



Action 2020 Hungary

Transition to a low-carbon economy



bcsdh

Magyarországi Üzleti Tanács a Fenntartható Fejlődésért
Business Council for Sustainable Development in Hungary



Action2020

led by the WBCSD

2015: Over a Decade of Proven Results globally:

\$17B	\$232B	4x	↓12%	↓17%
R&D spend	revenue generated	revenue generated	GHG emissions	freshwater use

By 2020: Accelerating Our Progress:

\$10B	↓20%	↓20%
Additional R&D	GHG emissions	freshwater use

Ecomagination

Ecomagination is GE's growth strategy to enhance resource productivity and reduce environmental impact at a global scale. As a part of this strategy, we are investing in cleaner technology and business innovation, developing solutions to enable economic growth while avoiding emissions and reducing water consumption. Furthermore, GE is also committing to reduce the environmental impact in our own operations and develop strategic partnerships to solve some of the toughest environmental challenges at scale. This will ultimately create a cleaner, faster, smarter tomorrow.

GE also takes an active role in sustainability locally and commits in supporting communities in which we live and operate. Visit our website for more info about GE's CSR initiatives in Hungary.

www.join-ge.hu
www.gesustainability.com





*“Can business be a positive force for solving environmental and social challenges?
We say: Yes”*



Members of the Business Council for Sustainable Development in Hungary
Status - November 1, 2016

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Action 2020 Hungary

The Action 2020 Hungary program is an initiative from the Business Council for Sustainable Development in Hungary (BCSDH) that calls the Hungarian business sector for immediate action.

Within the framework of the Action 2020 Hungary program five priority areas (Food and Feed, Sustainable Lifestyles, Employment, Climate Change and Water) and 20 specific macro-level goals are defined. More than 100 experts from NGOs, scientific, academic and business sector, and business leaders actively contributed to defining these goals for Hungary.

In 2016, the aim was to explore and promote business solutions for achieving the goals related to Climate Change. Close to 50 experts were involved in the process of finding the answer to the question of how the positive impact exerted by the business sector in relation to climate change can be increased in Hungary.

www.action2020.hu

MEKILEXIKON: OUR FOOD, YOUR QUESTIONS

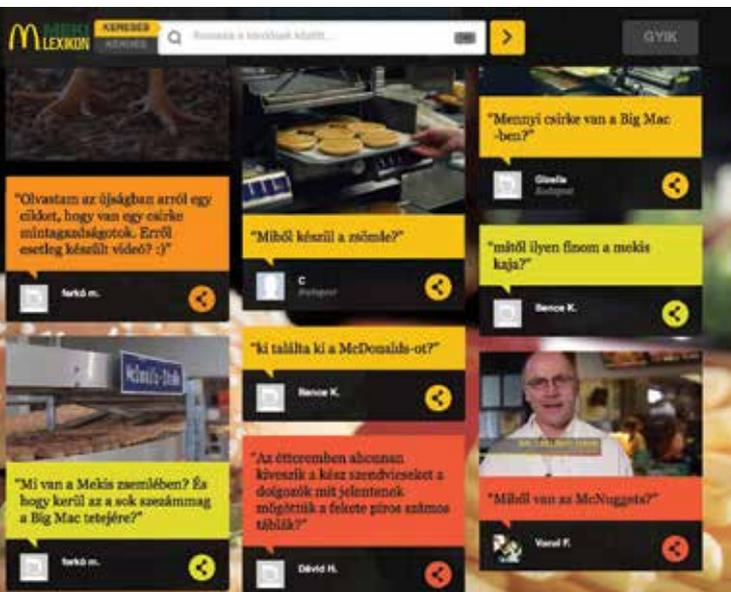


Transparency is one of the basic pillars of our sustainability strategy. We believe it to be fundamental in building and retaining trust among our customers.

In 2014 we launched our transparency programme, Mekilexikon, to refute urban legends and to replace them with simple facts about McDonald's food and operation.

We want our customers to know that we have nothing to hide. We are proud of our food and our practices in our restaurants and at our suppliers, and we are happy to answer any questions our customers may have.

www.mekilexikon.hu



Can the business sector provide answers to climate change challenges?



The Paris Climate Agreement was approved at the end 2015 and surpassing all expectations, it has already come into force on November 4, 2016. The business sector will have a special role and responsibility in achieving the ambitious goals set in the Agreement.

Stabilizing global warming under 2, but preferably 1.5 degrees Celsius requires the radical reduction of greenhouse gas emissions as soon as possible. Transitioning our economy first to low-carbon, then carbon-neutral from the second half of the century is the way to achieve this objective. Businesses will play a key role in this process.

There is no company that would remain unaffected by these changes directly or indirectly. The transition would cause losses for some industries, however majority of business could gain exceptional opportunities if they are capable of renewal and change.

In Hungary, the 'compliance' type of approach still dominates, meaning that CEOs and decision-makers introduce changes primary due to external influences, such as pressure from the parent company or due to changes in the international and domestic legislations.

However, the transition to a low-carbon economy requires changes not only reacting to the current situation but also influencing the process. Solutions are needed that can break away from current paradigms and lead to breakthroughs by applying innovative business solutions.

But what does it take for such companies emerge and to trigger real changes?

First of all, committed leaders, change-leaders and leaders of the future are needed who are capable raising sustainable economic operation to the strategic level and focusing on the importance of climate change risk- and opportunity analysis.

