



SUSTAINABILITY REPORT 2014

Responsible Performance & Growth





CRH is a global leader in the manufacture and supply of a diverse range of superior building materials and products for the modern built environment. Sustainability and corporate social responsibility are essential components of the CRH business model. CRH is dedicated to extensive and transparent reporting of its sustainability performance. This report presents CRH's twelfth annual sustainability report covering its activities during 2014.

2014 Sustainability Snapshot

Health & Safety

93%

locations
accident-free

16%

reduction in annual
accident frequency rate

1.1

million hours of
safety training

2,900

safety audits

€135m

invested in safety
over the last 5 years

Environment & Climate Change

19

million tonnes
of alternative
raw materials

575k

tonnes of alternative fuels
provided 1/3 of CRH's cement
plant fuel requirements

40%

of US asphalt production
is lower carbon
warm-mix asphalt

98%

of Group quarries
and pits have
reinstatement plans

25%

on-track with target to reduce
specific net CO₂ emissions by
25% on 1990 levels by 2020

Governance

25%

of the CRH Board is
now female, achieving
the target

People & Community

76,000

employees

23.6

hours of training
per employee

600

stakeholder
engagement events

51%

of Group companies
supported stakeholder
initiatives

Front Cover: Prefaco, an operating company within CRH Europe Heavyside in Belgium, is providing 49,200m² of concrete elements, together with 215 prefabricated concrete stairs and 20 concrete columns for the construction of a new hospital in Brussels, Belgium. Echo, a sister company is providing 14,700m² of hollow core floor slabs for the project.

Concrete construction is ideal for this development, which has been designed to meet high expectations for both patient care and the environment. A complex 8-storey structure, the state-of-the-art hospital, will help to give the local economy a boost and revitalise the area as well as serve as an example in energy efficiency and environmental design.

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A Message from the CEO



Albert Manifold

Our vision is to be the leading building materials company in the world. We have a clear path to achieving this, based on a sound business model and sustainability framework that underpins our core values and commitments

Welcome

I am delighted to share with you this, our twelfth annual CRH Sustainability Report. At the heart of our approach is: our relentless drive to ensure safety in the workplace; the close collaboration and teamwork fostered with our employees; the sound commercial relationships built up with our customers and suppliers; the partnerships with the communities around our operations; our continual focus on the smart and efficient use of energy and resources; and the development of the highest standard of governance and ethical behaviour.

As I commented last year, sustainability as a concept continues to evolve. During 2014, policies aimed at addressing climate change progressed rapidly, while on the regulatory front, there was an increasing focus by authorities on anti-corruption and enforcing compliance across international borders. In addition, there was also a move towards mandatory reporting on all areas of sustainability. We see further developments in these and other areas of sustainability.

In this context, we continue to expand our capabilities in all areas of sustainability, acknowledging the ever increasing interest of all our stakeholders in our performance in this regard and recognising the sound business reasons and added value that good practices bring to CRH. We measure and report extensively on our sustainability performance and all these areas are discussed and developed throughout this report.

Key Aspects of our Performance

Working Safely

During the year we continued with our uncompromising approach to safety. From senior executives to operational management and all employees, safety in the workplace remains a primary focus. This approach is of particular importance as we integrate acquired businesses and reshape our organisation during our portfolio review. I am pleased to report we have made further progress in our safety drive with a 16% reduction in accident frequency and an increase in accident-free locations to 93%.

We continue our focus on fatality elimination and there were zero employee fatalities in 2014. Despite our continuing focus on safety, however, we deeply regret that there were two contractor fatalities associated with our operations during 2014. The circumstances surrounding these individual tragedies have been examined in detail, the lessons learned have been communicated and appropriate actions taken.

Progressing Resource and Environmental Performance

CRH recognises the pivotal role it plays as a global leader in building materials. Our approach to resources and the environment centres on the responsible use of all natural resources, the efficient use of energy in our operations and the development of innovative and resilient products that positively contribute to the sustainability of the built environment. These include products which incorporate alternative recycled materials and also products that are suited for use in sustainable buildings such as certified LEED® and BREEAM® schemes. In addition, our distribution outlets provide a wide range of energy saving products and materials from sustainable sources.

During 2014 we increased to 19 million tonnes the amount of recycled materials incorporated into our products. In the US, recycled asphalt pavement and shingles provides 22% of asphalt requirements. We continue with our focus on water efficiencies and are improving our internal reporting on water withdrawal and use. Our energy intensive cement business continues to concentrate on carbon and energy efficiencies through technical advancements. Group cement companies have reduced specific energy consumption by 13% over the last 5 years as well as more than doubling the use of alternative fuels over the same period. We continue to work closely with local stakeholders to enhance natural habitats and restore worked-out quarries and pits. Our objective is to continue to push performance improvements in all of these areas while also realising benefits to our businesses.

Ensuring Excellence in Governance

Strong corporate governance together with an embedded culture and commitment to our core values of integrity, honesty and respect for the

law, have long been the hallmark of CRH. During 2014 our C&E structure was realigned to serve the new CRH Europe organisation and a number of new senior compliance officers were appointed across our European Divisions.

Also in 2014, our Code of Business Conduct (COBC) was updated and approved by the Board. The C&E team's primary focus since then has been to ensure all relevant employees receive appropriate training. In the current training cycle a further 32,000 employees participated in Code of Business Conduct training. A further 11,000 also undertook advanced instruction on changing regulatory environments, anti-bribery rules, competition law and other relevant areas such as corruption and fraud. Notwithstanding this work, as we announced in May 2014 the Swiss Competition Commission has an open investigation in respect of practices in the sanitary building products sector in Switzerland and its Secretariat has recommended that the industry, of which certain CRH group companies are members, be fined. Engagement with the Swiss Competition Commission is ongoing and CRH is responding vigorously to the allegations made by the Secretariat. In doing so, we maintain our initial assessment that the case is ill-founded and that the proposed fine in respect of the Group is unjustified.

Supporting People and Communities

Our people are at the heart of CRH. It is a source of great strength that we have over 76,000 dedicated, talented and enthusiastic people at all levels of our organisation. A guiding Group philosophy is to develop and nurture all employees, to provide training and skills learning, offering strong career paths and development opportunities. In 2014 we continued to invest in our employees, increasing the total training hours to 1.8 million man-hours and restructuring our Management Development Programmes to reflect the changing global business environment. At Board level, CRH has achieved its goal of increasing the number of female Directors to circa 25% by the end of 2015.

CRH endorses human and labour rights and supports the principles set out in the articles of the United Nations' Universal Declaration of Human Rights and the International Labour Organisation's Core Labour Principles.

We actively support local communities through a range of financial and non-financial means. Our employees also generously give of their time and expertise to many worthy causes. During 2014 we supported a wide range of civic and community developments, education and research schemes in addition to arts, culture and other projects.

Communicating with Stakeholders

We believe that continued sustainable business success is built on maintaining excellent relationships with all our stakeholders. We communicate regularly with our stakeholders at every level of the organisation. In all cases our approach reflects our core values and is to communicate in an open, honest and proactive way. Communication throughout our activities is recognised as a fundamental part of our management role. During 2014 we enhanced our capability in this area and made a number of new appointments to our corporate communications team.

As with previous reports, this 2014 Sustainability Report has been verified in its entirety by DNV GL to Global Reporting Initiative (GRI) guidelines.

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

Our vision is to be the leading building materials company in the world, creating value and delivering best-in-class returns for all stakeholders in a consistent, sustainable and responsible way. We have a clear path to achieving this vision based on a sound business model and a sustainability framework that underpins our commitments to ensuring the well-being of our people, engagement with local communities, the effective use of all resources, respect for the environment and a culture of high standards and strong governance. I would like to take this opportunity to thank all at CRH for their contributions in 2014. We look forward to further progress and integrating new companies that we acquire into the CRH culture during 2015 and beyond.





SUSTAINABILITY IN CRH

CRH believes that conducting its business in a sustainable and responsible manner leads to superior performance. This section outlines CRH's business activities and performance, and strategic approach to management of material sustainability issues. Detailed information on CRH's activities and financial performance is available in the CRH Annual Report 2014 and in the CRH 2014 Annual Report on Form 20-F filed with the US Securities & Exchange Commission, both available on www.crh.com.

The Rehberger bridge, also known as the "Slinky Springs to Fame" bridge-sculpture, spans the Rhine-Herne canal in Oberhausen, Germany. It consists of 496 spiral rings, each with a five metre diameter, suspended ten metres above the canal for a total length of 406 metres. HALFEN, a CRH Europe Lightside business, designed and engineered a solution consisting of serrated steel channels to connect the guardrail to the top of the concrete slab, and the spiral underneath the slab, as part of the same element. This clever design allowed the project to be constructed efficiently, safely and on time.

About CRH

CRH'S VISION

is to be the leading building materials business in the world.

CRH'S MISSION

is to create value and deliver best-in-class returns for all stakeholders, consistently and sustainably.

CRH is a global leader in the manufacture and supply of a diverse range of superior building materials and products for the modern built environment. The Group is committed to improving the built environment and understands the wider impact its businesses can have in supporting human activity, through the delivery of quality building materials and products for use in the construction industry.

The CRH strategy is to deploy its proven value creation business model, which enables the Group to expand its balanced portfolio of diversified products and geographies, in a sustainable way. CRH's strategy and business model is built around the principles of sustainable, responsible and ethical performance. The Group's organisational culture is rooted in a daily commitment to core values of honesty, integrity and respect in all business dealings. CRH believes that combining these principles and values with best international practice, promotes good governance and provides a platform for the business to deliver superior returns over a sustained period of time, while also being sensitive and responsive to stakeholders and the environment in which the Group operates.

CRH spans 34 countries and serves all segments of construction industry demand - residential, non-residential and infrastructure. CRH subsidiary companies employ approximately 76,000 people at over 3,300 locations around the world and in 2014, generated sales of €18.9 billion.

The Group's major businesses are in the developed markets of Europe and North America, and it has growing positions in developing economies in Asia, including India and China. Operations focus on three closely related core businesses: primary materials, value-added building products and building materials distribution. CRH is headquartered in Dublin, Ireland.

CRH is a Fortune 500 company, is a constituent member of FTSE 100 and the ISEQ 20, 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, Communications, Sustainability, Strategy & Development.

Europe

Europe
Heavyside Europe
Lightside Europe
Distribution

Americas

Americas
Materials Americas
Products Americas
Distribution

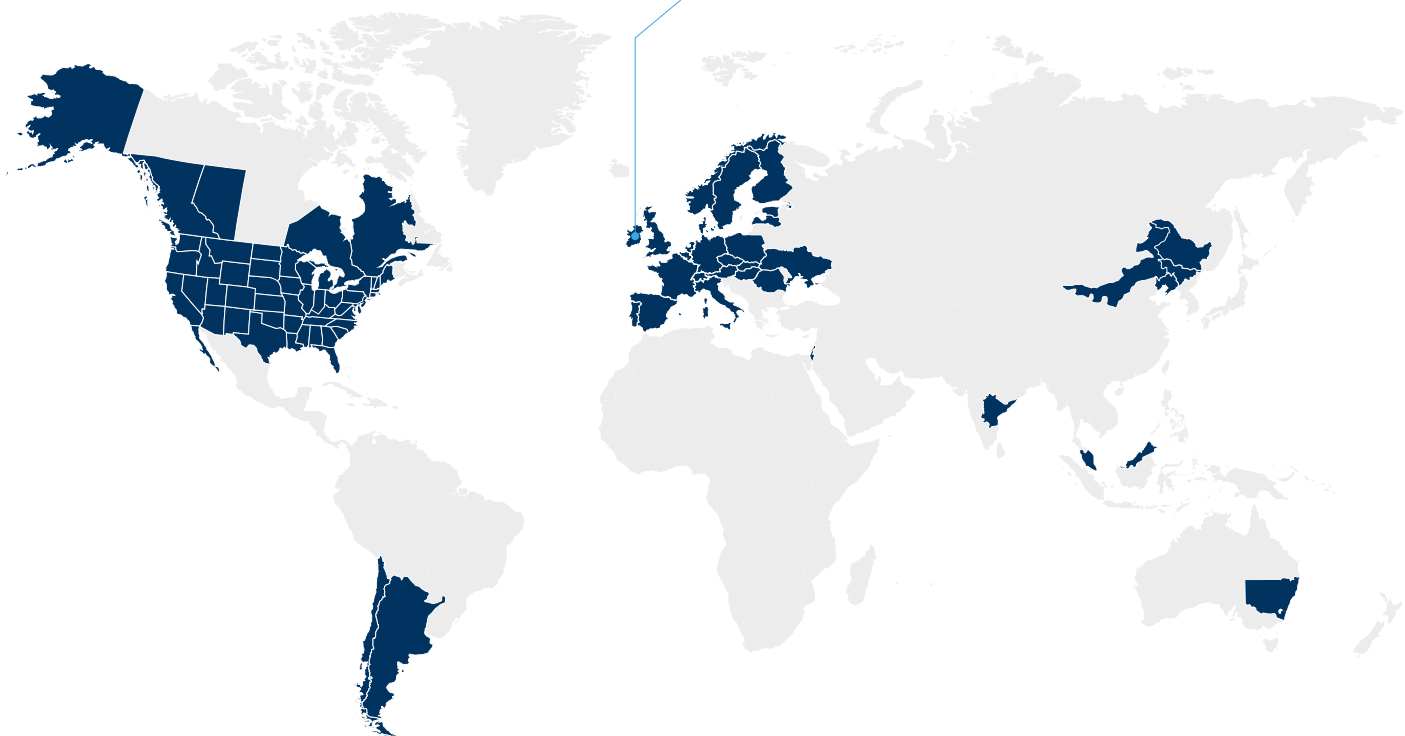
Asia

Strategic Footholds
Established

About CRH >continued

CRH Headquarters

Belgard Castle, Dublin, Ireland



34 Countries



€18.9bn Sales



3,300 Locations



Employs 76,000 people



300 Million tonnes of product

About CRH >continued

Building Better Businesses is a core CRH competency

CRH Business Model

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.

For 45 years, CRH has consistently delivered industry leading returns on invested capital through the cycle. At the heart of this enduring performance is the Group's long-standing and relentless commitment to its value creation model, which is delivered by an international team of dedicated people. The five elements of the model are: a balanced portfolio, a unique acquisition model, a focus on building better businesses, dynamic portfolio management and financial strength.

Building and maintaining a balanced portfolio enables the Group to take advantage of differing demand cycles. Diversification also opens up a greater number of opportunities for acquisitions, while having vertically integrated businesses creates potential for synergies and operational leverage.

Building Better Businesses focuses on the extraction of inherent value in newly acquired

businesses and delivering organic performance improvement in existing businesses. Operating businesses in a sustainable, responsible and ethical manner while continuously implementing improvements, provides a platform for delivery of superior returns over the long term.

CRH recognises that excellence in sustainability is an essential factor in achieving superior performance.

By leveraging the scale of the Group, benefits accrue in the areas of procurement, merchandising, selling prices, distribution and IT. Through the sharing of knowledge, ongoing people development, operational leverage and utilisation of the Group's financial strength, CRH can deliver greater value. The Group provides guidance, support, functional expertise and control in the areas of performance measurement, financial reporting, cash management, strategic planning, business development, talent management, governance and compliance, risk management, sustainability, health and safety and environment.



Roadstone developed the new Roadstone Thermal Liteblock at its research and development lab in Dublin, Ireland. The blocks are designed to be used at key heat-loss points in buildings, called thermal bridging points, such as near ceilings or basement level, and to improve the energy efficiency of buildings. Pictured are Tom Parlon, Director-General of the Construction Industry Federation of Ireland and Larry Byrne, Roadstone MD at the launch.

About CRH >continued

Throughout its diversified businesses and various geographies, sustainability is a fundamental objective for CRH. 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 provide powerful conduits for innovative product development and operational excellence. In addition to specific sustainability opportunities in each product area, excellence in safety, environmental management, governance and social performance are priorities at all levels of the organisation; further details are given throughout this Report.

Materials

CRH's primary materials business includes cement, aggregates, asphalt, readymixed concrete and lime. Sustainability initiatives central to these businesses include operational and energy efficiency, together with use of alternative fuels and materials. All of these result in significant cost and resource savings. With large land holdings around quarries and pits, materials businesses can have a positive impact on biodiversity. There is also a focus on

the development of climate-friendly building materials such as lower carbon cements, warm-mix asphalt and recycled aggregates.

Products

CRH caters for residential, non-residential and infrastructure construction sectors, through its wide spectrum of construction products, including precast concrete, architectural glass, aluminium glazing systems, outdoor security products, and shutters and awnings. Many of these products positively contribute to the sustainability of the built environment. At plant level, there is a focus on energy efficiency, recycling and product innovation.

Distribution

CRH's distribution business supplies building materials to general and specialist building contractors as well as DIY customers. The businesses, which operate in both Europe and the US, focus on superior customer service, optimising the supply chain and operational excellence. Environmentally-driven products are actively promoted and customers are advised on more sustainable building solutions, thus extending a positive influence along the value chain.

MATERIALS 2014 Production

CEMENT

10.3 (19.8)* M TONNES

AGGREGATES

177.7 (179.8)* M TONNES

ASPHALT

41.5 (42.6)* M TONNES

READYMIXED CONCRETE

13.3 (13.8)* M m³

LIME

1.1 M TONNES

* NUMBER IN PARENTHESES INCLUDE CRH'S SHARE OF EQUITY ACCOUNTED INVESTMENTS

PRODUCTS 2014 Production

CONCRETE & PRECAST PRODUCTS

25.4 M TONNES

CLAY PRODUCTS

2.9 M TONNES

FENCING PRODUCTS

15.6 M LINEAL METRES

BUILDING ENVELOPE PRODUCTS

9.4 M TONNES

PRE-PACKAGED CEMENT MIXES

2.8 M TONNES

PRE-PACKAGED LAWN & GARDEN PRODUCTS

4.3 M TONNES

DISTRIBUTION 2014 Outlets

BUILDER'S MERCHANTS

343 (517)** OUTLETS

DIY

184 (228)** OUTLETS

SANITARY, HEATING AND PLUMBING

132 OUTLETS

EXTERIOR PRODUCTS

146 OUTLETS

INTERIOR PRODUCTS

52 OUTLETS

** TOTAL NUMBER OF OUTLETS IN WHICH CRH HAS A SHARE

About CRH >continued

MARKET LEADERSHIP POSITIONS

CRH IS NO. 1 IN:

EUROPE

Cement: Finland, Ireland, Ukraine, Basque Region of Spain

Aggregates: Finland, Ireland

Readymixed concrete: Finland, Ireland

Agricultural & chemical lime: Ireland

Concrete products: Structural concrete & flooring: Benelux; Structural concrete: Denmark; Precast structural elements: Hungary, Switzerland

Architectural concrete: Blocks & rooftiles: Ireland; Landscaping products: Finland, Poland, Benelux, France, Slovakia; Paving/landscape walling: Germany

Construction Accessories: Europe, Malaysia

Shutters & Awnings: Netherlands

Fencing: Europe

Builders Merchants: Austria, Netherlands, Switzerland, Northern Germany, Burgundy, Franche-Comté and Rhône-Alps regions of France

DIY: Netherlands (member of Gamma franchise)

US

Asphalt: National Producer

Concrete masonry, patio products and pavers: Paving & patio: North America; Masonry: North America

Tiles: Rooftiles: Argentina

Precast concrete products: Precast concrete utility products: North America

Building envelope solutions: North America

ASIA

Cement: Andhra Pradesh, Telangana, India (50%), North East China (26%)

Europe

CRH is a regional leader in the manufacture and supply of building materials in Europe. The Heavyside operations produce cement, asphalt, aggregates, readymixed concrete, precast concrete and concrete landscaping. Our commitment to a sustainable future results in greater use of alternative fuels and the manufacture of low-carbon cements. Lightside operations manufacture construction accessories, shutters and awnings, fencing and composite access chambers. In Lightside, there is a relentless focus on innovation to meet the longer-term opportunities presented by economic development, changing demographics and sustainability. Distribution operations are a leading player in builders merchants, DIY, and sanitary, heating and plumbing segments. Operational excellence is delivered through optimising the supply chain and providing superior customer service. CRH operates in 23 countries in Europe employing close to 36,000 people at over 1,500 locations.

Americas

CRH is the largest building materials company in North America, operating across all 50 US states, in six Canadian provinces and in Mexico, Argentina and Chile. The Materials Division

is the largest producer of asphalt and third largest producer of aggregates and readymixed concrete in the United States. There is a focus on operational efficiencies, which has resulted in the use of significant quantities of alternative raw materials and the production of lower carbon products. The Products Division, with a national footprint and broad product range, is the leading supplier of concrete products and architectural glazing systems in North America. Through the North American research and development centres, a pipeline of value-added products and design solutions for a sustainable built environment is maintained. Americas Distribution has identified energy-saving product offerings, among other areas, as growth opportunities. Close to 40,000 people are employed by CRH in the Americas at close to 1,800 locations.

