



**Water –
the basis for
effective climate
adaptation**



bcsdh

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



Action2020
led by the WBCSD

LIST OF CONTENTS

- 3 Welcome
- 4 Survey 2019 – in focus: Water
- 5 Sustainability situation
- 7 International outlook
- 8 Domestic situation
- 12 Sustainable Lifestyles goals of Action 2020 Hungary
- 13 Recommendations of BCSDH
- 14 The SDGs and Water
- 15 1. recommendation: Developing climate adaptation strategies
- 17 2. recommendation: Implementing a circular water management
- 21 3. recommendation: Partnership for water efficiency
- 23 Beyond business as usual
- 25 Business solutions
- 26 List of contributors in 2019
- 28 'For a Sustainable Future' Prize 2019
- 30 Circular Economy Platform
- 32 Impressum
- 33 Sponsors

About BCSDH

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



90
companies



30%
of Hungarian GDP



427.000
employees



Member of the WBCSD
Global Network

Action 2020 Hungary

The Action 2020 Hungary program is an initiative from the Business Council for Sustainable Development in Hungary (BCSDH) that **calls the Hungarian business sector for immediate action.** The program is the Hungarian adaptation of the global program of the World Business Council for Sustainable Development – WBCSD. Within the framework of the Action 2020 Hungary program five priority areas (**Food and Feed, Sustainable Lifestyles, Employment, Climate Change and Water**) and 20 specific macro-level goals are defined.

5 priorities

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

20 macro level goals until 2020

nearly **60** companies joined

involving more than
250 scientific, NGO and
corporate professionals

88 company leaders involved in **28**
CEO-roundtable discussions

Goalsetting

2014

Business solutions
and change leaders

From 2015

Focus: Water

2019

Monitoring

2020



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



Members of the Business Council for Sustainable Development in Hungary
Status – September 15, 2019

The Complex Interpretation of Corporate Sustainability

Recommendations for business leaders



STRATEGIC APPROACH

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



RESPONSIBLE MANAGEMENT

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



ETHICAL OPERATIONS

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



RESPECT FOR HUMAN VALUES

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



ENVIRONMENTAL RESPONSIBILITY

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



PARTNERSHIP WITH STAKEHOLDERS

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



TRANSPARENT OPERATIONS

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

The present recommendation has been drafted by the business council for sustainable development in hungary in cooperation with business leaders and sustainable development experts.

Water - the basis for effective climate adaptation

Water is an indispensable component of our lives: humans can only live in its absence for a few days. It also plays an important role in countless processes: food production, heating, cooling, cleaning, and as the main ingredient in many products.

Water resources, hit by the global demographic explosion and related, dramatically increasing consumption and pollution, are also closely linked to climate change, one of the biggest global challenges of our time. Eighty percent of the effects of climate changes occur through water. There is no company that does not depend on this natural resource. Industry, agriculture, and the service sector need an adequate quantity and quality of water, as well as security of access and supply.

Although Hungary is currently in a favourable position with regard to water resources, it is important that we **maintain this positive status**, the accessibility and the security of supply, including supply infrastructure, **over the long term**.

We must also consider the facts that...

- Hungary will be hit harder than the European average by the adverse effects of climate change.
- A significant increase in the appreciation of water resources, partly affected by a deterioration in water quality, may be expected.
- The cost of replacing largely obsolete infrastructure is putting significant upward pressure on service charges.

The business sector also needs to be prepared for these changes. Companies need to be the first to **identify** where changing supply and access conditions pose a risk, and to **adapt** to changing circumstances, thereby helping reduce the former. **Water efficiency** is a competitiveness issue that cannot be separated from **security of supply**. In addition, securing the availability of **good quality water** will be a growing challenge for companies.

BCSDH, along with the heads of its member companies, has made three recommendations that may help the business sector take the steps needed to achieve their water goals:

1. Elaborate **climate adaptation strategies**, in which **water is considered a valuable resource** and a risk factor of significant relevance.
2. Implement **circular water management** practices to reduce the water footprint.
3. Create **partnerships** in the value chain and operational environment to increase **water efficiency** and **water renewal**.

By taking the steps above, the business sector can make a significant contribution to building a sustainable future. To do this, BCSDH would like to provide its member companies with all the necessary professional support so that they can not only follow but actively shape future changes and global trends.



A stylized blue ink signature of Attila Chikán Jr.

Attila Chikán Jr.
President



A stylized blue ink signature of Irén Márta.

Irén Márta
Managing director



A stylized blue ink signature of Károly Kovács.

Károly Kovács
Action 2020 Water
Working Group Leader

Survey 2019 – in focus: Water

As with the Action 2020 program, our survey in 2019 also focused on water. We re-examined key sustainability trends and determined what responsible companies in charge are doing in terms of sustainable water management.

We sought answers to questions such as "How do business executives see the state of sustainability today in Hungary?", "What motivates companies when introducing water management initiatives?", and "What measures are companies planning in the field of sustainable water management?".

Check out our brochure and find out the answers!

Further information: <https://bcsdh.hu/projects/survey-reports/>

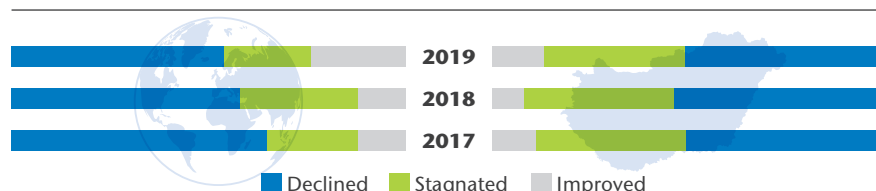
COMPANIES THAT PARTICIPATED IN THE SURVEY



It's becoming urgent – a slight decline in the perception of sustainability

This year, the assessment of the state of sustainability shows a slightly more negative picture in terms of both domestic and international processes. On a global level, fewer respondents believe that the state of sustainability will improve compared to previous years. This may be due to the weakening of the commitment of the great powers to this end, while the demand for adherence to international agreements also seems to be weakening. However, the effects of climate change are becoming increasingly visible, both in the media and in our everyday lives, with the result that the need for corporate action is becoming increasingly urgent.

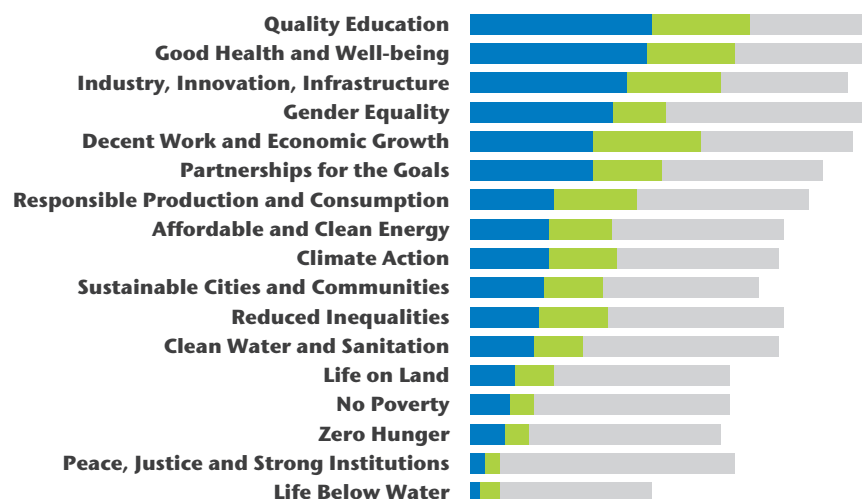
How do you evaluate the evolution of corporate sustainability in relation to sustainable development over the last year, globally and in Hungary?