Furthermore, a responsible corporate management is also needed, taking measures to reduce carbon emission as part of its sustainable objectives. This could trigger specific actions and processes, as well as mechanisms that measure and monitor them continuously.

The BCS DH Action 2020 Hungary program aims at making these steps happen and encourage Hungarian business solutions that can have a real impact on climate change. By extending these solutions to other companies, real answers can be provided for domestic challenges.

BCSDH's mission is to support its members to become not only followers but active leaders of future changes and global trends.

Attila Chikán Jr.
President

Irén Márta
Managing Director

Anita Simon
Action 2020 Working
Group Leader

BCSDH's recommendations for Business on Climate Change:

1. Analyse local risks and opportunities associated with climate change and create related action plans
2. Introduce carbon footprint measurement, analyse results and action planning on an ongoing basis, regarding the effective decrease of carbon emissions
3. Identify and create action plans for energy use and/or CO₂ emissions related to the processes of consumption and the use of products and services by shaping attitude and behaviour of consumers and costumers
4. Raising awareness among employees



NO FOOD TO WASTE!

In Europe 88 million tonnes, whilst in Hungary 2 million tonnes of consumable food ends up in the trash every year.

Tesco continuously expands the number of its stores where edible food surplus is collected and offered for charitable donation. In cooperation with the Hungarian Foodbank Association, we help 61 thousand people in need every month.

Please join us to stop food waste together!

TESCO
Joy of good things

About the program

The Action 2020 Hungary program is the Hungarian adaptation of the global Action 2020 program of the World Business Council for Sustainable Development – WBCSD, which calls for actions and by this influences corporate sustainability positively in Hungary. While building on local resources and opportunities, this program is also harmonized with the global, European Union and national strategic objectives, especially with the UN Sustainable Development Goals.

5 priorities

20 macro level goals until 2020

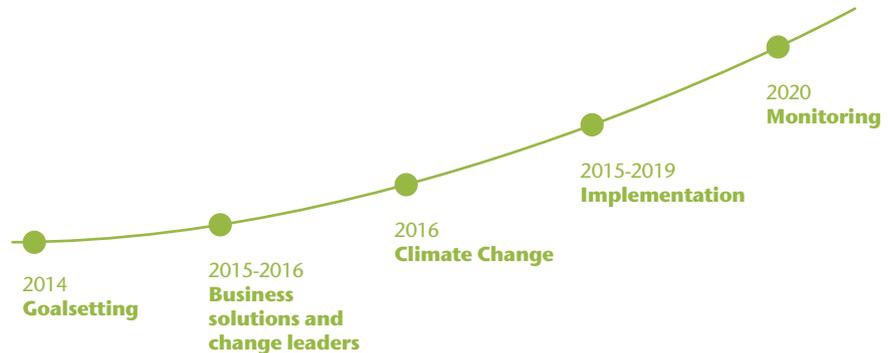
involving more than 100 scientific, NGO and corporate professionals

42 company leaders involved in 11 CEO-roundtable discussions

with more than 50 companies joined

with more than 50 business solutions which can be adapted by others

The program is unique and impactful – says Anita Simon, Working Group Leader of Action 2020 Hungary. 'The Action 2020 Hungary program provides an excellent framework for companies eager to act for sustainability. It creates a frame and structure based on international guidelines and the Hungarian environment. It focuses on key matters since it encourages business solutions and invites to take real action. The program is inspiring because it draws on community of committed and constructive business leaders. It is flexible because through continuous dialogue and involvement, it creates opportunities by considering both actual issues and the unique needs of companies.' Committed business leaders search jointly for answers on those sustainability challenges which are at the same time business challenges as well, and in which business sector plays a crucial role. Due to thinking together, inspiring each other and focusing on business solutions business leaders become change leaders.



Future leaders are change leaders

Effective sustainability solutions lead to positive changes, supported by a corporate leader, business decision maker or change leader who creates, launches, supports and implements the change. Sustainability leadership is the main driver in initiating changes and putting corporate sustainability on the right track.



“ A leader’s prior role and responsibility is to adopt its company to the ever-changing business environment, while providing maximum respect to its employees and the natural environment. Good examples seen at work can have an impact on the employees’ family members and broader environment. These effects are essential to trigger social change and require the CEO to lead by example which enables us to raise questions concerning important issues. During my leadership I try to inspire others to leave the well-trodden path.

Zoltán Gazsi, CEO, eisberg Hungary

Climate Change



Climate friendly strategy



Clean technologies



Clean energy

The common goal of BCSDH and its members in the frame of the Action 2020 Hungary program is to extend and reveal the positive impact of the business sector related to sustainable development and to start taking actions in 2016 related to the Climate Change.

Climate Change influences the success of every business enterprise. It is very important that climate change related risks and opportunities are identified and integrated into strategies and action plans. This analysis covers products, services, all functional departments, technologies, processes, the whole value chain, as well as communication in the short, mid and long term. Climate Change is more than a threat or something we need to adapt, leading companies instead shape these trends. Business solutions beyond business as usual and business models based on new paradigms are essential in shifting to the low carbon economy.

All companies are affected by climate change and all companies have the opportunity to influence it positively. Lowering the risks by decreasing emissions and innovatively adapting to the changes are both necessary during this transition.



