

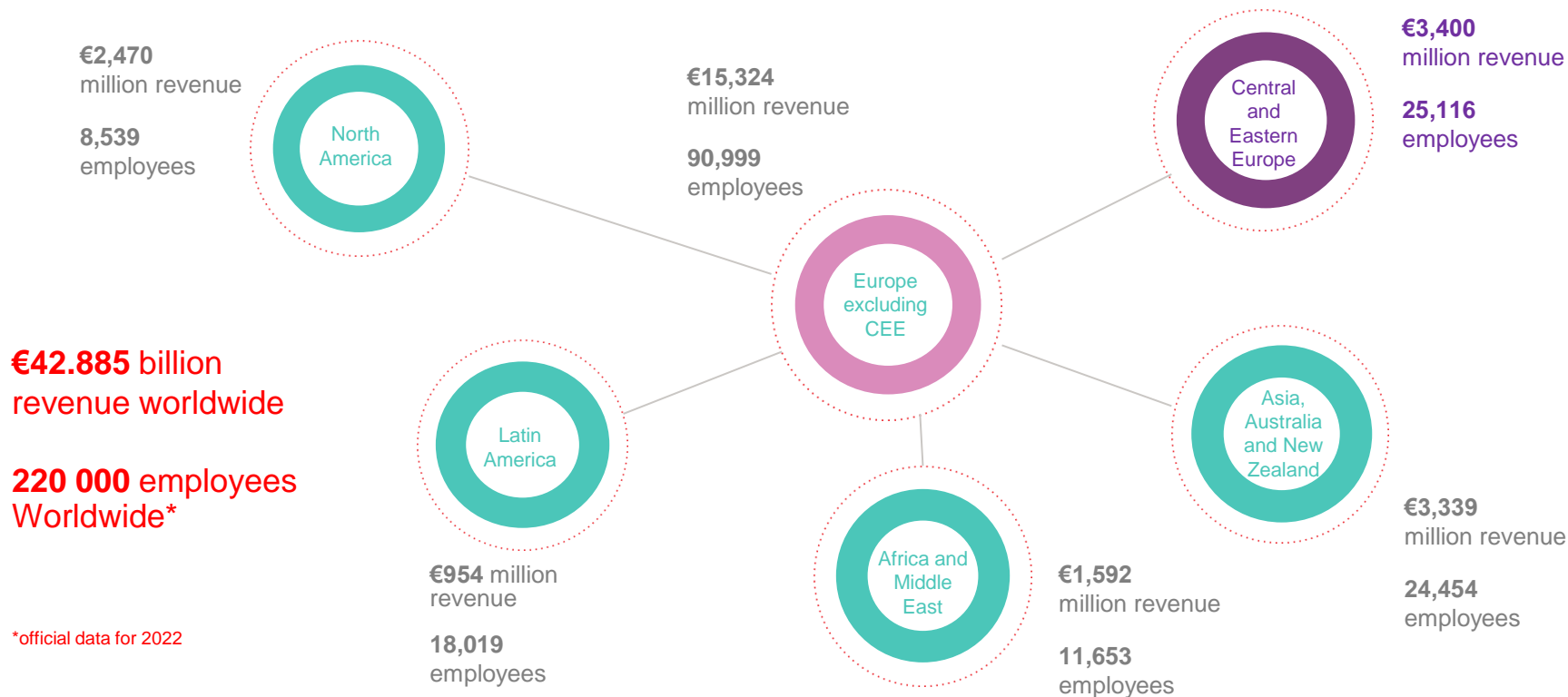


INNOVATION – HOW TO INCUBATE AND ACCELERATE

Sofiyska Voda, **part of Veolia**



VEOLIA - our worldwide presence



CEE Zone operation at a glance



ACCESS TO WATER & SANITATION

946 WTP/WWTP plants
20,3 million people served
57,612 km water/sewage networks
Sales **557 million m³** drinking water



LOCAL LOOPS OF ENERGY

2,348 thermal plants
5,775 km district heating networks
22,9 million MWh heat/cold produced
5,7 million MWh electricity produced
Sales **20,8 million MWh** heat/cold/electricity



