

EIT MANUFACTURING REVISED STRATEGIC AGENDA 2021-2027

The EIT – Making Innovation Happen

European Institute of Innovation and Technology (EIT)

Paris | 03.06.2024

www.eit.europa.eu | www.eitmanufacturing.eu

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1 EXECUTIVE SUMMARY

Europe's manufacturing sector, consisting of more than 2 million companies¹, is critically important not only for maintaining Europe's prosperity, but also for ensuring the transition into a climate-neutral and fully digitised continent by 2050. In 2022, the sector contributed over 15% of the total European Gross Domestic Product (GDP)², while employing more than 32 million people directly and several million more indirectly³. Europe is a leader in advanced value-adding manufacturing technology and the origin of the industrial paradigms "Industry 4.0" and "Industry 5.0," with the latter reinforcing the role and the contribution of industry to society. New manufacturing technologies are continually emerging from Europe. European industries' ability to apply new ideas and develop new markets globally continues to provide jobs and drive export growth by an average of 3.9 % per year (from 2002-2021).⁴

Since the publication of the Strategic Agenda in 2021, manufacturing actors in Europe have been impacted by external shocks, including the COVID-19 crisis, and the consequent disruptions of global supply chains, and the war in Ukraine, with a resulting high volatility and insecurity related to energy prices. In addition, there has been a slowdown in the process of global integration and a rise in protectionism. These developments, together with changes in EIT Manufacturing's management and supervisory functions, have resulted in a need to revise and sharpen the Strategic Agenda, to position EIT Manufacturing as a source of knowledge and talent for the transition to a sustainable, human-centric and resilient European industry.

EIT Manufacturing: the leading European innovation community for manufacturing

European manufacturing needs strong innovation, business creation and education capabilities to maintain its position as a global industrial leader and continue its transformation into the world's first climate neutral continent. Hence, EIT Manufacturing's purpose is to improve people's lives through sustainable manufacturing, and it will be based on our ambitious vision: We are the leading European innovation community for manufacturing. EIT Manufacturing will achieve its vision by focusing on strong collaboration between stakeholders across Europe, with its mission of connecting manufacturing players by promoting talent and entrepreneurship to accelerate sustainable innovation in Europe. By 2027, EIT Manufacturing will have assumed a leading position in Europe's manufacturing landscape and will be a globally recognised innovation force actively engaged with more than 500 Core and Associate Partners.

Addressing pressing societal and industry-specific challenges: Our Strategic Objectives

The Strategic Objectives of EIT Manufacturing focus on Skills, Resilience and (Environmental) Sustainability. EIT Manufacturing will enable the emergence of innovation-based manufacturing companies, provide existing industries with strong support to realise disruptive and incremental innovation, and drive competitiveness through re-skilling and training. EIT Manufacturing will enable EU manufacturing actors

¹ Eurostat, Businesses in the manufacturing sector, 2020, [Link](#)

² World Bank, Manufacturing, value added in % of GDP, EU 28, 2022, [Link](#)

³ Statista, EU employment figures by sector, 2023, [Link](#)

⁴ Eurostat, Extra-EU trade in manufactured goods, 2022, [Link](#)

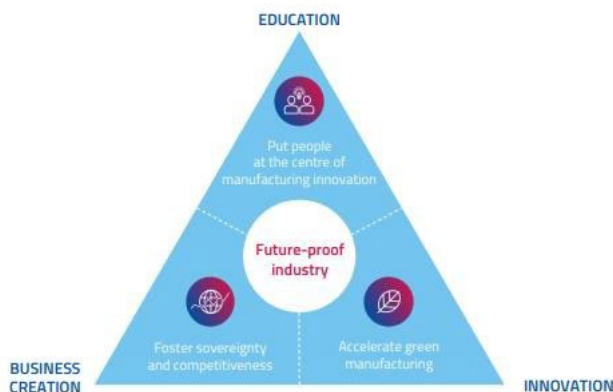


Figure 1: Overview of KIC's three Strategic Objectives

Industrial Strategy for Europe, the new *European Innovation Agenda* and the *United Nations 2030 Sustainable Development Goals (SDGs)*. The following three strategic objectives (see Figure 1) give direction to our community:

1. Put people at the centre of manufacturing. Europe requires a highly skilled workforce, employed in attractive jobs. A majority of the workforce will need reskilling to be able to engage in a range of jobs transformed by market trends, e.g., digitalisation.⁷ EIT Manufacturing will address this through supporting the creation of new, attractive industry jobs and pan-European education training programmes platform, which has been launched in 2021 with the name of Skills.move. EIT Manufacturing supports up- and reskilling *inter alia* by leading the *Deep Tech Talent Initiative*, one of the five flagships of the *New European Innovation Agenda*. Furthermore, EIT Manufacturing will increase the innovation capacity of the higher education sector by promoting institutional change in higher education institutions (HEIs).
2. Accelerate green manufacturing. European manufacturing must commit to radically reduce its climate impact whilst creating closed-looped manufacturing. EIT Manufacturing will support industry in reducing emissions, environmental pollution, energy, and material consumption, while also promoting the transition to a *Circular Economy*. It will thus significantly contribute to goals set out in the *European Green Deal*, the *Net-Zero Industry Act*, the *Critical Raw Materials Act*, and other European or national initiatives.
3. Foster sovereignty and competitiveness. Europe needs both disruptive and incremental innovation to increase the competitiveness of manufacturing and strengthen its resilience. Europe competes in a challenging global market that requires extreme agility towards customer demands. EIT Manufacturing will increase industry's agility, flexibility and resilience. The KIC will support established players as well as new innovative start-ups and SMEs, which are key sources of innovation across Europe. A continuous focus will be put on enhancing the innovation capacity of EIT RIS eligible countries and regions. EIT Manufacturing will promote European cohesion to support attractiveness for industrial investments in the context of de-globalisation, green manufacturing and reshaping of supply chains.

to compete on global markets, providing attractive jobs and setting global standards. EIT Manufacturing is grounded in several key European initiatives, amongst them the European Institute of Technology and

Innovation (EIT) and Horizon Europe. Their respective strategic planning was taken into consideration when developing this Strategic Agenda. It is also closely aligned with the *New*

EIT Manufacturing's integrative and responsive approach to innovation

EIT Manufacturing operationalises its strategy along four integrated areas – Education, Innovation, Business Creation and its Regional Innovation Scheme (RIS) – for promoting knowledge triangle integration, and secure for the deployment of tailor-made activities on RIS countries. Each area has clearly defined internal programmes. The KIC initiates concrete actions to involve the private sector, particularly SMEs and start-ups, in the activities of each area, including education, training, and skills development. To ensure alignment to the Strategy, each Strategic Objective is addressed with two Strategic Initiatives, which guide the definition of the call for proposals, including the selection criteria. In addition, regular bottom-up consultations will be carried out amongst relevant EU players, to give guidance enabling EIT Manufacturing to respond to newest technological developments or variations in stakeholder needs.

A strong, open manufacturing innovation community

EIT Manufacturing is establishing an open European community ensuring a balanced group of world-class manufacturing stakeholders. Partners consist of (1) recognised and diverse industry leaders, fostering multi-sectorial innovation approaches and cross fertilisation; (2) universities, globally recognised for academic and innovation performance, providing educational capacity, curricula and top-level academics; (3) highly recognised Research and Technology Organisations (RTOs), contributing broad competencies and specialised expertise in manufacturing and enabling technologies; (4) start-ups and scale-ups with technology that can contribute to European manufacturing will be supported via service agreements including access to the EIT Manufacturing Sparks Club which will allow startup CEOs to meet for training and exchange.. EIT Manufacturing will bring European manufacturers together to explore common benefits, reshaping whole supply chains towards strengthening their resilience and global competitiveness. Special efforts are made to gain more partners from RIS countries considered as modest or moderate innovators.

How EIT Manufacturing is organised

With its revised membership model, EIT Manufacturing governance is based on the key principles of agility, transparency, and efficiency. EIT Manufacturing builds on a strong, diverse, and dedicated leadership team, and a tightly connected and engaged partnership, enhanced by constant evaluation of our activities. Across Europe, in the HQ and the Co-Location Centres (CLCs), the EIT Manufacturing personnel, led by the areas and CLC directors, implement the vision and strategy of the KIC. Areas are defining the key activities and pan-European strategy in consultation with the CLCs and partners, and CLCs directors focus on implementing activities considering country-specific adaptations. All these activities are designed and planned as part of the business planning process. EIT Manufacturing will implement gender balance and non-discrimination principles in all its procedures, activities and programmes, in line with the European Commission's *Gender Equality Strategy 2020-2025*, the [EIT Gender Equality Policy and Action Plan](#), and the *EIT Gender Mainstreaming Policy*. It will gear its activities to reduce the underrepresentation of women in entrepreneurship, manufacturing, and technology sectors in general.

2 STRATEGIC ANALYSIS OF THE SOCIETAL CHALLENGE

2.1 Societal Challenges

The European manufacturing industry contributed more than 15%⁵ of the European GDP in 2022, while employing around 32 million people.⁶ Europe is a long-established, strong global player in manufacturing innovation, but several major challenges threaten the European manufacturing industry:

- Aging demographic evolution in Europe, coupled with a shift in skillset requirements, is making talent acquisition of the newest generation and upskilling and reskilling of current human capital a key challenge for manufacturers.
- A diversified workforce is a key lever to unlock innovative thinking and human capital needs in manufacturing. Today Manufacturing is one of the sectors with the lowest share of women employees. Improving the manufacturing work environment will help to attract tomorrow's talents from across the spectrum of diversity.
- Greenhouse gas (GHG) reduction is increasingly a priority. Despite the European Green Deal and its Net Zero Industry Act (NZIA) or Corporate Sustainability Reporting Directive (CSRD), regulation is too slow. European industrial firms could turn this challenge into an opportunity through sustainable products and practices.
- Our current production and consumption systems predominantly rely on non-reusable or non-recycled raw materials, fostering a linear model that generates persistent waste and perpetuates the demand for virgin resources, ultimately leading to unsustainable consumption practices. The challenge at hand lies in transitioning towards a circular economy.
- The COVID-19 pandemic and the Ukrainian war have shown the importance of a resilient and strong European manufacturing industry. These crises have revealed the disadvantages of overly complex global supply chains and European dependencies on specific raw materials and critical components; Strategic autonomy and independent manufacturing will be key drivers for the future competitiveness of European manufacturing, which is why the EU intends to regulate it, e.g., through the cyber resilience act; DeepTech is seen as part of the solution as it provides significant opportunities to increase competitiveness, resilience and talent attraction and development.

The KIC will address the challenges in all five critical areas of the *2030 Agenda for Sustainable Development* of the *United Nations: People, Planet, Prosperity, Peace and Partnership*.⁷ This will also involve addressing 10 of the 17 UN Sustainable Development Goals:

⁵ World Bank, Manufacturing, value added in % of GDP, EU 28, 2022, [Link](#)

⁶ Statista, EU employment figures by sector, 2023, [Link](#)

⁷ UN SDGs, Transforming our world: 2030 Agenda for Sustainable Development, 2015, [Link](#)

Figure 2: Overview of SDGs addressed by the KIC



2.1.1 People

Demographic change and population decline pose a significant challenge to Europe, as they limit the available labour pool for manufacturing. This could potentially lead to 2.6 million manufacturing jobs going unfilled between 2018 and 2028, potentially eroding Europe's competitiveness.⁸ To bridge the gap in workers, the World Economic Forum (WEF) stresses the urgent need for reskilling in the global workforce.⁹ Approximately 2 billion days of reskilling are needed for Europe's manufacturing workforce. These challenges align with the European Skills Agenda, which advocates for enhanced skills development in industry for both existing and aspiring workers.¹⁰ A skilled talent pool is crucial for sustainable, technology driven jobs that promote social impact and inclusivity. This means including those with disabilities or nearing retirement age, while attracting the younger generations to employment. Workplace diversity encompasses various dimensions, aiming to integrate perspectives from different groups and foster an inclusive work environment that values and incorporates diverse viewpoints. Regarding gender diversity, in 2021, only 21% of the manufacturing talent were women.¹¹ Promoting gender diversity requires engaging more women across all levels of manufacturing by creating appealing work environments – in alignment with the EC's *Gender Equality Strategy 2020-2025*, the [EIT Gender Equality Policy and Action Plan](#), and the European Pillar of *Social Rights*.

This challenge relates to the **People**-dimension of the United Nations Sustainable Development Goals (UN SDGs), aiming to “ensure that all human beings can fulfil their potential [...]”. This specifically involves SDGs: 4 Quality Education (4.3, 4.4, 4.5, 4.7), 5 Gender Equality (5.b), Decent Work and Economic Growth (8.2, 8.5, 8.6), 10 Reduced Inequalities (10.2).

⁸ World Manufacturing Forum, *Skills for the Future of Manufacturing*, 2019, [Link](#)

⁹ World Economic Forum, *The Future of Jobs Report 2023*, 2023, [Link](#)

¹⁰ EC, *European Skills Agenda*, 2020, [Link](#)

¹¹ Eurostat, Article “EU had almost 7 million female scientists in 2021”, [Link](#)

2.1.2 Planet

Climate change stands as humanity's paramount contemporary and future challenge. Despite reduced Greenhouse gas (GHG) emissions in Europe since 1990, a comprehensive perspective is essential, particularly within industrial and manufacturing sectors affected by production outsourcing beyond Europe. Globally, the manufacturing industry has witnessed a 17.3 billion-tonne increase in GHG emissions, constituting 10% of global emissions since 1990.⁸ A substantial contribution to the *European Green Deal* is attainable by curbing energy consumption, GHG emissions, environmental pollution, and water usage, and preserving biodiversity in manufacturing. European-driven solutions counteracting resource scarcity and fostering a Circular Economy align seamlessly with the *Circular Economy Action Plan*, positioning Europe at the forefront in sustainable and circular design and production, including de- and remanufacturing. Strengthening resilient value chains for critical raw materials through the *Critical Raw Materials Act*, and bolstering Europe's self-sufficiency in vital clean energy technologies via the *Net-Zero Industry Act*, will be pivotal drivers for the future of European manufacturing. These efforts will propel entrepreneurial initiatives that align with European Union (EU) policy priorities, driving impactful solutions.

This challenge relates to the **Planet**-dimension of UN SDGs aiming to “protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources [...]”. Specifically, it involves SDGs: 7 Affordable and Clean energy (7.3, 7.a), 12 Sustainable Consumption and Production Patterns (12.2, 12.5) and 13 Combat Climate Change and its Impacts (13.3).

2.1.3 Prosperity

In a fiercely competitive global market that demands rapid customer responsiveness and is experiencing accelerated digital transformation, Europe's strength is evident. The 2020 European Industry Strategy laid the groundwork for supporting the dual transition to a green and digital economy. To uphold and enhance its industrial leadership, Europe must address challenges related to environmental sustainability, evolving consumer preferences, deep technological shifts, and resilience in the face of uncertainty. The COVID-19 pandemic further exposed vulnerabilities in complex global supply chains, necessitating adaptability. A dynamic manufacturing industry fostering innovation and cross-industry influence stands as a vital contributor to Europe's prosperity. By 2030, digital manufacturing networks will be the norm, which means Europe needs to catch up in digital platforms and data standardisation.⁹ Pioneering companies achieving digital transformations reap substantial benefits across the manufacturing value chain, boosting production capacity, customer service, employee satisfaction, and environmental impact reduction. When extended across networks, these gains can profoundly reshape competitive advantages.

This challenge relates to the **Prosperity**-dimension of UN SDGs aiming to “ensure that all human beings can enjoy prosperous and fulfilling lives”. Specifically, it involves SDGs: 8 Decent Work and Economic Growth (8.1, 8.2, 8.5, 8.6) and 9 Industry, Innovation and Infrastructure (9.1, 9.2, 9.3, 9.4, 9.5, 9b).

⁸ Our World in Data, Emissions by sector, 2020, [Link](#)

⁹ EPSC, EU industrial policy after Siemens-Alstom, 2019. [Link](#)

2.1.4 Peace

The manufacturing industry plays a pivotal role in global and European peace. By fostering economic growth and stability, it mitigates inequalities that can lead to social unrest and conflict. Inclusivity within manufacturing creates opportunities for marginalised groups, promoting social cohesion and reducing tensions. Developing robust infrastructures required by the industry contributes to accessible economic opportunities, thereby diminishing regional disparities that can fuel grievances. Ethical and sustainable practices in manufacturing supply chains ensure fair treatment of workers, contributing to a more equitable global economy and lessening exploitation-related conflicts. Collaborations with governments to strengthen governance mechanisms establish accountable institutions and promote transparency, reinforcing the rule of law. Technological advancements driven by manufacturing innovation can transform various sectors, improving overall quality of life and lessening societal tensions. Ultimately, by engaging in responsible practices and community initiatives, the manufacturing industry significantly contributes to building peaceful and resilient societies.

This challenge relates to the **Peace**-dimension of UN SDGs “determined to foster peaceful, just and inclusive societies which are free from fear and violence [...]”. Specifically, it involves SDGs: 16 Peace, Justice and Strong Institutions (16.6, 16.10).

2.1.5 Partnerships

Fragmented value systems among European countries and the significant reliance on complex global supply chains necessitate the establishment of complex business relationships and partnerships. The increasing complexity and fragmentation of supply chains across Europe represent a big challenge. These lessons have fostered a more resilient European manufacturing system. Partnerships, which are especially beneficial for SMEs, enable collaboration, integration, and the collective solving of intricate challenges.¹⁰ Partnerships help us find solutions to complex and multi-dimensional challenges, foster innovation and increase efficiency by pooling resources – achieving value that is greater than the sum of its parts.¹¹ Strong European networks and partnerships for innovation have never been more crucial than they are now.

This challenge relates to the **Partnership**-dimension of UN SDGs “determined to mobilise the means required to implement this Agenda through a revitalised Global Partnership for Sustainable Development [...]”. Specifically, it involves SDGs: 17 Partnerships for Sustainable Development (17.6, 17.7, 17.16, 17.17).