Asia

CRH has a number of strategic footholds in Asia. The Group has a 26% stake in Yatai Building Materials, which is a market leader in building materials in Northeast China. In India, CRH has a 50% joint venture with My Home Industries Limited which is the market leader in the southern states of Andhra Pradesh and Telangana.



CUBIS Industries, manufactures RAILduct™ at its Roscommon plant in Ireland. This railway trackside cable trough, which is made from High Density Polyethylene, contains a high percentage of recycled material in its manufacture and is completely recyclable at the end of its life.

Creating Value from Sustainability

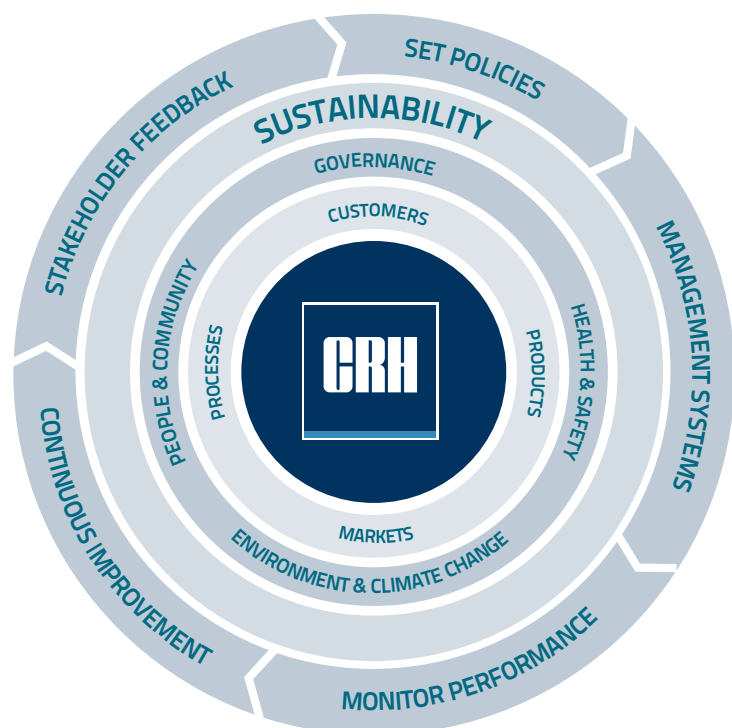
Sustainability at CRH means building a better business that can thrive long-term

CRH has placed sustainability and corporate social responsibility at the heart of its business model, strategy and activities worldwide. For over four decades, CRH has grown to be a leader in the building materials industry by building better businesses across its international operations. The fundamentals of business are managed within an established sustainability framework, which is based on four pillars: Health & Safety, Environment & Climate Change, Governance, and People & Community. For each of these areas, the Group defines and implements policies, develops management systems, monitors performance and incorporates stakeholder feedback. Implementation and monitoring of these policies is the responsibility of line management, who are assisted by safety officers, environmental liaison officers, country compliance coordinators and human resource managers in the operating companies.

CRH continuously identifies, evaluates and manages potential risks and opportunities in sustainability areas through stakeholder engagement and feedback processes. The Group sustainability performance is monitored

and reported at business level and also centrally by the Group Sustainability Manager and a small support team. CRH believes that measurement improves performance, and this is incorporated into the Building Better Businesses approach by defining appropriate financial and non-financial key performance indicators (KPIs). 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. A series of key safety, social and environmental indicators are published in the Annual Report as well as in this annual Sustainability Report, as part of CRH's commitment to full and transparent reporting on its activities.

For CRH, sustainability goes beyond simply measuring performance and managing risks to embrace innovation, efficiencies and competitive advantage across all products and processes – all the time adding value. Sustainability for CRH is also about organisational longevity. Being commercially sustainable, finding new sources of competitive advantage and attracting the best talent ensures that the business can thrive long-term.



Creating Value from Sustainability >continued

Assessing Materiality

For CRH, materiality is defined by identifying the focus areas that are relevant or significant to the organisation and its stakeholders.

CRH has a range of internal and external processes which are effective in bringing out economic, environmental and social issues of relevance and importance to the business, society and key stakeholders. Through these processes, CRH has identified and addressed material sustainability issues and in addition, informed the content of Sustainability Reports. A formal materiality assessment has been carried out with an external organisation for an independent approach. This was based on international best practice guidelines and the Global Reporting Initiative G4 Sustainability Reporting Guidelines. 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.

Each of these ten areas is specifically discussed in this Report. 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.

Managing Risk

Managing risk is an area of vital importance to CRH and the Group has adopted a formal Enterprise Risk Management (ERM) framework as a basis for assessing and mitigating key strategic risks. Sustainability risks and opportunities are integrated into this process.

The Group adopts the best international practice of incorporating the 'three lines of defence' structure into its corporate risk management:

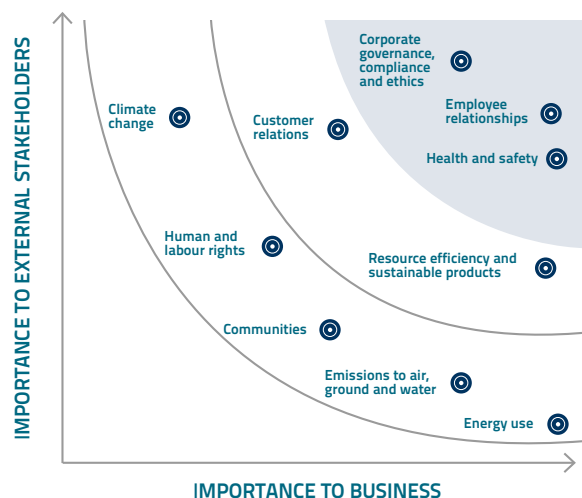
First line: Local management.

Second line: Divisional and corporate oversight.

Third line: The internal audit function.

Management at all levels is responsible for internal control over the relevant business functions. 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. ERM is supported by the Group Strategic Financial Risk Manager, the Head of Internal Audit, the Group Regulatory and Compliance Director and the Group Sustainability Manager. Management of sustainability-related risk at CRH falls within the above risk management structures.

Materiality Assessment



Creating Value from Sustainability >continued

Risk Review

In compliance with the Group's ERM framework, a regular review 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.

Detailed disclosure of principal risks and uncertainties faced by the Group is provided

in the CRH Annual Report 2014 and in the CRH 2014 Annual Report on Form 20-F filed with the US Securities & Exchange Commission, both available on www.crh.com. These risks and uncertainties are reported on a regular basis to the Audit Committee of the CRH Board, which has responsibility for monitoring the effectiveness of the Group's risk management and internal control systems.

The following table focuses solely on sustainability-related risks.

SUSTAINABILITY – RELATED RISK FACTORS	MITIGATION
HEALTH, SAFETY AND SOCIAL	
CRH is subject to stringent and evolving CSR principles including health and safety management and social performance laws and standards which may give rise to compliance costs.	CRH has developed a Group Health & Safety Policy (page 21) and a Group Social Policy (page 57), both of which are implemented across all Group companies. Health and safety management is a daily priority of line management in every CRH location.
ENVIRONMENT AND CLIMATE CHANGE	
CRH is subject to a broad and increasingly stringent range of existing and evolving environmental laws and standards 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 and standards 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.	CRH has developed a Group Environmental Policy (page 31), which is implemented across all Group companies. The environmental policy includes proactively addressing the challenges of climate change. 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	
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	
Existing processes to recruit, develop and retain talented individuals and promote their mobility within the Group may be inadequate thus giving rise to management attrition and difficulties in succession planning and potentially impeding the continued performance and growth.	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.
EXTERNAL COMMUNICATIONS	
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 monitored and managed by the Group communications team which reports to the CRH Group Chief Executive Officer.

Stakeholder Engagement

600

stakeholder engagement
days in 2014

CRH defines stakeholders as people and organisations who affect or are affected by CRH's business. Internal stakeholders include employees at all levels of the organisation and external stakeholders include 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 Non-Governmental Organisations (NGOs) and community groups.

CRH believes that continued business success depends on the excellent relationships with all stakeholders.

CRH maintains these relationships through open dialogue, collaboration, transparency and direct engagement. During 2014, CRH companies held over 600 stakeholder engagements, examples of which are presented in the table on the following page.

Stakeholder dialogue is particularly important to CRH in developing, implementing and continuously improving its sustainability policies.

Interaction with stakeholders is ongoing and takes place on both a global and local level. Among other issues, CRH's sustainability approach and challenges are discussed during these engagements.

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

At local level, individual CRH companies engage with customers, suppliers, neighbours and local communities on a day-to-day basis. Interactions with legislative and regulatory authorities are either handled at company level, product group or regional level, as appropriate. In addition, company representatives are involved with educational institutions throughout the countries in which CRH operates.

Internal communications with employees are central to building and maintaining a successful and productive workforce. Internal communication is two-way, and the employees provide their input and feedback through various representative structures, depending on the business or country of operation. Regular employee briefings are held throughout the Group with the aim of informing and consulting employees on relevant matters. For example, in the US, Oldcastle holds regular "Town Hall" meetings, where employees can join discussions in person or remotely. 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 strategy, with company management.



CRH China Family Days were held in Beijing and Changchun in June 2014. Employees and their families enjoyed a wide range of activities.



The Shelly Company took part in the Ohio Chamber's Road to Prosperity summer road tour in August 2014 by hosting Chamber representatives and government representatives at its Gallipolis asphalt plant in Ohio, US, to discuss key issues facing the construction and buildings materials industry.

Stakeholder Engagement >continued

CRH STAKEHOLDERS		ENGAGEMENT EXAMPLES	AREAS OF INTEREST
EMPLOYEES	<ul style="list-style-type: none"> ▪ Senior Management ▪ Staff ▪ Trade Unions ▪ Potential and new recruits ▪ Leavers 	<ul style="list-style-type: none"> ▪ Team meetings ▪ Employee newsletters ▪ Forums ▪ Annual Euroforum ▪ Employee survey ▪ Town Hall meetings ▪ Annual CEO video 	<ul style="list-style-type: none"> ▪ Business performance ▪ Employee relationships ▪ Health, safety and wellbeing ▪ Corporate governance and ethics ▪ Human and labour rights ▪ Potential local impact
LOCAL COMMUNITIES	<ul style="list-style-type: none"> ▪ Neighbours ▪ Local authorities ▪ Charities and volunteer organisations ▪ Environmental groups 	<ul style="list-style-type: none"> ▪ One-to-one meetings ▪ Open days ▪ Site tours ▪ Participation in local events 	<ul style="list-style-type: none"> ▪ Communities issues ▪ Planning matters ▪ Potential local impact ▪ Sustainability of processes and products
INVESTORS	<ul style="list-style-type: none"> ▪ Institutional investors ▪ Fund managers ▪ Financial and SRI analysts ▪ Rating agencies 	<ul style="list-style-type: none"> ▪ Annual General Meeting ▪ One-to-one meetings ▪ Investor conferences and roadshows ▪ Survey engagement ▪ Ratings 	<ul style="list-style-type: none"> ▪ Business performance ▪ Sustainability policy ▪ Corporate governance and ethics ▪ Environment and climate change ▪ Employee relationships ▪ Cost reduction ▪ Board and executive appointments
CUSTOMERS	<ul style="list-style-type: none"> ▪ Builders ▪ Architects and engineers ▪ Public sector ▪ Private developers ▪ Consumers ▪ Contractors 	<ul style="list-style-type: none"> ▪ Meetings and negotiations ▪ Customer surveys ▪ Formal market research ▪ Brand and corporate websites ▪ Product information on packaging ▪ Open days 	<ul style="list-style-type: none"> ▪ Customer relations and contracts ▪ Quality and delivery ▪ Health, safety and wellbeing ▪ Resource efficiency and sustainable products ▪ Product innovation
SUPPLIERS	<ul style="list-style-type: none"> ▪ Suppliers of materials ▪ Contract manufacturers ▪ Service providers 	<ul style="list-style-type: none"> ▪ Supplier surveys ▪ Contractual meetings ▪ Tender quotations ▪ Information requests 	<ul style="list-style-type: none"> ▪ Quality and delivery ▪ Contract performance ▪ Health, safety and wellbeing ▪ Corporate governance and ethics ▪ Potential local impact
GOVERNMENT AND REGULATORS	<ul style="list-style-type: none"> ▪ Country and local governments ▪ Regulators of Group products and services ▪ Local authorities 	<ul style="list-style-type: none"> ▪ Briefings and direct meetings ▪ Multi-stakeholder forums ▪ Industry associations ▪ Audits ▪ Open days 	<ul style="list-style-type: none"> ▪ Potential local impact ▪ Corporate governance and ethics ▪ Planning matters ▪ Environment and climate change ▪ Emissions to air, ground and water ▪ Health, safety and wellbeing
ACADEMIC AND SCIENTIFIC COMMUNITY	<ul style="list-style-type: none"> ▪ Universities ▪ Researchers ▪ Students ▪ Industry associations 	<ul style="list-style-type: none"> ▪ One-to-one meetings ▪ Seminars and lectures ▪ Presentations ▪ Round table discussions 	<ul style="list-style-type: none"> ▪ Environment and climate change ▪ Human and labour rights ▪ Emissions to air, ground and water ▪ Energy and resource efficiency ▪ Product development and innovation
MEDIA	<ul style="list-style-type: none"> ▪ TV and radio ▪ National and local newspapers ▪ Financial newspapers 	<ul style="list-style-type: none"> ▪ Media surveys ▪ Interviews ▪ Press Releases ▪ Social Media 	<ul style="list-style-type: none"> ▪ Business strategy and performance ▪ Corporate governance and ethics ▪ Employee relationships ▪ Health, safety and wellbeing ▪ Environment and climate change ▪ Product innovation
NGOS AND PRESSURE GROUPS	<ul style="list-style-type: none"> ▪ Human and labour rights organisations ▪ Environmental organisations 	<ul style="list-style-type: none"> ▪ One-to-one meetings ▪ Presentations ▪ Participation in events ▪ Open days 	<ul style="list-style-type: none"> ▪ Corporate governance and ethics ▪ Environment and climate change ▪ Human and labour rights ▪ Energy and resource efficiency

Areas of Sustainability Impact and Opportunity

Sustainability Priority 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.
- Stakeholder dialogue.

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.

HEALTH & SAFETY

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

Priority Areas	Achievements	Ambition
Policy Implementation	<ul style="list-style-type: none"> > Health & Safety Policy fully embedded throughout the organisation. > Annual review carried out and results for 2014 reported to Board. 	<ul style="list-style-type: none"> > Continue to refine and roll out to acquisitions as soon as possible. > Continue to refine process, improve efficiency, further increase accuracy of data.
Accident Prevention	<ul style="list-style-type: none"> > Achieved a 16% reduction in accident frequency compared to 2013. In 2014, 93% of locations were accident free. 	<ul style="list-style-type: none"> > Aim for zero fatalities and ultimately zero accidents.
Fatality Elimination	<ul style="list-style-type: none"> > Fatality Elimination Plan developed, implemented and audited. Remains a central focus of health and safety activity. 	<ul style="list-style-type: none"> > Continue implementation and audits of Fatality Elimination Plan.
Contractor Safety	<ul style="list-style-type: none"> > Extensive contract management procedures in place, leading indicators developed. 	<ul style="list-style-type: none"> > Continue to focus on contractor safety, developing a partnership approach.
Safety Management	<ul style="list-style-type: none"> > New initiatives introduced to augment existing safety systems. 	<ul style="list-style-type: none"> > Continue to develop safety management initiatives.
Employee Health	<ul style="list-style-type: none"> > Ongoing employee health monitoring continues, workplace monitoring is taking place across the Group in accordance with relevant requirements. 	<ul style="list-style-type: none"> > Continue to implement the documented policies and procedures that follow best practice in occupational health.

ENVIRONMENT & CLIMATE CHANGE

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

Priority Areas	Achievements	Ambition
Policy Implementation	<ul style="list-style-type: none"> > Environmental policy fully embedded throughout the organisation. > Annual review carried out and results for 2014 reported to Board. 	<ul style="list-style-type: none"> > Continue to refine and roll out to acquisitions as soon as practicable. > Continue to refine process, improve efficiency, further increase accuracy of data.
Climate Change	<ul style="list-style-type: none"> > Ongoing carbon reduction in all activities. On target to reduce specific net cement CO₂ emissions by 25% (2020 vs 1990). 	<ul style="list-style-type: none"> > After achieving 2015 target 3 years ahead of schedule, ongoing strategic programmes continue to focus on reducing specific net CO₂ emissions.
Energy	<ul style="list-style-type: none"> > Ongoing focus on energy reduction: 2014 energy savings were 126 GWh. 	<ul style="list-style-type: none"> > Continue to reduce specific energy consumption.
Emissions	<ul style="list-style-type: none"> > Ongoing emissions reduction in all activities. On target to reduce specific cement dust emissions by 80% and NO_x by 22% (2020 vs 2006). 	<ul style="list-style-type: none"> > After achieving 2015 targets 3 years ahead of schedule, continued progress towards achieving new targets.
Resources	<ul style="list-style-type: none"> > Sustainability aspects of product life cycle being promoted, 19m tonnes of alternative raw materials used in 2014. > Progressive improvements being achieved on water, waste and recycling parameters. > Biodiversity management continues, 98% of quarries and pits now have reinstatement plans. 	<ul style="list-style-type: none"> > Continue to develop and promote products to benefit the built environment, increase alternative raw material use where possible. > Continue to refine water management and reduce waste. > Continue to develop biodiversity and reinstatement plans where appropriate.
Environmental Investment	<ul style="list-style-type: none"> > In 2014, CRH invested €57m in a wide range of environmental projects and upgrades. 	<ul style="list-style-type: none"> > Continue to develop investment plans to improve performance and offer innovative opportunities.

Areas of Sustainability Impact and Opportunity >continued

GOVERNANCE

Committed to the highest standards of corporate governance

Priority Areas	Achievements	Ambition
Corporate Governance	<ul style="list-style-type: none"> > Further strengthened organisational structures, reporting continued to meet all requirements. 	<ul style="list-style-type: none"> > Ensure ongoing highest standards of corporate governance.
Compliance and Ethics	<ul style="list-style-type: none"> > The structure of the C&E organisation was realigned in 2014. > The Code of Business Conduct was revised in 2014, additional guidelines and policies developed. 	<ul style="list-style-type: none"> > Continue to develop the Group C&E programme in scope and reach. > 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.

PEOPLE & COMMUNITY

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

Priority Areas	Achievements	Ambition
Policy Implementation	<ul style="list-style-type: none"> > Social policy fully embedded throughout the organisation. > Annual review carried out and results for 2014 reported to Board. 	<ul style="list-style-type: none"> > Continue to refine and roll out to acquisitions as soon as practicable. > Continue to refine process, improve efficiency, further increase accuracy of data.
Employee Relationships	<ul style="list-style-type: none"> > Programmes rolled out throughout the Group. > Management Development programmes continued. 	<ul style="list-style-type: none"> > Continue to be an employer of choice. > Extend the development programmes to continue to supply the depth and breadth of skills for a global organisation.
Human and Labour Rights	<ul style="list-style-type: none"> > Commitment to human and labour rights set in Code of Business Conduct. 	<ul style="list-style-type: none"> > Continue to extend influence along value chain to respect human and labour rights.
Customer Relations	<ul style="list-style-type: none"> > Focus on excellence in customer care, product quality, value and service. > Ethical Procurement Policy implemented, Supplier Code of Conduct updated in 2014, sustainable supply chain management work continues. 	<ul style="list-style-type: none"> > Develop and maintain customer partnerships. > Continue to develop policies, drive sustainability.
Communities	<ul style="list-style-type: none"> > Extensive programmes continued at local and community levels. 	<ul style="list-style-type: none"> > Continue to grow these programmes in all regions of operation.

STAKEHOLDER DIALOGUE

Committed to comprehensive and transparent engagement on sustainability performance

Priority Areas	Achievements	Ambition
Materiality	<ul style="list-style-type: none"> > Formal materiality assessment completed and identified 10 focus areas. 	<ul style="list-style-type: none"> > Further develop KPIs in each focus area to drive and improve sustainable business performance.
Stakeholder Communications	<ul style="list-style-type: none"> > Extensive communication programmes continued with all stakeholders. 	<ul style="list-style-type: none"> > Continue to communicate openly with stakeholders and respond to feedback.
Awards	<ul style="list-style-type: none"> > Continued high number of awards. 	<ul style="list-style-type: none"> > Continue to promote awards.
SRI Rating Agencies	<ul style="list-style-type: none"> > Positive reviews received from leading Agencies. 	<ul style="list-style-type: none"> > Maintain high level position.
GRI Guidelines	<ul style="list-style-type: none"> > Adopted the GRI G4 guidelines at core level. 	<ul style="list-style-type: none"> > Continue to use best international reporting practices.
External Verification	<ul style="list-style-type: none"> > 2014 Report verified by DNV GL. 	<ul style="list-style-type: none"> > Maintain external verification, continuously improving reporting.

