

Annex [X]: Innovation and Digitalisation

The EIB Innovation and Digitalisation criteria refer to either investment in innovation/digitalisation, innovative enterprises, or fast-growing enterprises. A Final Beneficiary and/or a Sub-Project is eligible under Innovation and Digitalisation if it meets **one of the criteria (a-c)** described in the table below. The eligibility of a Final Beneficiary and/or a Sub-Project shall be determined at the time when the Allocation proposal is submitted to the EIB.

The Borrower/Intermediary shall report the prevailing innovation/digitalisation eligibility criterion applicable for each Allocation under the Innovation and Digitalisation window by selecting only one code in the Electronic Allocation Tool. When more than one criterion applies, the Borrower/Intermediary shall select the code based on the below hierarchical order. For example, innovative products/processes come before fast-growing enterprises.

- a. RDI project, in the following order:
 - a.1 Innovative products/ processes
 - a.2 Research, Development and/or Innovation (RDI)

- b. Innovation-driven company, in the following order:
 - b.1. Research, Development & Innovation costs 10% of operating costs (SMEs)
 - b.2. Research, Development & Innovation costs 10% of operating costs (small Mid-Caps)
 - b.3. Intellectual Property Right (e.g. patent)
 - b.4. Venture Capital
 - b.5. Risk finance investment
 - b.6. Innovation support
 - b.7. Innovation prize
 - b.8. Designated as an innovative company by an EU institution or body

- c. Fast-growing enterprises

The Borrower/Intermediary shall keep the relevant evidence on file until the maturity of the EIB Loan.

Criteria	Short Description	Description
a.1	Innovative products/	The Final Beneficiary undertakes to spend the financing granted under the sub-financing to invest in producing or developing products, processes and/or services that are innovative ¹

¹ Please refer to the following definitions provided in the OECD's Oslo Manual, Guidelines for collecting and interpreting Innovation data:

Product innovation is the introduction of a good or service that is new or significantly improved with respect to its characteristics or intended uses. This includes significant improvements in technical specifications, components and materials, incorporated software, user friendliness or other functional characteristics. Design is an integral part of the development and implementation of product innovations. However, design changes that do not involve a significant change in a product's functional characteristics or intended uses are not product innovations.

Process innovation is the implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software. Not considered process innovations are: minor changes or improvements, an increase in production or service capabilities through the addition of manufacturing or logistical systems which are very similar to those already in use, ceasing to use a process, simple capital replacement or extension, changes resulting purely from changes in factor prices, customisation, regular seasonal and other cyclical changes, trading of new or significantly improved products;

Organisational innovation is the implementation of a new organisational method in the firm's business practices, workplace organisation or external relations. Organisational innovations can be intended to increase a firm's performance by reducing

	processes	and where the business plan evidences a risk of technological or industrial failure, or a business risk.
a.2	Research, Development and/or Innovation (RDI)	<p>The Final Beneficiary undertakes to spend an amount at least equal to 80% of the financing granted under the Sub-financing in RDI expenses/investment in the next 3 (three) years following the signature of the Sub-financing Documentation as indicated in its business plan, and the remainder on costs necessary to enable such activities.</p> <p><u>Digitalisation criteria</u></p> <p>The Final Recipient declares to use the Sub-financing for at least one of the following purposes:</p> <p>a2.1 <u>Innovative business models</u>: Development of new business models through adoption and integration of digital technologies.</p> <p>a2.2 <u>Supply chain management</u>: Introducing or enhancing digitalization in supply chain management, including but not limited to business data sharing, inventory management and condition monitoring, interaction with suppliers, enhancing services and participation in integrated supply chains with business partners.</p> <p>a2.3 <u>Product/service innovations</u>: Enhancing existing products or services by making use of, or by integrating digital technologies into products and services and/or by adopting or integrating digital technologies to develop new products and services.</p> <p>a2.4 <u>Customer relationships</u>: Integrating or making use of digital technologies in customer relationship management, including enhanced customer feedback systems or delivery capabilities.</p> <p>a2.5 <u>Business development</u>: Business development and customer acquisition, via expansion to new markets, geographies or customers based on adoption or integration of digital technologies.</p> <p>a2.6 <u>Cybersecurity/data protection</u>: Increasing security of data or business resilience against threats of cyberattacks, data protection and privacy.</p> <p>a2.7 <u>Business processes</u>: Improvements to business processes through digital-based technologies (such as artificial intelligence, blockchain, drones and robotics, biotechnology, photonics, advanced electronic materials and quantum</p>

administrative costs or transaction costs, improving workplace satisfaction (and thus labour productivity), gaining access to non-tradable assets (such as non-codified external knowledge) or reducing costs of supplies.