¹⁰ EC, Industry Partnerships – a new impetus, conference report, 2018, [Link](#)

¹¹ Miller C., in Policy & Politics 27, Partners in regeneration: constructing a local regime for urban management?, 1999, [Link](#)

2.2 SWOT

The subsequent SWOT analysis examines internal strengths and weaknesses, alongside external opportunities and threats to outline how the KIC can best address the identified challenges:

Figure 3: EIT Manufacturing SWOT analysis

S STRENGTHS - We have a pan-European ecosystem bringing together academia and research, corporates, SMEs and start-ups. - We have a national and local presence with CLCs and RIS Hubs. - We are a respected partner in European initiatives. - We have a knowledgeable, experienced, and diverse team in place across Europe. - We are capable to contribute strongly to key initiatives of the EU, such as the Net Zero Industry Act, the Circular Economy Action Plan.	W WEAKNESSES - We have heavy administration of funded projects to partners. - We have a too broad scope of intervention making it difficult to position and differentiate ourselves. - We often have inconsistency in communication internally and with our partners. - We have an immature and unstable offering and positioning. - Financial sustainability is mispositioned and not always productive. - Manufacturing is rather complicated, requires high expertise and is capital intensive; not easy to comprehend and innovate.
O OPPORTUNITIES - We can support manufacturing talent development, upskilling, and reskilling through a training platform with contribution from universities. - We can play an upfront fostering role in the <u>reindustrialisation</u> of Europe on strategic industries and technologies. - We can accelerate green manufacturing practices and innovation. - We can bring private funding through a Venture Capital structure. - We can leverage our structure and capabilities to partner with Pillar II and other EU programs.	T THREATS - Inflation and geopolitical instability may reduce innovation investments. - If adequate cyber security systems are not in place, it may jeopardize the acceptance of smart manufacturing. - Original core partners leaving the KIC as initial rules of the funding allocations and financial return have changed compared to initial expectations. - Due to FS requirements, the KIC's offering is increasingly tailored towards corporate and SME needs, leading to an increased risk of Universities leaving the KIC. - Some of our objectives may prove to be incompatible with each other.

Considering the strengths and opportunities outlined above, EIT Manufacturing, with its network and supporting platform, is well positioned to tackle the identified social challenges by: bringing impactful skills through up- and reskilling; safeguarding the planet through the acceleration of innovation; securing prosperity with support for impactful start-ups; reinforcing peace through inclusiveness; and leveraging virtuous partnership models to find solutions to complex and multi-dimensional challenges.

To contribute to the success of the EIT and to achieve its own vision, EIT Manufacturing's Strategic Objectives (see Chapter 3) are designed to address these societal challenges and to translate them into impact in the form of successful innovation acceleration and commercialisation, forwarding our European journey to build a future-proof industry.

3 VISION, MISSION AND STRATEGIC OBJECTIVES

3.1 KIC's purpose, vision and mission

EIT Manufacturing leverages the strengths and abilities of European industry to design and manufacture the goods and services that create our wealth and underpin our ambition to reach climate neutrality in 2050. Recent geopolitical impacts and crises, such as the COVID-19 pandemic and the war in Ukraine, underscore the need for Europe to sustain a strong and resilient manufacturing industry. In alignment with the EC's recovery plan Next Generation EU, the KIC is committed to supporting the manufacturing industry



in shaping a human-centric, sustainable and resilient approach. European Manufacturing needs the strong innovation, business creation and education capabilities that the KIC has created to fulfil our:

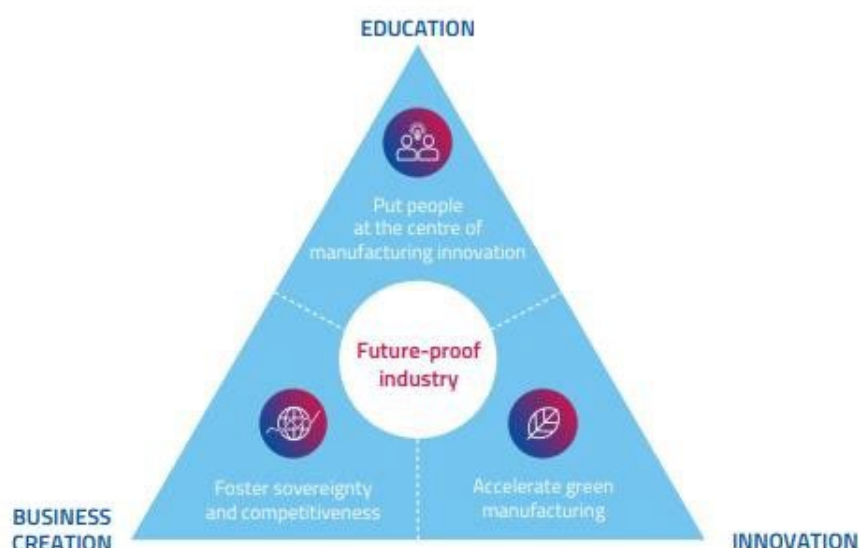
PURPOSE: To improve people's lives through sustainable manufacturing.

VISION: We are the leading European innovation community for a competitive and resilient manufacturing in Europe. We will achieve our vision through innovation and collaboration across Europe, within all dimensions of manufacturing.

MISSION: Connecting manufacturing players by promoting talent and entrepreneurship to accelerate sustainable innovation in Europe.

3.2 KIC's strategic objectives

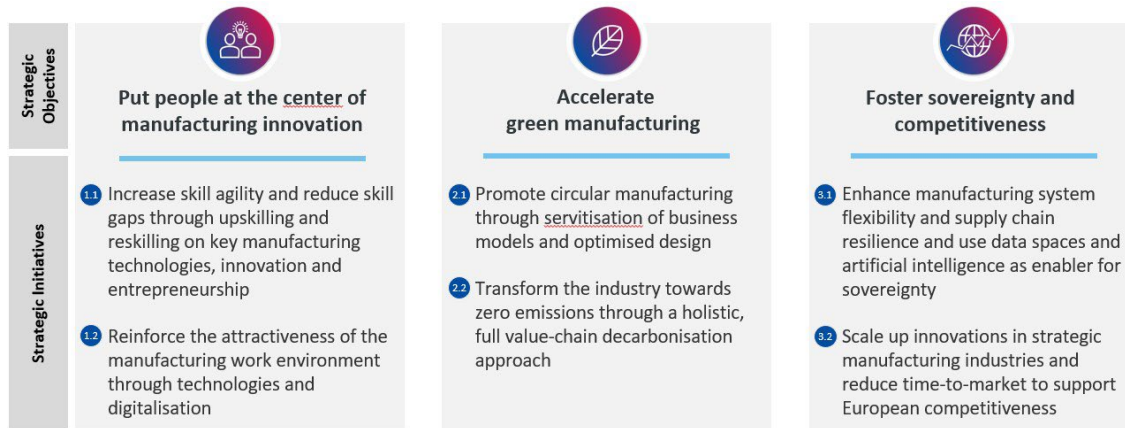
Figure 4: Overview of the KIC's Strategic Objectives



Amid the complexities of today's global manufacturing challenges, Industry 5.0 offers a promising prospect for the smart and responsible revitalisation of manufacturing. This approach resonates seamlessly with the world's ecological and environmental imperatives. Its dimensions of human-centricity, environmental sustainability and resilience thus form the basis of EIT Manufacturing's Strategic Objectives (SO), which are also in line with the challenges described in Chapter 2.1 and the overarching objectives mentioned in *EIT's Strategic Innovation Agenda*. The three objectives are intricately interdependent, mutually enhancing each other to foster a future-proof European manufacturing industry: SO1 – to “put people at the centre of manufacturing innovation” – will enable people to innovate for and lead the climate transition, thereby positively impacting SO2 – to “accelerate green manufacturing”. Turning the green transformation into a competitive advantage for European Manufacturing connects SO2 with SO3 – to “foster sovereignty and competitiveness”. SO3 can at least partially be ensured by solving skill shortages and thereby closing the loop from SO3 to SO1. Figure 4 outlines the three Strategic Objectives and explains how they are embedded in the Knowledge Triangle, as they are implemented through the tools available to Education, Innovation and Business Creation.

Each Strategic Objective is supported by two Strategic Initiatives (SI), which put the SOs into practice by guiding the KIC's activities towards societal and economic impact. Horizontal topics, like long-term financial sustainability and regional cohesion, are an integral part of all SOs. If indicated, the KIC will do a mid-term review of its SOs and SIs to adapt to changing societal and economic circumstances or a shift of its partners' priorities. Progress on the SO will be continuously measured and reported (see KPI table Chapter 4.2).

Figure 5: Overview of KIC's Strategic Objectives and Initiatives



Boosting innovation in EIT RIS countries

Throughout all its activities, EIT Manufacturing will fully integrate and closely collaborate with organisations and individuals from EIT RIS eligible countries, to help overcome prevailing disparities regarding innovative capacity and participation in EIT initiatives. Several suppliers and solution providers relevant to manufacturing can be found in EIT RIS countries, but they lack access to, and engagement with, innovation activities. Recent crises highlighted the importance of an integrated and resilient pan-European manufacturing value chain with the ability to produce strategically vital parts and products for the European market. EIT RIS is therefore an integral part of the KIC's activities and initiatives, and we seek to further develop and leverage the innovative potential and talent in RIS countries. EIT Manufacturing RIS encourages involvement by raising awareness and supporting local actors in participating in EIT and EIT Manufacturing activities. In parallel, EIT Manufacturing will deploy activities tailor-made to the needs and opportunities of RIS countries, while also being aligned with the overall objectives of the KIC in RIS countries. So far, EIT Manufacturing has established three CLCs in EIT RIS countries (Italy, Spain, and Greece). Additionally, EIT Manufacturing RIS Hubs already operate in 11 EIT RIS countries, with the potential to establish additional ones in the next years (see Chapter 5.1). With the CLCs and RIS Hubs, the KIC increases its regional impact and enhances its outreach to a wide range of stakeholders and potential partners, integrating them into the KIC community and its activities based on the Knowledge Triangle. The RIS Hubs are responsible for building a pipeline of RIS participation in the KIC's activities and ensuring that partners or projects that have not reached a certain maturity are supported in their further development. RIS Hubs are also responsible for facilitating access to the KIC's educational programmes. Their performance will be evaluated by respecting the EIT RIS Hubs Minimum Standards and Guiding Principles, including the common set of KPIs for the RIS Hubs. Extra attention will be given on how successful they are in establishing synergies at a local level, identifying and attracting new relevant partners, connecting partners to the existing network, and engaging them in KIC activities. EIT Manufacturing's approach to RIS countries is deeply anchored in the belief that mutual benefits and positive impact can be leveraged through close cooperation between organisations across Europe forming open, geographically distributed innovation ecosystems and promoting European cohesion. In this context, European manufacturing will strongly reinforce its strategic autonomy.

3.2.1 SO1 Put people at the centre of manufacturing innovation

Strategic Initiative 1.1: Increase skill agility and reduce skill gaps through upskilling and reskilling on key manufacturing technologies, innovation, and entrepreneurship. Skills development is one of the most pressing and timely challenges of the manufacturing industry.¹² The KIC employs the EIT Manufacturing Competence Framework and Quality System for systematic skills development, catering to EIT Label requirements and industry demands, like digital transformation. Initiatives include the Digital Learning Platform (Skills.move/EIT Manufacturing Academy) and Teaching and Learning Factories (TLFs), which will be fully connected with the EIT Campus and Deep Tech Talent initiative Platform to create and benefit from the relevant synergies for shared marketing and other shared services, such as matching tools. The overall education and training offering, leveraging but not limited to the listed activities, shall be suitable for various skill-levels, with a focus on those aged 40+ to counter skill shortages. Activities have spread beyond the initial community, with an emphasis on RIS countries, and have boosted Teaching Factory Competitions and the Learning Factories network. Starting with 2023, EIT Manufacturing has adopted a new Quality Assurance system enabling the delivery of Labelled non-degree programmes to professionals and practitioners. Parallel efforts include EIT Labelled degree programmes, a cross-KIC Higher Education Initiative (HEI) – and the EIT Deep Tech Talent Initiative (DTTI), which fosters deep tech expertise with a pipeline of 1 million skilled professionals by 2025. This comprehensive approach strives to bridge skill gaps, bolster education ecosystems and propel manufacturing competitiveness. It is also aligned with the *Digital Education Action Plan (DEAP)* and the *New European Innovation Agenda (NEIA)*.

Strategic Initiative 1.2: Reinforce the attractiveness of the manufacturing work environment through technologies and digitalisation. EIT Manufacturing aims to position Europe as a socially sustainable industrial role model. It focuses on creating safer, ergonomic, and inclusive working conditions while utilising advanced technologies for task automation, so that humans can focus on more meaningful, attractive, value-adding assignments while developing new and higher skills. Diversity, with all its layers, and gender balance in particular, is tackled through a fully-fledged policy, programs, to attract and support women workers, students and pupils. The EIT Manufacturing Gender Equality Policy and Action Plan, currently being finalised, is associated with monitoring systems to track the involvement of females and less-represented groups, and the progress towards rebalancing male dominance among students and participants in the KIC's calls for proposals. Mentoring programmes like RIS LEADERS and STRADA, based on a gender equality plan, are specifically addressing women in manufacturing. The promotion and recruitment of EIT Manufacturing Masters and PhD is shaped to attract and involve more women. According to Eurostat, in 2022, only 22% of the people employed as scientists and engineers in Manufacturing were women¹³. In 2021-2022 the percentage of women graduating from these programmes was 16%. The goal is to reach 30% by the end of 2027, almost doubling the percentage of female participants from 2021-2022 programmes. More in general the initiative integrates diversity principles in every stage of the activities, including the experts selection, in the participation of partners, teachers and learners, and The Women Ambassador's and other Programmes contribute to propagate gender balance and inclusion good practices and solutions in the manufacturing industry, considering also how to deal with changing dynamics of the younger workforce. EIT Manufacturing will support promotion of the manufacturing sector as an innovative and attractive career path, through activities like engaging with schools, partners and networks, including Junior Achievement. Innovation workshops and collaborative sessions enable young talents to address real-world challenges and align with the KIC's

¹² [World Manufacturing Forum, Skills for the Future of Manufacturing, 2019](#), Link

¹³ [Eurostat, 41% of people employed as scientists and engineers are women, 2024](#)

purpose of environmental and social sustainability. Through its calls for proposal, the KIC has the necessary tools at hand to proceed in this initiative, which helped it win the Women Tech EU programme.

Short Term (until end of 2023)	Medium Term (until end of 2025)	Long Term (until end of 2027)
Establishment of 6 MSc and PhD Programmes	880 total EIT labelled graduates (Master's, PhD, and nondegree programmes); Thereof 20% graduates from underrepresented groups, e.g., women 13 Start-ups created of EIT-labelled programmes (15% from RIS countries) 3300 education nuggets created	36% of upskilled employees working in the manufacturing sector. 25% of women-led startups in manufacturing 25% of women-led consortia in funded innovation activities

3.2.2 SO2 Accelerate green manufacturing

Strategic Initiative 2.1: Promote circular manufacturing through servitisation of business models and optimised design. Besides improving manufacturing processes to optimise resource use along the full product life cycle, including de- and re-manufacturing, the KIC will work towards zero-waste manufacturing and closing material loops to reduce costs and increase profitability by embedding this ambition in the calls for proposals within the innovation pillar. Overall, the KIC will improve energy (see Strategic Initiative 2.2) and material intensive production processes and increase the lifetime of products. Through the EIT labelled Master dedicated to Zero Waste and Circular Economy, and the educational content developed, the KIC will enable knowledge sharing between partners and engage in cross-KIC activities with, e.g., EIT Raw Materials¹⁴. The initiative allows the KIC to focus on those technologies supporting circular and eco-friendly approaches. The *Transform* programme actively supports the development of circular business models.

Strategic Initiative 2.2: Transform the industry towards zero emissions through a holistic, full-value-chain decarbonization approach. Manufacturing industries and construction accounted for approximately 16% of total European greenhouse gas emissions in 2021.¹⁵ Therefore, decarbonizing manufacturing has an impactful contribution towards achieving European climate ambitions. As such, decarbonization – as well as dematerialization – is a priority for EIT Manufacturing. Through its network and testbed facilities, EIT Manufacturing will facilitate the demonstration of low-carbon technologies to speed up commercialisation and wide-spread implementation. Through its own means (i.e., funding of activities), and partnership with investors and other financial intermediaries, it will contribute to the financing of such undertakings.

¹⁴ EC, A new Circular Economy Action Plan, 2020, [Link](#)

¹⁵ European Environment Agency, Annual European Union greenhouse gas inventory report, 2023, [Link](#)

Technology will serve as an enabler to leverage the measurement, monitoring and reporting of emissions, and to support energy-saving measures.

As part of its commitment to accelerate green manufacturing, EIT Manufacturing envisions establishing its own investment arm, a Venture Capital initiative. This strategic move aims to support early-stage start-ups in the green manufacturing sector, empowering them to establish their inaugural factories and pilot innovative solutions, thus fostering the rapid growth of environmentally sustainable manufacturing practices. Besides funding, success in both Strategic Initiatives targeting green manufacturing relies heavily on raising awareness and building skills needed to advance towards sustainability. Educational content will hence be created and delivered to various target audiences in the areas of circular economy and materials, 15decarbonization, and design for sustainability – creating a close link to Strategic Objective 1.

Short Term (until end of 2023)	Medium Term (until end of 2025)	Long Term (until end of 2027)
17 activities contributing to environmental sustainability	30 innovations launched on the market that contribute to environmental sustainability	15% circular material use rate 25% reduction of GHG emissions compared to 2005

3.2.3 SO3 Foster sovereignty and competitiveness

Strategic Initiative 3.1: Enhance manufacturing system flexibility and supply chain resilience by using data spaces and artificial intelligence as enabler for sovereignty. Increasing demands for highly customised products and/or disruptive market events like COVID-19 require higher levels of manufacturing flexibility.¹⁶ Lean and agile processes, as well as enabling technologies and related skills, are required to facilitate smallbatch production or rapid reconfiguration of manufacturing systems while maintaining profitability and product quality. This increased flexibility and agility will make European Manufacturing more resilient. Adopting agile processes involves agile working methods, which EIT Manufacturing supports via its up- and reskilling initiatives and its agile networks. EIT Manufacturing aims at developing collaborative and agile European relationships between manufacturers and suppliers, promoting faster response times to market changes and reducing lead times. To further streamline and automate processes, the use of advanced technologies should be explored. Leveraging such technologies requires solid data management strategies, including enabling sharing of sensitive information across value and supply chains. EIT Manufacturing recognises the importance of data sovereignty and is actively contributing to the establishment of a robust data governance framework based on Gaia-X standards. A proper implementation of secure data-sharing protocols builds the basis for creating data spaces that enable manufacturers to exchange data securely and sovereignly with trusted partners.