SOLID WASTE TREATMENT, RECYCLING & VALORIZATION

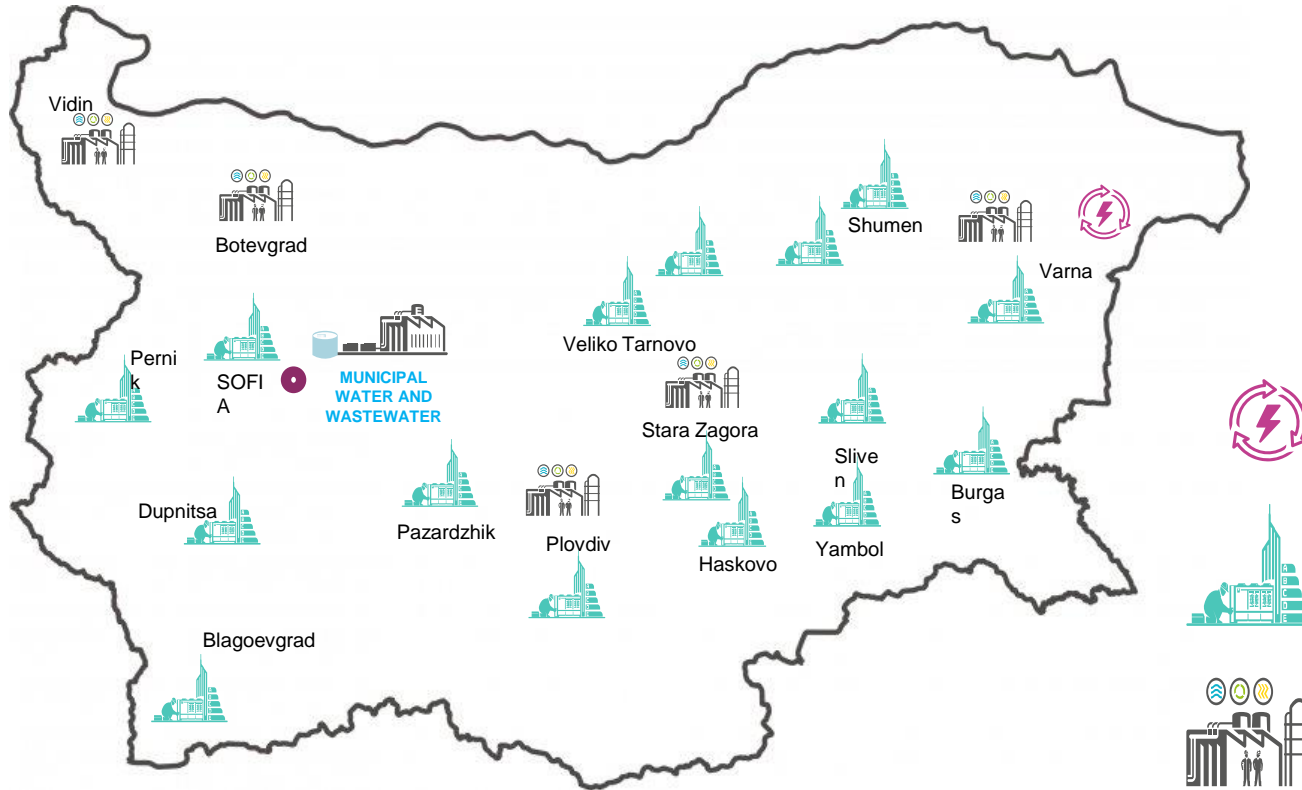


WATER TECHNOLOGIES, TREATMENT PLANTS & NETWORKS

In 6 countries
ON-SITE SERVICES TO INDUSTRIAL CLIENTS
1,047 Industrial sites



Veolia in Bulgaria



District heating network



FM & Energy Services



On-site services to Industrial Clients

Sofiyska voda JSC – The first and only one PPP in the Bulgarian water sector



The story:

