

LIST OF CONTENTS

- 3 Message from the President
- 4 Current situation of Sustainable Development
- 6 Sustainable Development Goals
- 8 Respect for human values
- 11 Sustainable Lifestyles
- 13 Colophon

About the BCSDH

The Business Council for Sustainable Development in Hungary (BCSDH) is the national partner organization of the World Business Council for Sustainable Development (WBCSD). The organisation is a community of forward-thinking business leaders of companies. The BCSDH's aim is to mobilise the business sector to create an economically, socially and environmentally sustainable future, for which we seek to identify constructive business solutions, and to encourage collaborative action.



82
member companies



30%
of Hungarian GDP



427.000
employees



Member of the WBCSD
Global Network

Are the member companies of BCSDH making progress in terms of sustainability?

Businesses face a tremendous challenge in trying to help meet **Sustainable Development Goals** by 2030. In 2018, our aim with this survey is to obtain a picture of trends and levels of commitment.

In addition, we have focused on other topics as well, such as an *'Evaluation of the evolution of corporate sustainability in relation to sustainable development'*, the *'Primary objective(s) of the company's diversity and inclusion policy'*, and *'Targets of companies regarding the promotion of a sustainable lifestyle'*.

You can find the responses in our brochure.

More information www.bcsdh.hu/projects/survey-reports.

LIST OF RESPONDENTS



Power and productivity
for a better world™



acnecom



ENERGIÁBAN GONDOLKODUNK



Gondoljuk újra!



We create chemistry



Environmental Consulting Ltd.



KÖRNYEZETRENDSZERVIZ ZRT.



Budapest
Airport



FOR SAFER TRADE



The Future in Motion



DANDELION
Group

Deloitte.



Magyar Domus



ASZFALT

e-on



essity



www.zoldnyomda.hu



future fm
Biznis a jövőben!



GENERALI



GRABOPLAST



Környezetvédelmi Zrt.



GRUNDFOS



Havranek Csallagi Farm



Henkel



HungaroControl
Magyar Légiforgalmi Szolgálat



HUNGARANA
BIOECONOMY COMPANY



hvg



ING



K&H



KAPCSA TANYA PASTA



LABKER



legrand



MAVIR
MAGYAR VILLAMOSENERGIA-IPARI
ÁRVIETELI KÖRNYEZETBIZTOSÍTÓ ZRT.



McDonald's



MET



METRO



MOL



Mvök



Nestlé.
Jó étellel teljes az élet



PRÍMAENERGIA



ProSelf
We are for You.



pwc



randstad



Shell

SIEMENS



SZENTKIRÁLYI
KÉKKÚTI
ÁSVÁNYVÍZ KFT.



UTC
Overseas



ANNO 1790
ZWACK & CO

The Complex Interpretation of Corporate Sustainability



STRATEGIC APPROACH

The management of a company that interprets sustainability in a complex way should draw up its business strategy by integrating long-term, value-creating economic, environmental and social aspects and should provide the resources necessary for implementing such strategy.



RESPONSIBLE MANAGEMENT

An executive from the top management level of the company should be appointed to be responsible for its sustainability performance. Each member of management, at every level, should be individually responsible for promoting the sustainable operation of the company. The executive incentive scheme should include environmental and social goals as well as economic ones.



ETHICAL OPERATIONS

The company should operate in a way that respects the law and is ethical (for example, endeavour to be free from corruption and provide fair employment). The behaviour expected should be recorded in writing, resources should be provided for implementation and enforcement and the policy should extend to all stakeholders.



RESPECT FOR HUMAN VALUES

The company should consider the protection of human life and safety, equality and the right to a healthy environment to be basic values and should take them into consideration when business decisions are made.



ENVIRONMENTAL RESPONSIBILITY

The life cycle approach, as well as both economic profit and environmental impact, should inform decisions made by the company. The company should be committed to environmental sustainability and should extend this responsibility to the entire supply chain (suppliers, partners and customers).



