



SUSTAINABILITY REPORT 2013

Responsible Performance & Growth





CRH is an international leader in the building materials sector and has placed sustainability at the heart of its strategy and business model. In every area of business, CRH seeks to create long-term value for all stakeholders. The Group is committed to safeguarding its employees, enhancing the environment, ensuring strong governance and risk management, and supporting and benefitting the communities in which it operates. In doing so, CRH can continue to extend its positive influence across the value chain, while building a strong and resilient business that is capable of delivering shareholder returns for the future.

CRH is committed to reporting on the breadth of its sustainability performance in a comprehensive and transparent manner and this is the Group's eleventh such annual report, which relates to activities in 2013.

Data from 100% of Group Subsidiaries is included and data from joint ventures and/or associates is noted as appropriate on a percentage shareholding basis where relevant. As described on the inside back cover, this Report, which is fully independently verified, is in line with international reporting standards.

Front Cover: Sustainable Asphalt in Colorado, US.

'Society Turn' was a former intersection near Telluride, Colorado that served as a meeting place for miners and their families before the town was built. Over time, the area has become synonymous among the region's mountain climbers.

Following a vote by the local community to improve the safety of Society Turn by replacing and upgrading the former T-shaped intersection, Oldcastle Materials subsidiary United Companies was contracted to provide asphalt and paving for the project.

At 8,750 feet above sea level, the warm-mix asphalt used in the project performed better than hot-mix because it remains flexible in the cooler drier air. Not only did this have clear operational benefits, the mix also contained 24% recycled asphalt pavement (RAP) to further enhance the environmental features of the project.

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A Message from the CEO



CRH has placed sustainability at the heart of its strategy and business model and seeks to create long-term value for all stakeholders.

Welcome

Welcome to this, our eleventh annual report describing our approach to sustainability and corporate social responsibility (CSR).

Sustainability as a concept continues to evolve and encompasses a broad range of safety, social, environmental and governance areas. Businesses must not only provide a healthy and safe workplace but also ensure that social inclusiveness, together with respect for human and labour rights, are established principles within an organisation. On the environmental side, trends in the area of energy consumption include not only a focus on production processes and the sustainable use of resources, but also increasingly on the entire life cycle of products. On other fronts, ever higher standards of governance and ethical behaviour are underpinned by an increasingly demanding regulatory environment.

Against this background, CRH has developed its strategies in line with these global trends, whilst remaining firmly committed to the cornerstones of our Group: ensuring the safety and welfare of our employees, supporting the communities in which we operate, sustaining the environment around us, working ethically and responsibly across our businesses and managing risks throughout our operations and supply chain.

We continue to measure and report extensively on our sustainable performance. We expanded our reporting of key non-financial metrics and performance indicators in our 2013 Annual Report in the areas of workplace safety, climate change and workplace inclusivity. A materiality study, undertaken during 2013, helped to clarify our short and medium-term priorities.

All these areas are expanded upon in the following sections and throughout this report.

Key Aspects of our Performance Working Safely

The safety of all our workforce remains a key strategic priority for CRH. Our constant focus on safety has resulted in accident frequencies reducing by an average of 15% per annum over the last decade. In 2013, 92% of our locations were accident free and we are committed to maintaining and enhancing our strong safety culture across CRH with the ultimate aim of achieving zero accident status at every location.

Despite this, we deeply regret the loss of nine lives (two employees and seven contractors) at our operations during 2013. With the assistance of independent specialists, the circumstances surrounding these individual tragedies have been examined in detail, the lessons learned communicated and appropriate actions taken immediately. The elimination of fatalities is a fundamental objective of the Group.

Enhancing the Environment

As a global leader in building materials, CRH can play an important role in improving the sustainability of the built environment. CRH and its companies actively manage the enhancement of the environment in a broad range of areas. We have reduced the consumption of fossil fuels, and alternative fuels now provide 15% of overall Group energy requirements. Emissions reductions from our operations are also a priority. Having achieved our initial CO₂ reduction commitment 3 years ahead of target in 2012, we have now pledged to a 25% reduction in specific net CO₂ cement plant emissions by 2020, compared to 1990 levels.

We recycled 17 million tonnes of externally sourced alternative materials into new products, including recycled asphalt pavement and shingles, which provides a fifth of asphalt requirements in our US operations. In the area of biodiversity we work closely with local interest groups to enhance natural habitats and restore worked-out quarries and pits.

Working with People and Communities

We actively support local communities through a range of financial and non-financial means and also through the generosity of employees who donate their time to many worthy causes. We are proactive in our approach to addressing matters raised in our communities and in 2013 we held close to 700 stakeholder engagement days.

Developing our people is critical to sustaining competitive advantage and to achieving corporate growth over the long-term. We recruit the best people and support them with a variety of development opportunities through which they can advance their careers, develop specialised expertise and grow professionally.

CRH is determined to maintain an inclusive workplace. Our industry traditionally attracts more male employees and CRH's current make-up (82% male) reflects this. At Board level, CRH has set a goal of increasing the number of female Directors to circa 25% by the end of 2015.

Ensuring Excellence in Governance

Our governance procedures are rooted in a Group-wide commitment to core values which include integrity, honesty and respect for the law, and we expect unwavering compliance with the highest standards of business ethics. We are committed to excellence in compliance, risk management and governance.

Our comprehensive Code of Business Conduct has been reviewed and updated, together with supporting policies, guidelines and training. In the past two years, over 30,000 employees have participated in Code of Business Conduct training and a further 10,000 have also undertaken advanced instruction on competition law, anti-bribery awareness and steps to counter the potential for corruption and fraud.

Communication

Engagement with stakeholders at all levels of the organisation and throughout our activities is recognised as a fundamental part of our management role. Across the Group, considerable resources are devoted to communications each year. We communicate regularly on our performance, future plans and corporate objectives on a broad range of issues, from financial, business and development updates through to sustainability commitments and performance.

As with previous reports, this 2013 Sustainability Report has been verified in its entirety by DNV Business Assurance UK (DNV) to Global Reporting Initiative (GRI G3) A+ level and it is our intention to move towards GRI G4 in the future. In the verification process this year, together with our verifiers, we met with a number of external stakeholder organisations in the areas of habitat protection and community support.

We are pleased to be ranked among sector leaders by leading Socially Responsible Investment Agencies and also to remain a member of the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development (www.wbcsdcement.org).

Conclusion

CRH has placed sustainability at the heart of its strategy and business model and seeks to create long-term value for all stakeholders. The Group is committed to safeguarding its employees, enhancing the environment, ensuring strong governance and risk management, and supporting and benefitting the communities in which it operates. By doing this, CRH can continue to extend its positive influence across the value chain, while building a strong and resilient business that is capable of delivering sustainable returns for all stakeholders.





Sustainability in CRH

CRH is committed to doing business in a sustainable and responsible manner. This section profiles CRH's business and its approach to integrating sustainability into all aspects of its operations. Further information on CRH's activities and performance is available in the CRH Annual Report 2013 and in the CRH 2013 Annual Report on Form 20-F filed with the US Securities & Exchange Commission, both available on www.crh.com.

Rudus, CRH's aggregates business in the Baltic Region, which aims to promote eco-construction along its supply chain, operates to the highest safety and environmental standards in the production of its quality products. Pictured here is Port Mussalo in Kotka, Finland, with aggregates from Rudus' Rujavuori Quarry, located 17 kilometres away, being loaded for delivery to the Nord Stream Gas pipeline construction project, which is an important component of Europe's energy infrastructure and being constructed with the highest levels of environmental monitoring and control.

About CRH

CRH is one of the world's leading building materials companies, with a business that spans 35 countries and which serves all segments of construction industry demand.

CRH's vision is to be a responsible international leader in building materials, delivering superior and sustained shareholder returns.

Sustainability and corporate social responsibility concepts are integral components of the Group's performance and growth strategy. In every area of business, CRH seeks to create long-term value for all stakeholders.

CRH's strategy is to sustain and grow a geographically diversified business with exposure to a broad range of segments of construction demand, enabling CRH to achieve its vision of delivering industry leading returns.

CRH plc was formed through a merger in 1970 of two leading Irish public companies, Cement Limited (established in 1936) and Roadstone Limited (established in 1949). The newly-formed group was originally

called "Cement Roadstone Holdings", later abbreviated to CRH. Today, CRH is one of the six largest international groups in its sector.

CRH subsidiary companies employ approximately 76,000 people at over 3,400 locations around the world. The Group's major businesses are in the developed markets of Europe and North America, and it has growing positions in certain developing economies in Asia. CRH is headquartered at Belgard Castle in Dublin, Ireland.

CRH supplies raw materials and finished products for residential, non-residential and infrastructure construction applications. It also has distribution businesses that supply products to the professional building contractor and to the home-owner.

CRH is a Fortune 500 company and is a constituent member of FTSE 100, ISEQ 20, Euro STOXX 50 the Euro STOXX Select Dividend 30 equity indices, and its shares are listed on the London, Dublin and New York stock exchanges. CRH is also ranked among sector leaders by a number of Socially Responsible Investment (SRI) rating agencies for its sustainability and corporate social responsibility performance.

Chief Executive Officer

Group Functions

Finance, Internal Audit, Compliance & Ethics, Risk Management,
Human Resources, Investor Relations, Sustainability, Strategy & Development.



Europe*

Europe Building
Materials

Europe
Distribution



Americas

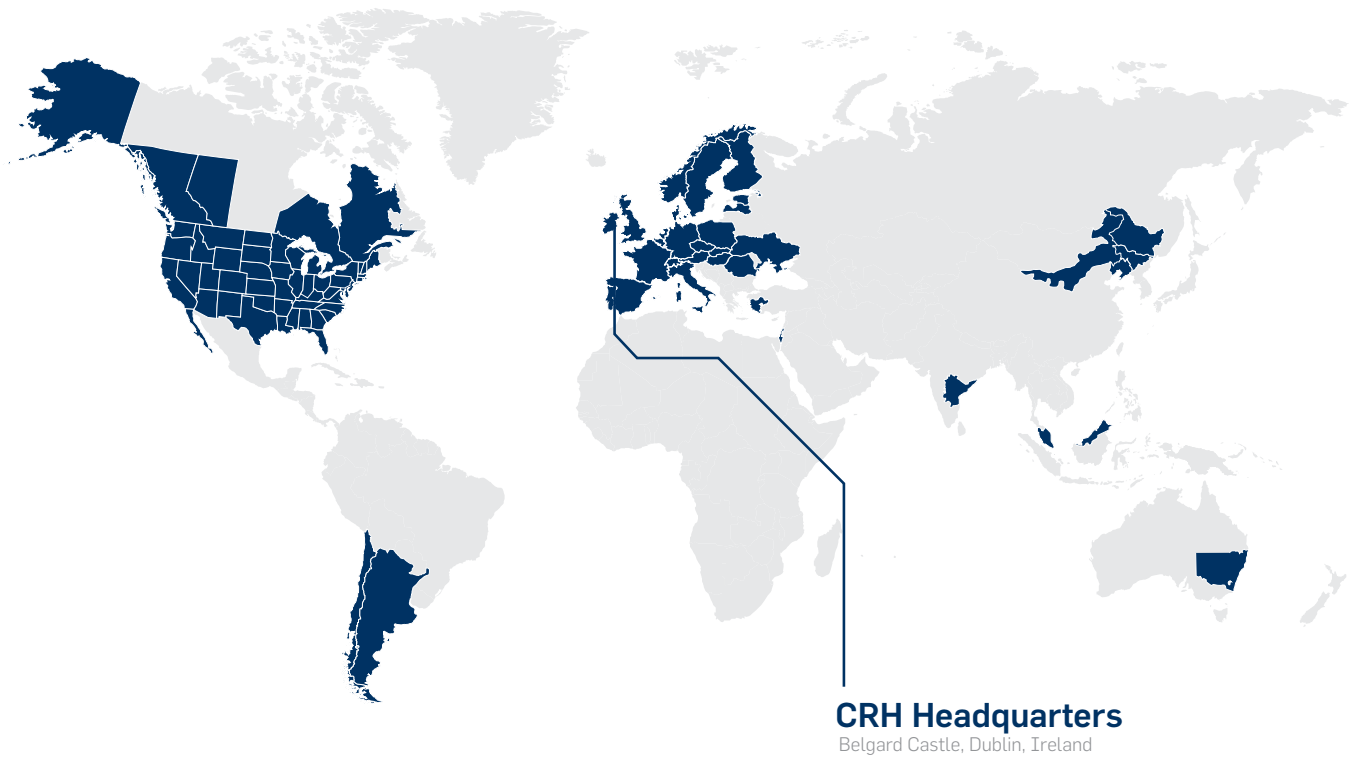
Americas
Materials

Americas
Products

Americas
Distribution

*Operations in Asia-Pacific report through Europe Materials and Products.

About CRH



35 Countries



3,400 Locations



€18bn Revenue



Employs **76,000** people



300 Million tonnes of product

About CRH

CRH is a federal group, organised to achieve sustainable, responsible performance and growth. CRH excels in its business operations, develops its people and builds regional market leadership positions across an actively managed portfolio. Its federal structure effectively combines large company resources with local company entrepreneurship.

CRH's portfolio is well balanced across products, geographies and sector end-uses and this concept lies at the core of CRH strategy. This provides exposure to multiple demand drivers which help smooth the effects of varying economic cycles.

There is a strong management commitment to both the local operating company and to the CRH Group. Managers are supported from a Group centre which provides guidance, support and functional expertise in the areas of performance measurement, financial reporting, cash management, strategic planning, business development, talent management, governance, risk management and sustainability. This approach has attracted and retained exceptional management in the past and the Group has been strengthened by personnel

with a range of skills including operational management, highly qualified business professionals and owner-entrepreneurs.

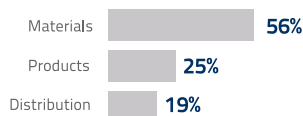
Best-practice teams promote performance improvement through the sharing of experience, technologies and ideas across products and regions.

Policies related to sustainability are defined at Group level and implemented systematically at regional and company level by line management, assisted by safety officers, environmental liaison officers, country compliance coordinators and human resource managers in the operating companies.

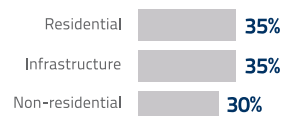
Group sustainability performance is monitored and reported at business level and also centrally by the Group Sustainability Manager and a small support team.

Experienced operational management with extensive local market knowledge are responsible for delivering returns. CRH leverages the benefits of local market knowledge and experience with global scale and resources.

Product



Sector Exposure



Geographic



Product End-Use



Note that the breakdown shown in the graphs above is by annualised Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), which includes joint ventures on a percentage shareholding basis. Note that operations in Asia-Pacific report through Europe Materials and Products.

Sustainability Across a Diversified Business

Sustainability is a fundamental objective for CRH in all its businesses, from materials extraction, through the production of value added building materials and products, to final delivery to the customer. A key way in which CRH contributes to the sustainability of the built environment is through its products and processes.

With market-leading positions, Group companies have the opportunity to work with customers and the wider industry to develop sustainable products and solutions.

Best practice activities, high performance champions and innovation centres in key business areas, provide powerful conduits for innovative product development and operational excellence. Excellence in corporate governance, environmental management, safety management, social performance and communications at local level are priorities for all management in CRH's main areas of business activity. In addition, there are specific sustainability opportunities in each product area.

Materials:

2013 Production

CEMENT

8.6 (18.9)* M TONNES

AGGREGATES

167.7 (170.4)* M TONNES

ASPHALT

39.6 (40.6)* M TONNES

READYMIXED CONCRETE

12.6 (14.3)* M m³

LIME

1.0 M TONNES

*INCLUDING EQUITY ACCOUNTED INVESTMENTS

Materials businesses are the larger energy users in the CRH Group. Improving energy efficiency and increasing the use of alternative fuels and biofuels is a major focus throughout the materials businesses. Carbon emissions from energy use and from decarbonation put climate change high on the agenda. Alternative fuels now provide 35% of energy requirements for cement production and a significant portion of Group cement production is low carbon "green" cement.

In the US, CRH's subsidiary Oldcastle Materials has pioneered the use of Warm-Mix Asphalt (WMA), which now accounts for

one third of the asphalt produced. The use of alternative materials, waste management and recycling represent significant business opportunities, e.g. the use of recycled asphalt pavement (RAP) in asphalt production, and construction and demolition (C&D) materials in aggregate production. Each percentage point increase in RAP usage saves the Group €10m, replacing virgin bitumen and aggregates.

With large land holdings around quarries and pits, materials businesses can have a positive impact on biodiversity, both during normal operations and in restoration of worked out areas.

Leadership positions include:

No. 1

ASPHALT: US

No. 3

AGGREGATES: US

Top 3

READYMIXED CONCRETE: US

Top 10

CEMENT: WESTERN EUROPE

National European Leadership Positions:

AGGREGATES

AGRICULTURAL AND

CHEMICAL LIME

ASPHALT

READYMIXED CONCRETE



Jura Cement's Cornaux plant in Switzerland sources half of its energy from alternative fuels, and in 2013 installed a new alternative fuels processing plant to further increase the quantities of shredded plastics used to substitute for conventional fuels.

Sustainability Across a Diversified Business

Products:

2013 Production

CONCRETE &
PRECAST PRODUCTS

24.9 M TONNES

CLAY PRODUCTS

2.9 M TONNES

FENCING PRODUCTS

14.4 M LINEAL METRES

BUILDING ENVELOPE PRODUCTS

9.8 M m³

PRE-PACKAGED CEMENT MIXES

2.6 M TONNES

PRE-PACKAGED LAWN &
GARDEN PRODUCTS

3.6 M TONNES

The development of innovative, sustainable products is seen as a significant business opportunity and a wide variety of products that positively impact the built environment are produced and distributed. Concrete is a well-established solution in applications such as flood defence systems and stormwater management systems and its thermal mass properties can positively benefit energy requirements when used in buildings. Other products

with environmental benefits range from sustainable fencing systems to "green" roofs to energy-efficient building envelope solutions.

Improving energy efficiency is a key focus for brick and concrete producing operations. Recycling, both of internal by-product and externally sourced secondary materials, is also a priority for business.

Leadership Positions include:

No. 1

CONSTRUCTION ACCESSORIES:
WESTERN EUROPE

No. 1

SECURITY FENCING AND
PERIMETER PROTECTION: EUROPE

No. 1

FACING BRICKS: UK

No. 1

PAVING AND PATIO: NORTH AMERICA

No. 1

BUILDING ENVELOPE SOLUTIONS:
NORTH AMERICA

National European leadership positions

CONCRETE PRODUCTS



The first of four wind turbines that will be installed at CRH Europe Concrete plants in Belgium, generating 7,000 MWh per annum of renewable electricity for the Marlux/Stradus Infra location, Ghent, resulting in lower electricity costs and a reduction in CO₂ emissions by 3,000 tonnes.

Sustainability Across a Diversified Business

Distribution:

Outlets

BUILDER'S MERCHANTS

349 (417)* OUTLETS

DIY

196 (234)* OUTLETS

SHAP

126 OUTLETS

EXTERIOR PRODUCTS

139 OUTLETS

INTERIOR PRODUCTS

54 OUTLETS

*INCLUDING EQUITY ACCOUNTED INVESTMENTS

CRH distributes building materials to general building contractors, specialist Sanitary, Heating and Plumbing (SHAP) contractors and DIY customers in Europe. In the United States, CRH's distribution businesses service professional roofing/siding contractors ("Exterior Products") and sell wallboard, steel studs and acoustical ceiling systems to specialised contractors ("Interior Products").

CRH's distribution businesses focus on delivering superior customer service through operational initiatives that use best-in-class procurement and commercial systems

to optimise the supply chain and ensure operational excellence. Many distribution businesses are using their position to promote environmentally-driven products in the marketplace, both to DIY customers and building contractors. In addition, many distribution companies provide advice to customers on "green" building solutions.

CRH's distribution businesses manage their direct potential sustainability impacts by focusing on energy efficiency and recycling. In addition, transportation efficiencies are being rigorously progressed.

Leadership Positions include:

No. 1

BUILDERS' MERCHANTS: AUSTRIA, NETHERLANDS, SWITZERLAND, NORTH GERMANY, FRANCE (BURGUNDY, FRANCHE-COMTÉ AND RHÔNE-ALPES)
DIY STORES: NETHERLANDS

No. 2

BUILDERS' MERCHANTS: FRANCE (ILE-DE-FRANCE)
DIY STORES: (JOINT) PORTUGAL (50%)
SHAP: SWITZERLAND, BELGIUM

No. 3

DIY STORES: BELGIUM
SHAP: NORTHERN GERMANY
ROOFING/SIDING DISTRIBUTOR: US
INTERIOR PRODUCTS DISTRIBUTOR: US

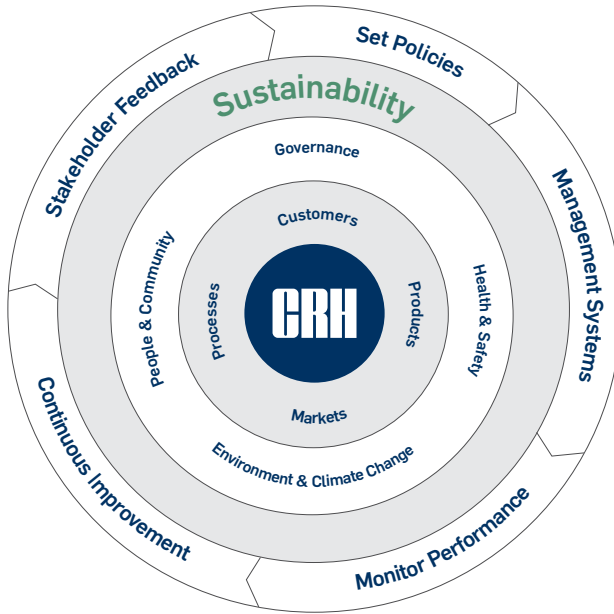
No. 5

DIY STORES: GERMANY



The Solar Division of Allied Building Products, CRH's US Distribution business, supplied and delivered the solar PV panels, inverters, mounting hardware and the roof material, for this 1.8MW system for a project in Dayton, New Jersey, US.

Creating Value from Sustainability

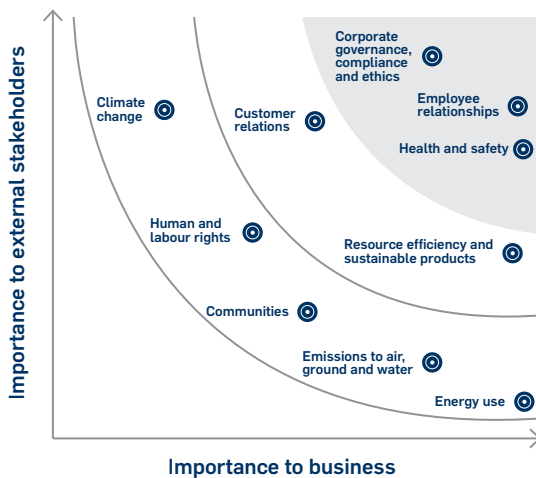


CRH has operated successfully for over 40 years. This success has been based on a solid foundation and commitment to the fundamental aspects of business. From materials extraction through to the manufacture, supply and delivery of building products, CRH is innovative in its products and processes, seeking to create long-term value for stakeholders at each stage of its operations.

The fundamentals of business are managed within an established risk-based sustainability framework which has a strong focus on Health & Safety, Environment & Climate Change, Governance, and People & Community. In each of these areas, the Group sets and implements policies, develops management systems, monitors performance and incorporates stakeholder feedback, aiming for continuous improvement across all activities.

CRH's emphasis on value-creation ensures that the Group is extending its positive influence across the value chain whilst delivering tangible top and bottom line benefits. Some of the many examples of these achievements are highlighted in this Report.

Assessing Materiality

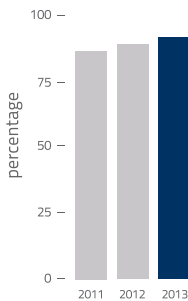


For CRH, materiality is defined as the identification of the focus areas that are relevant or significant to an organisation and its stakeholders. CRH has established a formal structure to identify, evaluate and manage potential risks and opportunities in sustainability areas and together with existing stakeholder engagement and feedback processes, have defined material sustainability for the Group's reporting and management focus. During 2013, these processes were carried out with an external organisation to ensure a fully objective evaluation was achieved. An international best practice approach was used for the assessment, which covered the full breadth of CRH activities and incorporated an emphasis on stakeholders. The assessment resulted in a comprehensive and balanced understanding of material sustainability issues, identifying ten key focus areas, which were evaluated and prioritised using internal and external stakeholder feedback.

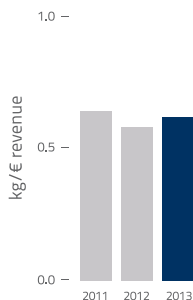
These ten focus areas are shown graphically on this page and each area is specifically discussed in this Report. Additional metrics and appropriate KPIs will be set in each focus area, to further drive and improve sustainable business performance and realise the value of sustainable opportunities. In this way, CRH can ensure it continues to identify key sustainability issues, respond to the associated challenges and take advantages of the business opportunities arising.

Strategic Priorities for Sustainability

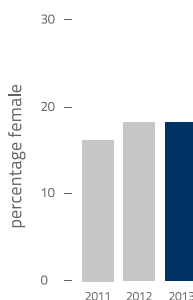
Zero Accident Locations



CO₂ Emissions



Gender Diversity



CRH recognises that excellence in sustainability is an essential factor in achieving superior performance. The Group has policies and guidelines in place to support management in key material sustainability areas, which together enhance CRH's reputation and underpin CRH's ability to do business.