Financial Performance 2014

2014 was a year of growth for CRH, with improved performance in the first half driven by favourable weather in Europe, and the second half benefiting from improved momentum in the United States.

Like-for-like sales were ahead by 5% in the first half of the year and rose by 3% in the second, resulting in a full-year increase of 4%. Overall sales of €18.9 billion were achieved, an increase of 5% on previous year. EBITDA* for the year was €1.641 billion, up 11% due to increased capacity utilisation, efficiency measures and cost saving actions. The Group is in a strong financial position, which was further enhanced during the year by two bond issuances.

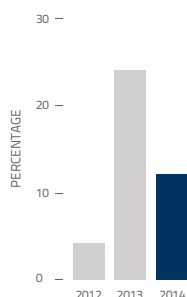
Throughout recent times, the Group has maintained its commitment to ongoing cost control, strong cash generation efficiency and disciplined financial management. Further progress was achieved in these areas in 2014 including an additional €118 million

of targeted cost savings delivered by year-end. Sustainability initiatives were an essential part of these cost savings and included improved energy efficiency, increased use of alternative fuels and recycled materials, and enhanced supply chain management.

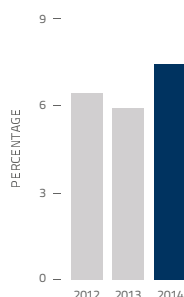
The reorganisation of CRH's European businesses was largely completed during the year. An integrated heavyside materials and products organisation was put in place, creating synergies across the operating plant network in European markets.

A detailed portfolio review was undertaken during the year. CRH is now focusing on optimising its portfolio to meet its financial objectives, achieve growth, restore margins and returns to peak levels. Portfolio Management is now embedded in the CRH business model as a key enabler of value creation within the Group, encouraging optimal capital efficiency, and providing new opportunities for investment and acquisition.

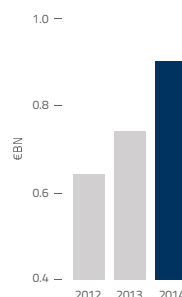
TOTAL SHAREHOLDER RETURN (%)



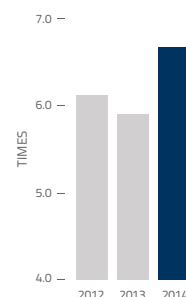
RETURN ON NET ASSETS (%)



OPERATING CASH FLOW (€BN)



EBITDA* INTEREST COVER (X)



Note: * EBITDA is defined as earnings before interest, taxes, depreciation, amortisation, asset impairment charges, profit on disposals and the Group's share of equity accounted investments' result after tax.

Refer to the 2014 Annual Report, available on www.crh.com, for further details on Financial Key Performance Indicators.

Development Activity

Extensive due diligence is carried out for all acquisitions, covering, among other topics, material sustainability issues in the areas of environment and climate change, health and safety, as well as people and community. Due diligence for acquisitions in developing economies also covers human rights and other relevant social and ethical issues. Companies joining the CRH Group are integrated into health and safety, environmental, social and compliance and ethics reporting systems, together with CRH governance systems.

Development spend in 2014 was €0.19 billion, a lower spend than previous years. In Europe, CRH Heavyside acquired selected readymixed concrete and aggregates assets of Cemex Ireland and also a precast concrete business in Denmark. The Europe Distribution business completed six acquisitions in the Benelux, France and Germany, adding a total of nine branches. In the Americas Materials Division, eight bolt-on acquisitions were completed adding over 230 million tonnes of aggregate reserves, while the Americas Products Division completed five transactions in the Precast, Architectural Products and Construction Accessories businesses.

In August 2014, CRH announced a multi-year divestment programme. During 2014, 16 transactions realised total disposal proceeds of €0.35 billion. The largest single divestment in 2014 was the disposal of CRH's 50% equity stake in Denizli Çimento, the Group's only involvement

in the Turkish construction market. In addition, in Europe, a number of readymixed concrete and concrete products businesses, together with surplus assets in all three Europe Divisions, were disposed. Several non-core materials operations were disposed across the US, as were five operations in the Precast, Architectural Products and Building Envelope businesses. The divestment of CRH's clay and concrete products businesses in UK and the clay business in US was completed in the first half of 2015.

On 1 February 2015, the Group announced that it had entered into a binding commitment to acquire certain assets from Lafarge and Holcim for an enterprise value of €6.5 billion. This acquisition, which arises from regulatory requirements for industry deconsolidation in connection with the merger of Lafarge and Holcim, is expected to complete in mid-2015, subject to certain conditions being met. On completion, the acquisition will strengthen CRH presence in markets across North America, Western, Central and Eastern Europe, in addition to providing new platforms for growth in the Philippines and Brazil. CRH believes that this acquisition will deliver enhanced opportunities to roll out its vertical integration and bolt-on acquisition models. In common with Holcim and Lafarge, CRH is committed to the highest international standards of employee safety and social and corporate responsibility. Accordingly, CRH expects a very smooth transition in the area of safety, environmental management and employee relations.



The asphalt plant in Westbrook, Maine, US, purchased from Lane Construction in September 2014 by Pike Industries. The plant, which is fired on natural gas, includes equipment to enable the use of recycled asphalt pavement.



HEALTH & SAFETY

Safety is a core value at CRH and a strong safety culture is a key element of CRH's approach to Building Better Businesses. 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 2014 is also covered, together with a summary of the safety initiatives and programmes which were developed and implemented during the year.

Oldcastle BuildingEnvelope® employees and contractors use all the necessary safeguards including fixed barriers as well as personal protection equipment when working at heights and lifting glass panels on to the 54th floor of "The Aura" a mixed-use skyscraper in Toronto, Canada.

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

Throughout the CRH organisation, from senior executives to operational management and all employees, safety in the workplace remains a primary focus.

The safety performance of operating locations at CRH is rigorously assessed. Safety audits were completed at over 2,900 locations during 2014 by internal safety managers or external agencies. The focus on the implementation of the fatality elimination plan continues.

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. Company

management ensures that the CRH Health & Safety Policy is implemented and strictly adhered to, and that site managers and employees understand safety risk analysis and accident prevention principles. 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.



The Rudus ready-mixed concrete plant in Loviisa, Finland, won first place in the Finnish Concrete Industry Association Occupational Safety Competition for safety leadership, best practices and monitoring. Pictured are: Product Manager Markus Nieminen, Plant Supervisor Mikko Jaakkola and Safety Officer Juha Lehtiköinen.

Health & Safety Policy >continued

Annual Review Process

CRH carries out a comprehensive annual review of health and safety performance. 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.

Most joint ventures and associates actively participate in the review process.

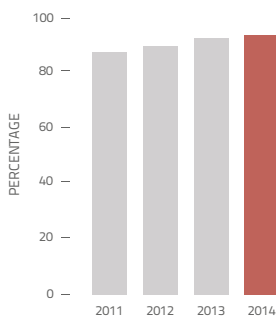
The year-end review addresses key issues including:

- Safety management relating to employees and contractors, including recording of near misses, minor injuries and recordable incidents, safety meetings/training, disciplinary measures and incentives to reduce accidents, and use of personal protective equipment.
 - Internal and external safety audits and risk assessments.
 - Workplace hygiene and employee health management.
- Implementation of CRH's Health & Safety Policy.
 - Implementation of the Fatality Elimination Plan.
 - Analysis of all fatalities focusing on direct and root causes.
 - Analysis of all lost time injuries.

As part of the drive towards continued improvement, Group companies are required to monitor leading indicators of safety performance in areas such as employee engagement, near miss reporting and risk reduction initiatives.

The review process also follows up on the management improvement focus for operations with poorer safety performance. There is a particular emphasis on bringing acquisitions up to Group safety standards. In 2014, CRH companies incurred a number of fines totalling €181k with approximately 70% of these occurring in the United States, mostly resulting from the Occupational Safety and Health Administration (OSHA) and the Mine Safety and Health Administration (MSHA) inspections. All deficiencies notified have been assessed and rectified.

% ZERO-ACCIDENT LOCATIONS



Continued
improvement
in Safety
Performance

93%
of CRH locations
had zero
accidents

16%
reduction in
annual accident
frequency rate

2,900
safety audit
locations

Accident Prevention

Accidents

CRH strives to reduce all accidents through ongoing intensive safety management, training and monitoring of both near misses and recordable incidents. The ultimate aim is to achieve zero accident status and deliver excellence in safety performance at every location.

CRH's performance continues to compare well with peers and key accident statistics for the Group show further improvement in 2014:

- 93% of locations recorded zero accidents, compared to 92% in 2013.
- Frequency Rate was 2.1 lost time accidents per million manhours, compared to 2.5 in 2013.
- Severity Rate was 58 lost working days per million manhours, compared to 65 in 2013.

The Accident Frequency and Severity rates over the last decade have reduced by an average of 15% and 13%, respectively, per annum, showing significant improvement across the Group.

The Frequency Rate for joint ventures and associates was 1.9 lost time accidents per million manhours (2013: 1.7) and the Severity Rate was 37 lost working days per million manhours (2013: 51).

Accident Causes

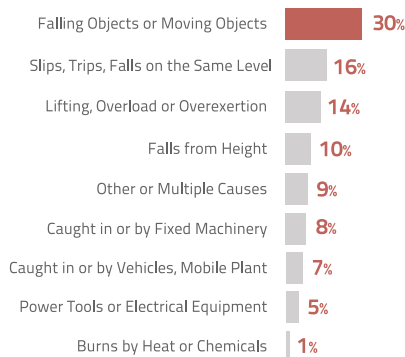
CRH carries out detailed analysis of all accidents across the Group each year. All accidents are investigated and data is gathered on the direct cause, root cause and type of injury, age, length of service and job category of those injured. Objectives of this analysis are to identify the categories of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

Consistent with previous years, the three main accident causes in 2014 were:

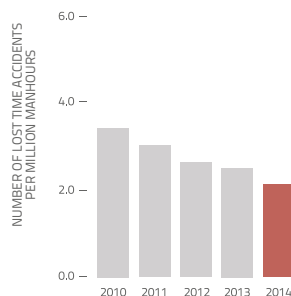
- Slips, trips and falls on the same level.
- Falling or moving objects.
- Lifting, overloading or overexertion.

The most frequent injuries were to the arms, hands, hands, legs and feet.

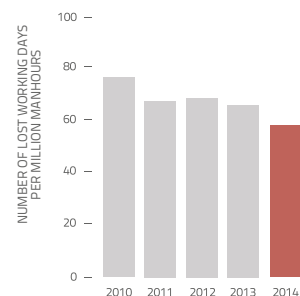
ACCIDENTS BY CAUSE 2014



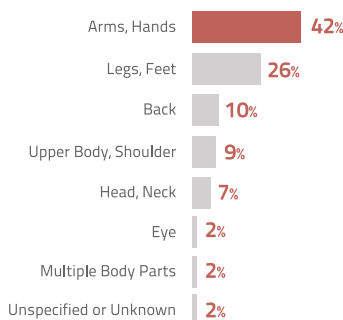
GROUP FREQUENCY RATE



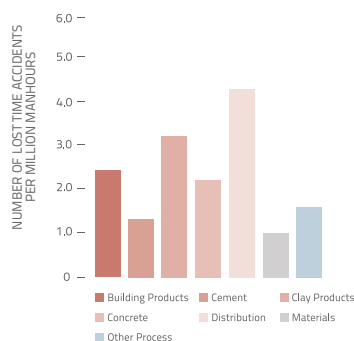
GROUP SEVERITY RATE



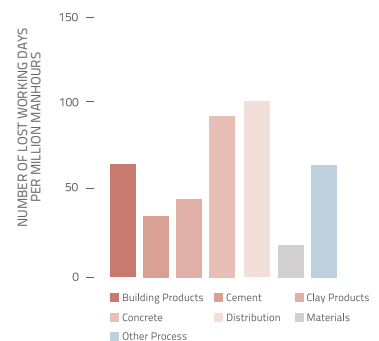
ACCIDENTS BY INJURY TYPE 2014



FREQUENCY RATE BY ACTIVITY



SEVERITY RATE BY ACTIVITY



Accident Prevention >continued

Case Study: Safety Training

1.1

million hours of safety
training completed

Across CRH, ensuring the competency of employees is seen as an imperative with the education and training of employees receiving the highest priority. Safety training is a critical element of an employee's development. Training needs are identified through task risk assessments, formal employee appraisals and the review of the near miss and accident data recorded across locations.

Employee safety awareness and understanding is an on-going management objective and is an essential element of accident prevention. Senior management training and development programmes also include strategic safety modules.

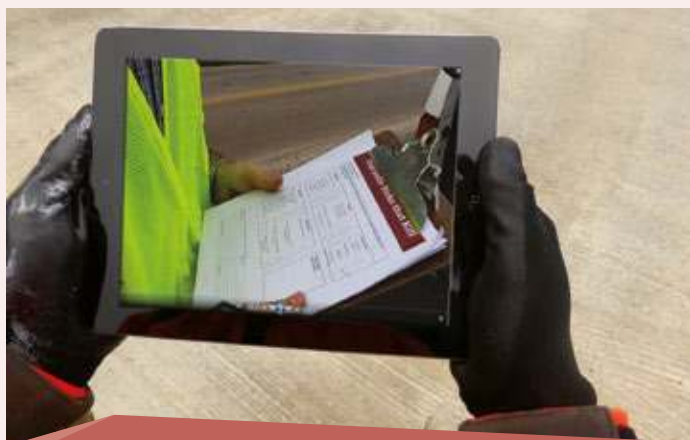
Local supervisors and foremen play an important role in promoting a world class safety culture. Integrated frontline leadership programmes are being developed and rolled out across the divisions. This integrated training approach has received excellent feedback from the participants and local management.

Safety training programmes are developed at a Divisional level and rolled out across all locations. Individual companies also develop training programmes to address their own

local needs. These programmes are focused and presented in a concise and understandable manner. Training is carried out through a variety of methods including on-the-job training, face to face meetings, workshops, on-line tutorials and classroom training. In addition, specific training material is presented on DVDs and translated into the various languages used by Group companies. This material is also incorporated into company training programmes and can be company or location specific. Training material is widely accessible across the Group and available on several technology platforms.

Typical topics covered by specific training include driver training, lockout/tagout training, working at heights and other identified Fatality Fundamental topics. In 2014, 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.

In 2014 employees across all categories received on average 15 hours of safety training, with a focus on operations staff, who received on average 17.7 hours of such training.



A series of online training materials have been developed across the Group, supplementing ongoing training initiatives and clearly communicating the top-down commitment to safety. At locations across the United States, the "Risk That Kill" and "See Stop Do" safety initiatives were rolled out to all employees in conjunction with an online training packages.

The elimination of all fatalities is a fundamental objective of CRH and **zero** is the ultimate goal

Fatality Elimination

The elimination of fatalities continues to receive the highest priority across all operations at CRH. There were no employee fatalities reported in 2014 and this reflects the relentless focus and dedication of management and employees to improving safety across the Group over many years. Regrettably, two contractors lost their lives in Group Subsidiaries during 2014. With the assistance of independent specialists, the circumstances surrounding fatalities are examined in detail, the lessons learned communicated and appropriate actions taken immediately.

The Employee Fatality Ratio (number of fatalities per 10,000 employees) in 2014 was 0, which compares to 0.27 in 2013. The Contractor Fatality Ratio for 2014 was 1.81, a significant improvement on 2013. The combined Employee and Contractor Fatality Ratio for 2014 was 0.23, again showing an improvement on the previous year when it was 1.05.

In addition to the figures reported for subsidiary companies, CRH also deeply regrets that four employee fatalities were reported in joint ventures and associates, all of which occurred 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.

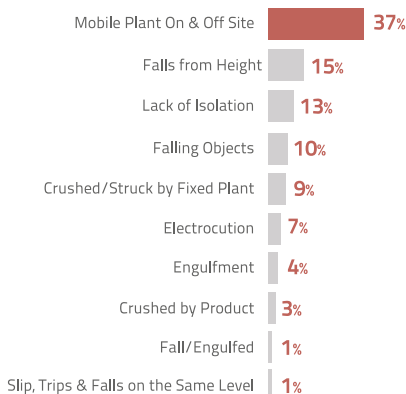
Over the last decade the three main causes of fatalities have been identified as: mobile plant movements, falls from height and failures

by individuals to abide by established plant isolation (Lock Out/Tag Out) procedures.

CRH implements a mandatory Fundamentals for Fatality Elimination Programme across the Group, aimed specifically at eliminating fatalities. This Programme is embedded in all day-to-day operations and it is audited continuously. The audits carried out to date confirm the high level of implementation of the Fundamentals and the significant management attention on a daily basis. The audits also contribute to enhancement of safety best practice across the Group. Deficiencies identified during the audit process are addressed by local management and reviewed through follow up audits and inspections. A Group-wide Fundamentals Safety Alert continues to be distributed every month to supplement ongoing regional initiatives. Each region has also developed specific programmes on the Fatality Elimination Fundamentals. Initiatives were launched across Europe, the US and all other regions using a combination of direct employee communication and audio visual packs translated into the main Group languages.

Fatality analysis over the past decade by country involving employees and contractors highlights higher risks in emerging markets. The CRH Construction Project Safety Protocol and Construction Safety Manual continue to be integrated into day-to-day operations at CRH companies in emerging markets.

FATALITIES BY CAUSE 2005-2014



Pennsy Supply Inc., operating in Pennsylvania and Delaware, US, runs a Near Miss Recognition Programme to keep the focus on learning from near misses, which is an element of the Fatality Elimination Programme. Pictured (L to R): Brett Thorius presents foreman Sean Wissler with a Near Miss Award for actions taken in response to a potential safety hazard.

Contractor Safety

Relentless focus on contractor safety continues

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

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

Contractor companies and their employees are expected to be competent and have the required training to carry out the job safely. This is checked through contractor pre-qualification systems. In addition, contractor safety inductions and formalised evaluation systems are in place.

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. Implementation of the Recommended Good Practice Guidelines for Contractor Safety developed by the CSI continues throughout the Group. Companies across the Group have specific contractor management procedures in place which include contractor inspections, checks and formal contractor safety meetings. Companies also have contractor disciplinary measures in place for safety breaches with over 1,800 disciplinary actions taken in 2014.

The Divisions have carried out an analysis on contractor safety management to identify potential gaps in the management systems. Based on this analysis, action plans and specific initiatives, in addition to the Fatality Elimination Fundamentals, were developed for implementation in 2014 and beyond. Also, the Divisions have been developing leading indicators over the last number of years and Group wide targets have been set for 2015. In tandem with this, the Group continues to enhance training programmes for management and supervisors encompassing contractor 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. There are systems in place across the group covering all aspects of health and safety, incorporating comprehensive safety procedures and risk assessment processes. Safety management is coordinated throughout the Group by the network of company Safety Officers.

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 2014. In addition, 68% of all Group employees were involved in formal joint management/worker safety dialogue. Safety improvement also forms an integral part of discussions with trade unions where applicable. Topics discussed at the various meetings include safety initiatives, contractor management and ongoing Fatality Elimination Plan actions. In many Group companies, safety performance is incentivised and throughout CRH, any safety negligence identified is subject to disciplinary action.

Safety management initiatives and programmes were rolled out throughout the Group. These included top down centralised Divisional initiatives, and individual companies/product groups' programmes tailored to their specific needs. Companies also continued to develop employee training and emphasise employee responsibility through behavioural safety. All companies distributed Safety Alerts from other CRH companies

helping to disseminate best safety practices throughout the Group.

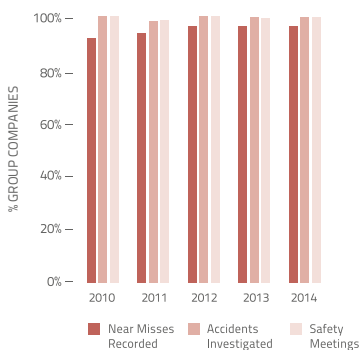
CRH has invested €135 million over the last five years on all aspects of health and safety across the Group. This covered items such as machinery guarding, mobile plant safety upgrades, improvements in platforms and fall protection measures, electrical systems upgrades, pedestrian and mobile plant segregation and noise and dust reduction initiatives.

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

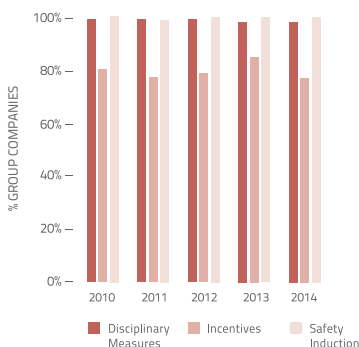
CRH safety management culture is implemented in new acquisitions as fast as possible. This can present significant challenges in countries and regions that traditionally have a poor safety culture and CRH has developed specific processes to address this.

CRH is a core member of the Cement Sustainability Initiative (CSI) Health & Safety Task Force and other regional industry associations including CEMBUREAU in Europe and NAPA in the US. Through these associations, CRH is actively involved in global and regional discussions on improving the safety performance of the industry.

