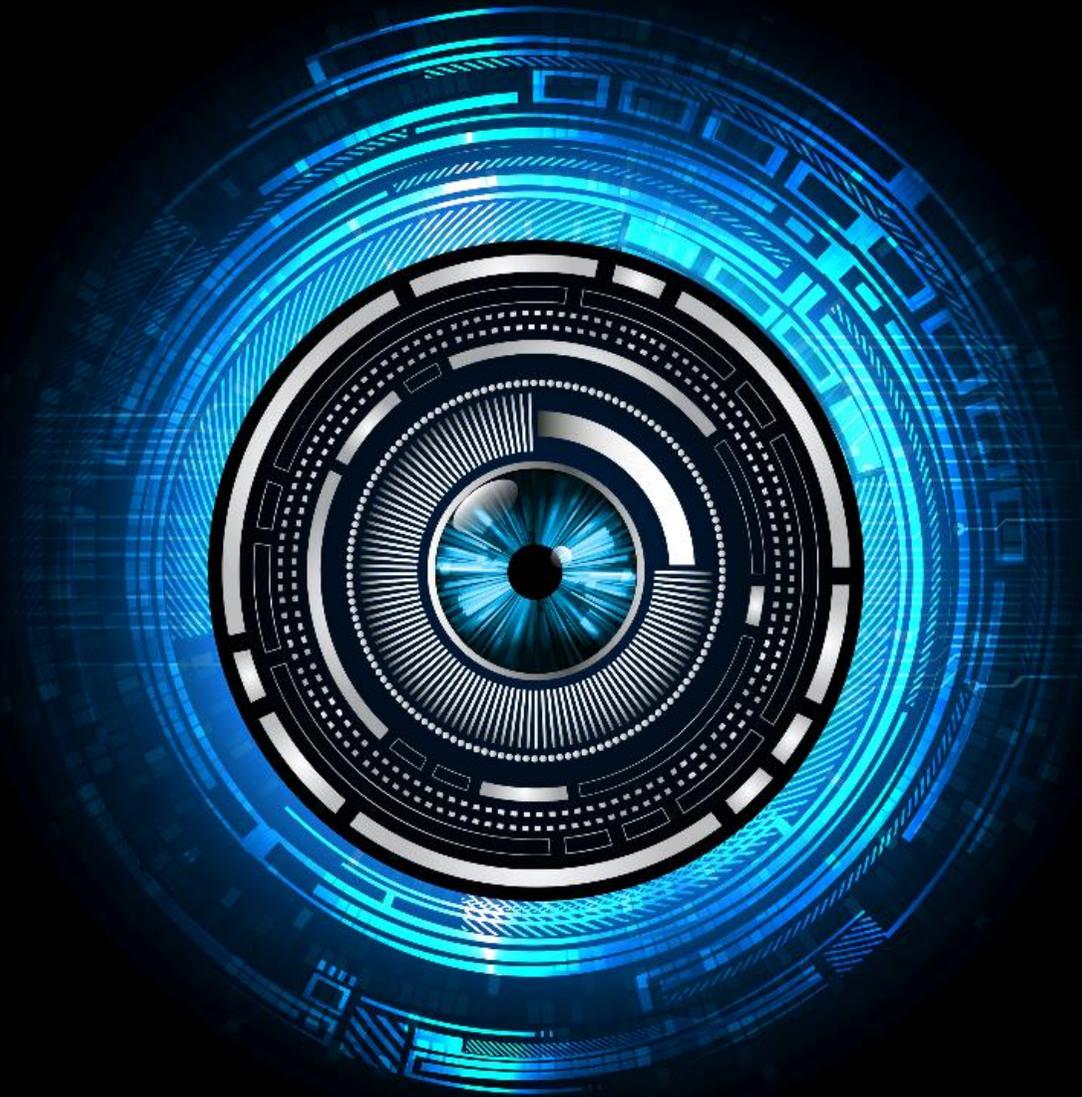


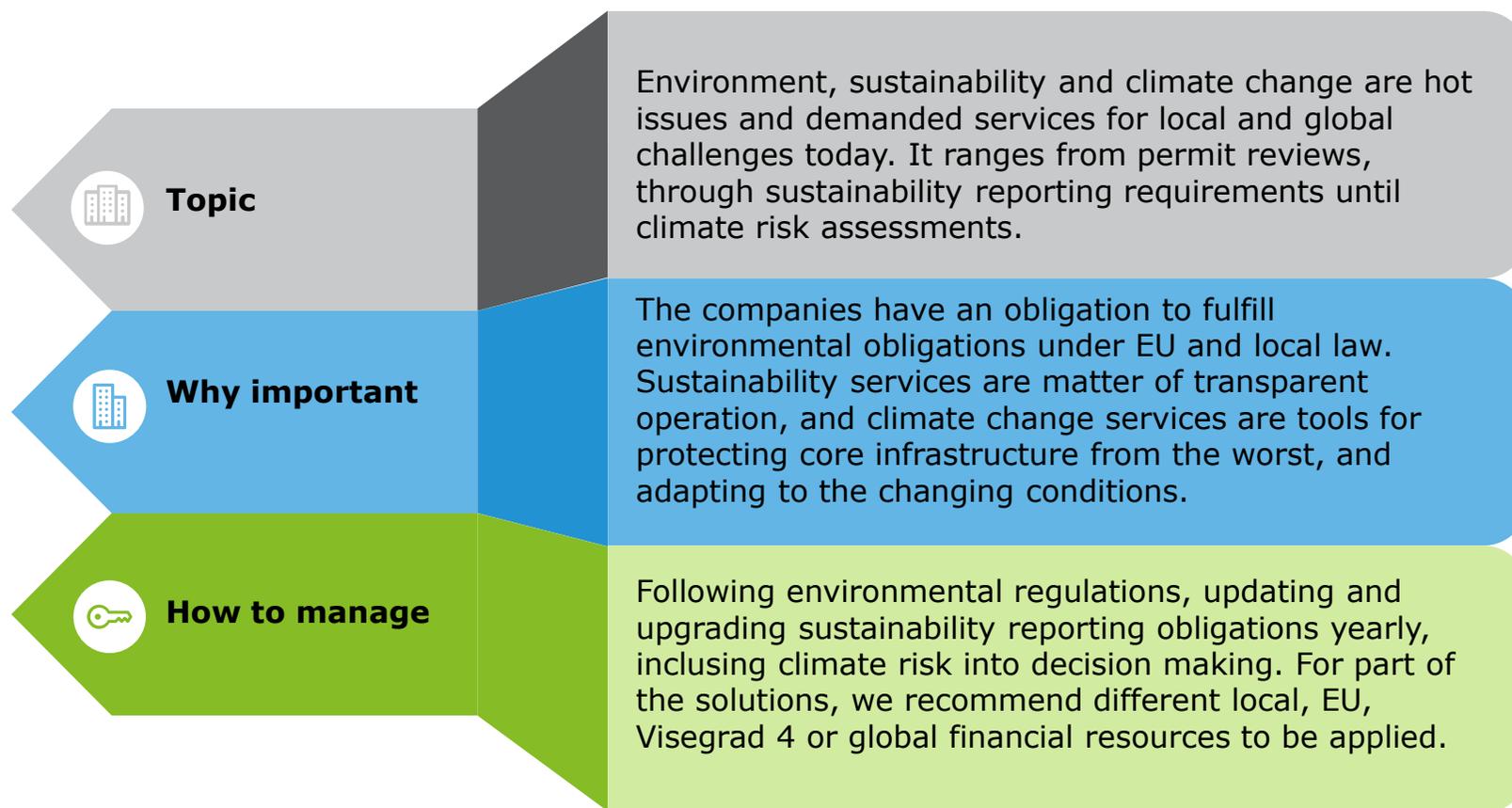
Deloitte.



**Environmental, sustainability and
climate change services**

October 2017

Environment, Sustainability and Climate Change related services (*Mottainai!*)



Environmental services

We value environmental consciousness and provide strict management consulting, assurance and economic impact assessment related services to our clients for maximizing added value of this domain



The EU is setting stricter and stricter environmental obligations

- Environmental permitting, EHS audits, WEEE obligations, waste and air emission regulations – there are a lot of potential environmental issue in the everyday life of all companies. To solve these issues, a really wide range of environmental knowledge is needed, which mostly require a lot of professionals. In case you have a hard-to-answer question, contact us. Deloitte Hungary has an outstanding track record from the last 22 years in environmental services department

Top 3 services:



Environmental permitting

- Integrated Pollution Prevention and Control, Seveso directive, Emission point source permits – just a short list from the permit related obligations, where wide experience and authority based knowledge is needed to succeed. Our lead environmental expert is former leader of the National Environmental Authority, with more than 45 years experience.



Environmental due diligence

- In case of a merger&acquisition activity, an environmental due diligence is a must. Legislation compliance, potential contamination and remediation obligations, penalties from the past – there are a lot of possible price adjusting factors, which is important to be handled in an SPA. The overall SPA value where we were independent environmental advisors is more than 100 million EUR in the last 10 years.



Sector specific environmental impact assessments

- In case of EU Operational Programme fundings, we are able to provide complex feasibility studies and cost-benefit analyses demanded by EU law in waste sector, water industry and any other EU funded and Government highlighted big investment projects. Environmental impact assessments became more difficult, and should include water directive, NATURA2000 and climate risk assessment.