PARTNERSHIP WITH STAKEHOLDERS

The company should cooperate with its stakeholders and maintain open and bilateral communication with them. When stakeholders are impacted by its operations, the company should aim to create mutual satisfaction and long-term cooperation and partnerships. It should set an example by taking advantage of its size and position. When selecting its business partners, it should consider and prioritise sustainability factors. Through professional organisations and extensive cooperation the company should endeavour to integrate into its operations the sustainability principles of regulatory processes and policies.



TRANSPARENT OPERATIONS

The company should collect reliable data and information about its activities, economic, environmental and social impacts and performance on an ongoing basis. The information should be made available and the company should inform its partners in a regular and credible way.

The recommendation was drafted by the Business Council for Sustainable Development in Hungary in cooperation with recognized business leaders and sustainable development experts.

Let's work together towards a circular economy!



As the Paris Agreement has been given the cold shoulder by the Trump administration, we should be anything but pleased with its rate of implementation. However, it gives us confidence that exactly two years ago today, in addition to the heads of state and governments of 50 nations, 800 organizations from 130 countries sat down, just after the signing of the climate accords, to take on duties and responsibilities related to implementing the agreement. These actors included members of financial institutions, representatives of multinational companies, heads of regional organizations, and environmental groups.

It was with great pride that, besides János Áder, Head of State, BCSDH had the opportunity to represent Hungary at this ceremonial and important event. We witnessed how the attendees, one after another, hand in hand in partnership, declared their pledges and offered financial resources to promote the success of the agreement.

Although surveys show that on a national level corporate sustainability is still deemed unsatisfactory, here at home corporations are in fact committing more and more. The vast majority of the member companies of BCSDH are in fact **consciously contributing** to meeting the goals of Sustainable Growth as defined by the UN, and most of them have programs for this purpose.

Besides this, most business leaders in Hungary feel that the **circular economy is the future**, in accordance with what we forecast at WBCSD. The proposed circular economy directive of the European Union is an obvious sign of its implementation into legislation.

We are not only faced with environmental challenges though. Perhaps there is no company today in Hungary that has no problems with recruitment. On the other hand, employees or companies with strong values and **respect for hu-**

man values show much more loyalty.

There is a lot to do in terms of involving the public in a broader sense, and in terms of **shaping their approach**. Demand for sustainable products was worth HUF 1014 billion in the period 2014-2016, which goes on to show that there has been a real increase in the need for these products and services.

It is my belief that this area offers a host of opportunities for firms that plan for the long term.

To achieve a tangible and significant effect, we need to cooperate. This is why we have initiated a program to **create a platform for the circular economy**.

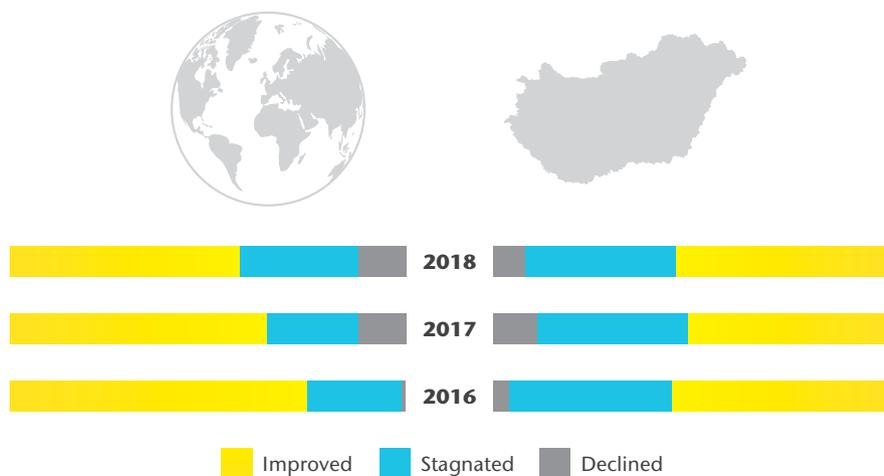
A handwritten signature in blue ink, appearing to read 'Chikán'.