SAFETY MANAGEMENT



EMPLOYEE SAFETY MANAGEMENT



CRH Europe Distribution has a Safety Culture Ladder programme which aims to encourage all stores to achieve an outstanding safety culture, where engagement, behaviour and customer integration around safety is instinctive for all stakeholders. The employees of the Lennestadt locations, Germany received an Outstanding Safety Culture Award in 2014.

Employee Health

The health of the employees working at CRH is a focus across the Group. Many companies have developed leading health and wellbeing programmes. CRH continues to educate its employees in healthy work practices with specific initiatives in place to eliminate or reduce the risks of health hazards to an absolute minimum. Specific health issues within the building material industries include occupational noise levels, occupational levels of airborne dust and the potential for respirable crystalline silica (RCS).

The 2014 internal health, safety and social review captured extensive data on employee health with results showing that workplace hygiene monitoring is taking place across the Group in line with Group requirements. There was a very low incidence of occupational illness cases recorded in Group companies in 2014, indicating a positive position in occupational health across the Group.

CRH continues to work with the CSI and other industries bodies to develop global

best practice and standards across the building materials industry. 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 and industry best practice.

Employee wellbeing programmes across the Group focus both on occupational health and on the employee's personal health. For example, several companies set time aside before commencing work to perform a range of exercises to reduce potential musculoskeletal strain. Many companies provide specific health monitoring and 63% of companies provide well-being programmes for employees. Typically these programmes include smoking cessation, diet, nutrition, fitness, weight management and vaccinations as well as drug and alcohol rehabilitation programmes. In addition, 70% of Group companies offer assistance on employee health insurance.



In 2014, Tilcon New York, US, started a pilot employee wellness programme with the aim of improving employees' health. The programme includes the creation of a walking trail, distribution of a healthy lifestyle monthly newsletter and an incentive programme. It is planned to extend the programme further within Oldcastle. Pictured is the Tilcon New York Wellness Committee.



A photograph of a quarry face, showing a steep, rocky cliff with some vegetation at the top. In the foreground, there is a body of water with tall reeds and several birds flying over it. The image is split vertically, with the left half showing the quarry and the right half being a solid green background with white text.

ENVIRONMENT & CLIMATE CHANGE

With a global base, CRH recognises the part it can play in improving the sustainability of the environment. CRH is committed to the highest standards of environmental management. Climate, energy, resources and emissions are identified as key environmental topics. These, along with CRH's Environmental Policy and implementation systems, are covered in this section and detailed environmental performance data from across the Group is presented and reviewed.

The Gliniany Quarry, owned by Grupa Ożarów SA in Poland, excavated its 100 millionth tonne of limestone for clinker production in December 2014. This photo displays the coexistence of the operating quarry and the surrounding nature and wildlife.

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.

Optimise our use of energy and all resources.

Ensure that our employees and contractors respect their environmental responsibilities.

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

Address proactively the challenges and opportunities of climate change.

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, divisional HSE management and the Group Sustainability Team in the sharing of environmental best practice. Acquisitions are systematically integrated into the ELO network as soon as practicable.

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 604 (588 in 2013). 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.

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

Environmental Policy >continued

Annual Review Process

The sustainability team in CRH conducts a comprehensive annual review of environmental performance across the Group and reports the results to the CRH Board. 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 year-end review encompasses the following key areas:

- Compliance with Group environmental policy, local regulations and national legislation.
- Environmental audits and certification, including internal audits.
- Mitigating climate change and minimising energy and fuel usage.
- Reducing emissions to air.
- 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 2014 amounted to €168k (2013: €439k). These

related to a number of minor issues and the majority were resolved before the end of the year. In addition, 56% of Group companies were audited by external agencies during 2014, with satisfactory results.

The review process also updates CRH's database of all Group key environmental indicators. The data from this environmental review has been used to provide the environmental performance information in this Report.

The environmental review process ensures potential environmental risks, as detailed in this section and on page 12, are being managed appropriately. No new significant risks of an environmental nature, which had not already been previously well documented, were identified. 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 management plans in place. Reviews of all locations for asbestos containing material have been completed and any identified risks are being managed. Sites with historical contamination or landfill issues are well understood.



The annual environmental meeting for CRH companies in the US was held in June 2014. This was one of many regional sessions that facilitated feedback on the results of the annual review together with internal discussions on specific projects and environmental best practice.

Climate Change

The challenges posed by climate change, along with evolving environmental regulation and heightened stakeholder expectations, are fully recognised by CRH and integrated into the Group's management strategy. 2014 has seen the historic US-China Joint Announcement on climate change, the setting by the EU of a binding 2030 target for emissions reduction and the continuation of work towards a new UN global climate agreement. CRH, like other responsible players in the buildings material industry, is actively addressing the associated challenges and opportunities of these developments. Through its membership of the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development, as well as regional industry associations including CEMBUREAU and the European Lime Association (EuLA) in Europe, together with the National Asphalt Pavement Association (NAPA) and the Portland Cement

Association (PCA) in the US, CRH is actively involved in global and regional discussions on the climate change agenda.

CRH's climate management strategy focuses on energy efficiency and carbon reduction. There is an emphasis on producing lower-carbon products in a climate-friendly process across all activities, from the more carbon-intensive businesses to those with more limited potential climate impacts, as shown below. In addition, building products can make a meaningful contribution to both climate change mitigation and adaptation and Group companies continue to promote these products. CRH's many approaches towards reducing specific carbon emissions are integrated into the Group's Building Better Businesses approach and are part of realising operational, logistical, production and cost efficiencies.

Climate change mitigation in a diversified business

	CO ₂ SOURCES	MITIGATION AND ADAPTATION
CEMENT	<ul style="list-style-type: none"> Both from the high temperature chemical decarbonation of the limestone raw material, and also from fuel combustion. Cement activities accounted for 65% of CRH's 2014 CO₂ emissions 	<ul style="list-style-type: none"> Alternative fuels Alternative raw materials Energy efficiency Optimising cement plant operation Producing low carbon "green" cements New technologies
LIME & OTHER PROCESS	<ul style="list-style-type: none"> Both from the high temperature chemical decarbonation of the limestone raw material, and also from fuel combustion. Lime activities accounted for 5% of CRH's 2014 CO₂ emissions 	<ul style="list-style-type: none"> Optimising plant operations Energy efficiencies
MATERIALS (Asphalt, Aggregates and Readymixed Concrete)	<ul style="list-style-type: none"> Energy use for drying and heating of raw materials in asphalt plants, in excavation and processing of sand and aggregates, and also in operation of readymixed concrete plants 	<ul style="list-style-type: none"> Plant optimisation Optimising product design Energy efficiency Alternative raw materials (RAP, cementitious by-products)
CONCRETE PRODUCTS	<ul style="list-style-type: none"> Energy use in operation of factories 	<ul style="list-style-type: none"> Optimising mix design Using heat of reaction in curing Using recycled materials Using carbon-fibre reinforcement
BUILDING PRODUCTS	<ul style="list-style-type: none"> Energy use in factories 	<ul style="list-style-type: none"> Developing energy-saving solutions
DISTRIBUTION	<ul style="list-style-type: none"> Energy use in stores 	<ul style="list-style-type: none"> Optimising logistics Promoting sustainable products
TRANSPORT	<ul style="list-style-type: none"> Energy use in vehicles 	<ul style="list-style-type: none"> Optimising logistics and modes of transport

Climate Change >continued

Emissions

Following an internal review, Carbon Dioxide (CO₂) was identified as the only relevant Greenhouse Gas for CRH. Scope 1 CO₂ emissions (i.e. direct emissions from sources controlled by CRH designated as Scope 1 under the Greenhouse Gas Protocol) from all wholly owned subsidiaries amounted to 10.3m tonnes in 2014, compared with 9.8m tonnes emitted in 2013. The increase is due primarily to the production of greater volumes of cement clinker.

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 reflects the fact that decarbonation is the largest single source of direct CO₂ emissions in the Group.

Scope 2 CO₂ emissions in 2014 (i.e. indirect emissions from consumption of purchased electricity are designated as Scope 2 under the Greenhouse Gas Protocol), calculated on a total electrical energy usage of approximately

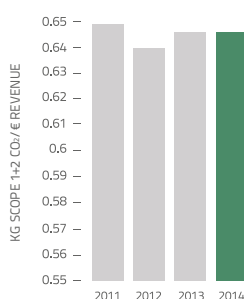
3.3TWh, are estimated to be in the order of 1.4m tonnes.

Scope 3 CO₂ emissions for contracted transport are estimated to be of the order of 1.1m tonnes.

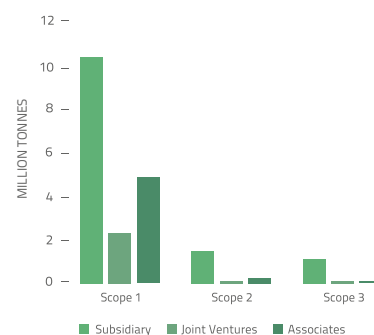
As indicated above, this data relates to wholly owned subsidiaries. When joint ventures and associates are included on a basis proportionate to CRH's shareholding, the combined Scope 1 emissions amount to 17.2m tonnes (2013: 16.9m tonnes). The combined Scope 2 and 3 emissions are correspondingly estimated to be in the order of 1.7m tonnes and 1.2m tonnes, respectively (2013: 1.5m tonnes and 1.1m tonnes respectively).

For its cement activities, CRH reports on the agreed CSI key performance indicators (KPIs) on page 72-73 of this Report and those indicators related to CO₂ emissions showed continued improvements due to the carbon reduction strategy outlined later in this section. Relevant facilities in Europe operate within the EU Emission Trading Scheme for GHG emissions.

CO₂ EMISSIONS (KG/REVENUE)

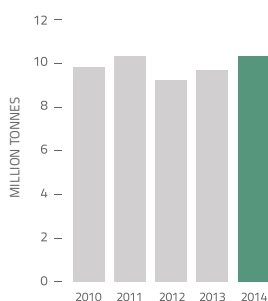


CO₂ EMISSIONS (EQUITY BASIS)

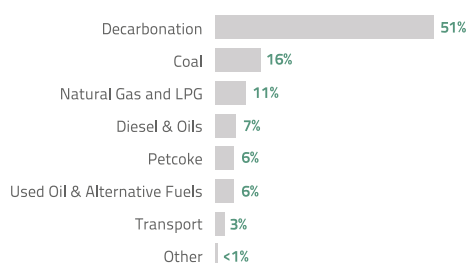


10.3m TOTAL TONNES CO₂ (Scope 1)

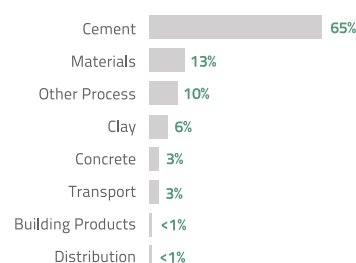
CO₂ EMISSIONS (SCOPE 1)



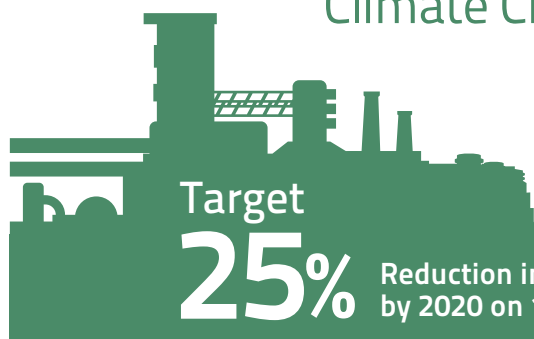
CO₂ EMISSIONS BY SOURCE (SCOPE 1)



CO₂ EMISSIONS BY ACTIVITY (SCOPE 1)



Climate Change >continued



Target
25%

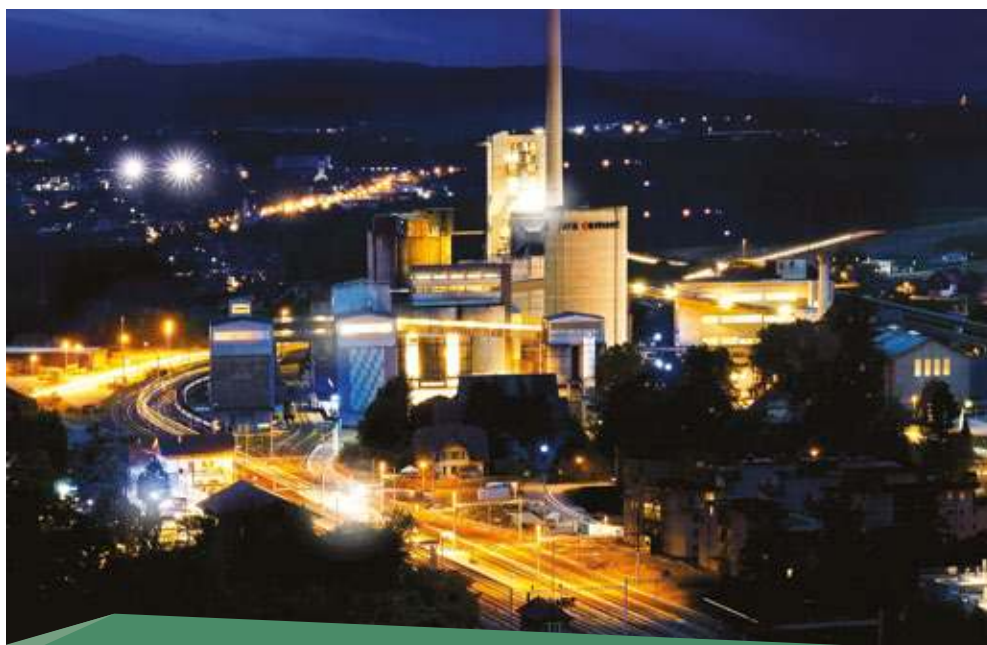
Reduction in specific net CO₂ cement plant emissions
by 2020 on 1990 levels.

Emissions Reduction

CRH focuses on improving process and energy efficiency and in reducing specific CO₂ emissions across its diversified business. CRH is confident that due to this focus and the many plant upgrade investments, specific CO₂ emissions in all activities will decline in the years ahead. These programmes also have the potential to bring about significant cost improvements and are implemented as a key component of the Group's approach to Building Better Businesses.

Because the greater portion of total CO₂ emissions arise in Group cement activities, the Group CO₂ emission reduction commitment is focused on this source. CRH is pleased to report that it is on-track with its 2020

reduction commitment, to reduce specific net CO₂ emissions from a defined portfolio of cement plants by 25% on 1990 levels. The 2020 commitment covers cement plants within the CRH Group at the beginning of 2013 and includes facilities in Belgium, Finland, Ireland, Poland, Spain, Switzerland and Ukraine. The 2014 specific emissions (0.619t CO₂/t cementitious product) were 19% lower than 1990 emissions (0.760t CO₂/t cementitious product). CRH achieved its first CO₂ reduction commitment three years ahead of schedule (a 15% reduction in specific net cement CO₂ on 1990 levels by 2015) and is confident that its strategic programmes will deliver the 2020 commitment (0.571t CO₂/t cementitious product) on target.



Jura Cement's Wildegg plant, Switzerland, utilizes 75% alternative fuels and produces ECO JURA cement, which has an eco-label for its lower carbon footprint.

Climate Change >continued

Case Study: Achieving Emissions Reduction - Cement

CRH's approach to Building Better Businesses ensures strategic progress towards increasing the manufacture of low-carbon cements, which is key to both the achievement of the CO₂ reduction programme and realising greater production and cost efficiencies. Approximately 60% of CO₂ in cement production arises from decarbonation, a chemical reaction causing the formation of cement clinker from limestone. The remaining 40% arises from the fuels used to reach the high temperatures required. Reduction strategies are therefore focused on two key components:

- Materials - using less clinker in cement manufacture.
- Fuels - use of lower carbon intensive fuels and improving energy efficiency.

Alternative Raw Materials

Increasing the portion of alternative raw materials, both in the raw meal kiln input and in the production of blended cements enables clinker factor reduction and has many environmental benefits. Current CRH initiatives include use of 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). In addition, at certain plants locally available overburden is used to replace virgin quarried raw materials such as shale in the kiln raw meal, thus conserving resources. During 2014, a total of 1.8m tonnes (2013: 1.6m tonnes) of alternative materials was used in CRH's subsidiary cement plants. The CSI KPI (refer to Page 72-73) on alternative materials as a percentage of clinker and cement was

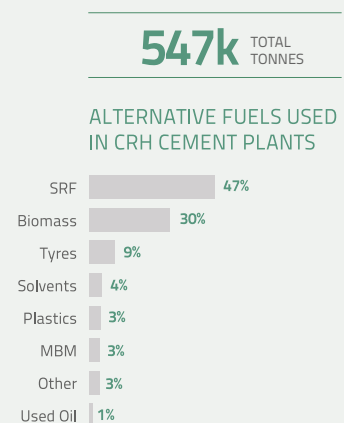
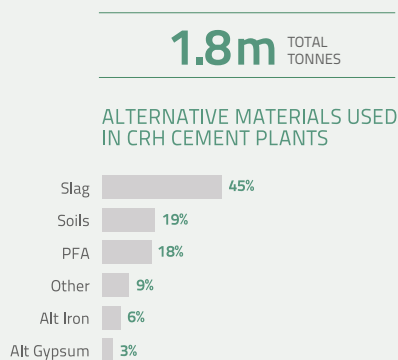
decreased on the previous year at 11.8% (2013: 15.4%) due to increased use of ground limestone in cement.

CRH is committed to reducing its clinker factor to the lowest possible figure consistent with market requirements for specific products. In 2014 the CSI KPI for clinker factor (refer to Page 72-73) was similar to the previous year at 78.7% (2013: 78.4%). Strategies are in place to optimise clinker mineralogy, further develop blended cements and maximise of the use of alternative materials in all cements.

Alternative Fuels

Increasing alternative fuels avoids the use of traditional fossil fuels, enables resource efficiencies and allows CO₂ emission reduction. 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. In addition, carbon-neutral biomass alternative fuels such as meat and bone meal (MBM) and wastewater treatment plant (WWTP) residue are used.

Alternative fuels used in CRH's subsidiary cement plants in 2014 amounted to 547k tonnes, an increase on the 430k tonnes used in 2013. Continued investment in alternative fuel handling systems will enable further increases. The CSI KPI (refer to page 72-73) on alternative fuels, which expresses alternative fuels as a percentage of the fuel mix was increased from the previous year at 23.3% in 2014 (2013: 21.4). In CRH Subsidiary cement plants, approximately one third of fuel requirements are met by alternative fuels.



Climate Change >continued

Achieving Emissions Reduction – Asphalt

Oldcastle, CRH's US subsidiary, is the largest producer of asphalt in the US and the leading supplier of product to highway repair and maintenance demand. Oldcastle has pioneered warm-mix asphalt technology, which enhances the already sustainable aspects of asphalt paving and can reduce energy usage and CO₂ emissions by up to 30% compared to conventional hot-mix technology.

The lowering of production temperatures by up to 28°C reduces the amount of fuel required to heat raw materials to mixing temperatures. Lowering the mixing temperature also has the positive impact of allowing the use of higher percentages of recycled materials, such as recycled asphalt pavement (RAP). This conserves both virgin liquid asphalt and aggregates.

In addition, the improved mixture and pavement quality results in pavements with enhanced service lives. Marked reductions in emissions of CO₂, SO₂, VOC, CO and NO_x have been achieved through the use of warm-mix technologies.

Currently, half of all Oldcastle asphalt plants can produce warm-mix asphalt and approximately 40% of asphalt sold by Oldcastle is warm-mix.

Achieving Emissions Reduction – Concrete

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. 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. For example, precast wall panel systems produced by Group companies can contribute to energy efficiency of buildings. Such systems can be designed to avoid thermal bridging, minimise air and vapour intrusions, take advantage of the thermal mass benefits of concrete and, in addition, can also incorporate recycled materials.

Achieving Emissions Reduction – Lime

Most lime produced in Group lime kilns is in high efficiency lime kilns, which are over 20% more efficient than older kilns. The Group wide specific CO₂ emissions from lime production in 2014 were approximately 1.0t CO₂/t product, in line with previous years. This level reflects the Group fuel mix portfolio and the significant investments in modern technology.

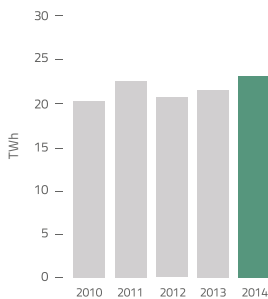


Half of Americas Materials asphalt plants, such as this one at United Companies' Grand Junction location in Colorado, incorporate warm-mix technology. This allows the material to be manufactured at lower production temperatures, resulting in lower energy consumption and lower CO₂ emissions. Oldcastle Materials, as the top asphalt producer in the US was in a unique position to pioneer this innovative, sustainable product and currently approximately 40% of its asphalt production is warm-mix.

