaterials funds by staff, contractors, or third parties.
- **Collusion and Anti-Competitive Behavior:** Collusion, involving secret agreements between parties to manipulate outcomes or secure unfair advantages, often includes practices like bid-rigging or market allocation, undermining fair competition in procurement processes.
- **Unauthorized Use of Identity:** Forging the signature of an EIT RawMaterials staff member or using unauthorized access to EIT RawMaterials processes to induce third-party actions.
- **Unauthorized Access:** Using another individual’s IT credentials without consent or authority to alter EIT RawMaterials processes or to influence approvals.
- **Undeclared Hospitality:** Accepting substantial hospitality (e.g., meals, entertainment) from a contractor or third party without proper declaration (see our detailed policy on Gifts and Invitations).
- **Misrepresentation of Employment Status:** Misrepresenting employment status at EIT RawMaterials to gain advantages from governmental or private entities.

- **Failure to Disclose Conflicts of Interest:** Not disclosing financial or familial interests in a business or external entity while managing a contract or grant that benefits that entity.
- **Personal Travel Misrepresentation:** Including personal travel expenses within official EIT RawMaterials travel costs.
- **False Statements in Job Applications:** Misrepresenting educational or professional qualifications on application documents.
- **Deceptive Acts:** Conducting deceptive acts to disfavor or discredit an individual, a project, a partner, or EIT RawMaterials itself.

This Anti-Fraud Policy is an integral part of EIT RawMaterials' legal framework, aligning with Article 30 of the EIT Framework Financial Regulations. This article emphasizes the importance of preventing and detecting irregularities and fraud within EIT-funded activities.

Scope of Application

This Anti-Fraud Policy applies to all activities and operations under EIT RawMaterials, including those conducted by its partners, and covers:

- I. Executive Board members of EIT RawMaterials
- II. All EIT RawMaterials staff members
- III. All non-staff affiliates of EIT RawMaterials, such as trainees, consultants, and external experts
- IV. EIT RawMaterials implementing partners and associated staff, including committee members
- V. Contractors and other third-parties involved with EIT RawMaterials activities

5. Fraud Risk Assessment

To effectively address and reduce fraud risk, EIT RawMaterials conducts a comprehensive **Fraud Risk Assessment** in alignment with OLAF (European Anti-Fraud Office) guidance and methodology in connection with the yearly Compliance Risk Assessment. This risk assessment approach aims to systematically identify and mitigate fraud risks in all processes within EIT RawMaterials' operations.

The **Fraud Risk Assessment** involves analyzing potential fraud vulnerabilities across all EIT RawMaterials departments and prioritizing those functions deemed especially sensitive. This targeted approach allows EIT RawMaterials to implement proactive, risk-based measures that help mitigate vulnerabilities across specific operational areas. The primary areas of focus in the fraud risk assessment include:

- **Financial:** Risks associated with grants, subgrants, payments, beneficiary claims, equity participation and overall fund use.
- **Data Security:** Risks related to IT tools, system integrity, and cybersecurity measures to prevent unauthorized access and data breaches.
- **Legal:** Risks involving contract management, tax compliance, and financial transactions. Ensuring contract adherence and legal compliance is critical to maintaining integrity.
- **Reputation:** Risks related to brand image, the use of EIT RawMaterials' official name, and maintaining transparent partnerships and public relations.

- **Administrative Procedures:** Risks within recruitment, procurement policies, and interactions with regulatory bodies, ensuring these processes adhere to fair and transparent standards.
- **Fraud Detection and Reporting:** A focus on strengthening fraud detection measures, including regular external audits, fraud awareness training, and clear reporting mechanisms for suspected fraud or misconduct through the whistleblowing system.

Through this structured Fraud Risk Assessment, EIT RawMaterials maintains a proactive stance against fraud by systematically identifying, evaluating, and mitigating potential fraud risks across its operations, ensuring a culture of transparency, accountability, and integrity in line with the broader EIT community and Horizon Europe's objectives.

6. Objectives and Actions

The strategic objectives of the Anti-Fraud Policy for EIT RawMaterials are aligned with the EIT's values and priorities to ensure transparency, integrity, and accountability within the EIT RawMaterials community. EIT RawMaterials aims to address fraud risks at all operational levels, including KIC management, staff, and external contractors, in order to maintain public trust and ensure that funds are used responsibly.

These objectives encompass every stage of the anti-fraud cycle: **prevention, detection, investigation, recovery, and sanction**. Prevention remains a critical focus, yet efforts are also directed toward effective detection and encouraging internal reporting. This balanced approach is complemented by continuous improvements in monitoring practices to mitigate fraud risks in EIT RawMaterials' operations.

Objectives

To address the fraud risks identified in the preceding assessment, EIT RawMaterials has established the following objectives, based on EIT's priorities and standards:

Objective No. 1: Foster and Strengthen an Anti-Fraud Culture

EIT RawMaterials is committed to building a culture of ethics, integrity, and awareness of anti-fraud standards across all levels of the organization. This objective focuses on promoting shared ethical values and a high level of transparency. To foster an anti-fraud culture, EIT RawMaterials implements continuous training and communication on ethics and integrity, ensuring that all employees, KIC staff, and contractors are informed about the expectations and regulations around fraud prevention.