Attila Chikán Jr.
President, BCSDH

Appraisals of the situation of sustainability show slight improvement again

Compared to the survey last year, appraisals of the situation of sustainability indicate slight improvement in Hungary, but in terms of the global situation, domestic companies are not optimistic. The number of respondents who stated that companies can only help stop the deteriorating situation, but not make progress, has increased. This situation may be explained by the sustainability-opposing steps of the USA, which are having a significant global impact. In contrast to this, numerous large companies have committed to helping implement the Paris Agreement.

Evolution of corporate sustainability in relation to sustainable development over the last year



“The events of the past year show the commitment to sustainability has stopped somewhat (USA would like to quit from the Paris Climate Convention, the first generation European Union law legislation will effect negatively for bioethanol market, plus the continuous growth of CO₂ emissions), but on local level many large companies and small companies are trying to do more for sustainable development.”

Zoltán Reng, CEO, Hungrana Kft.



“These past years have brought about significant developments in terms of sustainability. The non-financial reporting legislation in the EU, the emissions trading directive, the circular economy package or the winter energy package all increase transparency in environmental and social fields, and will definitely facilitate investor and customer confidence. As business leaders we are all responsible for making sustainable operation and sustainable lifestyle accepted and incorporate this concept in our lives.”

András Fülöp, Chairman and CEO, Deloitte Hungary

Business leaders want to take responsibility

Emerging responsible management



“ The global markets we know are going through slow transformation. Although price competition is fierce, from the perspective of decision-making mechanisms the first sprouts of change have regrown, with greater regard for trust, quality, environmental considerations, and shared social responsibility. **In Hungary, there are signs of increasing intentions towards shared responsibility, but we still have to develop in many areas.** ”

István Csépan, Managing Director,
UTC Overseas Logisztikai Kft.



“ Concerning domestic trends, I perceive good experiences at a corporate level and, regarding the regulatory side, developments are primarily launched in the field of higher education, due to the pressure on achieving the balance of supply and demand in the labour market. ”

Dániel Rábai, Head of Focus Country,
Continental Group Hungary

FOCAL AREAS OF CORPORATES IN 2018

Strategic approach



Partnership with stakeholders



Responsible management



Taking a strategic approach and partnership with stakeholders continue to be the centre of attention of companies. For the first time since 2013, **responsible management** became one of the top three goals, signaling that the leaders of corporations wish to personally assume responsibility for the sustainability actions and performance of their companies.

The business sector is committed to the realization of Sustainable Development Goals (SDGs)

In September 2015, 193 countries accepted the Sustainable Development Goals (SDG) that defined worldwide sustainable development priorities and endeavours until 2030.

With our survey, BCSDH was one of the first actors to examine how much the business sector is **committed** to reaching SDG goals in Hungary, and what initiatives they are employing regarding each one of the goals.

The results of our survey will appear in the **first Voluntary National Review of Hungary**, too, in which the section about the business sector was written with the guidance of BCSDH.



“*Sustainability is the basis of our business. By pushing the boundaries of e-mobility, we are having a significant impact on building a sustainable future and fulfilling our Sustainable Development Goals.*”

Taira-Julia Lammi, Executive Director, ABB Kft.



“*We will also contribute to the achievement of Sustainable Development Goals through a non-discriminatory payment system, gradual expansion of flexible forms of work, ethical business behaviour and the implementation and maintenance of a proper working environment.*”

Zoltán Szirmai, CEO, Primaenergia Zrt.

72%
of respondents are contributing to the UN Sustainable Development Goals through their operations

16%
have started to work on this



Companies that are sustainability leaders are committed to helping meet the SDGs, which also indicates that SDGs are likely to become the **new framework** for companies' sustainability endeavors. The reason for this is the international acceptance and recognition of the goals and the expectations of parent companies, on the one hand, and the complexity of the goals on the other, since they cover all areas of sustainability.

According to a survey undertaken by the Hungarian Public Relations Association (MPRA) in the second half of 2017, 41% of respondents have already heard of the Sustainable Development Goals, and 38% of them are seeking to define goals related to them.