István Salgó,
Country Manager,
ING Bank N.V.
Hungary Branch

“ Today, consistent and strategic-minded leaders who are thinking in long-term strategies are in a difficult position because their immediate and environment in the broader sense is less predictable. However, I personally experienced that truly committed business-leaders can generate real changes even by encouraging and inspiring each other. Sometimes difficult decisions have to be made but as CEOs if we make a firm decision with conviction, faith and determination, then we can find the solutions with our team that leads us to our goals.

BCSDH's recommendations for stakeholders

In order to scale up the positive impact of business on Climate Change, it is crucial that affected stakeholders (policymakers, education, science, civil society, media, etc.) take consistent, credible and effective actions based on a long-term strategy, such as

- ✔ Promoting a holistic view in education, involving teaching energy awareness, ecology and well-being.
- ✔ Providing grants targeting energy efficiency with personal incentives both for households and at institutional / corporate level.
- ✔ Developing a climate-friendly energy mix across the country by eliminating obstacles to renewable energy applications becoming more widespread.
- ✔ Supporting and validating strict climate change aspects when making new investments in the field of transportation and architecture.
- ✔ Engaging in and implementing green procurement at a high-level within all organizations.
- ✔ Ensuring real stakeholder engagement and dialogue with interested and affected parties during the decision-making processes. Minimising corruption and the influence of personal interests in order to ensure that professionally established, consensus-based, climate-change-related national measures are implemented.

Skanska, as a leading property developer - in case of Category 'A' office buildings – aims at using green technologies and materials in the course of construction and facility management activities, and thrives for ensuring energy efficient building operation for their business partners. Once this was a way for the company to differentiate itself on the market, but nowadays it seems to become the industrial standard – in which Skanska and their partners played an important role. The company now is looking for new challenges, for example how climate friendly solutions and employee wellbeing can be combined.

Business solutions and Climate change

There is a broad level of Climate Change related business solutions, every company – independently of its core business and size – can contribute to achieving the Climate Change related goals.

Climate change related business solutions

Mitigation - emission reduction

Climate friendly and active transportation
Energy efficiency
Renewable energy
Methane retention
CO₂ absorption
Clean industrial technologies
Waste prevention and recycling
Cogenerated electricity production

Green roof
Green infrastructure
Water quality and conservation
Energy and water storage
Reforestation, biodiversity
Local food production
Smart growth
Education, awareness-raising
Innovative cooling technology
Shared / circular economy
Smart city / office / home

Adaptation - damage reduction

Adaptive buildings
Land use, sustainable farming
Expanded risk analysis and disaster plans
Business model development
Community involvement
Protection of disadvantaged
Health protection and promotion
Flexibility

In the frame of the Action 2020 Hungary program we recommend business solutions on Climate Change, which

- ✔ are ambitious and progressive, since they are not yet part of business-as-usual.
- ✔ were partly or fully implemented already at least on one occasion, therefore their positive environmental impact and relevance to business is verified
- ✔ target climate change through mitigation (of emission reduction) and also adaptation (transformation facilitation)
- ✔ are in line with recommendations by the Hungarian scientific, NGO and business communities, and also in harmony with international guidelines.

Radical changes are necessary, but at the same time we also have to focus on business solutions requiring incremental changes, which regardless of current size, industry, life-cycle and degree of sustainability within a company can be widely introduced and scale-up impact. This way the positive impact exerted by the business sector in Hungary can be increased already on a short term, regarding Climate Change.



“ As a business nowadays, it is not only a corporate priority but our moral right to focus on sustainability. We must be responsible for the future of our businesses and the communities in which we operate. I take this as a fundamental obligation when running any business. An example of this for us here in Hungary in the »Every can counts« initiative where we support recycling of aluminium beer cans – 500 million cans recycled so far!

Robert Cooper,
President and Managing Director,
Dreher Breweries



“ Long term thinking is fundament to sustainability. Excellent example is the almost 5000 m² green roof on our office buildings in Budapest. We started installing them already in the early 90s, setting the trend at least in Hungary. Such green roofs have multiple benefits: decrease heating and cooling costs; additionally, contribute to decreasing CO₂ emission by its plants and decrease the impact on drainage system in case of heavy rainfall.

Dale A. Martin,
President and CEO, Siemens Hungary

Beyond business as usual



” *Our business success is based on sustainability paradigm shift. In the normal course of business, we consider waste as something bad that we have to get rid of. However, we've been breaking away from this paradigm and are working on how to consider waste as an opportunity in our immediate and broader environment. This doesn't happen overnight, it's takes continuous work, through which we can learn and grow. I believe that this type of paradigm shift is needed in any industry and functional business areas, talking about sustainability.*

Anita Simon, Commercial and Production Director, Biofilter Ltd.



” *We set goals and targets for our business in the Unilever Sustainable Living Plan and in early days one hardly knew exactly which actions we will reach those goals with - because the goals were more ambitious and challenging - but we knew our path, and we were confident it was the right thing to do. And this inspired our employees and stakeholders to find solutions towards sustainability together. Tough road, because the business environment changes rapidly and you need constantly new ideas. And today I am very proud that we create so much positive energy around sustainability internally and externally and mere fact Sustainable Living brands growing 30% faster than company average builds strong confidence about sustainability being the right business model as well.*

Regina Kuzmina, Managing Director, Unilever Hungary and Adria



” *Our market share in the financial sector is 1%, however on the renewable energy market, more specifically in financing domestic solar parks, our share is 10% because we believe that this is the future and we would like to take a leading role in this field. We developed our business strategy and operational model thriving for social and environmental benefits.*

János Salamon, CEO, MagNet Bank



Mandatory audits can also bring about significant change!