- 25-years concession agreement (2000 - 2025), extended to 2034
- Veolia became majority shareholder in 2010
- Integrated management of the whole water cycle in Sofia

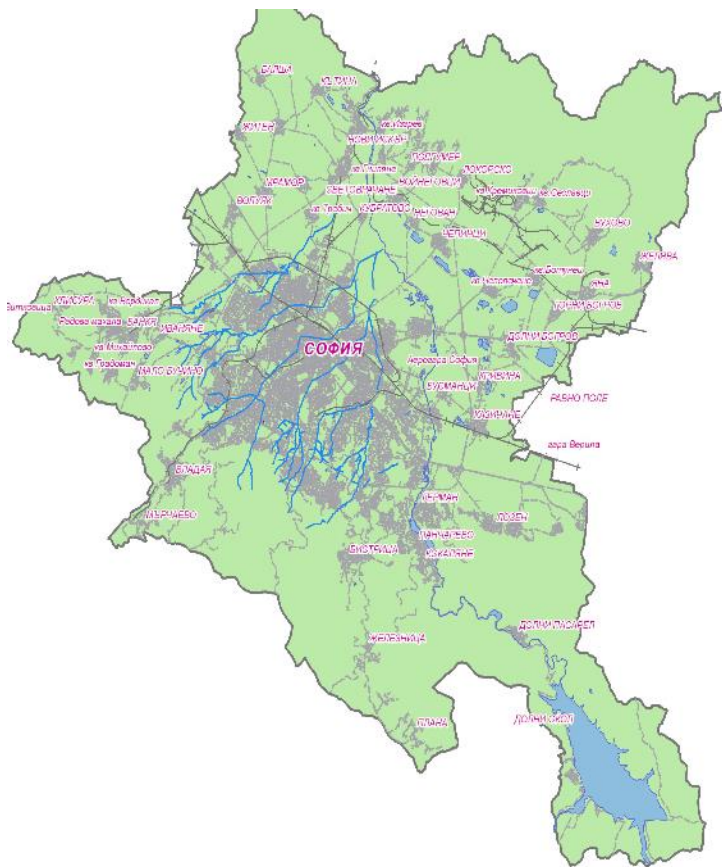
Shareholders:

- 77.1% - Veolia CEE
- 22.9% - Municipality of Sofia

Regulation:

- Regulated by State Regulatory body
- Predefined investment programme
- KPI levels setting
- Tariff setting

Integrated management of the water cycle



Network and key facilities:

- 3837 км drinking water network – 4 times longer than the distance from Sofia to Vienna;
- 1 750 км sewerage network – longer than the distance from Sofia to Milano
- 4 Potable water plants and one mobile
- 68 reservoirs
- 12 pumping stations
- 35 chlorination stations
- Large waste water plant Kubratovo
- Local waste water plant Voinegovtsi
- Accredited laboratory testing complex which monitors water quality



What is innovation?

Types of innovation



Innovation is the use of new ideas, products or methods where they have not been used before. For the EC, the innovation is defined as a new or significantly improved product (good or service) introduced to the market, or the introduction within an enterprise of a new or significantly improved process.



Product innovation is the market introduction of a new or a significantly improved good or service.



Process innovation is the implementation of a new or significantly improved production or delivery method, or ancillary activity for goods or services.

Current situation

How does Veolia develop innovation?