Increased flexibility also positively impacts the ability to better meet customer expectations and thereby allows businesses to grow and create jobs. From a technological and process perspective, there are various promising examples to achieve the desired system flexibility and produce personalised products. However, EIT Manufacturing will also support flexibility and agility in production by, for example, focusing on aspects like remote operations, e.g., for maintenance or intervention.

¹⁶ See for example, World Manufacturing Foundation, Back to the Future – Emerging topics for long term resilience in manufacturing, 2021, [Link](#)

Strategic Initiative 3.2: Scale up innovations in strategic manufacturing industries and reduce time-to market to support European competitiveness. Encouraged by the knowledge that increased innovation correlates with increased competitiveness, EIT Manufacturing will focus on development of innovative products, processes and services that can positively impact the key strategic industries, thus allowing Europe to stay competitive globally and maintain its sovereignty. To achieve this, EIT Manufacturing specifically supports innovation activities that are already close to the market (i.e., TRL 7 and higher) and have the potential to solve global manufacturing challenges but still need to be validated in real industrial environments. Within this context, EIT Manufacturing identifies increasing innovation potential in EIT RIS countries and strongly supports their innovations. Relevant educational content, e.g., digital learning paths and Teaching Factories' sessions, will be created and delivered via Skills.Move and integrated in education and training programmes. In parallel to technology validation, EIT Manufacturing also supports commercialisation of innovation with start-up support. Startup support agreements will include coaching and introductions to manufacturing customers. Also startups will be supported in their fundraising process.

A major challenge for scaling up strategic industries in Europe is high energy and labour costs. EIT Manufacturing Business Creation will work with startups from around Europe that can bring solutions to improve the efficiency of new industrial processes. The goal will be to improve competitiveness of European manufacturers and accelerate time to market. EIT Manufacturing aims at identifying critical components in the supply chain for strategic industries and supporting startups and SMEs that supply European manufacturers with such components. Business Creation will work with Education and Innovation to create new startups where such startups do not exist today.

In addition, the KIC's Business Creation pillar will work with investor networks to support the scale-up and first production of new European manufacturers.

Short Term (until end of 2023)	Medium Term (until end of 2025)	Long Term (until end of 2027)
80 activities developing solutions to enhance flexibility, resilience and competitiveness	73 innovations launched and marketed with a sales revenue of at least EUR 10k; 25 Start-ups created with a sales revenue of at least EUR 10k	36% Revenue growth in manufacturing 6,451 New jobs created in supported Start-ups/Scale-ups

3.3 KIC's industry and technology focus

In addition to the defined Strategic Objectives, the KIC's strategy will encompass a targeted approach towards eight specific manufacturing industries, most accompanied by critical areas, that EITM will spend an extra focus on. The industries will serve as focal points for EIT Manufacturing's efforts. By tailoring

initiatives to the unique needs and dynamics of each sector, and even more specifically the critical focus areas within those sectors, the KIC aims to amplify the impact of the strategy, foster innovation, and contribute significantly to the advancement of manufacturing excellence across diverse industrial domains. The following table provides an overview and highlights segment 1. – 3. which are of particular attention to the KIC:

Industry segment	Extra focus
1. Automotive	Batteries, Hydrogen
2. Machinery & equipment (including robotics), electric equipment	Batteries, Robotics
3. Computers, electronic & optical products	Semiconductors, Solar
4. Manufacturing of basic metal /metal products	CleanTech
5. Air & Spacecraft	
6. Chemicals & Pharmaceuticals	Biomanufacturing
7. Food & Beverages	
8. Textile & apparel	

Further, a focus on specific transversal technologies will enable the KIC to build more in-depth expertise on the selected technologies, e.g., through recruitment, knowledge management and training within EIT Manufacturing as well as through interactions with partners. The technology focus areas and the related transversal technologies are displayed in Figure 6 below.

Figure 6: Manufacturing's focus on transversal technologies



The selection of our industry focus and the identification of key transversal technologies for this strategic period emerged through an iterative process. This methodology involved various internal dialogues and collaborative discussions with all stakeholders. Our aim was to ensure that this initial focus is comprehensive and aligned with the collective insights and expertise of our partners and contributors. Importantly, we acknowledge that this focus may be subject to adjustments over time to ensure it remains attuned to the most pressing themes and evolving industry needs.

To maximize impact within the targeted industry sectors and key transversal technologies, it is crucial to ensure a solid representation of these areas within the partnership framework. To this end, the strategy for expanding the partnership should be aligned with the overarching Strategic Objectives, as elaborated in Section 5 – Partnership.

4 IMPACT AND RESULTS

4.1 Impact

Reaching our ambitious goals

EIT Manufacturing has identified several overarching challenges with regards to *People, Planet, Prosperity, Peace and Partnerships* (see Chapter 2), resulting in the KIC's three SOs on human centricity and skills, environmental sustainability, and sovereignty and competitiveness. The KIC's strategy is further guided by the United Nations' *SDGs* and the EU key policy priorities, such as the *European Green Deal*, the *New Circular Economy Action Plan*, the *Critical Raw Materials Act*, the *Net-Zero Industry Act*, the digital strategy *A Europe Fit for the Digital Age*, and the *New European Innovation Agenda*. By bringing together manufacturing actors across Europe to integrate innovation and education, the KIC will contribute to an entrepreneurial, sustainable and resilient Europe.

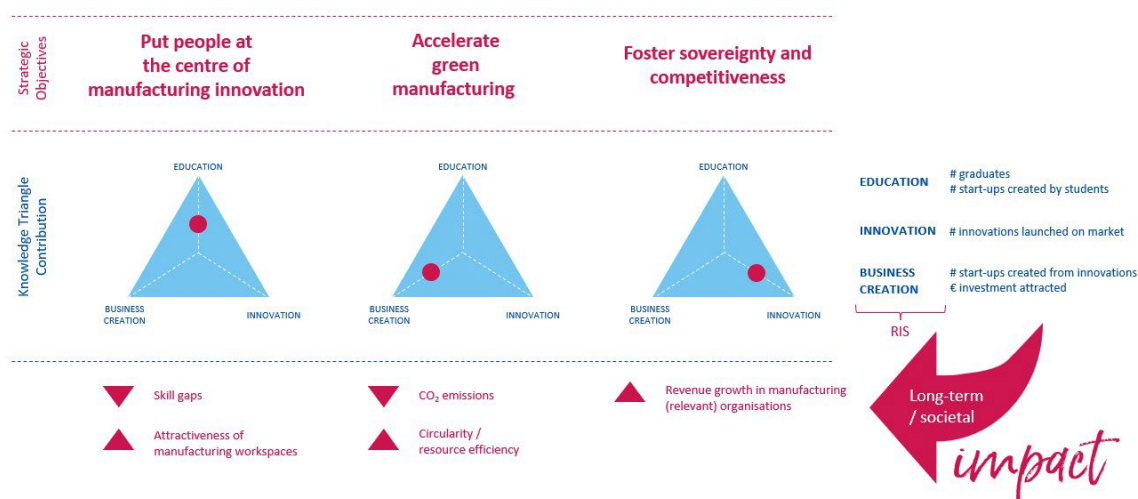
EIT Manufacturing's network strength will facilitate the achievement of the strong impacts targeted. Figure 7 shows the logic between the Strategic Objectives and the main intervention areas of the KIC in Education, Business Creation and Innovation (and RIS). EIT Manufacturing drives a portfolio of activities in these areas to contribute to achieving the Strategic Objectives. Accordingly, the short and medium KPIs are identical with the EIT Core KPIs related to the intervention areas of the KIC (horizontally shown in Figure 7) while the societal impacts are achieved in the long term through the link of the portfolio of activities to the Strategic Objectives.

In addition to the intervention logic, Figure 7 shows the knowledge triangle integration. In principle, activities in all areas, including RIS, contribute to the Strategic Objectives and societal impact of EIT Manufacturing. To make use of the most promising opportunities and to align EIT Manufacturing's offer to the needs of the EU manufacturing actors, there may be varying focuses set in the different pillars. For Strategic Objective 1, for example, the centre of gravity is on Education, especially for Strategic Initiative 1.1. However, all Education activities generally include, or are focused on, enhancing skills related to Strategic Objectives 2 and 3. For Strategic Objective 2, the current focus is on Business Creation, because a wealth of opportunities exist, such as entrepreneurial initiatives that bring solutions to improve

industry's environmental footprint. In addition, Innovation activities are carried out that directly involve the manufacturing industry in reducing emissions and improving resource efficiency. For Strategic Objective 3, the main focus is on Innovation to reflect the needs of industry to improve resilience during the current crises.

This intervention logic requires careful steering of the portfolio of activities of EIT Manufacturing, in order to ensure achievement of the Strategic Objectives and the envisaged societal impacts. To this end, the Strategic Initiatives guide the definition of the call for proposals, including the selection criteria. In addition, regular bottom-up consultations amongst relevant EU players will be carried out, to provide guidance enabling EIT Manufacturing to respond to the newest technological developments or variations in stakeholder needs.

Figure 7: Long-term and societal impact of SOs



KIC impact

The following impact pathways are described for the Strategic Initiatives, showing the logical link between strategy and short-term outputs, medium-term outcomes and long-term (societal) impacts. The corresponding target values for each year are represented in the table under 4.2. Annex 1 details the sources and baselines for the long-term indicators.

4.1.1 SO1: Put people at the centre of manufacturing innovation

Strategic Initiative 1.1: Increase skill agility and reduce skill gaps through upskilling and reskilling on key manufacturing technologies, innovation, and entrepreneurship. The impact targeted is a measurable increase in skill levels of European professionals and practitioners and their readiness to be part of the innovation waves that make our industry sustainable and competitive on a global scale. The availability of flexible and personalised education and training allows for efficient and effective adaptation to new and changing job market requirements. Skill shortages will be addressed and reduced i.a. in the following areas: AI and data analytics, Creative problem solving in a complex and constantly changing world,

Entrepreneurial mindset, Ability to work physically and psychologically safely and effectively with new technologies, Cybersecurity, privacy, and data/information mindfulness, Environmental Sustainability.

Strategic Initiative 1.2: Reinforce the attractiveness of the manufacturing work environment through technologies and digitalisation. The impact targeted is the creation of attractive and socially sustainable jobs and workspaces in manufacturing in Europe. Beyond health and safety aspects, this includes diversity and inclusion, as well as continuous training opportunities. Automation and digitalisation are effectively deployed to balance, support and augment all humans at work.

Short term: # of established MSc and PhD Programmes # activities contributing to workplace and job attractiveness	Medium term: # EIT labelled graduates (Master's, PhD, and nondegree programmes); # Start-ups created of EIT-labelled programmes (15% from RIS countries) # education nuggets created	Long term / Societal: % of upskilled employees working in the manufacturing sector. % of women-led startups in manufacturing % of women-led consortia in funded innovation activities
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RIS-specific impact under SO1 is achieved by enabling virtual, long-distance learning, resulting in an increase in knowledge and capabilities through practical, complementary education offers. In the longterm, this will contribute to the attractiveness of RIS locations for investment. New jobs will be generated as availability of qualified personnel increases. With regard to women in manufacturing, RIS countries have a comparably strong tradition of highly skilled women in science and engineering. This is evident from the interest in the RIS LEADERS programme, which every year receives more than 40 applications from female leaders based in RIS countries. These women are supported and trained further through EIT Manufacturing programmes. They are expected to serve as best practice examples and may also be further supported by other KIC activities, e.g., supporting female-led start-ups.

4.1.2 SO2: Accelerate green manufacturing

Strategic Initiative 2.1: Promote circular manufacturing through servitisation of business models and optimised design. The impact targeted is increased resource efficiency in the sector. Activities carried out with support of EIT Manufacturing will contribute to making Europe's manufacturing industry a leader by example in terms of circular processes and technologies. There will be a focus on pressing issues like critical materials.

Strategic Initiative 2.2: Transform the industry towards zero emissions through a holistic, full value-chain decarbonisation approach. The impact targeted is a reduction of GHG emissions, with the aim of Europe having the highest share of production facilities with a net-zero carbon footprint worldwide. Next to scope 1 emissions, scope 3 emissions will be targeted especially.

Short term: # activities contributing to environmental sustainability	Medium term: # of innovations launched on the market that contribute to environmental sustainability	Long term / Societal: Reduction of GHG emissions compared to 2005 % circular material use rate
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RIS-specific impact under SO2: In accordance with the European *Green Deal's Just Transition Mechanism*, focused investments and best practice examples will be guided towards promoting environmental technologies in EIT RIS countries. This will not only highlight the environmental benefits, but also positive impacts on increasing productivity, innovation capacity and resilience – and making jobs in manufacturing safer by introducing more effective human-machine interaction.

4.1.3 SO3: Foster sovereignty and competitiveness

Strategic Initiative 3.1: Enhance manufacturing system flexibility and supply chain resilience by using data spaces and artificial intelligence as enabler for sovereignty. The impact targeted is the ability of manufacturing companies to respond rapidly to new opportunities and crises and therefore ultimately to increase their revenue. By developing and leveraging digital technologies and agile practices, activities will optimise manufacturing processes and enhance flexibility and responsiveness of European industry. Immersive XR technologies that can increase flexibility in industry will be promoted. In addition, EIT Manufacturing's involvement in securing industrial data spaces will be an enabler for data sovereignty.

Strategic Initiative 3.2: Scale up innovations in strategic manufacturing industries and reduce time-to-market to support European competitiveness. The impact targeted is to secure the production of critical industrial components and materials in Europe. This will be achieved through activities aiming to streamline design and development processes, leveraging of advanced manufacturing technologies to accelerate production cycles, and support for the European supply chain via introductions and networking events.

Short term: # activities developing solutions to enhance flexibility, resilience and competitiveness	Medium term: # innovations launched on the market # start-ups created € investment attracted by startups supported	Long term / Societal: % Revenue growth in manufacturing New jobs created in supported Start-ups/Scale-ups
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RIS-specific impact under SO3 is reached by enabling strong collaboration amongst different actors along the knowledge triangle to increase innovation. EIT RIS countries are strategically important to enhance the resilience of European manufacturing by transforming traditional, static supply chains into modern, innovative manufacturing networks. EIT RIS countries host manufacturing suppliers, subcontractors, and solution providers, comprising a critical cornerstone of European manufacturing. These RIS market actors are important for the operations of large European manufacturers, often world market leaders, providing them with parts, processes, and solutions addressing desired quality standards. However, RIS organisations are often reluctant to participate in European initiatives because they lack the relevant resources or the investment that might be needed in the first phases of their potential engagement. Continuous efforts in attracting them to collaborate with EIT Manufacturing will enhance the innovation ecosystems in RIS and will strongly support the resilience of the entire European manufacturing system.

4.2 Results

Table 1: Annual KPI targets

Code	KPIs	2021	2022	2023	2024	2025	2026	2027	Total
EITHE02.2 EITRIS	EIT RIS Marketed Innovations	15%							
EITHE02.3 EITRIS	#EIT RIS Countries – Marketed Innovations	12%							
EITHE02.4	#Marketed Innovations with a sales revenue of at least 10 000 EUR.	10*	18	21	24	26	28	127	
EITHE03.1	#Supported Start-ups/Scale-ups	471*	73	90	110	130	130	1004	
EITHE03.2 EITRIS	EIT RIS Start-ups/Scale-ups Supported	15%							
EITHE03.3 EITRIS	#EIT RIS Countries – KIC supported Start-ups/Scale-ups	12%							
EITHE04.2 EITRIS	#EIT RIS Start-ups created of/for innovation	15%							
EITHE04.3 EITRIS	#EIT RIS Countries – Start-ups created of/for innovation	15%							
EITHE04.4	#Start-ups created of/for innovation with a sales revenue of at least 10 000 EUR.	1*	6	6	12	12	12	48	

Code	KPIs	2021	2022	2023	2024	2025	2026	2027	Total
EITHE05.1	Number of start-ups established in year N by students enrolled and graduates from EIT labelled MSc and PhD programmes or by learners / participants in other EIT labelled activities				4	9	11	12	36
EITHE05.2	EIT RIS start-ups created of EIT labelled MSc/PhD programmes	15%							
EITHE06.1	Investment attracted by KIC supported Start-ups/Scale-ups in MEUR	47.4*		22.0	31.0	39.0	44.0	50.0	233.4
EITHE06.2 EITRIS	Investment attracted by KIC supported EIT RIS Startups/Scale-ups	20%							
EITHE06.3 EITRIS	# EIT RIS Countries – Investment attracted by KIC supported EIT RIS Start-ups/Scale-ups	15%							
EITHE07.1	#Graduates from EIT labelled programmes	0	0	111	281	488	562	661	2,103
EITHE07.2 EITRIS	# EIT RIS Graduates from EIT labelled programmes	20%							

Code	KPIs	2021	2022	2023	2024	2025	2026	2027	Total
EITHE08.1	Number of successful participants in EIT professional development courses, online training courses and other education/training activities	642	1496	2566	3902	5561	7611	10136	31914
EITHE08.2	EIT RIS Participants in (non-degree) education and training	15%							
EITHE09.1	Sum of students enrolled in EIT labelled master's, EIT labelled PhD programmes, participants in EIT labelled Fellowship schemes and other education activities awarded EIT Label			16	34	53	83	108	294
EITHE10.1	# Active KIC Partners collaborating in the KIC	132	200	170	194	202	243	293	1,434
EITHE10.2 EITRIS	# EIT RIS Active KIC Partners	20%							
EITHE10.3 EITRIS	# EIT RIS Countries – Active KIC Partners	20%							
EITHE11.1	FS revenues in MEUR	5.9	5.8	8.0	9.9	13.1	22.4	28.3	93.4

Code	KPIs	2021	2022	2023	2024	2025	2026	2027	Total
EITHE11.2	% FS coefficient	17.6%	12.5%	18.6%	19.7%	31.1%	36.2%	38.7%	38.7%
EITHE12.1	% KICs SIA funding rate	75%	75%	73%	73%	73%	71%	71%	71%
EITHE13.1	Financial asset valuation	1.5	5.4	10.5	10.8	10.6	12.0	12.5	12.5
EITHE18.1	% of less represented gender in top governance and management positions combined	36%	36%	41%	41%	43%	43%	45%	45%
EITHE22.1	Number of new and established KIC Partners from RIS countries	20%	20%	20%	20%	20%	20%	20%	20%
EITHE22.2	Number of new KIC Partners from RIS countries	20%	20%	20%	20%	20%	20%	20%	20%

*Approved achievement in 2021-2022

5 GOVERNANCE AND OPERATION MODEL

5.1 Partnership

The EIT Manufacturing partnership is positioned to assume a leading role in Europe's manufacturing innovation landscape as the pan-European manufacturing innovation community focusing on practice-based education and matching innovators and innovative ideas with a strong industrial base. The industry partners cover the whole manufacturing value chain and a broad range of industrial sectors. The partnership composition reflects the EIT's mission to increase Europe's competitiveness by integrating the knowledge triangle. Cross-fertilisation and close collaboration are ensured through the effective and open model, operationalised, e.g., in the CLCs, on the Open Innovation Platform (OIP) or within TLFs.