Energy

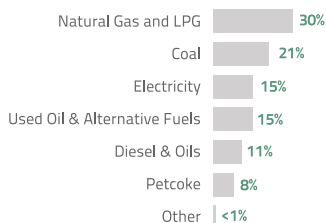
126 GWh of energy efficiency savings in 2014

ENERGY USE

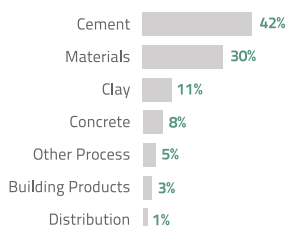


23.2TWh ENERGY USED IN 2014

ENERGY USE BY SOURCE



ENERGY USE BY ACTIVITY



Effective management of energy is vital to the continued growth and success of CRH. In 2014, the CRH Group as a whole spent €655m on energy, which represents 5% of total Cost of Sales. CRH implements programmes across its worldwide operations to promote energy efficiency and optimise energy purchasing. In addition, Group companies provide a wide range of energy-saving product offerings, such as building envelope solutions, and actively promote these in line with CRH's carbon reduction strategy and ambition to contribute positively to the built environment.

Energy Use

Total Group energy usage in all subsidiaries was 23.2 TWh (83.6 PJ) in 2014, compared with 21.5TWh in 2013. The increase is due to increased activity in some businesses.

The breakdown of energy usage by fuel type and activity was similar to previous years

when considered for the CRH Group as a whole.

Energy Management

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, mainly among higher energy users. Energy efficiency improvements are being rigorously pursued at all CRH's production locations globally and specific energy management teams have been established. In 2014 approximately 126 GWh of energy was saved as a result of these efforts. Energy efficiency is a major element of the Group's cost savings initiatives.

Cement operations accounted for 42% of energy use across the Group. The CSI KPI for energy consumption for clinker production (refer to page 72-73) was 848 kcal/kg.



In August 2014, a wind turbine was installed at the CRH Concrete Belgium production location in Zolder, Belgium, where CRH companies Marlux and Stradus Infra operate. This installation, together with some other wind turbines and solar panel installations at other locations, currently supplies 100% of electricity requirements for all CRH Concrete Belgium plants.

Energy >continued

65%

of CRH Group companies
have initiatives in place
to optimise transport

Renewable Energy

Energy from renewable resources is actively pursued by many Group companies. For the CRH Group as a whole, alternative fuels now provide 15% of total energy, an increase on the previous year mainly due to increases in cement activities. Refer to page 36 for further details on the cement alternative fuels programme and the advantages for CRH's carbon reduction strategy.

A small but growing number of Group locations have on-site renewable energy generation systems, mainly solar panels and wind turbines. Also, in 2014, 250GWh of purchased electricity was generated from renewable resources.

Transport Efficiencies

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.

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.



CRH Swiss Distribution implements a sustainability programme which includes a focus on using energy from renewable sources. There is a target to install photovoltaic systems at several locations and realise a total of 3-4MWh of energy in 2015, which is equivalent to the electricity requirement for 650-900 households. Pictured is the first system, installed at Fraunfeld location during 2014, a second system was also installed at the Arbon location.



Trap Rock Industries LLC has installed two solar systems at its Kingston location in New Jersey, US. The first solar system is a roof mounted solar system that was commissioned in 2011 and produces 630 kW of power. The second system was commissioned in 2014 and is a ground mounted solar system which produces 2,376 kW of power. The two systems provide approximately 60% of peak electricity demand for the location, supplying power to quarry operations, two asphalt plants and the maintenance facility.

Emissions

Air Emissions Reduction

Within the CRH Group, the greater proportion of stack air emissions arise from cement production. The main emissions, in addition to CO₂, comprise 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 air emissions improvement programmes. These include investing in new abatement technology and implementing operational efficiencies to reduce potential air emissions. These are generally in the materials activities, where fugitive particulate emissions can arise from materials handling and emissions also arise from point sources such as vents and stacks.

Air Emissions

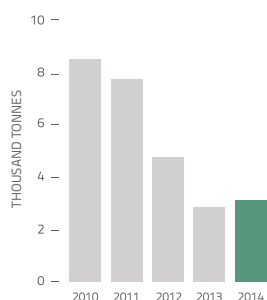
Total particulate emissions in 2014 increased slightly to 3.2k tonnes on the 2013 figure of 2.9k tonnes, due to increased production in some cement markets. Nitrogen Oxide (NO_x) emissions in 2014, at 14.9k tonnes, were in

line with the 2013 figure of 14.9k, reflecting the continued focus on abatement. Sulphur Oxide (SO_x) emission levels can be variable due to the raw materials used. Total SO_x emissions increased to 7.4k tonnes from the 2013 quantities of 4.5k tonnes, mainly due to raw material changes in cement production, however, specific emissions remain within required limits.

For its cement activities, CRH reports on the agreed CSI key performance indicators (KPIs) on page 72-73 of this Report.

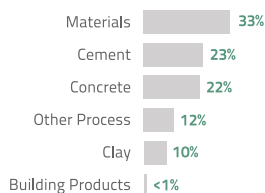
It should be noted that many of these KPIs include joint ventures and some associates on an equity share basis in addition to subsidiaries and the resultant figures should be reviewed separately from those relating to the commitments, which cover a portfolio of subsidiary cement plants. For the CSI KPIs, specific particulate and specific SO_x emissions increased due to the reasons outlined above. Specific NO_x decreased due to the focus on abatement.

AIR EMISSIONS - PARTICULATES

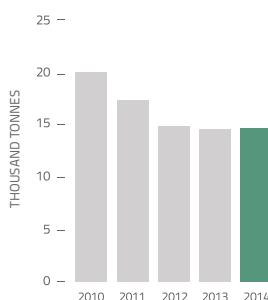


3.2k TONNES

PARTICULATES BY ACTIVITY

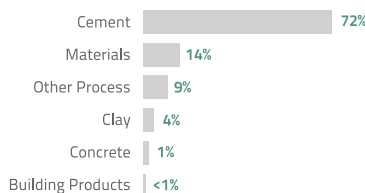


AIR EMISSIONS - NO_x

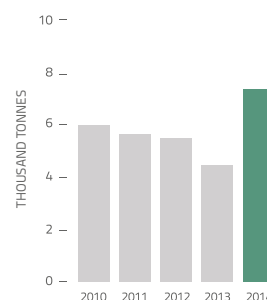


14.9k TONNES

NO_x BY ACTIVITY

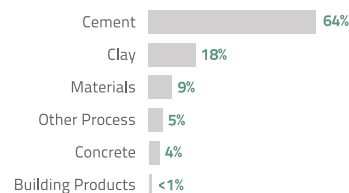


AIR EMISSIONS - SO_x



7.4k TONNES

SO_x BY ACTIVITY



Emissions >continued



Target
80%

Reduction in average specific clinker particulate emissions by 2020.

Target
22%

Reduction in average specific clinker NO_x emissions by 2020.

Targeting Emissions Reduction - Clinker

CRH is committed to reducing air emissions from clinker production. CRH's emission reduction commitment is:

- 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.

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 achieved its first particulate and NO_x reduction commitment three years ahead of schedule in 2012 and is confident that its ongoing strategic programmes will deliver the current 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.



Cementos Lemona, Bilbao, Spain, implements an air emissions reduction programme and utilises hybrid and bag filters for the reduction of air emissions.

Resources

With ever increasing demands on world resources and mounting pressures on the global environment, CRH, as a global leader, recognises the important role it plays in increasing resource efficiency along the life cycle of its products and the value chain.

It is a long-standing component of CRH's environmental policy to optimise the use of all resources.

Across all CRH's diverse activities, efficiency in resources, which can deliver economic and environmental benefits, is a fundamental element of CRH's approach to Building Better Businesses. Production efficiencies target reduced consumption of materials, water and energy as well as reduced waste generation. In addition, the use of Group products can also contribute to reduced resource consumption in many ways such as improved thermal performance, better daylighting and water conservation.

Sustainable Products

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 resilient solution in applications such as flood defence systems and stormwater management systems. Its

thermal mass properties can positively benefit energy requirements when used in buildings. Concrete construction has a long life-cycle, and can be recycled at end-of-life, contributing to the circular economy.

CRH participates in the Concrete Sustainability Council's work towards a Responsible Sourcing Scheme for Concrete, which aims to provide tangible evidence for customers and other stakeholders in relation to the sustainability of concrete. Other products with environmental benefits range from sustainable fencing systems to "green" roofs to energy-efficient building envelope solutions. Recycling, both of internal by-product and externally sourced secondary materials, is also a priority for business. An increasing portion of products produced by Group companies are recognised as suitable for use in green building rating systems such as BREEAM®, DGNB and LEED®. In addition, several CRH companies are certified to BES 6001 for responsible sourcing of construction products, and Environmental Product Declarations (EPDs) have been prepared for a selection of products.

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.



Featuring 44,000 square feet of Reliance™-TC type II curtain wall from Oldcastle BuildingEnvelope®, the Jackson Laboratory for Genomic Medicine, Farmington, Connecticut, US is a prominent LEED®-certified, Gold rated project. The entire curtain wall was custom-engineered for maximum thermal performance.



Heras, a Europe Lightside fencing business, recently developed the innovative iGate range. This is a lightweight gate design, which uses less materials in production and includes energy-efficient LED illumination. Pictured is a Heras iGate at a hotel in Dordrecht, the Netherlands.

Resources >continued

**19.4m
Tonnes**
of alternative materials
used by Group companies

Materials Recycling

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. This avoids the extraction of the materials which they replace and diverts material from waste streams. In addition, use of alternative raw materials reduces the carbon footprint of products.

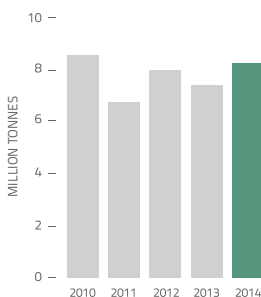
Where practicable and technically feasible, CRH recycles externally sourced inert materials in its production processes. The percentage of recycled materials used in finished products depends on the product and process and averages approximately 7%. CRH strives to maximise the quantities of recycled materials used according to local market availability and the percentages permitted by applicable technical standards. The key components of the 19.4m tonnes of alternative materials used by Group companies in 2014 were:

- 8.2m 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 over 20% of total asphalt requirements in the US.

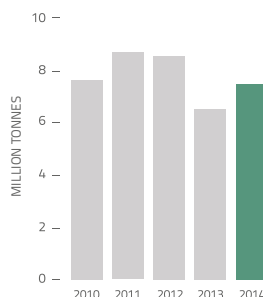
- 7.5m tonnes of Construction & Demolition (C&D) materials: these arise from construction and demolition activities and can replace virgin aggregates or can be reused for fill applications.
- 3.7m tonnes of fly-ash, slag and other materials with cementitious properties which are by-product materials sourced mainly from external power generation and steel production.

CRH used approximately 250m tonnes of raw materials, 2m tonnes of associated process materials, 31m tonnes of semi-manufactured components (such as sheet metal and float glass) and 200k tonnes of packaging material. In line with CRH's vertically-integrated business model, products produced by group companies may be used by sister companies in the production of further products, e.g. aggregates produced by group companies used in asphalt production.

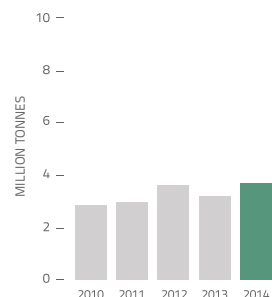
ALTERNATIVE RAW MATERIALS
RAP



ALTERNATIVE RAW MATERIALS
C&D



ALTERNATIVE RAW MATERIALS
OTHER



Resources >continued

Waste Management

CRH's policy is to minimise waste generation and to recycle waste where possible. Over a five year period the total amount of waste generated decreased by 25%, down to 1.1m tonnes in 2014. The total quantity of waste generated in 2014 was the same as in 2013, despite production increases in many businesses.

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 2014, 36% of Group companies had such internal recycling. Remaining waste is recycled externally where possible. This is mostly inert waste and predominantly comprises concrete from readymix and other concrete products production. In 2014, 800k tonnes of such materials were externally recycled.

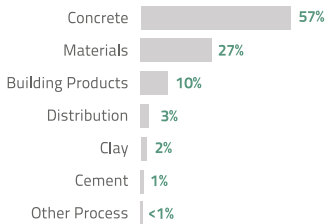
When not possible to recycle, waste is sent for final disposal to licensed facilities. In 2014, 300k tonnes of such material was sent for disposal. Only 7k tonnes of hazardous waste arose at Group locations in 2014, of which 50% was recycled externally and the remainder disposed of at licenced facilities.

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 2014 was approximately 69%, a slight decrease on the previous year.

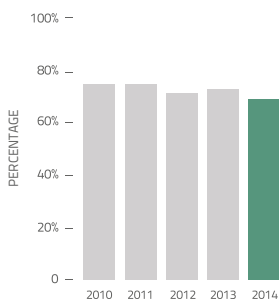
A small number of Group companies are permitted to landfill waste on-site and in these cases the landfill is strictly operated in line with permit requirements. All Group companies take extensive precautions to prevent any incidents of unauthorised waste disposal.

1.1m TOTAL TONNES

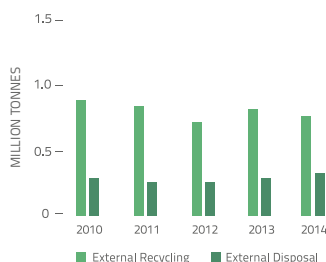
WASTE BY ACTIVITY



WASTE RECYCLED



WASTE GENERATION



Four Corners Materials, received an award from the Colorado Asphalt Pavement Association for work on US Highway 160. The award-winning project, located in southwestern Colorado, consisted of resurfacing 10.2 miles of three-lane roadway. This amounted to 52,000 tons of asphalt with 20 percent recycled asphalt pavement.

Resources >continued

Water Management

Water quality and accessibility is a topic of interest for many stakeholders. 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 subsidiaries 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. Water scarcity is not an issue for these operations.

Reducing Water Use

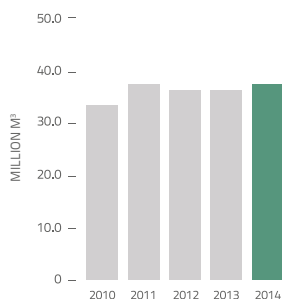
CRH's environmental policy includes minimising its use of natural resources including water. Intake of water for process activities can often be abstracted from several sources all of which may not be metered. Precise determination of intake quantities is sometimes difficult and CRH is targeting improvements in water accounting in relevant activities. Estimated water consumption based on returns from companies in the annual review in 2014 is 37.5m³. The largest usage

is in Group Materials activities, where water is used for processing, washing and dust suppression. Approximately 64% of water intake is sourced as surface water including rainwater, while well water accounts for 24% and mains supply for 12%.

CRH emphasises reduction in process water intake through water recycling. In 2014, 752 active Group locations recycled 79m³ of process water representing an estimated 68% of Group total water usage.

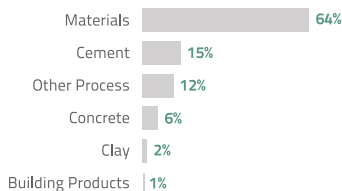
As with water intake, water discharge can also be difficult to quantify, because of the contribution of storm water and the difficulty in metering. Locations employ settling ponds and other measures to ensure suspended solids meet good practice discharge limits, while pH can also be brought to acceptable 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 2014 was estimated at 15m³, with 75% discharged to surface water, while the remainder is discharged to public sewers. The quality of the water discharged generally complied with applicable standards for parameters such as suspended solids and pH.

WATER INTAKE



37.5m³

WATER INTAKE BY ACTIVITY



Oldcastle Precast, which operates throughout the US, offers a variety of solutions for stormwater management needs that assist with control of runoff, prevention of storm drain overloading and other downstream issues such as flooding. Pictured is a system being installed at the City River Arch project in St. Louis, Missouri.

Resources >continued

Biodiversity

Many CRH Group locations provide a variety of habitats for both protected and local wildlife species. 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. In particular, at many extractive locations, wetland and terrestrial habitats can be created while biodiversity can be enhanced as well as protected both during and after extraction of raw materials.

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 and the public. Of particular note is the partnership Oldcastle Materials has with the Wildlife Habitat Council and there are currently 16 Oldcastle locations certified by the Wildlife Habitat Council (refer to page 68).

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 140 locations across the CRH Group in Argentina, Finland, Ireland, the Netherlands, Poland, Switzerland, UK, Ukraine and the United States. A further two locations within joint ventures and associates are noted for biodiversity.



Island Aggregates' Point of Ayre pit in the Isle of Man is adjacent to the Ayres Nature Reserve, a designated Site of Special Scientific Interest. Parts of the pit were restored into a wetland (photo 1), which now constitutes the largest shallow freshwater habitat on the island and has been designated as an Area of Special Protection for birds. It is home to a wide variety of species including Lapwing (photo 2) and Greenshank (photo 3). Access is granted to a local conservation organisation for bird ringing and tracking activities.

Resources >continued

98%

of Group quarries
and pits have formal
reinstatement plans

Restoration

A significant proportion of the raw materials used by Group companies is extracted from quarries or sand and gravel 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 2014, a total of 486 hectares were reinstated. The reinstated areas average out at about 1% 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.

Reinstatement often includes tree planting. A further 138,000 trees were planted in 2014, bringing to over 2 million the number of trees planted by Group companies over the last ten 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 32 locations where cultural heritage preservation measures are implemented. Joint ventures and associates are preserving cultural heritage aspects at a further six locations.



Restoration at Jura Material's Jakobsberg quarry in Switzerland is completed on an ongoing basis in line with the restoration plan, which is implemented in tandem with the biodiversity plan. Part of the quarry is included in the national preserve register and there is a focus on protection of the ecologically valuable ponds and gravelbanks.

Environmental Investment

In 2014, CRH invested

€57m

in a wide range of environmental projects and upgrades that encompassed all the Group's activities and countries of operation

As part of its continuous environmental improvement process, CRH invests in processes which improve performance or offer innovation opportunities. 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 2014 spend) were:

- Emissions reduction (17%).
- Restoration and biodiversity (11%).

- Reduction of water usage and discharges (10%).
- Improved waste reduction and management (26%).
- Energy reduction and process optimisation (3%).
- Increased use of alternative materials and fuels (2%).
- Monitoring, licensing and other operational expenses (25%).
- Other (6%).

The total environmental expenditure in 2014 for CRH subsidiary companies and including joint ventures and associates on an equity share basis, was €64m.



Trzuskawica Lime upgraded the dedusting installation at its lime plant in Sitkówka, Poland, to abate particulate emissions.



Mykolaiv Cement, Ukraine, has installed and commissioned a new clinker intake facility.



Finnsementti installed a new water tank as part of its water management system at its Parainen cement plant in Finland.



There is a focus on energy at Oldcastle Precast's Candiac location in Quebec, Canada, where all electricity purchased is generated from renewable sources and a heat recuperation system was installed during 2014 to improve energy efficiency.



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 level and explains how the Group ensures that its governance principles are implemented in an appropriate manner. Compliance and Ethics policies, and their implementation, are also outlined in this section.

Corporate Governance

CRH is committed to adopting and maintaining best-in-class governance, which is a hallmark of successful organisations and businesses.

Full details of CRH's governance policies and structures are set out in the 2014 Corporate Governance Report in the 2014 Annual Report on pages 50 to 71. The 2014 Corporate Governance Report contains letters from the Chairman and Committee Chairmen, which outline the areas of focus for the Board and its Committees in 2014.

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 2014.

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, which has been approved by the Board, is set out in the 2014 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 the Board has determined that each of the non-executive Directors is 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.

Non-executive Directors are typically expected to serve two three-year terms, although they may be invited to serve for further periods. All Directors retire at each Annual General Meeting and, unless they are stepping down from the Board, submit themselves to shareholders for re-election. Directors who are seeking re-election are subject to a satisfactory performance appraisal.

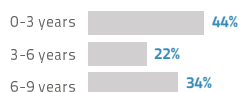
The Directors are committed to ensuring that the Board is sufficiently diverse and appropriately balanced. In terms of Board renewal, four criteria are taken into consideration: (i) international business experience particularly in the regions in which the Group operates or in which it intends to expand; (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.

In 2014, The Board set itself the target of increasing the percentage of female Board members to circa 25% by the end of 2015. This goal was achieved following the 2015 Annual General Meeting, held in May.

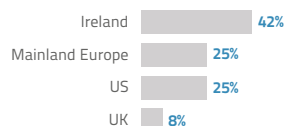
BOARD MEMBERSHIP: INDEPENDENCE



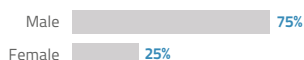
BOARD MEMBERSHIP: TENURE OF NON-EXECUTIVE DIRECTORS



BOARD MEMBERSHIP: GEOGRAPHICAL SPREAD



BOARD MEMBERSHIP: GENDER DIVERSITY



Corporate Governance >continued

Induction and Development

New Directors are provided with extensive briefing materials and the Chairman agrees a tailored and comprehensive induction programme with each new Director 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 periodically 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 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. Don McGovern was appointed as Senior Independent Director in January 2015.