- “Seeds” development support
- Search for external innovation
- Promotion of internal innovation

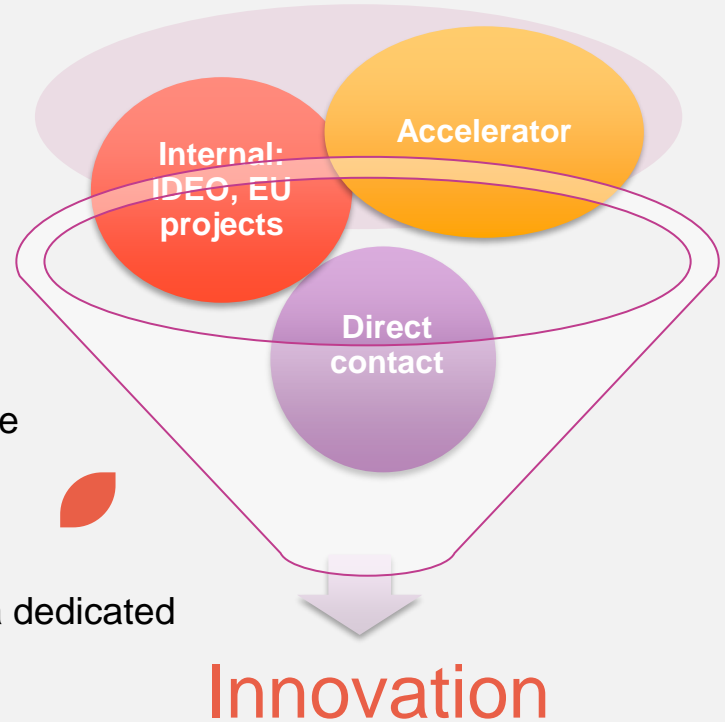


Our challenge

How does innovation happen in Sofiyska Voda today?







- A bit chaotic
- Not following a particular procedure
- Without a dedicated budget