Actions to Reach Objective No. 1:

- Maintain ongoing communication with EIT RawMaterials staff, the Governing Board, and partners about anti-fraud policies and ethical standards.
- Provide regular anti-fraud training, including a dedicated module on ethics, integrity, and fraud prevention for new and existing staff members.

Objective No. 2: Enhance Financial Oversight, Monitoring, and Evaluation of KIC Activities

As EIT RawMaterials transitions into Horizon Europe, it is essential to reinforce financial monitoring and evaluation mechanisms for KIC activities. This includes ensuring that grant funds are used properly and align with EIT's guidelines. With the introduction of multi-annual grants and the EIT

Cascading Model, EIT RawMaterials places particular emphasis on accurate and transparent reporting, as well as on monitoring performance outcomes.

Actions to Reach Objective No. 2:

- Apply updated criteria for funding, monitoring, and evaluation of KIC projects.
- Communicate regularly with stakeholders on updates to the legal and operational frameworks for financial monitoring.
- Enhance operational monitoring capacity, including additional controls to ensure compliance with Horizon Europe's standards.

Objective No. 3: Strengthen Fraud-Risk Mitigation Measures in High-Risk Areas

Based on recent assessments, EIT RawMaterials will focus efforts on key areas with elevated fraud risks, including IT security, procurement, and conflicts of interest.

Actions to Reach Objective No. 3:

- Conduct regular internal control checks in IT systems, procurement processes, and conflict of interest procedures to ensure robust protection.
- Integrate fraud risk assessments into the annual risk evaluation for all identified high-risk areas.
- Perform ad-hoc checks and verification measures where necessary to address any emerging risks.

Through these strategic objectives and targeted actions, EIT RawMaterials remains dedicated to sustaining a transparent, ethical, and resilient environment in alignment with EIT's anti-fraud standards and the broader goals of Horizon Europe.

7. Functions Addressing and Preventing Fraud

Effective fraud prevention and management require coordinated efforts across various functions within EIT RawMaterials. Ensuring that all personnel understand and adhere to the Anti-Fraud Policy is essential for maintaining integrity and mitigating fraud risks within the organization. To support these efforts, EIT RawMaterials has established specific roles and functions dedicated to fraud prevention, detection, and response.

Key Functions and Responsibilities:

1. **Anti-Fraud Committee (AFC) as part of the Compliance Committee:** The AFC, consisting of the IT Representative, the Compliance Officer, Head of HR and the Head of Legal, is **responsible** for overseeing fraud prevention efforts and maintaining organizational integrity. The AFC handles any alerts or suspicions of fraud raised within EIT RawMaterials or by any affiliated third party. The committee convenes regularly to review potential risks, assess ongoing cases, and ensure alignment with EIT guidelines.
2. **Anti-Fraud Single Point of Contact (AF SPOC):** Appointed by the Chief Operations Officer (COO), the AF SPOC serves as the main liaison between EIT RawMaterials and the broader EIT anti-fraud network. The AF SPOC ensures that all anti-fraud documents and resources are

accessible to staff, manages inquiries regarding the Anti-Fraud Policy, and coordinates with the AFC to address any issues related to fraud or policy implementation.

3. **Employee Reporting Responsibilities:** Each employee at EIT RawMaterials is obligated to report any suspicious activities promptly via the Whistleblowing-System or the Compliance Officer. Employees are encouraged to contact the Anti-Fraud Committee or the AF SPOC if they require guidance or support in understanding and applying the Anti-Fraud Policy. Failure to report suspected fraud, or any attempt to conceal or delay reporting, may be considered complicity and could lead to disciplinary actions.
4. **Operational Collaboration:** The AF SPOC collaborates closely with other departments, such as IT and HR, to monitor and implement anti-fraud measures effectively. This cross-functional cooperation ensures a holistic approach to fraud risk management and supports continuous improvements to fraud prevention protocols.

By delineating these functions and responsibilities, EIT RawMaterials upholds a proactive, structured approach to fraud risk management. This collaborative framework fosters a environment where all members are engaged in safeguarding the organization's integrity.

8. Reporting Allegations of Fraud

EIT RawMaterials is committed to fostering an environment where staff, governing bodies, and partners are encouraged to report any reasonably suspected fraud. This policy applies to all EIT RawMaterials members, including the Executive Board, KIC management, employees, and any third parties bound by agreements with EIT RawMaterials.

Reporting Protocol

1. Reporting Suspicions:

All EIT RawMaterials staff members, governing board members, and partners should report any suspicion of fraud as soon as it arises. The policy provides protection under the EIT RawMaterials Whistleblowing Policy, ensuring that individuals who report in good faith are shielded from retaliation or discrimination.

2. Documentation of Suspicions:

To support investigations, individuals who report suspected fraud should keep a detailed written account of all pertinent details. This includes the nature of the suspected fraud, specific actions taken or words spoken, names of involved individuals, dates, times, and locations.