“Both globally and locally, sustainability is becoming more and more the focus of attention, although only a few environmental issues are taken seriously right now. There are only a few companies that have a production structure that allows them to create products, services or programs which provide comprehensive or at least partial sustainability solutions for the whole of industry.”

Zsolt Csavajda,
Managing Director,
DSM Nutritional Products Hungary

To what extent is your company committed to achieve these SDG goals?



Source: PwC's Hungarian CEO Survey, 2019

Has a specific agenda Has set specific objectives Committed

In need of stronger action and closer cooperation

In recent years, we have witnessed several initiatives, innovative steps and forms of co-operation in the field of sustainability at the domestic level, but their impact is not yet strong enough. Respondents see that the corporate sector is continuing to play a major role in Hungary in the transition to a sustainable future.



“ Nowadays, there is growing awareness of sustainability and environmental protection; in the automotive industry, fossil-fuel powered vehicles are being replaced by **hybrid and electric alternatives**. Currently, only a handful of countries have a truly supportive legal environment and infrastructure, unfortunately. However, I think this **trend will continue** and will spread rapidly in Europe and outside of it as well.

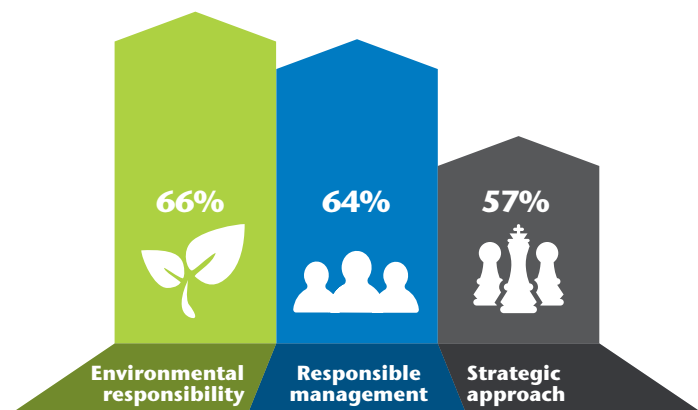
Tímea Pesti, CEO,
LeasePlan Hungary



“ Overall, large companies understand the theory of **sustainable development** and they are practicing it in their everyday operations as a **part of their business strategy**. Specific awareness-raising initiatives and solutions are being implemented within the company and towards partners too.

Mihály Erdős, President,
Generali Insurance Co.

ENVIRONMENTAL RESPONSIBILITY IS AGAIN THE FOCUS OF CORPORATE EXECUTIVES – Assessing Economic Benefits and environmental Impact together



After 2016, **environmental responsibility** once again became the centre of attention for companies, one reason for which may be the adoption of a number of environmental regulations in recent years (such as non-financial reporting, the Emissions Trading Directive, the Circular Economy Package, or even the winter energy package). In terms of priority, this was followed by **Corporate Governance** and taking a **Strategic Approach**, confirming that executive responsibility remains a top priority for respondents.

International trends

Most of the EFFECTS OF CLIMATE CHANGE will occur over the next 100 years, 80% OF WHICH WILL BE MANIFESTED VIA WATER-RELATED CHANGES. According to the latest IPCC report, we have 12 years to act.

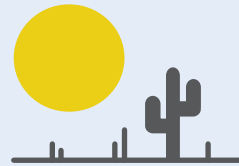
Water is important in the life of companies because it plays an important role in many operational and manufacturing processes, but also because it often serves as the main component of products. Although it is a renewable energy source, **its distribution is uneven and capacity for renewal is limited.**

The OECD predicts a **55%** increase in water use in the world by 2050, mainly in manufacturing, the energy sector, and households. Such changes in water quantity (i.e. availability or scarcity of water) and water quality (pollution) also pose significant challenges to the business sector. The increase in water demand and the natural constraints of our planet need to be reconciled to create long-term security of supply.



According to The Global Risks Report, the water crisis is the fourth most impactful risk factor, and **extreme weather events** are the **third most influential and the first most potential risk.**

(World Economic Forum 2019)



By 2030, **water scarcity** is expected to affect **40%** of the world's population.

(OECD, 2012)



750 million people are living without a safe water supply, while **2.5 billion** people lack adequate sanitation.

(IPCC, 2014)



85% of the world's waste-water re-enters the environment without being purified.

(IPCC, 2014)

Domestic situation

Although Hungary is in a favourable position in terms of water management, it is important that we maintain this positive state in the long term, which requires intensified effort. The corporate sector also has a key role to play here, as industry and agriculture are major water-using sectors.



In 2015, 89% of Hungary was affected by **drought**.
(KSH, 2017)



The condition of domestic supply systems and water utility **infrastructure is deteriorating**.
(Századvég, 2018)



25-30% of **water runs off and is lost** through water supply networks.
(National Water Strategy, 2017)



Only **7.5% of our rivers are of excellent or good quality**, while only 11.6% of our standing waters are.
(OECD, 2018)



” One objective of **Action 2020** is to support the climate adaptation of companies in the area of water. On a personal level, the issue of **rainwater usage** is very exciting to me. It is apparent that we have been **wasting our natural resources, although utilization just concerns infrastructural issues** (money), but we do not consider this factor. Extreme rainfall and the expected increase in water consumption will be more and more challenging for companies in the future. **Modern rainfall management** not only helps to avoid damage caused by rainwater, but can also help identify new practices while protecting aquatic habitats.

Károly Kovács, Managing Director,
BDL

Changing water conditions – Changing economy

Responses from companies that participated in the BCSDH 2019 survey indicate the following domestic expectations for the next ten years:

Do you agree with the statements below?

94%

Companies need to address the issue of water use at a strategic level.



98%

The number of **harmful events related to the volume of water** (e.g. droughts, floods) will increase in Hungary within the next 10 years.

89%

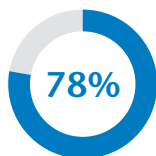
Water-related events will significantly affect **Hungarian business** either now or within the next.

The number of **harmful events related to the volume of water** (e.g. droughts, floods) will increase in Hungary within the next 10 years.

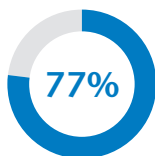
Domestic companies expect an increase in water-related threats over the next ten years. Promoting **sustainable water use and management** can help the business sector adapt to changing conditions as much as possible.

Water will play an increasingly important role in corporate life

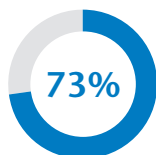
Which water-related events are likely to occur in the next 10 years?



