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

TIME TO TRANSFORM

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 organization is a **community of forward-thinking business leaders of companies**. The BCSDH's aim is to mobilize 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**.

128
companies

30%
of Hungarian GDP

427,000
employees

Member of the WBCSD Global Network

LIST OF CONTENTS

Time to Transform 2030:
a tight timeframe for the fundamental and immediate transformation of our systems, with companies playing a leading role.

Members of the Business Council for Sustainable Development in Hungary Status – September 15, 2022

Objectives and recommendations followed by actions

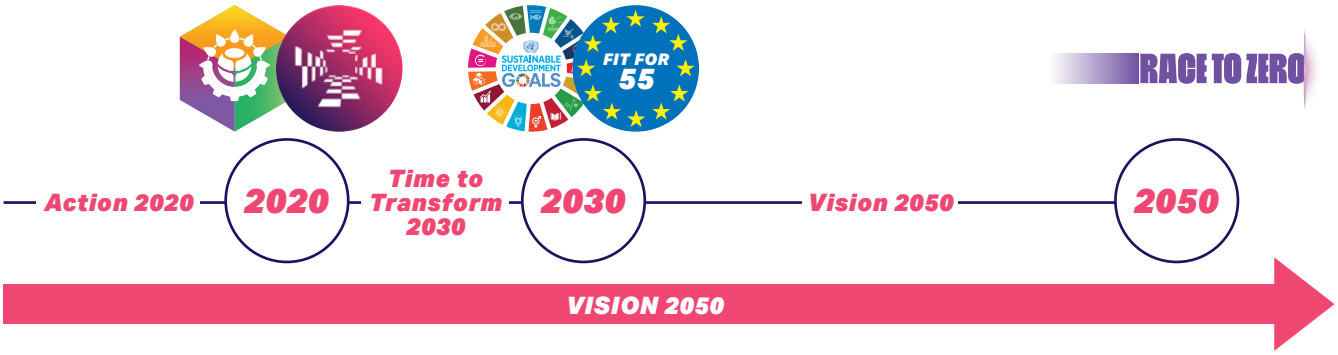
TIME TO TRANSFORM 2030, FOLLOWING ACTION 2020

Our parent organisation, the World Business Council for Sustainable Development (WBCSD), defined a vision for a sustainable world, the path to achieving it, and the role business should play in creating this in a landmark report entitled VISION 2050. The first 10-year period was envisaged as a turbulent decade when we were required to lay the foundations for a period of fundamental change in the way we lived our lives. **In Action 2020 Hungary, more than 50 member companies committed themselves to targets and a total of 15 recommendations on climate, water, sustainable lifestyles, sustainable employment, and food.**

Now, a decade after creating the document and vision, we are entering an invigorating period designed to inspire concrete action. **The systemic transformations required for achieving the objectives of the Vision 2050 report have not been accomplished. Moreover, the pace and scale of change is less than expected.** Transformation will require unprecedented leadership and the recognition that change can only be achieved if business understands its role as part of a larger system. We need to acknowledge that a liveable planet, a balanced society free from prejudice, genuinely free and fair trade, and robust public institutions are all in our individual and collective interest. **Transformation requires a shift in mindset which helps shape the long-term vision of business leaders.**

Our current decade is defined by Time to Transform 2030, built on the achievements of Action 2020. **The four key elements of the framework are the nine pathways and action plans** to 2050, a high level of **member company commitment, maximum transparency**, and a **systemic change of mindset** – all essential factors for accomplishing the above.

Only through these achievements will it be possible to achieve the UN Sustainable Development Goals and targets of Europe's Fit for 55 package by 2030, and to have at least a chance of meeting the 1.5°C climate target.



We have the opportunity and we have the tools, but there is little time to act

This year, we are halfway through the target period for achieving the UN's Sustainable Development Goals (SDGs) and the 2030 Agenda. The latest UN 2022 report makes sobering reading, as **a series of interconnected global crises and conflicts have put achieving the SDGs at risk**, with slowdowns in some areas and reversals of trends in others.

Evidently, this also means that the ambitious 1.5°C target of the Paris Climate Agreement is under threat, as the pace and scale of change is less than expected and system-level transformations have been lagging behind both globally and in Hungary. The COVID-19 pandemic and the current conflict that dominates the world have exposed the vulnerability of our societies and had impacts on our long-term stability and prosperity. **Business as usual has not only been challenged, but disrupted.**

We now have a unique chance to make the world a better place, but only a short window of opportunity to act to transform our companies and our societies.

We have seven years left to avoid the worst impacts of climate change, according to the **IPCC Working Group 3 report**. We need to halve emissions by 2030 if we intend to avoid the most horrific impacts of the climate crisis.

Given the amount of greenhouse gases that has been emitted over the past century, it is a **foregone conclusion that the planet will face significant warming**, regardless of any success with mitigation. **This summer, Hungary experienced the worst drought in 120 years. By the end of the decade the annual number of climate-related disasters worldwide could rise to 560 – a doubling from now – and millions of lives could be at risk from drought, extreme weather, and flooding.** The world needs to do more to prepare for the risks posed by disasters. **Adaptation must also become part of our business and our everyday lives.**

We have all the tools we need to avoid climate disaster; we just need to use them. The current crisis must not delay these steps.

NOW IS THE TIME FOR ACTION

BCSDH believes that companies definitely need to be at the forefront of systemic change; **those who act earlier are less likely to suffer externalities such as rising energy prices or disruptions in supply chains.** Transformation requires a change in mindset which fundamentally alters the short and long-term concepts and **decisions** business leaders make.

BCSDH strives to be a **community of highly committed companies and business leaders**, which is why it is important for us to identify where these companies are and where they are heading in relation to this change. It is for this reason that we produced our first **Maturity Survey** this year – a transparent first step in the process of creating our monitoring system.

BCSDH seeks for its nearly 130 member companies – and, following them, the business sector as a whole – to go 'beyond emissions' and focus on biodiversity conservation and restoration and on reversing growing social inequalities. This is what our Time to Transform 2030, a decade-defining program built on the achievements of Action 2020, is all about.

Attila Chikán Jr. President

Irén Márta Managing Director

Time to Transform 2030 – For action

BEYOND THE BCSDH RECOMMENDATION FOR BUSINESS LEADERS

The recommendation for business leaders, 'The Complex Interpretation of Corporate Sustainability' is a key founding document in our organisation which **sets out the seven pillars of sustainable business**. The Recommendation now has **more than 130 corporate signatories**, with our current member companies leading the way, committed to managing their companies according to these principles.

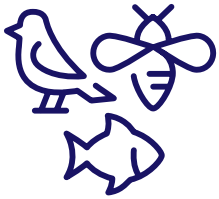
We drafted these **timely recommendations ten years ago, but now is the time to focus on action and make measurable progress** along the paths set out in Vision 2050. The world's most pressing challenges include **climate emergency, rapid biodiversity loss, dramatically growing social inequality, and the focus on assessing corporate performance from an economic perspective only**. We are running out of time, and **these four areas require immediate measures, action, and systemic change alongside commitment at the highest level**.

The Time to Transform 2030 program aims to achieve real systemic transformation through concrete activities while supporting companies through collaboration in the very limited timeframe that is available.

MOST PRESSING CHALLENGES

Climate emergency

Already a 1.18°C rise in temperature (1.2°C in Hungary).



Rapid biodiversity loss

68% of wildlife already lost, one million species expected to become extinct by 2050.

Growing inequality

the richest 1% own 44% of global wealth. The poorest 55% own 2% only.

Corporate performance assessed only on economic outcomes

Simplified traditional finance and economic theory does not reflect or respond to the complex challenges of our time.

How close are we to achieving our goals?

WE ARE BOTH MAKING PROGRESS AND FALLING BEHIND

Our 2022 Membership Maturity Survey, conducted with 74 companies, was designed to help identify where we have come from and where we move to from here, and involved looking at **objectives and activities in critical areas and readiness to transform.** Our work was **supported by one of our member companies, IFUA Horváth & Partners Ltd.**

WE ADDRESSED QUESTIONS TO OUR MEMBER COMPANIES IN THREE AREAS:

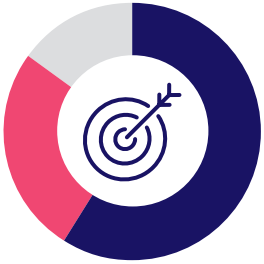
Membership Maturity Survey

We are both closer and further away from realising our vision than we were ten years ago. We have achieved significant results, particularly in **understanding the systems that need to be transformed** and the **partnerships t**hat are essential for moving forward, and in **raising sustainability to a strategic level.**

Companies have a decisive role to do everything that goes beyond the obligatory to create a sustainable (fair, carbon-neutral, and waste-free) world, and to strengthen this approach in their colleagues and partners.

Viktória Bodnár Phd., CEO, IFUA Horváth & Partners

COMMITMENT FROM OUR MEMBER COMPANIES:

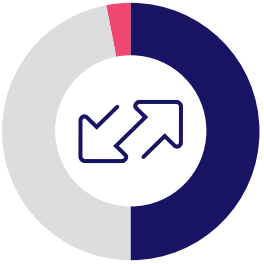


59%
define strategic activities and create strategies to help achieve sustainability goals

26%
set targets but do not define activities or strategies

85%
incorporate sustainability considerations into governance at some level

for **53%**
promoting sustainability is perceived as essential, alongside economic considerations



financial planning and financing is based on backtesting for
50%

there are ad hoc sustainability activities or processes independent of core activities for
47%

However, critical challenges such as addressing **biodiversity loss, environment pollution, inequality, and waste generation have increased, not decreased**. The stark reality is that we are moving closer to the critical limits of our planet and the limits of social cohesion and stability. In fact, **opportunities** we had in the past **have now become necessities. At this point, any delay in action will frustrate the achievement of Vision 2050.**

Once a commitment is made, the most important role of a top leader is to allocate resources and implement a solid change management program for all employees to make it happen, while keeping the organization on the growth path.

Nikos Zois, Managing Director Heineken Hungary

KEY LEARNINGS:

For those companies with a **developed sustainability strategy**, sustainability is typically the **responsibility of senior management.**

When sustainability is under the competence of a functional manager, sustainability considerations are typically not, or are **only partially integrated into management** and strategic activities are not typically defined.

For the participating organisations, **sustainability indicators are integrated into governance to a lesser extent than advanced visions**.

The vast majority of respondents pay attention to sustainability indicators, but **management focuses on economic aspects**, especially in an unfavourable economic environment.

Having a shared vision and guidelines is worth nothing without action, and the action that is needed requires a type and level of business leadership that is rarely seen in the face of critical challenges.

ACCORDING TO THE SURVEY:

Cutting-edge sectors that are closer to achieving the targets:

banking, insurance

Ambitious sectors with a long way to reaching the targets:

technology, energy sector, the construction and real-estate industries

Areas requiring the biggest change:

biodiversity, greenhouse gases

Target areas closest to being achieved:

securing human rights, diversity, equality

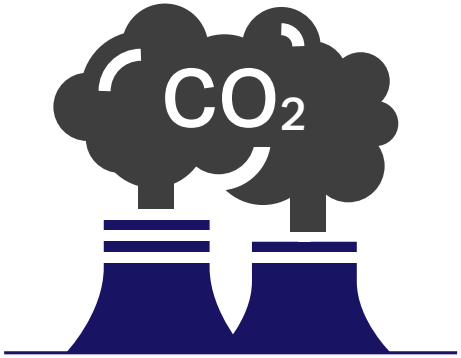
Climate emergency

IMMEDIATE AND RADICAL CUTS IN EMISSIONS ARE REQUIRED

The world is on the brink of a climate disaster and the window to avert it is closing fast. **Both the IPCC and the UN have declared a Code Red.** An increase in the frequency and intensity of heatwaves, droughts, and floods caused by climate change are affecting billions of people around the world and causing potentially irreversible changes to global ecosystems. **According to the 2022 IPCC report, to meet the Paris targets global greenhouse gas emissions must peak before 2025, then fall by 43 percent by 2030, and to zero by 2050.** However, current national commitments are not sufficient to meet the 1.5°C target.

Under these commitments, greenhouse gas emissions are projected to increase by almost 14 percent over the next decade.

Energy-related
CO_2 *emissions*
increased **6%** in 2021
reaching highest level ever.



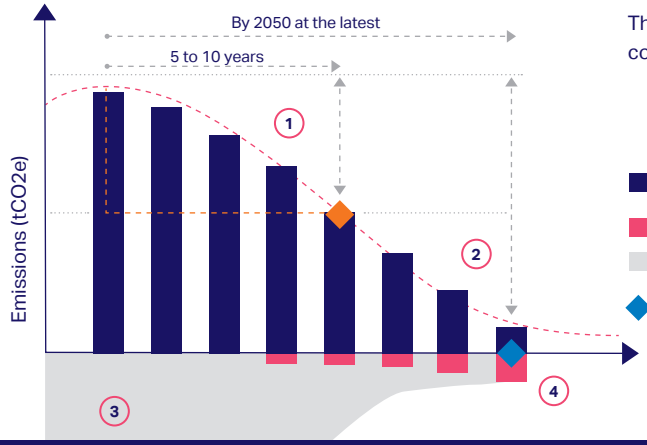
Source: UN SDG Report 2022

Immediate and radical cuts in emissions are required in each sector and all geographical areas. Mobilising businesses to transform is the only way to prevent irreversible damage to people and the planet. While **a number of companies are already committed to climate neutrality, systems transformation remains a challenge for several sectors**, leading to inertia and failure to implement the necessary climate policies.

The **IPCC report** also points out that **a range of tools are already available in all sectors**, with **significant reduction opportunities** estimated to be available by 2030, while **net-zero CO_2 and GHG emission reductions** can be achieved **through a variety** of modelled **mitigation pathways**.

Demand-side mitigation, a requisite for many, will **also** be **achievable** by 2050 **through changes in socio-cultural factors, infrastructure design and use, and end-user technological adaptation.**

SBTi (Science-Based Targets initiatives) has developed the **Net-Zero Standard** with the intention of steering companies **towards net-zero** in a way that is **consistent with social, climate, and sustainability goals** and the planet's biophysical limits.



The **Net-Zero Standard defines four key elements**, aggregated into the corporate net-zero target.

- Abatement within the value chain
- Removals
- Abatement or removals beyond a company's value chain
- Net zero emissions
- 1,5ºC-aligned emissions pathway

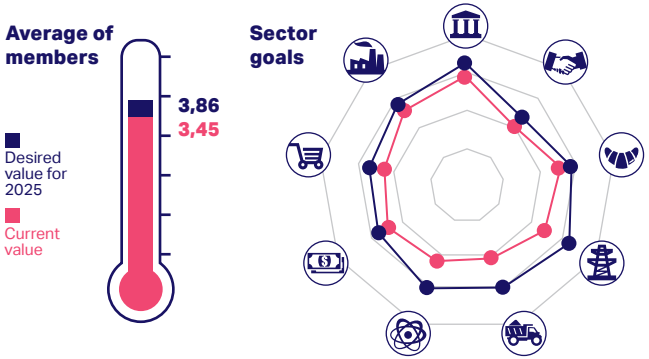
1. **Set short-term SBTs:** 5-10-year emission abatement targets, aligned with the 1.5°C pathway.
2. **Set long-term SBTs:** aim to reduce emissions to residual levels in line with the 1.5°C scenarios by 2050 at the latest.
3. **Mitigate beyond the value chain:** in their transition to net zero, companies should take steps to reduce emissions beyond their value chains.
4. **4. Neutralise residual emissions:** when a company has achieved its long-term SBT, greenhouse gas emissions into the atmosphere need to be offset by permanently removing carbon from the atmosphere and storing it.