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 board effectiveness, 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 during 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 priority of line management. The 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 and in 2014 complied in full with its provisions. 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 is committed to operating a global business to the highest ethical, legal and moral standards as underpinned by a culture of openness and core values of integrity, honesty and respect for the law.

A formal Code of Business Conduct was first implemented in 2003, and it is a foundation of CRH's Compliance and Ethics (C&E) programme. The Code sets out policies and guidelines, training, and monitoring and review mechanisms. The Group C&E programme continues to develop to cover CRH's diverse global footprint in an increasingly demanding regulatory environment. The 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.

Compliance and Ethics Organisation

The structure of the C&E organisation was realigned in 2014 to serve the new CRH Europe organisation. A CRH Europe Head of C&E was appointed from the existing Compliance pool. In addition, four Business Unit Compliance Coordinators were appointed, as well as a European Compliance Officer.

In April 2015, a new Group Regulatory and Compliance Director was appointed. The Group Regulatory and Compliance Director is responsible for developing and enhancing CRH's compliance framework as well as building on the existing culture and commitment to business ethics. The Group Regulatory and Compliance Director reports to the Audit Committee of CRH and has direct access to the CRH Group Chief Executive.

Codes and Policies

The Code of Business Conduct was updated and approved by the Board in 2014 and the C&E team's primary focus since then has been to ensure all relevant employees receive appropriate training.

The updated Code has scored an "A" rating by the New York Stock Exchange Governance Services. It 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 updated Code was distributed across the Group and is available at www.crh.com in all principal languages in which CRH does business.

Supporting policies have been developed to provide detailed guidance on specific aspects of the Code, including:

- Anti-Bribery.
- Shares & Securities Dealing.
- Mergers, Acquisition and Joint Venture Due Diligence.
- Ethical Procurement.

In addition, the following existing policies are under review: the Competition/Antitrust Compliance Code, the Donations Policy and the Anti-Fraud Policy.

The CRH Leading with Integrity Manual has been provided by the C&E team to assist business managers in setting the tone from the top and fostering a culture of integrity. The Supplier Code of Conduct was developed to communicate CRH's minimum Corporate Social Responsibility requirements to existing and new suppliers to the Group and to outline how CRH ensures compliance with these requirements. Similar procedures have been developed for any engagements with business partners. During the year, a Competition Law Toolbox was developed, which gathers into one place various CRH guidelines, policies and notes to help the businesses comply with Competition Law requirements.

Training & Communication

The C&E team works closely with business managers to achieve the Group's compliance objectives in all locations.

Compliance training continues to be a primary focus for the Group. In the current training cycle over 32,000 employees have participated in the Code of Business Conduct training and a further 11,000 have also undertaken advanced instruction on competition law, anti-bribery, corruption and fraud.

Compliance and Ethics >continued



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 details the channels available to employees if they are unsure about the right course of action to take or wish to report an ethical issue or suspected violation of the Code. 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 operates a confidential, 24/7 multilingual 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.

All reports received via the hotline and through other channels are fully reviewed and investigated by appropriately qualified personnel. In 2014, CRH received 242 hotline calls (210 in the Americas and 32 in Europe). Consistent with prior years, the majority (70%) of these calls related to more routine human resource issues and did not involve any serious C&E matters. However, 7 employees were terminated for code violations as a result of hotline investigations.

As stated in the 2014 CRH Annual Report (page 152), on 30 May 2014 CRH announced that the secretariat of the Competition Commission in Switzerland had invited CRH's Swiss subsidiaries BR Bauhandel AG, Gétaz-Miauton SA and Regusci Reco SA, to comment on a proposal to impose sanctions on the Association of Swiss Wholesalers of the Sanitary Industry and all other major Swiss wholesalers, including CRH's subsidiaries, regarding the pending investigation into the sanitary (bathroom fixtures and fittings) industry in Switzerland.

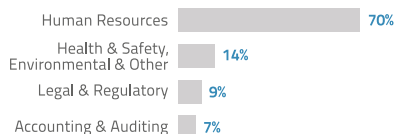
The secretariat alleges competition law infringements and proposes a total fine of approximately CHF 283 million on all parties, of which approximately CHF 119 million is attributable to CRH's Swiss subsidiaries, based on Swiss turnover. CRH believes that the position of the secretariat is fundamentally ill-founded and views the proposed fine as unjustified. The Group has made submissions to this effect to the Competition Commission. Any decision of the Competition Commission on this matter is not expected before June 2015. Any decision finding an infringement can be appealed to the Federal Administrative Tribunal, and ultimately to the Federal Supreme Court.

Monitoring and Review

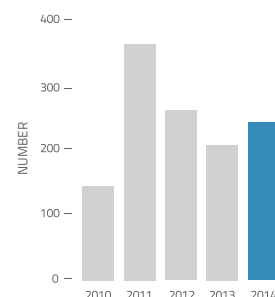
The effectiveness of the C&E programme is comprehensively reviewed each year, through integration into standard Internal Audit procedures. Its effectiveness is also regularly reviewed by the C&E function with appropriate oversight from senior management and the Audit Committee. In addition, every company formally certifies their compliance with the programme on an annual basis.

242 TOTAL

HOTLINE CALLS BY TYPE



HOTLINE CALLS







PEOPLE & COMMUNITY

CRH believes that continued sustainable business success is built on maintaining excellent relationships with all stakeholders. This section profiles CRH's approach to the people and communities, which both support and are supported by Group companies, operating at 3,300 locations in 34 countries. It describes the Group Social Policy and its implementation as well as the strategic approach taken by the CRH Group towards responsible corporate citizenship in the key areas of employees, customers and communities.

2014 summer interns at Tilcon, New York, US. The summer Intern Program is one of the ways in which Tilcon is working to develop new skilled workers. It is designed to reach out to the current generation of vocational and college students and it is hoped that many of the interns who participate in the programme will eventually go on to work with Tilcon or in the wider industry.

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's dealings with its staff and the communities it operates in are directed by the Group policies and guidelines. These policies and guidelines outline key management responsibilities in relation to areas including employment, human rights, procurement, competition law and customer relationships together with obligations regarding charitable and community activities.

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.

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 Human Resources 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.



Allied Building Products, which operates across the US, opened its newest Texas Exterior Products branch in Arlington in September 2014. Opening on the one year anniversary of Allied's first roofing location in West Houston, the Arlington branch solidifies the company's footprint across the Dallas and Houston metro areas.

Employee Relationships

CRH recognises that its talented workforce is key to its success.

CRH has 76,000 employees across the Group and the overall number of employees has remained stable over the past several years.

CRH is regarded by many in the wider industry as an employer of choice and many employees enjoy long-term careers with the organisation.

The seasonal and cyclical nature of the industry places particular demands on the workforce and also on management, to deal with peaks and troughs in demand. Excluding seasonal employees, the Group employee turnover rate is 14%. CRH works to limit the effects of this seasonality and also provides assistance to employees and managers with

retirement planning and with downsizing when necessary. Fair and flexible hiring and lay-off practices apply, particularly in seasonal businesses. For major operational changes appropriate notice periods are implemented.

Approximately 10% of all employees are part-time and these work mostly in CRH distribution businesses. Full-time and part-time employees working in the same businesses receive similar benefits, such as parental leave, retirement provision, disability coverage and invalidity coverage.

Employee absenteeism levels are low. In 2014, the overall employee absenteeism level was reported at 2.6%, most of which was medically certified.

76,000

Employees

68%

Employees in operations

21%

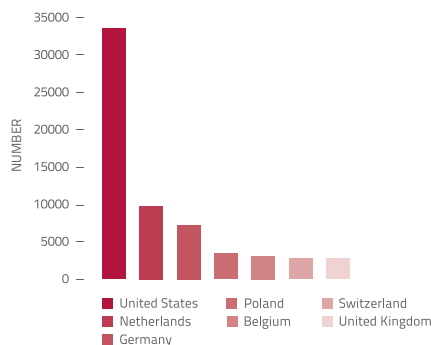
Employees in clerical/admin

11%

Employees in management

EMPLOYEES BY COUNTRY

(There are fewer than 2,000 employees working in the remaining countries in which CRH operates.)



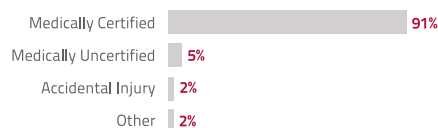
NEW EMPLOYEES BY REGION



NEW EMPLOYEES BY GENDER



ABSENTEEISM BY TYPE



TURNOVER BY REGION



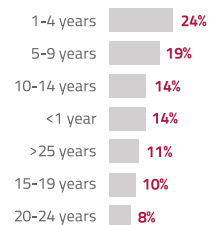
TURNOVER BY GENDER



TURNOVER BY AGE



LENGTH OF SERVICE



Employee Relationships >continued

Equal Opportunity Employer

CRH provides equal merit-based opportunities to all employees, valuing their diversity and rewarding them fairly. CRH is committed to equal opportunity and all companies in CRH have policies in place to foster non-discrimination. At all CRH locations, spread over 34 countries, the majority of employees come from the local population, typically reflecting local ethnic diversity. In an internal review of employee diversity, many Group companies reported having initiatives in place to address local diversity challenges within their community.

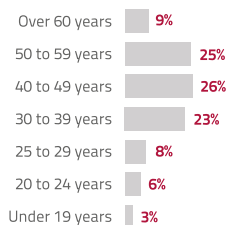
Gender balance in the Group, with males comprising 82% of employees, is typical of the industry, which traditionally attracts a male workforce. This is reflected in the gender balance per category, which shows that in clerical/administration category there are 41% female employees, while in operations only 11% of employees are female. At management level, 17% of managers are female and 4% of senior management are female. In 2014, the CRH Board set itself the goal of increasing the number of female Board members to circa 25% by the end of 2015, which has now been achieved. CRH welcomes a greater

representation of female talent across all sectors of the business, particularly at senior management level, and is committed to extending equal opportunities to all individuals in line with its stated policies. CRH participates in the 30% club, a group of Chairs and CEOs committed to better gender balance at all levels of their organisations through voluntary actions. 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. A variety of measures are employed to ensure equal pay for equal work for women and men, including union agreements, job associated pay scales and benchmarking.

CRH offers employment to people of all working ages as shown in the graph on this page. Youth unemployment has been identified by many agencies as a serious global issue. At CRH 9% of the workforce are under 25 years of age.

CRH strives to offer employment to people with disabilities where possible despite the nature of industry. In 2014, 56 Group companies employed a total of 571 people with disabilities, representing a 16% increase compared to 2013.

EMPLOYEES BY AGE



GENDER BALANCE BY CATEGORY



Farrans Construction, Northern Ireland, along with 41 other companies has joined with Ulster University to offer over 150 graduate positions and work placement opportunities in the construction sector. The announcement was made at Ulster University's annual Built Environment Networking & Recruitment Day.

Employee Relationships >continued

Employee Training and Development

Developing and investing in employees at all levels within CRH has long been recognised as fundamental to the company's long-term growth and to achieving competitive advantage.

CRH supports 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 career path planning and training.

In 2014, approximately 1.8 million hours of training took place in Group companies, resulting in 23.6 hours of training per employee.

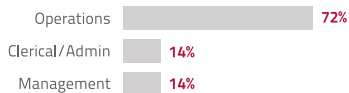
Training is focused mainly on safety but also includes front-line leadership, environmental, technical and skills training. As well as safety

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.

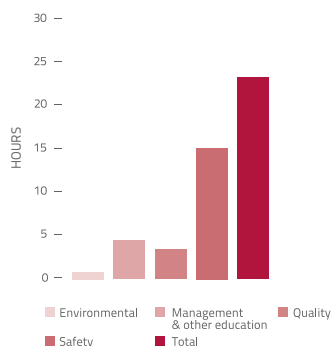
In 2014, over 79% of Group companies offered career development opportunities or advice. Training, career guidance and performance review were equally provided to both genders. Career guidance was received by 44% of management, 14% of all operational employees and 22% of clerical/admin staff.

CRH also runs educational support programmes for employees across the Group to pursue further studies. In 2014, further studies were undertaken in areas such as administration, language, technical skills, professional development and supervisory/management skills.

TRAINING BY CATEGORY



TRAINING BY TYPE



In 2014, 15 employees completed the first Talent Management Programme run by Bauking, Germany. Employees gained knowledge and experience in the areas of market analysis, supply chains, products and marketing. Approximately 60% of those completing the programme have already progressed to new roles within the company.

Employee Relationships >continued

Management Development

CRH commits significant resources to ensuring current and future leadership talent is in place to meet the Group's strategic objectives. Management development focuses on the longer term and emphasises vision, building commercial excellence, relationship management and leading change.

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.

Employee Engagement

Regular communications with employees are essential for developing positive employee relationships across the Group. In 2014, 88% of Group companies, covering

74% of all employees, carried out regular employee briefings. Most CRH companies gauge employee satisfaction on an informal basis, as there are on average approximately 22 employees at each location. The flat organisational structure, together with small locally managed operating units, allows close links between management and staff. In addition, approximately 24% of employees are covered by a formal employee satisfaction survey and these confirm employee satisfaction levels.

A component of the CRH culture is to foster employee entrepreneurship at a local level. In 2014, 61% of Group companies had employee suggestion schemes. These enhance informal collaboration and allow for appropriate recognition of innovative ideas.

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, 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.



Participants in the 2014/2015 Business Leadership Programme (BLP), CRH's pinnacle level learning experience designed to equip future senior leaders with the insights, tools, relationships and behavioural ability needed in an increasingly competitive and changing global marketplace.

Human and Labour Rights

CRH is fully committed to human and labour rights. CRH's commitment to human and labour rights has been formalised through the policies set out in the Group Code of Business Conduct, which is implemented in all Group Subsidiaries. CRH also actively promotes the adoption of the Group Code or equivalent procedures in joint ventures and associates.

Entering into new markets brings a focus on wider societal issues and human and labour rights are of particular concern to CRH when entering emerging economies. Acquisition due diligence covers human rights and other CSR issues for risk countries. In addition, CRH pays special attention to the purchase, directly or indirectly, of products in or from emerging economies, and requires that its principal suppliers meet good practice and standards in respect of human and labour rights.

Human Rights

CRH endorses human rights and supports, in so far as they are applicable to Group companies, the principles set out in the articles of the United Nations' Universal Declaration of Human Rights and the International Labour Organisation's Core Labour Principles.

Group companies, both in setting out policies and practices, are required to take due cognisance of the declared position on human rights when dealing with employees, contractors, customers and suppliers. Compliance with the Group's policies covering human rights is tracked centrally through

an annual review. The 2014 review indicated that Group companies are aware of their responsibilities in this regard.

Labour Practices

CRH monitors labour practices in all Group companies via an annual internal review. In the review for the year 2014, 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 2014 if they were under the legal age in the relevant operating jurisdiction. Apprenticeship and internship programmes implemented are in accordance with local legislation and typically under regulation by government educational agencies.

Trade Unions

All Group companies respect employees' right to freedom of association. In 2014, overall trade union membership was 19%. However, union membership significantly varies in countries of operation, with union membership exceeding 70% in certain countries. Wage negotiation is carried out at a variety of levels, depending on local industry practice. In 2014, 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. Industrial disputes in 2014 resulted in 6,920 days lost, with 73% of lost time due to a three week long industrial action in Ireland. However, the level of days lost remains low, equivalent to 0.03% of all mandays.



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.

Customer Relations

Continuously exceeding customer expectations is the key to CRH success in the highly competitive building materials markets. Individual CRH businesses serve a wide range of customers including government agencies, contractors, distributors and private individuals. No individual customer accounts for more than 1% of Group sales, totalling €18.9bn in 2014. CRH diversified portfolio of products are sold in highly competitive markets across the globe.

CRH companies focus on excellence in customer care, product quality, value and service to distinguish them from competitors.

CRH companies strive to develop and maintain mutually beneficial and positive relationships with all customers, based on honesty and trust.

Customer relations are informally monitored as part of day-to-day business at all Group companies. In addition, in 2014, 81% of Group companies carried out formal customer satisfaction surveys. Customer satisfaction was rated above average or better in 93% of completed surveys. 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

CRH focuses on three key areas in product responsibility: quality, health and safety and environmental aspects.

CRH products are manufactured to national and regional technical standards and specifications and they are independently certified to the highest quality. In addition, many Group companies operate to ISO 9001 Quality Management System, further guaranteeing product quality.

Health and safety aspects are considered from product concept stage through research and development process. Where necessary, Group products are accompanied by Safety Data Sheets containing appropriate advice on use, storage and application.

Sustainability aspects of products are described in detail on page 42.

Where required, all products manufactured and distributed by CRH have CE marking, in compliance with the EU Construction Products Regulations. CE marking certifies that the product is assessed before being placed on the market and meets EU safety, health and environmental protection requirements. In addition, Group companies in the EU are complying with the requirements of REACH, the European Regulation on chemicals, providing appropriate health, safety and environmental information, in so far as the Regulation applies to Group products.



Ancon, UK, participated in the Ecobuild 2014 exhibition, presenting a range of sustainable and low energy construction solutions. A new version of Ancon's ground-breaking ultra-low thermal conductivity TelpoTie was launched at the show and also on display was Ancon's range of thermally insulated connectors.



Quester, which operates across Austria, organised the METAstadt international trade fair for the ceramic tile industry, which took place in Vienna. Quester promoted its product offerings and design solutions, including its private label brands, to a diverse range of customers.

Customer Relations >continued

Supply Chain Management

CRH recognises that suppliers are critical to the performance of its business, therefore, CRH selects suppliers who are innovative, efficient and quality driven.

CRH only chooses suppliers with good ethical practices who meet CRH's standards in respect of human rights, health, safety and environmental stewardship.

CRH strives to be a fair and honest partner, believing that building relationships based on trust and integrity are sustainable and beneficial for all.

CRH Supply Chain

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, cement, lime and aggregates, 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.

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.

Because of the local nature of CRH's businesses, most suppliers are local, and 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.



The project team from Irish Cement, who worked together with a local company to establish a new supply chain for 20,000 tonnes of Solid Recovered Fuel (SRF) per year, focusing on supply chain, processing and logistics. The project enables Irish Cement to meet its alternative fuels target while contributing to resource efficiency.

Customer Relations >continued

Ethical Procurement

The CRH procurement strategy is guided by the Group's Code of Business Conduct, together with Ethical Procurement Code and Supplier Code of Conduct. The Ethical Procurement Code sets out the standards expected of suppliers and how the Group ensures these are complied with. This is supplemented by the Supplier Code of Conduct, which is available on www.crh.com. Together, 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 own 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.

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. The supplier management IT system used by procurement groups across CRH businesses enables detailed mapping of the supply chain and tracking compliance with the Supplier Code of Conduct.

A risk-based approach is taken towards supplier management and the implementation of the codes. 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.

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 Europe Non Product Related (NPR) procurement team meet regularly to share best practices. The NPR team focuses on IT, lease cars, PPE, stationery and credit insurance. Recently, the NPR team delivered a single contract covering 9 countries and 600 delivery points by using the new CRH wide procurement technology platform.

Communities

CRH believes that continued sustainable business success is built on maintaining excellent relationships with all stakeholders. These relationships are explored in detail on the following pages.

CRH recognises that maintaining strong interactions with local communities is an essential component of the Group's approach to Building Better Businesses. CRH supplies materials and products that build our world: roads, pavements, commercial, residential and public buildings, such as schools, hospitals and theatres. CRH companies are firmly rooted in communities, as in many cases, the raw materials are extracted close to the production facilities, and products are installed in the same region, by a local workforce.

CRH contributes positively to the communities in which it operates in many ways which are grouped into the following categories:

- Supporting economies.
- Being a good neighbour.
- Engaging in charitable and community support activities.

Supporting Economies

CRH's business activities contribute to local, regional and national economies in multiple ways:

- Providing employment to 76,000 people, paying €4bn in wages, salaries, social welfare, pension and other wage related costs.
- Purchasing €8bn worth of raw materials and goods for resale.
- Payment of Dividends of €0.46bn to shareholders.
- Payment of taxes amounting to €127m.

CRH's businesses are widely spread, in large cities, as well as in smaller towns and rural communities. CRH's presence is particularly important in the areas with lower economic activity and fewer employment opportunities. In those areas, CRH makes a real difference by providing employment opportunities at all levels of skills and education.



Concrete for a new major metro line in Hyderabad, India is provided by My Home Industries Limited, a CRH joint venture.

Communities >continued

Case Study: Being a Good Neighbour

600
stakeholder
engagement days
held by Group
companies in 2014

CRH ensures that the needs, views and interests of the local community are taken into consideration and prioritised.

CRH companies have formalised neighbour relations programmes, which are tailored to local communities.