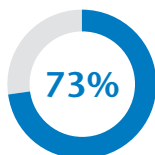
Tightening of legislation



Increase in the occurrence of floods and inland waters



Rise in number of operational risks



Water scarcity

Looking at the next decade, respondents expect significant changes in corporate water management, with nearly three-quarters predicting scarcity of water as a resource. External factors, such as stricter regulations or extreme weather events, are all encouraging the business community to transform and make water management more sustainable.

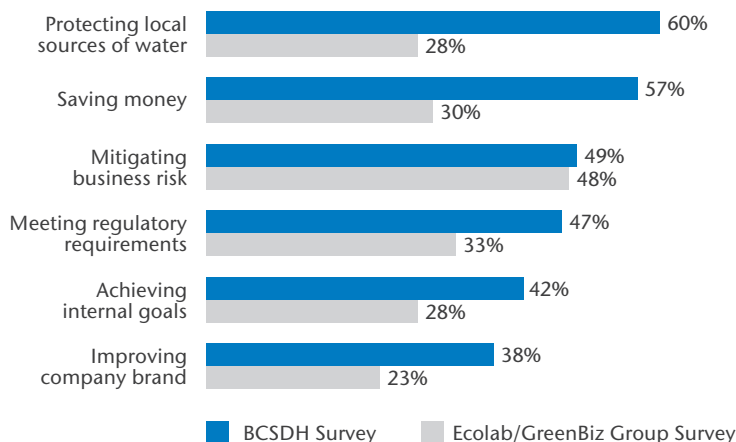


” Sustainability improvements are an important part of Henkel's corporate strategy. Regarding water efficiency, we use water-saving technology on the production side, and on the consumer side we encourage our customers to use less water.

Ágnes Fábián Dr., Managing Director,
Henkel Hungary

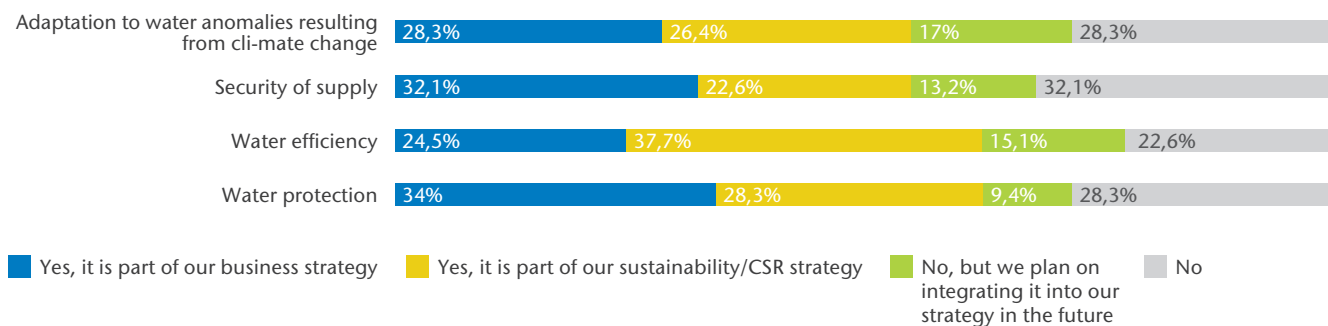
Protecting local water resources and saving costs is a priority

The primary purpose of corporate actions on water



According to a survey conducted by BCSDH, **preserving local water resources** proves to be the **most important incentive for the corporate sector** to promote water-related measures. Compared to the 2017 Survey conducted by Ecolab / GreenBiz Group, however, we found that internationally, business risk mitigation is the strongest incentive. In addition, Hungarian respondents identified cost saving, business risk mitigation, and regulatory compliance as motivating factors.

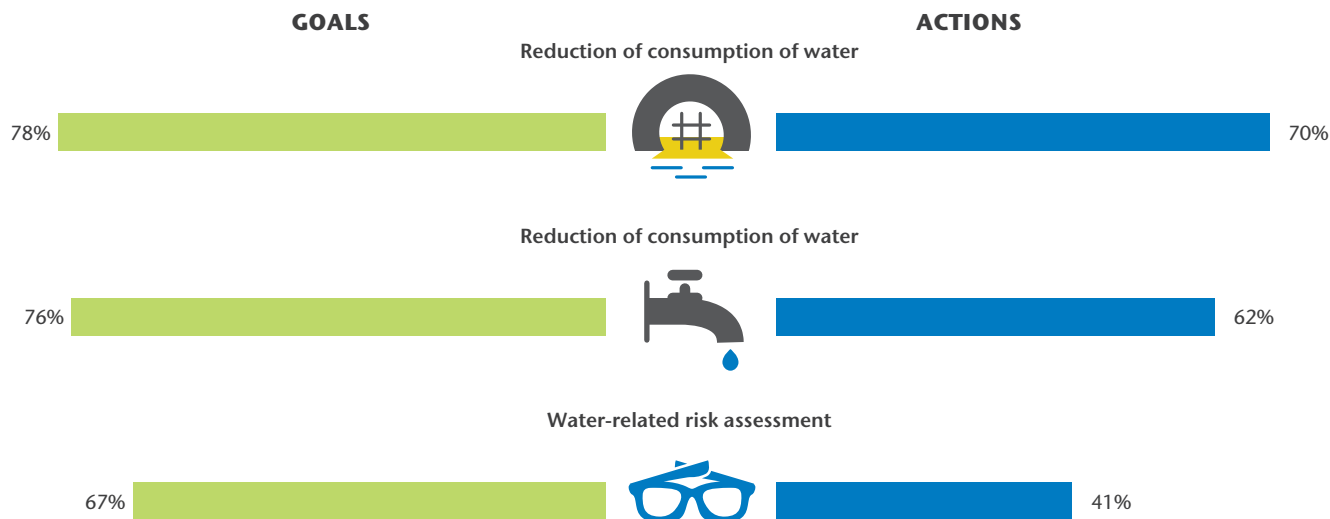
Half of all respondent companies are already focusing on water



Nearly two-thirds of organizations have already integrated water efficiency and water protection measures into their business or sustainability / CSR strategies. However, further work on the topic is important as one-third of all respondents do not plan to address water at a strategic level, although water is required at all organizations.

Measures for preventing water pollution and reducing water use are expected

What are the goals and actions that companies have in the field of water management?



According to company executives, preventing water pollution is the **primary goal** in the field of water management, which may result from the need to ensure and maintain **adequate water quality**. Another important goal is to **reduce water consumption**, which points in the direction of circular water management. Among the objectives, **risk assessment** also appeared as a preventive measure. The planned measures will also support the achievement of these objectives.



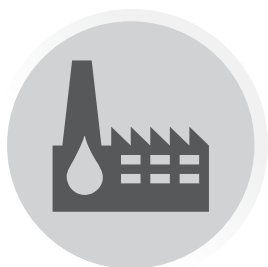
” Water is not just a technological resource - we are continually improving our products and solutions to deliver our users water at the lowest possible cost. Our goal is to **reduce water consumption at a corporate group level by 50% for the year 2025 compared to 2008**. We encourage our employees to think consciously about every technological step.