NATIONAL OVERVIEW

Warming in Hungary has already reached 1.2ºC compared to the 1.5ºC target, and its impact is being strongly perceived in our daily lives. **Century-long drought and temperature records were broken in 2022, and droughts and fires are in the news. There is much at stake. Short-term responses to crises must not override climate action, as this is the only way to avoid the increasingly severe impacts of climate change.**

Our companies' current status – *CLIMATE EMERGENCY*

Net zero assumes a state whereby emissions along the entire value chain do not lead to the further accumulation of CO_2 and other GHGs in the atmosphere. The net-zero transition targets and mitigation options are aligned with limiting warming to 1.5°C (or well below 2°C). A viable transition must be supported by sound business models, strategies, and investments.



In the area of addressing greenhouse gases, organisations plan to make the **second biggest amount of progress** in the upcoming period. In terms of commitment, the topic ranks fourth out of the five topics (members' average).

53% make greenhouse gas emissions a **priority in their strategy**.

20% make greenhouse gas emissions a **key issue in their organisational operations and activities**.

Leading sectors include **banking, insurance and the food industry** (at least 60% see GHG management as a strategic focus).

Ambitious sectors include the **energy industry, construction & real estate, and technology** (most progress planned).

Source: BCSDH Maturity Survey, 2022

Banks, insurance companies · Food industry · Construction and real estate industry · Business services · General industries · Other services · Energy industry · Technology · Retail, shipping and logistics · **Desired value for 2025** · **Current value**

We can't do without forests

PROTECTING AND RESTORING THE NATURAL ENVIRONMENT IS KEY TO ACHIEVING NET-ZERO TARGETS

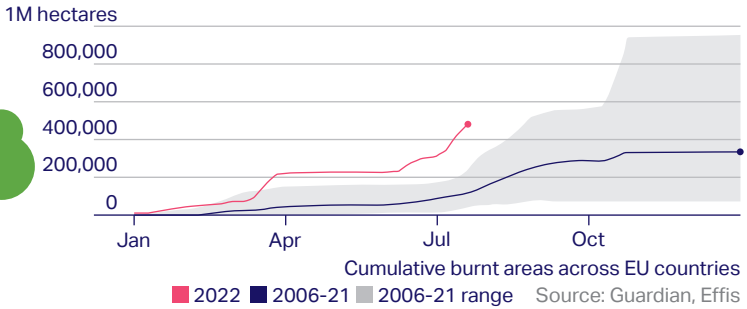
Achieving the **net-zero targets** that cover 70% of the global economy (through governments and businesses) will be **impossible without ending deforestation within this decade and protecting marine wildlife which today absorbs 30% of global carbon dioxide**. Nature is vital for a healthy humanity, healthy business, and a healthy planet.

Even **relatively modest climate warming and associated precipitation shifts could** dramatically **alter Earth's northernmost forests – one of the largest**, almost **pristine forest ecosystems on the planet**, according to research from the University of Michigan. Forest fires are becoming more intense and frequent, with **extreme fires likely to increase by up to 14 percent by 2030, 30 percent by the end of 2050, and 50 percent by the end of the century on a global scale** (UNEP, 2022).

So far, 2022 has been a record year for burnt areas in Europe

10 MILLION hectares of forest are destroyed ***every year***

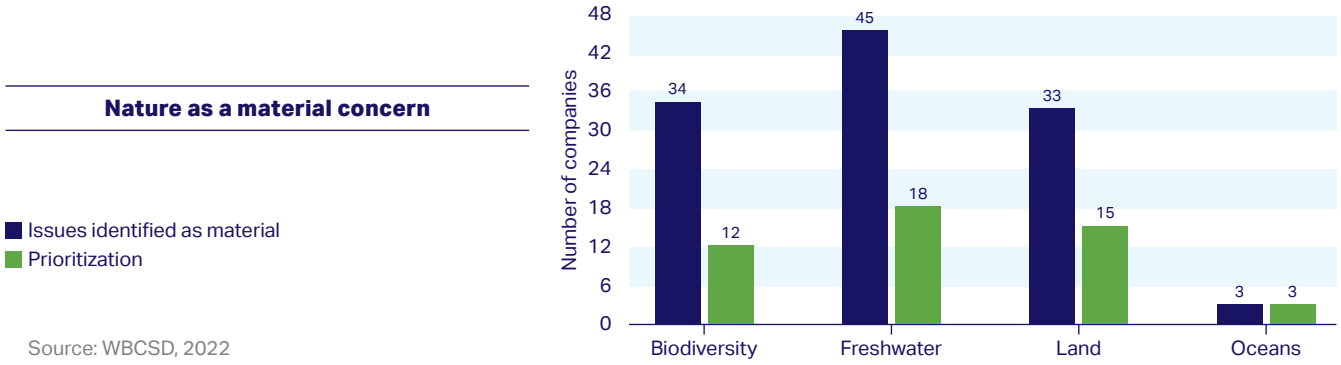
Almost **90%** of global deforestation is due to ***agricultural expansion.***



WBCSD 2022 SURVEY OF LEADING MEMBER COMPANIES CONCLUDES THAT...

1. **Nature is becoming a key priority for business**, reflecting **stakeholder expectations** and growing public concern about the role business plays in the loss of nature.
2. **Freshwater, along with biodiversity and land, should be treated as a high priority material issue.** Oceans are rarely treated as a financial asset.
3. A **mere 5%** of businesses have **undertaken a comprehensive assessment of their impacts and dependencies on all dimensions of nature.**
4. While businesses typically see measuring and assessing their impact on nature as the most challenging **step, technological developments** have **led to major advances in monitoring** (SBTN-Science Based Target for Nature). Businesses **now often collect relevant data to help them understand changes in the pressure they are putting on nature**. This data helps in investment planning and decision-making mechanisms.

Nature as a material concern



Source: WBCSD, 2022

NATIONAL OVERVIEW

Economic growth in Hungary **has in recent years been achieved through an increase in the use of natural resources**, while **numerous technologies are accessible** in the twenty-first century to prevent this. Moreover, the performance of several Visegrád countries proves that **economic convergence in the countries of the region can be achieved with the more efficient use of resources** (National Council for Sustainable Development, 2020).

The situation worsened in 2022, **with the energy crisis** further **accelerating** in the wake of the war in Ukraine and leading to **almost all restrictions on logging being lifted**. In any case, the increasing **extremely arid environment** is **not conducive to successful afforestation**, and there already no guarantees that currently logged trees will be replaced. **We are putting forests, one of the keys to our sustainable future at risk, hence accelerating climate change and exacerbating its perceptible impacts.**

Our companies' current status – *NATURE AND BIODIVERSITY*

To achieve a nature-positive world, we need to employ the complete hierarchy of mitigation measures that involve avoiding areas of significant biodiversity, limiting other losses to nature, and compensating for unavoidable losses through ecological restoration and regeneration to achieve the full restoration of nature by 2050.

Organisations plan to make the **greatest progress** in the areas of nature and biodiversity in the coming period. In terms of commitment, this area ranks last among the five topics on average for members.

33% see biodiversity conservation as a **priority in their strategy**.

26% see biodiversity conservation as a priority in **organisational operations and measures**.

The **food sector** is a **frontrunner** in this regard (50% see biodiversity as an area of strategic focus).

Ambitious sectors are **technology, retail trade, and the energy industries** (wherein the most progress is planned).

Source: BCSDH Maturity Survey, 2022

Banks, insurance companies | Food industry | Construction and real estate industry | Business services | General industries | Other services | Energy industry | Technology | Retail, shipping and logistics | Desired value for 2025 | Current value

Inequality

WE NEED FAIRER, MORE EQUITABLE SYSTEMS

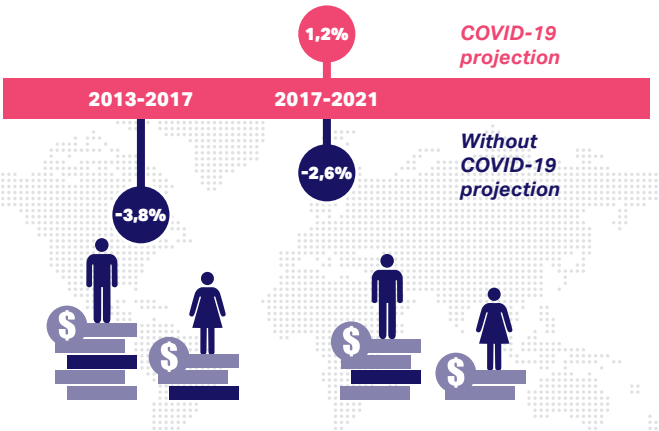
Inequality undermines sustainability and threatens to increase environmental challenges. Economic, social, and territorial inequality, as well as discrimination against particular groups, **force those affected into unsustainable practices** and prevents social and global cohesion.

After three decades of commercial and financial globalisation, **global inequality remains striking:** currently, **the world's richest 1% own 44% of global wealth, while the poorest 50% own just 2%**. The **Covid-19 pandemic has further widened the gap**, exacerbating global income inequality. As a result, **the steady progress of the last two decades is now jeopardised**. Europe has the lowest level of inequality, while the Middle East and North Africa are the most unequal regions in the world.

ACCORDING TO THE 2022 REPORT OF THE WORLD INEQUALITY DATABASE:

- **Nations got richer** but **governments poorer**, meaning the private sector grew while the public sector declined.
- Wealth inequality increased at the top end of the distribution index – i.e. **global multimillionaires have obtained a disproportionately large share of global wealth growth in recent decades**.
- **Gender inequality remains significant at the global level** and **progress** within countries has been **too slow**.
- **Ecological inequality** between high and low emitters is receiving increasing attention and is already **reflected in statistical reports**.

Change in between-country income inequality (2013-2021)



Women accounted for* 39% *of total employment in 2019,

but **45%** ***of global employment losses*** in 2020.

Source: World Inequality Report 2022

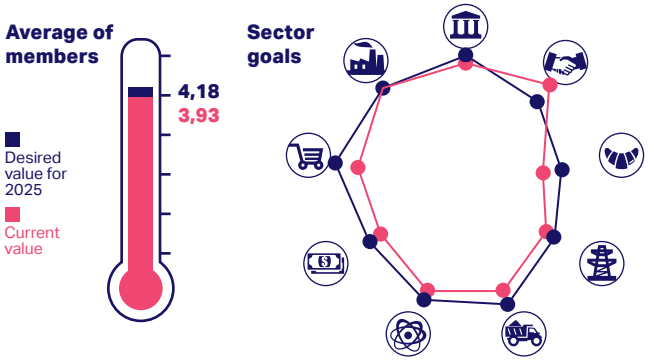
The **public and private sectors need to redesign their systems to make them fairer and more equitable considering people's inherent advantages and disadvantages, and act to create a level playing field**. This will ensure that **truly systemic steps are taken towards sustainability, that their impact is long-lasting**, and that the new level of equilibrium is **accepted by society**.

NATIONAL OVERVIEW

According to World Bank data, **Hungary is less equal than the average EU country and is ranked among the moderately unequal countries**. The **COVID-19** pandemic **further increased** the wealth and income **polarisation** of different social groups and labour market actors in Hungary. Those **sectors** that typically **employ workers with a low level of education** or which regularly offer seasonal work suffered the largest decline in spring 2020. **Hungary ranks 26th in the EU on the gender equality index**, with a score of 53.4 out of 100. Its score is 14.6 points below the EU average (EIGE 2021). In Hungary, the role of **women is under-represented mostly in** the areas of **political and social decision-making**, and **gender inequality has worsened significantly in terms of economic decision-making (-14.8 points).**

Our companies' current status – *HUMAN RIGHTS*

Human rights are fundamental rights and freedoms that all people are entitled to, without discrimination. Business communities have a responsibility to respect human rights, regardless of size, sector, activity, ownership, or structure. Respecting human rights and diversity is an opportunity for real transformation and making a difference to people's lives.



Organisations plan to make the **least progress** in the area of securing human rights in the coming period. In terms of commitment, the topic ranks first among the five topics in terms of the average score awarded by members.

60% **prioritise** the need to secure human rights in **their strategy**.

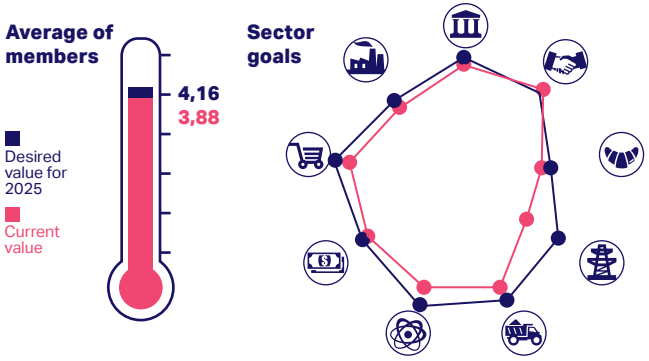
31% see the need to secure human rights as a **priority in organisational operations and activities**.

Leading sectors are **banking, insurance, other services, and general industries** (at least 66% consider human rights to be part of their strategic focus).

One **ambitious sector** is **retail trade** (most progress planned).

Source: BCSDH Maturity Survey, 2022

Our companies' current status – *DIVERSITY AND INCLUSION*



Organisations plan to make the **second least progress** in the areas of diversity, equality, and inclusion in the coming period. In terms of engagement, this ranks second among the five topics (average of member responses).

56% see diversity, equality, and inclusion as a **priority in their strategy**.

37% make diversity, equality, and inclusion a **priority in organisational operations and activities**.

Leading sectors are **business, services, banking, insurance, the retail trade and other services** (at least 64% consider inclusion to be part of their strategic focus).

One **ambitious sector** is **energy industry** (most progress planned).