Comparison of the two surveys clearly shows the commitment of the businesses that have signed the leadership recommendations of BCSDH, since 64% of them have already defined at least one SDG-related corporate goal.

Health and well-being are the most popular SDGs among companies

Companies are committed to the following goals:



Companies follow different strategies in their commitment to the goals. Some are dedicated to one or two goals, while more of them aim at contributing to as many goals as possible; usually those on which their activities have significant influence.



“As a successful state-owned company, we can also take action to achieve the Sustainable Development Goals by 2030. It is important for us to involve our partners as well, since we can only achieve a significant impact jointly.”

Kornél Szepessy, CEO,
HungaroControl Zrt.



“ING is a leading company in terms of developing sustainable products and services together with its clients at an international level. We are committed to moving forward in Hungary in this field as well. We plan to work together with a growing number of our corporate clients to make their operations more sustainable. Our goal is to make the first such deal in 2018.”

Tibor Bodor, CEO,
ING Bank N.V. Hungary

Respect for human values as one of the pillars of sustainable corporate operations

The company should consider the protection of human life and safety, equality and the right to a healthy environment to be basic values and should take them into consideration when business decisions are made.

BCSDH – The Complex Interpretation of Corporate Sustainability

76%

agreed that companies are exposed to significant risk if they are shown not to have respect for human values

92%

agreed that it is the fundamental obligation of every company to respect basic values



“ According to the freshest, fifth edition of Randstad Employer Brand Research, the employers must strive for mapping the employees' needs like their clients' demand. To know the needs of different age and education targets is key to retain and attract employees but in general we can state that beyond the growing importance of the salary and benefits, **the work atmosphere, the respect of the work life balance are getting more and more important.** The employees are preparing that the economic upswing will not last forever: the secure, stable workplace is getting more valued.

Sándor Baja, Managing Director, Randstad Hungary Kft.

Respect for basic values appears most significantly in **employment-related issues**. In 2017, employment was the focal topic of the BCSDH Action 2020 Hungary program, in connection with which the following recommendations were drafted.

BCSDH'S RECOMMENDATIONS FOR THE BUSINESS SECTOR IN THE FIELD OF EMPLOYMENT:



Form and implement employment systems which fit life status



Support proactively the lifelong development of employees, in accordance with changing expectations

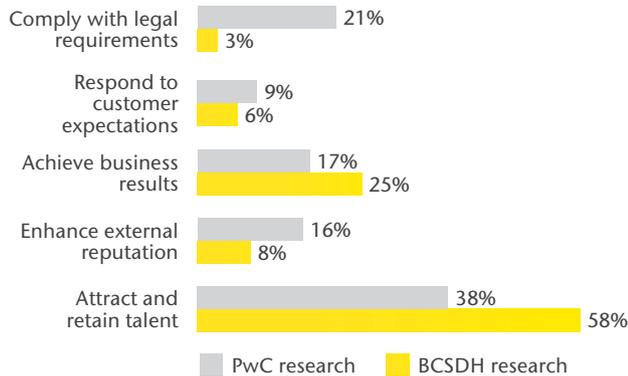


Support the career paths of women

Diversity is one of the keys to attracting and retaining talents

At a strategic level, respect for basic values appears most prominently in the diversity (equal opportunity) policies of companies.