Do we consider mandatory energy audit or its newly introduced replacement new standard as an additional task or business development opportunity?

” *We take mandatory energy audits seriously. This does not only mean responsibility for us but also opportunity. We define development goals in order to map up and explore our own energy efficiency systematically and identify efficient intervention points.*

Olivér Martin, Country Manager, Kékkúti Ásványvíz



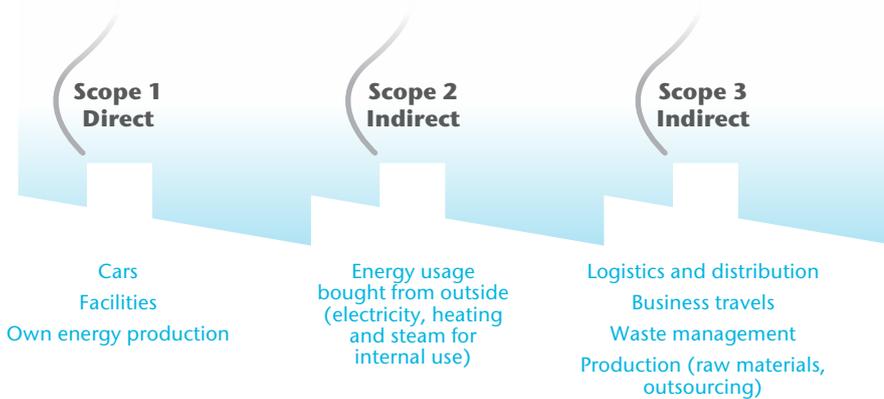
” *We decide where to set our environmental boundaries. As a green printing company, we assure our customers that we will not increase their carbon footprint while doing their printing work. Compared to the year before, we reduced our CO₂ emissions by 31 tons (by 23%) in 2014. Not to mention that it was 100% offset in both years. For us, this represents an environmental mission and a business model at the same time. All our materials, technology, our production and business processes are designed not only to meet customer demands for the highest quality, but also to prevent and reduce carbon dioxide emissions. We went beyond industry standards.*

Tímea Szabó, CEO, Folprint Green Press

Carbon footprint

An effective management tool

Greenhouse gas, especially CO₂ emissions are considered the major causes of climate change. Their reduction is a primary goal, in which the business sector has a significant role. Carbon footprint refers to an organisation's total direct and indirect CO₂ emission.



Expert's tips for introducing carbon footprint -
Gréta Nagy, Managing Director,
DANDELION Environmental Consulting and Service Ltd.

1. Advice: Gradualism

The method of carbon footprint calculation can be gradually refined, extended, widened or customised. The complexity of a company's direct emission and supply chain should not discourage them to introduce carbon footprint calculation. First, it is worth examining an operation and its footprint, and then later, it can be extended with more complex product or service footprint measurements.

2. Advice: Customization

There are commonly accepted measurement methods for calculating carbon dioxide equivalent, however the methodology of carbon footprint calculation may differ by companies. The aim is that a company

measures direct and indirect emissions that it can influence, then it defines specific goals and action plans targeting them. The company can tailor the applied methodology to its capabilities, industry, size and ongoing processes.

3. Advice:

Delineation and continuous extension

First, it is advisable to launch the carbon footprint measurement (pilot) on a business, plantation or product. Later, the scope can be expanded and widened onto other involved areas and on outsourced activities at the end. Through conscious delineation the company is able to identify the relevant impacts and develop a targeted action plan.

4. Advice: Continuous development

By applying carbon footprint, a company's goal is to reduce its direct and indirect carbon-dioxide emission, thereby lowering attached costs. Thus a company might not even measure its development better, than comparing improvements within its own measured performances. Due to differences between an organisation's or a product's carbon footprint measuring methodology, this tool has not yet been considered as a benchmark. It is more useful if a company compares its own performance from time to time, in light of the actions it had been taking. In case of changes in the methodology, the calculations should be conducted in both ways for the sake of credible comparison.

5. Advice: Involvement

Carbon footprint measurement reduces a complex activity and process control system to one indicator. Therefore, it is key to involve professionals, not only during the process of gathering information but also in the phase of developing improvements. Gathering information is not easy and a team can handle difficulties better than one single person. Forums on this theme are also useful as visiting those we can build on the experience of qualified professionals and consultants.

Carbon footprint measurement is a management tool integrated in the normal course of business that can enable to manage a non-financial performance, an outsourced externality within our own reach.

Carbon footprint in practice

Critical questions and answers related to carbon footprint through the example of **McDonald's Hungary and Budapest Airport**.

How does it relate to business?