Source: BCSDH Maturity Survey, 2022

Banks, insurance companies · Food industry · Construction and real estate industry · Business services · General industries · Other services · Energy industry · Technology · Retail, shipping and logistics · **Desired value for 2025** · **Current value**

Transparency and reporting

THE BASIS FOR A NEW COMPANY EVALUATION SYSTEM

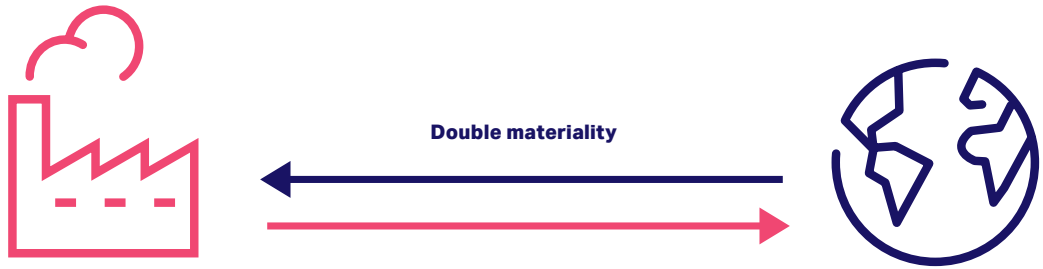
An **urgent shift in business mentality is needed** to enable companies to become resilient and to future-proof organisations in relation to the three key challenges that are defining our world.

Sustainability reporting standards help companies **understand and communicate their impact on climate change, natural resources, and society**. They can **also improve risk management, promote responsible business practices, and help companies find new opportunities** in global markets. All this will contribute to **redefining the value of companies**.

Significant progress has been made over the past two years in harmonising sustainability reporting standards and terminology. As part of the European **Green Deal, EU Taxonomy Regulation** – the backbone of ESG regulation – was adopted in 2020, creating a regulatory framework **for sustainable investment and** defining **reporting obligations** primarily for financial market participants and companies subject to the Non-Financial Reporting Directive (NFRD). In 2022, the Commission also committed itself to drafting new **regulation to prevent greenwashing** – the process of misleading consumers.

The green agreements introduce the **principle of double materiality**, according to which **not only climate-related impacts on a company, but the impact a company has on the climate (or any other dimension of sustainability) can be considered 'material'**. That is, reports should include:

- **Financial materiality:** ESG issues that could have an impact on the future earnings of the company; in other words, on the value of the company.
- **Environmental and social materiality:** ESG issues in relation to which the business activities of the company have impacts associated with a negative effect on environment and society.



Source: Grantham Research, 2021

The impending CSRD directive will **require double materiality** as part of sustainability disclosure for corporations operating in the EU **from fiscal year 2024. Better start preparing now!** (Deloitte)

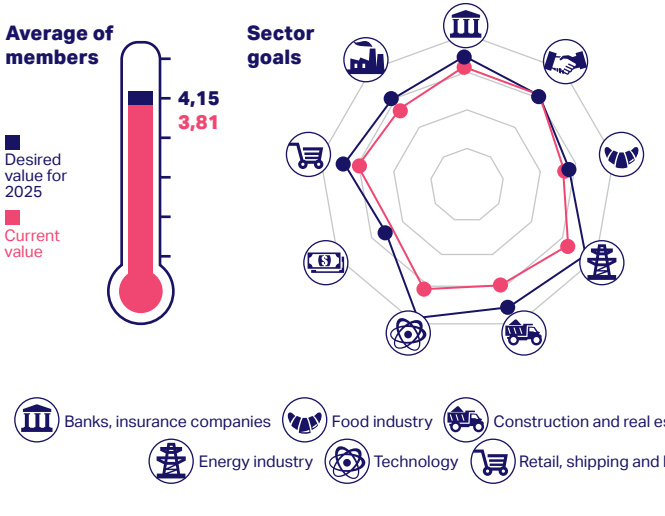
Risk assessment and management is also a major focus in the **WBCSD's Three Lines Model**. According to this, to obtain a true picture of a company's sustainability maturity level, it is enough to **check consistency between a company's sustainability report and the identified risk factors**.

NATIONAL OVERVIEW

Our national regulatory environment has also shifted towards prioritising sustainability and environmental objectives. Taxonomy Regulation is also an important part of domestic financial market incentives, which include the **Green Recommendation** issued by the National Bank of Hungary and the BSE **ESG Reporting Guideline**. The **Competition Authority** has also **issued recommendations aimed at preventing greenwashing**; moreover, marketing and communication-focused technical collaborations have been launched to promote self-regulation.

Our companies' current status – *TRANSPARENCY AND REPORTING*

Sustainability reporting standards help companies understand and communicate their impact in relation to critical issues like climate change, biodiversity, human rights, and partnerships. Such reports help companies improve risk management, promote responsible business practices, and find new opportunities in global markets.



Organisations plan to make **moderate progress** in terms of transparency and reporting compared to other topics. In terms of commitment, the average member company ranked this third out of the five topics.

59% see transparency as a **priority in their strategy**.

29% see transparency as a **priority in terms of organisational operations and activities**.

Leading sectors are **business, services, food, energy and technology** (at least 62% consider transparency and reporting to be part of their strategic focus).

Ambitious sectors are technology, construction, and the real-estate industry (most progress planned).

Source: BCSDH Maturity Survey, 2022

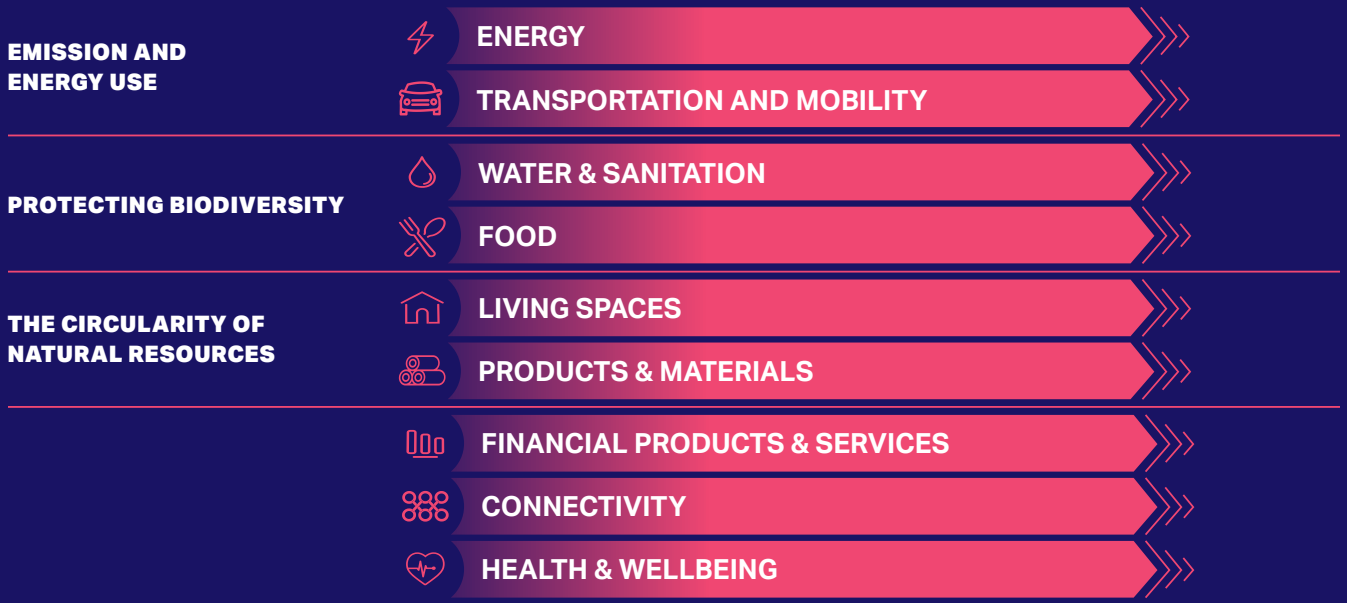
Following the paths

Achieving the 2050 vision will **require** the business community, governments, and civil society to join forces and **change the systems that are creating the challenges we are currently facing, and do so in a fundamental enough way to be rightly called a real transformation**. It is no longer enough simply to put filters on chimneys. We need to change what happens in factories, but this is affected by everything going on outside them – from consumer demand through investment allocation and government regulations to market competition. **The World Council has identified nine potential transformation pathways, with a particular focus on areas where business is uniquely placed to make a real contribution to the common goal.**

WBCSD recognises that the **nine pathways are closely interlinked** and **none of them can be isolated from the others; they are in constant interaction** with one another. Certain transformation pathways **may be relevant to different degrees in individual sectors**; it is crucial that companies **look at them holistically**.

In Hungary in 2022 **we identified three major priority areas with our experts** that cover multiple pathways and are **currently in a critical situation**. In these areas we can help achieve real transformation by engaging our member companies – indeed, work has already started in these areas through the Action 2020 program.

A WORLD IN WHICH 9+ BILLION PEOPLE LIVE WELL, WITHIN PLANETARY BOUNDARIES IN 2050.



Emission and energy use

The **2050 climate target of net-zero emissions is an EU commitment** that Hungary has enshrined in law.
According to a recent McKinsey study (2022) and related implementation pathway, **Hungary could reduce emissions by 55-60 percent by 2030 and 100 percent by 2050, while increasing its energy security**. The cost-optimal decarbonisation of Hungary is expected to require additional capital investment (CAPEX) of €150-200 billion by 2050.

Increasing the proportion of renewables is our primary interest, but this requires a complete paradigm shift – we cannot start only from the current systems and operations, they must also be changed. For example, in energy-intensive industries, it may become necessary to reschedule production and annual downtime.

Balázs Felsmann, senior research fellow, Regional Centre for Energy Policy Research

BARRIERS AND ENABLERS DEFINED WITH OUR EXPERTS' INVOLVEMENT:

BARRIERS (TOP3)

1. There has been **no improvement in the energy mix**. GHGs are expected to increase until 2040 in consequence of the current **lack of consistency or holistic strategy**.
2. **Agriculture and SMEs are lagging further behind in terms of decarbonisation efforts, and the lack of reliable and comparable data** is an additional constraint.
3. **The area of mobility is associated with technological, technical, and accessibility barriers, and pricing does not reflect real social and environmental impacts.**

ENABLERS (TOP3)

1. Most emissions are related to households. **Various pieces of research and programs are helping raise awareness (Energy Citizenship, EU Household Savings Recommendation - Playing my part, 1.5-Degree Lifestyles program).** This is clearly necessary because the lack of public energy awareness is partly due to the persistent distortionary effect of controlled market prices.
2. The **first corporate long-term Power Purchase Agreements (long-term PPAs)** are also being **concluded** in Hungary: based on them, **large companies will be able to commission renewable power plants to satisfy their own consumption needs with the help of an energy supplier which can implement** and operate **the investments**. They can then **conclude long-term PPAs for the entire lifetime of the plants**. Increasingly cheap solar energy and simultaneously rising energy prices will increase uptake of this option in Hungary, alongside onsite generation and the purchase of green electricity.
3. **Corporate stakeholders are increasingly open to nature-based solutions** (land-use change and silviculture), **in addition to making emission reductions**.

Decarbonisation efforts in economic sectors (electric vehicles, green hydrogen consumption, and electric heating) will result in Hungary needing 2.8 times more electricity in 2050 than today.

TOP 3 energy consumers in Hungary (2020)

The ***largest user*** of final (direct) energy is the ***general population***: 34% in 2020.

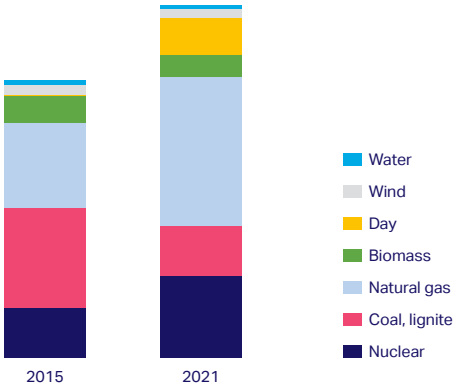
The development of motorisation and increases in transport performance have made ***transport the second*** largest energy consumer. Energy demand associated with the sector in 2020: 25%.

Industry, including construction, ***ranks third***: 25%.

Energy intensity

The **production of a unit of GDP at current prices required 81% more energy than the EU average** in 2020. Before this, between 2010 and 2019, the indicator fluctuated between 71% and 84%.

Hungary's electricity generation increased by 2.5% in 2021:



Share of electricity from renewables in gross final electricity consumption

By 2050, we can achieve a share of 86%, up from today's 14.3%

The amount of electricity generated by solar panels increased most dynamically, from 850 thousand kWh in 2010 to 3.8 billion kWh in 2021. There is great potential to dramatically increase the share of renewables, but this will require rethinking our systems, and innovating and changing the way we work.

Our national electricity production cannot meet the increase in domestic demand, so the share of imports in the electricity balance is increasing. Net imports (13 billion kWh) in 2021 were 2.5 times higher than in 2010.

Total greenhouse gas emissions in Hungary have been at roughly similar levels since the mid-1990s. The largest emitters are households, including their share of cooling, heating and transport.

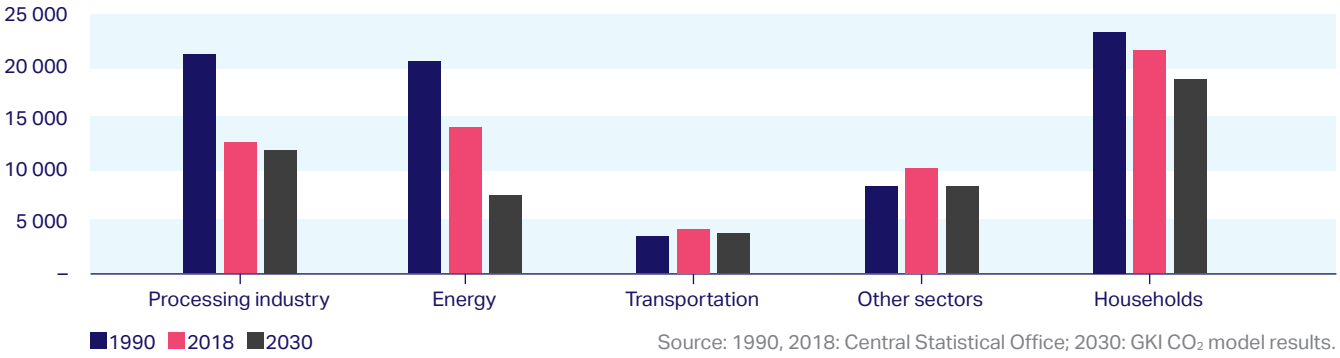
The energy supply is getting cleaner, but the processing industry and agriculture and sectors dominated by SMEs are producing more and more greenhouse gases.

THE EU EXPECTATIONS OF A 55% REDUCTION IN EMISSIONS BY 2030 WILL NOT BE MET EQUALLY BY ALL SECTORS ACCORDING TO AN ANALYSIS BY GKI:

- reductions due to electricity generation sector (-63%);
- due to the processing industry (-43%);
  (This sector has a significant share of multinationals and related suppliers, whose energy-saving technologies are spreading rapidly due to economies of scale and a sufficiency of capital.)
- households are expected to contribute a 19% reduction in emissions.

For the other sectors (**transportation, construction, trade**, etc.), however, there is not only no chance to contribute to meeting the quota, but some increases in emissions may even occur. Making emission reductions in these sectors may require significant government intervention if the state intends to meet the EU climate target.

CO_2 emission in some sectors and Hungarian households (thousand tons)



Source: 1990, 2018: Central Statistical Office; 2030: GKI CO_2 model results.