In keeping with its focus on measured performance, CRH continues to refine and develop appropriate financial and non-financial measures that reflect the Group's strategic priorities.

A series of key safety, social and environmental indicators were published in the 2013 Annual Report as part of CRH's commitment to full and transparent reporting on its activities and to communicate leading-practice benchmarks across the organisation. These KPIs are quantifiable measures which the Group has been working to for many years and

are closely aligned to the Group's strategic priorities. Pages 15 to 16 of this Report show these priorities in the context of the wider group of Sustainability indicators.

Safety is a core value and the Group monitors many safety metrics to ensure the effectiveness of its safety policy. The number of accident free locations is a key indicator as CRH aims for all locations to be accident free.

CRH aims to achieve the highest standards of environmental management. Opportunities and challenges from climate change bring a focus on Group CO₂ emissions. Indicators in this respect are among those used to monitor the achievement of environmental policy objectives.

CRH recognises that excellence in employee relationships underpins business success and its social policy is implemented Group-wide. Non-discrimination is a key component and to monitor this, gender balance at all levels of the organisation is tracked as an indicator.



CRH's participation at Ecobouw during the Dutch Green Building Week in 2013, proved an excellent showcase for the contribution CRH's products and services make to more sustainable buildings and the built environment. The event highlighted CRH's position in the market as a reliable partner for sustainable building products and solutions.

Stakeholder Engagement



700
Stakeholder
engagement days
during 2013

CRH believes that continued business success depends on the excellent relationships formed with all stakeholders. CRH maintains these relationships through a policy of open dialogue, collaboration, transparency and direct engagement.

Stakeholders are defined as all those who affect or are affected by CRH's business and include both internal stakeholders, such as employees, and external stakeholders, such as shareholders, the investment community, socially responsible investment rating agencies, legislative and regulatory authorities, industry peers, government representatives, contractors, customers and suppliers as well as neighbours, local NGOs and community groups.

The table on the following page highlights key stakeholder Groups and examples of 2013 engagements, all of which took place with the overall aim of being a good neighbour in every community in which CRH companies operate.

CRH interacts with its stakeholders on two levels: global and local, on an ongoing basis and on a broad range of issues, including sustainability commitments and performance.

At Group level, CRH engages with shareholders and the investment community, third-party survey and assessment organisations and other interested parties.

At company level, CRH is in regular dialogue with local customers, suppliers, neighbours and local communities. Communications with legislative and regulatory authorities are either handled at company level, or at product group or regional level as appropriate. In addition company representatives maintain a range of contacts with colleges and universities throughout the countries in which CRH does business.

Internal communications make a valuable contribution to CRH's success in the competitive environment of the building materials industry. The employee voice within CRH is heard directly through a variety of representative structures depending on the business or country concerned. Mechanisms exist throughout the Group for informing and consulting employees on matters impacting on them directly and on the businesses in which they work. In the European Union, the CRH Euroforum (in compliance with the European Works Council Directive) provides a regular opportunity for employee representatives to discuss a wide range of business and social issues, including sustainability strategies, with company management. In the US, Oldcastle holds regular "Town Hall" meetings where employees can join in discussions in person or remotely.



Oldcastle BuildingEnvelope®, a US subsidiary of CRH, partnered with Columbia University's Graduate School of Architecture, Planning and Preservation (GSAPP) on "The Future of Energy" and in September 2013, brought together world-renowned experts at the Museum of Modern Art in New York City, US, to exchange ideas on how best to address energy production and consumption issues for the future.

Stakeholder Engagement

| CRH Stakeholders | | Engagement examples | Main issues raised |
|--|---|---|--|
| Employees | Senior Management Staff Trade Unions Potential and new recruits Leavers | Team meetings Employee newsletters Forums Annual Euroforum Employee survey Town Hall meetings Annual CEO video | Business performance Employee relationships Health, safety and wellbeing Corporate governance and ethics Human and labour rights Potential local impact |
| Local communities | Neighbours Local authorities Charities and volunteer organisations Environmental groups | One-to-one meetings Open days Site tours Participation in local events | Communities issues Planning matters Potential local impact Sustainability of processes and products |
| Investors | Institutional investors Fund managers Financial and SRI analysts Rating agencies SRI analysts | Annual General Meeting One-to-one meetings Investor conferences and roadshows Survey engagement Ratings | Business performance Sustainability policy Corporate governance and ethics Environment and climate change Employee relationships Cost reduction CEO succession |
| Customers | Builders Architects and engineers Public sector Private developers Consumers Contractors | Meetings and negotiations Customer surveys Formal market research Brand and corporate websites Product information on packaging | Customer relations and contracts Quality and delivery Health, safety and wellbeing Resource efficiency and sustainable products |
| Suppliers | Suppliers of materials Contract manufacturers Service providers | Supplier surveys Contractual meetings Tender quotations Information requests | Quality and delivery Contract performance Health, safety and wellbeing Corporate governance and ethics Potential local impact |
| Government and regulators | Country and local governments Regulators of Group products and services Local authorities | Briefings and direct meetings Multi-stakeholder forums Industry associations | Potential local impact Corporate governance and ethics Planning matters Environment and climate change Emissions to air, ground and water |
| Academic and scientific community | Universities Researchers Students Industry associations | One-to-one meetings Seminars Presentations | Environment and climate change Human and labour rights Emissions to air, ground and water Energy and resource efficiency |
| Media | TV and radio National and local newspapers Financial newspapers | Media surveys Interviews Press Releases Social Media | Business strategy and performance Corporate governance and ethics Employee relationships Health, safety and wellbeing Environment and climate change |
| NGOs and pressure groups | Human and labour rights organisations Environmental organisations | One-to-one meetings Presentations Participation in events | Corporate governance and ethics Environment and climate change Human and labour rights Energy use Resource use |

Areas of Sustainability Impact and Opportunity

Key Sustainability Areas

The table below outlines the key sustainability topics within each of the main areas of sustainability performance:

- Health & Safety.
- Environment & Climate Change.
- Governance.
- People & Community.

In addition, stakeholder dialogue is also included due to its importance to CRH in developing, implementing and continuously improving its policies covering the sustainability aspects of its business.

Progress to date in these topics, together with future objectives, is outlined. The 10 focus areas identified in the materiality assessment (🎯) are highlighted.



Health & Safety

Strategic Priority: To ensure the safety of everyone in the workplace

| Topic | Progress to 2013 | Future Objectives |
|-----------------------|--|--|
| Policy Implementation | Health & safety policy fully embedded throughout the organisation. | Continue to refine and roll out to acquisitions as soon as possible. |
| Review Process | Annual review carried out and results for 2013 reported to Board. | Continue to refine process, improve efficiency, further increase accuracy of data. |
| Accident Prevention | Achieved a 15% reduction in accident frequency and severity rate per annum over the last decade. In 2013, 92% of locations were accident free. | Aim for zero fatalities and ultimately zero accidents. |
| Fatality Elimination | Fatality Elimination Plan developed, implemented and audited. Remains a central focus of health and safety activity. | Continue implementation and audits of Fatality Elimination Plan. |
| Safety Initiatives | New initiatives introduced to augment existing safety systems, including contractor safety. | Continue to develop safety management initiatives. |

Environment & Climate Change

Strategic Priority: To achieve the highest standards of environmental management and proactively address the challenges of climate change




| Topic | Progress to 2013 | Future Objectives |
|--|--|--|
| Policy Implementation | Environmental policy fully embedded throughout the organisation. | Continue to refine and roll out to acquisitions as soon as practicable. |
| Review Process | Annual review carried out and results for 2013 reported to Board. | Continue to refine process, improve efficiency, further increase accuracy of data. |
| Climate Change | Ongoing carbon reduction in all activities. On target to reduce specific cement CO ₂ emissions by 25% (2020 vs 1990). | After achieving 2015 targets 3 years ahead of schedule, ongoing strategic programmes continue to focus on reducing specific net CO ₂ emissions. |
| Emissions | Ongoing emissions reduction in all activities. On target to reduce specific cement dust emissions by 80% and NO _x by 22% (2020 vs 2006) while maintaining low SO _x . | After achieving 2015 targets 3 years ahead of schedule, continued progress towards achieving new targets. |
| Energy Use | Ongoing focus on energy reduction: 2013 energy savings were 165 GWh. | Continue to reduce specific energy consumption. |
| Water, Waste, Recycling | Progressive improvements being achieved on all parameters. | Continue to refine water management and reduce waste. |
| Resource Efficiency and Sustainable Products | Sustainability aspects of product life cycle being promoted, 17m tonnes of alternative raw materials recycled into sustainable products in 2013. | Continue to develop and promote products to benefit the built environment. |
| Quarry and Pit Reinstatement, Biodiversity | 98% of quarries and pits now have reinstatement plans. | Continue to develop reinstatement and biodiversity plans where appropriate. |

Areas of Sustainability Impact and Opportunity

Governance

Committed to the highest standards of corporate governance

| Topic | Progress to 2013 | Future objectives |
|--|--|--|
|  Corporate Governance, Compliance and Ethics | Further strengthened organisational structures, reporting continued to meet all requirements, training programme extended. | Ensure ongoing highest standards of corporate governance. |
| Risk Management | Significant review of risk management framework. | Continue to manage all risks proactively, including new risks. |
| Code of Business Conduct | Code Revised in 2014, additional guidelines and policies developed. | Continue to refine and roll out to acquisitions as soon as possible. |

People & Community

Strategic Priority: To develop our people and create an inclusive workplace

| Topic | Progress to 2013 | Future objectives |
|--|--|--|
| Policy Implementation | Social policy fully embedded throughout the organisation. | Continue to refine and roll out to acquisitions as soon as practicable. |
| Review Process | Annual review carried out and results for 2013 reported to Board. | Continue to refine process, improve efficiency, further increase accuracy of data. |
|  Employee Relationships | Programmes rolled out throughout the Group. | Continue to be an employer of choice. |
| Diversity and Inclusivity | Principles of equal opportunity and non-discrimination applied. In 2013, 11% of operational staff and 41% of clerical and administrative staff were female. At Board level, 17% of Directors are female. | Continue to provide a work place which guarantees equal opportunity for all. Target to increase female board representation to 25% by the end of 2015. |
| Management Development | Management development programmes continued. | Extend the development programmes to continue to supply the depth and breadth of skills for a global organisation. |
|  Human and Labour Rights | Commitment to human and labour rights set in Code of Business Conduct. | Continue to extend influence along value chain to respect human and labour rights. |
|  Knowledge Transfer | Best practice activities continued in all key activities. | Continue to drive horizontal knowledge-sharing. |
|  Customer Relations | Focus on excellence in customer care, product quality, value and service. | Develop and maintain customer partnerships. |
| Supply Chain | Ethical Procurement Policy implemented, Supplier Code of Conduct developed in 2013, sustainable supply chain management work continues. | Continue to develop policies, drive sustainability. |
|  Communities | Extensive programmes continued at local and community levels. | Continue to grow these programmes in all regions of operation. |

Stakeholder Dialogue

Committed to comprehensive and transparent engagement on sustainability performance.

| Topic | Progress to 2013 | Future objectives |
|-----------------------------------|--|--|
| Materiality | Formal materiality assessment completed and identified 10 focus areas. | Further develop KPIs in each focus area to drive and improve sustainable business performance. |
| Stakeholder Communications | Extensive communication programmes continued with all stakeholders. | Continue to communicate openly with stakeholders and respond to feedback. |
| Awards | Continued high number of awards. | Continue to promote awards. |
| SRI Rating Agencies | Positive reviews received from leading Agencies. | Maintain high level position. |
| GRI Guidelines | Adopted the GRI G3 guidelines, achieved the "A+" level, completed G4 gap analysis. | Continue to achieve "A+" application level, prepare to report to GRI G4 guidelines. |
| External Verification | 2013 Report verified by DNV. | Maintain Sustainability external verification, continuously improving reporting. |

Financial Performance 2013

During the first six months of 2013, the severe and prolonged winter conditions which delayed the start of the construction season in CRH's major markets, together with weaker trading in Europe, had a negative impact on financial results. As the year progressed markets began to stabilise in Europe, while the pick-up in economic activity in the US provided positive momentum for CRH's Americas businesses.

Following a first-half decline of 6%, like-for-like sales were ahead by 2% in the second half, reducing the full-year decline to 2%. With the translation impact of the weaker US Dollar more than offset by contributions from acquisitions, sales of €18bn for the year were in line with 2012. EBITDA for the year amounted to €1.48bn, slightly ahead of guidance.

Against this backdrop, the Group continued to focus on improving its cost base, particularly in Europe, scaling capacity and managing costs to match shifting demand patterns across core businesses. Incremental savings of €195m were delivered in the year. Cumulative cost savings since the programme began in 2007 now amount to almost €2.4bn.

Key projects include improving energy efficiency, increased use of alternative fuels

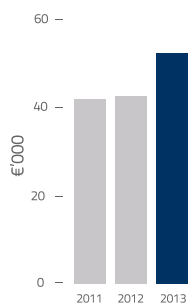
and recycled materials, together with a focus on supply chain management.

With economic indicators now pointing to an improving outlook for the global economy, CRH is reshaping its portfolio for the future and is focused on positioning the Group for future growth. CRH will continue to recognise the importance of sustainability, compliance, risk management and governance during this process.

In November 2013, CRH embarked on a comprehensive review to identify and focus on the businesses in its portfolio which offer the most attractive future returns and growth in the coming cycle. An orderly disposal process is underway to dispose of business units, which accounted for approximately 10% of the Group's net assets at year-end 2013. CRH has determined that approximately 80% of the Group's net assets are in businesses which meet the Group's strategic and financial criteria. CRH is currently assessing the businesses which account for the remaining 10% of net assets, where fit or returns potential are not yet clear.

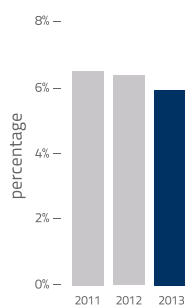
By prioritised the allocation and reallocation of capital across these core businesses, CRH's target is to restore margins and returns to peak levels in the coming cycle.

Total Shareholder Return*



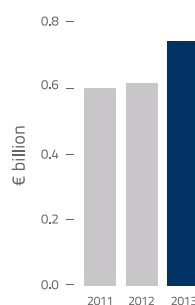
*Cumulative value of €100 invested in 1970

Return on Net Assets*

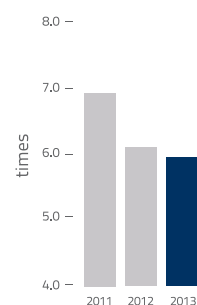


*Pre Impairment

Operating Cash Flow



EBITDA/Net Interest Cover



Development Strategy and Activity

CRH continues its rigorous approach to acquisition evaluation. Companies joining the CRH Group are integrated into health & safety, environmental, social and compliance and ethics reporting systems, together with CRH governance systems. All potential acquisitions are carefully examined for material Sustainability issues and matters that may affect both the valuation of the purchase and the reputation of the Group. Extensive due diligence is carried out and for acquisitions in developing economies, this also covers human rights and other social and ethical issues.

Total acquisition and investment activity for 2013 amounted to €720m (2012: €548m). A total of 28 bolt-on transactions were completed, which met key criteria of establishing and developing leading positions in attractive markets.

Transactions in Europe included the acquisition of Cementos Lemona in Spain as part of the asset swap in which the Group divested its 26% stake in Corporacion Uniland. Other transactions in Europe strengthened CRH's aggregates position in Northern Ireland and expanded the network of cement import facilities in Britain. CRH became the leading cement producer in Ukraine with the September acquisition of Mykolaiv Cement in the Lviv region.

Also in Europe, an acquisition in Belgium established the Group as market leader in the pre-stressed hollowcore flooring segment, while three acquisitions in the Distribution segment added 13 branches to the network of builders' merchants across the Benelux region and France.

In the Americas, the Materials Division completed 10 bolt-on transactions across its operations, adding 450m tonnes of strategically-located aggregates reserves, primarily in the Eastern region of the United States. CRH's Products business significantly expanded its presence in the high growth region of Western Canada with an acquisition which complements the footprint of the existing North American architectural products business. Three acquisitions in the Products segment strengthened local market positions. The Distribution business completed three acquisitions adding eight locations to the national network.

CRH's joint venture business in India strengthened its market position in Southern India with the acquisition of Sree Jayajothi Cement in August. In October, CRH opened a regional headquarters in Singapore, from which the developing Asian business will be managed. From a small start six years ago, CRH is now invested in companies employing 15,000 people in Asia.



Sree Jayajothi Cements Limited was acquired in 2013 by My Home Industries (MHIL), CRH's JV partner in India. With an annual cement capacity of 3.2m tonnes, Sree Jayajothi makes MHIL market leader in Andhra Pradesh, South India.





Health & Safety

Safety is a core value at CRH and keeping people safe is a strategic priority at all levels of the organisation. This section describes the Group's approach to health and safety, which begins with a clear policy emphasising leadership, engagement and safety awareness. The Group's safety performance for 2013 is also covered, together with a summary of the safety initiatives and programmes which were developed and implemented during the year.

Western Rock, Utah, US, an Oldcastle Materials subsidiary, implements a detailed safe driving programme that covers every aspect of a journey, including pre-start checks together with driving safely both on-road and on-site. In addition, safe entry and egress from the cab are included and incorporate the "three points of contact" working at heights safety initiative.

Health & Safety Policy

Policy

CRH's Health & Safety Policy, applied rigorously across all Group companies is to:

COMPLY as a minimum, with all applicable health and safety legislation and continuously improve our health and safety stewardship, aiming all the time to meet or exceed industry best practice.

ENSURE that our companies provide a healthy and safe workplace for all employees and contractors, and take due care of customers and visitors at our locations.

INSIST that all employees and contractors respect the Group's health and safety guidelines.

REQUIRE all employees and contractors to work in a safe manner as mandated.

Implementation

CRH demands the very highest workplace safety standards across all operations. The Group recognises that for effective health and safety management, everyone has a role.

The implementation of the CRH Health & Safety Policy is the responsibility of line management up to the Chief Executive Officer and ultimately the CRH Board. Company management ensures that the CRH Health & Safety Policy is strictly adhered to and that site managers and employees understand safety risk analysis and accident prevention principles. The elimination of fatalities remains a fundamental objective throughout the Group.

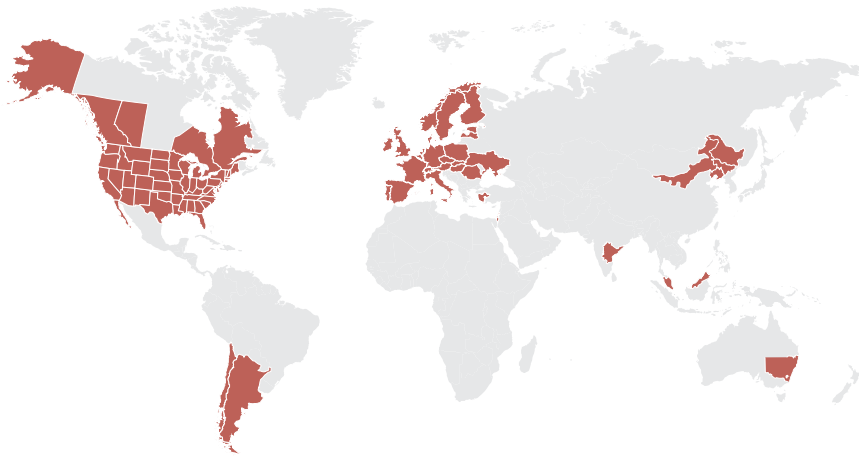
Managers at CRH are supported by a strong safety management structure with each company having at least one full-time or part-time Safety Officer, depending on the scale of the operating company. This Safety Officer network assists line managers in developing safety management at Group locations and improving safety performance.

Best practice is extensively shared between Safety Officers across the organisation and this process is supported by the Group Sustainability Manager and his team.



Oldcastle Materials, US, awarded its safety innovation award to APAC Missouri and Kansas City's "Game Tape" initiative. This behavioural safety scheme centres around the concept of defining and reducing risk by changing employees' perspectives. The crew watches the "Game Tape" together, which forms the basis for a free and open discussion of risk.

Key Materiality Aspect: Health & Safety



Safety audits at
3,100
locations

Safety has always been a core value at CRH and during 2013, the importance of safety was confirmed as part of the materiality assessment referred to on page 11. The safety of all at CRH is recognised as an operational imperative and effective management of safety is vital to CRH's strategic vision. It is essential that the Group's safety performance is clearly understood and communicated to all stakeholders.

The safety performance of operating locations at CRH is rigorously assessed with safety audits completed at over 3,100 locations during 2013 by internal experts or external agencies.

The elimination of fatalities remains a fundamental objective within the Group and CRH continues to review and strengthen its safety systems to achieve this across all operations. Where fatalities occur, the circumstances surrounding such events are thoroughly investigated and the lessons learned communicated throughout the Group as a matter of urgency in order to address any deficiencies and heighten awareness at all locations.

In addition, CRH carries out a thorough annual review of health and safety performance at each year-end. Safety Officers across every Group company submit a detailed questionnaire and a comprehensive report is prepared by the Group Sustainability Manager and his team, which is reviewed by the CRH Board. The results of the review are fed back to

operating companies through the network of Safety Officers and through safety best practice groups during the year. This helps to develop a culture of continuous improvement in safety performance at all Group companies.

Acquisitions are systematically introduced to the review process to ensure that all subsidiaries are covered each year. Most joint ventures and associates also actively participate in the review process.

The year-end review addresses key issues including:

- Analysis of all fatalities focusing on direct and root causes.
- Implementation of the Fatality Elimination Plan.
- Implementation of CRH's Health and Safety policy.
- Analysis of all lost time injuries focusing on trends in root cause, injury type and employed person's profile.
- Safety management relating to employees and contractors, including: recording of near misses, minor injuries and recordable incidents; frequency of safety meetings; hours of safety training; use of disciplinary measures and incentives to reduce accidents; use of personal protective equipment.
- Details relating to internal and external safety audits and risk assessments.
- Workplace hygiene and employee health management.



Group companies employ a variety of methods to keep safety at the forefront of everyone's actions. Here in Europe Distribution's Bouwmaat Schiedam location in Netherlands, wear-resistant graphics underfoot reinforce the key safety actions required.

Accident Prevention

92%
of CRH locations were
accident free

Accidents

The safety of everyone working for CRH is a strategic priority. The 2013 review demonstrated further improvement in the Group Accident Frequency and Severity Rates to 2.5 lost time accidents per million manhours and 65 lost working days per million manhours, respectively (both combining employees and contractors). The Accident Frequency and Severity rates over the last decade have reduced by an average of 15% and 13%, respectively, per annum, a significant improvement over the period. CRH's performance compares well with its peers.

CRH continues to advance its safety philosophy across all companies and while challenges remain where CRH does not have full management control, good progress was made in 2013. The Accident Frequency Rate for joint ventures and associates was 1.7 lost time accidents per million manhours and the Severity Rate was 51 lost working days per million manhours (both combining employees

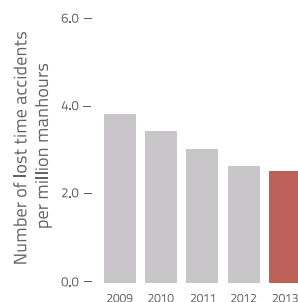
and contractors), a reduction of 11% and 28%, respectively, on the previous year.

A significant 92% of CRH active locations were accident free in 2013. CRH strives to improve this figure through ongoing intensive safety management, training and sharing of safety best practice, with the ultimate aim of achieving zero accident status at every location. The percentage of zero accident locations is quoted in the 2013 Annual Report as a key non-financial performance indicator of the Group's strategic priorities.

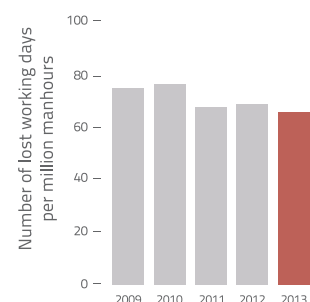
Operations with poorer safety performance continue to be subject to intense management focus for improvement. There is a particular emphasis on bringing acquisitions up to Group safety standards.

In 2013, CRH companies incurred a number of fines totalling €260k with over 80% of these occurring in the United States, mostly resulting from OSHA and MSHA inspections. All deficiencies notified have been rectified.

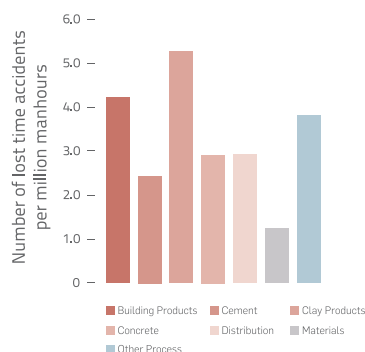
Group Frequency Rate



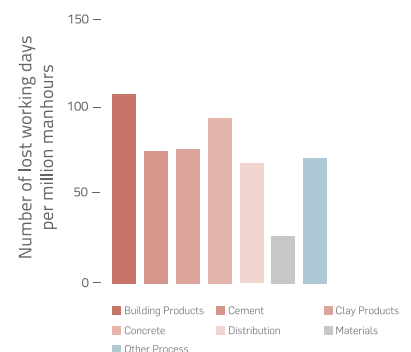
Group Severity Rate



Frequency Rate by Activity

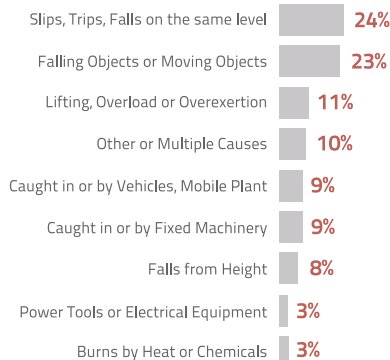


Severity Rate by Activity

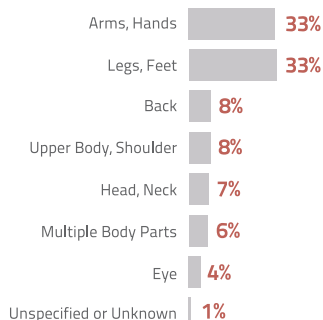


Accident Prevention

Accidents by Cause 2013



Accidents by Injury Type 2013



Accident Causes

CRH carries out detailed analysis of all accidents across the Group each year. All accidents are investigated and data is gathered on the direct cause, root cause and type of injury and also age, length of service and job category of those injured. The focus of this analysis is to identify the categories of risk and to share the lessons learned, prevent repeat accidents and strive for zero injuries across the Group.