László Török, COO Office Operations Director,
Grundfos Group

Water goals of the Action 2020 Hungary program

The main objective of the Action 2020 Hungary program is to support climate adaptation in the water sector and increase water efficiency and productivity to make it available to everyone in the long term, taking into account the resources that are available.

GOALS, WE WANT TO ACHIEVE



Adaptation and security of supply: Improving water utility and adapting to the continuously changing circumstances and availability of water.



Water efficiency and saving: Improving the efficiency of water distribution and usage.



Water quality: Maintaining water quality through the protection of subsoil and surface water by effectively treating all wastewater and effectively managing other related emissions.



“ At the national level there is an urgent need for national or regional measures to address **climate change** at a strategic level. In addition, companies need to realize that they have **to address the issue at a strategic level**, identify their most important risks, and then create their climate adaptation plans. In these, water plays a key role as most of the effects of climate change will become visible through changes in water.

Gréta Nagy, Managing Director, Dandelion Group

Recommendations of BCSDH for the business sector focusing on Water

Although companies' water management practices are particularly influenced by the **water-related economic environment**, companies **can support** the development of sustainable water management systems **in several areas**. After examining these areas and associated tools, the BCSDH has made recommendations that can help guide the business sector.

The formulation of the recommendations is the result of nearly a year of professional work, including the Action 2020 Expert Forum, BCSDH Action 2020 Water Working Group Meetings, CEO Roundtables, BCSDH Board Meetings, and numerous professional discussions with experts in the field.

THE BCSDH RECOMMENDATIONS TO THE BUSINESS SECTOR REGARDING WATER MANAGEMENT



Elaborate **CLIMATE ADAPTATION STRATEGIES**, in which **WATER IS CONSIDERED A VALUABLE RESOURCE** and a risk factor of significant relevance.



Implement **CIRCULAR WATER MANAGEMENT** practices to reduce the water footprint.

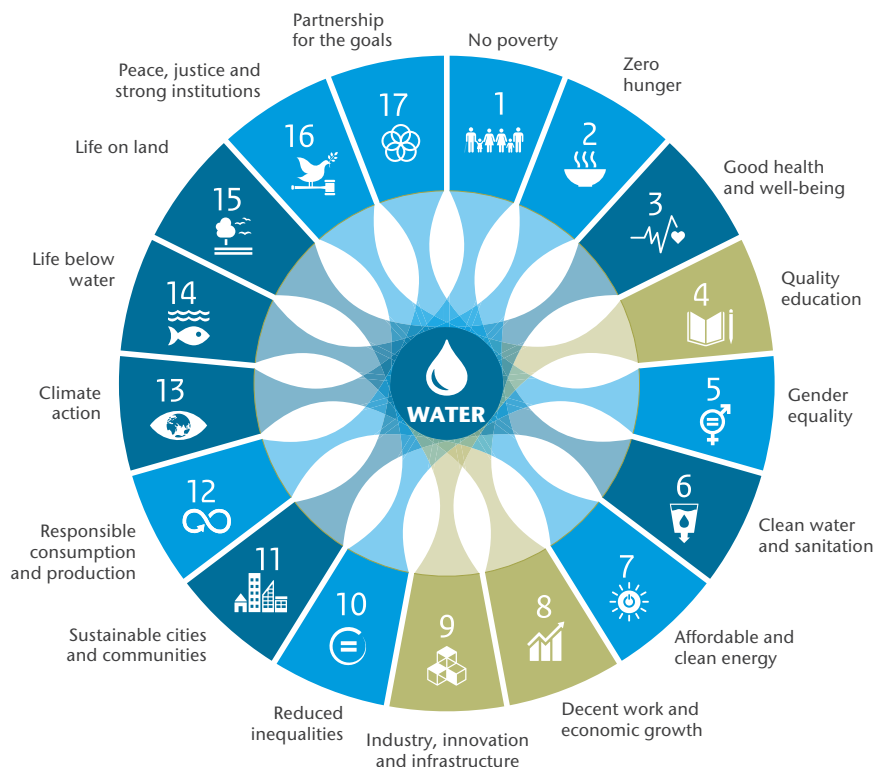


Create **PARTNERSHIPS** in the value chain and operational environment to increase **WATER EFFICIENCY** and **WATER RENEWAL**.

Water and the Sustainable Development Goals

Water is the common denominator that connects almost all SDGs and is the key to success.

WATER ACTION PROGRAM, 2018



Water is also critical to the achievement of **Sustainable Development Goals**, as the achievement of 14 individual goals is closely linked to this resource. Water has an impact on goals such as energy-, cities-, public health- and environmental sustainability, disaster risk management, food security, poverty eradication and climate change.

Water is addressed in particular by **Objective 6**, which includes water supply, sanitation, water quality, water efficiency and water scarcity, integrated water resource management, water and the natural environment, wider international cooperation and local community involvement in water management, and waste-water infrastructure development.

ABOUT THE SDGS: In September 2015, 193 countries accepted the sustainable development goals (SDG) that defined worldwide sustainable development priorities and endeavours until 2030.

The framework defines 17 goals and 169 sub-goals, and calls governments, the business sector and civil society to action to eliminate poverty and ensure the existence of dignified living conditions and equal opportunities for everyone, within the capacity of earth's resources

Source: PBL 2018

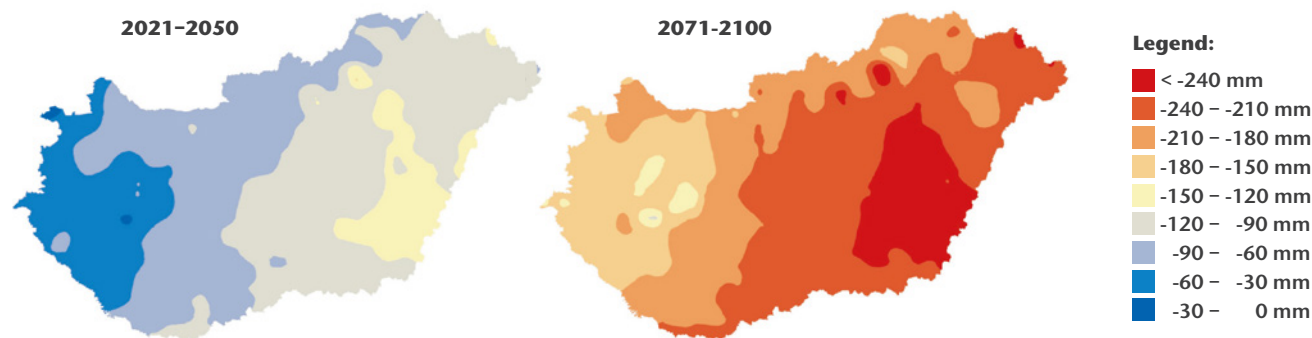
Elaborate climate adaptation strategies, in which water is considered a valuable resource and a risk factor of significant relevance

In 2017, extreme weather caused € 14 billion worth of damage in Europe.