Primary objective of your company's diversity and inclusion policy



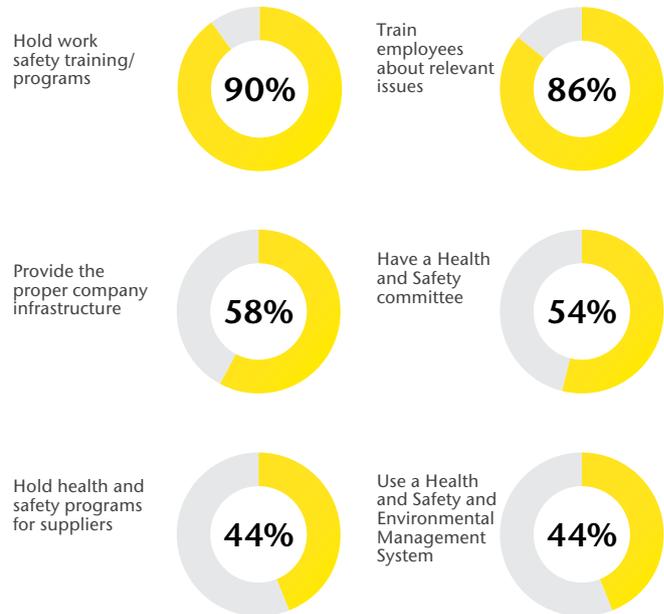
Seventy-two per cent of companies which took part in the survey have some kind of diversity policy, although the motivation for these is quite different. Most companies (58%) consider the **attraction and retention of talent** to be a priority. However, at an international level it is notable that compliance with legal provisions is even more significant, the cause of which can be found in the less strict Hungarian regulations.



“Our greatest value, our key to successes, are our employees. That is why we are continuously thriving for learning new initiatives and adapting them in line with MET practices, in order to support their health, development and safety.”

Gergely Szabó, CEO,
MET Magyarország Zrt.

What are companies doing to foster the protection of human life and the right to a healthy environment?

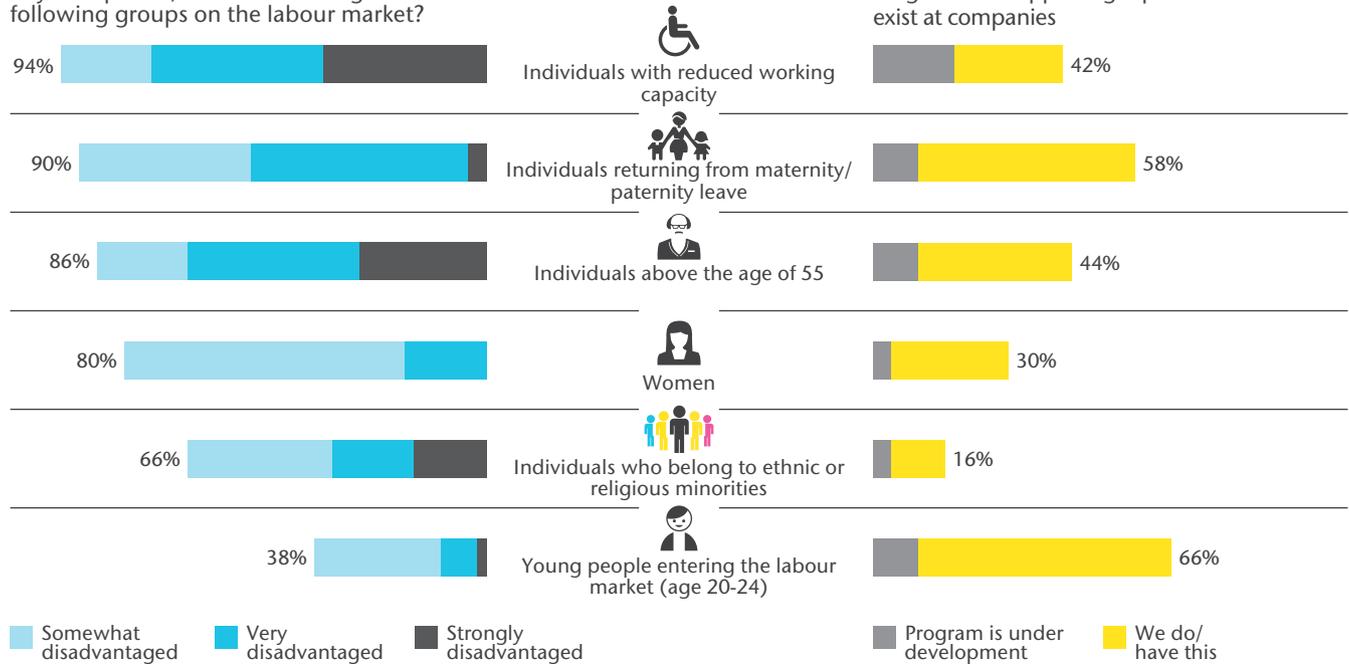


A significant majority of companies are dealing with this issue through their **training programs**.