Best practice

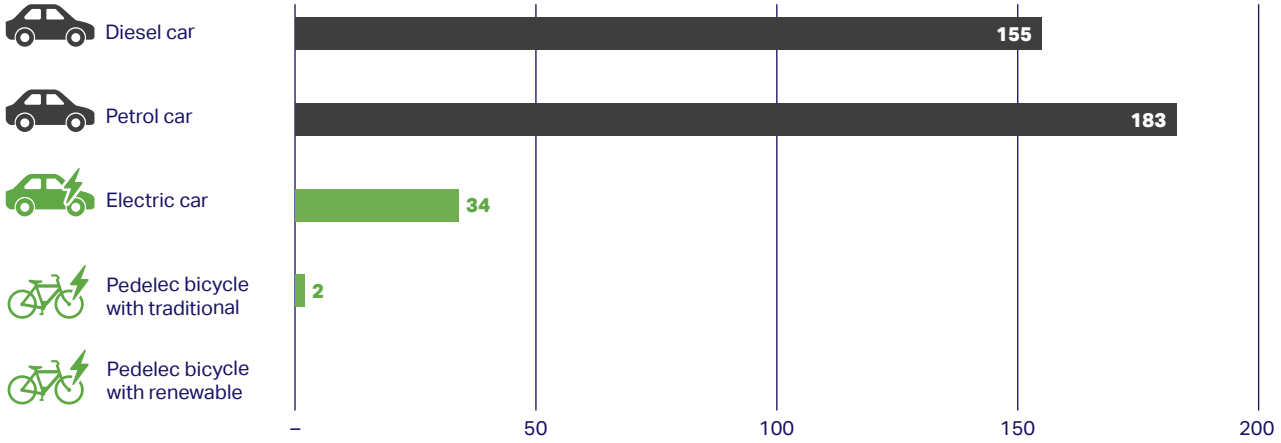
Achieving a paradigm shift is important but not easy. Some companies have already been established to change the present model and create new sustainable solutions for other companies, helping them to meet their climate goals, even at Scope 3 level. One such company is Hellovelo, a new player in sustainable urban transport and corporate fleets.

Hellovelo aims to encourage as many employees as possible to switch from their cars to electric bikes for urban transport, which, in addition to helping companies, will minimise the carbon footprint of their employees' commute to work.

THE PERMANENT RENTAL OF 1,500 BICYCLES IS PLANNED IN THE MEDIUM TERM.

Experience shows that each electric fleet bike is used for at least 1,000 km per year. Electric bikes are associated with zero CO_2 emissions and, when using electricity from solar or other renewable sources, zero carbon emissions from charging. If a company replaced 1,500 petrol cars with electric bikes each covering 1,000 km per year, related emissions would drop by 180 tons of CO_2. **Moreover, electric bicycles reduce noise pollution in settlements and do not burden public roads.**

Carbon emissions from 1,500 vehicles covering 1,000 km per year (tons/km)



THE BUSINESS MODEL AND ITS EXPECTED IMPACTS:

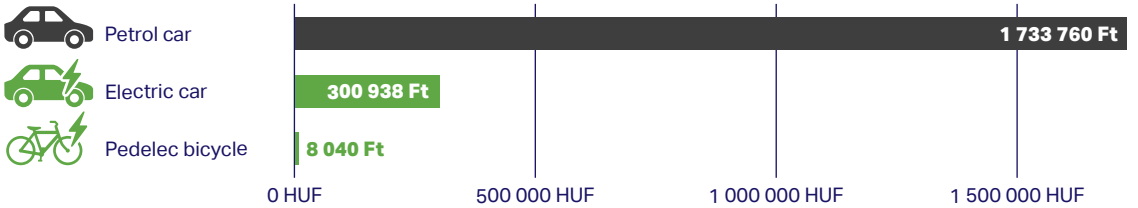
Hellovelo offers innovative and sustainable HR and other benefits for companies in the field of electromobility with its fleet of zero-emission electric bikes, service station, and support services.
For employers, **electric bikes are an environmentally positive replacement for fleet cars and can extend company vehicle fleets to a broader group of employees**. The popularity of bicycles for commuting, daily mobility, and freight transport is growing rapidly in the current climate and policy environment following the pandemic.
Young employees in particular are more likely to choose a company that takes sustainability seriously and supports their own efforts in relevant and innovative ways. This increases engagement.
The service also represents a useful tool for companies **in the areas of awareness raising, wellbeing, and the social footprint of ESG**, contributing to a healthy and active lifestyle.

Some arguments for why electric bicycles are the most effective forms of electromobility:
- zero emissions;
- they do not burden the road network (unlike electric cars or other four-wheeled electromobility vehicles);
- their use is properly regulated in the Highway Code.

RESULTS:

MVM Group launched a fleet of 50 bikes in August 2020. Employees travelled 42,000 km on the electric bikes in one year. This avoided the emission of five tons of carbon emissions and saved more than HUF 1.7 million in petrol costs (at the official price of HUF 480/L). What is more, the bike-riding employees felt fitter and healthier as a result of their regular daily exercise.

Fuel cost (HUF) for 42,000 km



At Hellovelo, we believe that we need to do something to create a sustainable future on a social, corporate, and individual level. By choosing our electric bicycle fleet service, companies invest in the future: not only do they actively protect the environment, thereby contributing to the creation of a cleaner and more livable environment, but they also provide their employees with the opportunity to make everyday sports an integral part of their lives - regardless of the weather or their physical condition.

Ágoston Hényel, CEO, Hellovelo

Best practice

To achieve net-zero targets, companies must measure and reduce their emissions across the entire value chain and help their stakeholders to make the transition. E.ON Hungária Group is an outstanding example in this regard as it supports its partners and customers alike in the process of going carbon neutral.

E.ON has defined the target of being carbon neutral in terms of Scope 1-2 emissions by 2040, and Scope 3 emissions by 2050. Due to its nature as an energy supply company, nearly 80% of its total emissions come from its energy trading customers through their electricity and natural gas consumption, so the biggest challenge is to help members of this group drastically reduce their carbon footprint.

AREAS, OBJECTIVES AND SPECIFIC STEPS:

SCOPE 1-2 – COMPANY'S OWN OPERATION **– Primary goal: Minimise and green grid losses**

- Cut gas-related grid losses
- Cut and green electricity-related grid losses
- Continuously reduce carbon emissions from own fleet
- Utilize a new, more sustainable (than the former) office building from 2024

SCOPE 3 – BUSINESS PARTNERS **– Primary goal: Offering business solutions to the partners of the company that help them to become carbon neutral**

- Green Cloud decarbonisation package - Offering green energy from domestic solar power stations to corporate customers
- Solar systems sold and commissioned to corporate, municipal, and SME customers
- Continuous modernization of the electricity distribution network to permit the connection of an increasing number of renewable power plants to the system
- Offering purely electric cars in our e-fleet service
- By 2030, over 40% of total clientele

SCOPE 3 – FOR HOUSEHOLDS **– Primary goal: Help them improve energy efficiency, increase the use of renewable energy, and change consumer habits**

- Selling and installing household-scale solar systems to residential customers
- Offering heat-pump heating and cooling systems
- Smart-home systems enable the optimisation and traceability of consumption
- Supplying only green energy in e-car charging points nationwide
- Participating in creating and supporting energy communities by implementing smart energy models
- Developing EnergiaKaland [EnergyAdventure] educational program to develop energy awareness among 6-18-year-olds

RESULTS IN FIGURES:

- E.ON has installed more than 16 thousand household-scale solar systems
- In partnership with AUDI Hungária Zrt., E.ON installed Europe's largest rooftop solar farm of 160,000 m2 with a peak capacity of 12 megawatts
- 180 purely electric cars so far (covering almost 4 million km) are now on the road within the e-fleet service
- E.ON is steadily increasing the number of its e-charging stations, now with more than 250 across the country
- IElectrix project to build two energy-storage facilities in Hungary to increase the resilience of renewables
- Danube InGrid project – involving investing a total of HUF 50 billion to upgrade the electricity grid in Western Transdanubia to enable the connection of more renewables

Sustainable and carbon-neutral business activity has become not only a competitive advantage, but also an expectation. At E.ON we are committed to implementing solutions for a sustainable future, and we are working to help companies and our residential customers to operate in a greener way, and, in a broader sense, to achieve our common climate protection goals.

Zsolt Jamniczky, Deputy CEO, E.ON Hungary

E.ON's carbon footprint by GHG Protocol scope

51%

Scope 3 *upstream*

Purchased power sold to customers

Purchased goods and services

Power and heat generation

Upstream processes of leased assets (leased vehicles)

Business travel and employee commuting

5%

Scope 2 *(market-based)*

Power distribution losses

Purchased power used in operations and administrative buildings

3%

Scope 1

Fugitive emissions

Power and heat generation

Fuel combustion

Company-owned vehicles

40%

Scope 3 *downstream*

Combustion of natural gas sold to end-customers

Financial sector prepared to finance net-zero economic transition

Hungary has committed itself to climate neutrality by 2050 and pledged to reduce its greenhouse gas emissions by 55 percent by 2030. More than 30% of the leading companies in Hungary have already made net-zero commitments. Significant financial resources will be needed to meet the expected increase in the number of commitments.

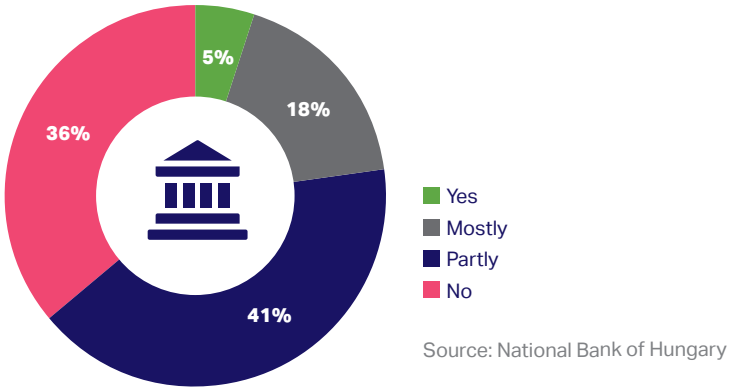
Our **business forum, organised in partnership with the British Embassy** and in support of the **UN Race to Zero** campaign, presented the current state of green finance in Hungary and Europe.

The **EU** is also mobilising its financial resources. The **focal areas in the European development funds designed to help meet net-zero commitments** are: greening **mobility and transport**, supporting **renewable energy investments in SMEs**, enterprise-level support for the **circular economy transition**, supporting the **renewable energy investments of municipalities**, and the **energy retrofitting of existing buildings**.

Much of the domestic financial and advisory sector is similarly prepared to support the accelerated processes.

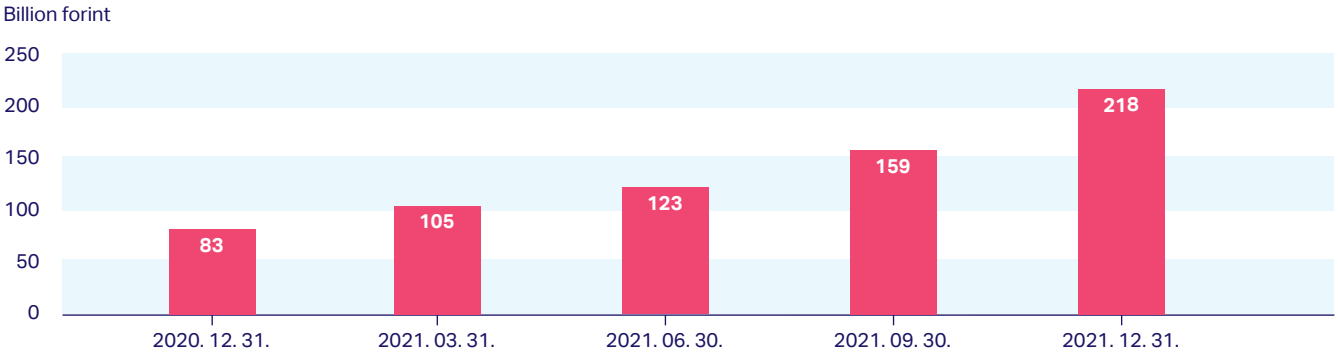
The steps taken by the National Bank of Hungary for sustainable financing will help the entire national capital market. The TCFD Report published in March 2022 quantifies its own impact on climate change, leading the way internationally, and setting an example for the entire financial sector.

Proportion of banks that have processes in place to identify climate-change risks



Source: National Bank of Hungary

Green loans of credit institutions (Q4 2020 – Q4 2021)



Source: National Bank of Hungary

The Competitiveness Report of the National Bank of Hungary uses a total of 159 indicators in 14 areas to examine Hungary's competitiveness on an international scale, **highlighting the close correlation between competitiveness and sustainability**. With regard to Competitive Energy Use, the Report stresses that the energy dependence of Hungary can be moderated by **lowering our energy consumption**, developing an **environmentally friendly energy mix**, and, in parallel, **reducing the share of net energy imports**.

In the currently difficult situation, it is the duty of every top manager to consider their operations in relation to energy consumption and how climate change affects this. Renewable technologies have developed a lot recently, and in the changed business environment their returns are also much more favorable. Now there is a chance for companies to forge virtue out of necessity and take a big step towards operating in a climate-neutral way.

Attila Chikán Jr., CEO,
ALTEO Group

There are many new technologies on the horizon to replace coal-based solutions, but we do not know exactly which one will be the winner in the long run. It is important to choose the one that will pay off in the short to medium term from among the best current technical solutions, and accelerate the change now. We should not wait for the yet-to-be-known perfect solution, because even with the former we can achieve great results.

Tamás Morvai, CEO,
Prímaenergia

Protecting biodiversity

The Nature Restoration Law will soon be discussed by the European Parliament and the Council. If adopted, **Member States will be required to develop national action plans to restore at least 20% of the land** and marine **areas of the EU by 2030, and all ecosystems in need of restoration by 2050.**

Hungary is gradually using up and losing its natural resources. **We have achieved our economic growth in recent years by increasing artificial land cover – i.e. by developing biologically active areas**, making us the third-ranking country to do so among the EU Member States in the last decade. We are **investing disproportionately little in human and social capital** in the way of supporting the well-being of future generations, and are **alarmingly neglectful of the maintenance and conservation of our natural resources and ecosystem services** (National Council for Sustainable Development).

WWF Hungary **calls for a complex landscape management strategy and concerted action to address water scarcity**, which we have the means and the potential for.

We contribute to the stabilization of food production by restoring natural systems, and we also help improve food security by restoring field-protection forest strips, grasslands and wetlands, reducing our global market vulnerability, and contributing to preserving the opportunities of local producers.