CLIMATE ACTION NETWORK EUROPE, 2018

Climate change will be one of the **greatest global challenges** of our time, and most of the effects will take place **through water-related changes**. Hungary is one of the member states of the European Union that is expected to be more severely affected by climate change than the global average. Moreover, summer rainfall in the Central European region is expected to decrease significantly, while winter precipitation is expected to increase. This tendency is also demonstrated by the predictions illustrated in the climate model diagram below.

The expected change in climatic water balance



Source: Nemzeti Alkalmazkodási Központ, 2015



“ The commitment to fighting climate change appears to be growing both at global and domestic levels. More and more companies are recognizing that they need to address the issue but incorporating it into their operations is still based on economic considerations. However, it is important to deal with these issues on a strategic level. **In addition to reducing greenhouse gas emissions, adaptation to climate change also has to be dealt with at a strategic level.**

Zsolt Jamniczky, Board member, E.ON Hungária

Businesses are also vulnerable to climate change - It is important to treat water as a valuable resource

In 2015 alone, companies suffered more than \$ 2.5 billion in financial losses due to the inadequate management of water-related challenges.

WBCSD, 2018



Source: WBCSD, 2018

Companies also need to be prepared at the **strategic level** to deal with the effects of climate change, and the first major step is to **develop climate adaptation strategies**. It is important for companies to identify where radically changing water conditions and resulting social expectations and regulatory changes pose a risk to business operations.

Given that much of the impact of **climate change** will **occur through water**, the development of companies' **water management practices** can make a significant contribution to the climate adaptation process.



“ The world needs to **adapt to the extreme weather events linked to climate change**, particularly **flooding and water shortages caused by droughts**. **Adaptation reduces the vulnerability of assets, infrastructure, environmental systems and communities**. Within our operations we take steps at our facilities around the world so that we are more resilient to climate change.

Andrea Bujdosó, Chair of the Board, Shell Hungary

Implement circular water management practices to reduce the water footprint

Water footprint of some products How many litres of water does 1 kilogram of these products require?



The **water footprint** represents the amount of water used (or contaminated) directly or indirectly to make a product. This indicator can be applied at the individual level, but also at the product, service, organization, and country level.



“The goal of Dreher Breweries Ltd. is to reduce the amount of water used in beer production to 3 liters per liter of beer by 2020 - while maintaining the high quality of beer. **Between 2008 and 2015, our water consumption was already reduced by 26%. In less than one year, we managed to save 3,000 hectoliters of water collectively, and maintained its quality.**

Gábor Békefi, Managing Director,
Dreher Breweries

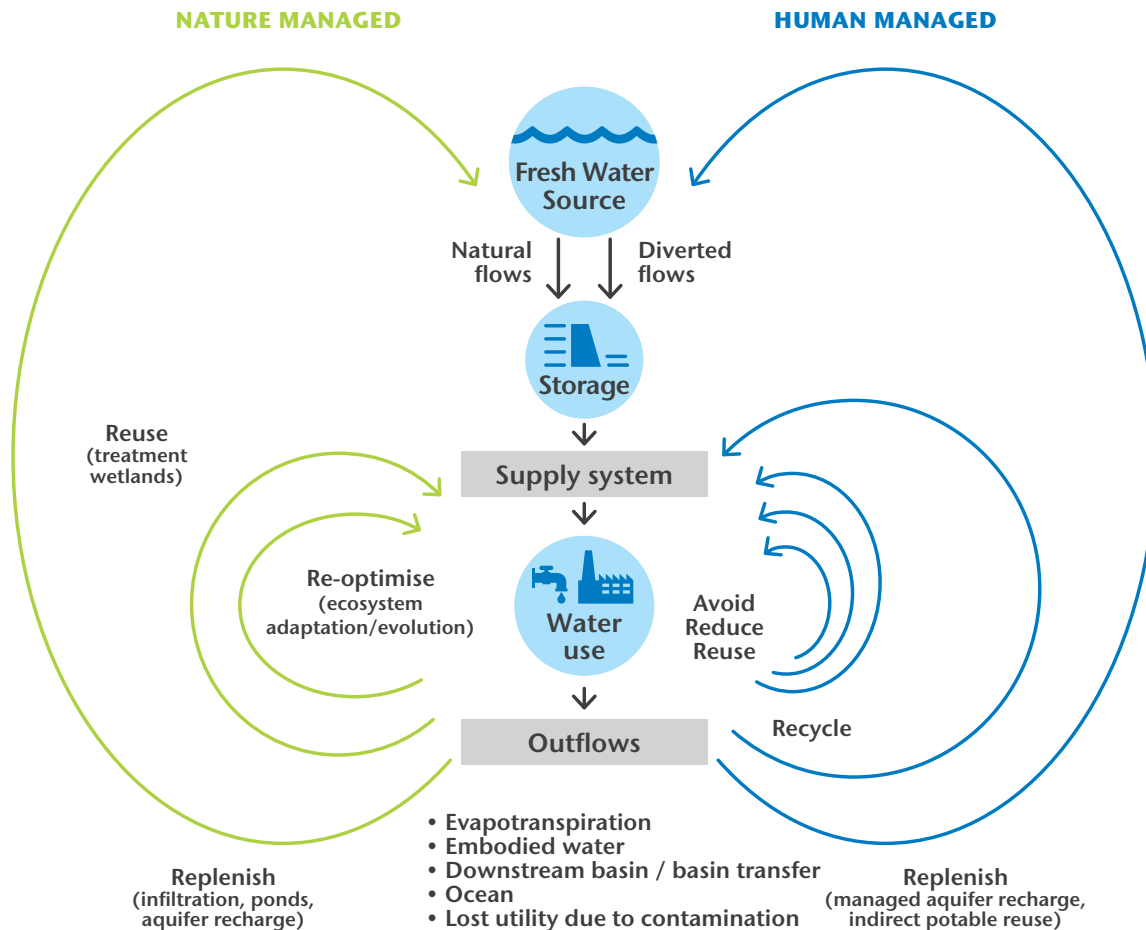


“At our company, sustainability plays a key role, so we are **constantly developing our business solutions regarding water utilization.** To clean our salads we use a double-bath wash technology to significantly reduce the amount of water in the process. We have introduced a process for the separate measurement of areas of water use; also, we have added water consumption indicators to our bonus-related targets. In 2 years we will establish a modern filtering and water purifying system, which is an investment taking a big step towards reducing our water consumption.

Zoltán Gazsi, Managing Director,
Eisberg Hungary

A circular approach to water management

It is also worth applying the **model and principles of the circular economy** in water management. Preventing, reducing, reusing, renewing, and recycling used water all contribute to keeping water resources in the system for as long as possible, thereby helping to reduce the water footprint.



Source: Ellen MacArthur Foundation

In addition to protecting water resources, cost savings can also be achieved

Circular water management reduces the amount of water used per unit of production, which can lead to **cost savings** and help reduce the risks associated with water scarcity. Detecting and eliminating waste is also important for **improving efficiency**.



