

Comments by Transparence International France on Lafarge's Lobbying Charter

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The democratic challenges in relation to lobbying need to be listed and explained in more detail. Companies carry out lobbying to influence the economic sphere, but their interventions mean that they also influence the democratic sphere. Everyone's roles and contributions to public debates therefore need to be made more transparent and set in a framework.

Transparence International France (TI France) – whose main aim is to contribute to significantly improving public and private governance in terms of transparency, integrity and responsibility– considers lobbying to be "the exercise of influence by interest groups, directly or indirectly, whether using representation or not, to promote them to public decision-makers, who have power to make or influence decisions affecting these group's interests."

For TI France, in line with Transparency International, lobbying is a fact of life and is an important element in the democratic debate and the decision-making process. It can help provide information and understanding of complex issues by offering multiple viewpoints and thereby throwing light on decision-making.

However, lobbying, or its lack of transparency, can become unruly and have a negative impact on the proper functioning of democracy, especially if the various interests at stake are taken into account unfairly, if certain specific interests prevail over the general interest or if unwarranted public costs are generated, etc. The complexity of economic, social, societal, environmental and governance issues, and the tough choices required, must be able to be debated publically. In the end, it is firstly a question of making better decisions for the whole community and, secondly, preventing a serious breakdown in trust between citizens, public and political institutions and companies.

For their businesses and their employees, companies have a specific viewpoint to share as part of democratic processes. To create or improve conditions of trust, they are responsible for guaranteeing honest and transparent framework and practices, which are consistent with their corporate responsibility commitments, for ensuring these are understood and for explaining their results.

The intentions of Lafarge's new Lobbying Charter, whose adoption we welcome following the consultation stages, seem to us to be in line with this perspective. TI France was consulted during the draft phase to collect its opinions and suggestions. This dialogue continues the one started previously between TI France and the Lafarge Group in relation to the Code of business conduct.

Lafarge has taken into account most of the recommendations made by TI France. By setting out principles, an organization and commitments for the company, the charter includes elements we believe are important, notably:

- The company is adopting a voluntary framework without waiting to be obliged to by law;
- **The company is making its lobbying part of the quest for consistency and responsibility represented by the company's CSR policy**, as well as of consultation systems. Furthermore, placing lobbying under the responsibility of the Senior Vice-President Sustainable Development and Public Affairs should improve consistency between commitments made with regard to lobbying and social responsibility.
- **The company is making its lobbying part of the quest for compliance through its Code of business conduct and its behavior on markets**. Similarly, the group undertakes to comply with the codes of conduct and rules of the public bodies it lobbies and to appear on registers when they exist. The group has therefore added its name to the lists of interest representatives established by European institutions and the French parliament. The list of national parliaments that the international group lobbies could be specified;
- **Lafarge undertakes to make public the main positions it adopts in public debates and to acknowledge the existence of positions adopted by other parties**. This is in line with recommendations made by TI France during the public debate. The concept of "main" positions could be refined during regular discussions with stakeholders. Lafarge has already published the summary of some public positions in its sustainability report and on its website and states there that positions are adopted by other parties;
- **The group states that its lobbying is conducted by various means** (corporate lobbyists, public affairs firms, trade federations, etc.). The company thereby distinguishes between lobbying carried out internally and lobbying carried out by representatives and appointed organizations and undertakes to be transparent about these various systems;
- **The charter's purpose is to ensure that all those lobbying on behalf of Lafarge comply with its provisions, with the aim of making internal and external practices consistent;**
- **The charter applies to relations with all public decision-makers** (parliamentarians, senior civil servants, cabinet ministers, think tanks, expert bodies, etc.) **and other stakeholders;**
- **The information to stakeholders on "political donations" was added**. This had been recommended in 2008 as an area of progress by TI France when the Code of business conduct was being drafted;
- **Finally, Lafarge commits to promoting the consideration by non-financial rating agencies of high standards in relation to industry lobbying practices**. In due course this should encourage assessment by independent third parties of the effectiveness of these systems and commitments.

Through its innovations, Lafarge could act as a catalyst, opening up new possibilities and leading other economic players to become aware of these challenges. The society is looking forward to social and democratic innovations. And progress could particularly be made via:

- A commitment to **presenting the budget allocated and its calculation method**,
- A commitment to declare a position on the **policy observed relating to gifts, travel, invitations and the funding of seminars and experts or expert bodies**, etc. This aspect was previously highlighted in TI France's responses to the Code of business conduct. It should be noted that in its new code of conduct, since January 2010 the French Senate requests a commitment to declare invitations abroad to any person linked to the Senate by a mandate or a contract.

New lobbying concepts and practices are already becoming established as a key component of corporate social responsibility policies, as demonstrated by the way in which the question is being tackled by various CSR leaders. For example, from July 2010, following a partnership agreement with Transparence International France, the non-financial European rating agency Vigeo will include a criteria in its reference system assessing lobbying policies, their deployment and their results.

TI France wishes to continue to make proposals to decision-makers, expert bodies and companies. Ethics codes adopted by certain organizations must be combined with rules put in place by public institutions to guarantee equal access for the various relevant interests and to make sure that citizens can find out how expert reports are constructed and decisions arrived at by political and public decision-makers.