The data from 2013 was consistent with previous years and indicated that the three main accident causes continued to be: slips, trips and falls on the same level; falling objects or moving objects; and lifting, overloading or overexertion. The most frequent injuries were to the arms, hands, legs and feet. Detailed analysis of near misses and incidents are carried out to further understand causes and enhance risk awareness.

Training

In 2013 accident prevention measures included an emphasis on employee engagement through training programmes, toolbox talks and safety awareness workshops, safety meetings and circulation of safety alerts.

Safety training programmes are focused and presented in a concise and understandable

manner. On average, employees received over 14 hours training specifically on safety in 2013. Significant resources are directed at developing employee competency to ensure they can carry out tasks safely and without risk of accident or incident. In 2013, 83% of the safety training hours were completed by operational employees.

Training of CRH employees at all levels throughout the Group is an essential element of eliminating accidents and developing competency. Advancement of safety awareness and understanding is an ongoing management objective and therefore senior management development programmes also include strategic safety modules.

Training needs are identified through task risk assessments, formal employee appraisals and review of near miss or accident data. At a regional level specific programmes are developed and rolled out on an annual basis. Training is carried out through a variety of techniques including face to face meetings, workshops, on line tutorials and presentations. In addition, specific training material is presented on DVDs and translated into different languages as required. This material is incorporated into company programmes and can be company or location specific.



Vehicle-pedestrian segregation is a focus across the CRH Group to reduce the risk of accidents from mobile plant movements. At the Superlite Lone Butte location in Chandler, Arizona, US, designated walkways, signs and barriers are employed in a custom-designed system to ensure the safety of pedestrians.

Fatality Elimination

The elimination of fatalities is a fundamental objective of CRH with **zero** being the only acceptable figure

The elimination of fatalities continues to receive the highest priority across all operations at CRH. However, despite the very considerable focus on safety, CRH deeply regrets that there were 2 employee and 7 contractor fatalities in subsidiaries during 2013. These fatalities correspond to Fatality Rates (number of Fatalities per 10,000 employed) of 0.27 (0.27 in 2012) for employees and an equivalent of 1.05 (0.35 in 2012) on a combined (employee and contractor) basis. One third-party fatality was reported in 2013.

With the assistance of independent specialists, the circumstances surrounding each of these individual tragedies have been examined in detail, the lessons learned communicated and appropriate actions taken immediately.

In addition to the figures reported for subsidiary companies, CRH also deeply regrets that 1 employee fatality was reported in an associated company, in China. CRH continues to work with all joint ventures and associates to ensure they adopt the Group's safety culture and strong commitment to effective safety management.

Over the last decade the three main causes of fatalities have been identified as: mobile plant movements; failures by individuals to abide by established plant isolation (Lock Out/Tag Out) procedures and falls from height. These identified causes of fatalities have been shown to be different to the causes of accidents. As a result, the Fundamentals for Fatality Elimination were developed 4 years ago to target these

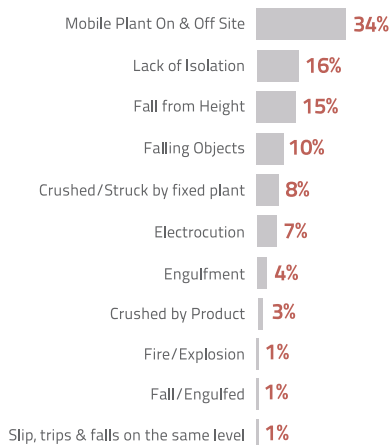
specific causes. The implementation of the 11 Fundamentals is mandatory across the Group.

Auditing of the implementation of the Fatality Fundamentals is ongoing, bringing a very positive focus to the Fundamentals and further enhancing safety best practice throughout the Group. The audits carried out to date confirm the high level of implementation of the Fundamentals and the significant management attention on a daily basis. Deficiencies identified during the audit process are addressed by local management and reviewed through follow up audits and inspections. A Group-wide Fundamental Safety Alert continues to be distributed every month to supplement ongoing regional initiatives, which continue to be enhanced.

Each region has also developed specific programmes on the 11 Fundamentals. For example, due to the risk from mobile plant, in addition to the implementation of the industry developed CSI guidelines on driver safety, additional technical improvements to increase driver safety awareness have also been introduced.

Following the comprehensive fatality prevention benchmarking review on emerging markets that was completed in 2012, a CRH Construction Project Safety Protocol and Construction Safety Manual were developed and rolled out during 2013. The Protocol and Manual set out clear objectives and standards that must be adhered to by contract companies when completing major construction projects in emerging regions for CRH.

Fatalities by Cause 2004-2013



The team that participated in a Fatality Elimination Plan audit at the Oldcastle Moulded Products Candiac location, Quebec, Canada. This was one of numerous similar audits that took place around the Group during 2013.

Contractor Safety

Contractors carry out many different functions across the Group, from specialised work, to supplementing labour requirements, to delivering products. The level of contractor usage varies significantly across the Group.

The CRH Group sets out clear and consistent safety expectations of contractors. A partnership approach is adopted, and the Group engages regularly with contractors and project teams to discuss risk management approaches and to share best practice.

CRH expects its contractors to comply, at a minimum with legal and regulatory requirements, meet the Group's rigorous safety requirements and operate consistently with the principles of the CRH Code of Business conduct. CRH companies have extensive contractor management procedures in place.

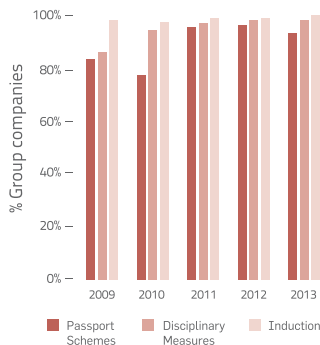
Contractor companies and their employees are expected to be competent and have the required training to carry out the job safely. Contractor pre-qualification systems are in place for vetting the safety record of contractors. In addition, contractor safety inductions and formalised evaluation systems are in place. CRH companies

have strong disciplinary policies and procedures in place to address situations where breaches may occur.

CRH's experience indicates that contractors have a significantly higher risk of being involved in a fatal accident than employees. As a result, contractor management receives a high priority and contractor procedures are embedded in day to day operations at all locations.

CRH is implementing the Recommended Good Practice Guidelines for Contractor Safety developed by the CSI. In addition, in 2013, CRH launched a new initiative around contractor safety to complement and extend existing regional initiatives. A number of key steps have been set out for implementation in 2014 and beyond, to further strengthen and enhance contractor safety. A Group wide analysis of existing contractor safety management systems is currently underway to identify areas of best practice and whether any gaps exist. An action plan will then be developed to address any deficiencies. In tandem with this, the Group continues to enhance training programmes for management and supervisors encompassing contractor management.

Contractor Safety Management



Contractor
management in
Group companies



93%

have

Passport
Schemes



98%

have

Disciplinary
Measures



100%

have

Site
Induction

Safety Management

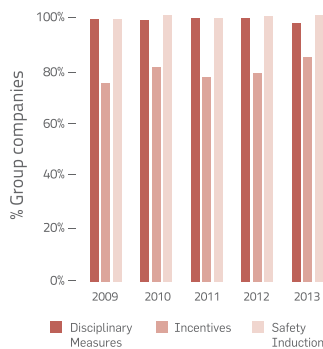
CRH is committed to maintaining and enhancing a strong culture of safety across all operations. Throughout the Group, systems have been developed to cover all aspects of health and safety, incorporating comprehensive safety procedures which are underpinned by risk assessment processes. These systems ensure that safety induction programmes are in place for new employees, that employee participation in safety is facilitated through safety meetings, that accidents and near misses are investigated with follow up actions implemented and also that safety alerts are circulated. Safety management is coordinated throughout the Group by the network of company Safety Officers.

companies, safety performance is incentivised and throughout CRH, any safety negligence identified is subject to disciplinary action.

Behavioural safety has remained a focus in 2013 with many Group companies further enhancing their progress towards best practice in this evolving area. These programmes aim to empower employees to manage their own safety through training, guidance and accountability. The programmes, which are often run with the assistance of safety specialists and consultants, are key to the maintenance and development of a strong safety culture. Metrics to monitor employee and contractor involvement and participation are reviewed at both regional and Group level.

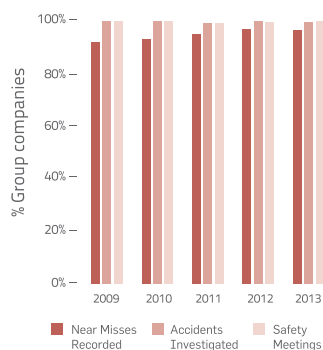
CRH has invested nearly €140m over the last five years on upgrades on all aspects of health and safety across the Group. In 2013 nearly 40% of spending and investments were on: mobile plant upgrades; pedestrian segregation; lockout-tag-out (LOTO) system upgrades and improvements in fall protection, all of which are related to the top causes of fatalities. Overall the level of spending continues to underpin a dedication to improvements in safety, ergonomics and general workplace conditions.

Employee Safety Management



Group companies continue to drive employee engagement and support safety leadership teams to further improve safety culture and awareness. Regular safety meetings with employees took place at all companies during 2013 and in addition, 67% of all Group employees were involved either directly or indirectly in formal joint management/worker safety dialogue. Safety improvement forms an integral part of discussions with trade unions where applicable. Topics discussed include safety initiatives, contractor management and ongoing Fatality Elimination Plan actions. In many Group

Safety Management



Representatives from companies across CRH's Europe operations who were successful in the 2013 CRH Europe Safety Award scheme, which rewards excellence in safety.

Safety Management

CRH strives to promote its safety management philosophy across all joint ventures and associates, although challenges remain where the Group does not have direct responsibility for safety management. In most cases CRH partners actively embrace Group safety policy, report safety data and willingly participate in CRH best practice activities.

There is a strong focus on the integration of the CRH safety management culture into acquisitions as rapidly as is possible. This can present significant challenges in countries and regions that traditionally have a poor safety culture and CRH has developed particular processes to address this.

CRH is a core member of the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development. Through its membership of the CSI Health & Safety Task Force and other regional industry associations including CEMBUREAU in Europe and NAPA in the US, CRH is actively involved in global and regional discussions on improving the safety performance of the industry, with specific initiatives currently being rolled out relating to mobile plant, work zone safety and contractor safety management.

Employee Health

The 2013 review captures extensive data on employee health and well-being and indicates that workplace hygiene monitoring is taking place across the Group in accordance with local and national requirements as appropriate.

There was a very low incidence of occupational illness claims recorded in Group companies in 2013, indicating a positive position in occupational health across the Group. In addition, Group companies continually invest in monitoring and improving the workplace environment and in 2013 over €4m was invested in this area. In the EU, relevant companies participate in the European Social Dialogue Agreement (ESDA) on respirable crystalline silica exposure. Where necessary, CRH companies have also actively planned upgrades to comply with developing legislative requirements.

Furthermore, 64% of Group companies provide well-being programmes for their employees. These typically include smoking cessation, weight control, vaccinations and drug and alcohol rehabilitation programmes. In addition, 72% of Group companies offer assistance on employee health insurance.



Mr. M.M. Patil, Sr. VP at My Home Industries Ltd., Hyderabad, India, discusses the importance of safety with employees during a cooler upgrade project. My Home Industries is a joint venture of the CRH Group and has an active approach to safety management.



During 2013 First Aid training was provided to Superglass SA employees at the Pacheco manufacturing plant, Buenos Aires, Argentina.





Environment & Climate Change

CRH continues to focus on achieving the highest standards of environmental management in all its activities and on addressing proactively the challenges of climate change. Climate change, energy, resource efficiency and emissions were identified as key sustainability topics by CRH stakeholders in the 2013 materiality assessment carried out across the full breath of Group activities. These topics, along with the Group's Environmental Policy and implementation systems, are covered in this section. In addition, detailed environmental performance data from across the Group is presented and reviewed.

Cementos Lemona, which became part of the CRH Group in February 2013, received two UEPG (European Aggregates Association) Sustainable Development Awards for its Apario Quarry in Biskaia, Spain at a ceremony in Brussels in November 2013. The location, which operates as both an open pit and an underground mine, achieved the awards for Innovation and Restoration.

Environmental Policy

Policy

The CRH Environmental Policy, applied across all Group companies, is to:

COMPLY as a minimum, with all applicable environmental legislation and continuously improve our environmental stewardship, aiming all the time to meet or exceed industry best practice.

ENSURE that our employees and contractors respect their environmental responsibilities.

ADDRESS proactively the challenges and opportunities of climate change.

OPTIMISE our use of energy and all resources.

PROMOTE environmentally-driven product and process innovation and new business opportunities.

DEVELOP positive relationships and strive to be good neighbours in every community in which we operate.

Implementation

The implementation of the CRH Environmental Policy is the responsibility of line management up to the Chief Executive Officer and ultimately the CRH Board. Company management ensures that the CRH Environmental Policy is strictly adhered to and that site managers and employees understand their roles in achieving its objectives.

Line managers in each Group company are assisted by designated Environmental Liaison Officers (ELOs). In each region, the ELOs network with each other and the Group Sustainability Team in the sharing of environmental best practice. Acquisitions are systematically integrated into the ELO network as soon as is practicable.

All companies are required to have an appropriate environmental management system, the scope of which will depend on

the type of operating activity concerned and the specific demands of the local permitting regime. The total number of Group locations with ISO14001 certification is now 588 (530 in 2012). Overall, 80% of CRH's subsidiary clinker plants are certified. It should be noted that ISO Environmental Certification is not common in the building materials industry in the United States.

An overview of the various potential environmental impacts associated with CRH activities, which vary from heavy industrial operations to retail stores, is provided in the table below. CRH is actively evaluating its range of metrics to ensure it can assess performance and monitor progress in all areas of environment, including climate change, energy efficiency improvements, resource efficiency, emission reductions, improved water and biodiversity management along with other areas.

| ENVIRONMENTAL IMPACTS BY ACTIVITY | CLIMATE CHANGE/CO ₂ | OTHER AIR EMISSIONS | WATER | WASTE | REINSTATEMENT | BIODIVERSITY | TRANSPORT |
|-----------------------------------|--------------------------------|---------------------|-------|-------|---------------|--------------|-----------|
| Cement | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Other Process | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Materials | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Concrete Products | ■ | | ■ | ■ | | | ■ |
| Clay Products | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Building Products | ■ | | | ■ | | | ■ |
| Distribution | ■ | | | ■ | | | ■ |

Annual Review Process

The sustainability team in CRH conducts a comprehensive annual review of environmental performance across the Group and prepares a detailed report for the CRH Board. The objective of the review is to verify implementation of CRH Environmental Policy, ensure that environmental issues and risks are being proactively managed and to identify and prepare for future environmental developments. The review, which is based on detailed inputs from ELOs across the Group, covers all subsidiary companies. Most joint ventures and associates also actively participate in the review process.

The information from this environmental review has been used to provide the environmental performance information in this Report. The pages that follow summarise the key 2013 data and compare performance with that in previous years. The year-end review encompasses the following key areas:

- Compliance with Group environmental policy, local regulations and national legislation.
- Environmental audits and certification.
- Mitigating climate change and minimising energy and fuel usage.
- Reducing emissions to air quality.
- Resource efficiency and recycling activities.
- Waste and water management.
- Restoration, heritage and biodiversity activities.
- Environmental upgrades and improvements.

CRH policy requires that any compliance deficiencies are addressed and resolved. Fines from regulatory authorities in 2013 amounted to €439k (2012: €70k). A significant portion of this (€376k) was paid by a US subsidiary, in settlement of a case related to historical non-compliance which is now resolved. None of these issues caused significant environmental impact. In addition, 60% of Group companies were satisfactorily audited by external agencies during 2013.

The environmental review process ensures environmental risks, as detailed in this section and on page 54, are being managed appropriately. There were no significant fuel spills and unprotected underground fuel storage tanks continue to be phased out in accordance with Group policy. The small number of locations with electrical equipment containing polychlorinated biphenyls (PCBs) and with a potential for Legionnaire's disease have appropriate management plans in place. Reviews of all locations for asbestos containing material (ACM) have been completed and any identified risks are being managed appropriately. No new significant risks of an environmental nature, which had not already been previously well documented, were identified. Sites with historical contamination or landfill issues are well understood and are being appropriately managed.



In June 2013 the annual Americas Environmental meeting was held in Dallas, Texas, US. This meeting was one of many regional sessions within the Group that facilitated feedback on the annual review together with internal discussions on specific projects and environmental best practice.

Key Materiality Aspect: Climate Change

The challenges posed by climate change, along with evolving environmental legislation, heightened stakeholder awareness and expectations, are fully recognised by CRH and integrated into the Group's management strategy. The importance of climate change was also formally reinforced by its identification as a key topic for CRH in the materiality assessment as described on page 11 of this Report.

CRH is a core member of the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development, a voluntary initiative by 24 major global cement players to address the sustainability challenges of the industry in consultation with a wide range of stakeholders. Through its membership of CSI and regional industry associations including CEMBUREAU and EuLA in Europe and NAPA and PCA in the US, CRH is actively involved in global and regional discussions on the climate change agenda. Relevant facilities

in Europe operate within the EU Emission Trading Scheme for GHG emissions.

The Group's many approaches towards reducing specific Carbon Dioxide (CO₂) emissions form a key part of CRH's climate change mitigation programme. Cement and lime production accounts for 75% of CRH Group CO₂ emissions. In these processes, CO₂ arises both from the high temperature chemical decarbonation of the limestone raw material, and also from fuel combustion. Group CO₂ emissions also arise from the firing at high temperatures of clay and ceramic products, as well as from lightweight aggregate production and from the drying and heating of raw materials in asphalt mixing plants. Minor CO₂ emissions arise from fuel use in other activities and from transport. The table below summarises CRH's approaches towards reducing specific CO₂ emissions in all of its activities. Specific performance and targets are described in the following pages.

Addressing the Challenges of Climate Change

CEMENT

Optimally operating cement plants.

Reducing clinker factor by producing blended cements (low carbon "green" cements).

Using alternative fuels where available and permitted.

Reducing power consumption.

Investing in new and replacement state-of-the-art plants.

Research into new cement/concrete technologies.

OTHER PROCESS

Lime – optimising existing plants and investing in new state-of-the-art plants.

Lightweight aggregates – optimising plant operation.

MATERIALS (AGGREGATES, ASPHALT, READYMIXED CONCRETE)

Optimising quarrying, aggregates crushing and recycling activities.

Optimising mix design in readymixed concrete.

Using cementitious by-products where commercially available.

Optimising asphalt mixing plant operations.

Using recycled asphalt pavement (RAP) and alternative fuels where available and permitted.

CONCRETE PRODUCTS

Optimising mix design in all products.

Using the heat of reaction in curing.

Using recycled materials where practicable.

In precast products, pioneering the use of carbon-fibre reinforcement.

CLAY PRODUCTS

Optimising plant operation and fuel usage.

Using alternative fuels where available and permitted.

Insulation of brick kilns to minimise heat loss.

Progressively upgrading plants to latest technology.

Introducing unfired bricks for certain indoor applications.

BUILDING PRODUCTS

Developing innovative energy-saving solutions.

DISTRIBUTION

Optimising product distribution logistics.

Promoting sustainable products.

TRANSPORT

Optimising logistics and modes of transport.

Climate Change: Emissions

Following a comprehensive review, CO₂ was identified as the only relevant Greenhouse Gas for CRH. Total CRH direct CO₂ emissions (designated as Scope 1 under the Greenhouse Gas Protocol) from all wholly-owned subsidiaries amounted to 9.8m tonnes in 2013, compared with 9.2m tonnes emitted in 2012. The increase is due to increased activity in some businesses.

The breakdown of CO₂ emissions by source was broadly similar to the previous year, as was the breakdown of CO₂ emissions by activity. Cement clinker production accounted for 65% of direct Group emissions, which is reflected in the fact that decarbonation is the largest single source of direct CO₂ emissions in the Group.

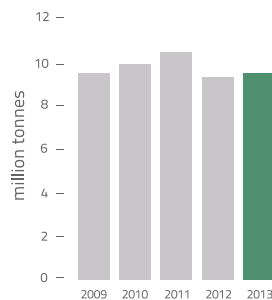
CRH focuses on improving process and energy efficiency and in reducing specific CO₂ emissions from each of its activities. CRH is confident that due to this focus and the many current plant upgrade investments, specific CO₂ emissions in all activities will decline in the years ahead.

Scope 2 2013 CO₂ emissions, calculated on a total electrical energy usage of approximately 3.0TWh, are estimated to be in the order of 1.3m tonnes. Scope 3 emissions for contracted transport are estimated to be of the order of 1.0m tonnes.

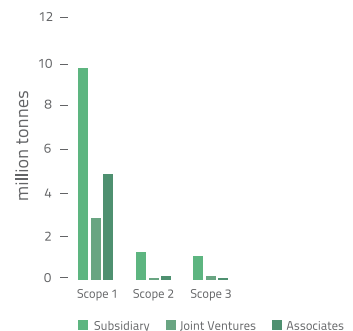
As indicated above, this data relates to wholly-owned subsidiaries. When joint ventures and associates are included on a basis proportionate to CRH's shareholding, the combined Scope 1 emissions amount to 16.9m tonnes (2012: 15.7m tonnes). The combined Scope 2 and 3 emissions is correspondingly estimated to be in the order of 1.5m tonnes and 1.1m tonnes, respectively (2012: 1.5m tonnes and 1.1m tonnes respectively).

For its cement activities, CRH reports on the agreed CSI key performance indicators (KPIs) on page 73 of this Report and those indicators related to CO₂ emissions showed improvements due to the carbon reduction strategy outlined later in this section.

CO₂ Emissions (Scope 1)

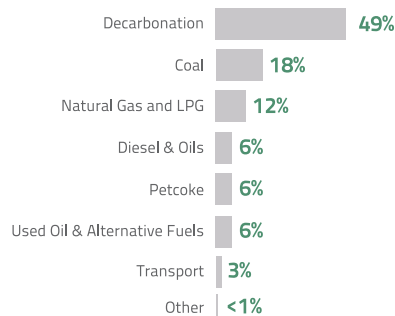


CO₂ Emissions (Equity Basis)



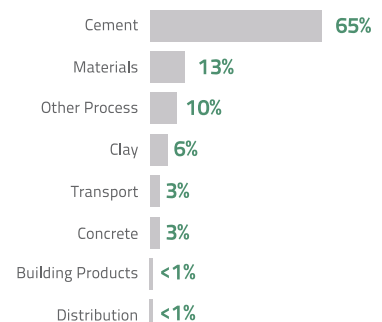
9.8m TOTAL TONNES

CO₂ Emissions by Source (Scope 1)



9.8m TOTAL TONNES

CO₂ Emissions by Activity (Scope 1)



Climate Change: CO₂ Emissions Reduction Commitment



In line with its strategy to be a responsible international leader in building materials, CRH has committed to specific CO₂ reduction targets. The first commitment (a 15% reduction in specific net CO₂ on 1990 levels by 2015), made in 2006, was met three years ahead of the target date. A new commitment was published in 2013 and is to reduce specific net CO₂ cement plant emissions by 25% on 1990 levels by 2020.

The 2020 commitment covers a defined portfolio of cement plants within the CRH Group at the beginning of 2013 and includes facilities in Belgium, Finland, Ireland, Poland, Spain, Switzerland and Ukraine.

CRH is pleased to report that it is on-track with its 2020 reduction commitment. The 2013 specific emissions (0.615t CO₂/t cementitious product) were 19% lower than 1990 emissions (0.760t CO₂/t cementitious product). This is in line with the 2020 target (0.571t CO₂/t cementitious product). CRH is confident that its strategic programmes will deliver this commitment on target.

Approximately 60% of CO₂ in cement production arises from decarbonation, a chemical reaction in the formation of cement clinker from limestone. Reduction is therefore focused on using less carbon intensive fuels and less clinker in cement manufacture.

Programmes are in place throughout the Group to reduce carbon emissions. These programmes also bring about significant cost improvements and include:

- An increase in the average use of alternative fuels. Continued investment in alternative fuel handling systems will enable this growth.
- A reduction in the average clinker content of cement. This will require optimisation of clinker mineralogy, development of blended cements and maximisation of the use of alternative materials in all cements.



Odessa Cement, Odessa, Ukraine, is an established specialist in the production of quality low carbon "green" cements in the Ukrainian cement market, meeting Ukrainian technical standards for a variety of products, including sulfate resistant cements.

Climate Change: Cement

Alternative Fuels

Approximately 40% of the CO₂ generated in the production of cement clinker arises from the carbon content of the fuels used. Fossil fuels have been traditionally used in the industry. Therefore, alternative fuels, together with energy efficiency, is key to reducing CO₂ emissions in the production of clinker and ultimately, cement.