Resources for innovation implementation in Sofijska voda

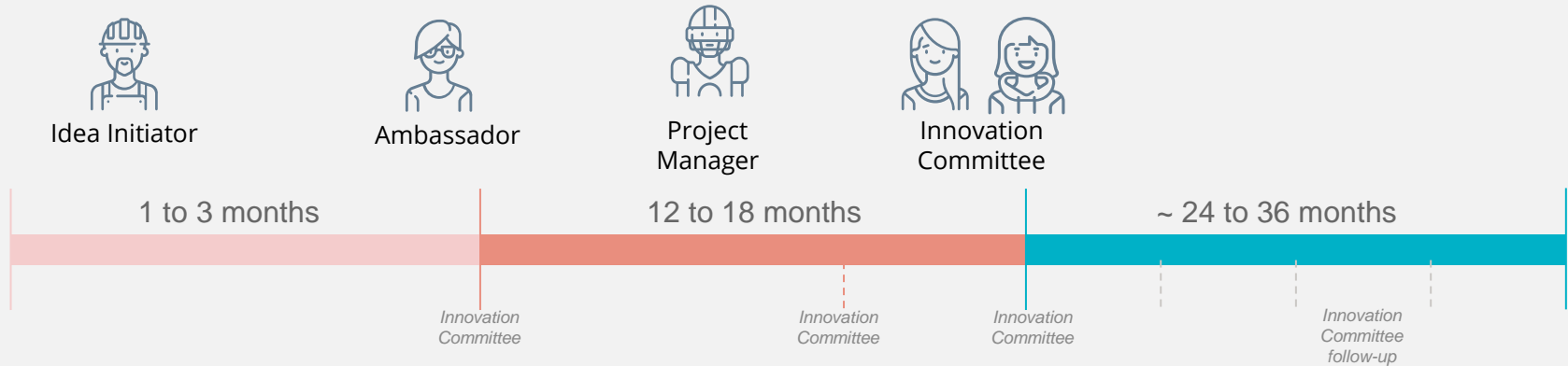
Human resources



Role		Phases	Activity	Timeline	Objectives
	Initiator	All phases	Generates the idea, supports the project manager, prepares a prototype	The entire project duration	Generates the idea; can be an employee of the company or representative of a start-up; works with the project manager through all phases; prepares a business plan together with the project manager.
	Ambassador	First phase	Supports the collection of ideas	1- 2 hours a week	Generates and/or seeks for new ideas; provokes initiatives; validates ideas; supports the project manager; representatives of all directorates; undergoes training once a year.
	Project Manager	All phases	Initial screening, follow-up review of the prototype results, collection of data for the innovation committee, prepares a business plan	The entire project duration	Manages the project from start to finish; makes an initial screening of the idea on the basis of a checklist; sets up a team; collects the necessary data for the innovation committee; validates the preparedness of the local market; identifies early adopters within the BU portfolio and the local merger and acquisition opportunities.
	Local Innovation Committee (COMEX)	After the first phase	Validation followed by a decision whether to submit it to Veolia's Innovation Committee	Regular meetings once a month	Assesses the project's readiness to proceed to the next phase; approves the funding up to a certain limit or presents the project to Veolia's Innovation Committee.

Our challenge

How to develop innovation at Sofiyska Voda in a structured way?



First phase

Idea selection

Determining the validity of the idea

Incubation

Prototyping and market validation

Idea validation and business model

Acceleration

Market rollout and support by the company

From innovation to operation



Resources for innovation implementation

Budget

OPEX

- ❖ Ambassador training (internal training dedicated to innovation);
- ❖ Market research;
- ❖ Bonus scheme for innovative solutions;
- ❖ Remuneration of 2 project managers.

CAPEX

- ❖ Investments in prototypes;
- ❖ Investments for acquisitions or through Corporate VC.

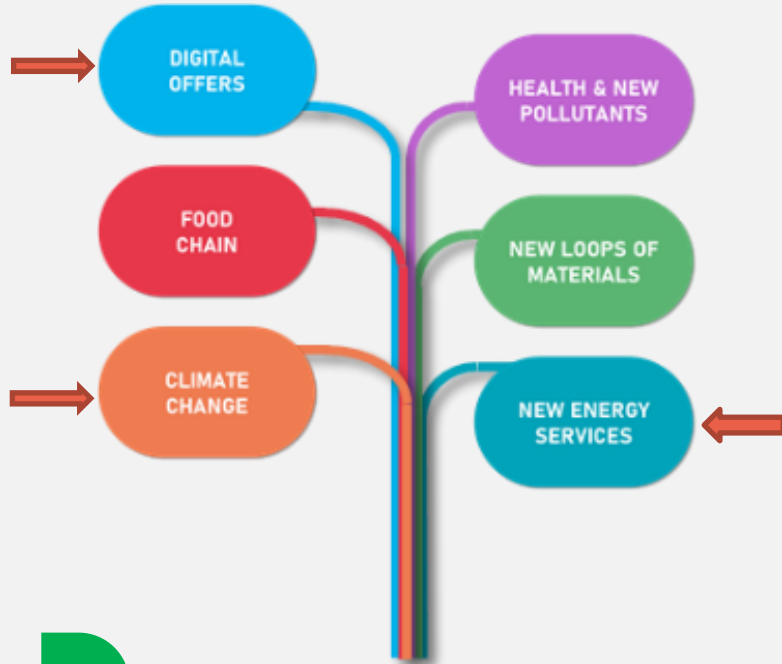
Objectives (KPIs)

- ❖ **2 implemented innovations by the end of 2027.**



Our challenge

Action plan

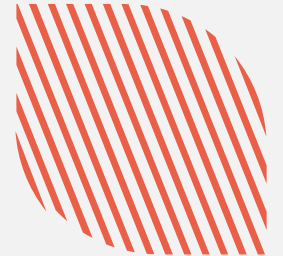


Ambassadors
Projects managers
Training
Campaign – internal
Accelerator - external

Prototypes
Market research
Training
Business plans
Campaigns

Market launch

Analysis and continuous improvement



Ecological transformation in motion

Innovative solutions



ERKO – beer from recycled water

The Czech Republic



Recycling of solar panels

France



Plant with no emissions

Morocco



Leak detection with a satellite technology

Bulgaria

Innovation is our way to reduce our environmental footprint and generate revenue.

Thank you!

Lyubomir Filipov
Strategic partnerships and regulation Director