Katalin Sipos, Country Manager, WWF

BARRIERS AND ENABLERS DEFINED WITH OUR EXPERTS' INVOLVEMENT:

BARRIERS (TOP3):

1. **Large-scale agriculture** typically **seeks to consolidate production and food supply** in order to increase efficiency, a process that **leads to the impoverishment and destruction of ecosystems and biodiversity**. The impending food crisis will be associated with further negative trends as large-scale agriculture intensifies.
2. **Health awareness is weak in Hungary, with no change in eating habits** over the last decade.
3. Neither **water-resource management nor the value awarded to water is sustainable in Hungary**; systems are outdated; water run-off is high.

ENABLERS (TOP3):

1. **More and more farmers** need to **seize the opportunities offered by the new national Common Agricultural Policy (CAP) measures** (e.g. Agroecological Core Program, ECO subsidy, Integrated Pest Management subsidies, and the promotion of short supply-chain partnerships) which will **help relevant actors to shift to sustainable practices**, thus supporting and building biodiversity.
2. **Pricing-related positive incentives** can help consumers make healthier and more sustainable choices.
3. Untapped potential for the **use of sewage sludge and compost in agriculture**.

Although the COVID-19 pandemic is clear evidence of the **direct impact biodiversity loss** has on humanity, our lives, and the economy, unfortunately this is not reflected in post-pandemic economic reconstruction: deforestation is not slowing down, we are not better at managing our natural resources, and biodiversity is by far the most neglected issue of all.

Two-thirds of the area of Hungary is of insignificant ecological value (paved surface or arable land).

Over 5,100 farmers run **organic farms on 301,000 hectares, which is 9% below the EU average,** while the **weight of organic animal husbandry remains low.**

Biodiversity is largely neglected in Covid-19 recovery spending.

Source: SDG Report 2022

In 2020, 27% of forests were certified to be symptom free. The combined proportion of low-to-moderately damaged forests (65%) was higher than in any year since 2010. 5.3% of trees were classified as severely damaged, and 2.2% as dead.

Livestock in organic farming

	Cattle	Swine	Sheep	Goat	Poultry
2010	32,4	5,4	9,5	1,7	111,5
2019	27,0	5,5	11,8	0,8	131,4
2020	26,1	3,5	8,5	0,6	95,3

(thousand head)

The majority of forestry land (57%) is used for economic purposes, but the proportion is slowly decreasing, while the share of forestry land used for conservation is increasing. **The new 2022 act on the almost complete abolition of forest harvesting limits threatens these results.**

The **number of natural areas of national importance protected under specific legislation increased to 326** by 2021. **Restoration efforts** in priority areas have been successful, but in light of the new act these achievements are also under threat.

Compared to the amount of water produced by public utilities, the **share of water lost due to infiltration** increased in the 2010s. The 21% network and service loss in 2020 was slightly less than in the previous three years, although higher than in 2010 (19%).

GRUNDFOS

Best practice

Water is the basis for effective climate adaptation although few companies in our country have defined related targets and take action in this area. Grundfos is outstanding in this respect. Although Hungary is currently in a favourable position in terms of water resources, it is important to maintain this positive condition and our access and security of supply, including the supply infrastructure, over the long term. This must be in the interest of all companies.

The Grundfos Group committed in its 2025 strategy to halve its water use by 2025 compared to the 2008 base year.

AT THE GROUP LEVEL, GRUNDFOS HAS TAKEN THE FOLLOWING CONCRETE STEPS:

- In 2021, it mapped which of its sites are located in water-sensitive areas that will be a priority focus for investment decisions.
- In 2021, it started building an on-line measurement system at the group level to create the conditions for credible data collection and rapid response, and in 2022 a new global data collection system was introduced that is also key to auditing and verifying the validity of the data.
- It has a central "Sustainability pool" investment fund which subsidiaries and sites can apply for. The related investment is aimed at improving their sustainability performance and helping to implement projects associated with a slower return on water savings.

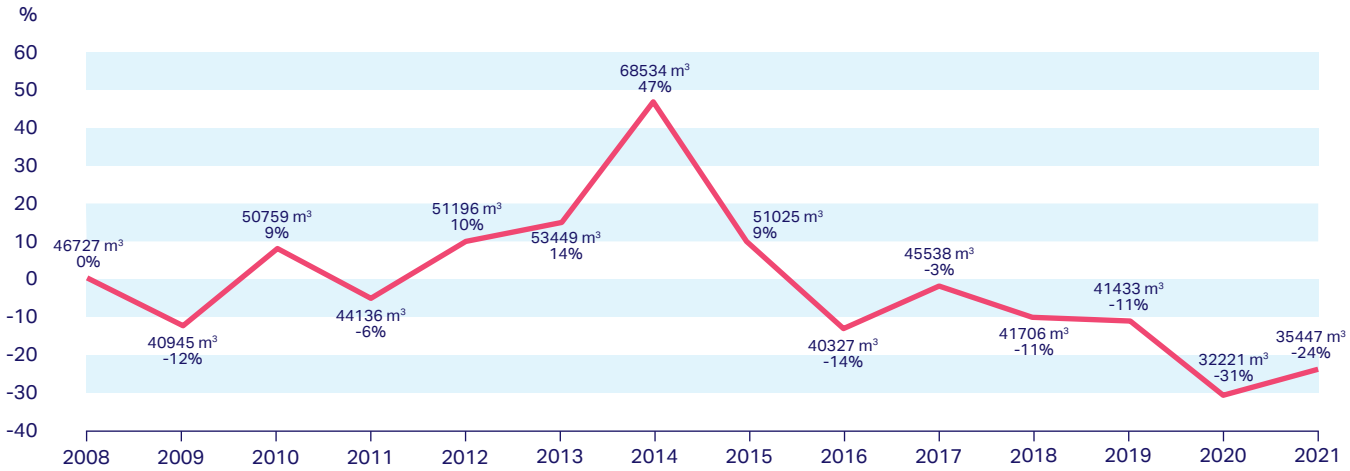
IN HUNGARY:

- The giant pump factory in Székesfehérvár has been using a rainwater harvesting system to cover the water demand of the test basins and restrooms from the very beginning of its operation in 2013. This saves an average 9000 m^3 of water per year.
- The water system in the cataphoretic painting plant in the Tatabánya pump factory operates in a way that, after use, the water in the tubs is always returned to a process that requires a one-category lower level of water purity.
- Thanks to weekly monitoring, 40 m^3 of water loss per week was eliminated by systematically mapping a pipe break at the Tatabánya site in 2022.

THE IMPACT SO FAR, IN FIGURES:

- Group water savings reached 48% by 2021 compared to 2008, involving saving more than 300,000 m^3 of water.
- Water savings in Hungarian factories reached 24% by 2021, saving more than 11,000 m3 of water, while the Hungarian portfolio was expanded with a new factory and its 1500 m3 test basin in 2014. The changing rooms were temporarily closed due to COVID-19 in 2020, leading to a significant reduction in water use at that time.

Changes in water consumption in Grundfos sites in Hungary (2008 baseline)



The purpose of Grundfos is to pioneer solutions to the world's water and climate challenges and improve quality of life for people. We work towards this every day and our Strategy 2025 supports us to achieve this goal. Through innovation in our products and technologies, as well as improving our internal operations, we believe we can grasp the interconnectedness of these two challenges.

Olivér Szundy, Plant Director, Grundfos Hungary

Best practice

Systemic change requires an approach that takes into account the whole life cycle of the product, not only in terms of CO^2, but also regarding resources such as water and waste. Master Good is a top-ranking example in the field of agronomy and the country as a whole.

Master Good aims to be the world's first sustainable integrated poultry company.

AREAS WITH PRE-DEFINED GOALS, WHERE SPECIFIC STEPS HAVE BEEN TAKEN:

Master Good is committed to tracking its carbon footprint at the product level, which not only gives the company a market advantage in Western Europe, but also enables it to accurately track the carbon footprint-related impact of its individual investments.

FEED PRODUCTION

- Supporting farmers to grow GMO-free feed materials (corn, wheat, oilseed rape, sunflower and soya). The involved farmers use organic-based plant nutrients produced by the Group to reduce their fertiliser usage.

ENERGY SUPPLY

- The company aims to replace gas largely with heat recovery and sustainable electricity solutions.
- *"The first step towards carbon neutrality is to find the points where we use or lose energy unnecessarily. If we know where the problem occurs, it is possible to reduce or eliminate these losses".*
- *„Hungary has significant geothermal potential. This can be a real and carbon-neutral alternative to replacing natural gas. We have already started developing in this direction as well".* – Péter Bárány, CEO

CIRCULAR FARM MANAGEMENT

- Interdependent farming processes support one another due to system coordination.
- Essentially, all possible by-products ('waste' for others) are recovered and used to produce valuable products.

There is a clearly growing expectation for manufacturers to be able to monitor their carbon footprint at the product level. There are already intelligent solutions for this. We have also committed ourselves to the introduction of such a solution, one of the most important benefits of which is that we are able to monitor the impact of our sustainability investments, even at the product level.

Péter Bárány, Managing Director, Mastergood

IMPACTS TO DATE, IN FIGURES:

ENERGY SUPPLY

- Currently, Master Good operates a 20-hectare solar farm covering almost 20% of the group's total annual power consumption. This, with ongoing expansion, will cover more than one-third of consumption needs by 2023.

WATER MANAGEMENT

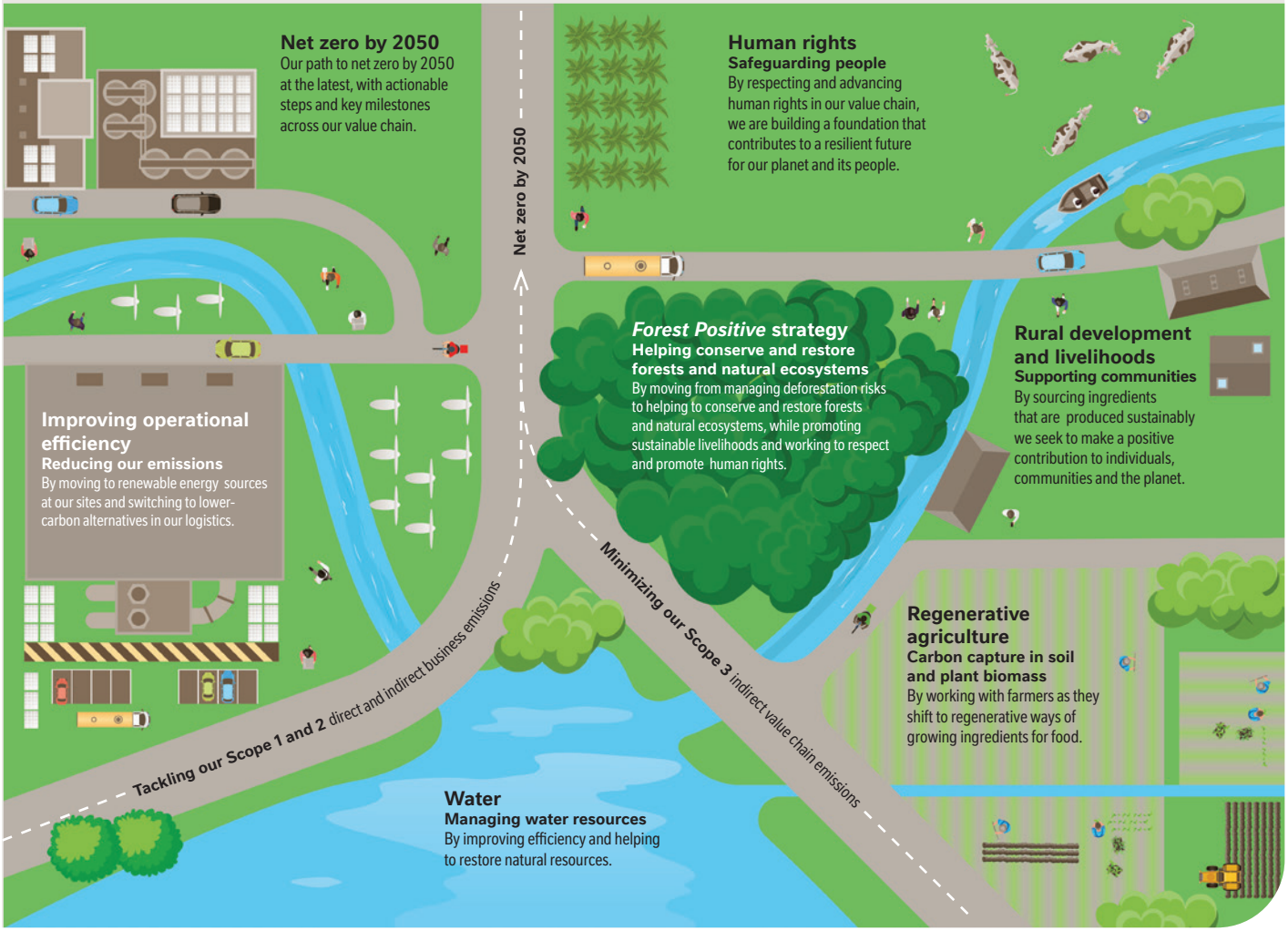
- The wastewater treatment investment will lead to the recycling of treated water produced from wastewater.

CIRCULAR FARM MANAGEMENT

- The straw that is left over after the wheat harvest is used to make sterilised litter for under the chickens, which also creates a better environment for these animals.
- Chicken manure is fermented and marketed as organic-based plant nutrient, under the Biofer brand.
- Master Good uses all slaughterhouse by-products: partly for making animal feed, while poultry feathers are used to make feather meal (a source of protein) for fish farming.

Nestlé Good food, Good life

Nestlé takes action to advance regenerative food systems at scale



Natural climate solutions for decarbonisation strategies

Natural Climate Solutions (NCS), such as **maintaining** and restoring **healthy forests, agricultural areas, and coastal ecosystems**, can account for **around 30% of the emissions abatement needed to limit** global warming **to 2°C**. Companies play a key role in driving the necessary investments. Many are starting to think about **incorporating natural climate solutions into their decarbonisation strategies.** However, companies also recognise that investing in NCS can entail uncertainty and risk, which is why NCS Alliance (a multi-stakeholder coalition convened by WBCSD and the World Economic Forum) has developed a set of related principles and practices.

THE DOCUMENT IS ALREADY AVAILABLE IN HUNGARIAN ON THE BCSDH WEBSITE

Our member companies that are **looking for potential opportunities in the field of nature-based offsetting, in addition to carbon-emissions reduction**, will need **nature-based climate solutions developed for local ecosystems in the domestic environment** to be able to launch potential projects that **embrace the whole ecosystem from an environmental point of view, help with climate adaptation, and are also suitable for carbon offsetting**. Identifying the relevant opportunities and constraints involves a fairly long process. The first steps were taken in 2022 together with the National Bank of Hungary and WWF Hungary.

I believe in a sustainability ecosystem in which many actors are present, each of which plays their part in the tasks generated by the challenges. The natural environment in Hungary is mainly affected by large-scale farming, so it is very important for us to do our part to preserve local values through our suppliers, 50% of whom are domestic producers, by cooperating with them, educating them, and developing them. Our company's most important measures include supporting farmers and suppliers in the application of regenerative, soil-renewing agricultural practices.