In CRH plants, a wide range of alternative fuels are used, such as:

- Solid recovered fuels (SRF), tyres and solvents, thus making beneficial use of waste materials that would otherwise go to landfill or incineration.
- Biomass alternative fuels, which are carbon neutral.

The use of alternative fuels is a major element of the Group's cost reduction programme.

Alternative fuels used in Group cement plants in 2013 amounted to 430k tonnes, a similar quantity to that used in 2012.

The KPI (refer to page 73 of this Report) on alternative fuels, which expresses alternative fuels as a percentage of the fuel mix increased to 21.2% in 2013 (2012: 20.1%).

Clinker Factor Reduction

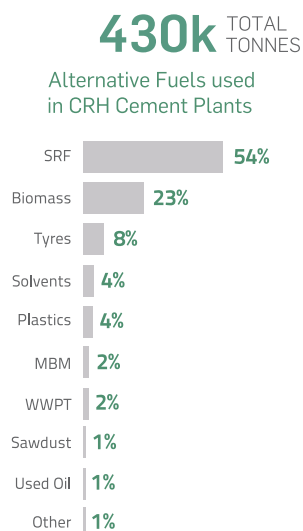
CRH is committed to reducing its clinker factor to the lowest possible figure consistent with market requirements for specific products. This is also a key element of reducing CO₂ emissions. In 2013 the KPI for clinker factor was further reduced to 78.4% (2012: 79.2%).

Alternative Materials

Increasing the portion of alternative raw materials, both in the raw meal kiln input and in the production of blended cements has many environmental benefits. Current CRH initiatives include:

- Use of locally available alternative materials to replace virgin quarried raw materials in the kiln raw meal, thus conserving resources.
- Use of alternative materials (such as ground limestone, fly-ash (PFA) and slag) in so far as permitted by technical standards to replace a proportion of clinker in cement (thereby proportionately reducing the CO₂ per tonne of cement).

During 2013, a total of 1.6m tonnes (2012: 1.5m tonnes) of alternative materials was used in CRH's cement activity. The KPI on alternative materials as a percentage of clinker and cement was 15.4%, broadly similar to the previous year.



Climate Change: Other Activities

Energy efficiency and climate change mitigation is a driving force in process and product development in all CRH's activities.

The Group wide specific CO₂ emission from lime production in 2013 was approximately 1.0t/t product, in line with previous years. This level reflects the Group fuel mix portfolio and the significant investments in modern technology. A significant portion of lime produced in Group lime kilns is in high efficiency lime kilns, which are over 20% more efficient than older kilns.

In the production of asphalt mixes, CRH's Oldcastle subsidiary, which operates across the United States, has pioneered "warm-mix" technology which can reduce energy usage and CO₂ emissions by up to 30% compared to conventional "hot-mix" technology. Currently, half of all Oldcastle asphalt plants can produce warm-mix asphalt (WMA) and over 40% of asphalt sold by Oldcastle is WMA. Wider use of warm-mix asphalt continues to deliver cost and customer benefits.

Increased quantities of recycled asphalt pavement (RAP) can be used in warm-mix asphalt production, further enhancing the sustainability aspects of the product.

In the production of clay products, CRH continues to focus on energy efficiency improvements and CO₂ emission reductions. The Group wide specific CO₂ emission from clay production in 2013 was approximately 200kg/t product, in line with previous years.

Several innovations are also coming through in the production of concrete products and readymixed concrete leading to greater efficiency in the use of cement and in improvements in energy and fuel consumption, hence reducing the carbon footprint of concrete operations. CRH works with customers and the wider building materials industry to develop sustainable and innovative products and solutions. The durability, strength and thermal mass properties of concrete are increasingly being exploited to provide concrete products that actively benefit the built environment.



Staker Parson, an Oldcastle Materials subsidiary, has invested in a new asphalt plant at its Brigham North location in Utah, US. The new energy-efficient plant enables the production of warm-mix asphalt and the increased use of recycled asphalt pavement.

Key Materiality Aspect: Energy Use

Effective management of energy is vital to the continued growth and success of the Group and the topic of Energy Use and Efficiency was identified by stakeholders as a key topic in the formal materiality assessment that was carried out during 2013 (refer to page 11). Energy accounts for approximately 30% of the cost of cement production and in 2013, the CRH Group as a whole spent €644m on energy, which represents 5% of total Cost of Sales.

Energy Use and Management

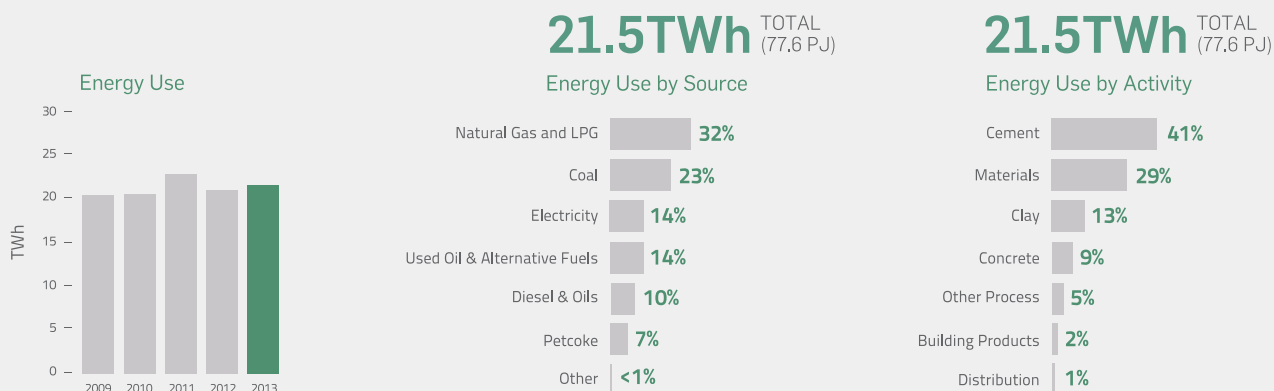
Total Group energy usage in all subsidiaries was 21.5TWh (77.6PJ) in 2013, compared with 20.8TWh in 2012. The increase is due to increased activity in some businesses. The breakdown of energy usage by fuel type was similar to previous years. There is a very significant ongoing focus on energy reduction in all Group companies for commercial and environmental reasons and in 2013 approximately 165GWh of energy was saved. Energy efficiency improvements are being rigorously pursued at all CRH's production locations globally and specific energy management teams have been established. Energy efficiency is a major element of the cost savings initiatives plan. Formal energy management systems are being increasingly introduced across the Group and energy reduction targets have been set by over half of all Group companies. Energy from renewable resources is actively pursued by many companies. Initiatives include the use of alternative fuels (14% of total energy) and the purchase of electricity generated from

renewable resources (335GWh, an increase on the 2012 figure of 268GWh).

Cement operations accounted for 41% of energy use across the Group and specific (per tonne of product) energy consumption data for clinker production was 855 kcal/kg. Previous years energy KPI data for cement activities (including joint ventures and associates on a percentage shareholding basis) are reported on page 73.

Transport

CRH companies are focusing on optimising transport to reduce fuel usage and correspondingly their overall carbon footprint. Transport optimisation also has the benefit of reducing other air emissions. Transport by road is the most common mode, driven by the imperatives of timely delivery to a diverse and local customer base. Where possible, Group companies use fuel-efficient rail, boat or barge transport. These modes are ideal for larger bulk consignments over generally longer distances to fixed destinations. In the United States, CRH has invested specifically in rail, boat and barge transport companies and facilities. Overall, 65% of CRH Group companies have initiatives in place to optimise transport through, for example, use of GPS in route planning, ensuring full loads, fleet management, engine idling alerts and maximising back-loading. These initiatives not only reduce emissions, but also contribute towards improved customer service and reduced delivery costs.



Key Materiality Aspect: Emissions

Emissions to air are under scrutiny due to international protocols and national legislation. Emissions were identified in the materiality assessment as described on page 11 as a key sustainability topic for CRH.

Within the CRH Group, the greater proportion of stack air emissions arise from cement plants, with cement accounting for a significant portion of particulate, NO_x and SO_x emissions. CRH's air emissions reduction commitment is therefore focused on cement production.

In addition, many Group companies have programmes to improve air quality, which generally include investing in new abatement technology and implementing operational efficiencies to reduce potential air emissions.

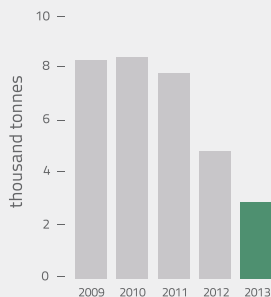
For the entire CRH Group, particulate emissions, at 2.9k tonnes, are significantly reduced on the 2012 figure of 4.8k tonnes. This decrease is largely attributed to reductions in cement plant emissions due to the investment in state-of-the-art energy efficient production technology.

NO_x emissions (Nitrogen Oxides), in 2013 decreased to 14.9k tonnes from the 2012 figure of 15.2k tonnes due to increased abatement in cement activities. SO_x emissions (Sulphur Oxides), in 2013, at 4.5k tonnes, were reduced from the 2012 quantities of 5.5k tonnes.

Regarding the air emission KPIs (refer to page 73 of this Report), the specific particulate and specific SO_x emissions declined due to the reasons outlined earlier. The marginal increase in NO_x reflects an increased use of alternative fuels in certain plants.

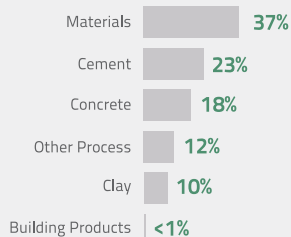
CRH Reports on key performance indicators (KPIs) for its cement activities as shown on page 73. It should be noted that many of these KPIs include subsidiaries in addition to joint ventures and some associates on a percentage shareholding basis and the resultant figures should be reviewed separately from those relating to the commitments noted on page 40 and the total Group air emissions.

Air Emission - Particulates

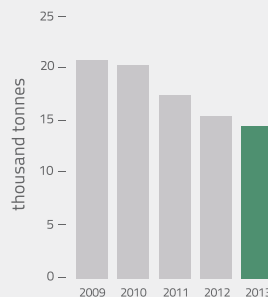


2.9k TOTAL TONNES

Particulates by Activity

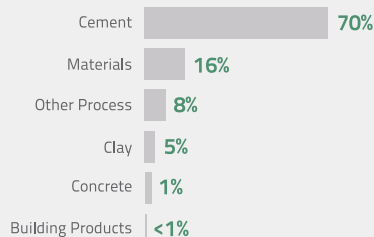


Air Emission - NO_x

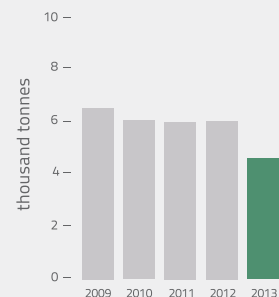


14.9k TOTAL TONNES

NO_x by Activity

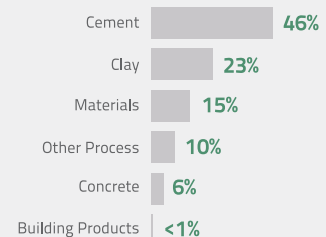


Air Emission - SO_x



4.5k TOTAL TONNES

SO_x by Activity



Air Emission Reduction Commitment



Target

80%

reduction in average specific clinker particulate emissions by 2020.

Target

22%

reduction in average specific clinker NO_x emissions by 2020.

CRH is committed to reducing air emissions from clinker production in line with its strategic vision of being a responsible leader in building materials. The original commitment, made in 2007 was met three years ahead of the target date in 2012. This was to reduce, by 2015 on 2006 levels, average specific particulate emissions by 50% and average specific NO_x emissions by 10%.

A new commitment with a target date of 2020 was published in 2013 and is for:

- 80% reduction in average specific particulate emissions compared with 2006 levels (437g/t clinker) by 2020.
- 22% reduction in average specific NO_x emissions compared with 2006 levels (1,763g/t clinker) by 2020.

As CRH is already at a very low specific SO_x level, it is not technically practicable to attain further decreases, accordingly a reduction commitment is not appropriate.

The commitment covers a defined portfolio of clinker plants within the CRH Group at the beginning of 2013 and includes facilities in Finland, Ireland, Poland, Spain, Switzerland and Ukraine.

CRH is confident that its ongoing strategic programmes will deliver this commitment on target. Particulates will be reduced through ongoing investment in new filters where required, and also by the operation of new, efficient plant. NO_x emissions will be reduced through the optimisation of abatement systems. In addition, operational parameters are also being targeted to reduce NO_x.



Selective non catalytic reduction (SNCR) equipment for reduction of NO_x emissions, by injection of ammonia, has been installed at Cementownia Ozarów, Poland.

Key Materiality Aspect: Resource Efficiency and Sustainable Products

17m tonnes
of alternative materials
used by Group companies.

Most of the raw materials traditionally used in building materials are quarried, non-renewable resources. Using alternative raw materials, which would otherwise be disposed of as waste, leads to economic and environmental benefits by avoiding the extraction of the materials which they replace and diverting material from waste streams. In addition, use of alternative raw materials reduces the carbon footprint of products. CRH, as a global leader, has a role to play in resource efficiency, which has been identified as a key sustainability issue for the Group by internal and external stakeholders in the formal materiality assessment described on page 11.

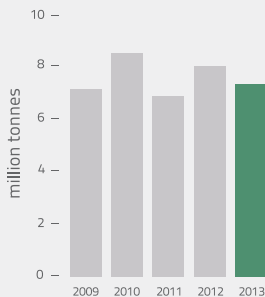
Materials Recycling

CRH's environmental policy requires optimisation of the use of resources. Where practicable and technically feasible, CRH recycles externally sourced inert materials in its production processes that would otherwise go to landfill. This has both environmental and financial benefits. The percentage of recycled materials used in finished products depends on the product and process and averages approximately 6% overall.

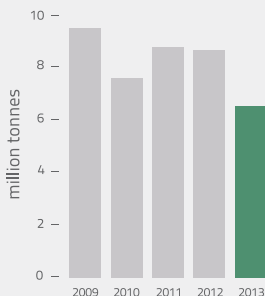
CRH strives to maximise the quantities of recycled materials used according to local market availability. The components of the 17.0m tonnes of alternative materials used by Group companies in 2013 were:

- 7.3m tonnes of Recycled Asphalt Pavement (RAP) materials: these arise when existing road or runway surfaces are milled or crushed and reused as a raw material for new asphalt mixes. RAP accounted for approximately 20% of total asphalt requirements in Americas Materials in 2013.
- 6.5m tonnes of Construction & Demolition (C&D) materials: these arise from construction and demolition activities and can replace virgin aggregates or can be reused for fill applications.
- 3.2m tonnes of fly-ash, slag and other materials with cementitious properties which are by-product materials sourced mainly from external power generation and steel production respectively.

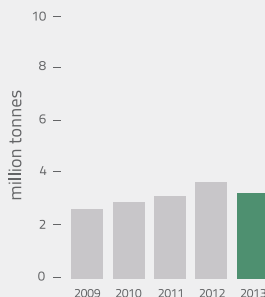
Alternative Raw Materials
RAP



Alternative Raw Materials
C&D



Alternative Raw Materials
Other



Roadstone Wood installed a state-of-the-art asphalt recycling system at its Belgard Quarry in Dublin, Ireland, which allows the use of a high ratio of recycled materials in asphalt production, thus improving operating efficiencies and reducing costs.

Waste Management

73%
waste recycled

CRH's environmental policy is to optimise all resources and thereby minimise waste generation and to recycle waste where possible. Minimising and recycling waste brings significant savings as well as environmental benefits.

In production processes, any by-product is internally recycled back into the process where possible, thereby reducing raw material usage and enhancing process efficiency. In 2013, 40% of Group companies noted such internal recycling. Remaining waste is recycled externally where possible. This is mostly inert waste and predominantly comprises concrete from readymixed and concrete products production. In 2013, 800k tonnes were externally recycled.

Over a five year period the total amount of waste generated decreased by 27%, down to 1.1m tonnes in 2013. When not possible to recycle, waste is sent for final disposal to licensed facilities. In 2013, 300k tonnes was sent for disposal.

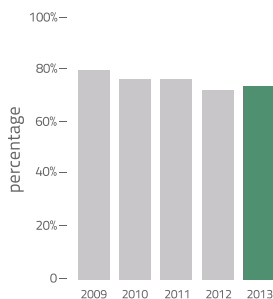
Only 6k tonnes of hazardous waste arose at Group locations in 2013, of which 50% was recycled externally and the remainder disposed of at licenced facilities.

The portion of waste being recycled is maximised as a matter of policy, but will vary from year to year depending on local conditions and in 2013 was approximately 73%, a slight increase of 1% on 2012.

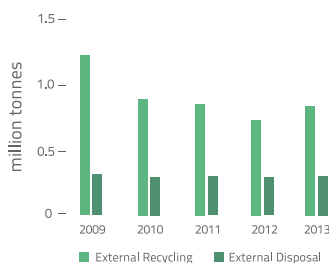
CRH is committed to participating in European national packaging waste recycling schemes and the total number of active Group locations currently participating in such schemes is now 852. Such schemes are not a feature of industrial waste management in the United States.

A small number of Group companies are permitted to landfill waste on-site and in these cases the landfill is strictly operated in line with permit requirements. All Group companies take extensive precautions to prevent any incidents of unauthorised waste disposal.

Waste Recycled

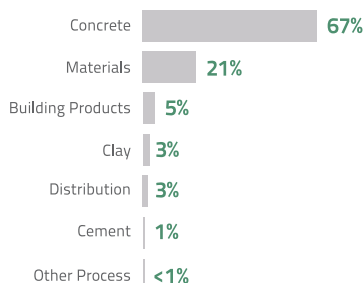


Waste Generation



1.1m TOTAL TONNES

Waste by Activity



Betonelement, which produces precast concrete panels, shown here being installed in a low-energy building, has invested a new filter cake press and an aggregate recovery recycling system at its hollowcore production plant in Viby, Denmark. This has reduced waste going off site by 75%, with corresponding transportation and cost reductions. In addition, the new system enables increased recycling of water.

Water Management

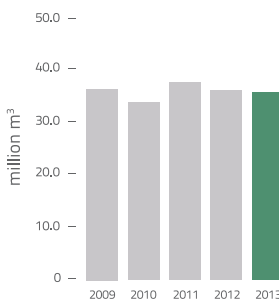
Water quality and accessibility is a topic of interest for many stakeholders and access to clean water is both a social and environmental issue. Efficiency of water use, particularly in regions deemed to be subject to water-stress, is a key concern. CRH does not generally operate in areas which are water stressed. An assessment carried out using the WBCSD's global water tool indicated that the only Group operations within or close to areas of water stress are small localised quarries, production plants and distribution outlets in the south west of the United States.

CRH's environmental policy is to minimise its use of natural resources including water. Intake of water for process activities can often be abstracted from several sources all of which may not be metered; hence precise determination of intake quantities is sometimes difficult, though this remains the Group's objective. Estimated water consumption based on returns from companies in the annual review in 2013 is 36m m³. The largest usage is in Group

Materials activities, where water is used for processing, washing and dust suppression. Some 65% of water intake is sourced as surface water including rainwater, while well water accounts for 22% and mains supply for 13%. CRH emphasises reduction in process water intake through water recycling. In 2013, 765 active Group locations recycled 70m m³ of process water representing an estimated 66% of Group total water usage. Additionally, 351 active locations collect rainwater for use in their operations.

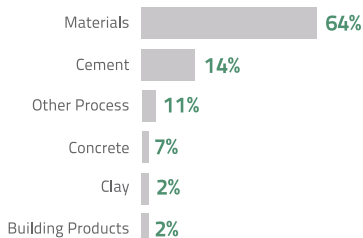
As with water intake, water discharge can also be difficult to quantify, because of the contribution of storm water and the difficulty in metering. Locations employ settling ponds and other solutions to ensure suspended solids meet good practice discharge limits, while pH can also be brought to acceptable levels if the natural neutralisation process is insufficient. Oil-water separators are used if there is a risk of oil spillage from a plant. CRH water discharge in 2013 was estimated at 13m m³, with 72% of discharge to surface water, while the remainder is sent for treatment.

Water Intake



36m TOTAL
m³

Water Intake by Activity



The Storm Capture Total Stormwater Management System produced by Oldcastle Precast, US, shown here being installed at a building site in Triangle, Virginia, offers many solutions for stormwater management needs. The system also assists with control of runoff, preventing storm drain overloading and other downstream issues such as flooding and erosion.

Restoration and Heritage

98%
of Group quarries
& pits have formal
reinstatement plans

Restoration

A significant proportion of the raw materials used by Group companies is extracted from quarries, sand & gravel pits and clay pits, typically over a long operating lifetime. When these raw materials are fully extracted, good environmental stewardship demands that CRH reinstates these areas or finds another appropriate after-use, in consultation with the local permitting authorities, neighbours and other stakeholders.

Each year, Group companies continue to reinstate and landscape worked-out quarries and pits. In 2013, a total of 475 hectares were reinstated. The reinstated areas average out at about 1.0% per annum of total quarry and pit area. The actual amount of reinstatement achieved in any one year depends on the closure of specific quarries or pits as reinstatement and landscaping can typically only be carried out close to completion of excavation activities.

A significant 98% of Group quarries and pits have formal reinstatement plans.

Reinstatement often includes tree planting and a further 241,000 trees were planted in 2013 bringing to 1.1m the number of trees planted by Group companies over the last five years.

Heritage

CRH considers that protecting and preserving cultural heritage for future generations is an essential aspect of being a responsible company as the heritage that survives from the past is non-renewable and may be unique.

All new quarries and pit areas are surveyed where appropriate by archaeologists to check if there is potential for any archaeological interest on the site.

Within the CRH Group, there are 15 Group companies protecting particular cultural heritage features at 29 locations. Joint ventures and associates are preserving cultural heritage aspects at a further six locations.



CRH's de Bylandt clay factory in the Netherlands is within a 173-hectare Natura 2000 protected area, De Bijlandse Waard, of which a portion is owned by CRH. The clay factory operation and restoration activities complement the biodiversity plan for the area, which is home to various bats, birds, and also mammals including hare, deer fox, stoat and rabbit. The local community can also walk and cycle in the area.

Biodiversity

Many CRH Group quarries and pits, even during normal operations, are favoured by wildlife as a safe and natural habitat, and, with appropriate restoration, can become even more enriched after final reinstatement takes place. Biodiversity can be enhanced and protected both during and after extraction of raw materials and this is important for the protection and preservation of special species as well as for the enhancement of local biodiversity. At many extractive locations, in particular, wetland and terrestrial habitats can be created and maintained.

Biodiversity management strives to enhance natural habitats while mitigating potential negative impacts of operations such as fragmentation of biodiversity corridors, impacts on water quality and disturbance to birds or animals. All environmental impact assessments associated with permit applications require management plans for site biodiversity.

Of particular note is the partnership Oldcastle Materials has with the Wildlife

Habitat Council, a non-profit organisation which works with corporations and other landowners to create tailored voluntary wildlife habitat enhancement and conservation education programmes. There are currently 18 Oldcastle locations certified by the Wildlife Habitat Council.

Working with local and national stakeholders has become a key feature of biodiversity management at many Group locations. Areas where wildlife is fostered can become an educational resource for students of all levels.

While almost every quarry and pit has some form of associated biodiversity, several quarries and pits are noted for special biodiversity such as particular species of flora and fauna. Specific biodiversity is currently being actively managed at 137 locations across the CRH Group in Argentina, Finland, Ireland, the Netherlands, Poland, Switzerland, UK, Ukraine and the United States. A further two companies within joint ventures and associates also note special biodiversity species.



The Shelly Company, an Oldcastle Materials subsidiary, hosted 100 volunteers, who worked on nine projects in July 2013 to enhance the environment and support biodiversity at the Ostrander Wildlife Habitat Site in Ohio, US. Tasks completed included planting wetland plants, installing signage and building a site viewing platform.



The four-spot dragonfly, one of 1,500 species that have been recorded at the gravel pit in Däniken/Dulliken, Switzerland, operated by Jura Holding's Aarekies Aarau-Olten AG. A UEPG award was received in 2013 for biodiversity promotion at the location over the last 25 years.

Environmental Investment

€64m

invested in environmental improvement processes.

As part of its continuous environmental improvement process, CRH regularly invests in processes which improve performance or that offer innovation opportunities.

In 2013, CRH invested €64m, a similar level to 2012, in a wide range of environmental projects and upgrades that encompassed all the Group's activities and countries of operation.

This figure includes investment in specific environmental projects and an appropriate proportion of expenditure on other major investment projects.

This level of expenditure has been sustained over recent years to ensure CRH operates at or exceeds industry best practice in environmental management.

Significant areas of expenditure (with the associated % of the 2013 spend) were:

- Reduction in emissions to air (24%).
- Restoration, landscaping, paving and other location upgrades (12%).
- Reduction of water usage and discharges (8%).
- Improved waste reduction and management (27%).
- Energy reduction and process optimisation (9%).
- Increased use of alternative materials and fuels (3%).
- Monitoring and licensing (17%).

The total environmental expenditure in 2013 for CRH subsidiary companies and including joint ventures and associates on an equity share basis, was €68m.



Oldcastle BuildingEnvelope® has an ongoing environmental upgrade programme and in 2013 the paint line was upgraded at its plant in Terrell, Texas, US, which both improves efficiencies and reduces emissions.



Four Corners Materials, an Oldcastle Materials subsidiary, installed a paved haul road at its Animas Glacier Pit in Colorado, US to reduce dust emissions from the movement of plant and equipment on-site.