As the partnership is constantly growing, please refer to the KIC's [website](#) for an up-to date partners list. In Q3 2023, the EIT Manufacturing partnership included 83 Core Partners and 87 Associate Partners. Both, B2B and B2C partners are incorporated, to accelerate innovation at all stages of the product and equipment lifecycle. Existing partnerships cover the entire product lifecycle from (1) concept and design, to (2) manufacturing and maintenance, and finally (3) recycling and de-manufacturing (see Figure 8).

Figure 8: EIT Manufacturing Partnership (March 2023)



The partnership model of EIT Manufacturing is structured into two broad categories – Core and Associate partners. Their role and responsibility within the KIC is outlined below:

Core Partners: Entities of this category are partners acceding to the KIC Legal Entity (EIT Manufacturing ASBL) and pay an annual fee to contribute to the KIC's financial sustainability. The fee varies depending on the size of the entity. Core Partners are actively taking part in the KIC's governance structure and have decision making power through voting rights in Partner Assemblies (PA). Furthermore, they are involved in the strategic development of EIT Manufacturing by contributing to the build-up and revision of the Strategic Agenda and by participating in the definition processes of call themes or priorities of EIT Manufacturing offerings. In order to ensure the industrial orientation and relevance of the KIC, the percentage of industry organisations in the core partnership is always kept at higher than 50%. The application process to become a Core Partner is published on the website. To ensure ongoing relevance, Core Partners, in collaboration with EIT Manufacturing, chart the course within predefined long-term subjects by engaging in Strategic Working Groups. In return for their active contribution to the KIC's success, Core Partners are provided with privileged access to EIT Manufacturing services.

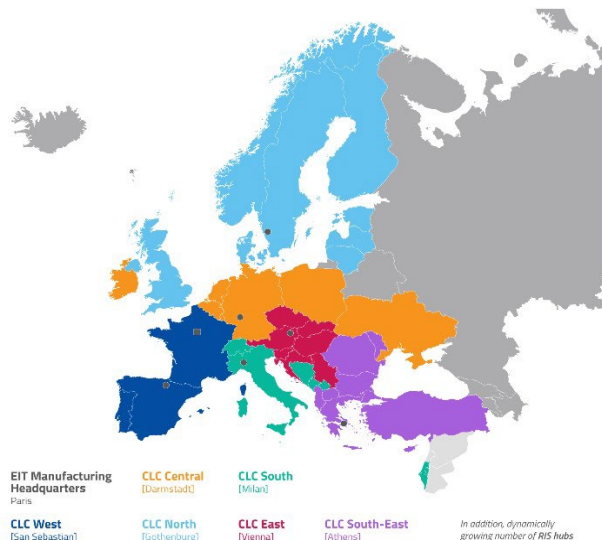
Associate Partners: This partnership category further strengthens the openness of the KIC and the attraction of diverse and excellent partners adding value to the KIC's activities. Organisations participating in successful proposals addressing the KIC's Calls for Proposals automatically get Associate Partner status. Organisations may also apply to become Associate Partners through the application process published on the website. Associate Partners participate in the Partner Assemblies, without voting rights. They are not involved in the strategic development of EIT Manufacturing. Associate Partners pay a reduced annual fee compared to Core Partners and thus have restricted access to the KIC's service offerings.

The KIC's partnership is open to all entities eligible for participation in activities of the EU's current Framework Programme for Research and Innovation (i.e. Horizon Europe) ensuring a pan-European perspective and a balanced group of world-class stakeholders from all sides of the Knowledge Triangle.

Role and location of the CLCs

The CLCs are an integral part of the KIC's governance and foster connectivity with local ecosystems and collaboration through the provision of physical

Figure 9: EIT Manufacturing CLCs and Headquarters



spaces for interaction. They initiate, host, and implement the various KIC activities and provide a platform for discussion of innovative ideas. They identify and build new possibilities, with the central pillar teams' support, to further substantiate the KIC's long-term sustainability. CLCs are actively involved in helping to secure funding for Education, Innovation and Business Creation activities, and they identify and exploit promising opportunities for cross-CLC activities. The selection criteria applied for the CLCs include excellence of regional partners, ability to attract and integrate those partners, political support, access to financing institutions and investors, and several economic aspects – such as contribution to financial sustainability,

access to markets, and industry sector relevance. The current CLCs (see Figure 9) have been strategically located within regions of high manufacturing activity and advanced manufacturing technology, whilst also providing accessibility to RIS countries – so they can support EIT Manufacturing’s growth and RIS strategy. Outreach to Western Balkan countries is covered by CLCs East, South East and South. As part of this outreach, the KIC will also participate in activities specifically relevant to this geographical area, like the cross-KIC Circular Economy in Western Balkans.

EIT Regional Innovation Scheme

The EIT Regional Innovation Scheme (EIT RIS) constitutes an integral part of EIT Manufacturing’s strategy as detailed in Chapter 3. It is designed as a long-term initiative to strengthen the local innovation ecosystems of RIS countries that are moderate or modest innovators. By 2023, the KIC has established three CLCs in RIS countries, as well as 11 RIS hubs. The RIS hubs help to attract new organisations from RIS countries and unlock their innovative potential through integration into the KIC ecosystem, services, and activities. They also speed up integration and ensure that RIS partners are ready for collaboration, and RIS projects are sufficiently mature, through Knowledge Triangle Integration, mutual exchange, and building of innovation know-how. The manufacturing suppliers, subcontractors, and solution providers (usually SMEs) in RIS countries are critically important for the operations of large, often world-leading, European manufacturers. The KIC will enhance their innovation capacity in alignment with the EIT RIS implementation guidance and its objectives to build cooperation among the EIT Community RIS Hubs and the established EIT Community Officers (ECOs) in the countries.

Growth strategy

The KIC seeks to further expand its partnership and stakeholder network (see Table 3), to integrate complementary competences from the Knowledge Triangle, the manufacturing value chain and financial intermediaries. EIT Manufacturing aims to have 83 Core Partners by the end of the year 2023 and 147 by 2027. The updated partnership growth goals are based on realistic assumptions, taking under consideration the lessons learnt from the first 3 years of operations (i.e. join/exit trends etc.), the experiences of others KICs in similar phases of their life cycles, as well as the transition of the KIC to a new value proposition diversifying from a pure grant management. All candidates will be selected based on the following criteria: alignment with EIT Manufacturing’s innovation objectives and added-value; a business creation, innovation and education track record; motivation to contribute to, and collaborate with, European manufacturing; and an international or European footprint.

The partnership growth strategy is designed to align with the overarching Strategic Objectives of EIT Manufacturing, with a focus on achieving significant impact. In this process, the identification and integration of new partners will consider several key aspects: i) Priority will be given to key industry sectors and transversal technologies, particularly those outlined in Section 3.3 - KIC’s Industry and Technology Focus. ii) We aim to establish a critical mass of partners in specific sectors (e.g., automotive) to ensure a substantial impact. iii) Our approach will encompass the entire value chain, involving not only large corporations but also their supply chains, thereby including SMEs. iv) We will also emphasize a balanced geographical distribution to ensure widespread impact and representation.

Special efforts will be made to recruit more Core and Associate Partners from EIT RIS countries, targeting at least 20% of new partners from RIS countries, especially from countries not currently represented in the partnership, such as Bulgaria, Croatia, Hungary, Poland, Serbia, Romania, Slovenia and Türkiye. In the

context of reinforcing its local presence in countries / regions of strategic importance for manufacturing (e.g. France+Benelux, UK+Ireland etc.) the KIC anticipates the opening of an additional CLC in 2026. The opening of a new CLC is conditional upon a thorough assessment, including both partnership growth and financials and will be pre-agreed with EIT.

Besides increasing the number of new Core Partners, EIT Manufacturing aims to enhance the involvement of Associate Partners, further complementing the expertise and excellence of the partnership while increasing the participation of SMEs, start-ups and scale-ups. EIT Manufacturing Calls for Proposals are fully open to non-partner (external) organisations, to boost openness and the rapid expansion of the partnership. In 2020, the KIC had 16 organisations involved as Associate Partners. In 2023, 87 Associate Partners are engaged in the KIC's activities. The partnership aims to establish EIT Manufacturing as the most prestigious community for manufacturing innovation worldwide (for details please refer to Sub-chapter 5.5/Global Outreach).

Table 3: KIC partnership growth strategy

	2021	2022	2023	2024	2025	2026	2027
#CLCs	5	6	6	6	6	7	7
#EIT RIS Hubs	13	12	11	11	11	11	11
#Number of partners ¹⁷	65	83	83	92	93	117	147
#Number of project partners ¹⁸	41	91	87	102	109	126	146
#Partners from EIT RIS countries	8	18	18	20	21	25	29

5.2 Governance

The governance model is designed to implement efficiently our vision and strategy fostering innovation, education and entrepreneurship. The key principles are agility, transparency, and efficiency. EIT Manufacturing acts in line with the EIT's values and aims to create a culture of diversity, openness and engagement, to inspire innovation and excellence, and to build a dynamic environment for collaboration. In alignment with those values, EIT Manufacturing promotes an innovation-mindset, open collaboration and adaptability in its communication and guidelines. The KIC's lean governance structure is based on EIT's good governance principles. It facilitates the achievement of our goals while respecting EIT Manufacturing values. The structure reflects the multiple stakeholders and at the same time enables strong leadership as well as agility, flexibility, and connectivity. The operational structure allows effective management of operations and efficient decision-making processes while ensuring knowledge triangle integration and

¹⁷ Partners, which have an influence (for example have a right to vote on a KIC's General Assembly, are KIC's shareholders, etc.) on a KIC's key operational and strategic decisions (depending on the KIC's governance model members of associations, core partners, shareholders, etc.). This includes [Core Partner](#) as defined in the chapter 5.1.

¹⁸ Activity partners, which are involved only in implementation of KICs activities. This includes [Associate Partner](#) as defined in the chapter 5.1.

connectivity among the CLCs. Further operational principles, designed to enable a maximum degree of cross-fertilisation as well as integration of the Knowledge Triangle, include the following:

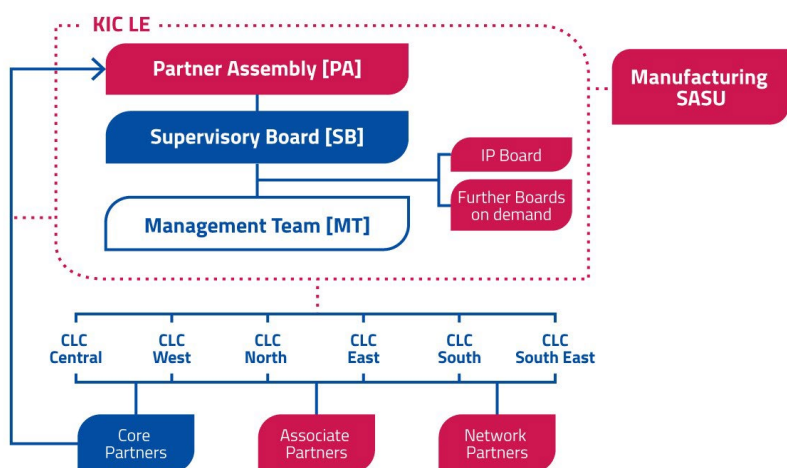
- Activities must involve multiple partners from at least two CLCs and from at least two parts of the KT.
- Education programmes are aligned with industry needs.
- Students/trainees will be given access to the relevant infrastructures and Innovation activities.
- All Innovation projects will include a risk assessment and commercialisation/exploitation plan and will have to nominate at least one partner responsible, i.e., a business owner of the activity.
- The knowledge generated in Innovation and Business Creation activities will be capitalised and reinjected into Education and training programmes.

Conflicts of interest (Col) may arise between different partners, governing bodies, or other stakeholders as well as on different topics. To avoid these as far as possible in the first place and to manage them in case they do arise, EIT Manufacturing has a Code of Conduct in place, including a Conflict of Interests policy under Section V of the Code of Conduct. It also covers the Supervisory Board (SB) and includes aspects such as procedure and rules for non-compliance. Similarly, EIT Manufacturing has adopted an Anti-Fraud Policy in 2021 and measures to detect and prevent fraud. Live online training was provided to the staff in 2022 and will be regularly organised in the future. A self-training based on the Anti-Fraud Policy is also a mandatory steppingstone to the completion of the onboarding of newcomers.

The KIC's Entities

KIC Legal Entity: Through its various bodies (see Figure 10), the KIC Legal Entity (LE) "EIT Manufacturing" (a non-for-profit association in French law) is responsible for developing and executing the KIC strategy and operations. It is the main interlocutor toward the EIT and the other EIT KICs, and has its seat in the Paris

Figure 10: EIT Manufacturing Governance Structure



Board etc.).

region, in Palaiseau. EIT Manufacturing established a commercial entity to develop services and contribute to the Financial Sustainability of the KIC (see 5.4). The KIC Legal Entity is composed of the following bodies: (1) Partner Assembly (PA); (2) Supervisory Board (SB); and (3) Management Team (MT). In addition, ancillary bodies with advisory functions are established as needed (e.g. Legal Working Group, IP

Commercial Arm: The Manufacturing SASU (Société par actions simplifiée unipersonnelle) is set up and fully owned by EIT Manufacturing. The purpose of the subsidiary is mainly to develop services that contribute to the financial sustainability of the KIC and to be the commercial owner of assets such as equity shares. To make sure that the financial sustainability contributions from Innovation, Business Creation, Education and RIS projects are paid by the Business Owners as defined in the Financial Sustainability Agreements signed by Manufacturing SASU (either through revenue sharing, profit sharing, or fixed fees), Manufacturing SASU tracks the performance of projects, together with the project leaders from Pillars, and invoices the due amounts accordingly. To maximize the commercialization of services and reach impact, Manufacturing SASU is developing a Go-To-Market strategy for EIT Manufacturing, focusing on strategic topics like sustainability, packaging services into programmes targeting different stakeholder groups, partnering with external service organizations to scale the services quickly, training teams to deliver optimal service quality. Manufacturing SASU will also foster the development of impactful services and programs, like support on digital and Industry 5.0 Transformation for SMEs, and will rely both on internal resources and strategic partnerships for the distribution and delivery of such services, to provide optimal quality of service. It is defining marketing material and actions, in coordination with the Communication Team, the Pillar Directors and the CLC Directors. The value proposition for each target group (large corporations, SMEs, Start-ups, Universities and RTO's) has been defined and the service portfolio designed accordingly, covering four main areas:

- Broadening Network and Collaboration
- Boosting viable Innovation
- Expanding Skills and Competences
- Accelerating Sustainable Growth

Manufacturing SASU is represented and directed by a President, being EIT Manufacturing. It has one Managing Director (Directeur General). The team is going to be reinforced in Marketing and Sales Coordination

CLCs: The CLCs are solely owned and controlled by EIT Manufacturing and are established in compliance with the Partnership Agreement with EIT. The CLC Directors are part of the KIC Management Team. Each CLC has an Advisory Board representing the local partnership and external stakeholders.

Governance and Management Bodies

Partner Assembly (PA): The PA is the highest decision-making body. It is responsible, inter alia, for approving the Strategic Agenda to be submitted to EIT and its revisions. The PA also has the authority to conclude, amend and terminate the Partnership Agreement with the EIT. Other functions include the election and dismissal of the SB or setting up of legal entities, amending the

Articles of Association and other powers described in Article 10 of the Articles of Association of EIT Manufacturing. The PA is composed of one representative per Core Partner. Each representative is nominated by its entity and holds one vote. The chairperson of the SB leads the PA. Associate Partners and Young Companies of EIT Manufacturing are granted observer status to the Partner Assembly.

Supervisory Board (SB): The SB has ample monitoring powers, including supervising the Management Team (MT) and designating and dismiss its members according to article 11 AoA. The SB pre-approves the Strategic Agenda and draft Business Plans before submitting them to the PA for approval. It plays an active role in defining the financial sustainability strategy. It consists of up to 15 members, who are either

independent or CLC representatives. As of today, eight out of the current 14 SB members, including the chairperson, are independent, selected through a transparent, open and competitive procedure. The remaining SB members are representatives of Core Partners of the KIC proposed by CLCs. Recruitment of SB members will follow the rules of article 6.1 of the Partnership Agreement signed with EIT and the provisions of EIT Manufacturing's Articles of Association and Bylaws (respectively article 11 AoA and article 4.2 Bylaws). The SB members bring in a complementary range of backgrounds relevant to manufacturing. Diversity in terms of gender, geographical spread (including RIS country representation of at least 20%), inter-generational representation, cultural background and Knowledge Triangle representation will be ensured through a tailored recruitment strategy and respective criteria for appointment of members. In terms of gender, the SB is currently composed of +35% women. The KIC's recruitment policy is crafted to avoid any kind of discrimination in selection of candidates, and seeks to ensure a balanced gender ratio committing to always appoint at least 1/3 of the less dominant sex. Candidates are appointed for two year terms, which are extendable for a second term of two years.