Péter Noszek, CEO, Nestlé Hungary

Anyone who knows me is well aware that I am basically a person with a positive attitude, and although I do not see improvements in the trend to the integration of aspects of sustainability and biodiversity protection during procurement processes, I trust in the effectiveness of personal motivation and consumer preferences in relation to making essential changes.

Zoltán Gazsi, Managing Director, Eisberg

The circularity of natural resources

One of the pillars of the European Green Deal is the Circular Economy Action Plan, which was extended with a number of additional initiatives in 2022. The **new requirements** aim to make **products more durable, reliable, upgradeable and repairable, easier to maintain, reuse and recycle**, and more energy and resource efficient.

The **priority level** of a country **in terms of the circular economy** can accord with the **trends in consumer demand**. Where the **circularity index is higher, consumers have a greater influence on the market** and prefer sharing-economy solutions to buying products.

In the Hungarian market we must still make the leap from waste management to a real circular economy where the focus is on changing business and consumer mindsets. For instance, business models for leasing instead of buying, and consumer-friendly, smart solutions can significantly support sustainability.

Bálint Horváth, Circular Economy Regional Policy Officer, Embassy of the Kingdom of the Netherlands

BARRIERS AND ENABLERS – IDENTIFIED WITH OUR EXPERTS' INVOLVEMENT:

BARRIERS (TOP3):

1. Hungary **lacks a long-term mindset** and continuity. We **do not have cross-government strategies**, and related databases and research results are not integrated.
2. **There has been no significant progress in circular-economy-related regulation for the construction sector.** Hungary's sustainability strategies focus on a preference for use of brownfields, although this is currently not followed by implementation.
3. The system in Hungary is currently **more focused on waste management, rather than having a production-conscious approach**.

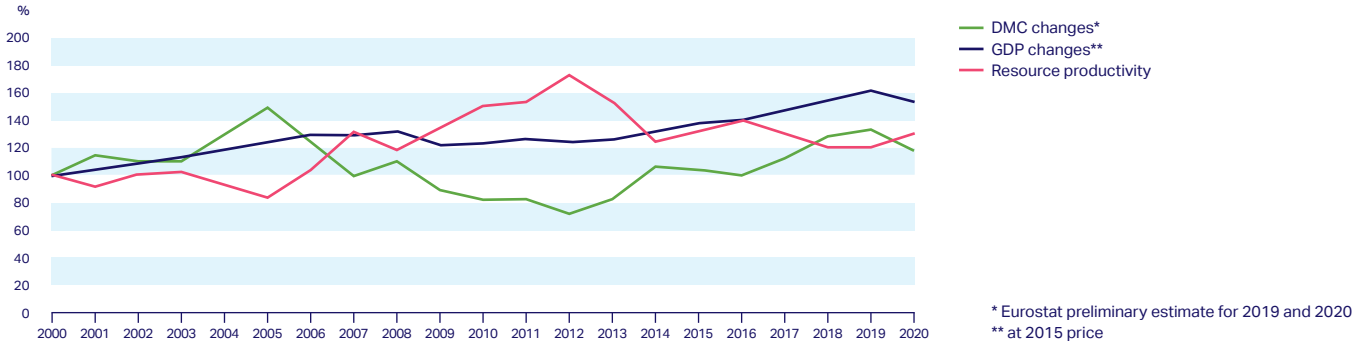
ENABLERS (TOP3):

1. **Striking a balance** between regulation and **market conditions**, and **between negative and positive incentives**.
2. A shift toward the circular built environment involves changing current roles and business models. **Technological solutions are already available, but not accessible to all. Education throughout the value chain, the incorporation of innovative solutions, and the current scarcity of raw materials can all contribute to progress.**
3. There has been a shift in consumer awareness, albeit accompanied by misconceptions. **The EU is adopting regulations to limit the practice of greenwashing, and stressing the importance of producing and using durable, repairable and reusable products.**

Resource productivity in Hungary is very low: our natural resources are gradually being sacrificed on the altar of economic growth.

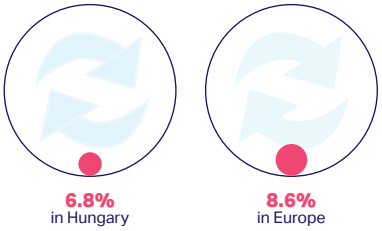
The **natural-resource productivity** of Hungary has been **steadily and significantly deteriorating** since 2012, and we are the only country in the EU to have seen this trend worsen between 2012 and 2018 (National Council for Sustainable Development).

Trends in resource productivity and its components (DMC and GDP) (2000 = 100.0)

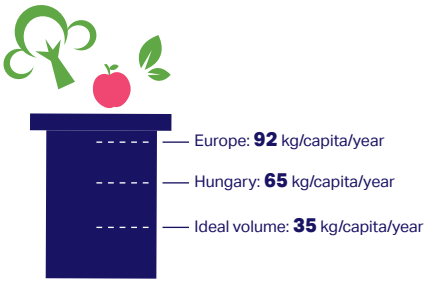


* Eurostat preliminary estimate for 2019 and 2020
** at 2015 price

Circular material use as a proportion of total material use (%)



Food waste



e-waste recycling rate: above the EU average

The **share of waste recycled as raw material** has risen from 20% to 33%, and **energy recovery** from waste increased from 10% to 17% between 2010 and 2019.

European consumers are champions in terms of food waste. Hungarian households were found to be more frugal than average according to a survey from by the Hungarian National Food Chain Safety Office: 4% below the figure for 2016. While the decrease is good news, further effort is needed.

BUILDEXT | EXTENDED BUILDING INDUSTRY

Best practice

The construction industry, together with the built environment, is responsible for more than a third of global energy consumption and emissions, and consequently has a huge responsibility in the transition to a carbon-neutral economy. Although sustainable solutions are increasingly available in the sector, very few actors in Hungary are actually implementing them. However, there is an innovative company that has taken a pioneering role in the dissemination of digital processes and thus in the transformation of the whole sector, and that is Buildext.

Buildext aims to use their knowledge and the new tools of digitalisation to radically transform construction processes, creating a more sustainable built environment with considerably better energy management, lower CO_2 emissions, minimal waste, and optimal operations.

HOW DOES THIS WORK IN PRACTICE? HOW CAN THESE GOALS BE ACHIEVED?:

The Building Information Modelling (BIM) methodology used by BuildEXT is active throughout the entire life cycle of a building – i.e., during the design, construction and operation/maintenance phases, but also during renovation, extension and demolition.

During the design phase, the engineers first build a detailed digital model of the building in virtual space, populating the elements with data. Up to 40-50 architects can work on the model at the same time, continuously seeing one another's work and avoiding design errors and clashes. **The cloud-based, shared data environment enables design to take place 2-5 times faster than traditional design and saves the unnecessary production and transportation of a lot of materials.**

The populated data is used to **simulate the operation of the real building**, but still in virtual space, as if it had already been built in reality; it is checked for sunlight all around, is heated, ventilated, "walked" inside and out, loaded, and alternative solutions are tested. **This allows the experts to design state-of-the-art engineering, insulation, spaces, and structural elements, potentially reducing the material and energy consumption of the building by 10-30%.**

The data extracted directly from the model is used for **prefabrication**; then the elements produced accordingly only have to be finalised and assembled on site. This **results in** many logistical and construction quality benefits, material savings, and **in-house waste recycling to a greater extent than in the manufacturing plant**.

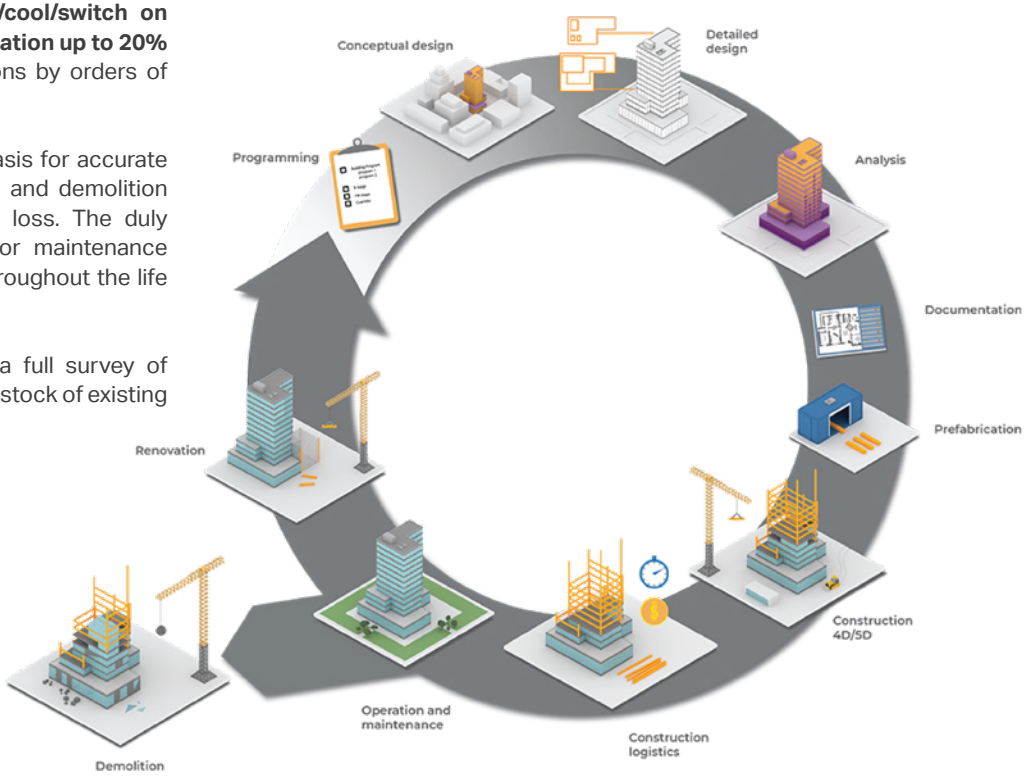
The always up-to-date model is shared with project stakeholders via cloud-based applications, in augmented and mixed reality (AR & MR). Construction and **change management** are also more accurate and faster: **design changes**, whether during design or construction, are easily made, and within minutes all contractors and technical inspectors **have** the correct, **up-to-date design**.

Scanners are applied to **monitor the quality of construction**, which is loaded back into the model, saving a lot of construction, manufacturing and transportation costs, misunderstandings, and unnecessary fuel and time. In addition, the owner receives a **realistic "as-built" model** at the time of delivery, rather than blueprints.

Using the real-time data from the relevant data-driven **building management software, the building will be self-controlled, so it will not heat/cool/switch on lights unnecessarily, making its operation up to 20% more efficient** and reducing emissions by orders of magnitude.

Finally, the same model provides a basis for accurate and rapid renovation, transformation, and demolition processes that minimise waste and loss. The duly populated material data help monitor maintenance needs and optimise relevant costs throughout the life cycle of the building.

The scanner can also be used for a full survey of existing buildings, helping to make the stock of existing buildings more sustainable.



IMPACTS TO DATE, IN FIGURES:

A building designed using BIM methodology is on average **10% cheaper** to construct **than a conventionally designed building and 20-30% cheaper to operate**.

The energy consumption and CO_2 emissions of these buildings are 40-50% lower over their entire life cycle.

To be able to talk about truly sustainable buildings, you have to think about the entire life cycle, of which construction itself is only a part. We can contribute to this by optimizing the process wherever possible, even in terms of CO_2 emissions. Every dimension of our BIM workflow is geared towards sustainability: we reduce emissions, stress, errors, delays, waste, energy, costs... ultimately, all the typical pain points of any construction.

Csaba Livják, founder, owner, BuildEXT

Best practice

Systemic transformation requires a major shift in mindset: we need to break with the linear economic model, meaning that waste should be seen as a valuable raw material and, consequently, that we should reconsider production processes, starting from the product development stage. Transforming existing production processes is a major challenge, but Legrand has already taken major steps along this pathway.

Legrand aims to cover 80% of its total product sales using sustainable design and/or use by 2030. It is committed to helping achieve the 1.5oC target of the Paris Agreement and has defined SBTi targets to achieve this. Moreover, it intends to achieve total carbon neutrality by 2050, at least 90% thereof through emissions reductions in its own activities.

Legrand Hungary has been a member of the Legrand Group for 30 years. It is committed to sustainable and future-oriented development and thus to acting in an environmentally, economically, and socially responsible manner. Its work over the past 30 years has already resulted in specific achievements:

- At Legrand Hungary, everything is collected selectively. Ninety-nine percent of the waste that is generated is recycled. Metal waste is transferred to the next level of circular flow through a recycling company, while plastic waste and defective products from the manufacturing process do not even leave the plant area. The waste is shredded on site and recycled into the manufacturing process, mixed with the original plastic granulate which is duly proportioned so as not to alter the plastic parameters of the manufactured product.
- In terms of development, Legrand strives to further reduce the use of raw materials in the development of new products, while maintaining the quality and technical requirements of products. This will not only help to produce products more cost-effectively, but also to reduce the amount of waste generated by any scrap.
- Legrand Hungary uses packaging material made from 90% recycled cardboard for collection boxes.

BY 2024, LEGRAND AIMS TO IMPROVE ENVIRONMENTAL AWARENESS BY ACHIEVING THE GOALS DEFINED BELOW:

- increase the proportion of metal-recycled raw materials in production process to 5%;
- replace all flowpack plastic packaging with recyclable packaging materials;
- by 2024, the company aims to reduce the volume of packaging materials by 15% and to phase out single-use plastics from packaging materials completely.

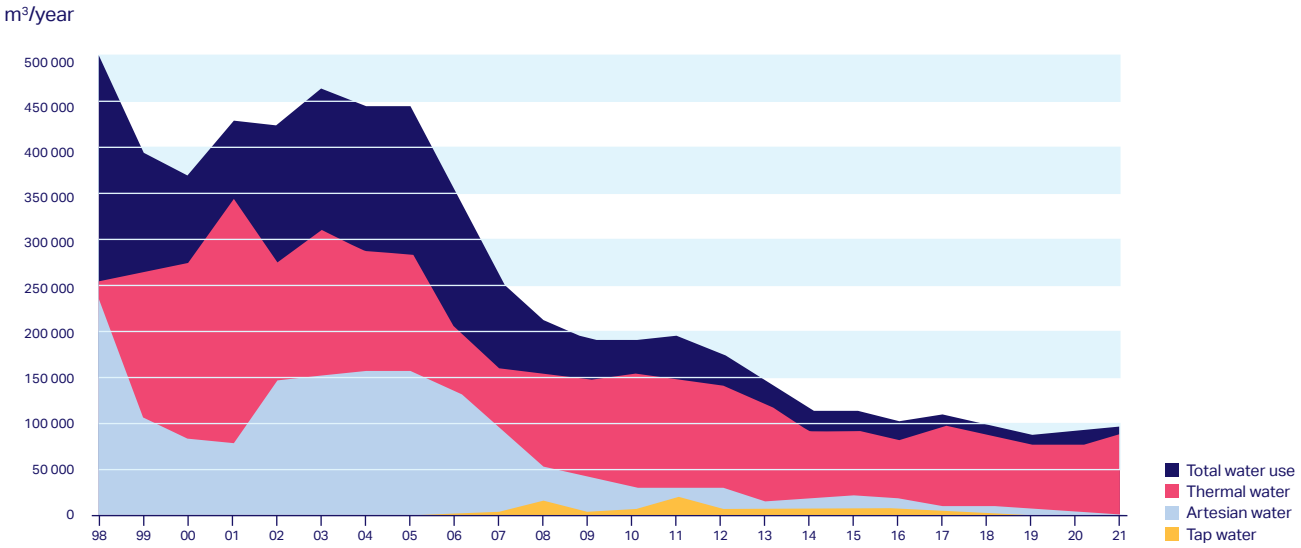
The company aims to increase the share of products linked to energy efficiency solutions in the Hungarian market year by year. Therefore, Legrand Hungary also feels a responsibility to contribute to reducing the energy footprint of buildings through its product range of energy efficiency solutions, and the Greenamics products (e.g. photovoltaic systems, electric car chargers etc.).