Governance

CRH's governance procedures are rooted in a Group-wide commitment to the core values of integrity, honesty and respect for the law. This section provides an overview of the Group's governance structures at Board and at operating level and explains how the Group ensures that its governance principles are implemented in an appropriate manner. It also records compliance with the relevant statutory and regulatory guidelines. Further detailed information may be found in the 2013 Annual Report and in the 2013 Annual Report on Form 20-F filed with the US Securities & Exchange Commission, both of which are available on www.crh.com.

The CRH Board, photographed during a visit to Struyk Verwo, Amsterdam, in June 2014. Left to right: Ernst Bäertschi, Albert Manifold, Heather Ann McSharry, Mark Towe, Henk Rottinghuis, Dan O'Connor, John Kennedy, Nicky Hartery, Utz-Hellmuth Felcht, Maeve Carton, William (Bill) Egan, Don McGovern.

Key Materiality Aspect: Corporate Governance, Compliance and Ethics

CRH has a firm commitment to excellence in corporate governance and business ethics.

Corporate governance, compliance and ethics was identified as a key focus area in the materiality assessment referred to on page 11.

Full details of CRH's governance policies and structures are set out in the 2013 Corporate Governance Report contained in the 2013 Annual Report on pages 40 to 58. The 2013 Corporate Governance Report also contains letters from the Chairman and Committee Chairmen, which outline the areas of focus for the Board and its Committees in 2013. The sections that follow are a summary of the key elements of CRH's approach to governance.

The Board

The Board is responsible for the leadership, oversight, control, development and long-term success of the Group. It is also responsible for instilling the appropriate culture, values and behaviour throughout the organisation. There is a formal schedule of matters reserved to the Board for consideration and decision. This includes appointments of Directors, approval of the Annual Report, the Interim Results the annual budget, major acquisitions, the issuance of guarantees, significant capital expenditure and the strategic plan for the Group. There were eight full meetings of the Board during 2013.

It has been CRH's practice since the formation of the Group in the 1970s that the roles of Chairman and Chief Executive are not combined. A clear division of responsibilities is set out in the 2013 Corporate Governance Report. The Board has delegated responsibility for the management of the Group, through the Chief Executive, to executive management.

It is also CRH's practice that a majority of the Board comprises non-executive Directors. At present, there are three executive and nine non-executive Directors. The independence of non-executive Directors is considered annually and all

non-executive Directors are considered by the Board to be independent. Non-executive Directors are expected to challenge management proposals constructively and to examine and review management performance in meeting agreed objectives and targets. In addition, they are expected to draw on their experience and knowledge in respect of any challenges facing the Group and in relation to the development of proposals on strategy. The non-executive Directors generally meet before or after each Board meeting without executives being present.

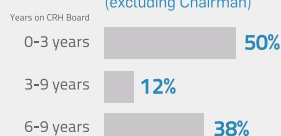
Non-executive Directors are typically expected to serve two three-year terms, although they may be invited to serve for further periods. A non-executive Director's term of office is subject to annual re-election by shareholders. Directors who are seeking re-election are subject to a satisfactory performance appraisal. All Directors are subject to the Memorandum and Articles of Association of the company.

The Directors are committed to ensuring that the Board is sufficiently diverse and appropriately balanced. In terms of Board renewal, four criteria are taken into consideration: (i) international business experience particularly in the regions in which the Group operates or in which it intends to expand; (ii) skills, knowledge and expertise in areas relevant to the operation of the Board; (iii) diversity, including nationality and gender; (iv) the need for an appropriately sized Board. During the ongoing process of Board renewal, each, or a combination, of these factors can take priority. However, the Board has set itself the target of increasing the percentage of female Board members to circa 25% by the end of 2015.

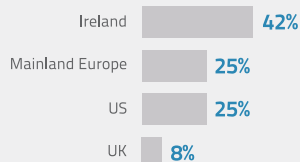
Membership of the CRH Board



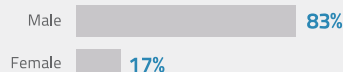
Tenure of non-executive Directors (excluding Chairman)



Geographical Spread (by residency)



Gender Diversity



Corporate Governance

Induction and Development

New Directors are provided with extensive briefing materials and a tailored induction programme on the Group and its operations. Directors can also avail of opportunities to hear the views of, and meet with, the Group's shareholders. Directors regularly receive copies of research and analysis conducted on CRH and the building materials sector. The Board receives regular updates from the external auditors in relation to regulatory and accounting developments. Updates in relation to other relevant matters, for example, changes in company law, are provided from time to time. An annual review of individual Directors' performance is conducted by the Chairman and each Director is provided with feedback gathered from other members of the Board.

Chairman

Nicky Hartery was appointed Chairman of the Group in 2012. On his appointment as Chairman, he met the independence criteria set out in the 2012 UK Corporate Governance Code.

Senior Independent Director

The Senior Independent Director is available to shareholders who have concerns that cannot be addressed through the Chairman, Chief Executive or Finance Director. Dan O'Connor was appointed as Senior Independent Director in 2012.

Company Secretary

All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are complied with.

Board Evaluation

Each year, the Senior Independent Director conducts an annual review of corporate governance, the balance of skills, experience, independence and knowledge of the company on the Board, the operation and performance of the Board and its Committees and the effectiveness of Board communications.

An externally facilitated Board evaluation was carried out by an independent third party in 2012. The overall outcome of this exercise was very positive. A small number

of relatively minor and focused adjustments were recommended and all of these have been implemented. The next external evaluation will be conducted in 2015.

Board Committees

The Board has established five permanent Committees to assist in the execution of its responsibilities. The current permanent Committees of the Board are the Acquisitions Committee, the Audit Committee, the Finance Committee, the Nomination & Corporate Governance Committee and the Remuneration Committee.

In addition, ad-hoc committees are formed from time to time to deal with specific matters. Each of the permanent Committees has Terms of Reference, under which authority is delegated to them by the Board. The Chairman of each Committee reports to the Board on its deliberations and minutes of all Committee meetings are circulated to all Directors.

Chairmen of the Committees attend the Annual General Meeting and are available to answer questions from shareholders.

The current membership and terms of reference of each Committee are available on the Group's website.

Sustainability - CSR

Sustainability and Corporate Social Responsibility (CSR) concepts are embedded in all CRH operations and activities. Excellence in these areas is a daily key priority of line management. The Group Chief Executive, through the executive management, is responsible for ensuring the Group's sustainability and CSR policies are continuously implemented. Reports on these are regularly provided to the Board.

Compliance

CRH implements the 2012 UK Corporate Governance Code (the Code) and complied in full with the provisions of the Code in 2013. The Group also has procedures in place for compliance with its obligations under the applicable rules and regulations issued by the Securities & Exchange Commission.

Compliance and Ethics



CRH operates to the highest standards of business conduct. The Group's success has been underpinned by a firm commitment to its core values of integrity, honesty and respect for the law. In recent years CRH has enhanced its approach to Compliance and Ethics (C&E) with new or revised policies, a strengthened C&E organisation, a comprehensive training and communication programme and more rigorous monitoring and review procedures. These improvements are consistent with the Group's unwavering commitment to business ethics as it develops a more diverse and global footprint in an increasingly demanding regulatory environment. An overview of the programme and specific initiatives and progress made since the publication of the last Sustainability Report is outlined below.

Compliance and Ethics Organisation

The Head of Group C&E who has direct access to the Group CEO, is responsible for the design and implementation of the C&E programme and reports to the Audit Committee. She is supported by a C&E network which has been strengthened considerably in recent years and consists of Divisional Compliance Coordinators and a dedicated Country Compliance team, who work closely with business managers to achieve the Group's compliance objectives in all locations.

Codes and Policies

CRH has implemented a formal Code of Business Conduct (the "Code") since 2003. The Code was updated in 2012 and was further revised and presented to the Board for approval in February 2014. The new

Code has scored an "A" rating by the New York Stock Exchange Governance Services and incorporates a clear focus on CRH's core values and guiding principles, multiple learning aids, an ethical decision making guide and a straightforward articulation of CRH's key commitments. The new Code was distributed across the Group and is available to download, in all principal languages in which CRH does business, from the Company's website. Ancillary policies have also been developed to provide further guidance on specific aspects of the Code, including:

- Anti-Bribery.
- Anti-Fraud.
- Competition/Anti-Trust Compliance.
- Shares & Securities Dealing.
- Mergers, Acquisition and Joint Venture Due Diligence.
- Ethical Procurement.

In 2013 CRH also issued:

- The CRH Leading with Integrity Manual, to further assist business managers in setting the tone from the top and fostering a culture of integrity.
- The Supplier Code of Conduct, to clearly communicate Corporate Social Responsibility requirements to new and existing suppliers to the Group. Similar procedures have been developed for any engagements with business partners, focusing primarily on anti-corruption provisions. CRH also continues to promote and progress the C&E agenda with Joint Venture partners.



Participants attending the annual Compliance and Ethics conference, November 2013, held in Warsaw, Poland. This meeting focused on such topics as competition law, hotline investigations, training and communications.

Compliance and Ethics



Training & Communication

Compliance training continues to be a primary focus for the Group. In the past two years over 30,000 employees have participated in Code of Business Conduct training and a further 10,000 have also undertaken advanced instruction on the subjects of competition law and anti-bribery, corruption & fraud.

In addition, CRH's development teams have been trained on the Mergers, Acquisition and Joint Venture Due Diligence programme and procurement teams on the application of the Ethical Procurement Code. A robust communication framework is in place to complement the training programme.

Employee Hotline, Helplines and Support Channels and Investigations

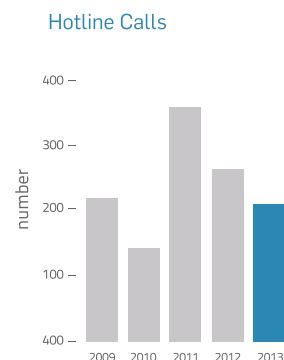
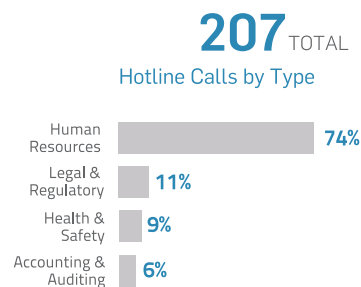
The Code of Business Conduct prescribes in some detail the channels available to employees if they are unsure about the right course of action or wish to report an issue that concerns them. In such circumstances, contacts can be made with various levels of management, any member of the C&E and legal teams or the Internal Audit function. In cases where it may be difficult or impractical for the employee to use these channels, CRH also operates a confidential, 24/7 multi-lingual hotline facility so that employees can report any such issue confidentially, in their own language and without any fear of retribution. Hotline posters are displayed at all company locations in areas of high employee traffic with a clear call to "Speak up" if there are any concerns. A C&E helpdesk is also available to assist employees with any concerns.

All reports received via the hotline and through other channels are fully reviewed and investigated by appropriately qualified personnel. In 2013, CRH received 207 hotline calls (182 in the Americas and 25 in Europe). Although, consistent with prior years, the majority (77%) of these calls related to more routine human resource issues or did not involve any serious C&E matters, six employees were terminated for code violations, directly as a result of hotline investigations.

Monitoring & Review

The effectiveness of the C&E programme is comprehensively and regularly reviewed. Each year, every company and division formally certifies their compliance with the programme. To complement these operational metrics, functional C&E KPI reporting was initiated during 2013. All of this information is reviewed by the Group C&E team, combined with an assessment of the underlying risk for each country, rated and reported to the Audit Committee. In addition, the C&E programme has been integrated into standard Internal Audit procedures, to provide a further level of assurance and ensure that compliance objectives are fully achieved. The fundamental collective goal is to ensure that employees at all levels in the organisation understand that at CRH:

"There is never a good business reason to do the wrong thing."



Risk Management

The Board has delegated responsibility for the monitoring of the effectiveness of the Group's risk management and internal control systems to the Audit Committee. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and, in the case of internal control systems, can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board and Audit Committee receive, on a regular basis, reports from management on the key risks.

Group management has responsibility for major strategic development and financing decisions. Responsibility for operational issues is devolved, subject to limits of authority, to product group and operating company management.

Management at all levels is responsible for internal control over the business functions that have been delegated. This embedding of the system of internal control throughout the Group's operations ensures that the organisation is capable of responding quickly to evolving business risks and that significant internal control issues, should they arise, are reported promptly to appropriate levels of management.

This system of risk management and control is supported by the Group Strategic Financial Risk Manager, the Head of Internal Audit, the Head of Compliance & Ethics and the Group Sustainability Manager. Management of sustainability-related risk at CRH falls within these risk management structures.

In compliance with the Group's Enterprise Risk Management framework, a regular review of the appropriateness of the principal risks and uncertainties facing the Group and its subsidiaries, joint ventures and associates is undertaken by management. This review has confirmed that the systems in place are robust and appropriately reflect the organisational structure and diversity of the Group. The Board and Audit Committee receive, on a regular basis, reports from management on the key risks to the business and the steps being taken to manage such risks. They also consider whether the significant risks faced by the Group are being identified, evaluated and appropriately managed, having regard to the balance of risk, cost and opportunity.

In the 2013 Annual Report, the Directors confirmed that, in addition to the monitoring carried out by the Audit Committee under its terms of reference, they had reviewed the effectiveness of the Group's risk management and internal control systems up to and including the date of approval of the financial statements. This had regard to all material controls, including financial, operational and compliance controls, that could affect the Group's business.

A full list of the Principal Risks and Uncertainties faced by the Group is provided on pages 92 and 93 of the 2013 Annual Report and pages 34 to 40 of the 2013 Annual Report on Form 20-F.

The risk table following focuses solely on sustainability-related risks.

In addition, further disclosure in relation to risk management and internal controls is provided on page 55 of the 2013 Annual Report and pages 81 and 82 of the 2013 Annual Report on Form 20-F.

Sustainability Risk Table

Health, Safety and Social

| Examples of Risk Factors | Mitigation |
|--|---|
| CRH is subject to stringent and evolving Corporate Social Responsibility principles including health and safety management and social performance laws, regulations and standards which may give rise to compliance costs. | To comply with Health and Safety and Social regulations, CRH has developed a Group Health and Safety Policy (Page 21) and a Group Social Policy (Page 57), both of which are approved by the CRH Board and implemented across all Group companies. Health and safety management is a daily priority of line management in every CRH location. CRH companies support, in so far as they are applicable, the principles as set out in the articles of the United Nations' Universal Declaration of Human Rights and the International Labour Organisation (ILO) Core Labour Principles. |

Environment and Climate Change

| Examples of Risk Factors | Mitigation |
|--|--|
| CRH is subject to a broad and increasingly stringent range of existing and evolving environmental laws, regulations, standards and best practices in each of the jurisdictions in which it operates giving rise to significant compliance costs, remediation costs, potential legal liability exposure and potential limitations on the development of operations. These laws, regulations, standards and best practices relate to, amongst other things, climate change, noise, emissions to air, water and soil, the use and handling of hazardous materials and waste disposal practices. The risk of increased environmental and other compliance costs and unplanned capital expenditure is inherent in CRH's business. | To comply with environmental regulations, CRH has developed a Group Environmental Policy (Page 31), approved by the CRH Board and applied across all Group companies. The environmental policy includes proactively addressing the challenges of climate change and the Group is actively engaged in carbon mitigation strategies. CRH applies strict environmental operating standards and undertakes extensive environmental due diligence in relation to acquisitions including use of third-party experts. |

Governance, Laws and Regulations

| Examples of Risk Factors | Mitigation |
|---|---|
| CRH is subject to many laws and regulations (both local and international), including those relating to competition law, corruption and fraud, throughout the many jurisdictions in which it operates and is thus exposed to changes in those laws and regulations and to the outcome of any investigations conducted by governmental, international and other regulatory authorities, which may result in the imposition of fines and/or sanctions for non-compliance. | The Group's policies and procedures detailed in the Code of Business Conduct are designed to reinforce high standards of business conduct and to ensure employees everywhere act in a manner consistent with CRH's core values. The Head of Compliance & Ethics reports regularly to the Audit Committee. |

Human Resources

| Examples of Risk Factors | Mitigation |
|--|--|
| Existing processes to recruit, develop and retain talented individuals and promote their mobility within a decentralised Group may be inadequate thus giving rise to management attrition and difficulties in succession planning and potentially impeding the continued realisation of the Group's core strategy of performance and growth. | The identification and subsequent assessment, management, development and deployment of the human resource management framework focuses on the operation of integrated and targeted programmes of performance management, leadership development (including international assignments, where appropriate), coaching and mentoring. The appropriateness of these programmes is reviewed on a regular basis to ensure that they mirror best practices. |

External Communications

| Examples of Risk Factors | Mitigation |
|--|---|
| The company's sustainability-related communications often contain forward-looking statements which by their very nature involve uncertainty. The Group's actual sustainability performance may differ from what has been communicated due to a variety of internal and external factors. | CRH undertakes regular communication with its stakeholders. Sustainability communications with the outside world play a very important part in the reputational and financial evaluation of the Group. All communications to the media relating to financial performance, acquisitions, disposals and any matter which could have a reputational impact on the Group are handled exclusively by persons nominated by the CRH Group Chief Executive Officer. |



alpe d'huez
l'île au soleil

alpedhuez.com

Finish

€ 251.093

Alpe d'HuZes

Gedoneerd door de Teams:

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crh-bouwmaterialen.nl/alpedhuzes





People & Community

CRH operates in many communities and believes that continued business success depends on the relationships it forms with all stakeholders. This section describes CRH's approach to the people and communities which both support and are supported by Group companies operating at over 3,400 locations in 35 countries. It covers the Group Social Policy and its implementation and it also profiles the Group's strategy towards responsible corporate citizenship, describing some of the many social and community initiatives in place, as well as providing examples of the charitable partnerships that exist across the Group.

Once again, CRH Bouwmaterialen and CRH Bouwmaten, Netherlands, entered the "Alpe d'HuZes" cycling event and over 70 colleagues raised the excellent sum of €251,093 for a cancer charity.

Social Policy

Policy

CRH's Social Policy, applied across all Group companies, is to:

COMPLY as a minimum, with all applicable legislation and continuously improve our social stewardship, aiming all the time to meet or exceed industry best practice.

PROHIBIT forced, compulsory and child labour.

MANAGE our businesses in a fair and equitable manner, meeting all our social responsibilities as both a direct and indirect employer.

APPLY the principle of equal opportunity, valuing diversity regardless of age, gender, disability, creed, ethnic origin or sexual orientation, while insisting that merit is the ultimate basis for recruitment and selection decisions.

SUPPORT freedom of association and recognise the right to collective bargaining.

ENSURE that we deal responsibly with our suppliers and customers in accordance with our Code of Business Conduct and proper business practice.

Implementation

At the heart of CRH are the people and communities which both support and are supported by Group companies. CRH believes that continued business success is rooted in the excellent relationships maintained with all stakeholders, including employees, customers, suppliers, neighbours and others. CRH is committed to building lasting partnerships with all stakeholders and Group policies and guidelines outline key management responsibilities in relation to employment, purchasing, competition and customer relationships, together with obligations regarding charitable and community activities.

Company Managing Directors are responsible for the implementation of

CRH employment policies, guidelines and objectives in their areas of responsibility. They are supported in this role by their Human Resources (HR) teams and central Group management.

Operating company management is responsible for managing customer and supplier relations in local markets in accordance with overall CRH policy. This work is complemented by national, regional or product group contacts with larger customers and suppliers.

The thorough implementation of the CRH Social Policy is verified through the Code of Business Conduct certification, the annual social review and ongoing engagement at every level of the Group.



As part of ongoing senior management engagement with employees in operating companies, Oldcastle Materials CEO Randy Lake and Oldcastle Materials CFO Charlie Brown visited a number of locations operated by Oldcastle Materials subsidiary Pike Industries in August 2013. They are pictured here with Christina Harriman and Matt Graves, Pike Industries, at the Shelburne-Gorham jobsite in New Hampshire, US.

Employment Features

CRH recognises that its highly-skilled and talented workforce is key to its success. Across the Group there are 76,000 employees and details of the geographical location, age, gender and employment category of the people working for CRH are outlined in the graphs on this page.

When analysing employment data, certain characteristics of the industry should be noted. Many jobs in the building materials industry and at CRH companies require skills which traditionally attract a male workforce. Currently, 88% of operational staff and 83% of senior management are male, while 41% of clerical and administrative staff are female. The Group is committed to extending opportunities to all individuals in line with its stated policies. At Board level, 17% of CRH Directors are female and there is a target to increase this to 25% by the end of 2015. CRH would welcome a greater representation of female talent across all sectors of the industry and in particular at senior management level.

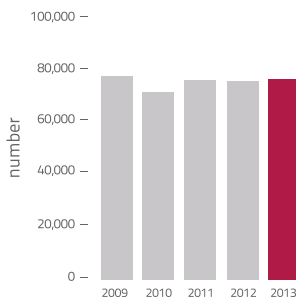
lay-off practices apply, particularly in seasonal businesses.

The number of employees by principal country of operation is also shown. At all locations, the majority of CRH employees come from the local population, typically reflecting its ethnic diversity and strengthening the links with local communities. At every level and across all businesses, CRH encourages personal development and aims to create opportunities for employees at all levels, as it meets the leadership challenge of sustainable performance. Key items include a focus on:

- All aspects of safety.
- Improving employee welfare in line with best practices.
- Improving workplace ergonomics and automation of certain operations.
- Personal training and career development.
- Succession planning.
- Implementing specific policies to assist management and employees with retirement planning and with downsizing when necessary. For major operational changes appropriate notice periods are implemented.

While the nature of the industry makes it difficult to employ people with physical disabilities, CRH takes its responsibilities in this area seriously. In 2013, 55 companies employed a total of 491 people with disabilities.

Employees

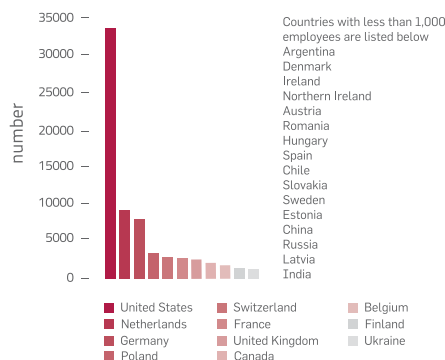


Gender Balance by Category

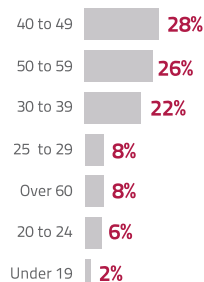


The seasonal and cyclical nature of the industry also places particular demands on the workforce and management to deal with peaks and troughs in demand. Excluding seasonal employees, the Group employee turnover rate is 15%, which is typically higher in the first few years of employment. CRH works with employees as far as possible to limit the effects of this seasonality with innovative schemes and work regimes and some employees return year after year, which is a good indicator of employee satisfaction. Fair and flexible hiring and

Employees by Country



Employees by Age (Years)

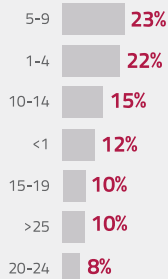


Employees by Category

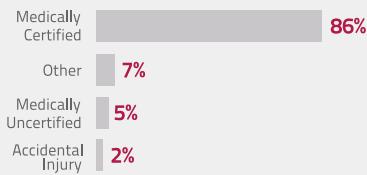


Key Materiality Aspect: Employee Relationships

Length of Service (Years)



Absenteeism by Type



Developing and investing in employees at all levels within CRH has long been recognised as fundamental to the company's sustainable development and this was formally recognised in the materiality assessment referred to on page 11.

CRH fulfils its responsibility towards its employees by encouraging and supporting the talents and skills of every individual, ensuring that all employees can develop to their full potential and use their talents in a manner that creates value. This is achieved by responsible leadership, individual HR development, and training. CRH is regarded by many in the wider industry as a highly desirable employer. Many employees enjoy long-term careers with CRH, and this is a distinctive feature of the Group.

CRH is committed to equal opportunity and all companies in CRH have policies in place to foster non-discrimination and in particular, to ensure equal pay for equal work for women and men. CRH offers competitive pay, social and pension benefits at least in line with industry and local or national practice, often with bonuses linked to company and individual performance targets. Performance related awards, based on measured targets, including targets related to CSR areas where relevant, are a key component of remuneration at all levels of the organisation, up to executive and Board level. In some cases, equity (share) based incentives are also provided in accordance with regulatory and industry practices in particular jurisdictions. Where local legislation defines a minimum wage, Group companies offer entry level wages at

or above this. Strong communications with employees is pivotal to developing strong partnerships and relationships across the Group. In 2013, 88% of Group companies, covering 79% of all employees, carried out regular employee briefings.

A component of the CRH culture is to foster employee entrepreneurship at a local level. In 2013, 64% of Group companies had employee suggestion schemes, which further enhance employee involvement and allow for appropriate recognition for innovative ideas.

Most companies gauge employee satisfaction on an informal basis, as there are on average approximately 20 employees at each location. The flat organisational structure, together with small locally-managed operating units, allows close links between management and staff. Approximately 30% of employees are covered by a formal employee satisfaction survey and these confirm employee satisfaction levels across the group.

Employee absenteeism levels are low, which can be regarded as a good overall indicator of employee satisfaction. In 2013, the overall employee absenteeism level was reported at 2.7%, most of which was medically certified.

Many CRH operations provide entry-level posts for employees with a range of education qualifications. Through the training and development programmes, employees can develop their careers to become supervisors and managers and this career path is an important feature in driving equal opportunity for all.