Management Team (MT): The Management Team is the main executive body of the KIC LE and consists of the CEO and COO, the functional Directors (Education, Innovation, Business Creation, Finance, Communication, European Affairs and RIS), the Managing Director of Manufacturing SASU and the CLC Directors. Pursuant to article 4.3 of the EIT Manufacturing's Bylaws, the MT manages the business and operations of the KIC and has the executive power to implement the integrated KIC Strategic Agenda and KIC Business Plans, e.g., through activities implementation, resource allocation, financial sustainability, accounting and reporting, risk management, and corporate control. The MT prepares the draft annual Business Plan, which is approved by the SB and afterwards by the Partner Assembly and submitted for approval to EIT. The MT generally, reports its activities to the SB. Recruitment of MT members will follow the KIC's respective guidelines and framework as described below, i.e., including diversity aspects. Currently, 7 out of 15 MT members are women, including the CEO. The KIC aims for equal representation of both sexes, which is achieved throughout all hierarchy levels with 61% female KIC-employees. The CEO is appointed by the SB as well as the other MT members upon proposal of the CEO.

Ancillary Bodies: A number of ancillary bodies with advisory functions may be established to provide the governance bodies with expert consultation on relevant strategy and policy issues. Currently, two ancillary bodies are active, the IP Board and the Legal Working Group.

Culture and Recruitment

EIT Manufacturing fosters a culture of innovation through diversity and cross-fertilisation, to act as an inspiration – not only to our internal Core and Associate Partners but also externally, to the manufacturing workforce. EIT Manufacturing aims to achieve a unique breadth of participation across sectors, specialisations, geographies and societal demographics, to bring fresh-thinking and new solutions to manufacturing challenges. The EIT Manufacturing Innovation Forum (as of 2021) shall, among other tasks, serve as the catalyst for participation, as it provides a platform to recruit and facilitate meaningful interaction of diverse individuals and entrepreneurs from across manufacturing, technology, data science, and the environmental and investment sectors. The KIC has established and will cultivate a culture of open collaboration through diversity, equality, innovation-mindset, and adaptability by:

- embedding the assessment of candidate values in our recruitment and performance reviews;
- publishing our values for internal staff and the partnership, and reinforcing this in communications;

- creating “cultural” barometer surveys (with internal and external stakeholders) to monitor success;



EIT Manufacturing as an organisation will lead by example by rigorously respecting gender balance and nondiscrimination principles in all its procedures for recruitment, selection of management personnel and compensation (equal pay). To build the right team, and identify and attract people with the skills and mind-sets needed to deliver on the organisation’s overall objectives, EIT Manufacturing has established and implemented a recruitment strategy based on three axes, (see Figure 11): In addition to technical skills and experience, EIT Manufacturing intends to foster an innovation mindset, sectorial industrial expertise and business acumen through both recruitment and training, to make sure that it develops quickly into a strong service-oriented organization. This is essential to support the

commercialization of innovations, to develop the financial return from projects, to drive the design, sales and implementation of impactful commercial services, and to have a successful investment strategy to develop the portfolio of equity shares. EIT Manufacturing will develop a skill mapping to design its talent management strategy, attract the best candidates for recruitment and provide excellent career perspectives to its employees.

Figure 11: Factors and framework for recruitment

With regards to culture and soft skills (1), values will be built into job advertisements and assessed in the interviewing processes. Recruitment based on EIT Manufacturing’s values shall achieve a cohesive cultural foundation across the organisation. The KIC has identified several success factors (2), which it will use as a benchmark in all its decisions. Technical skills and experience requirements (3) were defined within specific role descriptions, informed and directed by the SOs of the organisation. All positions, including CEO, COO, Functional and CLC directors will be selected in an open and transparent process.

The vacancy notices are widely published on the KIC’s [website](#) and on other platforms (e.g., LinkedIn talent tool and other local, regional and European recruitment platforms like *euractiv*), when appropriate. The selection committee for Management Team positions will consist of 2-3 appointed SB-members, the CEO, and the current holder of the position, unless this person is one of the applicants.

The KIC is aware that improving governance and transparency is an ongoing task. The KIC hence continues to further strengthen its governance system and will continue to iterate on its gender balanced human resources strategy, first developed within the gender and diversity strategy in 2021, starting with a full review of the Gender Mainstreaming Policy and Action plan in Q1 2024, followed by an annual equality of pay review for the entire organisation. Overall, it will develop and improve its policies, including the Code of Good Conduct, CoI, Fraud and HR policies. It will make every effort to increase transparency of its operations including, but not limited to making all HR processes and policies available on the internal sharepoint sites. Furthermore, the KIC will establish unconscious bias and diversity, equity and inclusion training in line with the EIT Gender Equality Policy and Action Plan.

5.3 Budget

Detailed financial planning has been conducted for the first years of operation. Underlying assumptions and expectations were carefully validated and benchmarked against those of other KICs – and against the first year of operation and the first annual Business Plans. Financial data was then projected to 2027. The following paragraphs describe the sources and uses of funds. For details, see Table 4.

Sources of funds

EIT Grant: EIT Manufacturing receives financial support from the EIT. In total, 346.4 MEUR is envisaged in the first 7 years. In the long-term, financial support of the EIT will decrease in line with the KIC's ambition to become financially sustainable. Nonetheless, the KIC expects a base funding in accordance with the 15-year mandate to sustain the established structural assets in all three pillars.

Partner financial contributions: Annual fees paid by all EIT Manufacturing Partners (Core and Associate) will provide a stable and reliable source of income that will grow over time as the partnership expands. Membership fees will mainly be used to cover administrative and operational costs (i.e., OPEX), thereby conserving EIT Grant funding for partners and strategic activities.

In-kind contributions: Most of the activities carried out by the KIC are co-funded by the partners. The envisaged rates of co-funding are: 30% for Innovation Activities and 5-10% for Business Creation Activities. For Education activities, no co-funding is expected. In addition, the design and set-up of the GLP until end 2021 is partly realised with in-kind contributions of an EIT Manufacturing member.

Third party contributions: Additional funding will be obtained from regional, national and/or other EU funding programmes. The CLCs are being set up in a legal form that allows them to attract alternative funding, e.g., from EU, national and local funding programmes. This enables the CLCs to cover part of their operational expenditures and to collaborate with regional/national initiatives and ecosystems.

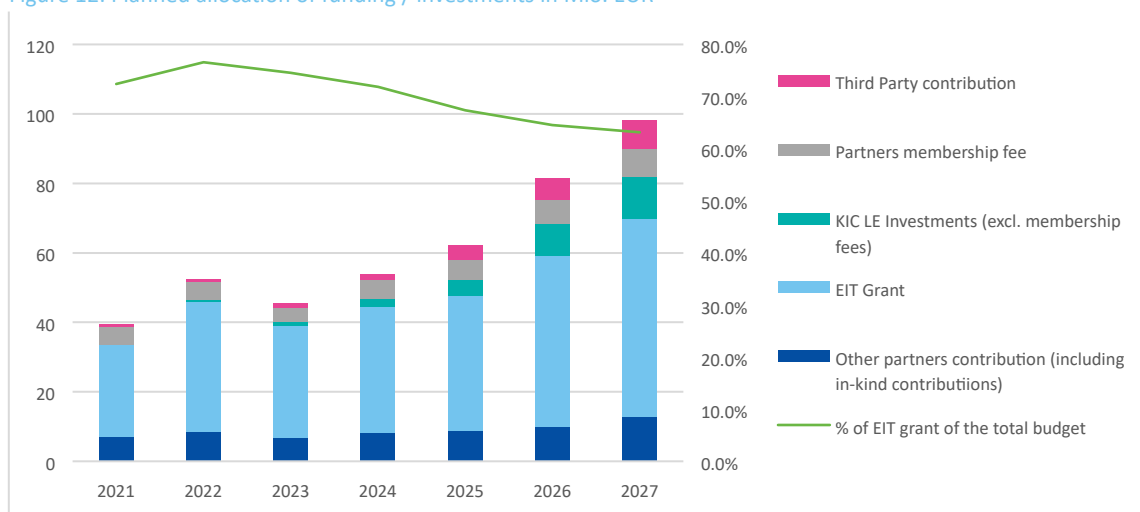
EIT Manufacturing-revenue sources (others): These include own generated resources from RoI and equity, education and services & consulting.

Table 4: Overview on the financing of KIC activities (MEUR)

KIC Financing (MEUR)	2021	2022	2023	2024	2025	2026	2027	Total
EIT Grant	33.6	46.5	43.0	50.3	42.1	61.9	73.2	350.5
KIC LE investments (excl. membership fees)	0.0	0.1	1.0	2.3	4.7	9.4	11.9	29.4
Partners membership fees	5.4	5.1	5.7	6.0	6.3	6.9	8.3	43.7
Other partners contributions (including in-kind contributions)	6.9	8.4	6.7	8.0	8.6	10.0	12.6	61.2
Third party contribution	0.5	0.6	1.3	1.6	2.1	6.1	8.1	20.3
Total Funding	46.4	60.7	57.7	68.2	63.8	94.3	114.1	505.1
% of EIT grant of the total budget	72.4%	76.6%	74.5%	73.7%	66.0%	65.6%	64.2%	69.4%

Disclaimer: It is pertinent to note that the Table above does not represent a commitment by the EIT to disburse the listed amount.

Figure 12: Planned allocation of funding / investments in Mio. EUR



Uses of funds

Grant allocation to the different activity areas in the KIC's business plans is proposed by the Management Team and approved by the Supervisory Board and the Partner Assembly. Indicatively, in BP2023-25, the allocation has been 36% to Innovation, 26% to Education, 13% to Business Creation, 1% to Dissemination & Outreach, 13% to RIS and 11% to Management. In the future this split might differ, since it is directly linked to the mid-to-long term priorities of the KIC.

5.4 Financial Sustainability

From year one, EIT Manufacturing started to maximise value creation and develop diversified income streams to ensure continuity of operations independent from EIT funding. To support the Financial Sustainability Strategy and sustainable income generation, EIT Manufacturing has set-up the EIT Manufacturing SASU, as described in Chapter 5.2.

The strategy for financial sustainability is based on the “Principles on KICs’ Financial Sustainability”¹⁹. It is geared to prepare EIT Manufacturing for the reduction and ultimate cessation of the EIT funding after a period of 7 to 14 years. The financial sustainability model relies on all parts of the organisation and holds all pillars accountable to contribute income. The financial sustainability strategy is in accordance with the evolution of EIT Manufacturing's assets, business model, and services: In the initial phase (first 3 years), the KIC's focus was to establish its infrastructure, including the setup of CLCs and Manufacturing SASU, basic processes and the OIP. In this phase, the KIC mainly generated revenues from membership fees, whilst starting to pilot income generation from new revenue streams. Financial sustainability was also fully embedded in all Calls for Proposals. Proposals that are likely to generate ongoing returns for EIT Manufacturing score high in this criterion in the selection process. In the second phase, which is still ongoing (years 4 to 7), the main objective is to position the KIC as a well-respected service organisation for the European manufacturing community and the CLCs strategically in the regions – and strengthen their financial independence. In this phase, income is increasingly generated through the KIC's own revenue streams.

The following sources of revenue are developing:

ROI and Equity

Backflow from Innovation Activities: Starting from 2020, all Innovation activity proposals were requested to contribute to the financial sustainability of the KIC. EIT Manufacturing has institutionalised the principle of the financial back flow from successful commercialisation of the results of its projects and partner innovation activities. Two basic models were initially offered to partners; either a fixed “success fee” or a revenue sharing model (please refer to the Financial Sustainability Strategy for more details). As of the end of 2023, 91 FS contracts have been signed with consortia or business owners of innovation activities that received EIT Manufacturing funding in 2020, 2021, 2022 and 2023. From 2025 onward, EIT Manufacturing will implement a new FS model for the innovation activities. Every funded activity will have to contribute to the financial sustainability of the KIC by signing the FS agreement before its start. The model is a combination of a fixed fee and, in case of successful commercialization, a revenue sharing fee. The fixed fee is set up to be paid by the selected consortium at the end of the funding period to cover for specific services

¹⁹ EIT, Governing Board Decision, Principles on KICs’ Financial Sustainability, 2015 Link

delivered by the KIC to the consortium. The revenue sharing fee will be paid for a period of 5 years following the start of the commercialization. The revenue sharing percentage will be expected to be higher than a strict minimum, with an overall ambition, for any innovation project to be funded, to return at least the amount of the grant given over the whole period covered by the contract. In case of a startup playing the role of a business owner, negotiations can be opened to convert the amount of the contract to equity. This decision will only be taken if the startup successfully runs through EITM internal investment process.

To ensure the highest possible value of the portfolio of FS Agreements EIT Manufacturing has reviewed its application process to be more clearly focused on activities that have a sound understanding of their market potential, with fewer selection criteria that are more focused towards the identification of high innovation potential. The supported projects will also benefit from additional services delivered by EIT Manufacturing in order to increase their chances of success after the end of the funding period. Additionally, EIT Manufacturing will design and implement a fast-tracking mechanism aimed at high performing projects with the highest revenue sharing potential. This will incentivise project beneficiaries to be both ambitious in their revenue goals and diligent in achieving them, in order to qualify for this mechanism.

Equity shares in Start-ups/Scale-ups: Through the Accelerate call EIT Manufacturing has begun to take equity positions in startups and is developing a portfolio that will create a financial revenue stream in the long term. EIT Manufacturing offers a grant plus services model in exchange for a SAFE agreement. If startups have been approved for funding then a grant will be awarded with the amount based on startup needs and the assessed potential of the startup to grow in value. In addition to the grant, a services package will be awarded with value equal to the grant. The startup will offer a SAFE agreement in exchange for the services.

Examples of services include mentoring, business development, product and technology road mapping, access to clients, markets and finance. The KIC will seek to liquidate its equity shares over the long-term when the KIC estimates that it is the right time to exit and the opportunity to do so is there. It is expected that shares in each startup will be held for at least 4 years but all exit opportunities will be considered with a goal to maximise the return on the portfolio value. The Equity sharing mechanism is implemented using standard venture capital term sheets, including SAFE (Simple Agreement for Future Equity), and options as financial instruments.

The following technology areas are targeted for investment in alignment with EIT Manufacturing's Thematic Working Groups. These areas have been selected as high priority by the EITM Membership so startups receiving funding will also be introduced to those Members interested in the specific technology area.

Investment areas:

AI/ Data	• AI-driven Predictive Maintenance
	• Autonomous Robotics
	• Generative Design
Industrial Metaverse	• Virtual Prototyping
	• Remote Collaboration
	• Augmented Reality Assembly Guides
Circular Economy	• Product Lifecycle Tracking
	• Design for Disassembly
	• Closed-Loop Supply Chain (Servitization)
Net Zero Industry	• Carbon Capture Technologies

Renewable Energy	• Renewable Energy Integration
	• Sustainable Materials & Resources
	• Energy Storage Solutions
	• Green Hydrogen Production
	• Solar-Powered Factories

Companies are selected in an open and transparent process respecting the following dimensions: (1) Pain points solving / Customers' needs focus, (2) Product / Technology strength, (3) Team quality, (4) Market Scalability, (5) Exit routes. In the medium term, EIT Manufacturing will set up collaboration with the EIF and the EIC (see SO2). Once operational, it will provide additional financial support to manufacturing start-up and scale-ups, who usually deal with high capital expenditure and long development lifecycles.

EIT Manufacturing has already put in place equity agreements with 10 startups in technology areas such as process automation, supply chain tracking and rugged sensors for the steel industry. Through the open Accelerate call EIT Manufacturing is planning to add up to 12 new equity agreements per year with 47 eligible applications received for the latest monthly cut off (December 2023).

Equity positions will also be taken in early-stage startups who participate in the Create (Venture Builder) program with a goal of 10 investments per year. In addition, startup business owners from Innovation projects will have the opportunity to offer equity to meet Financial sustainability commitments.

It is expected that around €4M will be invested per year via the Accelerate and Create (Venture Builder) programs.

The below table shows how invested startup assets will grow in the period to 2027

		2023 Status	2024	2025	2026	2027
Number of Investments	Accelerate call	9	12	12	12	12
	Venture builder call	0	10	10	10	10
	Innovation	0	2	2	2	2
Exits		0	1	3	10	10
Investment portfolio companies		9	32	53	67	81

Development of a new EIT Manufacturing investment fund:

EIT Manufacturing is discussing with EIF on setting up an investment fund based on the VCoE model. In initial meetings EIF has confirmed strong alignment with EIT Manufacturing especially on topics related to the sovereignty of European supply chains. This fund of fund model would target later stage startups who struggle to find funding for building first manufacturing plants in Europe. The aim would be to stimulate the European corporate venture capital ecosystem to better support European manufacturing startups.

EIT Manufacturing has confirmed first interest in such a fund from several major corporates as well as a market need from VC funds and startups. The goal is to reach agreement with EIF on the funding model and Financial Sustainability mechanisms in 2024. Then gather funding commitments from corporate investors and public institutions in order to launch the initiative in 2025.

Related Financial Sustainability opportunities such as finder's fees for bringing corporate investment, management fees for any co-managed funds and success fees for introducing high profile startups will be explored.

The longer-term objective in setting up such a fund of fund model with EIF is to place EIT Manufacturing at the centre of an investment ecosystem involving VCs, corporates, leading manufacturing startups and public institutions. This will position EITM well to create its own fund in the future.

Education

Tuition Fees: The EIT Labelled PhD and Master Programmes comprises Winter and Summer Schools (Pioneering Journeys). EIT Manufacturing Master students are charged by the KIC an annual fee, differentiating between EU/EFTA students and non-EU/EFTA students.

Other Education services include the Pioneering Journey (to be paid by external students and professionals), Digital Learning (which includes free digital nuggets and charged Learning Paths), Teaching and Learning Factories and other blended or in person courses.