IMPACTS TO DATE, IN FIGURES:

As a result of the steps taken so far, Legrand has **reduced its CO2 emissions by 23% since 2018**, partly by **switching to geothermal heating, solar systems, and energy-efficient lighting solutions**, and it **targets a further 4% reduction per year and a 70% switch to green energy**.

Their **own thermal well that provides all the heating energy** is a top priority for their operations. **The volume of extracted thermal water used** for heating **has been reduced by about half over a period of 10 years**.

Water consumption 1998-2021



It is not easy for a company to operate profitably and sustainably at the same time. In the short run, the latter solutions may be more expensive, but in the long run, these transformations will make companies more resilient and competitive. The goal is to preserve the Earth for future generations, and that can only be successful when we work together, bringing together consumers, business leaders, and government decision-makers.

László Károlyi, CEO, Legrand Hungary

A PRACTICAL CIRCULAR PERFORMANCE MEASUREMENT TOOL FOR SMES – Circularity Check

Currently, the world's circularity level is **8.6%, according to the latest figures from the Circularity Gap Report** (Source: CGR 2022). Companies have a very important role to play in increasing this level. The first and most important step to this end is to **assess their level of circularity** and explore its potential. **Several measurement tools are** currently **available for companies, such as the CTI Indicator developed by WBCSD-KPMG for large companies**. But **small and medium-sized enterprises** also need help in this process.

The CircularRegions Hungarian-Slovakian cross-border cooperation, involving the development of a **service to measure circular performance, was concluded in March 2022.** The service is a **self-assessment diagnostic tool, the Circularity Check Tool,** which focuses on a product and/or service and has the following benefits:

- free of charge;
- time can be saved by not needing to look up numbers when filling in the questionnaire;
- the tool is designed for Slovakian and Hungarian SMEs that have only taken initial steps to promoting the circular economy;
- results are presented in the form of graphs, percentages, and scores;
- available in Hungarian, Slovak, and English.

In developing the service, **we have trained experts who can use the tool to assess the performance of SMEs** and make recommendations for development opportunities. The process of performance measurement is illustrated in the figure below:

INTRODUCTORY CONSULTATION: The expert gives an overview of the program and the benefits of circular transition.

DATA COLLECTION: The expert provides the necessary templates and questions prior to on-site consultation.

ON-SITE CONSULTATION: A circularity assessment is undertaken together with the experts on site during a visit.

REPORT AND RECOMMENDATION: The results of the on-site consultation are analysed and a report is made that includes company-specific recommendations.

It needs to be emphasized that the **tool does not interpret the results and does not make recommendations to companies**. Consequently, **experts need to pay more attention to data analysis and make company-specific recommendations to companies** about how to eliminate losses from linear processes and ultimately how to integrate the circular approach into the strategy and short and long-term objectives of the company. However, the range of potential answers to the questionnaire itself can suggest various opportunities for improvement at a strategic level to companies.

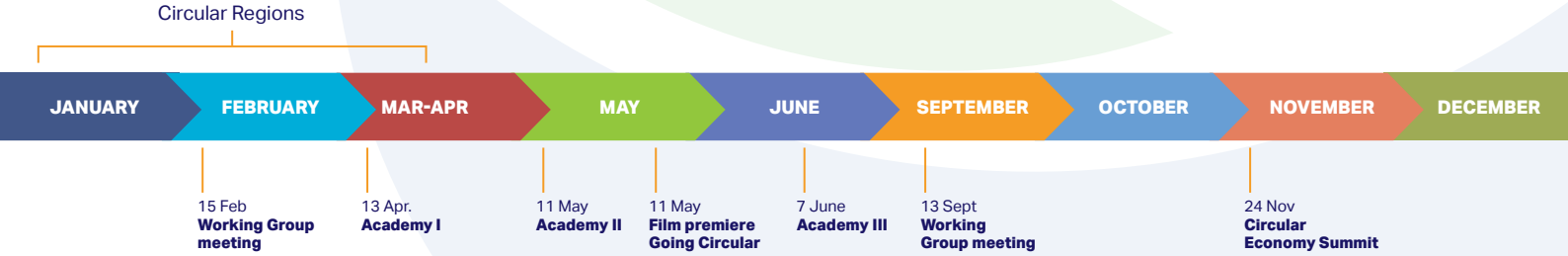
The service is available free of charge to potential consultants and companies in English, Slovak, and Hungarian.

https://bcsdh.hu/circularregions-projekt-anyagok-circularregions-project-materials/

CIRCULAR ECONOMY PLATFORM:

The Circular Economy Platform in Hungary was established in 2018 at the initiative of the Business Council for Sustainable Development in Hungary (BCSDH), the Embassy of the Netherlands, and the Ministry of Innovation and Technology. So far, 94 companies and organisations have joined the Platform which aims to accelerate the transition to a circular economy model through knowledge sharing, joint projects, and collaborative work.

BCSDH EVENTS ORGANISED TO PROMOTE THE CIRCULAR ECONOMY IN 2022:



CIRCULAR ECONOMY ACADEMY

The Circular Economy Academy continued in 2022, focusing on three specific topics.

DAY 1

MEASURING CIRCULAR PERFORMANCE IN PRACTICE

The Circularity Check, a service for assessing the circular performance of SMEs is now available. Experience with testing it was shared at the Academy.

DAY 2

INNOVATION FOR THE ORGANIC MATERIALS CYCLE

The world population is projected to grow to above 9 billion by 2050, which means we will need 70 percent more food than today. Moreover, 70 percent of the population will live in cities, so agricultural production will have to be completely reorganised.

DAY 3

CIRCULAR ARCHITECTURAL SOLUTIONS

The gradual digitalisation of the construction industry facilitates the introduction of circular architectural solutions in the construction sector. While many good solutions are accessible internationally, the circular approach to architecture is not yet widespread enough in Hungary.

When we talk about sustainability, it's really about efficiency. Being efficient means you don't waste things. This approach should permeate the entire value chain. MARKET, as a market leader, also plays a major role in helping the SMEs that work for it to advance in terms of sustainability.

Balázs Báthory, Deputy CEO, Market

As a responsible company, Auchan Hungary pursues a consistent sustainability strategy with a special focus on carbon neutrality. For years we have been working on promoting environmentally conscious commerce and inspiring our customers in this direction as well.

Dominique Ducoux, *Managing Director, Auchan Retail Hungary*

CIRCULAR ECONOMY PLATFORM SPONSORS IN 2022:

HIGHLIGHTED SPONSORS

SPONSORS

FOR MORE INFORMATION ON THE CIRCULAR ECONOMY PLATFORM, PLEASE VISIT:

www.bcsdh.hu → Projects → Circular Platform

Change can also taste great

We take care to operate environmentally friendly restaurants and supply chain in three key areas:

- **efficient resource management,**
- **environmentally conscious packaging design** and **use of materials,**
- **modern waste management** and **high recycling rates.**

46 million + **11 million** + **2 million**

- In just 1 year, **we've freed our environment** from nearly 46 million **plastic straws,** more than 11 million **plastic spoons** and 2 million **plastic forks and knives.***
- **100%** With the use of our new, paper cup tops, **we are 100% eliminating the use of the plastic cup tops and plastic straws.***
- In our restaurants, we use cooking oil made from Hungarian rapeseed and sunflower, which results in around 600 tons of **used cooking oil every year. The entire amount is recycled as biodiesel, saving our environment from the burning of the same amount of fossil fuels.**

600 tons

*For plastic cutlery and straws, in line with the legal ban that entered into force on 1 July 2021. The estimated figures are based on the turnover data for 2019.

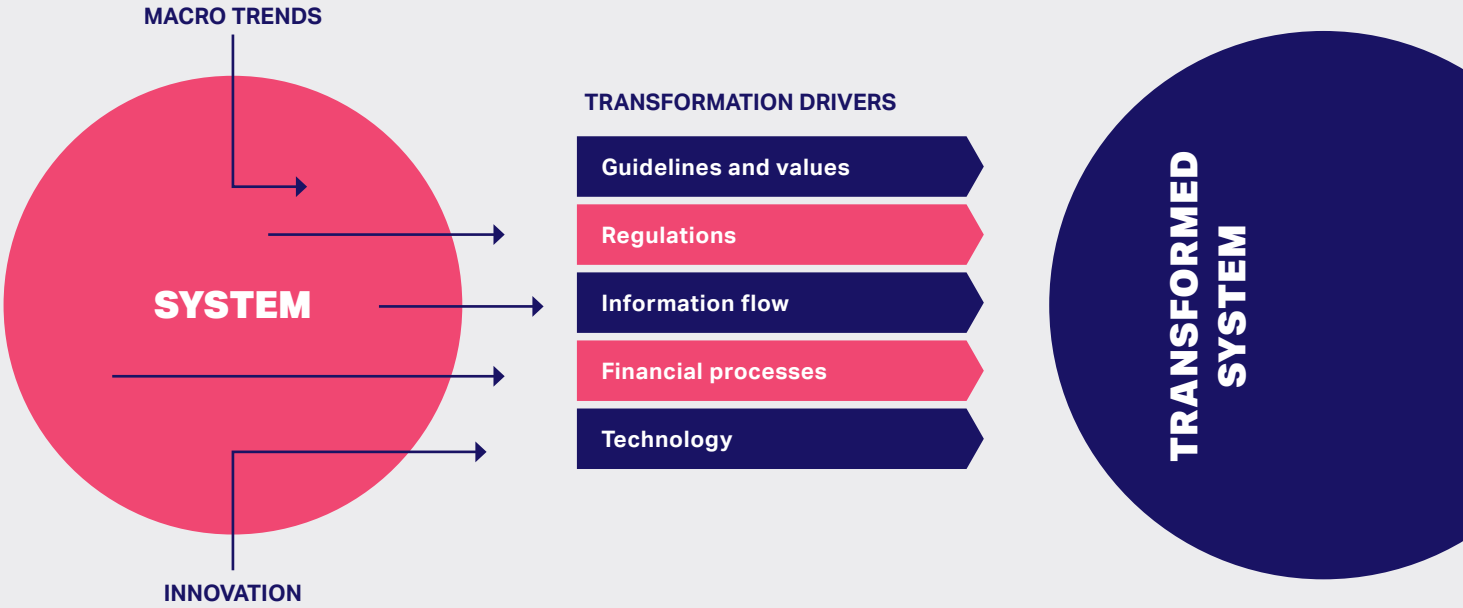
Systems transformation

Achieving sustainable economic and corporate performance within the limits of a finite planet and **ensuring that economic and financial systems recognise and integrate real value require fundamental changes in the way we define value, design and reward activity, and prioritise the quality and conditions of the ecological and social system.**

Progress along the path will depend on a number of factors being implemented into various systems. The **macro trends, potential barriers, and innovations** detailed in VISION 2050 provide an overview of **the most significant systemic externalities** that are influencing the business sector and related trends in the current decade.

In addition to their **decisive importance in terms of development** along the path of transformation, **innovative solutions**, similar to macro trends and potential barriers, **will shape the broad schemes** we need to work together on to achieve Vision 2050.

The **drivers of transformation** are the forces that **shape the incentives, power dynamics, and skills of the different actors in a system**, such as individual standards, values and behaviours, policy and regulation, information flow, financial flows, and technology.



The results of **our member company Maturity Survey** show that **the challenges of recent years and the macro trends are reinforcing the focus on organisational resilience.** However, the **maturity level of their ability to innovate** (an important requirement for system transformation) is consistently **rated as lagging the most in terms of transformational readiness.**

Top three areas for improvement at the sector level based on the company self-assessment

INTERVENTION MATRIX		SECTORS								
		Banks, insurance companies	Other services	Food industry	Energy sector	Construction & real estate industry	Technology	Business services	Retail trade, forwarding & logistics	General industries
TRANSFORMATIONAL SKILLS	Internal transparency			3	3		2			3
	Employee commitment	3		2			2			
	Training & development		2	3			2	2		
	Development-focused approach	3	3		2	2		3	3	
	Ability to make structural changes	2				3			2	2
	Innovative maturity	1	1	1	1	1	1	1	1	1

1 Lowest rated ⟷ 3 Medium rated

BUSINESS CAN HELP MAKE SYSTEMIC CHANGE IN FOUR AREAS

The World Council has identified four areas where **business, through its active involvement, can help to establish and shape markets, incite behavioural modifications, and deliver systemic change.**

INNOVATION AND TECHNOLOGY

FINANCE AND INVESTMENT

INDIVIDUALS AND CONSUMPTION

REGULATION

The **transitions and activities associated with the pathways can only be implemented if business uses its assets, skills, creativity, reach and voice** to influence these four areas and promote Vision 2050.

Involving suppliers and customers in innovation processes helps ensure that technologies become resilient, sustainable, and even regenerative throughout the value chain.

Economic operators need to work with policymakers, regulators, and industry groups to promote policies that level the playing field in favour of sustainable investment.

The challenge is to find new business models that can decouple growth from environmental and social impacts, and to find new ways of liaising with customers that create more collaborative and continuous relationships.

Instead of dialogue behind closed doors, companies should promote stakeholder involvement in policy-making.

The promotion of sustainable product design and recycling and the whole life cycle approach are important for us, through which we can monitor the level of CO_2 emissions in the production and use phases, as well as in disposal.
In our own-brand product range there is already a completely climate-neutral product line whereby the production of the given product does not affect the climate, starting from the raw material, through delivery, until it is placed on the shelf.

László Flórián, Managing Director, Rossmann

THE NEED TO REDEFINE COMPANY VALUES

Systemic change must go hand in hand with redefining the value of companies and a **fundamental shift in mindset**, which are both **prerequisites and inevitable consequences** of our shared vision and its realisation.

Our current systems are incapable of creating a world of well-being for more than nine billion people. Global market forces have failed to achieve sustainable development. Our economies are more resilient than expected, although certainly not resilient enough to the potential shocks of the future which are increasing in likelihood and severity.
Moreover, our businesses and societies **will not reach their full potential unless they deviate from a mindset of harm reduction** and strive to continuously increase the capacity of all life to grow, develop, and thrive. These shifts in mindset (redesign, resilience, and renewal) reinforce the importance of taking a systems approach and our shared vision.

