

# BRUNO LAFONT

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Thank you very much for the invitation. I will try to be brief and put the focus on companies and then give you some examples of cooperation between governments and companies and link that with the topic of ethics and the topic of technologies.

I think we need to be very practical. I will not talk about the day-to-day relations between governments and companies, I want to focus on the two or three global transformations which are happening. Everyone talked about globalization; there is another thing that is happening, which is climate change, an enormous transformation; the third one is urbanization, which will be an enormous change in the world in the coming years, especially in newly growing countries; and the last point is digitalization.

Thanks to those big challenges, cooperation between governments and companies, at least large ones, has improved in the last three to five years. To give you one example, in Copenhagen in 2008, companies had no right to enter the place for the debate and were located 80 kilometres away from the negotiators; in Paris, they were 80 meters from the negotiators. That is as close as the NGOs. As a result, the Paris Agreement mentioned carbon pricing as a good way to accelerate changes relative to climate change and to reduce this temperature increase to less than 2%. That is an engaged dynamic that has been created by 200, 300, 400 motivated, large international companies, whose views were heard not only once, but several times during the process. That continued in Marrakech, where I was last week. We see companies there, because transformation is not simple, I am talking about economic transformation or transformation that has an economic impact. Why? In general, companies will have to play a very important role in the transformation. It is true for globalization; it is true for climate change. Without companies, there would be no technologies or new ways to build, invent the car of the future etc. That requires a lot of cooperation between governments and companies, and that is happening. That does not mean that everything is going well or that everything cannot be improved. Many things can be improved and I will give you several examples. When it comes to organization, and I think that is a question of governance, we should think about how to simplify some state organizations. I think that companies need to think about how they are addressing their propositions, how they cooperate between themselves to address propositions that consider not only the interests of our companies, but also the interests of the subject and the transformation. It is an area where we need a lot of improvement.

We also need a lot of improvement in measurement, and here I am returning to the ethical question. Transformation means change, which means that some things discussed will still be unknown. We do not know everything about the future, but we can talk about it a lot and we will have a problem if we do not measure and commit ourselves, verify what we have done versus what we have announced. I think that company responsibility, like government responsibility, which is another example of the Paris Agreement, starts with announcing commitments along with the ways they will be measured.

As I see possible improvements in cooperation between the state and companies, I also see some dangers. One of them is that people, very often represented by NGOs, may think and say that states, governments and companies are working together to the expense of the people. That may explain some of the discussions we had before about some elections. However, it is true that if we want to achieve those transformations, to create wealth as companies and to fulfill a vision as a government or country, we must also measure and ensure that nobody is left behind, without a job, without understanding the new technology, without understanding the future. I will not enter the discussion about whether a company's mission is to create just profits or to do more. I think they need to do more if they want to achieve



profits and they need to make better measurements. There is one interesting topic, which is rarely spoken about, which is whether we are all working for the general interest. It is nice to talk about that, but how can we measure our contribution to the general interest? How can a company produce a type of P&L, a type of balance sheet, showing not only its profits and cash flows, but also its contribution in value to society, not just around it, but also in more general terms? We have started to talk about this in the World Business Council for Sustainable Development and we call it 'redefining value'. I think it has a lot of merit, because if we succeed, I think we will be more transparent, more responsible, we will get new ideas and new avenues, as well as accepting the scrutiny of public opinion and governments. That is perhaps a new way to practice ethics, not just by complying with the rules, that is the basic, but also contributing something to society.

Thank you very much.

**Susan LIAUTAUD**

Bruno, if you could just think about the two or three priorities you would like to see in terms of the cooperation you mentioned in your talk, between business and government, to pursue the general interest.