Digital Content Agreements (DCA) are signed by EIT Manufacturing and Financial Sustainability (FS) Agreements are signed by Manufacturing SASU. The DCA Fees are cashed by EIT Manufacturing and the partners receive their share of the revenues. The fees charged by the partners to their customers for education content covered by FS Agreements are received by the partners who then pay the FS contribution to Manufacturing SASU according to the business model and payment terms set in the FS agreement.

Services and Consulting

Open Innovation Platform (AGORA): the platform was established in 2021 and is already reaching close to 3000 members. As technology developments are progressively improving the ability of the platform to perform advanced matchmaking of individuals, AGORA will be increasingly used to support EIT Manufacturing programs but also to offer additional capabilities like finding experts, partners, customers, jobs, etc. The aim is to have in the short to medium term the possibility to launch open innovation competitions on AGORA as well. AGORA is also the central hub interfacing and connecting EIT Manufacturing value generating services (e.g., Hotspot Analysis, Innovation Radar, and future activities). As for revenues, EIT Manufacturing is targeting sponsorship of the platform from organisations that are not potential partners for the KIC. By offering visibility and access to a growing community of manufacturing-related individuals, EIT Manufacturing plans to attract a growing number of sponsors in the coming years. Another source of revenues with AGORA are paid spheres, charged to project to develop their own online community.

Innovation Services: Further services offered by the KIC may include support to commercialization and digital transformation, standardisation guidelines and conformance testing, technology scouting, matchmaking and transfer services, knowledge valorisation (dissemination, exploitation, intellectual asset brokerage and support services), and access to networking events. In addition, CLCs will develop services such as access to test beds and pilot lines and Industrial Policy Advice Services.

Education & Training (Re-Up Skilling) services: These include revenues from the fees applied to non-degrees courses, including digital and non-digital learning activities, individual learners/customers (B2C) and organisations (B2B). Revenues for education and training courses consist of the whole fees received directly by EIT Manufacturing and then shared with the contributing partners, or they consist of a share of the whole fee received by the partners owning the business, depending on the specific programme and business model.

Manufacturing SASU will also foster the development of impactful services and programs, like support on digital and Industry 5.0 Transformation for SMEs, and will rely both on internal resources and strategic partnerships for the distribution and delivery of such services, to provide optimal quality of service. Customer satisfaction will be monitored on a regular basis.

Membership Fees and Alternative Funding Sources

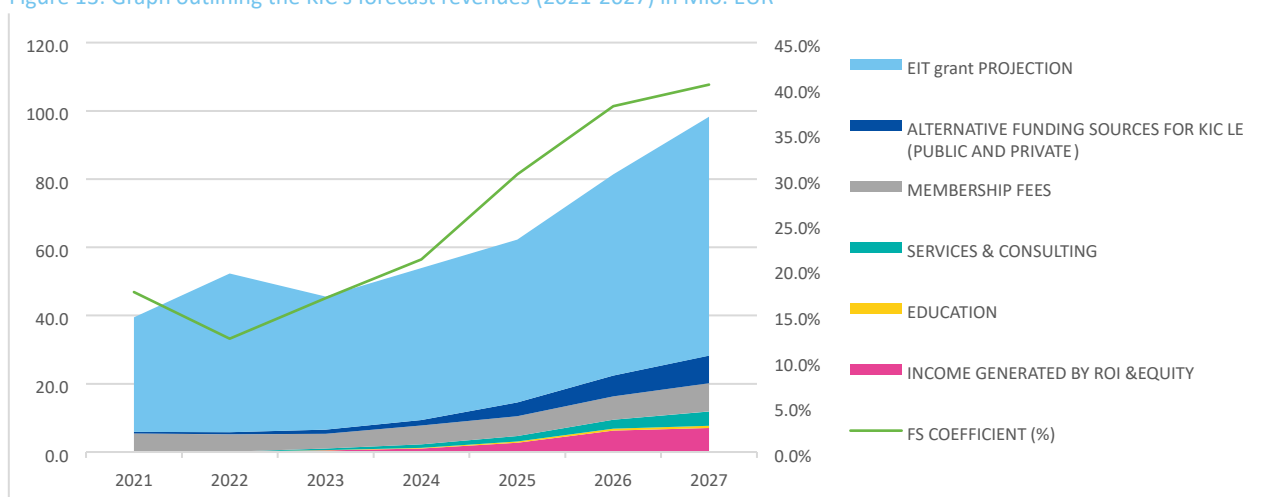
For detailed information see Chapter 5.3. For revenue forecast figures see Table 5 below.

EIT Manufacturing will continuously review and adjust its financial sustainability plan based on experience from the pilots executed and those made by other KICs. Sustainability will be ensured by the KIC's long-term strategic orientation, the commitment of its partners (see Partnership strategy in Section 5.1), and the diverse and reliable income streams. EIT Manufacturing has forecasted a slight reduction in membership fee revenues streams due to the change to a new partnership model. The 'old model' included higher and uniform fees across all partner types. This was done in order to increase partnership retention and growth, in response to feedback from partners. The KIC made the decision to opt for a more targeted and realistic approach based on partner size type. Nevertheless, this reduction in the membership fee forecast, is planned to be offset by a proportional increase in alternative sources of funding. These NEFAs include both EU programs and national/regional sources of funding. The KIC LE as well as some CLCs are spearheading these projects. This is to be further developed across the organization as some key topics for manufacturing are significantly funded by other programs.

Table 5: Forecast revenue (in MEUR)

FS forecast revenues (MEUR)	2021	2022	2023	2024	2025	2026	2027	SUM
1. INCOME GENERATED BY ROI & EQUITY	0.0	0.1	0.5	1.1	2.8	6.3	7.0	17.8
2. EDUCATION	0.0	0.0	0.1	0.2	0.3	0.5	0.7	1.8
3. SERVICES & CONSULTING	0.0	0.0	0.4	1.0	1.6	2.6	4.2	9.8
4. MEMBERSHIP FEES	5.4	5.1	5.7	6.0	6.3	6.9	8.3	43.7
5. ALTERNATIVE FUNDING SOURCES FOR KIC LE (PUBLIC AND PRIVATE)	0.5	0.6	1.3	1.6	2.1	6.1	8.1	20.3
6. SUM of FS REVENUES	5.9	5.8	8.0	9.9	13.1	22.4	28.3	93.4
7. EIT grant PROJECTION	33.6	46.5	43.0	50.3	42.1	61.9	73.2	350.5
8. FS COEFFICIENT (%) ([6] / [7])	17.6%	12.5%	18.6%	19.7%	31.1%	36.2%	38.7%	38.7%

Figure 13: Graph outlining the KIC's forecast revenues (2021-2027) in Mio. EUR



The overall goal for the 7 years has been slightly adjusted to reflect a pragmatic approach, considering a more realistic ramp-up of the KIC's revenue generating activities and taking under consideration the lessons learnt and challenges addressed so far.

In the years 2023-25, KPI goals are more conservative taking under consideration the transition phase to diversify EIT Manufacturing's value proposition and offerings, the on-going roll-out of its service portfolio, the enlargement of its start-ups portfolio, the preparations for the launch of the KIC's first VC Fund, the establishment of key synergies for attracting non-EIT public funding etc.

In 2026 and 2027, EIT Manufacturing has introduced more ambitious revenue goals on the basis of the expected first exits from its start-up portfolio, the scale-up of the service delivery resulting in high-revenue generation, the return on positioning of the KIC as a key player in European and national/regional funded/co-funded activities and initiatives with some major non-EIT funded projects.

5.5 Cross-cutting aspects

Openness and Transparency

Openness and transparency are overarching principles of EIT Manufacturing. They are embedded at all levels of strategy and operations implementation, for instance in the governance set up and processes, including the business planning and selection of activities and new partners based on clearly defined criteria to deliver on the strategy.

Participation in Activities: The KIC is open to partners – companies of all sizes, universities and RTOs – from countries eligible for Europe’s Framework Programme for Research and Innovation who can bring added value to its Partnership and contribute with their competences to the achievement of its SOs. The entry and exit criteria, and a description of the application process, for those wishing to become a Core Partner are published on the KIC website. Priorities, criteria, applications steps, and an application letter template have been elaborated and are shared as part of the application information package. The membership application process is defined in the KIC’s Statutes, which describe a transparent, non-discriminatory process that includes approval by the whole partnership. The SB asks the partners whether there are any objections and takes a decision based on the pre-defined number of objections that decide approval or rejection of an applicant. Afterwards, feedback is provided to the applicants. The legal terms and conditions for initiation or termination of participation of Core Partnership and Associate Partnership follow the rules set out in the Partnership Agreement and the Internal Agreement.

Involvement of stakeholders: A high level of openness, transparency and ownership is maintained in the definition of the common vision and strategy of the partnership. Core Partners actively contribute through complementary means, such as individual interviews, workshops and revision loops and surveys. Apart from the relevant institutional information, the EIT Manufacturing website includes an events calendar, information about the Calls for proposals and related results, and information on running KIC activities. In addition, annual reports and minimum financial data are published. The partner entry and exit rules are clearly stated. The Business Plan *per se* and the SA 2021-2027 are also published in the member section of the website. All partners are adequately informed about the KIC’s operations by the regular communications implemented using the relevant channels for internal communication, Intranet – Plaza, Newsletter, specific e-mailings, internal events like Partner assemblies, CTO Roundtable, and other community building initiatives. External stakeholders are also invited to contribute, e.g., via participation in online surveys, open calls, and open events. These activities serve to align, validate, and further refine the KIC’s strategic orientations through an open and inclusive approach. The KIC’s ecosystem activities also benefit a broad range of external stakeholders, e.g., SMEs and start-ups are connected to financiers, and services are provided under the business creation portfolio.

Process for establishing Business Plans: The publication of Calls for Proposals and supporting documentation and the matchmaking event ensure broad and transparent communication of all relevant information. EIT Manufacturing will publish its calls on the KIC website and on HE-relevant websites. The assessment of activity proposals is based on clearly defined evaluation criteria and a peer review executed by independent expert evaluators. Results of the evaluation are shared with the proposers. A redress policy has been defined and published. As of 2020, Calls for Proposals are open also to non-Partners (external) organisations. EIT Manufacturing offers all external organisations participating in a successful activity proposal the status of Associate Partner for one year. Non-Partner organisations may submit their interest to become engaged through an online form. Special measures are used to incentivise the

participation of SMEs and Start-ups (non-Partners). As of 2020, an “idea competition” dedicated to SMEs and Start-ups is launched before the yearly matchmaking event. Those submitting the most innovative and promising ideas are invited to participate in the matchmaking event, present their ideas and interact with the KIC partners to transform the ideas into activity proposals.

Publicly available information and resources: The EIT Manufacturing gives great importance to communicating its activities and events to the public and external stakeholders. It maintains for this reason a main website ([EIT Manufacturing - European manufacturers together](#)) and several other ones such as for example the EIT Deep Tech Talent Initiative (EIT DTTI) website (<https://www.eitdeeptechtalent.eu/>). On these websites, apart from the resources that have already been mentioned above, one can find legal documentation such as the Articles of Association, the IP Policy, the Anti-Fraud Policy (which includes ways to contact EIT Manufacturing in case of suspicion of fraud), Privacy Policies etc., but also other information such as information about the Colocations Centers, open recruitments and recruitment policies, tenders and documentation about tenders, documentation about EIT DTTI, contact forms and many other resources.

Synergies and Collaborations

EIT Manufacturing will cooperate and coordinate with initiatives on the European and national/regional levels, to establish collaborations and synergies of mutual benefit. The strategy of EIT Manufacturing is based on two key advantages: (1) the multi-sectorial character of manufacturing, covering a wide range of industrial sectors; and (2) the combined capacities of its community, allowing fertilisation across several, modern technologies. These two points also demonstrate the capacity of EIT Manufacturing to strongly contribute to relevant Horizon Europe missions and clusters, and to implement joint activities with other European Partnerships – identifying projects with the most potential and accelerating their commercialisation – including through collaborations with the European Innovation Council (EIC). This can involve deploying activities to promote collaboration between Start-ups and SMEs as solution providers with large manufacturing enterprises competing in the global market.

When seeking synergies, the KIC will ensure the coherence of the EIT Community’s actions to achieve its common vision and to increase the effectiveness and impact of EIT activities. In particular, EIT Manufacturing aims to take the full benefit from the existing collaboration between EIT and EPO/EUIPO on intellectual property. Actions have been initiated in 2023 to offer dedicated trainings and support to business owners of innovation activities and supported startups; they will continue in the coming years.

Synergies at European level: EIT Manufacturing interacts with the EC Services on a regular basis to explore and define and strengthen the development of synergies and complementarities – especially with regards to innovation, education, and entrepreneurship – with existing and upcoming relevant EU programmes and initiatives. This includes finding synergies with the Horizon Europe programme and also with the EIC objectives and policies, such as the [European Green Deal](#), the [New Industrial Strategy](#), the Net Zero Industry Act, the New European Innovation Agenda, the [Digital Europe Programme](#) (in particular the European Digital Innovation Hubs and AI initiatives), and the Next Generation EU. Furthermore, in the pursuit of building strong ecosystems, CLCs and EIT Manufacturing RIS Hubs will focus on collaborations with national and regional initiatives. EIT Manufacturing will facilitate European cohesion by promoting the participation of manufacturing stakeholders from EIT RIS countries in its activities, as well as by

disseminating the identified innovative products and services originating from EIT RIS countries to its network.

Education activities will be aligned with major education-related initiatives launched by the EC, such as the *New Skills Agenda for Europe*, the Union's *Blueprint for Sectoral Cooperation on Skills* and the Centres of Vocational Excellence. EIT Manufacturing partners already participate in EC funded educational programmes, such as *Erasmus+* (e.g., Sector Skills Alliances etc.) and *Marie Skłodowska-Curie Actions*. EIT Manufacturing also plays a key role in Deep Tech by leading the Deep Tech Talent Initiative. Building on existing links, EIT Manufacturing will launch novel educational initiatives in manufacturing, leveraged by the innovative approach of the New Industrial Strategy for Europe and the European Green Deal.

EIT Manufacturing, together with the Made in Europe Partnership and DG RTD, will explore synergies for identifying manufacturing research and innovation projects with high exploitation potential and accelerate their commercialisation. EIT Manufacturing has already established a concrete synergy with EFFRA, fostering collaborations between Pillar II and Pillar III of Horizon Europe. The synergy was realised within the context of the Innovate Together and proved successful, accelerating the market deployment of research and innovation prototypes from the Factories of the Future and currently Made in Europe programmes. Finally, the KIC intends to have annual exchange with stakeholders of Horizon Europe Cluster 4 to align activities and collaborate on emerging trends, opportunities and risks for manufacturing.

The KIC will also leverage complementary business creation funding and enable enterprises of all sizes to participate. This will be based on shared funding schemes with the intended incorporation of the *European Fund for Strategic Investments (EFSI)*, the *European Investment Bank* and/or the *InvestEU instruments*, as well as the *Strategic Technologies for Europe Platform (STEP)*. EIT Manufacturing also aims to run complementary activities with the European Innovation Council (EIC) to support manufacturing companies with high innovation potential – especially supporting acceleration (in synergy with EIC Accelerator for rapid scale-up) and transformation.

In EIT RIS, the KIC has already deployed activities to support innovators in utilising modern high-tech infrastructure – like Digital Innovation Hubs, Competence Centres and Key Enabling Technologies Centres – and to collaborate with national and regional stakeholders. In parallel, cooperations are being pursued with relevant discussions at Ministerial levels in several RIS countries, often reflected in bilaterally signed MoUs or cooperation agreements.

The KIC will communicate and highlight the contribution it can have on maximising the impact of:

- The European Green Deal, by supporting its implementation in accordance with the New EU Industrial Strategy, including the Circular Economy Action Plan and the Just Transition Mechanism.
- The Smart Specialisation Strategy, by engaging industry in cooperation along shared RIS3 priorities.
- Made in Europe, by contributing to the definition of the scope and technological focus of the European partnership, aiming towards results that will increase the added value of the synergies.

Synergies at global level: The KIC will join forces with Junior Achievement and with the World Manufacturing Forum (WMF) to increase outreach to pupils and create a global network of students and youngsters, called “Young Manufacturing Leaders”, who will act as European manufacturing ambassadors. The KIC participates in the EIT Global Outreach, where it will further explore synergies at global level. The

KIC is also connected with the OECD for exchanges of practices and know-how about strengthening innovation and entrepreneurship in Education, on a global scale.

Synergies mechanism: The mechanism to join efforts around the same strategic orientation, build synergies and avoid strategic and operational overlaps is: i) policy dialogue platform for agreeing on common priorities; ii) collaboration to reach out to target groups; iii) guidance to incorporate the EIT Knowledge Triangle Integration model into the strategy of the relevant initiatives; iv) collaboration on the design of specific programmes and implementation guidelines; v) combined funding for projects and activities; vi) mutually beneficial synergy after investigation of the collaboration fields. The KIC will report on these collaborations and share the outcomes with interested parties (see below).

Cross-KIC cooperation and Simplification/Shared Services

Along with collaboration with other EU initiatives (see above), collaboration with the other KICs represents an indispensable added value for achieving EIT Manufacturing's SOs and increasing the overall impact of the EIT Community. The KIC is therefore keen to deepen cooperation on thematic fit. This allows the KIC to strengthen the manufacturing domain and to create a win-win situation enhancing Europe's competitiveness in a multi-dimensional way. The specific format will depend on the needs of the KICs involved. EIT Manufacturing envisages the following mechanisms as possible forms of cooperation:

- establishment of cross-KIC activities, joint Calls for Proposals and joint dissemination events;
- joint business creation activities from both headquarters and the CLC level;
- joint EIT KICs' education activities to promote Higher Education Institutions and facilitate life-long learning;
- thematic based regional cooperation through the CLCs;
- establishment of new CLCs or satellites at existing sites of other KICs.