Among other topics, these programmes focus on discussions with neighbours regarding future development plans. In addition, CRH companies maintain an open door policy, including one-to-one meetings, open days, site tours and participation in local events.

Members of the community, including school children, students, employees, community representatives and customers, together with local and regional public representatives, officials and others were invited to these events.

Open days 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 not only to be a good neighbour, but also to contribute positively to the community.

CRH companies strive to be good neighbours and are sensitive to impacts its operations may have. At extractive locations in particular, there are potential local impacts relating to landscape, traffic, noise, dust and blasting. At all locations, CRH companies are ensuring that potential impacts are minimised, operating/environmental permits are complied with, and any issues are dealt with promptly.

An example of involving local communities in business planning is Rudus' neighbour relations programme in Finland. In 2014, Rudus held 16 public information meetings related to development plans and Environmental Impact Assessments for its quarries. The purpose of these meetings was to inform the local communities about plans for potential expansion of quarries and to understand and address potential concerns of the local community.



The local community visit the location of the expanded Kråkö gravel pit in Porvoo, Finland, where Rudus will continue to implement its LUMO pilot biodiversity programme, protecting endangered species including the moor frog species and grass snakes.

Communities >continued

Charitable and Community Support

In recognition of its wider responsibility beyond core business activities, CRH supports a wide variety of community initiatives and charitable partnerships, both at a central and local level.

In 2014, CRH contributed €3.2m to charity, sporting, health, nature conservation and educational events, job creation, and in addition, provided materials for schools, homes, churches and other community facilities.

CRH has a clear direction and focus for its charitable and community support activities, recognising the value that these partnerships can bring for all. The CRH centralised standards set out objectives and guidelines which are applied to all charitable and community support activities. The effectiveness of Group activities is monitored in order to ensure good governance and open communication.

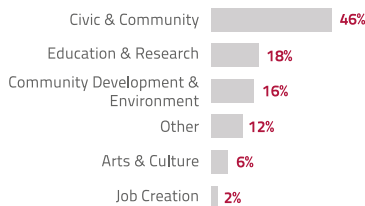
CRH supports activities in a broad range of areas:

- Civic and community.
- Education and research.
- Community development and environment.
- Job creation.
- Arts and culture.

Approximately 70% of the annual donation budget is administered at local level. Group-led initiatives tend to focus on education and research, the environment and a range of other international issues. Supporting such causes brings positive benefits to CRH in many ways and is an integrated component of community engagement strategies at both local and central level across the Group.

CRH understands that practices, customs, needs and circumstances vary across countries and regions; therefore, it is appropriate, for each CRH company to be empowered to prioritise their own charitable donations. Throughout the Group, individual employees also contribute generously of their own time in supporting good local causes and their contributions are often matched by their company.

DONATIONS



In 2004 Oldcastle, US, established a partnership with the Wildlife Habitat Council, a non-profit group, which brings together conservation and business to develop sites as wildlife habitats. The areas for wildlife habitat development may be as large as depleted quarries or as small as a buffer between an operating plant and a highway. Each location can earn certification as Corporate Lands for Learning or Wildlife at Work site. Oldcastle currently has 16 certified locations where biodiversity is fostered and many wildlife species supported.



The pollinator garden at Oldcastle company Preferred Materials, Florida, US, was awarded WHC certification in 2014.



Oldcastle received recognition for environmental stewardship and community leadership at the Wildlife Habitat Council's symposium in November 2014.

Communities >continued

51%

of Group companies supported specific community initiatives in 2014

Civic and Community

In 2014, 51% of Group companies supported specific community initiatives. Such support can take the form of monetary donations, but also includes donations of building materials, employee volunteering, hosting of events and provision of advertising space for social causes at company locations and on company vehicles.

Many CRH companies 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.

Since 2010, Oldcastle, has established a US national partnership with Habitat for Humanity. As well as donating building materials and organising volunteers for many home-building projects, Oldcastle has sponsored four complete home builds, two 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 longstanding history which many local operating companies have with their local Habitat for Humanity affiliates.



The Van Neerbos cycling team from CRH Bouwmarkten, Netherlands, entered the "Alpe D'HuZes" event, raising more than €40,000 for a cancer charity. Many DIY employees and customers supported this event through additional fund-raising activities.



My Home Industries Ltd carried out 'Mega Health Camp' at a local school in Mellacheruvu, Telangana State, India in association with the local hospital. Approximately 1,860 members of the community benefited from this Health Camp.



More than 250 employees and their families and friends volunteered on the 4th Oldcastle Habitat for Humanity Home which was constructed in Atlanta, Georgia, US in 2014. Oldcastle donated materials such as blocks and mortar, retaining walls, siding, countertops, pavers and roofing materials.

Communities >continued

Education 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.

Student visits take place across operations providing valuable learning experiences. In addition, these visits provide first-hand experience of a variety of aspects of the building materials industry, 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.

For example, Staker Parson Companies, headquartered in Salt Lake City, Utah, US runs "Rocks Build Our World" which is a free educational program about the basic properties of rocks, surface mining, reclamation of mining sites and safety around large equipment. It is aimed at primary school children and since the start of the programme in 2010, 6,348 students have participated in the programme. The students see first-hand how important it is to use resources wisely and learn about the building materials business.



A "Rocks Build our World" event at Buffalo Point Elementary, Syracuse, Utah, US, run by Staker Parson Companies.



EHL, Germany, hosted 'Girls Day', during which female school pupils toured the plant, learning about the production process for precast concrete components and also about career options in building materials industry.



Oldcastle Architectural, headquartered in Atlanta, Georgia, US, pledged to donate to Skills USA for each brick that World of Concrete attendees installed onto a panel of EnduraMax® High Performance Wall System. A total of \$10,000 was raised, providing the nonprofit's national masonry programme with critical funding for its education efforts.

Sustainability Awards

676
external
awards

Health and Safety

Group companies received a total of 422 external awards and recognitions related to health and safety. This is an outstanding achievement, reflecting the strong commitment to safety performance across the CRH Group.

In the US, Group companies won a total of 391 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, 31 awards were received by 12 Group companies. These awards covered areas such as accident prevention, achievement of zero accidents and safety training.

Environment

Group companies received a total of 254 external awards recognising excellence in environmental performance. This is a significant achievement demonstrating CRH's ongoing solid commitment to enhancing the environment.

In the US, Oldcastle Materials won 221 awards from the National Asphalt Pavement Association, 12 awards from the National Stone, Sand and Gravel Association, four awards from the National Ready Mixed Concrete Association, and 11 awards from the other bodies.

In Europe, a total of six environmental awards were received by five Group companies. These highlighted areas including dedication to environmental best practices, energy saving and carbon reduction, as well as the promotion and sale of sustainable products.



Helena Sand and Gravel, US, receives the WorkSafeMT Governor's Safety Achievement Award, which recognizes Montana employers dedicated to safety excellence and leadership. Pictured are Angela McClain (Lieutenant Governor of Montana), Skyler Willard (Helena Sand & Gravel) and Robyn Morrison (WorkSafeMT).



Danish Crown Prince Frederik presents a 'Climate Award' to Trine Brinch Sørensen, Betongruppen, for the innovation and development of the 'Miljøsten' (environmental paver), which can be used in flood defence and sustainable urban drainage applications.

WBCSD Cement Sustainability Initiative KPIs

Key Performance Indicators for Cement Activities

KEY PERFORMANCE INDICATOR	2010	2011	2012	2013	2014
CLIMATE CHANGE⁽¹⁾					
Total CO ₂ emissions (Gross), million tonnes	10.5	10.7	8.85	9.14	9.56
Total CO ₂ emissions (Net), million tonnes	10.14	10.2	8.23	8.72	9.08
CO ₂ emissions (kg) per tonne of cementitious product (Gross)	716	707	685	664	657
CO ₂ emissions (kg) per tonne of cementitious product (Net)	692	674	637	633	624
ALTERNATIVE FUELS & MATERIALS⁽¹⁾					
Energy efficiency (kcal/kg clinker)	931	930	835	855	848
% Fuel substitution for virgin fuels	12.6%	17.3%	20.8%	21.4%	23.3%
% Biomass in kiln fuel	1.7%	3.2%	6.9%	7.7%	9.0%
% Alternative materials (clinker and cement)	11.4%	14.0%	15.7%	15.4%	11.8%
Clinker : cement ratio	78.9%	79.7%	79.2%	78.4%	78.7%
HEALTH/SAFETY⁽²⁾					
No. of fatalities (directly employed)	1	0	0	1	0
Fatality rate per 10,000 (directly employed)	3.97	0	0	4.33	0
No. of fatalities (contractors/subcontractors)	0	2	0	1	0
No. of fatalities (involving 3 rd parties)	0	0	0	0	0
No. of lost time injuries (directly employed)	9	12	7	12	5
No. of lost days (directly employed)	285	224	200	477	195
Lost Time Incident (LTI) rate per 1m man hours (directly employed)	1.84	2.54	1.49	2.84	1.04
Severity rate per 1m man hours (directly employed)	58	47	42	113	40.6
No. of lost time injuries (contractors/subcontractors)	7	6	6	4	4
EMISSIONS⁽¹⁾					
Particulates, specific g/tonne of clinker	380	328	108	60	52
Particulates, total (tonnes per year)	4,433	3,931	1,096	644	594
NO _x , specific g/tonne of clinker	1,532	1,505	1,360	1,381	1,208
NO _x , total tonnes per year	17,883	18,043	13,823	14,885	13,736
SO _x , specific g/tonne of clinker	209	204	304	266	444
SO _x , total tonnes per year	2,436	2,441	3,090	2,869	5,052
EMISSIONS MONITORING⁽²⁾					
% Clinker produced with monitoring of major and minor emissions	77.5%	76.7%	76.9%	70.4%	74.6%
% Clinker produced using continuous monitoring of major emissions	77.5%	82.7%	95.4%	93.9%	98.1%
LOCAL IMPACTS⁽²⁾					
No. of active quarries within, containing or adjacent to areas designated for their high biodiversity value	1	1	5	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	100.0%	100.0%	100.0%	100.0%	95.2%
% of active sites with quarry rehabilitation plans	92.90%	92.90%	93.30%	100.0%	85.7%

Note 1: Subsidiary companies are included on a 100% basis. Joint ventures and associates are included on an equity share basis (excluding Kunda and Yatai). Data on Denizli Çimento, in which CRH disposed its 50% equity stake during 2014, is not included.

Note 2: Subsidiary companies are included on a 100% basis.

For definitions of these KPIs, refer to www.wbcscement.org

WBCSD Cement Sustainability Initiative KPIs

>continued

KEY PERFORMANCE INDICATOR	2014
MINOR EMISSIONS⁽¹⁾	
VOC/THC, specific g/tonne of clinker	27.2
VOC/THC, total tonnes per year	309.6
VOC/THC, coverage rate	60.1%
PCDD/F, specific ng/tonne of clinker	9.5
PCDD/F, total mg per year	107.6
PCDD/F, coverage rate	51.3%
Hg, specific mg/tonne of clinker	0.008
Hg, total kg per year	88.8
Hg, coverage rate	60.1%
HM1, specific mg/tonne of clinker	0.003
HM1, total kg per year	31.2
HM1, coverage rate	44.6%
HM2, specific mg/tonne of clinker	0.045
HM2, total kg per year	512.1
HM2, coverage rate	25.3%

Note 1: Subsidiary companies are included on a 100% basis. Joint ventures and associates are included on an equity share basis (excluding Kunda and Yatai). Data on Denizli Çimento, in which CRH disposed its 50% equity stake during 2014, is not included.

External Ratings

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 December 2014 Review.



Ethibel (Netherlands):

In 2014, 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 December 2014 update.



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.



MSCI (US):

MSCI Global Sustainability Indexes include companies with high ESG ratings relative to their sector peers.

CRH was included as one of the MSCI Global Sustainability Indexes in the December 2014 Review and continues as a member in 2015. Refer to www.mscom/products/esg and note MSCI disclaimer:

THE INCLUSION OF CRH Public Limited Company IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HERIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF CRH Public Limited Company BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.



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.

Glossary

ABBREVIATION	EXPLANATION
AGGREGATES	Crushed stone, sand and gravel
ASPHALT	A mixture of bitumen and aggregates: used for road and highway surfaces
BN	Billion
BREEAM®	Building Research Establishment Environmental Assessment Method
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
DGNB	German Sustainable Building Council
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
LEED®	Leadership in Energy and Environmental Design
LIME	Calcium oxide, created by decarbonation of limestone, and calcium hydroxide
M	One million units
M ³	Cubic meters
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
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 2014

Our scope

CRH plc ("CRH") commissioned DNV GL Business Assurance Services UK Limited ("DNV GL") to undertake independent assurance of its Sustainability Report 2014 (the "Report"). Our scope included all sustainability performance data for the year ended 31st December 2014. The review of financial data from the Annual Report and Accounts was not within the scope of our work. A verification statement on the key performance indicators reported to the Cement Sustainability Initiative is provided separately and should be read in conjunction with this statement.

Our approach

This assurance engagement was planned and carried out in line with AA1000AS (2008). We have used the GRI's Principles for Defining Report Quality to evaluate the KPIs, which included evaluating the accuracy, comparability and timeliness of the KPIs, as well as the reliability of underlying data management systems for how data should be measured, recorded and reported.

In addition, our assurance approach for CO₂, NO_x, SO_x, and Particulates performance information draws on 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 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).

We performed our work using DNV GL's assurance methodology VeriSustain™, which is based on our professional experience and international assurance best practice, including reference to the International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other Than Audits and Reviews of Historical Financial Information' and in accordance with the requirements of AA1000AS (2008).

We evaluated the report for adherence to the VeriSustain™ Principles (the "Principles") of materiality, reliability, responsiveness, completeness, stakeholder inclusiveness, and neutrality. We evaluated the performance data using the reliability principle together with CRH's data protocols for how the data are measured, recorded and reported. The performance data in scope was the health & safety, environment & climate change, and people & community KPIs.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing a "reasonable level" of assurance against the responsiveness, completeness, stakeholder inclusiveness, and neutrality Principles. We provide "limited level" assurance over the 'reliability' Principle and the performance data included in the Report, including the CSI KPIs. 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.

We understand that the reported financial data and information are based on data from CRH's Annual Report and Accounts 2014, which are subject to a separate audit process. Assurance of financial data taken from the Annual Report and Accounts is not within the scope of our work.

Responsibilities CRH and of the assurance providers

CRH has sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of CRH; however our statement represents our independent opinion and is intended to inform all of CRH's stakeholders including its management. We were not involved in the preparation of any part of the Report apart from through the provision of feedback on a draft of the Sustainability Report 2014 as part of the verification process.

DNV GL did not provide any services to CRH or its stakeholders during 2014 that could compromise the independence or impartiality of our work.

DNV GL's assurance engagements are based on the assumption that the data and information provided by CRH to us as part of our review have been provided in good faith. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at CRH headquarters, at five of CRH's production facilities and two production facilities via video conference. We undertook the following activities:

- Review of the current sustainability issues that could affect CRH and are of interest to stakeholders;
- Review of CRH's approach to stakeholder engagement and information provided to us on its reporting and management processes relating to the Principles;
- Interviewed three external stakeholders: The National Asphalt Pavement Association (NJ, USA), The Department of Foreign Affairs and Trade (Dublin, Ireland) and Dublin City University Education Trust (Dublin, Ireland);
- Interviews with senior management responsible for management of sustainability issues and reviews of selected evidence to support the issues discussed in relation to the Principles;
- Reviews of controls around the collation of data through interviews with staff members at headquarters who are responsible for oversight and implementation of data gathering, aggregation and quality control for the disclosures included within the scope of this assurance;
- Reviews and sample checks on the sustainability performance data measurement, collection and reporting processes at group level (CRH headquarters at Belgard Castle, Ireland);
- Reviews of supporting evidence for key claims and data in the report. Our checking processes were prioritised according to materiality and we based our prioritisation on the materiality of issues at a consolidated group level;

- Visits to five of CRH's production facilities, Tilcon NJ (Riverdale, NJ, USA), Allied Building Products (East Rutherford, NJ, USA), VVM (Antwerp, Belgium), Cementos Lemona (Lemona, Spain) and My Home Industries (Mellacheruvu, India) and video conferences with two of CRH's production facilities, Struyk Verwo Aqua (Netherlands) and Cubis (UK & Ireland) to review process and systems at operational level for preparing sustainability data and implementation of sustainability strategy; and
- An independent assessment of CRH's reporting against the Global Reporting Initiative (GRI) G4 Guidelines.

Opinion

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 2014. Based on the work undertaken as part of this assurance engagement, DNV GL believes that the Report meets the Principles, content and quality requirements for a 'Reasonable Level' of assurance under VeriSustain™ and AA1000AS (2008) (apart from the Principle of 'reliability' and the CSI KPIs, for which a 'Limited Level' of assurance was provided). We believe that the report is in line with the "Core" requirements of the GRI G4 Guidelines. Further conclusions and observations on the adoption of reporting principles and specified performance information are made below.

Our key observations and recommendations

Without affecting our assurance opinion, our key observations and recommendations are summarised below.

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

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. We note that CRH has set some internal Group/business unit level sustainability KPIs in material areas and as in previous years, we reinforce our recommendation that Group/Business unit level sustainability targets in material areas should be developed to increase the focus on improvement at site level. We acknowledge that there will be challenges in implementation based on the organisation structure, however CRH should consider the further implementation of commitments in material areas.

DNV GL Assurance Statement >continued

CRH Sustainability Report 2014

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.

Materiality

The process for determining the issues that are most relevant to an organisation and its stakeholders.

In 2013/2014 a formal materiality assessment was carried out through an external organisation to help CRH identify potential risks and opportunities, and to prioritise reporting based on the views of internal and external stakeholders. The assessment was based on the international best practice guidelines and the Global Reporting Initiative G4 Sustainability Reporting Guidelines and has resulted in ten key focus areas being identified for CRH to prioritise.

CRH 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 accuracy and comparability of information presented in the Report, as well as the quality of underlying data management systems.

The data measurement techniques and basis for calculations have been duly described to DNV GL and can be replicated with similar results. Across all of the sites visited, health and safety and social data were found to be accurate and supported by established data collection systems. A number of errors in environmental data were identified at one of the sites visited. Although no systematic errors were detected, there was not a high level of confidence in the aggregation of data reviewed at the site. This, however, does not materially affect CRH's reported sustainability data. It is recommended that more extensive internal auditing is carried out to ensure robustness of sustainability data at this site. It is understood that CRH already has plans to address this issue in 2014.

The use of an online system 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. We note that CRH is targeting further refinements in its data management and consolidation systems, aiming to further reduce manual data manipulation, improve efficiency and reduce potential for errors.

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.

Responsiveness

The extent to which an organisation responds to stakeholder issues.

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.

During site visits it was observed that CRH aims to align local spending on community investment and environmental initiatives based on the views of local stakeholders and needs of the areas in which sites are situated. Examples include providing health and educational support to local residents near the cement plant operated by My Home Industries (Mellacheruvu, India) and the creation of a nature reserve on land owned by Tilcon NJ (Riverdale, NJ, USA).

Completeness

Whether the report contains sufficient information on the material issues identified by the organisation within the defined reporting boundaries and period.

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, at a consolidated Group level, would influence stakeholders' decisions or that reflect Environmental, Health & Safety or People & Community related issues of significance at Group level.

Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

The Report reflects CRH's commitment to provide information and data that enables stakeholders to evaluate the organization'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. Each subsidiary manages external stakeholder engagement practices individually, and these are tailored to the local context while respecting Group-level guidance.

As part of the 2014 Assurance process three external stakeholders were interviewed; The National Asphalt Pavement Association (NAPA) in the United States. As well as working together on issues such as legislative compliance on industrial emissions, NAPA informed us that they are working on collaborative projects with CRH that go beyond their regulatory obligations in the area of health and safety and particularly around the topic of highway intrusion control innovations.

CRH has a close working relationship with The National Asphalt Pavement Association (NAPA) in the United States. As well as working together on issues such as legislative compliance on industrial emissions, NAPA informed us that they are working on collaborative projects with CRH that go beyond their regulatory obligations in the area of health and safety and particularly around the topic of highway intrusion control innovations.

We identified CRH has an ongoing engagement with Dublin City University Education Trust through the Access to Scholarship programme, and that this has had a positive impact on education in areas of disadvantage within Ireland.

Feedback indicated that CRH is engaging with The Department of Foreign Affairs and Trade on Ireland's Action Plan towards the UN guiding principles of Human Rights. Ireland's Director of Human Rights at The Department of Foreign Affairs and Trade is working with Irish businesses to inform the development of this plan.

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.

Neutrality

The extent to which the Report provides a balanced account of an organisation's performance, delivered in a neutral tone.

In general the Report provides a fair and balanced representation of CRH's Sustainability approach and performance in 2014, as well as explanations for changes in performance trends.