” *In most cases, groundwater and interstitial water is contaminated, which directly threatens drinking water supplies, so their effective remediation is extremely important. We have developed a **decision-support system** which helps with planning the treatment of underground water.*

Norbert Grasselli Dr., CEO,
Bay Zoltán Nonprofit Ltd.
for Applied Research



” *During production, the water used for washing can be recycled through our extraction technology. Our wastes containing organic materials are utilized for recycling in biogas unit.*

Frank Odzuck, CEO,
Zwack Unicum



” *We are committed to integrating economic, environmental and social factors into our business to a balanced extent, in order to maximize long-term value creation. We have installed a microturbine in the Danube Refinery from the Green Fund financial framework that produces 80,000 kWh of carbon neutral energy per year. MOL Campus our new HQ, will be one of the most sustainable offices in Budapest with both LEED and BREEAM environmental qualifications. Besides geothermic power, solar power and reused interior design elements we will also make sure to utilize every drop of rainwater to water our plants and collect greywater to flush toilets.*

Péter Ratatics, Chief Operating Officer,
MOL Hungary

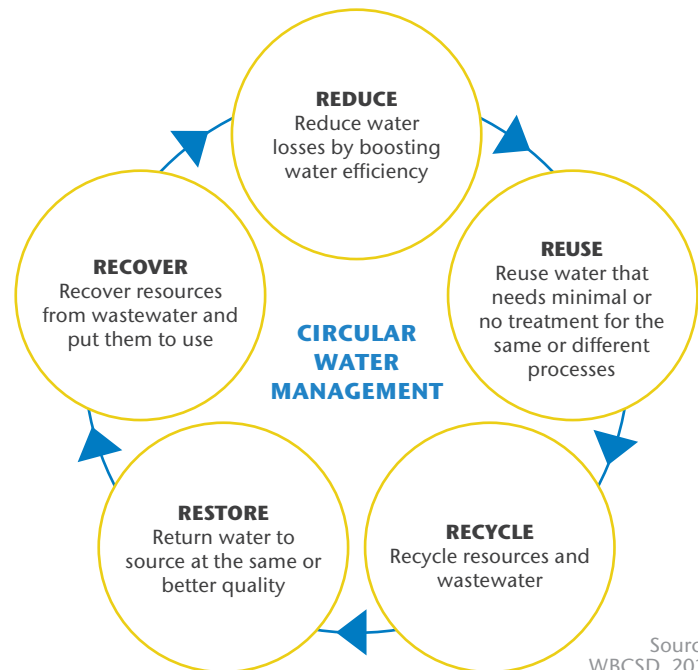
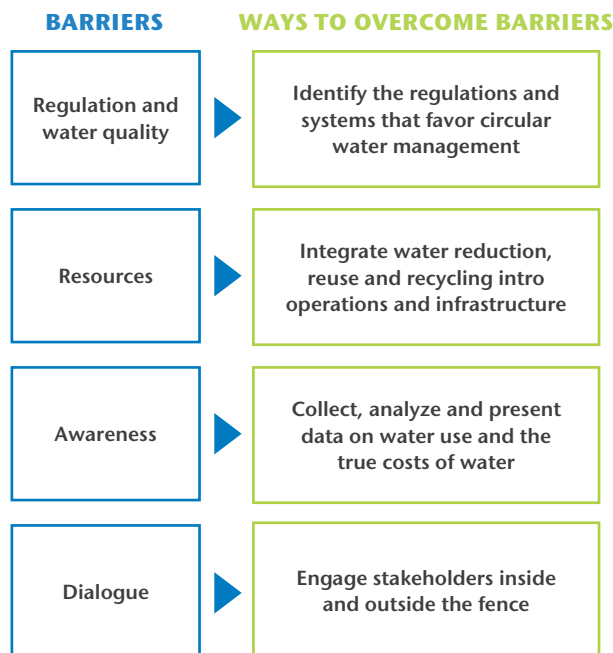
Circular water management for maintaining competitiveness

Population and economic growth, urbanization and climate change are some of the countless factors that are **significantly increasing the need for a more sustainable water supply**. The former factors are leading to an **increase in competition** between users such as communities, industry, agriculture, and tourism. This competition also affects the day-to-day operations of companies, **increasing both risk and cost**. In parallel, increasingly stringent regulations will make operating more difficult.

Circular water management helps create an **independent, secure supply of resources**, minimizing dependence on fresh water for technology and increasing resilience to the effects of climate change.

By becoming less dependent on specific water sources, companies have more room for growth. These trends **make** it even more **necessary** to step up efforts to reduce water use and reuse and recycle water; i.e. **to expand circular water management**.

Barriers to circular water management and ways to overcome them



Partnership throughout the value chain and operating environment for water efficiency and water renewal

Companies, especially through their value chains, are extremely vulnerable to the effects of climate change.
WWF, 2016

Predicting the effects of climate change and their interrelation with complex, modern, global supply chains is challenging traditional methods of risk assessment. Increasing water security requires the **development of a corporate strategy that goes beyond direct action**, in which decision-makers look at value chain risk from the perspective of all stakeholders, ranging from shareholders to local communities.



” Regarding environmental sustainability, our company places special emphasis on protecting stocks of water. As a result of our business activities, we have always considered reducing water use and managing our existing stocks properly to be a major task.

Attila Berényi, Managing Director,
Szentkirályi Ásványvíz Ltd.



” As a facility management company, we are affected by water in a number of areas, therefore we strive to be efficient in water resource management. In one of the facilities we operate, **together with the owner and tenants of the building we have tried to create an optimal water use system to prevent wastage of water.** This resulted in a 22% reduction in per capita water and channel use.

Ferenc Batári, CEO, Future FM

New business opportunities through water-related cooperation

In order to be sustainable in the long term, companies need to map the risks associated with water use throughout the **entire value chain**, as well as in a **local and site-specific context**.

There is great potential, both globally and domestically, for increasing **cooperation** in the field of water, such as improving water efficiency along supply chains, in which water is the most important shared resource. For this, **partnerships** (often cross-border) are essential.



“In everything we do we are conscious of **having responsibilities not only for our own well-being and successes, but for that of the communities we are part of and the generations that follow us**. We are aware that due to our global presence **any decision we make and any activity we engage in has a significant impact on the world around us**. We are therefore committed to use our size to trigger and catalyse positive changes both in our immediate and broader environment.

Ágnes Horváth, Managing Director,
Progress Restaurant Chain LLC.



“The risks associated with climate change, particularly extreme rainfall and droughts, alongside some outdated farming practices are serious challenges facing the agricultural sector. We at Syngenta work to **connect farmers and the stakeholders who influence their everyday work**, from researchers to machinery manufacturers, bringing knowledge and experience gained around the world, **promoting sustainable farming practices such as ensuring soil health**, thereby contributing to a stronger, more competitive Hungarian agriculture.

Matthew Pickard, Managing Director, Syngenta Hungary

Beyond business as usual



“ Since its foundation, Biofilter Zrt. has had the goal of **supporting responsible business management and reducing its environmental footprint**. In our daily operations we use aerators built into faucets to help save water. The water tanks used for the machine washing of used oil and food waste barrels are filled every 4-5 days and stored water is recycled in cleaning the barrels. Our boilers are also cooled using a water-return system.