Marketing innovation is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing. Marketing innovations are aimed at better addressing customer needs, opening up new markets, or newly positioning a firm's product on the market, with the objective of increasing the firm's sales.

		<p>computing) in the operations of the Final Beneficiary.</p> <p>a.2.8 <u>Digital skills, training and upskilling</u>: Training and upskilling in digital skills of existing workers and employees, recruitment of new workers with digital skills and development of management and business skills in a digital world.</p> <p>a.2.9 <u>Digitalisation enterprises</u>: Support to service providers that enable and support companies in the digitalization of value chains, as long as these service providers focus predominantly on the provision and adoption of digital products and services.</p>
b.1	Research, Development & Innovation costs 10% of operating costs (SMEs)	The Final Beneficiary is an enterprise with less than 250 (two-hundred-fifty) employees at the time of submission of the Allocation proposal, whose RDI costs represent at least 10% of its total operating costs, in at least one of the three accounting years preceding the submission of the Allocation proposal (or current financial statements if no financial history).
b.2	Research, Development & Innovation costs 10% of operating costs (small Mid-Caps)	For enterprises with at least 250 (two-hundred and fifty) but less than 500 (five hundred) employees, the Final Beneficiary's RDI costs represent at least 10% per year of its total operating costs in the 3 (three) accounting years preceding the Allocation proposal, or at least 15% in at least one of the 3 (three) accounting years preceding the submission of the Allocation proposal (or current financial statements if no financial history).
b.3	Intellectual Property Right (e.g. Patent)	The Final Beneficiary has registered at least one Intellectual Property Right (such as a patent) in the last 3 (three) years preceding the submission of the Allocation proposal, and the purpose of the sub-financing is to enable, directly or indirectly, the use of this Intellectual Property Right.
b.4	Venture Capital	The Final Beneficiary has received an investment over the last 36 months from a private-equity fund or from a business angel being a member of a business angel network, or such a private equity fund or business angel is a shareholder of the Final Beneficiary at the time of the signature of the sub-financing document.
b.5	Risk finance investment	The Final Beneficiary requires a "risk finance" investment, an investment which is at least 50% of the Final Beneficiary's average annual turnover in the five-year accounting period preceding the submission date of the Allocation proposal, as evidenced in the business plan prepared in view of entering a new product or geographical market.
b.6	Innovation support	The Final Beneficiary has been formally awarded grants, loans or guarantees from European RDI support schemes or through their funding instruments ² over the last 3 (three) years preceding the submission of the Allocation proposal.
b.7	Innovation	The Final Beneficiary has been awarded a Research and

² This includes National Recovery and Resilience Plan (NRRP) support for achieving digital targets and SME digitalization financed from Next Generation EU (NGEU) funds.

	prize	Development or Innovation prize provided by an EU institution or an EU body during the last 3 (three) years preceding the submission of the Allocation proposal.
b.8	Designated as an innovative company by an EU institution or body	The Final Beneficiary has been designated in the past 3 (three) years preceding the submission of the Allocation proposal as an innovative company by an EU Institution or body, which can be verified by the Intermediary, and the purpose of the Sub-financing is to maintain or further develop the business activity of the Final Beneficiary.
c	Fast-growing enterprise	The Final Beneficiary is a “fast-growing enterprise”, measured as follows: the Final Beneficiary operates in a market for less than 10 years following its first commercial sale and with an average annualised endogenous growth in employees or in turnover greater than 20% a year, over the three-year period preceding the Allocation proposal date, and with ten or more employees at the beginning of the observation period.