Sustainability is inconceivable without the involvement of society and the consideration of social effects. The 'scissors must be closed': revenues from taxes imposed on non-sustainable products and consumption must really serve in the development of infrastructure for sustainability.

Gréta Nagy, Managing Director, Dandelion

AWARENESS-RAISING IS NEEDED THROUGHOUT THE ENTIRE SUPPLY CHAIN

Large customers play an important role in making the construction industry more sustainable. Their needs and their willingness to finance greatly help in the digitization of the process from planning to operation, and in the broad application of new technologies and the greater number of sustainable buildings. This has a positive impact on the entire construction industry, including the many small entrepreneurs participating in it.

Tibor Massányi, Managing Director, DVM Group

Today, domestic SMEs, as suppliers of large companies, are under increasing pressure to become more sustainable, but many have already started on this path themselves. If we can help our over 500-strong members in this process, the cumulative effect of many small changes will no longer be negligible. Since 2022 we have aimed to make an increasing impact with the help of our dedicated head of sustainability.

János Horváth, Managing Director, MVÜK

SPONSORS OF THE TIME TO TRANSFORM 2030 PROGRAM IN 2022

MAIN SPONSOR

Nestlé
Jó étellel teljes az élet

HIGHLIGHTED SPONSORS

ALTEO
ENERGIÁBAN GONDOLKODUNK

Auchan

‘For a Sustainable Future’ Award

To recognize outstanding corporate and leadership performances that contribute to the SDGs and to systems transformation

The current situation poses serious challenges for business. This should encourage us even more to act quickly to make our systems more sustainable.

The ‘For a Sustainable Future’ Award will be announced this year, focusing on the areas where companies have the greatest impact on systems transformation.

THE ‘FOR A SUSTAINABLE FUTURE’ AWARD IS ANNOUNCED IN THE FOLLOWING CATEGORIES IN 2022:

1. **Change Leaders - for leaders who lead by example and demonstrate accountability**
2. **Leading Women**
3. **Business solutions, Business model changes**
   - Circular economy
   - Climate protection and adaptation
   - Conservation and restoration of biodiversity
   - Sustainability awareness program

MEMBERS OF THE PROFESSIONAL JURY

Dr. Gábor Bartus
Secretary General of NFFT

Szilvia Krizsó
Communication Advisor

Irén Márta
Managing Director of BCSDH

István Salgó
Honorary President of BCSDH

Prof. Dr. Diána Ürge-Vorsatz
Professor at CEU, Vice-President of the Nobel Peace Prize IPCC Working Group

Congratulations to the award-winners of 2022!

CHANGE LEADER – in recognition of innovative company leaders and senior executives who are outstanding in the field of sustainability

Ágnes Vadnai
Progress Restaurant Chain LLC

LEADING WOMEN – in recognition of women leaders in companies who are outstanding in the field of sustainability

Ida Kiss
DVM Group

Marianna Pinczés
Virgin Oil Press

THE BUSINESS SOLUTION PRIZE
acknowledges innovative business solutions which go beyond 'business as usual'

CIRCULAR ECONOMY CATEGORY:

MASTERPLAST

Hungarocell Green Program

CLIMATE PROTECTION AND ADAPTATION CATEGORY:

e·on

Szolnok Smart City Energy Model –
Urban energy efficiency and energy community program

SUSTAINABILITY-AWARENESS PROGRAM CATEGORY:

GENERALI

Generali Enterprize

SPONSORS OF THE 'FOR A SUSTAINABLE FUTURE' AWARD IN 2022

Main sponsors

K&H

SPAR

Highlighted sponsors

Auchan

Sponsor of the Change Leader category

Unilever

WE HEREBY EXPRESS OUR GRATITUDE TO THE FOLLOWING EXPERTS WHO HAVE PERSONALLY CONTRIBUTED TO THE BCSDH'S TIME TO TRANSFORM 2030 PROGRAM IN 2022:

Attila Ágoston	Dataneum Zrt.
Emese Antal	TÉT Platform
Gábor Arató	Manupackaging Magyarország Kft.
Sándor Baja	Randstad
Péter Bárány	Master Good Kft
Zsolt Barna	Waberers International Nyrt
Zsombor Barta	NFFT
Balázs Báthory	Market Építő Zrt.
Mátyás Bellaagh	Colas Hungária Zrt
Gábor Bercsi	Spie Hungaria Kft.
Zsuzsa Berman	BNP Paribas
Balázs Bisztray	PPD Hungaria Kft.
Viktória Bodnár PHD	IFUA Horváth & Partners
Ildikó Bognár	Bay Zoltán Alkalmazott Kutatási NKft
Károly Bognár	Borealis Consulting Kft.
Róbert Bolyán	UniCredit Bank Hungary Zrt .
Dávid Bóta	Budapest Airport Zrt.
Éva Brand	IBERDROLA Renovables Magyarország Kft.
Henrietta Budai	HUGBC
Dániel Buzási	Szentkirályi Magyarország Kft.
Attila Chikán Jr.	ALTEO Group
Eszter Chikán-Kovács	BCSDH
Björn Claussen	BNP Paribas
Zsolt Csavajda	DSM Nutritional Products Hungary Kft.
Ádám Csécsei	Magyar Export Import Bank Zrt. (Eximbank)
Hajnalka Csorbai PHD	OPTEN Kft.
Noémi Csóka	Nestlé Hungária Kft.
Mária Csutora PHD	Corvinus
Gábor Décsi	DOME Group
János Dévényi	Loacker Hulladékhasznosító Kft.
Andrea Dúll Prof. Dr.	ELTE
Endersz Frigyes	E.ON Hungária Zrt.
Erdős Mihály	Generali
Gábor Farkas PHD	SolServices Kft.
Ágnes Fábián PHD	Henkel Mo. Kft
Balázs Felsmann	Budapesti Corvinus Egyetem
Gergely Ferenczi	Opten Informatikai Kft.
László Flórián	Rossmann Mo. Kft.
Zoltán Gazsi	Eisberg Hungary Kft.
Róbert Gellér	Gelbert Eco Print Kft
Norbert Grasselli	Bay Kutatóközpont
Erika Gyurity	IFUA Horváth & Partners
Gergely Hankó	KSZGYSZ
György Havranek	Havranek Családi Farm
Tamás Hoffmann	Lafarge Cement Magyarország kft
Zoltán Hornyacsek	Continental Hungaria Kft.
János Horváth	MVÜK Zrt.
Attila Horváth	Provident Pénzügyi Zrt.
Bálint Horváth PHD	Holland Nagykövetség
Anna Hőgyész	Nestlé Hungária Kft.
András Iljicsov	Spreadmonitor Kft.
Judit Jakab	Syngenta Kft.
Zsolt Jamniczky	E.ON Hungária Zrt.
Bence Janek	IFKA Közhasznú Nonprofit Kft.
Attila Jenei	denkstatt
Tamás Jerának	Siemens Zrt.
Laura Jókuthy	Magyar Nemzeti Bank
Anikó Juhász PHD	Agrárminisztérium
Teréz Kardos	NEO Property Services Zrt.
László Károlyi	Legrand Zrt
Gyula Kasza	NÉBIH
Melinda Katona	Borealis Catalyst Group
Attila Kelemen	Proself International Inc
Róbert Keszte	Continental
Ida Kiss	DVM group Kft
Eszter Kiss-Szabó	MOL Group
Éva Klein	ALTEO Nyrt.
János Kocsány	Graphisoft Park
Károly Kovács	MASZESZ / BDL
Lajos Kovács	ATEV Zrt.
Orsolya Ludvig	Heineken
András Lukács	Levegő munkacsoport
Márk Maczelka	SPAR Magyarország Kereskedelmi Kft.
Irén Márta	BCSDH
József Martinkó	Octogon
Katalin Márton	Praktiker Magyarország
Tibor Massányi	DVM group
Péter Medgyasszay	Belsoudvar
Eszter Mihály	HELL ENERGY Magyarország Kft.
Zoltán Mikó	Future FM Zrt.
Csaba Molnár	MagNet Hungarian Community Bank
Tamás Morvai	Prímaenergia Zrt.
Edit Nagy	MAVÍZ
Gréta Nagy	DANDELION Kft.
Tamás Németh	Volánbusz Zrt.
Péter Noszek	Nestlé Hungária Kft.
Márta Pálfalvi	Provident Pénzügyi Zrt.
Roxána Pásztor	Portfolio
Zoltán Pafféri PHD	VOLÁNBUSZ
György Pataki	ESSRG
Tímea Pesti	LeasePlan Hungária Zrt.
Ida Petrik	MVÜK Zrt.
Valentin Póka	Coface Hungary Services Kft, Coface Fióktelepe
Károly Poór	Dataxo Group Zrt.
Tamás Rajnai	E.ON Hungária Zrt.
Kinga Recsetár-Maioli	BCSDH
Ádám Rozgonyi	Porsche Hungária Kereskedelmi KFT.
Rezső Rózsai	KPMG
István Salgó	ex ING, BCSDH
Maryna Saprykina	CSR Ukraine
Éva Schvéd	Volánbusz Zrt.
Tamás Schwarczenberger	Güntner-Tata Kft.
Agnes Alice Sepp-Fekete	BuildEXT Ltd.
Katalin Sipos	WWF
Levente Suba	K&H Bank Zrt.
Ágnes Svoób	Equilor Corporate Advisory Zrt.
László Szabó	REKK
István Szabó	KPMG
Dóra Szabó	OTP Bank Nyrt.
Eszter Szabó	MOL Group
Rita Szabó	HungaroControl
Krisztina Szabó	Auchan Magyarország
Gábor Szarvas	Greenbors Consulting Kft.
Péter Szauer	HVG kiadó
Botond Szirmák	Provident zrt
Réka Szöllősi	élelmiszeripari független szakértő
Réka Szücs	Deloitte Zrt.
Zsuzsanna Szűcs	Magyar Dietetikusok Országos Szövetsége
Ivett Takács	BCSDH
Dezső Tápai	Essity Hungary Kft
Gábor Tompa	Nestlé Hungária Kft.
László Török	Mazak
Olena Tymofiyiva	ALD Automotive
Anita Urbán	Güntner Tata
Edina Vadovics	Greendependent
Ildikó Varga-Futó	Auchan Magyarország
Mónika Véh	BIOFILTER Környezetvédelmi Zrt
Ákos Veisz	Danube Capital
György Veres	NEO Property Services Zrt.
Ádám Vida PHD	Bay Zoltán Alkalmazott Kutatási Közhasznú Nonprofit Kft.
Nikos Zois	Heineken Hungaria
Lívia Zsilkina	TESCO Global Áruházak Zrt.
Tamás Zsolnay	HungaroControl Zrt.


EXPERIENCE
THE GREEN SIDE
OF LIFE!
WE ARE OFFICIALLY
CARBON NEUTRAL.
bud Budapest Airport
WWW.BUD.HU

Net zero emissions competitively

25 years in Hungary
denkstatt
create sustainable value

What are the business benefits?

- Positive image in the eyes of investors
- Get ahead of competitors by serving new market needs faster
- Develop a business model aligned with future expectations, e.g. Green Deal
- Be a responsible member of society

How to get started?

1. Determine your carbon footprint and set a target with the SBTi methodology according to your goals
2. Increase efficiency by minimizing raw materials and resources
3. Reduce your carbon footprint
4. Neutralize what you can no longer reduce

denkstatt

We drive the change to a sustainable future.

Trusted advisors for 25 years – with an international background and an extensive professional network – we help our clients to grow their businesses sustainably. To date, we have supported more than 40 global companies in setting science-based climate targets in line with the SBTi. Sustainability is not just a slogan for us: the denkstatt group has set a target to reduce its carbon emissions by 50% until 2030.

www.denkstatt.eu

denkstatt@denkstatt.hu
facebook.com/denkstatthungary
linkedin.com/company/denkstatt-hungary-kft

INOGEN® ALLIANCE

For a greener world

For Rossmann, sustainability is an increasingly important corporate value: out of about 12 thousand private label products, 10 thousand are either: microplastic-free, vegan, or organic. Therefore, we have set a long-term goal to make sustainability and Rossmann connect in people's minds.

The business need was to stand up for important issues such as environmental awareness and to be able to substantiate this about relevant current topics. We have created a so-called Green Paper, which explains sustainability in an easy-to-understand way and collects environmentally friendly products available in our stores that can serve as a great alternative in everyday life.

Our goal is to educate customers. In the YouTube series "Live green!", presenter Judit Stahl talks about sustainability with intriguing and interesting guests and covers topics that can be utilised in everyday life, such as knowledge of environmental labels on products, sustainability, beauty and food.

ROSSMANN

ALTEO
WITH ENERGY IN MIND

At ALTEO, we provide innovative and sustainable solutions to today's energy challenges. Our decisions take into account financial, social and environmental aspects at the same time.

Our business activities include renewable energy and high-efficiency hydrocarbon-based cogeneration, energy retail and wholesale, waste management, e-mobility, virtual power plant, energy storage and the provision of services to industrial companies, with a special focus on the installation, operation and maintenance of energy systems.

We pay particular attention to environmental and social sustainability, as demonstrated by the ESG certification we received earlier this year. In our latest strategy up to 2026, we are committed to expanding and further developing our renewable energy portfolio.

www.alteo.hu

IMPRESSUM

Publisher: Business Council for Sustainable Development in Hungary

Year of publishing: 2022

Responsible for publishing: Attila Chikán Jr., president

Editing and text: Eszter Chikán-Kovács, Zsófia Dudás, Irén Márta, Andrea Nagy, Kinga Recsetár-Maioli, Ivett Takács and colleagues from our member companies.

Design and graphics: WBCSD and Acnecom

Contact: Irén Márta, Managing Director
iren.marta@bcsdh.hu

More information: www.bcsdh.hu

SPONSORS OF THE RACE TO ZERO PROGRAM IN 2022

MAIN SPONSOR:

HIGHLIGHTED SPONSORS:

SPONSORS:

SPONSORS OF THE ESG PROGRAM IN 2022

MAIN SPONSOR:

SPONSORS:

SPONSOR OF CARBON NEUTRALITY

Data about the climate is disappointing, ***but no matter how bad the environmental situation is, it can be reversed*** *and* ***we have all the tools at hand****. These changes must start by bringing individuals together. Small deeds, when multiplied by millions of people, can change the world.* ***But it is a life-and-death struggle for our planet, with ourselves for ourselves.*** *Individuals, governments, and companies need to work together. In addition to accelerating the process by innovating and transforming their own activities, businesses need to help change individuals, change consumer habits, and help them to play a role in the fight against climate change, to support local communities, and create platforms.*

Professor Mark Maslin,
Fellow of the Royal Geographical Society and the Royal Society of Arts, Professor of Earth System Science at University College London, and author of "How to Save Our Planet: The Facts" published in 2021