EIT Manufacturing participates in the cross-KIC Strategic Regional Innovation activity (formerly xKIC-RIS and XKIC Western Balkans activities), promoting joint activities in EIT RIS eligible countries, as well as in the thematic areas of resource efficient society and the New European Bauhaus, digitalisation of industries and deployment of Artificial Intelligence in manufacturing. For instance, a cross-KIC activity on digitalised production test beds was already set up in the first year. In this activity, EIT Manufacturing cooperates with EIT Digital and EIT Food to generate valuable experiences in the area of digitalisation and Artificial Intelligence, as well as food production. Similar cooperation is already in place with EIT Raw Materials, EIT Climate-KIC and EIT Urban Mobility on resource efficient society. In this context, the thematic area of products and services for the circular economy was identified as a future high potential field for cross-KIC collaboration. In addition, EIT Manufacturing intends to reach out to the planned EIT Cultural and Creative Industries, once this is established, in order to identify new ways to solve societal challenges and to benefit from each other's competencies, i.e., design, creativity and problem-solving skills.

Further efficiency gains have been identified regarding the EIT educational programmes, e.g., by increasing coordination and establishing a common platform for the promotion of educational activities. Increased visibility of the KICs and the EIT, combined with the efforts to attract more partners from the education sector to innovation-driven teaching, will significantly enlarge outreach. In terms of education, EIT Manufacturing will also collaborate and amplify its visibility through the Higher Education Initiative and

other EIT Community initiatives, such as the EIT Campus, the European Internship program, and especially the Deep Tech Talent Initiative.

EIT Manufacturing is active in many cross-KIC working groups (75% of the ongoing cross-KIC collaboration from 2022 onwards). This ensures the adoption of best practices from other KICs, increasing effectiveness and sharing information on tools and instruments. EIT Manufacturing aims to lead at least two cross-KIC activities. Consequently, the KIC dedicates around 5% of its yearly budget for ongoing cross-KIC activities.

Simplification and Shared Services: EIT Manufacturing is interested in simplifying day-to-day operations and welcomes the use of shared services. EIT Manufacturing has identified several tools that can be used to achieve this goal. Regular alignment meetings on all hierarchical levels allow for discussing and addressing KIC-wide topics more efficiently, and support a lean administrative approach. EIT Manufacturing will also foster exchange between Functional/Pillar Directors and CLCs of all existing KICs to facilitate the identification of common approaches to strengthening cooperation. Joint workshops and trainings on different topics promote cross-KIC employee awareness, boost inter-KIC networking and help to identify new areas of common interest to initiate cooperation. The use of uniform platforms and IT systems reduces administrative overhead. EIT Manufacturing will actively work to identify synergies and create a common platform for these activities. First common activities regarding procurement policies are under development. A further topic of interest is the regular audit processes that affect all KICs.

Communication

The KIC's Communication Strategy aims at positioning EIT Manufacturing as *the leading European innovation community for manufacturing*, with the capacity to bring cutting-edge, competitive and sustainable solutions for global manufacturing challenges. In addition, in line with Financial Sustainability requirements, Communication will also promote the KIC as a service organisation for manufacturing and promote its commercial offer.

Communication holds a key role in supporting EIT Manufacturing in achieving its 2027 goals (see Chapter 4.2) and in creating awareness and generating interest for the KIC's ongoing activities. Communication includes Corporate Communications. It supports Operations' activities – as well as Education, Innovation and Business Creation pillars, and EIT RIS – in attracting participants to its activities and visitors to its platforms, with the aim of growing the community into a powerful ecosystem for innovation and entrepreneurship. Moreover, Communication supports the active promotion of the KIC's activities' results and outcomes (see Dissemination). Along with communicating about its own activities and results, the KIC aims to create general awareness about how Europe's manufacturing industry contributes to Europe's objective of becoming the world's first climate-neutral continent by 2050 ([European Green Deal](#)). EIT Manufacturing therefore will support improving perception of the industry as a driving force behind a more sustainable, competitive Europe. Communication activities will contribute to this goal by disseminating results and highlighting success stories.

Throughout its communication activities, EIT Manufacturing will continue to amplify and champion the EIT brand, ensuring consistent visibility of EIT Community branding and of EU and EIT support and financing across all KIC activities, i.e., in all start-ups, ventures and innovation projects, EIT labelled degrees, and diplomas. EIT Manufacturing is part of the EIT Alumni Community and participates in its activities and events. EIT Manufacturing is committed to involving all its students coming out of the education programmes (PhD, Master, online courses, trainings). They are, e.g., invited to join and speak at EIT

Manufacturing's recurring events, participate in open webinars and the ambassador programme, and invited to join the OIP and social media platforms, with KIC-specific alumni groups. EIT Manufacturing also aims to position Europe's manufacturing sector as a dynamic and attractive innovation power to reckon with, recognised for its competitiveness and quality, and high value added technical and sustainable solutions.

EIT Manufacturing's communication is aligned with EIT's communication principles, rules and guidelines for planning, branding and visual identity, including complying to the FA guidelines.

Overall, the KIC's Communication Strategy has four overarching objectives:

1. Build awareness about EIT Manufacturing and promote activities, and achievements related to activities, while championing the EIT Community brand, across all its activities, programmes and events.
2. Create understanding of the role of Europe's manufacturing industry as an accelerator and enabler for change, innovation, and competitiveness, while increasing the sector's attractiveness.
3. Identify, attract, and engage with relevant stakeholders (including alumni) and target audiences to drive interest for the participation in the activities, to share good practices and results, to reinforce the KIC's impact, to support the KIC's sustainable growth, and to contribute to building the innovation ecosystem.
4. Disseminate results and support exploitation of results to maximise impact of the Innovation, Education and Business Creation activities, making results available for further use and supporting knowledge management through the KIC's platforms (see dedicated section about Dissemination of Results).

Management and monitoring of communication activities are under the responsibility of the Communication team and the MT. Some generic objectives have been defined to monitor the contributions of communication activities to the KIC's objectives. The Communication team is committed to:

- Publish weekly news and posts using online and social media platforms, such as LinkedIn and Twitter, to drive awareness and engagement.
- Set the EIT Manufacturing web portal as the main digital communication channel.
- Implement consistent EIT Manufacturing Branding throughout all communication channels, activities, materials, events and other initiatives, following the PA obligations.
- Support the increase of expressions of interest in key KIC calls/competitions (i.e., *BoostUp!* competition) by 10% per year, with a communication plan and social media campaigns.
- Increase the number of events (internal, external, digital, physical, including speaking opportunities) by 10% per year, starting with a baseline of 20 events in 2020.

The KIC will use the Learning Platform (Skills.move) and OIP (AGORA) for information sharing on activities in addition to other channels.

Figure 14: Overview of EIT Manufacturing's key stakeholders & target audiences on a high level

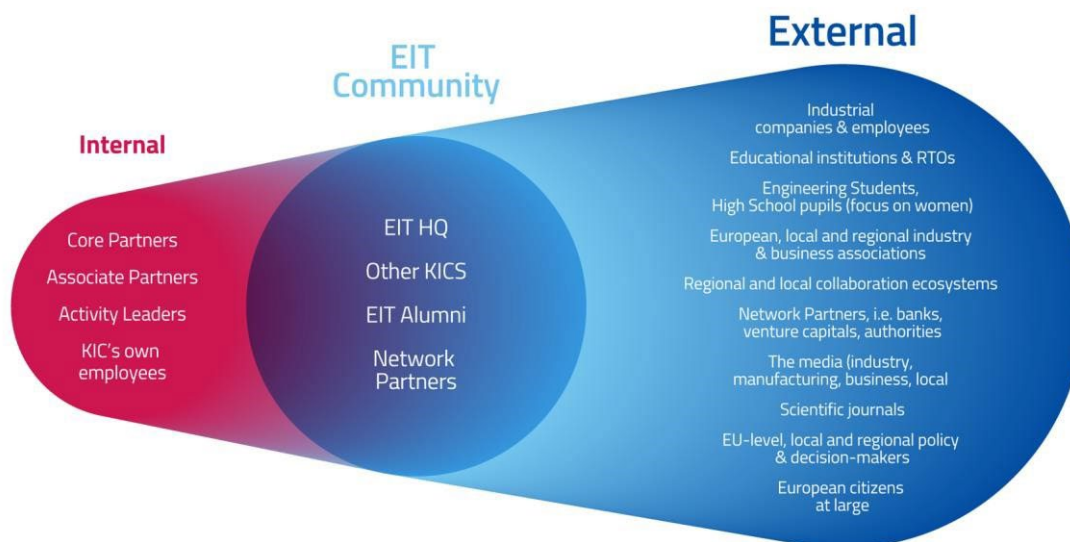
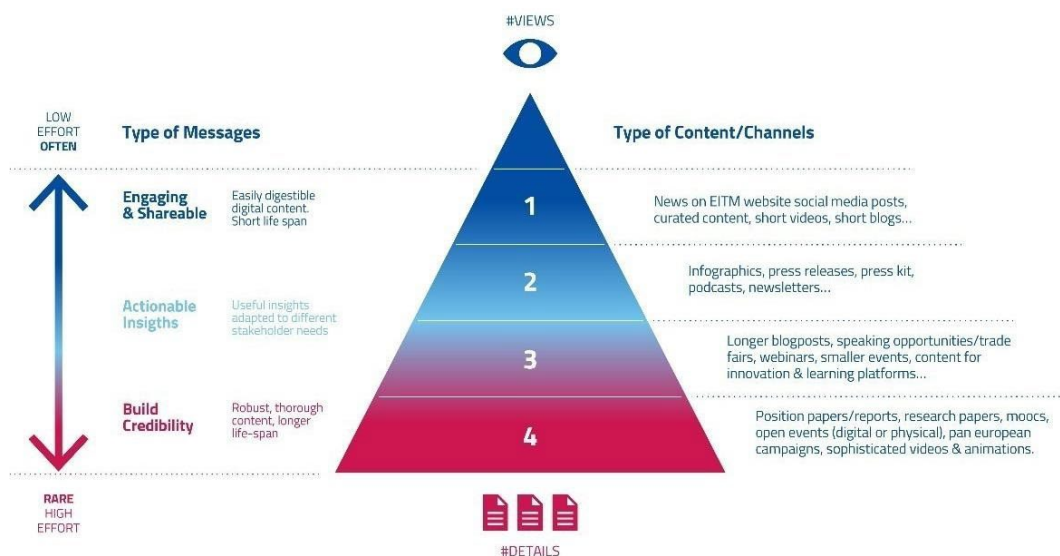


Figure 14 presents the key stakeholders and target audiences for Communication at a high level. A stakeholder map is presented later in Sub-chapter 5.5/Stakeholder Engagement.

Formats and Content: An overview and segmentation of the KIC's communication formats and contents – according to level of detail, effort and frequency, and number of views – is given in Figure 15. For each communication activity, the KIC performs an audience analysis, choosing appropriate action.

Figure 15: Key communication contents & formats to optimise communication efforts & impact



Communication tools and channels: EIT Manufacturing's web portal will be the main node to gather all relevant information, with dedicated sections for central stakeholders, such as students, entrepreneurs

and investors, the media and partners, as well as employees of the manufacturing sector and citizens at large. The web portal also works as the single-entry point for other platforms (e.g. Partner Intranet, pillar and CLC websites and social media channels, Learning Platform (Skills.Move) and OIP (AGORA)). Over time, the communication channels will be further improved, based on stakeholder feedback, impact analysis and overall communication trends. To engage European citizens, the KIC will organise open events (e.g., the EIT Manufacturing yearly summit) and workshops and webinars at corporate and CLC level. These communication actions will include opportunities for feedback and dialogue. Specific messaging, campaigns and initiatives will be implemented to promote successful and inspiring female role models from manufacturing and attract talented female professionals to industry.

As EIT Manufacturing is a pan-European organisation, all central communication, materials, website and platforms will be in English as a shared common language. Acknowledging that many different languages are spoken in the EU, the KIC also plans local PR and media campaigns on central topics, such as creating overall awareness, promoting innovative start-ups and sharing yearly results. For this purpose, the CLCs and RIS Innovation Hubs will set up a network with regional PR agencies for specific requirements. The need for other localised campaigns will be assessed on a yearly basis, depending on activities and needs. Also, the KIC naturally leverages its vast partner and hub network to spread and localise information.

Citizen outreach and awareness: EIT Manufacturing focuses primarily on B2B communication. Citizen outreach and awareness is mainly done via dissemination of results and participation in open events, and not as direct citizen engagement programmes. The KIC will identify opportunities with its partners to create awareness and establish relations with local communities. Some examples of community actions could include joining forces in organising open days for visits in production sites e.g., “International Women’s Day”, to support activities or competitions related to the manufacturing sector. These possibilities will be evaluated together with Partner organisations’ communication experts.

Knowledge management and links to communication, dissemination, and exploitation: EIT Manufacturing will use its existing platforms for knowledge management purposes (e.g., Intranet, the Learning Platform (Skills.move, and the OIP, AGORA), supported by a SharePoint Platform. These platforms will allow the use of knowledge for the development of communication, dissemination, and exploitation activities. Later, a dedicated IT based, integrated knowledge management tool will allow the use of knowledge and information created within the KIC and by the supported KAVAs, and facilitate the development of communication, dissemination, and exploitation activities. Concerning IP management, the different access levels of the users in the platform and other protection measures will guarantee compliance with all confidentiality obligations.

Dissemination of Results

The EIT and EIT Manufacturing have an obligation to disseminate results, good practices and lessons learnt generated from their activities, whilst respecting relevant IP rights. The objective is to detect, analyse, codify, share, and ensure take-up of results, to facilitate further exploitation by the European and global innovation community and thus, maximise impact beyond the EIT and the KIC.

Main target audiences for the KIC’s dissemination activities are entrepreneurs, researchers, academia, prospective candidates for PhD programmes, teachers, manufacturing employees, industrial partners – and also policymakers at regional and European level (see Table 6 for an overview of the dissemination per pillar and the most suitable tools and channels). For policymakers in particular, the KIC’s are a potential

source of learning and information, as results and findings have a potential to be used as part of the evaluation, development, and implementation of local and EU-level policies.

Table 1: Overview dissemination

Programme	Stakeholders/ Target Audiences	Objectives	Tools and channels	Monitoring
Education	- EIT - Partners - Students - Alumni - Higher Education Institutions - Industrial companies and their employees	Make results of all activities & projects available for use	- EITM Web Portal - Meetings, Events such as the yearly EITM summit, workshops organised at CLC level - Social Media posts - Press releases	Social media follow-up (# of posts & engagement)
Innovation	- EIT - Partners - Industrial companies and industry associations - Start-ups, entrepreneurs - Policy & decision makers - Industry & Scientific Media	- Enable the use & uptake of EITM results - Create awareness among targeted audiences about EIT Manufacturing activities - Support policy makers by providing examples of good practices and support in the development and implementation of EU policy in their thematic domains.	- EITM Web Portal - Conferences, EITM Summit and other events (<i>Industry Days, WMF, InnovEIT</i>) - AGORA - Trade Fairs - Open data repositories (e.g., Horizon Results Platform (EU)*) - Policy briefs - Fact sheets - Social Media posts - Media	Dissemination activities at KAVA level (tracked in Intranet) # of events (main events internal/external, webinars) #of news (EITM website and published on media) #success stories
Business Creation	- EIT - Partners - Industrial companies - Incubators, Accelerators, and Investors - Policy & decision makers - Start-ups, entrepreneurs - Media		- EITM Web Portal - EIT Manufacturing yearly Summit and other open Events (e.g., <i>BoostUp!</i> with several editions in the year) - Individual Meetings - Social Media posts - Media	(*) starting in Y2024, 10 innovation results/year to be included in this platform

RIS	• EIT • Partners • Students • Alumni • Higher Education Institutions • Industrial companies and their employees • (from RIS countries)		• EITM Web Portal • EIT Manufacturing yearly summit and other RIS Events (e.g., Annual RIS Hubs Conference, RIS LEADERS Finals, events led by the RIS Hubs and CLCs in RIS Countries) • Individual Meetings • Social Media posts • Media	
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Some of the Communication channels are also used for Dissemination. However, content used for dissemination will be entirely focused on results. Timing also differs, as disseminating results is still relevant beyond the end of activities leading to those results. Channels like the EU's Horizon Results Platform and other open data repositories specific for dissemination will be used, in addition to the KIC's OIP (AGORA), to disseminate non-protected data and results to facilitate exploitation by internal and external parties. Depending on the type of results, other or new channels may be considered as they arise in future. [The dissemination of good practices, policy papers, and lessons learnt is also to be done through the EIT Knowledge Centre.](#)

For EIT Manufacturing, Dissemination of results takes place both at Activity level and at KIC level. Each year, all running activities develop and implement their own plan and put in place the adequate mechanisms to disseminate results. At KIC level, EIT Manufacturing organises on an annual basis (Q4), a big open event – the EIT Manufacturing Summit – where results are appropriately presented and disseminated, giving the stage and visibility to all the running activities and their results. The event format can vary through the years (from physical to digital or hybrid).

Responsibility for the Dissemination of results: while activity leaders will be responsible to report on results (KPI), the follow-up on the dissemination KPIs lies with the responsible functional directors and their teams, as well as the Management Team. These KPIs are, for instance, results, good practice (GP) and lessons learnt (LL) disseminated by the KIC through appropriate means (e.g., publications, online repositories, fact sheets, targeted workshops), and number of cross-KIC dissemination efforts via suitable events, success stories, scientific papers, and the like. Dissemination will be monitored against these indicators:

- Yearly open dissemination event/other events, also at CLC level, to present KAVA results and outcomes.
- Results and outcomes published/presented in relevant scientific journals, thematic media, EITM web portal and industry-relevant conferences and events.
- Dedicated Social media strategy/plan focused on disseminating results, good practices and lessons learnt.