“ *The business strategy of McDonald's is based on partnership, as we could not be successful without cooperating closely with our suppliers and franchise partners, and without receiving support from our other key stakeholders. Our sustainability strategy also functions accordingly. We can only manage our climate change related responsibilities efficiently if we measure our impact and if we measure it in its entirety. That is why we apply the carbon footprint index, which helps us identify the critical points of intervention.*

Ágnes Horváth,
CEO, McDonald's Hungary Restaurant Chain LLC

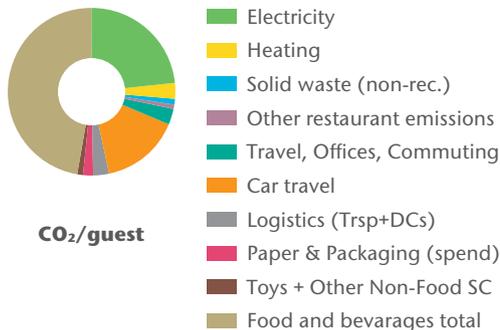


- expectations from society and stakeholders towards airports and air traffic have continuously increased
- the operation of international airports does more and more include innovations and unique solutions that are related to sustainable development
- it is not enough anymore to be fast, clean and safe but other dimensions have also become important, such as travel experience and environmental consciousness

What to measure?

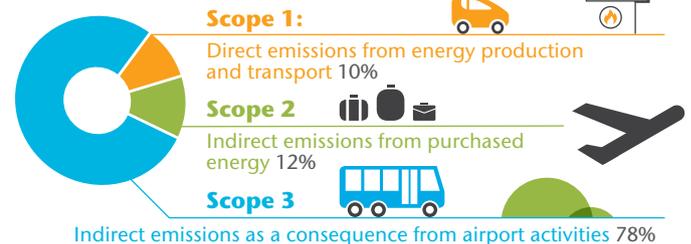
In year 2016 McDonald's completed their carbon footprint calculation for the 6th time and data gathering is improving year by year. Both direct (e.g. energy usage and car travel) and indirect emissions (e.g. agriculture) are measured, and retrieved data are analysed on an annual basis. Developments are measured in a carbon-dioxide per guest equivalent.

Fields of Carbon Footprint at McDonald's Hungary



The Budapest Airport has been improving its environmental performance for decades. It has already been six years that an independent party certifies the Airport's carbon dioxide emissions and related activities by using the voluntary, industry specific Airport Carbon Accreditation standard, which measures direct and indirect energy use and CO₂ emissions. The Airport's carbon footprint is measured at three different levels. The third level includes employees' and passengers' carbon emission during commuting to and from the airport. In addition to the percentage distribution, they also use the carbon emissions per passenger unit indicator to measure their own development.

Airport carbon footprint (113,8 kt CO₂e)



What causes difficulties and how the company handles them?



- the quality of data is of critical importance for the calculation, therefore data gathering and validation is among most important issues related carbon footprint, and is being continuously developed



“ We have been developing our environmental performance for years, focusing on energy efficiency and reducing CO₂ emissions. New ideas, technologies and solutions arise all the time, but the role of partner organizations operating at the airport is unquestionable. Our company is able to influence its direct emissions, and some of the indirect ones. The rest, we can only reduce together with our partners – this is why we launched the Greenairport Program. We believe that through our joint work and by increasing environmental awareness among our partners, we can move forward in the ranking of international green airports.

Jost Lammers, CEO, Budapest Airport

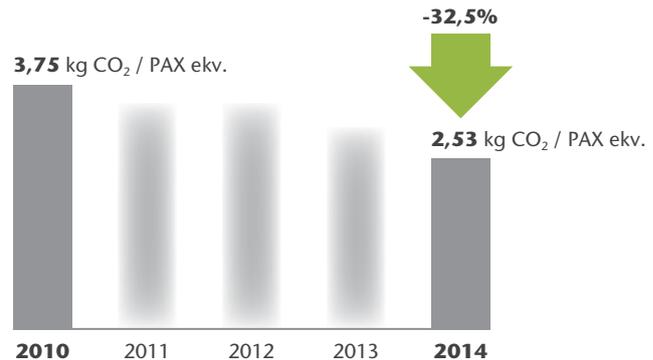
What are the results?



- defining goals based on evaluation (e.g.: reducing specific electricity use, business travel optimization and replacement of refrigerants)
- utilization of trucks increased drastically, and mileage generated was reduced by 30% within 7 years – still nowadays utilization level is maintained despite the increasing volumes
- if a country fails to meet their set objectives, the reasons and the possible solutions are evaluated together with the European expert team to ensure joint learning and development
- the carbon footprint measuring method enables us to evaluate our impact as comprehensively as possible within the supply chain and focusing on material performance
- defining areas/sectors making the most significant impact, consequently promoting the definition of objectives and fields to intervene, as well as the implementation of actions (for example sustainable sourcing)
- protecting the environment and reducing the pollution in specific areas, while it also offers economic advantages, financial gains and savings (transportation optimization, energy related modernization, etc.) and reputation benefits to the company



CO₂ emission by PAX eq



- neutralization of CO₂ emissions can only be achieved if effective and high level energy-efficiency is implemented
- to improve the effectiveness of fossil energy usage is of high priority
- after analysing main energy usage points, ranking shows intervention possibilities, where energy efficiency can be best improved
- during recent years natural gas consumption decreased from 8.6 million m³ to 5,4 million m³, waste recycling has increased from 21% to 67%, electricity consumption decreased by 16%
- over the past two years, the operator of Ferenc Liszt International Airport reduced its energy consumption by the equivalent of more than 500 households' yearly energy consumption
- additional 10% reduction target for the next 5 years
- company has an outstanding reputation among European airports due to its significant emission reduction results, which are also acknowledged by the Airports Council International (ACI)

Attitude and behaviour shaping

If a company operates sustainably then energy use and carbon-dioxide emissions are continuously optimized during products / services manufacturing. Meanwhile, the company may search for opportunities to expand its forward thinking actions and processes to other parts of the supply chain. Furthermore, shaping certain stakeholders' attitude and behaviour change is also necessary, to receive positive feedback from the market on energy efficient and sustainable operations. It is important that this awareness-raising should be based a strong professional foundations. First, the issues of energy efficiency should be considered and if this first step was proceeded properly, companies can decide whether they want to move towards renewable sources or they rather remain with emission compensation. These steps should follow each other.