Drivers from Oldcastle Lawn and Garden's Cross City, Florida, US location were recognised for demonstrating exceptional driving skills. Pictured (left to right), are: George Chewning, Michael Roberts, and Michael Sprawling.



Forticrete employee Gus Castelluccio receives a 25 year award from John Lambert, Forticrete General Manager, UK in one of many schemes around the CRH Group which recognises the contribution by long-term employees to the success of the company.

Employee Development

Training

CRH continues to commit significant resources to training and developing employees throughout the organisation as a critical component of its sustainable performance and growth strategy. In 2013, over 81% of Group companies offered career development opportunities or advice.

In 2013 an average of almost 22.1 hours of training took place per employee. This training focused mainly on safety but also included supervisory, environmental, technical, leadership and skills training. As well as safety training, operating companies conduct skills training with an emphasis on performance improvement in the business.

At Divisional and Group level, training focuses on the longer term and emphasises management development, core skills enhancement and the building of an international leadership pipeline for the future.

CRH also runs educational support programmes for employees across the Group to pursue further studies. In 2013, approximately 165,000 hours of training was undertaken in areas such as administration, language, technical skills, professional development and supervisory/management skills.

Best Practice Sharing

The CRH Group is highly diversified geographically, culturally and by activity. Effective and rapid horizontal sharing of knowledge and comparison of performance across borders and cultures is achieved through a variety of mechanisms across the Group.

Best practice groups in key product areas meet regularly at national and international level. These best practice groups also focus on sustainability issues, particularly safety and environmental performance. The best practice activities are, therefore, in themselves a powerful conduit for continuous improvement in sustainability performance. In addition to the product-specific best practice groups, cross divisional and cross-product groups also meet on health and safety and environmental issues.

Best practice groups on key operational areas such as energy management and procurement are now embedded in business activities and are contributing to operational excellence. Audit programmes assist in the sharing of best practice. The group internal intranet sites also greatly assist in the dissemination of information in a range of safety, environment, technical and other business areas.



The CRH Cement Operational Excellence team has extended its programme to cover plants at CRH associate, YBM in China. Pictured at YBM's Mincheng plant in China are (left to right): Wang Qingwen, Alexander Smeets, Kevin O'Regan and Xu Wei.

Management Development

CRH commits significant resources to training and developing high potential employees throughout the organisation to meet the leadership challenges of performance and growth.

Management development and succession planning ensures a continuous availability of leadership talent to meet the Group's strategic objectives.

CRH management comprises a powerful blend of people from three distinct streams:

- Employees at operational, administrative, professional and management levels whose career opportunities grow as CRH grows.
- Highly skilled professionals who, on proving themselves, can move into senior management roles.
- Owner-entrepreneurs, who choose to stay on post-acquisition, bringing a strong "can do" attitude to the businesses they run and grow.

To supplement the management pool CRH also recruits specialist professionals focused on specific roles from the wider business arena. CRH's decentralised structure gives local, but disciplined, autonomy, which balances entrepreneurial drive with prudent

operating practices consistent with Group guidelines. This continually fuels the Group's performance and growth imperatives.

All Divisions run management and leadership development programmes. These training programmes are systematically reviewed and revised to ensure they meet the changing business environment and continue to deliver highly motivated and successful managers across Group businesses.

Specific management training programmes have been developed by Group Human Resources and these include the Strategic Management Programme, the Management Development Programme and the Business Leadership Programme. These programmes include contributions from senior CRH management and external specialists and are part of the talent management tools used at Group level.

Senior managers from around the Group are brought together on a regular basis to focus on key areas of the business including corporate and business strategy. The annual Group Management Seminar has been developed as a forum where senior management review the Group performance and develop plans and strategies to ensure the continuing successful performance of the organisation.



In December 2013, DIY Netherlands congratulated a group of 8 employees that had successfully completed the newly refreshed training programme "MDT NextPlus". This 18-month programme, which was designed by DIY Netherlands with input from external experts, gives the opportunity for employees to progress to management positions. Currently a further 3 groups are participating in this training.

Key Materiality Aspect: Human and Labour Rights

CRH is fully committed to human and labour rights and its Code of Business Conduct sets out Group policy in these areas. Entering into new markets brings a focus on wider societal issues, and human and labour rights was identified as a relevant aspect for CRH in the materiality assessment described on page 11. The Code of Business Conduct is implemented in all Group Subsidiaries, while in the case of joint ventures or associates, CRH strongly encourages the adoption of the Group Code or procedures at least as rigorous.

Human Rights

CRH is fully committed to human rights and supports, in so far as they are applicable to its companies, the principles as set out in the United Nations Declaration on Human Rights and the International Labour Organisation (ILO) Core Labour Principles. Compliance with the Social Policy is reviewed and monitored centrally.

The Code of Business Conduct specifically requires that Group companies, both in setting out policies and in practice, take due cognisance of the declared position on human rights when dealing with employees, contractors, customers and suppliers. CRH also considers human rights implications, where applicable, in investment decisions. For example, as mentioned on page 18, acquisition due diligence in developing countries covers human rights and other CSR issues. CRH pays special attention to the purchase, directly or indirectly, of products in or from developing economies, and requires that its principal suppliers meet

good practice and standards in respect of human rights.

In the review for the year 2013, all Group companies confirmed that there was no forced or compulsory labour employed at any location. In addition, all companies confirmed that no employees or contractors worked at Group locations during 2013 if they were under the legal age in the relevant operating jurisdiction. Apprenticeship and internship programmes implemented are in accordance with local legislation and under regulation by government educational agencies.

Trade Unions

Trade union membership varies by business and country. In 2013, overall trade union membership was 20%. Wage negotiation is carried out at a variety of levels, depending on local industry practice. Overall in 2013, 78% of the wage reviews were carried out on an individual basis or through unions/groups, with the remainder being carried out through national pay deals or on some other basis. In 2013, 6,400 days were lost due to industrial disputes. The 2013 figure was significantly impacted by a dispute which was ongoing before acquisition of a company by CRH in early 2013 and has since been settled. In addition, a national strike in Spain also affected the total. Overall, however, the level of days lost remains low, equivalent to 0.03% of all man-days.

All companies operate in jurisdictions which provide employee retirement benefits. 69% of companies offer additional retirement benefits to some or all of their employees.



The CRH Code of Business Conduct places strict requirements on Group companies to comply with international best practice in relation to human and labour rights.

Key Materiality Aspect: Customer Relations

CRH strongly believes that sustained success in business is only achieved by continually exceeding customer expectations in the highly competitive markets in which it operates and customer relations was identified as a key materiality aspect for CRH in the materiality assessment described on page 11.

The Group's broad customer base reflects its product and geographical diversity. Sales across the Group totalled €18bn in 2013. Individual businesses serve a wide range of customers including government agencies, contractors, distributors and private individuals, with no individual customer accounting for more than 1% of total Group sales. Products are sold in highly competitive markets. CRH companies focus on excellence in customer care, product quality, value and service to distinguish them from competitors. Many products are independently certified to the highest quality.

CRH companies maintain excellent relationships with all customers.

In 2013, in addition to regular ongoing monitoring of customer relations on a personal and daily basis, 87% of Group companies carried out regular customer satisfaction surveys. In 2013, Group companies estimated that the satisfaction of 100% of customers was average or better.

The CRH Code of Business Conduct and related policies specifically addresses

customer relationship management and has been distributed to all marketing and sales managers throughout the Group.

Product Responsibility

The products delivered by CRH companies, when properly used, present negligible health risks throughout their life cycles. Health and safety aspects are considered in product concept activities and also in research and development processes. Products are certified to comply with the relevant technical standards for building materials quality and performance, which includes relevant health and safety aspects. Group products are accompanied by Safety Data Sheets containing appropriate advice on use, storage and application. Health and safety impacts from marketing and promotion are assessed to be insignificant given the nature of Group products. Building materials are generally inert and at end-of-life can be fully recycled. All CRH product categories are covered by these processes.

Group management, together with internal and external health and safety experts regularly liaise with the relevant industry associations and regulatory bodies to ensure that Group companies are aware of and comply with their obligations in this area. In particular, Group companies in the EU are complying with the requirements of REACH, the European Regulation on chemicals and their safe use, in so far as the Regulation applies to the Group and its products.



In Spring 2013, EHL, Germany, included an all-female focus group as part of a number of different customer groups, to obtain feedback on their range of product offerings, recognising that women are significantly involved in purchasing decisions.



ANCON, UK, continuously develops its product range to respond to customers' needs and in 2013, its innovative construction accessories system was recognised in the prestigious CONSTRUCT Innovation Awards. Pictured (left to right) are Robert Helliwell, Herve Poveda, Bryan Jex and Neil Loy.

Supply Chain Management

CRH recognises that suppliers are key stakeholders in the success of its business. CRH sets high standards for procurement and suppliers are expected to share the Group's desire to be innovative, efficient and quality driven. Above all, CRH only chooses suppliers who share the Group's unwavering commitment to good ethical practices and who meet the Group's standards in respect of human rights, health, safety and environmental stewardship. In return, CRH strives to be a fair and honest partner, firmly believing that relationships built on these core values of trust and integrity will be sustainable and beneficial for all.

Because of the local nature of CRH's businesses, most suppliers are local, where the performance and reputation of the supplier is well known. None of the Group's major suppliers provide more than 2% of total purchases and most are well below 1%. The majority of external purchasing contracts are negotiated by individual operating companies. However, as part of the Group's cost-saving initiative, these are increasingly supplemented by centrally negotiated supplier agreements at national, regional or product group level for materials, fuels, plant and consumables. This brings potential supply chain risks into focus, including continuity of supply, corporate social responsibility risks and others, particularly when directly sourcing raw materials or plant in new markets. Major external purchasing contracts are

awarded following a rigorous competitive tendering process. Decision criteria include value, quality, supplier reputation and CSR performance, including human rights.

CRH has a variety of supply chains, the characteristics of which vary across the core businesses. Group companies involved in the production of basic building materials often supply the vast proportion of their own raw materials – for example, in a cement plant, the main raw materials comprise limestone and shale or clay, both of which are typically extracted from company-operated quarries or pits. Similarly, aggregates for Group concrete plants and asphalt plants are generally provided by the Group's own resources. The manufacture of building products has a typical factory supply chain, where raw materials are brought in, manufactured, and sold on. CRH's distribution businesses have a typical retail supply chain, where products are bought and resold.

The Group implements an Ethical Procurement Code and a Supplier Code of Conduct, both of which outline processes and procedures to ensure good practices. The supplier management IT system used by procurement across the Group enables detailed mapping of the supply chain, suppliers and categories and is now also being used to track compliance with the Supplier Code of Conduct.



Procurement personnel at a training session in Haarlem, Netherlands, where the Ethical Procurement Code and Supplier Code of Conduct were included in the programme.

Supply Chain Management

The Ethical Procurement Code sets out the standards expected of suppliers and how the Group ensures these. This is supplemented by the Supplier Code of Conduct, which is available on www.crh.com.

These codes set out the standards expected of suppliers in respect of human rights, health and safety management, environmental stewardship and business ethics. Key suppliers are expected to have similar requirements in place for their upstream supply chains and to exercise diligence in verifying their suppliers' compliance. These requirements are in addition to other Code of Business Conduct provisions relating to legal compliance, use of confidential or inside information, conflicts of interest, provision or acceptance of gifts and prohibition of any form of bribe or similar inducement.

A risk-based approach is taken towards supplier management and the implementation of the codes. All new contracts refer to the Supplier Code of Conduct and include the standard CSR-Terms and Conditions. Contracts over a set value are subject to additional assurance procedures, and depending on the potential risk identified, may require an audit. Assurance procedures are in place to monitor compliance with the Ethical Procurement Code which includes as appropriate,

supplier self-assessment, site visits, and/or comprehensive CRH or independent audits. All suppliers identified as being high risk under the Ethical Procurement Code have been evaluated and in appropriate cases, audited.

CRH has temporarily suspended suppliers where necessary for failure to comply fully with Group requirements around the Ethical Procurement Code; this necessitated alternative supply arrangements at a significant cost to CRH, until the issues were resolved and the supplier re-engaged.

CRH supports procurement managers and suppliers in the understanding of CRH policies and requirements. Targeted training has been provided to procurement teams across the Group. An integrated approach is taken, and ethical procurement aspects are included in general procurement training.

While CRH's policies focus on the direct supply chain, indirect suppliers are also covered for large contracts.

CRH participates in the Supply Chain Management task force of the Cement Sustainability Initiative, with the overall aim of leveraging the scale of the industry to improve safety, social, human rights and labour rights standards along the value chain of the industry.



The CRH Sustainable Concrete Centre is part of the Dutch Green Deal Concrete Chain to make the concrete production chain more sustainable, for which it was presented with the Green Deal Runner Up Award by the Ministry of Economic Affairs, Infrastructure & Environment. The CRH Sustainable Concrete Centre, located in the Netherlands supports all concrete related activities of CRH in the Benelux in developing more sustainable products.

Key Materiality Aspect: Communities

CRH positively contributes to the economies and societies in which Group companies operate, both through its business activities and by working with local communities. CRH has always been aware of the important role it plays in the communities in which it operates and the significance of this was confirmed in the materiality assessment referred to on page 11.

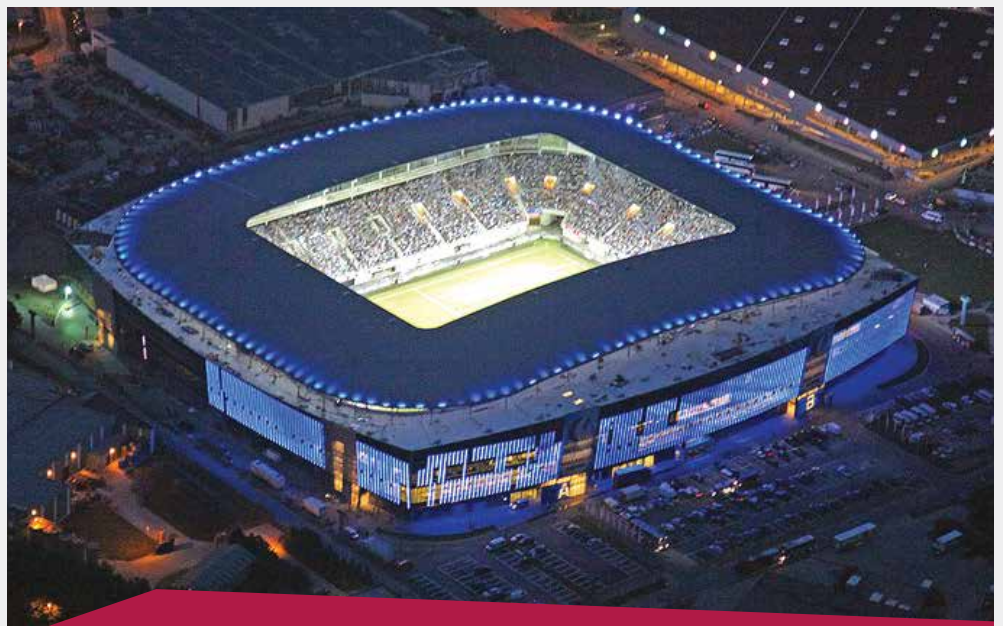
CRH companies form an integral part of the many communities in which they operate.

The Building Materials industry provides the essential materials needed for residential homes, non-residential development such as hospitals and schools, and also infrastructure such as roads, bridges, telecommunications, electricity networks and water treatment. CRH's products benefit the built environment while their production and distribution provides employment in many local communities. In addition, through the purchase of raw materials and goods for

resale, together with the payment of taxes and dividends, CRH's businesses support local and national economies.

CRH is sensitive to the impact operations may have on neighbours, especially those in the immediate vicinity of operating locations. At extractive locations in particular, there are potential local impacts relating to landscape, traffic, noise, dust and blasting. At all locations, Group companies strive to be good neighbours, ensuring that potential localised impacts are minimised and operating permits complied with. This aspect of CRH's approach is managed by local teams and consequently is shaped according to the requirements of local stakeholders. Maintaining a good reputation in the local community is key to business success.

Within this Report examples of these activities are shown to demonstrate the proactive approach taken in the area of responsible corporate citizenship, describing how Group companies engage with local stakeholders and strengthen communities by cooperative partnerships and initiatives.



Ghelamco Arena in Ghent, Belgium was designed to be the first ecological stadium in the Benelux and is also an important focus for economic and social regeneration in the urban area. CRH Subsidiaries Ergon and Prefaco produced 18,000 m³ of structural concrete for the project and provided the design, fabrication and delivery of the concrete elements for the stadium, which was completed in May 2013 and has a capacity for 20,000 supporters.

Community Engagement

CRH companies are rooted in local communities and are committed to being good neighbours. Through stakeholder engagement in line with the Group open-door policy described on page 13 to 14, CRH ensures that the needs, views and interests of the local community are taken into consideration and prioritised.

Open days are one of several means through which Group companies provide an opportunity for neighbours to talk with company managers and employees, to see the production processes at first hand and be assured of the company's intention to be a good neighbour.

Increasingly, Group companies are formalising their neighbour relations

programmes. A key feature of many local engagements is the holding of advance discussions with neighbours on development plans. Maintaining the existing good reputation of the company ensures Group companies continue to meet stakeholder expectations.

Group companies held over 700 stakeholder engagement days in 2013, demonstrating the ongoing commitment to the local community. Neighbours of all ages including school children, students, employees, community representatives and customers, together with local and regional public representatives, officials and others were invited to these events.



In June 2013, OKSM, Poland, hosted the 5th scientific and technical conference on "Modern sand and gravel quarries". The event included a visit to the Drahle pit by participants, who represented business, public and private institutions together with local government officials. OKSM implements a detailed community engagement plan covering all its locations.



Irish Prime Minister (Taoiseach) Enda Kenny with Irish Cement Managing Director, Seamus Lynch and Platin Works Manager, Pat Creagh during a visit to Irish Cement Platin in July 2013 to mark the 75th anniversary of the commencement of cement production in Ireland. In an address to employees, the Taoiseach paid tribute to Irish Cement and its enduring role in the local community over a very successful 75 years.



In June 2013, CRH China hosted Family Day events in Beijing and Changchun, China. Children were entertained with clowns, magicians, and face painters, while the adults battled it out to become champions at the annual tennis and table tennis competitions. With its business partner, CRH ranks as the leading cement player in north-eastern China.

Community Activities

Many CRH businesses develop partnerships with locally based organisations to integrate their activities within the communities in which they operate. This enables companies to raise their profile, build their reputation and ultimately assists with matters such as recruitment, employee relations and relationships with the local authorities.

Each Group company conducts activities in this area applying a decision making process which has been developed and operated by local management teams.

Since 2010, Oldcastle, CRH's US Division, has established a national partnership with Habitat for Humanity. As well as donating building materials and organising volunteers

for many home-building projects, Oldcastle has sponsored 4 complete home builds, 2 of which were in Atlanta, Georgia, with the others in Patterson, New Jersey and Salt Lake City, Utah. This is a natural partnership that aligns directly to the Oldcastle business and extends the existing long-standing history which many local operating companies have with their local Habitat for Humanity affiliates.

In 2013, CRH's subsidiaries purchased €7.2bn worth of raw materials and goods for resale and paid €4bn in wages, salaries, social welfare, pension and other wage related costs. CRH also paid total dividends of €455m (excluding scrip) to shareholders, together with tax of €110m.



During a twelve-week build, 250 employees, along with their families, friends and business partners, donated more than 2,000 man-hours to build a home in Salt Lake City, Utah, US as part of the Oldcastle – Habitat for Humanity programme. The home, which was completed in June 2013, features many Oldcastle products; such as blocks and mortar, pavers, fencing, and roofing materials and mulch from Oldcastle's local businesses.



Tilcon Connecticut, US, an Oldcastle Materials subsidiary, donated \$50,000 dollars on behalf of its employees to the Hospital of Central Connecticut's new cancer centre, which will provide innovative, sophisticated, and dedicated cancer treatment at a centralised centre.



Dr. Julian Stair, the world renowned ceramic artist created some works of art at Ibstock's Cattybrook Factory, near Bristol, UK and spent time showing employees the art of ceramic sculpture. The pieces were created for a unique exhibition, taking place at Winchester Cathedral.

Community Support

As a responsible corporate citizen, CRH participates fully in the communities in which Group companies operate and supports charities and local community projects through donations and other assistance, actively encouraging employee participation.

CRH supports a wide variety of community initiatives and charitable partnerships, both at a central and local level.

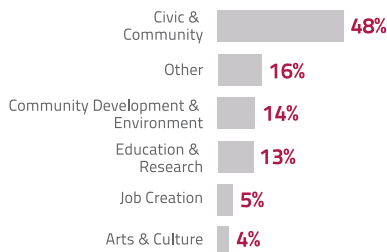
CRH has a clear direction and focus for its activities, recognising the value that these partnerships can bring for all. Appropriate objectives are set and the effectiveness of Group activities is monitored in order to ensure good governance and open communication.

At Group level, priority areas for focus are defined. These are aligned with CRH's business goals and address identified societal needs. Practices and customs vary across countries and regions; therefore, it is appropriate, in CRH's decentralised business model, for each business to prioritise their own charitable donations. These are required to recognise local circumstances and be consistent with Group objectives and Donation Guidelines which are set out in the CRH Code of Business Conduct.

In 2013, 51% of Group companies supported significant local initiatives. These included support for local sporting, charity, health, nature conservation and educational events, support for other local causes such as job creation, and in addition, provision of materials for schools, homes, churches and local facilities. Such support can take the form of monetary donations, but also includes mechanisms such as donations of building materials, employee volunteering, hosting of events and provision of advertising space for social causes at company locations and on company vehicles.

In 2013, CRH contributed €3.2m to civic and community causes, community development initiatives, education and research projects, job creation, local arts and cultural programmes, together with other projects. Approximately 70% of the annual donation budget is administrated at local level where the focus is on supporting community development and civic initiatives. Group-led initiatives tend to focus on education and research, the environment and a range of other issues - many of which are international in nature. Supporting such causes brings positive benefits to the Group in many ways and is an integrated component of community engagement strategies at both local and central level across the Group.

CRH Donations



Mark Towe CEO of Oldcastle; together with Gene Hayes, president of Children's Healthcare of Atlanta Foundation; Don Mueller, executive director of Marcus Autism Center; Reece Parker, principal at Breedlove Land Planning; and Dr. Ami Klin, chief of autism and related disorders at the Marcus Autism Center, celebrate with children from Briar Vista Elementary School at the ribbon-cutting ceremony for the Oldcastle Nature Trail in Atlanta, Georgia, US. Oldcastle employees and their family members and friends worked to build the trail, which incorporates a variety of donated Oldcastle products.

Community Support

CRH sees education as an important societal issue and it is a focus of community support across operations. Group companies are linked in many ways, particularly through employees, to local schools and colleges, which are often identified as key stakeholders in the business. Group companies engage with schools and colleges through, for example, arranging visits to operating locations and visiting schools so that students can experience at first hand a variety of aspects of the building materials industry. These visits also provide a valuable learning experience for students and have been focused on diverse areas including biodiversity, science, engineering and business.

In addition, many Group companies work to promote business, engineering and science as future careers for students, often in conjunction with professional associations and local educational establishments. This is supported through appropriate local means including graduate programmes, bursaries, scholarships and provision of work experience.

In many companies, individual employees also contribute generously of their own time in supporting good local causes and their contributions are often matched by their company.



Polbruk, Poland, regularly hosts local students at its operating locations and during 2013, also sponsored a competition for students of design from 20 universities across Poland.



Students from Hodgson Vo-Tech School during their visit to Glen-Gery's Mid-Atlantic plant in April 2013, one of many tours facilitated by the company during which students are educated about the brickmaking process and are introduced to the vast Glen-Gery product line.



Sheila McGuire, CUBIS Industries, has taken on the role of a business advisor with Young Enterprise Northern Ireland, working with a local Primary School in Portadown.



A group of third-graders from a local school during the much-anticipated "Rock Day": a field trip to Oldcastle Materials subsidiary Southern Minnesota Construction (SMC) Owatonna Quarry, Minnesota, US.

Sustainability Awards

**Over
600
external
awards**

Health and Safety

A significant 372 health and safety external awards and recognitions were achieved by Group companies during 2013, reflecting the huge dedication to safety performance across the CRH Group.

In the US, Oldcastle won a total of 330 safety awards from various awarding bodies including: Mine Safety and Health Administration; Occupational Safety and Health Administration; National Asphalt Pavement Association; National Stone, Sand & Gravel Association; National Ready Mixed Concrete Association; National Concrete Masonry Association; Associated General Contractors of America; National Precast Concrete Association and other bodies.

In Europe, Ibstock won 21 accolades in the UK Ceramic Industry Health and Safety Pledge Awards and Forticrete received an award from the British Precast Concrete Federation. Northstone was successful in the Northern Ireland Safety Group/National Irish Safety Organisation award. Fencing and Security companies in Europe including Hela and Heclips also received external safety awards. Cementownia Ożarów received a safety award from the Central Institute for Labour Protection in Poland. Polbruk also received an award from the National Labour Inspectorate. Rudus Finland also received a number of awards including a UEPG Safety Award and a Confederation of Finnish Construction Industries award. Jura Cement was recognised by the Swiss Cement Industry.

Environment

A significant 261 environmental external awards were received by Group companies during 2013, demonstrating CRH's ongoing solid commitment to enhancing the environment.

In the US, Oldcastle Materials won 2 awards from the National Stone, Sand and Gravel Association, 215 awards from the National Asphalt Pavement Association, 3 awards from the Wildlife Habitat Council as well as 16 awards from the National Ready Mixed Concrete Association and other bodies.