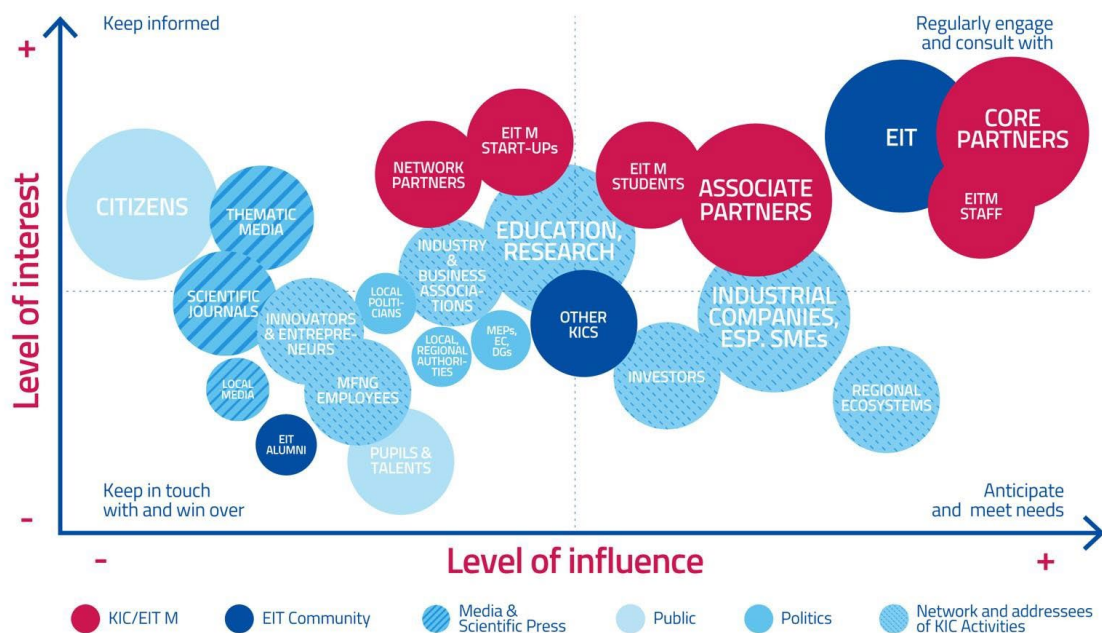
Based on input from the Functional Directors, the KIC's communications team will support dissemination of available results in the most appropriate KIC channels and timeline, in order to make them visible and

broadly available for use by others. The pillar directors, Communication team and Management Team are jointly responsible to manage and monitor Dissemination activities.

The KIC will use platforms knowledge and IP management practices, which is highly relevant when dealing with activity results and collaborative developments.

Stakeholder Engagement

Figure 16: Stakeholder Map



EIT Manufacturing will engage a large stakeholder network at European, national and regional level, and when relevant on a global level, in order to:

- Align on common challenges and priorities, and join forces to tackle them, as is already the case for the European Green Deal and the New Industrial Strategy, among others (see Chapter 5.5).
- Identify emerging technologies, trends and opportunities.
- Promote EIT Manufacturing and EIT beyond its existing network.
- Promote EIT manufacturing activities and results for wider spread and take-up, i.e., maximise impact of the communication and dissemination activities.

Furthermore, EIT Manufacturing will seek close coordination and cooperation with the Commission services, Member States representatives, and other stakeholder groups, as detailed in Figure 16, which gives a high-level view of the stakeholder network.

These stakeholders will be targeted and engaged through:

- Individual meetings with prioritised key policymakers and influencers at European level (EC, EP), and at local and national/regional level with respective national and regional authorities.
- Identification of and involvement in relevant European, national, regional and local initiatives and events, with key actors of the EU Green Deal, the New Industrial Strategy for Europe, the Circular Economy Action Plan, the Net Zero Act (NZIA), etc.
- EIT Community events (also those organised by other KICs) and cross-KIC activities.

Main targets for the KIC's stakeholder engagement activities are:

- Participation in ten (10) events per year, promoting collaboration with local, regional and global stakeholders.
- Active participation in at least three (3) relevant meetings, workshops or events per year with involvement of European stakeholders from EC Services, the European Parliament or other European organisations. Indicative events include EU R&I Days, Industrial Technologies Conference, EU Industry Days etc.
- At least one (1) yearly position paper or white paper on a manufacturing topic of high European interest.
- Contribution to accomplishing the EIT's Strategic Objectives by amplifying messages in cross-KIC activities, and by actively participating in activities of the EIT House Coordination Working Group.

Responsibility and coordination for engaging with relevant policy- and decision-makers (EC, EP) on strategic, European level rests primarily with the CEO of EIT Manufacturing and the Director of EU Affairs and RIS, facilitated by the Communications team. The CLC Directors are responsible for mapping and interacting with relevant national/regional stakeholders according to their own priorities and in alignment with the KIC's main objectives. Collaboration with stakeholders linked to the European Structural and Investment Funds are included in the CLC's scope. EIT Manufacturing is an active participant of the EIT Dissemination Working Group.

EIT Manufacturing's website will be a central source of information also used for knowledge management purposes, sharing relevant information with stakeholders in addition to meetings and speech opportunities. The KIC will also work on tools that will help engage with, and eventually build, an international network of relevant policymakers – in addition to formal events, such as the yearly EIT Manufacturing summit with annually changing thematic focuses, the EC services annual meeting, and events and meetings organised at CLC level.

Global Outreach

EIT Manufacturing's Global Outreach activities aim at positioning the KIC, EIT and Europe's industrial sector, as global innovation forces for manufacturing, with EIT Manufacturing acting as a leading embodiment of shared values and as a bridge between the UN's 17 SDGs and EU policy – such as the European Green Deal, the Digital Europe Programme, the Circular Economy Action Plan, and NDICI – Global Europe.

In order to increase its international recognition, expand globally, and strengthen its own sustainability, EIT Manufacturing envisions a smart internationalisation strategy beyond the EU, with a medium-term horizon, achieved by actively involving – among others – members with an international presence. EIT Manufacturing will gradually expand international cooperation through strategic, international research and innovation partnerships with key entities, such as research institutions, universities, enterprises, and clusters from non-EU countries. Focus will be given to countries of special interest, such as the USA, Israel, Japan, South Korea and Latin America. In June 2019, the EIT Governing Board adopted the “Strategic Framework for EIT Community Global Outreach Activities”²⁰. This document frames EIT Manufacturing’s approach towards the outreach countries, while contributing to the overall objectives of the EIT Strategic Innovation Agenda (SIA). Building on the above, the KIC will:

- Contribute to the UN’s and EU’s sustainability objectives at large:
 - a. Paving the way for more sustainable manufacturing, with Europe’s industry taking the leading role for promoting circular economy and considering the full product lifecycle (e.g., SDG9 and SDG12).
 - b. Supporting other initiatives driving sustainability and tackling climate challenges through various Cross-KIC initiatives (e.g., *Circular Economy*; fighting water scarcity in southern Europe; contributions towards SDG12 and SDG17 - *Please refer to Annex 1 for further details*).
- Contribute to making European and global manufacturing more human centric, sustainable and resilient:
 - a. Support the industry to overcome fragmentation by fostering Europe-wide and international standardisation for wider adoption of industry 5.0 practices.
 - b. Promote initiatives providing broad access to education programmes (i.e., through the Guided Learning Platform, which will be accessible for everyone; Marie Curie Programme attracting talents beyond Europe’s borders, etc.).
 - c. Positioning EIT Manufacturing as an innovation ecosystem, connecting stakeholders across the value chains.
- Foster global innovation ecosystems beyond Europe’s borders:
 - a. Collaborate with a number of global initiatives and international stakeholders, such as WMF or WEF in order to identify joint initiatives (details in Sub-chapter 5.5/Synergies).
 - b. Participate in the Strategic Outreach Cross-KIC programme (i.e., active member of Cross-KIC working Group, Israel and Silicon Valley Steering Committees, promoting ongoing activities at EIT Hubs to its own community members, participating in specific missions and workshops, developing together with other KICs cross-sectorial programmes, etc.).
 - c. Leverage the EIT’s global network (i.e., EIT’s hub in Silicon Valley, EIT’s hub in Israel and the global platform) and gradually build new hubs/networks and activities in key industrial areas outside Europe, as part of the Strategic Outreach Cross-KIC Programme. Analyse EIT Manufacturing partner needs and capacities outside Europe to be shared with EIT and other KICs to improve the EIT Cross-KIC services (for details, please refer to the sub-chapter 5.5/Cross-KIC).

The KIC’s global outreach activities will enable it to follow global trends, emerging technologies and best practices crucial to achieving its strategic objectives. EIT Manufacturing also aims at contributing to attract global investment and talent to Europe’s industrial sector. Outreach is closely connected with communication and dissemination as it showcases the KICs activities, results, and impacts globally. The

²⁰ EIT, GB Decision on the Strategic Framework for the EIT Community's Global Outreach Activities, 2019, [Link](#)

responsibility for monitoring these global activities lies with the responsible members of the Management Team, such as the Communications Director, the Director for European Affairs and EIT RIS, and the CrossKIC's Strategic Outreach Working Group representative.

6 RISKS

Table 7: Risk assessment

Key risk (title and description, including cause and potential consequence)	Risk type ²⁴	Objective/ thematic area affected by the risk	Impact (Low 1-2 Medium 3 High 4-5)	Likelihood (Low 1-2 Medium 3 High 4-5)	Action plan Summary		
					Description (mitigating measures)	Owner	Deadline
General Note		Next to the risks detailed below, the KIC has put in place some general policies e.g. on Fraud, Conflicts of Interest and a Code of Good Conduct (see Chapter 5). In addition to those and the below described risks, the KIC will be alert at all times, exchange with other KICs and take additional action if indicated.					
Failure to identify challenging technologies relevant for the KIC's Calls for Proposals <u>Cause:</u> tools to identify innovation hotspots do not prove efficient, e.g. due to delays in setting up the underlying structures or failure to encourage active exchange on the OIP <u>Consequences:</u> the KIC misses an opportunity to provide relevant information to its partners and may struggle in strategic priority setting and focusing its call activities	1 & 2	All SOs	3	2	- Identification of underlying issues by interviewing partners - Improvement of the digital tools with regards to relevance of data inputs and results of partner feedback (e.g. usability, sources, frequency or alike) - Feeding in ad-hoc additional material into the “Enabling Technologies Radar” to improve its performance - Possibly dedicated Partner workshop to bridge gaps in a timely perspective	Directors of Innovation and KIC MT	continuous
KIC not able to mobilise disruptive ideas and initiatives from within the KIC ecosystem <u>Cause:</u> lack of participation and support by highly innovative actors and Start-ups; short project duration and relatively low project size restrict type of initiatives <u>Consequences:</u> mainly incremental innovation at the expense of disruptive and impactful innovation	4 & 5	SO3 (network collaboration), SO2 (successful solutions in Activities)	4	2	- Request frequent partner feedback to diagnose the main barriers and analyse shortcomings. - Exchange with other KICs to learn from similar experiences and ways to overcome them - Launch ad-hoc communication and dissemination activities to encourage and motivate (e.g. best practice promotion) - Consider additional instruments to award added value and continuation of Activities beyond project durations in CFP evaluations - Connect to leadership of CLCs/RIS hubs to discuss reasons for lack of participation	Directors of Education, Business Creation and Innovation, KIC MT	continuous

²⁴ 1 = External Environment (Macro-environment, political decisions and priorities outside the KIC, external partners)

2 = Planning, Processes and Systems (Macro-environment, operational processes, financial processes, budget allocation, IT and other support systems)

3 = People & Organisation (Human Resources, Ethics and organisational behaviour, Internal organisation, Security of staff, buildings and equipment) 4 = Legality and regulatory aspects (Legality & regularity, fraud)

5 = Communication & Information (Communication methods and channels, Quality and timeliness of communication)

Key risk (title and description, including cause and potential consequence)	Risk type ²⁴	Objective/ thematic area affected by the risk	Impact (Low 1-2 Medium 3 High 4-5)	Likelihood (Low 1-2 Medium 3 High 4-5)	Action plan Summary		
					Description (mitigating measures)	Owner	Deadline
A possible delay of the sustainability revenue ramp-up <u>Cause:</u> limited resources results in prioritisation of initial set up of operations and insufficient focus on financial sustainability <u>Consequences:</u> Failure to meet ambitious income aims	3	Financial Sustainability	3	3	- Integrate financial sustainability responsibility into job descriptions and connect related KPI to be measured in performance reviews - Revising the future service offering of EIT Manufacturing and how services will be delivered to the market - Thorough investment thesis for planned activities of venture capital fund - Establishing control and strategic guidance function within the SB	Director of Finance, SB, KIC MT	continuous
Complexity and cost of engaging in KIC activities outweigh perceived benefits (especially for small organisations with limited resource) <u>Cause:</u> Bureaucratic procedures and reporting, fees, co-funding requirements, financial sustainability requirements, unawareness of possibility of Associate Partnership <u>Consequences:</u> Core Partners may leave EIT Manufacturing or not participate in Activities	4	All SOs	3	3	- Individually consult with partners outlining the specific benefits to their organisations, encourage to stay and participate actively - Conduct new benchmarks and analysis of additional instruments or adoption of existing ways of income generation - Provide additional guidance and free up resources for assistance regarding administrative support and advice, incl. simplified materials - Close co-operation with EIT and other KICs, e.g. via shared services and working groups to support reduction of the administrative burden and solve encountered problems.	KIC MT, Directors of Communication and Finance	continuous
Change of EIT terminology or KPI definitions <u>Cause:</u> the KIC has a limited influence on how EIT (core) KPIs are and will be defined in the future <u>Consequences:</u> Failure to meet KPI targets due to new and/ or additional requirements	2	Performance	3	4	- Report alternative performance measurements than EIT KPIs	Director of Finance, KIC MT	continuous
Negative impact on macro-economic levels <u>Cause:</u> multiple, e.g. i) increasing inflation, ii) geographical instabilities, iii) new pandemic <u>Consequences:</u> i) It might be more challenging to find investments required to co-fund activities, ii) activities in highrisk countries might have to be stopped, iii) economic slowdown would challenge KIC's financial sustainability agenda	2	Macroeconomic risks	2	4	- Diversify revenue streams to decrease dependencies	KIC MT	continuous

EIT not validated <u>Cause:</u> In the next mid-term evaluation in 2025 EIT has to be validated by the EU <u>Consequences:</u> If EIT is not validated for the next period, EIT Manufacturing would lose its access to EIT grants	2	Community risk	4	1	- Diversify revenue streams to decrease dependencies - Close co-operation with EIT and other KICs to mitigate erroneous perceptions of political stakeholders.	KIC MT	continuous
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ANNEX 1 KIC IMPACT

Table 8: KIC Impact

KIC Strategic Objective	Problem/ issue related to the societal challenge	Societal and economic impact to be created by 2027	Impact KPIs	Targets to be achieved by 2024*	Targets to be achieved by the PA end year [2026]*	Targets to be achieved by 2027*	Relevant UN SDG Targets	Source of verification (to be completed only for the societal impacts)
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
SO1: Put people at the center of manufacturing innovation	Skill gaps	A strong European talent pool with skill levels that make our industry competitive on a global scale. Transversal and flexible skills in line with changing job market requirements.	% of upskilled employees working in the manufacturing sector.	34%	35%	36%	SDG 4. QUALITY EDUCATION, particularly 4.3, 4.4, 4.5 and 4.7 SDG 5. GENDER EQUALITY, particularly 5.b SDG 8. DECENT WORK & ECONOMIC GROWTH, particularly 8.5, 8.6 SDG 10. REDUCE INEQUALITIES, particularly 10.2	The impact of closing the skill gaps will be measured through a survey conducted by EIT Manufacturing addressing all organisations having received support from the KIC. The result will therefore be an estimate of organisations themselves on which % of completed a training by their employees supported in reducing skill gaps. To set the targets, a baseline of 31% internal survey on Manufacturing (and 42% stemming from the global WEF Future of jobs report 2020) has been defined.
	Lack of diversity	In first step focusing on gender balance, reaching a strong female impact on the European Manufacturing innovation and Start-up arena	% of women-led startups in manufacturing	20%	22%	25%		The impact of increasing gender balance will be assessed through an internal analysis of the Business Creation portfolio and the gender composition of supported startup founders. The baseline for this KPI is set at the current percentage as of 2023.

			% of women-led consortia in funded innovation activities	20%	22%	25%		The impact of increasing gender balance will be assessed through an internal analysis of the Innovation portfolio and the gender composition of supported consortia. Women-led consortia means consortia where the Activity Leader is a woman at the time of application, interview and award of the financial support.
SO2: Accelerate green manufacturing	Insufficient circularity	Europe's manufacturing industry is a role model in terms of circular product design. Products manufactured in Europe are easier to maintain and repair, upgrade and recycle than those produced elsewhere. Europe is the world market leader for circular economy processes and technologies.	% circular material use rate	13.8%	14.6%	15%	SDG 7. AFFORDABLE AND CLEAN ENERGY, particularly 7.3 and 7.a SDG 8. DECENT WORK & ECONOMIC GROWTH, particularly 8.2 SDG 9. INDUSTRY, INNOVATION & INFRASTRUCTURE, particularly 9.4 SDG 12. RESPONSIBLE CONSUMPTION AND PRODUCTION, particularly 12.2 and 12.5	The impact of addressing the challenge of insufficient circularity will be assessed through an internal analysis of the portfolio, incl. analyses of impact achieved by the projects in the portfolio, encompassing both innovation and business creation activities. The baseline for this KPI is set at the actual number of such initiatives in 2023.
	High GHG emission levels	Worldwide, Europe is the first continent to become climate-neutral and has the highest share of production facilities with a net zero-carbon footprint.	Reduction of GHG emissions compared to 2005.	20%	23%	25%	SDG 13. COMBAT CLIMATE CHANGE, particularly 13.3 SDG 17. GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT, particularly 17.7	The impact of addressing the challenge of high GHG emission levels will be assessed through an internal analysis of the portfolio, encompassing both innovation and business creation activities, incl. analyses of impact achieved by the projects in the portfolio. The baseline for this KPI is set at the actual number of such initiatives in 2023.

SO3: Foster sovereignty and competitiveness	Future competitiveness of the European Manufacturing Industry	European industry is the global innovation hotspot for manufacturing technology and solutions and a core engine of societal growth.	Revenue growth in manufacturing	22%	31%	36%	SDG 9. INDUSTRY, INNOVATION & INFRASTRUCTURE, particularly 9.1, 9.2, 9.3 9.5 and 9.b SDG 17. GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT, particularly 17.6, 17.16 and 17.17	The revenue growth will be assessed on the subset of KIC partners <u>compared to 2020</u> , through a survey of the KIC partners.
			# New jobs created in supported Start-ups/Scale-ups	2779	5208	6451		New direct jobs created in start-ups/scale-ups and new indirect jobs resulting from KIC supported start-ups / scale-ups

*Targets should be accumulative for the period of the KIC up to this year.