In many cases, significant portion of the eco- or carbon footprint is produced on the other end of the supply chain by consumers. Therefore, a company should identify and measure these impacts and explore intervention points (e.g.: product/ service or process development, cooperation, consumer information, attitude and behaviour change.)

Our ecological footprint



In the case of Unilever, almost 70% of the company's ecological impact is generated during the use of its products. It is also the company's responsibility to measure, evaluate and influence these impacts. Therefore, the company developed an innovative approach to encourage sustainable lifestyle among consumers, which is demonstrated by a logical framework consisting of five principles, which is illustrated by the following chart.

Through marketing and other communications channels Unilever provides information to its consumers and empowers them to make more sustainable decisions while shopping and using its products in an environmentally conscious way. Moreover, it helps customers to make their everyday lives more sustainable through a tip booklet. Furthermore, by product and business model development it provides a possibility for its consumers to make sustainable choice. Corporate sustainability can only be realised if it is also attractive to customers, and the company offers an achievable lifestyle and affordable and accessible, sustainable products.





“ We believe, they in order to create a better and more sustainable world, everyone’s energy and contribution matters. Hence came the idea that our company should play a bigger role in sustainable awareness raising in Hungary. Therefore, we launched the E.ON Energy Communities Programme which is also a competition. The participants learn how to obtain significant energy savings in their homes without financial investments, and meanwhile they establish a cooperative community.

Zsolt Jamniczky, Board member, E.ON Hungária

It is worth encouraging Hungarian people to save energy. Often people refuse discussions about this topic because they are afraid of the related high investment costs and radical changes. The Energy Communities Program launched by E.ON six years ago is the proof that there is a high potential of making households more climate friendly. All households involved became more energy-conscious, and we realised that this consciousness has been incorporated into their everyday actions and decisions, indeed. Based on the Energy Communities Program, it seems the followings were the key aspects to this successful attitude- and behaviour-shaping program:

- **COMMUNITY LEARNING:** developing and learning together with others, excite and inspire each other, receiving community experience, this is the real driver for development.
- **INCREMENTAL CHANGES:** introducing solutions not requiring financial investments, thus anybody can start to implement them.
- **TANGIBLE BENEFITS:** articulate tangible financial and non financial benefits for participants.
- **EMPOWERMENT:** neither preaching, nor lecturing method of awareness raising – rather building upon every participant’s capabilities to find their own way to improve, if they are given ideas and inspiration.

Undoubtedly, many relevant and/or influential stakeholders suffer from a lack of information about energy efficient and climate-friendly behaviour. Companies are able to operate on a sustainable and responsible way in the competitive market, if they improve their sustainable lifestyle all across the society, consequent to disseminating information, as well as shaping trends and behaviour.

We suggest that companies start raising awareness among their own employees. Companies contribute to reducing greenhouse gas emissions by taking responsibility for raising their employees’ awareness about energy and climate-friendly practices. This can have multiple positive impacts, including the achievement of in-house savings and possibly increasing innovation, while promoting the environmental consciousness of employees at home, as well as having an influence on the wider society. The next step can be raising awareness among suppliers and consumers.



“ Henkel’s Sustainable Ambassador Program combines employee voluntarism and sustainability awareness raising. Our employees hold interactive lectures for students at schools on a voluntary basis. We believe, that by talking to next generation and teaching them about environmental friendly behaviour and lifestyle, they will take it for obvious in their adult age, becoming consumers and citizens. And they will automatically pass on this knowledge to their children.

Dr. Ágnes Fábián, CEO, Henkel Hungary

Sustainability Ambassadors held class exercises 56 times in Hungarian 33 schools, with almost 1,400 children participating. They learn from each other: Henkel’s employees and the students, different generations and consequently, children will teach their parents at home about environmental consciousness.

Joinment

IMPLEMENT!

Action 2020 Hungary program provides inspiration by several business solutions.

Choose successful solutions and implement them at your own company!

INNOVATE!

Innovate and develop own business solutions through product/service development, new processes or business models.

Introduce them to others through the Action 2020 Hungary program, it may be useful to others.

INFLUENCE!

Become change leader beyond being a business leader – improve the non-financial performance of your company, inspire your colleagues and other business leaders around you.

www.action2020.hu



” As corporate managers our responsibility and authority is not predefined. It is our responsibility to choose what we stand for and which issues we drive, what long term values we represent in our decision making processes on corporate or industrial level. I am convinced that every corporate leader is a change leader; it is up to us for what extend we use our energy, time, knowledge and enthusiasm to drive sustainability. Action 2020 Hungary program and its leader community aims to scale up the positive impact of the business sector, and I am proud to be part of this process. I encourage every business decision maker, manager and leader to join and influence - in the right direction.