In Europe, Rudus (Finland), Jura (Switzerland) and Cementos Lemona (Spain) were successful in the notable European Aggregates Association Awards, reflecting dedication to sustainable development, biodiversity, restoration and innovation. Jura Materials, Switzerland, also received awards for Nature and Environmental protection, CO₂ reduction and excellence in environmental management. Northstone Farrans, Northern Ireland won 3 external environmental awards and in Poland, Cementownia Ożarów received first place in the "Titans of Energy" Investment of the Year category. Mykolaiv Cement, Ukraine received an award from the Lviv Regional Administration & Chamber of Commerce for environmental investment. In Belgium, Structural Concrete Belgium received the Environmental Charter of East Flanders, while in the UK, Forticrete received an award for efficient lighting.



Rudus, Finland, was successful in several safety award schemes during 2013, including the UEPG Health and Safety Best Practice Award and The Tömpä Award 2013. In addition, Lauri Kivekäs, Managing Director of Rudus, was recognised in a national industry scheme for his work to improve safety in the construction industry. Pictured with the UEPG award are (left to right): Lauri Kivekäs (Rudus Managing Director), Kari Lohva (Rudus Safety Officer), Arnaud Colson (UEPG President) and Dirk Fincke (UEPG Secretary).

External Endorsements

CRH engages in a transparent manner on an ongoing basis with the major Socially Responsible Investment (SRI) Agencies on its sustainability and CSR performance.

This engagement takes the form of completing formal questionnaires issued by many of the Agencies as well as interviews, meetings and other contacts.



FTSE4Good (London):

CRH was included in the FTSE4Good Index in its September 2013 and March 2014 Reviews.



Ethibel:

In 2013, CRH continued as a constituent of the Ethibel Sustainability Excellence Europe and of the Ethibel Sustainability Index Excellence Global.



Vigeo:

Vigeo has a range of indexes composed of the highest-ranking listed companies and CRH was included among the 120 most advanced companies in the world, in the January 2014 update.



Governance Metrics International (GMI) (New York):

GMI, which focuses on corporate governance within its research framework, continues to highly rank CRH.



ECPI (Italy):

In its January 2014 review, ECPI included CRH as a constituent of its ECPI® Indices, which are based on environmental, social and governance indicators



Ethisphere (US):

In February 2014, CRH was again recognised by the Ethisphere Institute as one of the World's Most Ethical Companies.



Carbon Disclosure Project (CDP):

Since 2003, CRH has participated in the CDP, which requests data on carbon emissions and carbon management, on behalf of named institutional investors. The CDP rates companies both for disclosure and performance. Since its launch in 2010, CRH has also participated in the Water Disclosure Project, also run by the CDP on a similar basis.

WBCSD Cement Sustainability Initiative KPIs

Key Performance Indicators for Cement Activities

| KEY PERFORMANCE INDICATOR | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|--------|--------|--------|--------|--------|
| Climate Change⁽¹⁾ | | | | | |
| Total CO ₂ emissions (Gross), million tonnes | 10.11 | 10.50 | 10.71 | 8.85 | 9.14 |
| Total CO ₂ emissions (Net), million tonnes | 9.83 | 10.14 | 10.21 | 8.23 | 8.72 |
| CO ₂ emissions (kg) per tonne of cementitious product (Gross) | 717 | 716 | 707 | 685 | 664 |
| CO ₂ emissions (kg) per tonne of cementitious product (Net) | 697 | 692 | 674 | 637 | 633 |
| Alternative Fuels & Materials⁽¹⁾ | | | | | |
| Energy efficiency (kcal/kg clinker) | 926 | 931 | 930 | 835 | 855 |
| % Fuel substitution for virgin fuels | 10.8% | 12.6% | 17.3% | 20.8% | 21.4% |
| % Biomass in kiln fuel | 2.0% | 1.7% | 3.2% | 6.9% | 7.7% |
| % alternative materials (clinker and cement) | 12.2% | 11.4% | 14.0% | 15.7% | 15.4% |
| clinker : cement ratio | 79.5% | 78.9% | 79.7% | 79.2% | 78.4% |
| Health/Safety⁽²⁾ | | | | | |
| No. of fatalities (directly employed) | 0 | 1 | 0 | 0 | 1 |
| Fatality rate per 10,000 (directly employed) | 0 | 3.97 | 0 | 0 | 4.33 |
| No. of fatalities (contractors/subcontractors) | 1 | 0 | 2 | 0 | 1 |
| No. of fatalities (involving 3rd parties) | 0 | 0 | 0 | 0 | 0 |
| No. of lost time injuries (directly employed) | 10 | 9 | 12 | 7 | 12 |
| No. of lost days (directly employed) | 677 | 285 | 224 | 200 | 477 |
| Lost Time Incident (LTI) rate per 1m man hours (directly employed) | 1.88 | 1.84 | 2.54 | 1.49 | 2.84 |
| Severity rate per 1m man hours (directly employed) | 127 | 58 | 47 | 42 | 113 |
| No. of lost time injuries (contractors/subcontractors) | 5 | 7 | 6 | 6 | 4 |
| Emissions⁽¹⁾ | | | | | |
| Particulates, specific g/tonne of clinker | 376 | 380 | 328 | 108 | 60 |
| Particulates, total (tonnes per year) | 4,222 | 4,433 | 3,931 | 1,096 | 644 |
| NO _x , specific g/tonne of clinker | 1,580 | 1,532 | 1,505 | 1,360 | 1,381 |
| NO _x , total tonnes per year | 17,730 | 17,883 | 18,043 | 13,823 | 14,885 |
| SO _x , specific g/tonne of clinker | 224 | 209 | 204 | 304 | 266 |
| SO _x , total tonnes per year | 2,510 | 2,436 | 2,441 | 3,090 | 2,869 |
| Emissions Monitoring⁽²⁾ | | | | | |
| % Clinker Produced with monitoring of major and minor emissions | 75.1% | 77.5% | 76.7% | 76.9% | 70.4% |
| % Clinker Produced using continuous monitoring of major emissions | 75.1% | 77.5% | 82.7% | 95.4% | 93.9% |
| Local Impacts^{(2) (3)} | | | | | |
| No. of active quarries within, containing or adjacent to areas designated for their high biodiversity value | 1 | 1 | 1 | 5 | 5 |
| % of sites with high biodiversity value where biodiversity management plans are actively implemented | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| % of sites with community engagement plans in place | 72.2% | 100.0% | 100.0% | 100.0% | 100.0% |
| % of active sites with quarry rehabilitation plans | 77.8% | 92.9% | 92.9% | 93.3% | 100.0% |

Note 1: Subsidiary and joint ventures and associates on an equity share basis (excluding Kunda, Uniland and Yatai)

Note 2: Subsidiary companies

Note 3: The original single KPI on biodiversity (Local Impacts) was updated by CSI in early 2009 and expanded

For definitions of these KPIs, refer to the CSI Interim Report, June 2005 on www.wbcdcement.org

Glossary

| ABBREVIATION | EXPLANATION |
|---------------------|---|
| Aggregates | Crushed stone, sand and gravel |
| Asphalt | A mixture of bitumen and aggregates: used for road and highway surfaces |
| bn | Billion |
| Building Products | In relation to the activity breakdowns in this report Building Products includes fencing and security systems, roller shutters and awnings and construction accessories |
| C&D | Construction and Demolition |
| CEMBUREAU | European Cement Association |
| Cement | The primary binding agent used in building, made by grinding clinker and other materials to a fine powder, which can be mixed with water, sand and aggregates to set as concrete |
| Clay | A naturally occurring plastic material composed primarily of fine-grained minerals which can be mixed with other ingredients, shaped and fired to create clay bricks, roof tiles, pavers etc. |
| Clinker | A black nodular material which is the output of a cement kiln following decarbonation of limestone and reaction with other materials |
| Concrete | A building material consisting of sand, gravel or aggregates in a mortar or cement matrix, cast or moulded into blocks, pipes, tiles and other products |
| CO ₂ | Carbon dioxide, generated by fuel combustion and decarbonation and/or oxidation of carbon in raw materials |
| CSI | Cement Sustainability Initiative |
| CSR | Corporate Social Responsibility |
| Decarbonation | The dissociation of calcium carbonate to calcium oxide with the evolution of carbon dioxide, occurs in the production of clinker and lime |
| Distribution | In relation to the activity breakdowns in this report Distribution includes DIY stores, specialist building materials suppliers and builders' merchants |
| ELO | Environmental Liaison Officer (designated person in each company with functional responsibility for environmental compliance) |
| EuLA | European Lime Association |
| GHG | Greenhouse Gas |
| ISO | The International Standards Organisation |
| ISO14001 | The International Standards Organisation model for management and external certification of environmental performance |
| k | One thousand units |
| KPI | Key Performance Indicator |
| Lime | Calcium oxide, created by decarbonation of limestone, and calcium hydroxide |
| m | One million units |
| Materials | In relation to the activity breakdowns in this report Materials includes aggregates, asphalt, readymixed concrete |
| MSHA | Mine Safety and Health Administration (US) |
| NAPA | National Asphalt Pavement Association (US) |
| NGOs | Non-Governmental Organisations |
| NO _x | Nitrogen oxides |
| OSHA | Occupational Safety and Health Administration (US) |
| Other Process | In relation to the activity breakdowns in this report Other Process includes lime and lightweight aggregates production |
| PCA | Portland Cement Association (US) |
| PJ | Petajoule |
| RAP | Recycled Asphalt Pavement |
| Readymixed Concrete | A mix of aggregates, sand and cement that can be poured into forms and sets as a solid mass |
| RMI | Repair, Maintenance and Improvement |
| SHAP | A Distribution business platform - Sanitary Heating and Plumbing |
| SO _x | Sulphur oxides |
| SRI | Socially Responsible Investment |
| Specific | A term defining emissions on a per tonne of product basis |
| T | Tera (10 ¹² units) |
| TWh | Terawatt hour |
| Tonnes | Metric tonnes |
| WBCSD | World Business Council for Sustainable Development |
| WMA | Warm-Mix Asphalt |

DNV GL Assurance Statement

CRH Sustainability Report 2013



Introduction

DNV GL (contracted under DNV Two Tomorrows) was commissioned by the management of CRH plc (CRH) to carry out independent third party Assurance of CRH's 2013 Sustainability Report (the Report). The engagement focused on the information provided in the Report and the underlying management and reporting processes. As part of this engagement, DNV GL also provided assurance of CRH's reported World Business Council for Sustainable Development – Cement Sustainability Initiative (WBCSD-CSI) Key Performance Indicators (KPIs). The specific scope of this assurance, our approach and specific conclusions on reliability are reported separately in the CSI Assurance Statement, but they form part of this assurance statement and should not be read, referred to, or relied upon in isolation.

This Assurance Statement is intended for the readers of the CRH Sustainability Report. CRH is responsible for the collection, analysis, aggregation and presentation of all information and assertions made within the Report. DNV GL's responsibility regarding this assurance engagement is to the management of CRH only, in accordance with terms of reference and scope of work agreed. DNV GL disclaims any liability or responsibility to a third-party for any decisions, whether investment or otherwise, based upon this Assurance Statement.

Scope of Assurance

This assurance engagement covered data for the 2013 calendar year. The scope of DNV GL's engagement included the assurance of:

- Sustainability policies, goals, initiatives, practices and performance, as described in the Report. These were reviewed at Group level as well as during site visits to 5 production facilities, and in video conferences with 2 production facilities of CRH operating companies and joint ventures.
- Data management systems for Health & Safety, Environment, and People and the Community, and associated processes and tools for collecting, analysing, aggregating and reporting quantitative and qualitative information provided in the Report.
- Processes for defining the boundaries, focus and content of the Report.
- The extent to which the principles and requirements of the Global Reporting Initiative (GRI) Guidelines for Sustainability Reporting (2006) (GRI G3) are reflected in the Report and the corresponding application level declared by CRH.
- The extent to which the principles of Materiality, Inclusivity and Responsiveness are adopted, in line with the requirements of the AA1000AS (2008) Standard for a Type 2 high level assurance engagement. The reliability of the information within the Report for calendar year 2013 was assured. Specific focus areas for the assurance included:

- Health & Safety: safety management, frequency rate, severity rate, fatalities;
- Environment: energy use, CO₂ emissions, alternative materials and fuels, recycling, water consumption, and waste management;
- Corporate Governance: communication of the code of conduct and hotline to employees and management at sites visited during the assurance engagement, and mechanisms for communication on these matters to the Board of Directors;
- People and Community: number of employees, gender balance and absenteeism rates.

CRH has set its reporting boundaries to include all operating companies over which CRH management exercises significant control. Where data and information from joint ventures and associated companies are included, this is noted within the Report. All elements of this assurance engagement were carried out in accordance with the requirements of AA1000AS (2008) for Type 2, high level of assurance, aside from the CSI KPIs for which a moderate level of assurance was provided. The Assurance of CRH's CSI KPIs for CO₂, SO_x, NO_x, Particulates and Health & Safety is detailed in the separate CSI assurance statement.

Limitations

The engagement excluded the sustainability management, performance and reporting practices of CRH's suppliers, contractors and any third-parties mentioned in the Report. DNV GL also interviewed an external stakeholder selected by CRH and agreed by DNV GL as part of this assurance engagement to obtain an overview of CRH's approach to external stakeholder engagement.

Statement of Competence and Independence

DNV GL provides sustainability advisory services through specialists worldwide. This engagement was undertaken by a team of suitably qualified and experienced sustainability professionals. DNV GL was not involved in the preparation of any information presented in the Report. DNV GL did not provide any services to CRH during 2013 that could compromise the independence or impartiality of our work. Our assurance team included Priti Nigam, Jon Sykes, David Keddie and Douglas Farquhar.

Assurance Methodology

This assurance engagement was carried out between January and June 2014, in accordance with AA1000AS (2008). In reaching our conclusions, we have undertaken the following work:

- Interviewed 6 CRH executives and management representatives from different divisions and functions of the Group, in addition to more than 30 representatives interviewed during site visits;
- Visited CRH's Head Office at Belgard Castle, Ireland and CRH Europe's Office in Cabinteely, Ireland. DNV GL has conducted site visits to:

Oldcastle Precast Auburn (Seattle, USA), Icon Materials Auburn (Seattle, USA), Denizli Cement (Turkey), Finnsementti Parainen (Finland) and Irish Cement (Ireland). Video conferences were held with Ibstock (UK) and Clogrennane Lime (Ireland). These sites were selected to achieve a balanced range of products and geographies within the Group;

- Interviewed one external stakeholder: Wildlife Habitat Council (Washington DC, USA);
- Examined relevant documents, data and other information requested by DNV GL and made available by CRH;
- Reviewed a selection of internal communication and external media reports relating to CRH's Sustainability management approach, performance and adherence to its policies;
- Reviewed the mechanisms implemented by CRH to promote and oversee its sustainability-related policies across the Group, as described in the Report;
- Analysed sustainability data management systems at Group, Divisional, Company and site level, assessing specified data and information reported by CRH. The process focused on explicit assertions regarding sustainability performance on material issues and included a review of their completeness and accuracy. We undertook a review of the methods, practices and tools used in the collection, aggregation, analysis, internal quality control and reporting of the data and information. The process also included: high-level trend analysis; the identification and analysis of significant changes in performance since 2012; a review of data traceability; and record checks at different stages in the data flows, from source to Group level.

Findings

In DNV GL's opinion, and based on the scope of this assurance engagement, the Report provides a reliable and fair representation of CRH's Sustainability-related policies, goals, initiatives, practices and performance in 2013. Based on the work undertaken as part of this assurance engagement, DNV GL believes that the Report meets the principles, content and quality requirements of GRI G3 and AA1000AS (2008) for a type 2 high level of assurance (excluding the CSI KPIs, for which a moderate level of assurance was provided). We confirm the GRI application level of A+ declared by CRH. Further conclusions and observations on the adoption of reporting principles and specified performance information are made below.

Observations

CRH has carried out a materiality process in 2013, which is a positive development. The materiality process will enable CRH to more strategically focus its efforts across the group in terms of implementation of relevant policies and procedures in 2014 and beyond. CRH continues to implement a high level of internal scrutiny and oversight on the environmental

DNV Assurance Statement

CRH Sustainability Report 2013

and health, safety and social data received from its operations globally. This provides an additional level of confidence in the robustness and transparency of final data assured by DNV GL.

We have observed that CRH continues to place a strong emphasis upon the safety of its employees, contractors and third parties working on its sites. This is supported through a range of measures including extensive training, internal audits, and the sharing of best practice. We have seen continued evidence of investment in safety improvements at the sites visited and health and safety management systems that give confidence in datasets and disclosures.

Evidence of extensive guidance from CRH headquarter level to local operations on key sustainability issues and associated good practice reporting methodologies was observed at all sites visited. We observed that in a number of instances CRH's sustainability team at Headquarter level used video-conferencing facilities to interact with environmental and health and safety personnel at site level to ensure a unified understanding of reporting requirements and methodologies. This reflects high senior management commitment at headquarter level to data robustness. As in previous years, we reinforce our recommendation that the development of Group/Business unit level sustainability targets in material areas would help to increase the focus on improvement at site level. We acknowledge that there will be challenges in implementation based on the federal nature of the organisation, however CRH may wish to consider the implementation of internal voluntary commitments in material areas.

Evidence of measures to reduce carbon emissions and to minimise local air quality impacts, through the use of alternative fuels, transport optimisation, and through process upgrades and abatement technologies was seen across sites.

Inclusivity and Responsiveness: The Report reflects CRH's commitment to provide information and data that enables stakeholders to evaluate the organisation's economic, social and environmental performance. Stakeholder engagement is undertaken from Group level through to individual sites. The methods of engagement differ across sites, relating to the nature and scale of the activities. As CRH is a federal company, each subsidiary manages external stakeholder engagement practices individually, and these are tailored to the local context. As part of the 2013 Assurance process, an external stakeholder interview was conducted with the Wildlife Habitat Council (WHC) in Washington DC, USA. Feedback indicated that CRH's engagement with the WHC has resulted in employee engagement as well as community involvement around biodiversity related issues on sites which are working with the WHC.

CRH engages with a range of external stakeholders, including SRI rating agencies, investors and shareholders, governments and regulators, and participates in industry associations such as the WBCSD-CSI and CEMBUREAU, to address sustainability issues material to its sector and its business.

At Group level, employees are regularly involved in setting strategies, plans and actions through best practice meetings established around a product or regional grouping to review environmental or health and safety matters. In addition, CRH holds regular feedback meetings on environmental, health and safety and social matters across different regions and business lines.

Materiality: In 2013 CRH conducted a formal materiality exercise to help identify potential risks and opportunities, and to prioritise reporting based on internal and external stakeholders. In addition, the organisation also maintains a range of internal processes which are effective in identifying sustainability issues of relevance and importance to the business and stakeholders, including a number of knowledge sharing and best practice workshops with local environmental and health and safety officers as well as regional executives. Through these processes, CRH is able to continue to identify and address material sustainability issues and is able to stay informed of trends and changes in sustainability issues over time.

Reliability: The data measurement techniques and basis for calculations have been duly described to DNV GL and can be replicated with similar results. We have not found any material inaccuracies or gaps that would significantly affect the way performance is perceived by stakeholders.

CRH has introduced additional guidance for water accounting to improve the estimation process for this data and a number of robust estimation tools developed at site level were observed. Although CRH has a robust methodology for calculating CO₂ emissions associated with transport and supply chain related emissions, this data is currently largely estimated at site level. Data management systems were observed at a number of sites, which have helped improve data reliability where these are in place.

We commend the continuous improvement efforts made by CRH to ensure robust sustainability data management at Group level. The use of an online SharePoint database which provides additional guidance to sites continues to reduce the need for data manipulation at Group level, resulting in a higher level of data reliability.

The Report presents information in a clear manner which facilitates the comparison of environmental and health and safety performance over a five year period. For cement, which accounts for a significant share of the Group's environmental impact, CRH reports specific (per tonne of product) CO₂, SO_x, NO_x and particulate emissions values in line with the CSI KPIs.

Completeness: The Report includes all entities that meet the criteria of being subject to control or significant influence of the reporting organisation, and does not omit relevant information that would influence stakeholders' decisions or that reflect significant Environmental, Health & Safety or People & Community related issues.

Neutrality: In general the Report provides a fair and balanced representation of CRH's Sustainability approach and performance in 2013, as well as explanations for changes in performance trends.

Opportunities for Improvement

Without affecting our assurance opinion we also provide the following recommendations:

- CRH has identified its key stakeholders, as well as issues relevant to them in 2013, which is a notable development. In order to enhance responsiveness to stakeholder needs, we recommend that CRH considers reporting on how it has responded to key issues raised by stakeholder.
- CRH has Group wide ethical procurement policies and procedures in place and supply chain risks are being increasingly addressed at corporate level. Given that CRH is increasing its scrutiny on supply chain impacts, further training and guidance at site level is recommended to increase understanding of supply chain impacts and the potential at site level to reduce these.
- We recommend that CRH considers the development of quantitative Group/Business unit level environmental targets in material areas, with progress reported annually in the Sustainability Report.
- CRH's focus on Biodiversity appears to be increasing across sites visited, beyond merely complying with legislative and permitting requirements. We encourage CRH to continue with this focus, given the materiality of this issue to the construction sector.
- We commend CRH for undertaking the formalised sustainability materiality assessment during 2013, which is a notable development. CRH's report is aligned to the material issues identified.

For DNV GL



Douglas Farquhar
Director

London, June 2014

DNV Assurance Statement

DNV GL



on the Key Performance Indicators reported to The Cement Sustainability Initiative 2013

Introduction

CRH plc (CRH) commissioned DNV GL (contracted under DNV Two Tomorrows) to carry out independent third party assurance on the Key Performance Indicators (KPIs) reported for 2013 to the World Business Council for Sustainable Development – Cement Sustainability Initiative (WBCSD-CSI), as well as underlying management and reporting processes. The indicators are included in CRH's 2013 Sustainability Report (the Report), and DNV GL's CSI data assurance was part of the broader assurance engagement described in DNV GL's main Assurance Statement within this Report. This Assurance Statement on WBCSD-CSI KPIs should not be referred to in isolation from the main Assurance Statement.

This Assurance Statement is intended for the readers of the Report. CRH is responsible for the collection, analysis, aggregation and presentation of all information and assertions made within the Report related to the specified WBCSD-CSI KPIs. DNV GL's responsibility is to CRH Management only. DNV GL disclaims any liability or responsibility to a third-party for any decisions, whether investment or otherwise, based upon this Assurance Statement.

Scope of Assurance and Limitations

The scope of DNV GL's CSI assurance engagement included verification of:

- The reported greenhouse gas emissions (specific and total direct CO₂ emissions, gross and net) as well as NO_x, SO_x and particulates, specific and total emissions, generated within cement production facilities wholly or partially owned by CRH;
- The reported Health & Safety (H&S) KPIs (fatalities, lost time injuries, lost days, LTI and severity rates) for wholly owned cement production facilities;
- The reported emissions monitoring coverage rates;

- Group procedures, processes and guidance for measurement and reporting of CO₂, NO_x, SO_x, Particulates and H&S KPIs, and compliance with these at the sites visited;
- Processes for data collection, aggregation, analysis and reporting at site, Company and Group level;
- Alignment of site, Company and Group level procedures, processes and guidance with the WBCSD-CSI performance measurement and reporting guidelines for CO₂, NO_x, SO_x, Particulates and H&S, and other relevant standards identified below.

Data assured was for the calendar year 2013. The assurance engagement did not include a detailed assessment of the adequacy, effectiveness or efficiency of CRH's strategy or management approach. It also excluded management, performance and reporting practices by CRH's suppliers and other third parties mentioned in the Report. For CO₂ data management and reporting purposes, CRH made use of the latest reporting tool recommended by the WBCSD-CSI (version 3.04). The validation of the WBCSD-CSI reporting tool was not part of the scope of this engagement.

Assurance Methodology

This assurance engagement was carried out between January and June 2014, by a multi-disciplinary team of suitably qualified and experienced sustainability professionals. It was planned and carried out in line with AA1000AS (2008), utilising the Quality of Information principles within the Global Reporting Initiative (GRI). The assurance team included Priti Nigam, David Keddle, Jon Sykes and Douglas Farquhar.

In addition, our risk-based assurance approach for CO₂, NO_x, SO_x, and Particulates performance information draws from the criteria set out in ISO14064 (part 3), the verification protocol

developed by the International Emissions Trading Association, the WBCSD-CSI Protocol "CO₂ and Energy Accounting and Reporting Standard for the Cement Industry" (May 2011), and the WBCSD-CSI Protocol "Guidelines for Emissions Monitoring and Reporting in the Cement Industry" (March 2012). Our risk-based assurance for H&S performance information draws from the criteria set out in the WBCSD-CSI Protocol "Safety in the Cement Industry: Guidelines for Measuring and Reporting" (May 2013). All elements of the assurance engagement related to the above-described CSI performance data were carried out in accordance with the requirements of AA1000AS (2008) for type 2, moderate level of assurance.