Energy efficiency

The Hungarian government announced corporate tax write-off opportunity if investing into energy efficiency completed with third party energy audit and assurance services.



New obligations were announced in 2015

- Energy audit, ISO 50001 systems and Energy referent services all became part of the national governmental tools to comply with the EU 2020 energy efficiency target of 20%. Companies of a certain range have to apply third party advisory services, audits and upgrades of their ISO systems to follow and report proper energy consumption and costs.



Significant increases in fines

- Fines have been imposed on those companies, that forget to hire consultants, or are significantly underperforming in their reporting obligations.



Energy efficiency tax benefit

- The upside of measuring energy properly by the mandatory obligation of energy audit is that one can deduct the purchasement of material and immaterial goods, that result in overall energy efficiency including many type of assets, even IT and other specific energy management systems, sofar not considered under corporate tax cut. Our firm provides both energy audit, to understand the nature of change and substitute energy saving and tax advisory services to properly deduct such cost elements.

Sustainability services

Sustainability reports are part of transparency on sustainability issues surrounding a company - we provide advisory to write reports or assure them, also in line with new EU obligation of non-financial reporting about FY17



The EU is setting obligations on non-financial reporting

- Public interest entities, which are large companies (EU classification), and have more than 500 employees
- Minimum requirements: description of policies, performance and impact of the Entity's operations on environmental, social, industrial relations, human rights, diversity, anti-corruption and bribery issues.
- The non-financial report is the part of the official financial report issued by the company
- Deloitte Hungary is able to help you as external advisor when preparing the non-financial report with advanced methodology.



Writing sustainability, impact and non-financial reports

- Sustainability reporting has become from a nice-to-do to a must-do. From year to year, more and more companies report on their environmental, social and non-core economic performance (majority of them on the basis of Global Reporting Initiative guidelines). Mapping your stakeholders, asking their opinion, engaging with them is making the business and the entity more reliable and conscious, whilst a good tool for external communication.



Providing assurance services of diverse sustainability reports

- Deloitte Hungary carries out external assurance on sustainability reports by the ISAE 3000 standard working together with our audit department, on the basis of Deloitte Central European methodology. External assurance supports the reporting company in the field of data collection, GRI methodology usage and increase the reliability of the SD/CSR reports.



Developing circular economy and sustainability strategies in line with SDGs

- We support clients in defining strategic directions and strategic plan in sustainability based on Agenda 2030 and the new Sustainable Development Goals (SDGs), identifying company's/industry's contribution to SDGs. We also provide such strategic services to align with EU Circular Economy Package, that will increase pressure on industries to reduce waste, plastic use, landfill depositions and increase recycling, reuse and the creation of new industries such as the bioeconomy.

Climate change services

We believe that climate change is one of the main challenges of our days. Companies preparing for these mitigation and adaptation challenges can realize financial advantages as well. Our unique climate change advisory services helps in gaining financial support for climate-friendly R&D and in meeting EU and international obligations and trends as well.



Climate risk assessment

- Based on EU guidelines and legal framework, we help companies investing in physical assets and infrastructure to incorporate resilience to current climate variability and future climate change within their projects (mitigation and adaptation). Among others, we are able to identify climate sensitivities, evaluate exposure to climate hazards, assess vulnerability, identify and appraise adaptation options. We incorporate these analyses into environmental impact assessment and complex feasibility studies as well in order to meet the Hungarian legal obligations as well (Government Decree No. 314/2005. (XII.25.)).



Climate regulatory services

- It is crucial for companies working in the EU to meet and adapt to the EU legal obligations, including the requirements of the Emissions Trading System, Effort Sharing Decision, the 2030 climate and energy framework, the Energy Union, circular economy, real driving emissions issues. We analyze allowance price volatility, help in realizing potential financial gain from e.g. the Modernization and Innovation Funds for renewable and energy efficiency investments.



International climate financing – Green Climate Fund

- Based on the new international climate policy framework (e.g. the Paris Agreement), we elaborate project proposals for companies applying for financial support from the United Nations Green Climate Fund in order to realize investments in developing countries to shift to low-emission sustainable development pathways and to increase climate-resilient sustainable development. E.g. flood management, renewable energy, business loan programme (7-700 million EUR/project with co-financing rate of 26-94%)



EU financial support – LIFE and Horizon 2020

- We support our clients in gaining financial support from the two largest climate-related financial programmes, the LIFE and Horizon 2020 for research, development and implementation of close-to-market innovative environment and climate-friendly technological solutions, including water and waste management, air quality, resource efficiency, renewable energy, chemicals, noise, solutions for energy intensive industries and climate change adaptation techniques. Besides elaboration of proposals, if successful, we also help in e.g. project management and environmental impact assessment (2-5 million EUR/project with co-financing rate of max. 55%)