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Chairman and CEO of Lafarge

Thank you for inviting companies to provide their views on subjects that are being widely discussed by States and governments. Health and the environment are topics that have taken on growing importance in the workplace. Globalisation clearly presents risks but we are also seeing opportunities in these and other areas.

Globalisation has led to rising aspirations by an increasing number of people worldwide. These aspirations are expressed not only in terms of living standards, but also in the way citizens expect their government to improve health care and the environment.

These issues may be global but, as we have seen, they are clearly local as well. Governance, both global and local, is particularly relevant and critical for delivering services and moving the country forward.

We have, of course, talked about the need to coordinate efforts, share resources and technology, and find solutions, and we have concluded that no one can find a solution alone. When we look at what has been happening in recent decades, these issues have taken on rising importance in political and diplomatic agendas, but their significance has grown at the same pace and intensity in the workplace – and sometimes even more so.

We often criticise slow progress, but the world nevertheless keeps moving in the right direction. These issues are clearly of public interest and they are, of course, the domain of government and the public authorities. We, the private sector, believe that we have something to contribute, and we are contributing both by cooperating and partnering with government and by acting in a responsible manner.

Today I will focus on the environment and governance because my colleague will speak later about health, and even though we have carried out many health-related initiatives, I will not have the time today to elaborate on them.

I'm happy to have the opportunity to talk about the environment in Morocco because it is a country with one of Lafarge's most modern facilities and highest environmental standards. We are committed to implementing the best environmental and health standards worldwide regardless of local requirements. In Tetuan, Morocco, for example, we built one of the world's first cement plants to generate all its electricity from a wind farm, so its source of energy is completely renewable.

I would like to share with you some of our convictions.

The first is that environmental protection is compatible with growth and development as long as they are planned and conducted by responsible companies. To give you an example, Lafarge closed 38 cement kilns in China and replaced them with eight kilns. As a result, we reduced dust emissions by 76% in five years and CO₂ emissions by 28%, which represented more than half of Lafarge's emissions. In another example, we are rehabilitating our quarries, with the aim of rehabilitating them everywhere we operate. In Mombassa, Kenya, we created a world-renowned natural park that replaced a quarry. We are doing this because we think it is profitable and essential for our success.

The second conviction is that companies can do a lot for the environment when they act responsibly. How do we define a responsible company? We are, of course, striving every day to become a little more responsible. We act responsibly when we commit to ambitious objectives, when we measure our progress, when we are accountable for our actions and do so publicly. And we act responsibly when we want to learn and continue learning, and pursue critical dialogue, especially with non-governmental organisations. For 10 years, Lafarge has been involved in a strategic partnership with WWF. I cannot say it's easy every day, but the notion of a critical friend is a vital concept for us that keeps us moving forward.

The third conviction is that companies move more quickly and participate more actively in environmental protection when they are working within a clear, stable framework with well-defined goals. We have been investing for 50 years and if we do not know the framework in which we investing, the process takes longer – more time is needed to improve the situation and deliver results. We thus need a clear framework and a system we can trust. To continue investing, we also understand that we must develop a trusting relationship with our stakeholders, particularly by delivering results.

The fourth conviction is that States, governments and local communities have a lot to gain by developing cooperative ventures with responsible companies. Firstly, these responsible companies have a positive impact on the communities that immediately surround their facilities. In the 79 countries in which we operate, we create a real difference through the health, education and environmental services we provide to the local population. These responsible companies set an example and by doing so, they influence other companies in these countries. Lastly, responsible countries drive innovation. Because they are more ambitious, they create solutions to local environmental problems and find innovative ways to improve their products. Let me cite the example of another quarry that we rehabilitated and where we are now planting trees. In six years, these trees will provide a different type to replace the fossil fuels we are currently burning in our kilns. Lafarge is focusing over 50% of its research on developing innovative products. For example, we just introduced a new range of insulating structural concrete for sustainable construction. And I won't even go into all the efforts we're making in the health care field.

The final major point I want to make is that the private sector is also capable of taking action. The cement industry that I represent is particularly vulnerable due to its large environmental footprint, especially with regard to CO₂. My predecessors launched an initiative that forms the basis of the so-called "industry approach". Governance can come from States, but also from companies and industries when they make the necessary commitment.

What is the Cement Sustainability Initiative? It's an organisation created 10 years ago by three companies under the framework of the World Business Council for Sustainable Development (WBCSD). The idea was to explore the range of opportunities for deploying sustainable development. What joint efforts could we undertake to incorporate sustainable development in the cement industry and reduce its ecological footprint? The industry decided to focus on a number of initiatives, such as reducing CO₂ emissions, replacing fossil fuels with alternative energy sources and monitoring emissions.

This effort now comprises 18 cement companies, a number that will soon rise to 20 because we have the opportunity to rally our association's Chinese companies to the cause. These companies came together to make commitments, create a database and develop an audit system. As a result, they jointly laid the foundation for achieving the global objective of quickly and significantly reducing the cement industry's carbon footprint.

They did not have long to wait because, based on the commitments they had made, they cut CO₂ emissions by 70 million metric tons over 15 years. In comparison, Egypt emits nearly the same amount of CO₂ overall.

We have already discussed all the technical subjects concerning the environment. I'm convinced that governance is also an essential issue in this field. Good governance would be a system that enables us to reach our objectives and reach them more quickly and at a lower economic, social and human cost. Good governance would place the most effective decision-making system at State level, but would also take advantage of all the tools and players involved in planning and implementation – in other words, cooperation between governments and responsible companies, as I previously discussed. That would be the best way for the public sector to quickly achieve results and for responsible companies to plan, guarantee and accomplish their initiatives by means of investments.

Such cooperation is necessary at all levels: village, State, region and world. The industry approach can also contribute and represents a terrific opportunity, notably for emerging countries given their large ecological footprint in the coming years. That would enable them to take the reins in the environmental arena, to achieve rapid progress in health care and to offer the most innovative solutions in the renewable energy field and other areas. Other relevant areas are affordable housing and energy-efficient buildings.