György Deák, CEO,
Biofilter



“ As a leading beverage producer, having clean water of high quality is a vital necessity. **Responsible water management is present in every process we undertake and plays a crucial role in our supply chain**. By increasing the proportion of the reused and returned water, we aim to reduce amount of our water in use, thus maintaining a more responsible practice of production. Our best practice on sustainable water management have earned the European Water Stewardship's (EWS) "Gold certificate" since 2014 in Zalaszentgrót and since 2016 in Dunaharaszti.

László Békefi, Managing Director,
Coca-Cola HBC Hungary



“ We build long-term economical offices at Graphisoft Park, which means that **the use of environmentally friendly, sustainable technologies is very important in each of our developments**. We provide a high-quality, human and nature-centered working environment for businesses in our office park, taking into account our tenants' experience and opinions. Our water-related sustainability solutions include the installation of water-saving sanitaryware and the installation of low-water plants.

János Kocsány, CEO,
Graphisoft Park



“ Today, not only large companies but numerous governments are becoming more and more resolute about promoting sustainability initiatives, and further attention is being paid to fostering a circular economy. Several companies, including Nestlé, have made important commitments to dealing with this issue. To promote more efficient water management, **we are continuously reducing our water consumption per tonne of product and helping increase access to safe water and sanitation**.

Péter Noszek, Managing Director,
Nestlé Hungary

**We are grateful to the following experts who have personally contributed
to the Action2020 Hungary Program in 2019!**

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Check full list of contributors on our website!
www.action2020.hu → Experts

BUSINESS SOLUTIONS ON WATER



*Modernization (repowering)
of old hydro power plants*



*The establishment of
a wastewater
treatment plant*



Eco-friendly beer production



*Cleaning the groundwater
contamination of predecessors*



*Placing coastal aquifer
systems on the Danube*



*Advanced and efficient
wastewater treatment for the
protection of water resources*



Water efficiency



*Water Footprint
Calculation*



*Simultaneous utilization
and management
of brownfield areas*



*Implementing water-saving
technologies in partnership*



*Installing water
filters in the office*



Less water usage



*Value of Water
Program and Brand*



The digitalisation of the water sector



*Water efficient
technologies*



*Taking water treatment steps
for the environment*



Jó étellel teljes az élet

*Improving the efficiency
of water distribution and usage*



*Installation of Oil
Separation Devices*

MAGYAR VILLAMOSENERGIA-IPARI
ÁTVITELI RENDSZERIRÁNYÍTÓ ZRT.



*Root zone
wastewater treatment*



*Design and realisation of the recycling
of technological waters at the power plants*

Search for business solutions here:

www.action2020.hu → Business solutions



ENVIRONMENT AND CLIMATE PROTECTION 20 YEARS OF SUSTAINABLE PRACTICES

ENVIRONMENT CONSCIOUS OPERATION AND TRAININGS



ISO 14001 & ISO 50001
systems operating in
our restaurants



We use **timed**
water taps



We use **rain water** to
water our gardens



We regularly **train** our
employees on
environment protection
and energy efficiency

REDUCING CO² EMISSION



We will reduce
our CO₂
emission
by 36% by 2030



We measure our **carbon**
footprint through our entire
supply chain from
production to consumption

RECYCLING



We buy our paper
packaging from
100% sustainable
sources



More than
80% of our waste
from the restaurants
is **recycled**



Packaging is
materially recovered



Food waste is recycled as **biogas**
to generate **heat-energy**, used
cooking oil is used to produce
biodiesel

WASTE MANAGEMENT



We have been collecting
waste separately in our
restaurants for more than
20 years



We select our waste
into more than
10 categories



In 5 years we have
reduced our waste
to landfill **by 35%**

Companies joined the Action 2020 Hungary Program*



*Status: September 15, 2019. www.action2020.hu

JOIN THE PROGRAM! GET INFORMED: WWW.ACTION2020.HU

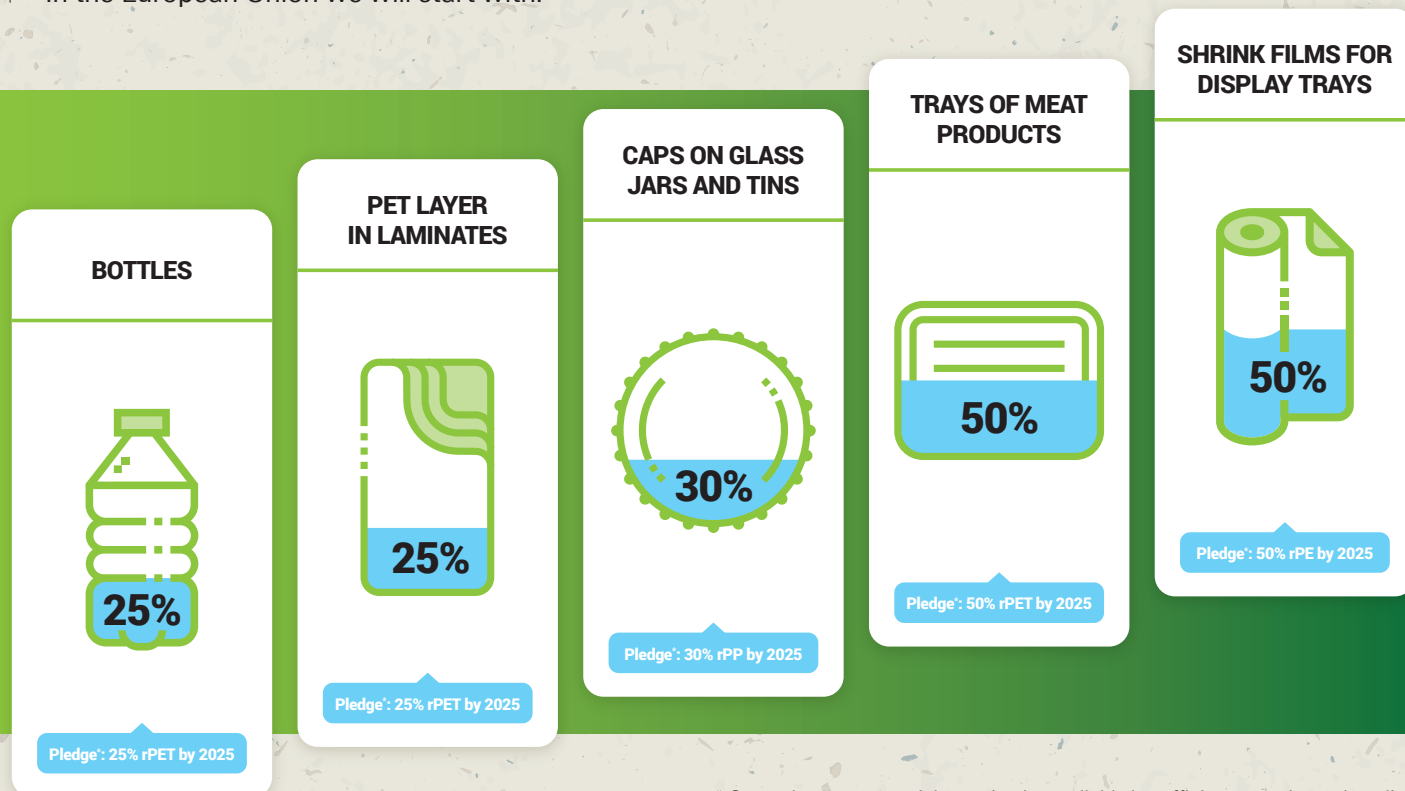
Plastic waste is one of the biggest sustainability issues the world is facing. To grow sustainably, we must consume the planet's resources wisely and use our global presence to help make a positive difference.