As a part of the CSI assurance process, the following tasks were undertaken by DNV GL:

- Reviewed Group procedures, policies and guidance for data collection, aggregation, measurement, analysis and reporting of specified performance information at site, Company and Group levels, and assessed their alignment with WBCSD-CSI Protocols referenced above, and other relevant standards;
- Conducted 1-day site visits to 3 cement production facilities: Denizli Cement (Turkey), Finnsementti Parainen (Finland) and Irish Cement Platin (Ireland). Together these 3 production facilities represent approximately 19% of CRH's total CO₂ emissions for cement facilities on a 100% share basis in 2013 and 29% of CRH's total CO₂ emissions for cement facilities on an equity share basis in 2013, as reported on page 69 of the Report. The primary purpose of the visits and meetings was to assess adequacy and effectiveness of the processes being implemented by these reporting units to collect,

DNV Assurance Statement

on the Key Performance Indicators reported to The Cement Sustainability Initiative 2013

aggregate, analyse and report CO₂, NO_x, SO_x, Particulates and H&S data. This was carried out mainly through interviews with data owners, on-site review of the data repositories and performance records, and desktop study of performance data sent from site to Group. The interviews also enabled DNV GL to assess compliance with Group procedures, processes and guidance;

- Verified the boundary setting and accounting processes for CO₂, NO_x, SO_x, Particulates, and H&S data;
- Performed tests, on a sample basis, of selected CO₂, NO_x, SO_x, Particulates, and H&S data, in order to assess the reliability of data and information managed at site, Company and Group levels;
- Reviewed the relevant sections of the Report and assessed the reliability of information presented on CRH Group's CO₂, NO_x, SO_x, Particulates, and H&S performance;
- Reviewed internal communications and external reports relating to CRH's CO₂, NO_x, SO_x, Particulates, and H&S performance.

Findings

In our opinion, based on the work undertaken, nothing came to our attention to suggest the performance data for CRH's CO₂, NO_x, SO_x, Particulates, and H&S performance in 2013 has been misstated. The CSI performance data and KPIs reported on page 73 of the Report have been collected and reported based on requirements of the WBCSD-CSI protocols referenced above, and any exceptions have been noted by CRH.

Further conclusions and observations on the specified performance information verified are made below. For conclusions and observations related to the adoption of reporting principles and the AA1000 (2008) Assurance Principles of Materiality,

Inclusivity and Responsiveness, see DNV GL's main Assurance Statement.

Reliability: The CSI data measurement techniques and basis for calculation of CO₂, NO_x, SO_x, Particulates and H&S CSI KPIs have been duly described to DNV GL and can be replicated with similar results. No systematic errors were detected for data and information verified in accordance with the above-described scope of assurance. Furthermore, we have not found any material inaccuracies or gaps that would significantly affect the way performance is perceived by stakeholders.

DNV GL has tested the reporting systems currently in place for CO₂, NO_x, SO_x, and Particulates, and found that these systems demonstrated a robust and well-managed process for collection, management and reporting of performance data. Boundary setting (at Group and site levels) meets the mandatory requirements of the relevant performance measurement and reporting standards and guidelines. Relevant exceptions have been noted by CRH in the Report.

Comprehensive corporate procedures, guidelines and processes for Health & Safety data collection, management, internal quality assurance and reporting exist at Group level. A review of site processes for the collection and management of H&S performance indicated the processes to be robust. These processes are aligned with the principles and fulfill the requirements of the relevant measurement and reporting guidelines referenced above. Relevant exceptions have been noted by CRH in the Report.

Observations

Based on our conclusions, the following observations are made:

- We have seen that the focus on alternative fuels has continued in 2013 and the increase in fuel

substitution to 21.4% is commendable. We encourage CRH to continue identifying and pursuing opportunities to increase the level of substitution further.

- CO₂ emissions per ton of product have continued to decline into 2013 and this demonstrates CRH's continued commitment in this area.
- We have observed that CRH continues to place a strong emphasis upon the safety of its employees, contractors and third parties working on its sites. This is supported through a range of measures including extensive training, internal audit, and the sharing of best practice. We have seen continued evidence of investment in safety improvements at the sites visited and health and safety management systems that give confidence in datasets and disclosures.

For DNV GL,



Douglas Farquhar
Director

London, June 2014

Relationship to GRI G3 Guidelines

CRH Sustainability Report 2013

| INDICATOR | DESCRIPTION | PAGE NUMBER | DISCLOSURE |
|--|--|--|-----------------|
| Strategy and Analysis | | | |
| 1.1 | CEO Statement on relevance of sustainability to the organisation & strategy | 1-2 | Full Disclosure |
| 1.2 | Description of key impacts, risks, and opportunities | 15-16, 53-54 | Full Disclosure |
| Organisational Profile | | | |
| 2.1 | Name of the organisation | 5 | Full Disclosure |
| 2.2 | Primary brands, products, and/or services | 5, 8-10 | Full Disclosure |
| 2.3 | Operational structure of the organisation | 5, 7, Annual Report 2013 p. 154-160 | Full Disclosure |
| 2.4 | Location of organisation's headquarters | 5 | Full Disclosure |
| 2.5 | Countries where the organisation operates | 6 | Full Disclosure |
| 2.6 | Nature of ownership and legal form | 5 | Full Disclosure |
| 2.7 | Markets served | 5, 8-10 | Full Disclosure |
| 2.8 | Scale of the reporting organisation | 5, 6, 17, Annual Report 2013 p. 19, 56, 98 | Full Disclosure |
| 2.9 | Significant changes during the reporting period in size, structure, ownership | 17-18 | Full Disclosure |
| 2.10 | Awards received in the reporting period | 71-72 | Full Disclosure |
| Report Parameters | | | |
| 3.1 | Reporting period (e.g. fiscal/calendar year) for information provided | inside front cover, 84 | Full Disclosure |
| 3.2 | Date of most recent previous report (if any) | 84 | Full Disclosure |
| 3.3 | Reporting cycle (annual, biennial, etc.) | 84 | Full Disclosure |
| 3.4 | Contact point for questions regarding the report or its contents | back cover | Full Disclosure |
| 3.5 | Process for defining report content | 11, 15-16, 84 | Full Disclosure |
| 3.6 | Boundary of the report | inside front cover, 84 | Full Disclosure |
| 3.7 | Any specific limitations on the scope or boundary of the report | inside front cover, 84 | Full Disclosure |
| 3.8 | Basis for reporting on joint ventures, subsidiaries, etc. | inside front cover, 84 | Full Disclosure |
| 3.9 | Data measurement techniques and the bases of calculations | 84 | Full Disclosure |
| 3.10 | Explanation of effect of re-statements of information provided previously | Note: No restatements | Full Disclosure |
| 3.11 | Significant changes in scope, boundary, or measurement methods | Note: No significant changes | Full Disclosure |
| 3.12 | Table identifying the location of the Standard Disclosures in the report | 79-82 | Full Disclosure |
| 3.13 | Policy and current practice on seeking external assurance for the report | 2, 84 | Full Disclosure |
| Governance, Commitments, and Engagement | | | |
| 4.1 | Governance structure of the organisation | 49, 80 | Full Disclosure |
| 4.2 | Indicate if Chair of the board is also an executive officer | 49 | Full Disclosure |
| 4.3 | The board members that are independent and/or non-executive members | 49, Annual Report 2013 p. 43 | Full Disclosure |
| 4.4 | Ways for shareholders and employees to provide recommendations or direction | 13-14, 49-50, 58-60 | Full Disclosure |
| 4.5 | Link between compensation of board and management with performance | 59, Annual Report 2013 p. 59-67 | Full Disclosure |
| 4.6 | Processes in place for the board to ensure conflicts of interest are avoided | 49-54, Annual Report 2013 p. 40-58 | Full Disclosure |
| 4.7 | Process for determining the qualifications and expertise of the board | 49-50, Annual Report 2013 p. 12-15, 40-58 | Full Disclosure |
| 4.8 | Internally developed statements of mission or values, codes of conduct, & principles | 1-2, 15-16 | Full Disclosure |
| 4.9 | Procedures of the board for overseeing identification and management of performance | 15-16, 49-50 | Full Disclosure |
| 4.10 | Processes for evaluating the boards own CSR performance | 49-50, Annual Report 2013 p. 40-58 | Full Disclosure |
| 4.11 | Explanation of whether and how the precautionary approach or principle is addressed | 49-54, Annual Report 2013 p. 40-58 | Full Disclosure |
| 4.12 | Externally developed economic, environmental, and social charters, principles | 1-2, 11, 15-16, 33 | Full Disclosure |
| 4.13 | Memberships in associations | 1-2, 33, 72-73 | Full Disclosure |
| 4.14 | List of stakeholder groups engaged by the organisation | 13-14 | Full Disclosure |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage | 13-14 | Full Disclosure |
| 4.16 | Approaches to stakeholder engagements | 13-14, 66-70 | Full Disclosure |
| 4.17 | Key topics and concerns that have been raised through stakeholder engagement | 11, 13-14, 15-16 | Full Disclosure |

Relationship to GRI G3 Guidelines

CRH Sustainability Report 2013

| INDICATOR | DESCRIPTION | PAGE NUMBER | DISCLOSURE |
|----------------------|--|---|---------------------|
| Economic | | | |
| | Disclosure on Management Approach | 1-10, 17, 33-37 | Full Disclosure |
| EC1 | Direct economic value generated and distributed | 5-10, 17, 69, Annual Report 2013 p. 109-115, 154-160 | Full Disclosure |
| EC2 | Financial implications and other risks and opportunities for the organisation's activities due to climate change | 8-10, 33, 54 | Full Disclosure |
| EC3 | Coverage of the organisation's defined benefit plan obligations | 62, Annual Report 2013 p. 136-139 | Full Disclosure |
| EC4 | Significant financial assistance received from government | Note: No significant assistance | Full Disclosure |
| EC5 | Additional: Range of ratios of standard entry level wage compared to local minimum wage | 59 | Partial Disclosure* |
| EC6 | Policy, practices, and proportion of spending on locally-based suppliers | 64-65 | Partial Disclosure* |
| EC7 | Local hiring and proportion of senior management hired from the local community | 57-59 | Partial Disclosure* |
| EC8 | Development and impact of infrastructure provided primarily for public benefit | 8-10, 66, 68, 69, 70 | Full Disclosure |
| EC9 | Additional: Understanding and describing significant indirect economic impacts | 66-70 | Full Disclosure |
| Environmental | | | |
| | Disclosure on Management Approach | 1-2, 11, 15-16, 31-46, 63, 73 | Full Disclosure |
| EN1 | Materials used by weight or volume | 1, 36, 38, 41 Note: Production quantities relate closely to material use | Partial Disclosure* |
| EN2 | Percentage of materials used that are recycled input materials | 36, 41, 73 | Full Disclosure |
| EN3 | Direct energy consumption by primary energy source | 35, 38 | Full Disclosure |
| EN4 | Indirect energy consumption by primary source | 33, 34, 38 Note: Primary source breakdown not available | Partial Disclosure* |
| EN5 | Additional: Energy saved due to conservation and efficiency improvements | 36, 38, 40 | Partial Disclosure* |
| EN6 | Additional: Energy-efficient or renewable energy products and services | 8-10, 33-38, 73 | Full Disclosure |
| EN7 | Additional: Indirect energy consumption reduction initiatives and results | 33-38 | Full Disclosure |
| EN8 | Total water withdrawal by source | 43 | Full Disclosure |
| EN9 | Additional: Water sources significantly affected by withdrawal of water | Note: None significantly affected | Full Disclosure |
| EN10 | Additional: Percentage and total volume of water recycled and reused | 43 | Full Disclosure |
| EN11 | Location and size of land by protected areas and areas of high biodiversity value | 44-45 | Partial Disclosure* |
| EN12 | Description of significant impacts of activities, products and services on biodiversity | 44-45 | Full Disclosure |
| EN13 | Additional: Habitats protected or restored | 44-45 | Full Disclosure |
| EN14 | Additional: Managing impacts on biodiversity | 44-45 | Full Disclosure |
| EN15 | Additional: IUCN Red List species and other list species with habitats affected by operations | 44-45 | Partial Disclosure* |
| EN16 | Total direct and indirect greenhouse gas emissions by weight | 34, 73 | Full Disclosure |
| EN17 | Other relevant indirect greenhouse gas emissions by weight | 33-38, 73 | Full Disclosure |
| EN18 | Additional: Initiatives to reduce greenhouse gas emissions and reductions achieved | 33-38, 73 | Full Disclosure |
| EN19 | Emissions of ozone-depleting substances by weight | Note: Not applicable for building materials | |
| EN20 | NO _x , SO _x , and other significant air emissions by type and weight | 39-40 | Full Disclosure |
| EN21 | Total water discharge by quality and destination | 43 | Partial Disclosure* |
| EN22 | Total weight of waste by type and disposal method | 42 | Full Disclosure |
| EN23 | Total number and volume of significant spills | 32 | Full Disclosure |
| EN24 | Additional: Weight of waste deemed hazardous | 42 | Full Disclosure |
| EN25 | Additional: Details of water and habitats significantly affected by discharges of water and runoff | 43 Note: No significant impacts from water discharge | Full Disclosure |
| EN26 | Initiatives and extent of environmental impacts of products and services mitigation | 8-10, 33-38, 73 | Full Disclosure |
| EN27 | Percentage of products sold and their packaging materials reclaimed by category | 42 | Partial Disclosure* |
| EN28 | Significant fines and non-monetary sanctions for non-compliance with environmental law | 32 Note: no significant non-monetary sanctions were identified | Full Disclosure |
| EN29 | Additional: Significant environmental impacts of transporting products etc. and workforce | 33, 34, 38 | Full Disclosure |
| EN30 | Additional: Total environmental protection expenditures and investments by type | 46 | Full Disclosure |

Relationship to GRI G3 Guidelines

CRH Sustainability Report 2013

| INDICATOR | DESCRIPTION | PAGE NUMBER | DISCLOSURE |
|--|---|--|---------------------|
| Social : Labour Practices and Decent Work | | | |
| | Disclosure on Management Approach | 1-2, 11, 15-16, 21-28, 57-71 | Full Disclosure |
| LA1 | Total workforce by employment type, employment contract, and region | 58, 59 Note: Breakdown by employment and contract type not available | Partial Disclosure* |
| LA2 | Total number and rate of employee turnover by age group, gender, and region | 58 Note: Breakdown of turnover not available | Partial Disclosure* |
| LA3 | Additional: Benefits for full-time employees not provided to temporary or part-time | 58, 62 | Partial Disclosure* |
| LA4 | Percentage of employees covered by collective bargaining agreements | 58, 62 | Full Disclosure |
| LA5 | Minimum notice period(s) regarding significant operational changes | 58 | Partial Disclosure* |
| LA6 | Additional: % workforce in formal management-worker health and safety committees | 27 | Full Disclosure |
| LA7 | Rates of injury, occupational diseases, lost days and absenteeism, & number of work-related fatalities by region | 21-28, 59 | Full Disclosure |
| LA8 | Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases | 24, 28 Note: CRH does not have a significant presence in countries with endemic diseases such as HIV/AIDS | |
| LA9 | Additional: Health and safety topics covered in formal agreements with trade unions | 21-28 | Full Disclosure |
| LA10 | Average hours of training per year per employee by employee category | 24, 59-61 Note: Average training per employee by category: Management: 27.6 hrs, Clerical/Admin: 14.5 hrs, Operations: 23.3 hrs | Full Disclosure |
| LA11 | Additional: Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings | 59-61 | Full Disclosure |
| LA12 | Additional: % employees with regular performance & career development reviews | 59-61 | Partial Disclosure* |
| LA13 | Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity | 49-50, 57-59, Annual Report 2013 p. 37-43 | Full Disclosure |
| LA14 | Ratio of basic salary of men to women by employee category | 59 Note: Same job same pay, breakdown not available | Partial Disclosure* |
| Social : Human Rights | | | |
| | Disclosure on Management Approach | 1-2, 11, 15-16, 51-52, 57, 62 | Full Disclosure |
| HR1 | 18, 62, 64-65 | 18, 62, 64-65 | Partial Disclosure* |
| HR2 | Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken | 51-52, 64-65 | Partial Disclosure* |
| HR3 | Additional: Hours and % of employee training on policies and procedures in human rights | 51-52, 64-65 | Partial Disclosure* |
| HR4 | Total number of incidents of discrimination and actions taken | 51-52 | Partial Disclosure* |
| HR5 | Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights | 57, 62, 64-65 | Full Disclosure** |
| HR6 | Operations with significant risk for incidents of child labour, and measures taken to eliminate | 18, 57, 62, 64-65 | Full Disclosure*** |
| HR7 | Operations with significant risk of forced or compulsory labour, and measures to eliminate | 18, 57, 62, 64-65 | Full Disclosure*** |
| HR8 | Additional: Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations | Note: 82% of Companies provided relevant human rights training during 2013 | Partial Disclosure* |
| HR9 | Additional: Incidents of violations involving rights of indigenous people & actions taken | Note: Not applicable as CRH does not have a presence in countries of concern | |

Notes:

* CRH is a federal Group and consequently company-level data for some GRI indicators is not collated centrally although overall performance is monitored. For these indicators CRH has therefore reported a Partial Disclosure. CRH reviews annually the scope of its CSR data collection and where appropriate and practicable in the future will report a Full Disclosure on relevant indicators.

** CRH fully supports the right to exercise freedom of association and collective bargaining and has not identified any operations where this is at risk.

*** Some CRH operations are in developing regions where risk of child labour and compulsory labour could exist. Management systems are in place to ensure the risk is eliminated and key suppliers in such regions are being audited.

**** The information in this Report is for the year 2013. Please note the press release of May 30th 2014 in relation to the Swiss Competition Commission Investigation, available on www.crh.com.

Relationship to GRI G3 Guidelines

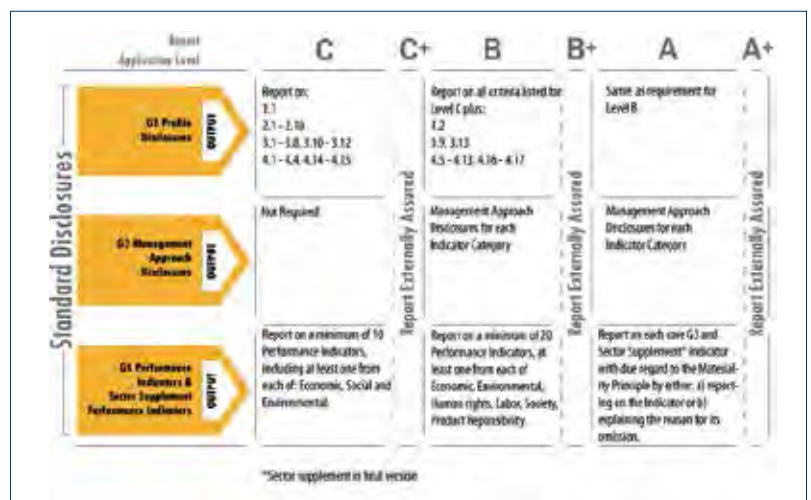
CRH Sustainability Report 2013

| INDICATOR | DESCRIPTION | PAGE NUMBER | DISCLOSURE |
|------------------------|--|--|---------------------|
| Social: Society | | | |
| | Disclosure on Management Approach | 1-2, 11, 15-16, 33, 49-54, 57-70 | Full Disclosure |
| SO1 | Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting | 18, 66-67 | Full Disclosure |
| SO2 | Percentage and total number of business units analysed for risks related to corruption | 51-52, Annual Report 2013 p. 55-56 | Partial Disclosure* |
| SO3 | Percentage of employees trained in organisation's anti-corruption policies and procedures | 51-52 | Partial Disclosure* |
| SO4 | Actions taken in response to incidents of corruption | Note: No significant incidents | Full Disclosure |
| SO5 | Public policy positions and participation in public policy development and lobbying | 33 | Full Disclosure |
| SO6 | Additional: Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country | Note: No significant donations | Full Disclosure |
| SO7 | Additional: Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes | Annual Report 2013 p. 55-58 Note: No significant issues | Full Disclosure**** |
| SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations | Annual Report 2013 p. 55-58 Note: No significant issues | Full Disclosure**** |

| | | | |
|--|---|---|-----------------|
| Social : Product Responsibility | | | |
| | Disclosure on Management Approach | 1-2, 11, 15-16, 21, 33, 44-45, 57, 63-65 | Full Disclosure |
| PR1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures | 21, 28, 44, 63 | Full Disclosure |
| PR2 | Additional: Incidents of non-compliance with regulations and voluntary codes on health and safety impacts of products and services during their life cycle, by type of outcomes | 63 Note: None known | Full Disclosure |
| PR3 | Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements | 63-65 Note For relevant products | Full Disclosure |
| PR4 | Additional: Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes | 63 Note: None known | Full Disclosure |
| PR5 | Additional: Practices related to customer satisfaction, including results of surveys measuring customer satisfaction | 63 | Full Disclosure |
| PR6 | Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship | Note: Not applicable for building materials due to the nature of these products | |
| PR7 | Additional: Total number of incidents of non-compliance with regulations and voluntary codes on marketing communications, including advertising, promotion, and sponsorship by type of outcomes | Note: Not applicable for building materials due to the nature of these products | |
| PR8 | Additional: Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data | Note: None known | Full Disclosure |
| PR9 | Additional: Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services | Note: No significant fines | Full Disclosure |

GRI Application level requirements

(Ref: Adoption of the Global Reporting Initiative (GRI) - page 83)



GRI Statement



Statement GRI Application Level Check

GRI hereby states that **CRH plc** has presented its report "CRH Sustainability Report 2013 - Responsible Performance & Growth" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 3 July 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative



The "+" has been added to this Application Level because CRH plc has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 24 June 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

CRH Sustainability Reporting

History, Scope and Structural Aspects



Reporting History

CRH produced its first Corporate Social Responsibility (CSR) Report in October 2004. The content and level of transparency was expanded in the Reports that followed as CRH embraced a continuous improvement concept. For the ninth Report, published in 2011, CRH embraced a "Sustainability" approach and hence has adopted a new format, which has been retained for this, the eleventh such report. In addition, the new format has built on the disclosures in terms of content and transparency, based on stakeholder feedback received and has now assessed materiality through a formal structured process.

Independent Verification

CRH was among the first companies in its sector to achieve full independent verification of its CSR Reporting in 2005, repeated every year since. This Report, published in June 2014 and covering activities in 2013, has also been independently verified by Det Norske Veritas (DNV) and the detailed verification statement is included in this Report on pages 75-76.

Scope of CSR Reporting

CSR data from 100% of Group subsidiaries forms the basis of this Report. The scope of the Report addresses the full range of economic, environmental and social impacts of the organisation. Details of CRH's principal subsidiaries are recorded on pages 154-159 of the CRH Annual Report 2013. In common with other large companies, CRH also owns shareholdings in several joint ventures and associates, with a listing of the principal investments provided on pages 160 of the CRH Annual Report 2013. Most of these companies supply CSR data to the Group and actively participate in CSR Programmes. Their key data is included on an appropriate % shareholding basis at appropriate points in this Report. While it is CRH's aspiration that all joint ventures and associates should adopt its CSR policies in full (or their own equivalent policies), this is clearly not always

practicable where CRH does not have full management control. In comparison with the previous year, there were no significant changes in scope, boundary or measurement methods.

Structure of the Report

This Report opens with an introduction by the CEO, followed by a section outlining CRH's approach to sustainability, some background information about the Group, describing CRH's approach to stakeholder communication and outlining non-financial KPIs in the context of the wider group of sustainability indicators. The next sections detail CRH's main CSR focus areas grouped under four headings; health & safety, environment & climate change, governance and people & community. Each section records CRH's policies and practices in the relevant area, gives details of how it is implemented, and describes material issues. The various SRI ratings that have been awarded for the Group's performance in Sustainability are profiled in the people & community section. The appendices cross-reference the content of the Report to the requirements of the GRI guidelines and include a glossary of terms. The DNV verification statement on this Report is also included in the appendices, together with WBCSD-CSI KPI data and the associated DNV verification statement.

Intended Audiences

The key audiences for this report are CRH stakeholders - employees, neighbours and local communities, current and potential investors, sustainability rating agencies, customers and suppliers, government and regulatory bodies, academia and scientific community, media, non-governmental organisations (NGOs) and pressure groups. CRH hopes that this Report fulfils the expectations of all stakeholders and welcomes their feedback.

Adoption of The Global Reporting Initiative (GRI)

As with previous Reports, CRH

has voluntarily adopted the "G3" Sustainability Reporting Guidelines developed by the GRI, including the guidance on defining Report content and materiality. As many stakeholders will be aware, GRI is an independent institution whose mission is to provide a trusted and credible framework for Sustainability Reporting. Data is provided under all indicators but in some cases only partial disclosure can currently be met. CRH declares that its 2013 Reporting qualifies for the GRI scope "A+" application level requirements, in accordance with the criteria table on page 82, and this has also been verified by DNV and independently checked by the GRI. The GRI statement is included on page 83 of this Report.

Data Accuracy

Every effort has been made to provide consistent physical data in this Report, a significant challenge when collating the 2013 data from a diverse range of activities from over 3,500 locations in 35 countries. It is CRH's experience that the data accuracy and quality improves each year, enabling more confident trending of results and setting of future objectives.

For the most part, data is based on measured or metered physical quantities, or best estimates based on industry knowledge and established calculation factors and representative samples, if actual data is not available. CO₂ emissions are calculated according to the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development (WBCSD) GHG (Green House Gas) Protocol for cement plants, while those from other activities are estimated from established fuel and activity air emission factors. No universally-accepted methodology yet exists for calculating CO₂/tonne for other activities, for example lime, clay brick or asphalt production. For cement activities, CRH reports according to the agreed CSI KPIs. Specific emissions are reported for cement activities in accordance with the WBCSD CSI conventions. Metric units are used throughout.



CRH welcomes feedback and comments from stakeholders on its Sustainability reporting.

Pat McCleery,
Group Sustainability Manager

CRH plc
Belgard Castle, Clondalkin,
Dublin 22, Ireland

T + 353 1 404 1000
F + 353 1 404 1007
E mail@crh.com
W crh.com

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