It somewhat changes the overall picture that several issues (setting up HSE management systems, supplier health and safety protection, and setting up labour protection committees) are not relevant in the case of one-third of respondents due to their size or the nature of their operations.

The most underprivileged group of people on the labour market is disadvantaged workers

In your opinion, how disadvantaged are the following groups on the labour market?



One of the employment targets of BCSDH Action 2020 Hungary program is to increase the employment of underprivileged people. With regard to programs for people with reduced working capacity, 54% of companies have no program at all, while for ethnic minorities the figure is 76%. Thus, there appears to be **huge potential** in starting programs that support the employment of underprivileged groups.



“ In order to allow currently older, highly skilled workers to contribute to the organization's long-term viability, we must create new conditions and develop existing ones to encourage willingness to work and to maintain their working ability.

Kamilla Csomai, CEO, MAVIR



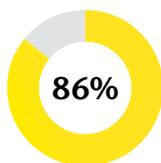
“ I can identify our main successes in the past period as the growing number of women in management, and the achievement of the full implementation of transparent operations.

Károly Redling, CEO, Lapker Zrt.

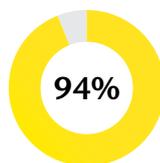
Sustainable lifestyles could become widespread and widely accepted

The Action 2020 Hungary program is focusing on sustainable lifestyles in 2018. Our present survey is designed to facilitate a closer look at the current situation in the country. Recommendations related to the subject are presented in the second part of this document.

Do you agree with the following statements?



Companies should help create **significant demand** for sustainable products and services



Sustainable lifestyles could become **widespread and widely accepted.**



Companies should measure the **environmental and social effects** of their products/services



Empowering customers is essential

84%

It is a primary responsibility of companies to provide sustainable products and services at an **affordable price**

94%

The **circular economy** is the future



Transitioning to new economic models (such as the circular economy) can help companies become more competitive.

EVERY MARKET PLAYER, EVEN THE COMPANIES HAS GREAT RESPONSIBILITY IN TERMS OF SHAPING CUSTOMER ATTITUDES

The survey examined respondents' involvement in shaping consumer attitudes. It is clear that all actors have a great responsibility. Along with the increased involvement of the media, educational institutions and the government, **partnership** and an integrated approach to communication may prove successful in this regard.

Sustainable products and services: companies are getting involved

Sustainable products and services are appearing in companies' product portfolios. However, there is no widely accepted definition of the former, and sufficient quantitative data are lacking, which blurs the picture.



“ *We have several services that support a sustainable lifestyle: we have a service to reduce energy consumption, we use environmentally-friendly technologies and chemicals in the cleaning business, and moreover, we recycle waste materials. All three activities help us to decrease the degradation of the opportunities of future generations on Earth.* ”

Gábor Décsi, Executive Manager, Dome Facility Services Group Kft.



“ *Approximately 60% of our services can be said to be completely sustainable as the organic waste (animal by-products) we collect can be reused for biogas production, and in this way electricity and heat can be produced.* ”

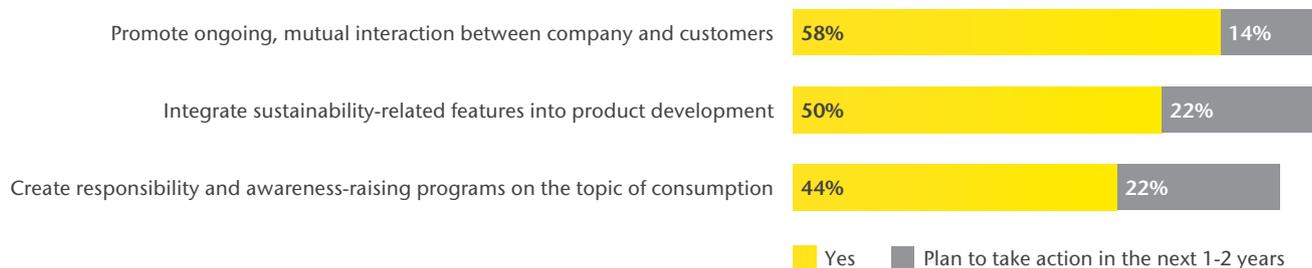
Attila Bédi, CEO, GREENPRO Környezetvédelmi Zrt.