Dr. Thomas Narbeshuber, Managing Director of BASF Hungary, Leader of BASF South East Europe

Companies joined the program *



*Status November 6, 2016
www.action2020.hu

Other climate change business solutions



Do you have business solutions worth disseminating? Show it!
Do you search for inspiring and impactful solutions? Search for it!
www.action2020.hu → Business solutions

Sustainable value chain management

Everyday life of companies is mostly defined by how they deal with competition, and sustainable models, processes and solutions are more and more part of this. But not only companies are competing nowadays, even more importantly, the competition within the value chain defines companies' success. Sustainable value chain management is indispensable, in order to reach the climate protection goals.

Sustainable value chain management requires a strategic approach, which means the consistent and continuous implementation of the following steps:

- 1 Situation analysis and context** – Understand the actual issues and trends of the sustainable value chain management, know your partners!
- 2 Strategic alignment** – State the strategic importance, risks and opportunities of the sustainable value management and align the appropriate competences and resources with it!
- 3 Prioritizing of resources and/or partners** – Set the priorities, effective intervention points, to distribute and focus resources efficiently!
- 4 Incentives** – Develop an incentive system for co-workers and partners, this way the goals and tasks will be truly commonly shared!
- 5 Change and influence** – Accomplish the action plans!
- 6 Self-evaluation and benchmark** – Set key performance indicators, monitor their development continuously, and if possible benchmark you versus the others!

Climate-friendly tips in purchasing:

- train suppliers, set KPIs for them and share good practices with them
- prefer suppliers which are carbon-neutral, or have low-carbon footprint
- reduce packaging
- eliminate paper waste, increase the level of digitalization
 - to provide the paper from sustainable forestry
- to make the energy portfolio greener, to increase the ratio of renewable energy
- material composition: to improve the recycling rate, both in case of purchased products and commodities
- to develop a climate-friendly transportation, to replace business trips by using alternative solutions in the corporate fleet
- to reduce and optimize the transport needs, maximize the capacity utilization of transport vehicles (e.g. trucks), co-operate with partners and other parties!

Based on the recommendations of BCSDH's Supply Chain Working Group,
participating members included:



Sustainable Development Goals and Action 2020 Hungary

The Action 2020 Hungary program is harmonized with the global, European Union and national strategic objectives. UN Global Sustainable Development Goals help all around the world to direct the attention of businesses and stakeholders towards one direction. The SDG Compass is published by WBCSD (World Business Council for Sustainable Development), GRI and UN Global Compact which will be available in Hungarian in 2016, with BCSDH helping to translate it into everyday operation.



” In our rapidly changing world the diverse revolutionary technologies that GE calls Industrial Internet provide excellent opportunities for companies and countries to solve the biggest challenges of our time. I believe that innovation and digitalisation will play a crucial role in climate change mitigation and achieving the UN Sustainable Development goals.

Joerg Bauer, President, GE Hungary



” Corporate sustainability starts with the vision and values of the company. Once clearly articulated there, it is more deeply integrated in the whole management process. Numerous international standards and guidelines help us with our work such as Global Compact, Global Reporting Initiative, UN Sustainable Development Goals or industrial guidelines. It is essential to continuously improve our performance and monitoring process by setting new goals. Based on my experiences, goals beyond our comfort zone drive innovation.

Jean Grunenwald, Managing Director, Nestlé Hungary

We are grateful to the following scientific, NGO and corporate experts and the CEOs who have personally contributed to the program in 2016.

Baja Sándor	Randstad Hungary
Baross Pál	Hungary Green Building Council
Barta Zsombor	Budapest2024
Bartus Gábor Dr.	National Council fo Sustainable Development
Bauer Zsolt	Regional Environmental Center
Bercsi Gábor	Cothec Energetic Operator Ltd.
Boncz Gábor	GE Hungary
Bujdosó Andrea	Shell Hungary
Chikán Attila Jr.	ALTEO Energy Services
Dale A. Martin	Siemens
Dávid Alíz Dr.	Jedlik Ányos Klaszter
Deák György	Biofilter
Deák Krisztina	HungaroControl
Fazekas Orsolya Dr.	Havranek Family Farm
Fertetics Mandy	BCSDH
Fodor János	Folprint Greenpress Ltd.
Gazsi Zoltán	eisberg Hungary
Gera Csilla	Henkel
Gyöngyösi Zsolt	Property Market
Haraszi Géza	AVIS Car Rental Hungary
Hegedűs Anna	Generali Insurance Ltd.
Horváth Ágnes	McDonald's Hungary Restaurant Chain LLC
Horváth Áron	MOL Hungarian Oil and Gas Company
Horváth Vanda	BASF Hungary Ltd.
Jakab Péter	Hungarian Energy Association (MET)
Jamniczky Zsolt	E.ON Hungária