3. Submission of Reports:

Suspected fraud should be reported directly via the Whistleblowing-System or by emailing it to compliance@eitrawmaterials.eu with the subject line: [Confidential] Alert of Fraud in EIT RawMaterials.

4. Escalation:

If the Chief Operations Officer (COO) or Chief Executive Officer (CEO) is implicated or a witness, the Executive Board, as the highest decision-making body, will conduct the initial assessment and manage the investigation process.

By clearly defining the reporting process, EIT RawMaterials ensures a transparent and supportive structure for raising concerns about fraud, reinforcing its commitment to ethical and lawful practices across all operations.

9. Review and Monitoring

The Anti-Fraud Policy for EIT RawMaterials is subject to an **annual review** by the Anti-Fraud Committee to ensure that it remains effective, compliant with the latest legal requirements, and aligned with best practices. This review process includes updating the fraud risk register and making necessary adjustments to the policy and associated action plans based on identified risks or any changes in the operational or regulatory environment.

Key Review and Monitoring Activities:

1. **Annual Risk Register Update:** The Anti-Fraud Committee revises the risk register each year, incorporating feedback and any developments from internal audits, risk assessments, and new compliance requirements. This helps to capture all potential fraud risks relevant to EIT RawMaterials' activities and operations.
2. **Training and Awareness Programs:** Once a year, EIT RawMaterials conducts a mandatory fraud awareness training for all employees. This training is also included in the onboarding process for new hires, who must complete it before their probation period ends. The training session covers the Anti-Fraud Policy, illustrative fraud risks, and practical steps to identify and report potential fraud indicators.
3. **Documentation and Accessibility:** To promote transparency and awareness, the Anti-Fraud Policy is accessible on the EIT RawMaterials intranet and website, allowing employees and external partners to consult it as needed. Regular updates to the policy and procedures are communicated to all stakeholders to ensure consistent adherence to anti-fraud standards.

By establishing a structured review and monitoring approach, EIT RawMaterials ensures that its Anti-Fraud Policy remains a dynamic, effective tool in fostering an ethical, transparent, and resilient work environment. This proactive approach helps maintain high standards of integrity and compliance in line with EIT and EU guidelines.

10. Disciplinary Actions

Upon confirmation of any fraud or corruption cases, EIT RawMaterials will apply appropriate disciplinary actions in compliance with applicable labor laws and internal policies. These actions ensure accountability and protect the integrity of the organization's operations and reputation.

Disciplinary Measures:

1. **Fraud by Employees:**

- Immediate dismissal of the involved employee(s), in line with labor laws and EIT RawMaterials' internal disciplinary policies.
- Additional legal action may be pursued depending on the severity of the misconduct.

2. Fraud by Partners:

- Termination of the partner's membership in EIT RawMaterials and exclusion from further participation in projects or business plans.
- All future relations with the partner will be prohibited, and the partner will be blacklisted from future collaborations with EIT RawMaterials.

3. Fraud by Executive Board Members:

- Immediate removal from the Executive Board in accordance with EIT RawMaterials' statutes and applicable laws.
- Additional sanctions may include the suspension of rights and privileges associated with their board membership.

4. Fraud by External Contractors:

- Contractors confirmed to have engaged in fraud will be blacklisted, with future collaboration strictly prohibited.
- Legal proceedings may be initiated to recover any losses incurred and to protect EIT RawMaterials' financial interests.

Decision Process for Disciplinary Actions:

- In cases involving core partners, the Executive Board, upon recommendation from the Anti-Fraud Committee, will make the final decision on disciplinary measures.
- For other partners or third parties, the COO or CEO, in consultation with legal advisors, will oversee disciplinary actions.
- If the Management is implicated, the highest governing body, typically the Executive Board, will assume responsibility for the disciplinary process.

These disciplinary measures are integral to upholding EIT RawMaterials' commitment to transparency, accountability, and ethical conduct. In all cases, EIT RawMaterials reserves the right to take any additional measures, including legal action, to protect its interests.

11. Action Plan

To implement the Anti-Fraud Policy effectively, EIT RawMaterials follows a structured **Action Plan** that includes preventive and corrective measures, training, and ongoing monitoring. The action plan is regularly updated to reflect new developments, best practices, and regulatory requirements.

Anti-Fraud Measure & Action	Responsible	Deliverable	Periodicity
Participation in Anti-Fraud Meetings	AF SPOC	Attendance at meetings organized by EIT	On request from EIT
Policy Updates and Continuous Alignment	AF SPOC	Regular updates of relevant policies to ensure alignment across procedures	Continuous improvement
Annual Anti-Fraud Awareness Campaign	AF SPOC, HR	Yearly training and awareness campaign for all staff members, covering fraud risk identification and preventive measures	Yearly
Inclusion of Fraud Risks in Risk Register	AF SPOC	Update risk register with specific fraud risks identified during audits	Annual
Coordination with EIT and Other KICs	AF SPOC	Exchange of best practices on anti-fraud measures with EIT and other KICs	Continuous

This action plan provides a comprehensive approach to fraud prevention, detection, and response within EIT RawMaterials, ensuring compliance with EIT standards and fostering a culture of integrity and transparency across the organization.