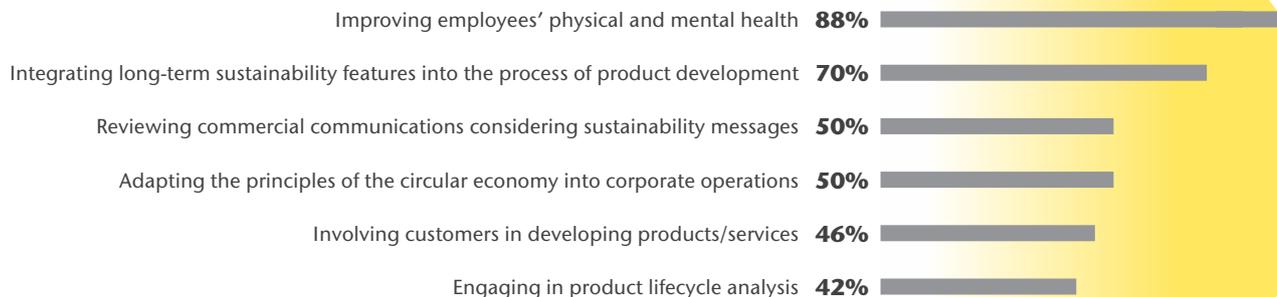
“ *Ninety percent of the environmental footprint of our products occurs during their use. Therefore, we pay close attention to responsible product use, and our two-chamber wash capsules are soluble in cold water, reducing the amount of energy that is used, and avoiding over-consumption by application of a single dose.* ”

Dr. Ágnes Fábián, Executive Director, Henkel Magyarország Kft.

Long-term sustainability features are going to be integrated into the process of product development



Progress towards sustainable lifestyles



Companies are increasingly paying attention in their five-year objectives to enhancing the health of their employees, which is not surprising in the light of the current labour market situation. Half of all respondents are planning to **restructure their economic model** by incorporating the principles of the circular economy, making a significant contribution to improving the situation of sustainability.

By revising the messages in their advertisements and focusing more on this subject using existing channels, companies can have a significant impact on shaping and **raising customer awareness**.



“ In BASF's perspective, the circular economy is about far more than just waste management. **The goal is to make the use of materials and resources the most advantageous throughout the whole value chain.** I believe that the chemical industry and its innovations can play a leading role when talking about the transition to a circular economy.

Dr. Thomas Narbeshuber,
Executive Director, BASF Hungária Kft.

IMPRESS AND CONTACT

Publisher: Business Council for Sustainable Development in Hungary **Year of publication:** 2018

Responsible publisher: Attila Chikán Jr., President **Editing and text:** Eszter Chikán-Kovács, Zsófia Galambosné Dudás, Dorottya Jenei, Irén Márta, Ivett Takács **Graphic:** acnecom **Print:** FOLPRINT 



The brochure was printed by Folprint Green Printing-House on FSC certified paper with Michael Huber München RESISTA mineral oil free, recycled vegetable oil-based environmental friendly ink. Folprint uses Process-free thermal and Alcohol-free Printing technologies.

SOURCES: MPRSZ (2017): Kutatás a hazai vállalatok társadalmi felelősségvállalásáról
PwC (2017): Diversity & Inclusion Benchmarking Survey, p. 2.

Business Council for Sustainable Development in Hungary

Irén Márta, managing director
E-mail: iren.marta@bcdsh.hu
More information: www.bcdsh.hu

© Business Council for Sustainable Development in Hungary