Jancsár Gergely	MOL Hungarian Oil and Gas Company
Jean Grunenwald	Nestlé Hungary
José Matthijsse	Heineken Hungaria Breweries Ltd.
Kiss Csaba	PPD Hungaria
Kuntner Gábor	Energy Hungary
Linczmayer Zoltán	Skanska Property Hungary
Lukács András	The Clean Air Action Group
Márta Irén	BCSDH
Martin Olivér	Kékkúti Ásványvíz
Merker Viktor	Gourmet Garden
Molnár Csaba	MagNet Bank
Móré Levente	Architect Forum
Nagy Andrea	Nestlé Hungary
Nagy Gréta	Dandelion Group
Papp Zoltán	McDonald's Hungary Restaurant Chain LLC
Pásztor Erika Katalina	Architect Forum
Pethő József	Jedlik Ányos Klaszter
Póka Valentin	Coface
Regina Kuzmina	Unilever Hungary
Reng Zoltán	Hungrana
Richard Skene	Swiss Chamber of Commerce in Hungary
Robert Cooper	Dreher Breweries
Salamon János	MagNet Bank
Salgó István	ING Bank
Schmidt András	Skanska Property Hungary
Simon Anita	Biofilter
Sugár Barna	AIG Europe Limited
Szabó Balázs Dr.	Kékkúti Ásványvíz

Szabó István	KPMG
Szabó Linda	Allianz Hungary
Szalai Gabriella	Hungarian Energy Efficiency Institute (MEHI)
Szarvas Gábor	Budapest Airport
Szauer Péter	HVG Publisher
Szederkényi Zita	Dreher Breweries
Szirmai Zoltán	Prímaenergia
Szirmák Botond	Provident Hungary
Tamásk József	PAN-LNG Project
Tápai Dezső	SCA Hygiene Products
Tasnádi Levente	ALTEO Energy Services
Urbán Katalin	Grundfos
Urbán László Dr.	Suzuki
Ürge-Vorsatz Diána	Central European University
Vadnai Ágnes	McDonald's Hungary Restaurant Chain LLC
Vadovics Edina	GreenDependent Institute
Vágó Júlia Dr.	Ministry for National Economy
Vahl Tamás	IBM Central and Easter Europe
Veér Lajos	Shell Hungary
Zuggó Balázs	Daikin Hungary

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Sustainability at Siemens

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SUSTAINABILITY IS THE ONLY BUSINESS PLAN

The 7 billion people inhabiting our planet are gravely exhausting its resources. For this reason, sustainable growth is the only acceptable operational model. We believe that sustainability and growth are not mutually exclusive concepts. Faced with the challenge of climate change and the need for human development, we want to move towards a world where everyone can live well, but within the natural limits of the planet. That's why our purpose is "to make sustainable living commonplace", and facilitate profitable growth by doing so. By concentrating on sustainable living, we build brands that focus on key global objectives.

Launched in 2010, the Unilever Sustainable Living Plan is our blueprint for achieving our vision to grow our business, whilst decoupling our environmental footprint from our growth and increasing our

positive social impact. The Plan sets wide-ranging targets, including for how we source raw materials and how consumers use our brands.

The progress we made in implementing the Unilever Sustainability Plan is recognized by independent evaluations. Unilever has been named leader of the Household and Personal Products Industry Group in the 2016 Dow Jones Sustainability Index (DJSI). Previously our company led the Food, Beverage & Tobacco Industry Group of DJSI for 15 years.

In addition to achieving our environmental objectives, we can significantly improve our efficiency and save cost by reducing waste emissions and use of energy, raw materials and natural resources. This is evidenced by the results of many of our Hungarian initiative. All three of our Hungarian plants ceased sending any non-hazardous waste to landfill

sites by 2013 – they are recycling all waste that is feasible. At our plants we reduced CO2 emissions from manufacturing by 77.71%, and cut our water usage by 3% between 2008 and 2015.

What's more, sustainable ways of doing business help us mitigate risk across our operations. Operating sustainably helps us to futureproof our supply chain against the risks associated with climate change and long-term sourcing of raw materials, and we can reduce our exposure to fluctuations in commodity prices. Unilever will continue to contribute of sustainable development of our planet by our operations and influencing our customers' habits.

Regina Kuzmina, Managing Director, Unilever Hungary



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As an insurer, our function is to connect to sustainability with almost all aspects of our operation in every way. During the last years our company have taken efforts to act and operate sustainably. Our good examples prove these working methods such as **incite self-care, increase risk awareness, development of paperless customer-service processes** or promote employee's diversity and development.

At Generali Hungary we pursue to build in as many **sustainable implementations** to our everyday workflows as we can. Responsibility is also present in our sales procedures.

During the upcoming years we place great emphasis to employment, such as fair remuneration and incentives, attracting talent and **development of human capital**. According to the sustainable lifestyle we lay emphasis on our customers' insurance solutions promoting sustainable and responsible behavior and encourage the adaptation of environmentally friendly behavior.





Impressum

Publisher: Business Council for Sustainable Development in Hungary

Year of publishing: 2016

Responsible for publishing: Attila Chikán Jr., President

Editing and text: Eszter Chikán-Kovács, Enikő Fábíánfy, Mandy Fertetics, Irén Márta, Zsófia Miklós, Ivett Takács, and colleagues of our member companies

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The Hungrana factory has been going through constant development and extension, up until the current days. Owners in the past 10 years invested 230 million Euros in the company, consequently the factory operates more efficiently and its corn processing capacity increased from daily 400 tons to 3,500 tons/day. The company produces 140,000 m³ bioethanol annually, using which more than 70% GHG (Greenhouse Gas) emission reduction can be achieved versus petrol, saving the annual emission volume of around 30,000 cars. The biomass based power plant - commissioned into operation in 2012 - provides for half of the technological steam volume required by the factory.

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