In line with this ambition, Nestlé announced to make 100% of its packaging recyclable or re-usable by 2025, and pledged to make a significant increase in the amount of recycled plastics it uses in some of its packaging in the European Union.

Nestlé commitment on recycled plastics

We are committed to increase the proportion of recycled plastics in our packaging by 2025. In the European Union we will start with:



* Secondary raw materials need to be available in sufficient quantity and quality.

'For a Sustainable Future' Prize

BCSDH will also announce the 'For a Sustainable Future' award in 2019 with the purpose of recognizing and disseminating to a wide audience the activities of leaders and companies in the field of sustainability. The goal of the prize is to promote and increase the contribution of business to meeting Sustainable Development Goals.

The BCSDH's 'For a Sustainable Future' award is the first prize to evaluate corporate sustainability solutions and leadership responsibility efforts in a complex way, in cooperation with acknowledged experts.

This complex prize is announced in 3 categories: Change leaders, Leader Women and Business Solution.

THE MEMBERS OF THE PROFESSIONAL JURY



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Secretary General
of NFFT



Irén Márta,
Managing Director
of BCSDH



Szilvia Krizsó,
Communication
Advisor



István Salgó,
Honorary President
of BCSDH



Diána Üрге-Vorsatz,
Professor of CEU,
Vice-President of the
Nobel Peace Prize IPCC
Working Group



” *It is a great honor for me to be the first to receive the 'For a Sustainable Future' prize. This recognition confirms that I am on the right way when I consistently apply the principles of sustainability and innovation. I will continue to do my job on this in the future.*

László Károlyi, CEO,
Legrand (Winner of the Change Leaders' Award in 2017)

Winners in 2019

'For a Sustainable Future' Prize has been launched for the third time.



3 CATEGORIES:

THE CHANGE LEADERS' AWARD acknowledges business leaders and general managers who are innovative and who have demonstrated significant achievements in the field of sustainability



László Ilcs,
Deputy CEO, Chief Insurance Officer
Non-Life and responsible for COO area
Generali Insurance Co.

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



Implementing water-saving technologies in partnership



'Hoping for a better future' project

THE LEADING WOMEN AWARD recognises leading women who are prominent in the field of sustainability



Nóra Horváth-Magyary,
Country Communication Officer
K&H Bank Group



Krisztina Petrényné Szabó,
Group Downstream Business
Development Director
MOL Group



Hajnalka Széll,
HR Director
Auchan Hungary

Congratulations to the award winners of 2019!

Circular Economy Platform

On November 29, 2018, the Hungarian Circular Economy Platform was cordially established through an initiative of the Hungarian Business Council for Sustainable Development (BCSDH), the Dutch Embassy, and the Ministry of Innovation and Technology. So far, 70 companies and organizations have joined the Platform by signing the Memorandum of Understanding.

What is circular economy?

CIRCULAR ECONOMY

According to the current so-called **linear economic model**, technical and biological components are extracted from nature, transformed, and are then disposed of without recycling.

In contrast, in the **circular economic model** metabolic processes are involved in a closed circle, waste is almost 100% recycled, and biological and technological components are returned to the cycle with minimum loss of quality.

The transition to a circular economy is therefore a **rethinking** of the relationship between markets, consumers and natural resources, through **responsible management** of these natural resources.



“ The current **linear economic model** is **not sustainable** in the long run. We need new economic models. For the new models to accelerate and spread, **collaboration and knowledge-sharing** are required, with the involvement of businesses, government and science. The **Circular Economy Platform** is an excellent opportunity to achieve this, and I am very proud that we are among the first members.

Balázs Zuggó, Managing Director, Daikin Hungary



“ The circular economy platform is vital: the cradle-to-grave model is killing us and needs to be ended. **Circularity is the only way. And for that, we need to get people together** – that’s why we are so pleased at the creation of a platform, a forum where people can work together to **speed up the transition towards a zero-carbon, zero-waste, zero-killing world.**

Marc Falguera von Niessen, CEO, Vertis Environmental Finance

Why did BCSDH initiate the launch of the Platform?

The 2018 BCSDH Action 2020 Hungary Program focused on Sustainable Lifestyles, and the establishment of such a platform was one of the recommendations in this area.

1. RECOMMENDATION: Elaborate climate adaptation strategies, in which water, considered as an asset, is a risk factor of significant relevance

Many business models and approaches that **improve competitiveness while also having a positive impact on the environment and society** have been gaining ground in recent times. The application of these models - including the Circular Economy, Shared Economy, or Service Instead of Product approach - also creates **new business opportunities**.

Recognizing that the transition to a circular economy has some of the greatest business potential of modern times, the initiative was created and joined by the Dutch Embassy and the Ministry of Innovation and Technology as co-initiators.

WHY IS THE CIRCULAR ECONOMY PLATFORM IMPORTANT?

- Because most economic operators are not yet fully aware of this model, even though it will increase the resilience of the world economy and facilitate the achievement of the Paris Climate Change Agreement and the United Nations Sustainable Development Goals.
- Because BCSDH and its partners have a key role to play in creating a change of mindset and shared thinking, in shaping community-minded and action-driven change leaders, and in sharing business solutions that bring about real change.
- Additionally, because collaboration and knowledge transfer between corporate, governmental, and scientific communities is needed for a paradigm change in terms of the model gaining ground.



“The shift to a circular economy represents a great business opportunity. ING Bank considers it a key task to assemble the most important stakeholders who envision a circular economic transition in Hungary at a forum which creates a great place for sharing global and local experiences.”

Tibor Bodor, CEO,
ING Bank



More information about the Circular Economy Platform here:

www.bcsdh.hu → Projects → Circular Platform



Publications from the World Health Organization, which can be downloaded from the website of WBCSD, also help with the implementation of sustainable and circular water management on a corporate level.

www.wbcd.org



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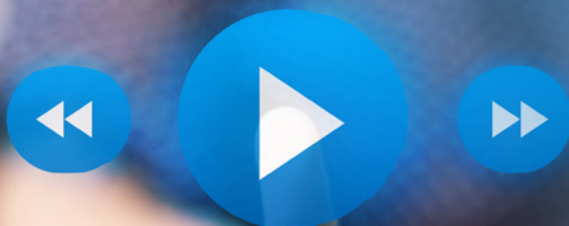
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In the next 10 years, the biggest risk factor will be ignoring water-related problems, extreme weather, climate change, and the social consequences of these phenomena. Only 0.007% of Earth's water resources are available for direct human consumption. We are on the verge of a water crisis.

Prof. Dr. András Szöllősi-Nagy,
Deputy Chairman of the Intergovernmental Council
of the UNESCO International Hydrological Program
and Doctor of the Hungarian Academy of Sciences