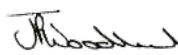
For and on behalf of DNV GL Business Assurance Services UK Limited, London, UK

26th June 2015



Doug Farquhar
Principal Consultant and Lead Assurer

UK Sustainability, DNV GL – Business Assurance



Jon Woodhead
Regional Assessment Services Manager and Reviewer

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DNV GL Assurance Statement on the Key Performance Indicators reported to The Cement Sustainability Initiative 2014

Our scope

CRH plc ("CRH") commissioned DNV GL Business Assurance Services UK Limited ("DNV GL") to undertake independent assurance of the Key Performance Indicators (KPIs) reported for 2014 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 2014 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.

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 year ended 31st December 2014. 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 3.1). The validation of the WBCSD-CSI reporting tool was not part of the scope of this engagement.

Our approach

This assurance engagement was planned and carried out in line with AA1000AS (2008). We have used the GRI's Principles for Defining Report Quality to evaluate the KPIs which included evaluating the accuracy, comparability and timeliness of the KPIs, as well as the reliability of underlying data management systems for how data should be measured, recorded and reported.

In addition, our assurance approach for CO₂, NO_x, SO_x, and Particulates performance information draws on 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 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).

We performed our work using DNV GL's assurance methodology VeriSustain™, which is based on our professional experience and international assurance best practice, including reference to the International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other Than Audits and Reviews of Historical Financial Information' and in accordance with the requirements of AA1000AS (2008).

Responsibilities of CRH and of the assurance providers

CRH have sole responsibility for the preparation of the CSI KPIs. In performing our assurance work, our responsibility is to the management of CRH; however our statement represents our independent opinion and is intended to

inform all of CRH's stakeholders including its management. We were not involved in the preparation of any part of the CSI KPIs.

DNV GL did not provide any services to CRH or its stakeholders during 2014 that could compromise the independence or impartiality of our work.

DNV GL's assurance engagements are based on the assumption that the data and information provided by CRH to us as part of our review have been provided in good faith. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at CRH headquarters and at three of CRH's cement production facilities. We undertook the following activities:

- 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 three cement production facilities: VVM (Antwerp, Belgium), Cementos Lemona (Lemona, Spain) and My Home Industries (Mellacheruvu, India). Together these three production facilities represent approximately 17% of CRH's total CO₂ emissions for cement facilities on a 100% share basis in 2014 and 15% of CRH's total CO₂ emissions for cement facilities on an equity share basis in 2014. 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, aggregate, analyse and report CO₂, SO_x, NO_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.

DNV GL Assurance Statement >continued on the Key Performance Indicators reported to The Cement Sustainability Initiative 2014

The interviews also enabled DNV GL to assess compliance with Group procedures, processes and guidance;

- Verified the boundary setting and accounting processes for CO₂, SO_x, NO_x, Particulates, and H&S data;
- Performed tests, on a sample basis, of selected CO₂, SO_x, NO_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, SO_x, NO_x, Particulates, and H&S performance;
- Reviewed internal communications and external reports relating to CRH's CO₂, SO_x, NO_x, Particulates, and H&S performance.

Opinion

In our opinion, based on the work undertaken, nothing came to our attention to suggest the performance data for CRH's CO₂, SO_x, NO_x, Particulates, and H&S performance in 2014 has been misstated. The CSI performance data and KPIs reported on page 72-73 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 VeriSustain Principles, see DNV GL's main Assurance Statement.

Our key observations and recommendations

Without affecting our assurance opinion, our key observations and recommendations are summarised below.

We have seen that the focus on alternative fuels has continued in 2014 and an increase in fuel substitution to 23.3% has been achieved. We encourage CRH to continue identifying and pursuing opportunities to increase the level of substitution further.

Particulates per tonne of clinker have continued to decrease year on year, following the efforts that CRH has made in regards to managing particulates. CRH report 52g of particulates per tonne of clinker in 2014, down from 60g in 2013.

CO₂ emissions per ton of product have continued to decline into 2014 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.

Reliability

The accuracy and comparability of information presented in the Report, as well as the quality of underlying data management systems.

The CSI data measurement techniques and basis for calculation of CO₂, SO_x, NO_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, SO_x, NO_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 Sustainability 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.

For and on behalf of DNV GL Business Assurance Services UK Limited, London, UK

26th June 2015



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Relationship to GRI G4 Guidelines

CRH's 2014 Sustainability Report is prepared in accordance with the GRI G4 Sustainability Reporting Guidelines using the Core option. The table below lists the GRI - G4 reference indicators, gives a brief summary of the indicator requirement and shows where the information may be found in CRH's external reporting. The number under the heading "Page" refers to the page number within this Report, while "AR p." refers to the page number within the CRH 2014 Annual Report.

GENERAL STANDARD DISCLOSURES		PAGE	COMMENT/OMISSIONS	EXTERNAL ASSURANCE
STRATEGY & ANALYSIS				
G4-1	Statement from most senior decision-maker	1-2		Yes
G4-2	Key Impacts, Risks and Opportunities	10-12		Yes
ORGANIZATIONAL PROFILE				
G4-3	Name of the organization	5		Yes
G4-4	Primary brands, products and services	8		Yes
G4-5	Location of organization's headquarters	6		Yes
G4-6	Countries of operation	6		Yes
G4-7	Nature of ownership and legal form	7, 79	CRH is a public limited company, incorporated in Ireland.	Yes
G4-8	Markets served	6, 8, 9		Yes
G4-9	Scale of organization	6, 8, 61; AR p. 22-24		Yes
G4-10	Employees by employment type, gender and region	58-59, AR p. 121		Yes
G4-11	Employees covered by collective bargaining agreements	62		Yes
G4-12	Description of the supply chain	64-65		Yes
G4-13	Significant changes during the reporting period	79	No significant changes.	Yes
G4-14	Precautionary approach or principle	11-12, 79	CRH takes sustainability considerations at operational level when developing and introducing products.	Yes
G4-15	External charters	1-2, 27, 28, 33, 62		Yes
G4-16	Membership of associations	1-2, 27, 28, 33		Yes
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES				
G4-17	List of entities included in the organization's financial statements	AR p. 162-166		Yes
G4-18	Process for defining report content and Aspect boundaries	11, 87		Yes
G4-19	List of material aspects	11, 79-85		Yes
G4-20	Internal aspect boundaries	87		Yes
G4-21	External aspect boundaries	87		Yes
G4-22	Restatements of information	79	No restatements.	Yes
G4-23	Scope or aspect boundary changes	79	Not relevant - first GRI G4 Report.	Yes
STAKEHOLDER ENGAGEMENT				
G4-24	Stakeholder groups engaged	13-14		Yes
G4-25	Basis for identification of stakeholders	11, 13-14		Yes
G4-26	Approach to stakeholder engagement	13-14, 66-70		Yes
G4-27	Topics raised by stakeholders	13-14, 66-70		Yes
REPORT PROFILE				
G4-28	Reporting period	87		Yes
G4-29	Date of most recent previous report	87		Yes
G4-30	Reporting cycle	87		Yes
G4-31	Contact point	Inside back cover		Yes

Relationship to GRI G4 Guidelines >continued

GENERAL STANDARD DISCLOSURES		PAGE	COMMENT/OMISSIONS	EXTERNAL ASSURANCE
G4-32	GRI Content index	79-85		Yes
G4-33	External assurance	87		Yes
GOVERNANCE				
G4-34	Governance structure	49-52, AR p. 54-60		Yes
G4-35	Governance process	51-52, AR p. 54-60		Yes
G4-36	Responsibility for sustainability	11-12, 52		Yes
G4-37	Stakeholder consultation processes	51-52, AR p. 54-60		Yes
G4-38	Board composition	49-52, AR p. 51-53		Yes
G4-39	Chair status	51		Yes
G4-40	Board Nomination and selection process	51-52, AR p. 54-60, 66-68		Yes
G4-41	Avoidance of conflict of interest	49-52, AR p. 51-53		Yes
G4-42	Board role in Sustainability	52, AR p. 58-60, 69-70		Yes
G4-43	Board knowledge	51-52, AR p. 54-60, 66-68		Yes
G4-44	Board evaluation	52, AR p. 54-60		Yes
G4-45	Board's role in risk	11-12, AR p. 69-70		Yes
G4-46	Board's role in ERM oversight	11-12, AR p. 69-70		Yes
G4-47	Frequency of Board risk review	11-12, AR p. 69-70		Yes
G4-48	Review and approval of Sustainability Report	87		Yes
G4-49	Critical concern reporting process	51-52, AR p. 54-60		Yes
G4-50	Detail on critical concerns	80	Confidentiality concerns: CRH does not disclose the minutes of Board meetings as this may include commercially-sensitive information.	Yes
G4-51	Remuneration policies	AR p. 72-95		Yes
G4-52	Remuneration processes	AR p. 72-95		Yes
G4-53	Stakeholder input to remuneration	AR p. 72-95		Yes
G4-54	Ratio of highest pay to median pay	80	Currently unavailable. CRH does not centrally collect data on the level of pay to each of its 76,000 employees in all 34 countries (required for median pay figure). CRH reviews annually the scope of data collection and where appropriate and practicable in future will gather and report on this topic.	Yes
G4-55	Ratio of increase in highest pay to median	80	Currently unavailable. CRH does not centrally collect data on the level of pay to each of its 76,000 employees in all 34 countries (required for median pay figure). CRH reviews annually the scope of data collection and where appropriate and practicable in future will gather and report on this topic.	Yes
ETHICS AND INTEGRITY				
G4-56	Values and codes of conduct	53-54		Yes
G4-57	Advice mechanisms	54		Yes
G4-58	Concern mechanisms	54		Yes

Relationship to GRI G4 Guidelines >continued

SPECIFIC STANDARD DISCLOSURES		PAGE	COMMENT/OMISSIONS	EXTERNAL ASSURANCE
CATEGORY: ECONOMIC				
Aspect: Economic Performance				
G4-DMA	Disclosure on management approach	1-2, 5, 7, 17		Yes
G4-EC1	Direct economic value generated and distributed	6, 17, AR p. 22-23, 81	CRH discloses financial information in the Annual Report and Annual Report Form 20-F in line with International Financial Reporting Standards (IFRS).	Yes
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	11-12, 33-37, AR p. 97		Yes
G4-EC3	Coverage of the organization's defined benefit plan obligations	AR p. 143-146		Yes
G4-EC4	Financial assistance received from government	81	No significant assistance.	Yes
Aspect: Market Presence				
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	57-59	Refer to note 1.	
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	59	Refer to note 1.	
Aspect: Indirect Economic Impacts				
G4-EC7	Development and impact of infrastructure investments and services supported	5, 8-9, 66	Refer to note 1.	
G4-EC8	Significant indirect economic impacts, including the extent of impacts	5, 8-9, 63-70	Refer to note 1.	
Aspect: Procurement Practices				
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	64	Refer to note 1.	
CATEGORY: ENVIRONMENTAL				
Aspect: Materials				
G4-DMA	Disclosure on management approach	31-32, 42-43		Yes
G4-EN1	Materials used by weight or volume	43		Yes
G4-EN2	Percentage of materials used that are recycled input materials	43		Yes
Aspect: Energy				
G4-DMA	Disclosure on management approach	31-32, 38-39		Yes
G4-EN3	Energy consumption within the organization	38-39		Yes
G4-EN4	Energy consumption outside of the organization	34		Yes
G4-EN5	Energy intensity	72, 81	Refers to kiln fuels (internal energy).	Yes
G4-EN6	Reduction of energy consumption	38-39		Yes
G4-EN7	Reductions in energy requirements of products and services	38, 42, 72		Yes
Aspect: Water				
G4-DMA	Disclosure on management approach	31-32, 42, 45		Yes
G4-EN8	Total water withdrawal by source	45		Yes
G4-EN9	Water sources significantly affected by withdrawal of water	81	None identified as significantly affected.	Yes
G4-EN10	Percentage and total volume of water recycled and reused	45		Yes
Aspect: Biodiversity				
G4-DMA	Disclosure on management approach	31-32, 46-47		Yes
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	46-47, 81	Full details not available. CRH does not centrally collect information to meet this indicator. CRH is currently developing its internal reporting in this area.	Yes

Relationship to GRI G4 Guidelines >continued

SPECIFIC STANDARD DISCLOSURES		PAGE	COMMENT/OMISSIONS	EXTERNAL ASSURANCE
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	46-47		Yes
G4-EN13	Habitats protected or restored	46-47, 82	Full details not available. CRH does not centrally collect information to meet this indicator. CRH is currently developing its internal reporting in this area.	Yes
G4-EN14	Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	82	Not available. CRH does not centrally collect information to meet this indicator. CRH is currently developing its internal reporting in this area.	Yes
Aspect: Emissions				
G4-DMA	Disclosure on management approach	31-32, 33, 36, 37, 40, 41		Yes
G4-EN15	Direct greenhouse gas (ghg) emissions (scope 1)	34, 72		Yes
G4-EN16	Energy indirect greenhouse gas (ghg) emissions (scope 2)	34		Yes
G4-EN17	Other indirect greenhouse gas (ghg) emissions (scope 3)	34		Yes
G4-EN18	Greenhouse gas (ghg) emissions intensity	34, 72		Yes
G4-EN19	Reduction of greenhouse gas (ghg) emissions	34-37, 42		Yes
G4-EN20	Emissions of ozone-depleting substances (ods)	82	No significant emissions.	Yes
G4-EN21	NO _x , SO _x , and other significant air emissions	40-41, 72		Yes
Aspect: Effluents and Waste				
G4-DMA	Disclosure on management approach	31-32, 44-45		Yes
G4-EN22	Total water discharge by quality and destination	45		Yes
G4-EN23	Total weight of waste by type and disposal method	44		Yes
G4-EN24	Total number and volume of significant spills	82	No significant spills.	Yes
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous...	44		Yes
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	82	None identified as significantly affected.	Yes
Aspect: Products and Services				
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	42	Refer to note 1.	
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	43-44	Refer to note 1.	
Aspect: Compliance				
G4-DMA	Disclosure on management approach	31-32		Yes
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	32		Yes
Aspect: Transport				
G4-EN30	Significant environmental impacts of transporting products and other goods and materials...	34, 39	Refer to note 1.	
Aspect: Overall				
DMA	Disclosure on management approach	31-32, 48		Yes
G4-EN31	Total environmental protection expenditures and investments by type	48		Yes
Aspect: Supplier Environmental Assessment				
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	64-65	Refer to note 1.	
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	64-65	Refer to note 1.	
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	64-65	Refer to note 1.	

Relationship to GRI G4 Guidelines >continued

SPECIFIC STANDARD DISCLOSURES		PAGE	COMMENT/OMISSIONS	EXTERNAL ASSURANCE
CATEGORY: SOCIAL				
Aspect: Employment				
G4-DMA	Disclosure on management approach	57-59		Yes
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	58		Yes
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	58		Yes
G4-LA3	Return to work and retention rates after parental leave, by gender	83	Not available. CRH does not centrally collect information to meet this indicator. CRH is currently developing its internal reporting in this area.	Yes
Aspect: Labor/Management Relations				
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	58	Refer to note 1.	
Aspect: Occupational Health and Safety				
G4-DMA	Disclosure on management approach	20-28		Yes
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	27		Yes
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	23, 25, 28		Yes
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	28		Yes
G4-LA8	Health and safety topics covered in formal agreements with trade unions	27		Yes
Aspect: Training and Education				
G4-DMA	Disclosure on management approach	57-58, 60-61		Yes
G4-LA9	Average hours of training per year per employee by gender, and by employee category	60		Yes
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	60-61		Yes
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	60		Yes
Aspect: Diversity and Equal Opportunity				
G4-DMA	Disclosure on management approach	57-58, 60-61		Yes
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	51, AR p. 56-57		Yes
Aspect: Equal Remuneration for Women and Men				
G4-DMA	Disclosure on management approach	57-59		Yes
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	83	Currently unavailable. CRH does not centrally collect data on pay to each of its 76,000 employees in all 34 countries by gender. CRH reviews annually the scope of data collection and where appropriate and practicable in future will gather and report on this topic.	Yes
Aspect: Supplier Assessment for Labor Practices				
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	64-65	Refer to note 1.	
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	64-65	Refer to note 1.	

Relationship to GRI G4 Guidelines >continued

SPECIFIC STANDARD DISCLOSURES		PAGE	COMMENT/OMISSIONS	EXTERNAL ASSURANCE
Aspect: Labor Practices Grievance Mechanisms				
G4-DMA	Disclosure on management approach	54, 61		Yes
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	54, 84	The CRH Hotline is available for employees with grievances, full details on individual grievances handled locally are not collated centrally.	Yes
SUB-CATEGORY: HUMAN RIGHTS				
Aspect: Investment				
G4-DMA	Disclosure on management approach	18, 53, 62		Yes
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	18		Yes
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	54, 84	Note that in 2014 there were 38,000 hours training in human rights and 95% of relevant employees received training covering human rights topics.	Yes
Aspect: Non-discrimination				
G4-DMA	Disclosure on management approach	57, 59		Yes
G4-HR3	Total number of incidents of discrimination and corrective actions taken	54, 84	There were a total of 16 alleged instances of discrimination. All were investigated fully with policies and training reinforced wherever necessary and disciplinary action taken as appropriate.	Yes
Aspect: Freedom of Association and Collective Bargaining				
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk...	62, 64-65	Refer to note 1.	
Aspect: Child Labor				
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	62, 64-65	Refer to note 1.	
Aspect: Forced or Compulsory Labor				
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures...	62, 64-65	Refer to note 1.	
Aspect: Security Practices				
G4-DMA	Disclosure on management approach	57, 62		Yes
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	84	Note that 34% of Group companies have security personnel on site and 87% of these personnel have received relevant training on social and human rights.	Yes
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	84	Not applicable: CRH does not have a presence on countries of concern.	Yes
Aspect: Assessment				
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	62, 64-65	Refer to note 1.	
Aspect: Supplier Human Rights Assessment				
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	64-65		
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	64-65	Refer to note 1.	

Relationship to GRI G4 Guidelines >continued

SPECIFIC STANDARD DISCLOSURES		PAGE	COMMENT/OMISSIONS	EXTERNAL ASSURANCE
Aspect: Human Rights Grievance Mechanisms				
G4-DMA	Disclosure on management approach	53-54, 62		Yes
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	54, 85	None known.	Yes
SUB-CATEGORY: SOCIETY				
Aspect: Local Communities				
G4-DMA	Disclosure on management approach	66-70		Yes
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	69, 72		Yes
G4-SO2	Operations with significant actual and potential negative impacts on local communities	67		Yes
Aspect: Anti-corruption				
G4-DMA	Disclosure on management approach	53-54		Yes
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	53-54, AR p. 69-70, p. 96-98	Further details on Risks are disclosed in the 2014 Annual Report on Form 20-F, p. 52-60.	Yes
G4-SO4	Communication and training on anti-corruption policies and procedures	53-54, AR p. 69-70		Yes
G4-SO5	Confirmed incidents of corruption and actions taken	54		Yes
Aspect: Public Policy				
G4-DMA	Disclosure on management approach	53-54, 68		Yes
G4-SO6	Total value of political contributions by country and recipient/beneficiary	85	No significant contributions.	Yes
Aspect: Anti-competitive Behavior				
G4-DMA	Disclosure on management approach	53-54		Yes
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	54		Yes
Aspect: Compliance				
G4-DMA	Disclosure on management approach	53-54		Yes
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	54		Yes
Aspect: Supplier Assessment for Impacts on Society				
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	64-65	Refer to note 1.	
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	64-65	Refer to note 1.	
Aspect: Grievance Mechanisms for Impacts on Society				
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	54	Refer to note 1.	
SUB-CATEGORY: PRODUCT RESPONSIBILITY				
Aspect: Customer Health and Safety				
G4-DMA	Disclosure on management approach	63		Yes
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	63		Yes
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	85	None known.	Yes
Aspect: Product and Service Labeling				
G4-DMA	Disclosure on management approach	63		Yes
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	63		Yes

Relationship to GRI G4 Guidelines >continued

SPECIFIC STANDARD DISCLOSURES		PAGE	COMMENT/OMISSIONS	EXTERNAL ASSURANCE
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	86	None known.	Yes
G4-PR5	Results of surveys measuring customer satisfaction	63		Yes
Aspect: Marketing Communications				
G4-PR6	Sale of banned or disputed products	63	Refer to note 1.	
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	63	Refer to note 1.	
Aspect: Customer Privacy				
G4-DMA	Disclosure on management approach	63		Yes
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	86	None known.	Yes
Aspect: Compliance				
G4-DMA	Disclosure on management approach	63		Yes
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	86	No significant fines.	Yes

* **Note 1:** The page references provided are intended to cover the topic in general terms rather than meet the precise requirements of the GRI for this indicator. This is because the aspect within which this indicator exists has not been identified as “material” in the formal materiality assessment. Many are not applicable for building materials in general, or CRH’s businesses in particular. A Disclosure on Management Approach (DMA) is similarly not provided for the same reason.

CRH Sustainability Reporting

History, Scope and Structural Aspects



Reporting History

The first CRH Corporate Social Responsibility (CSR) Report was published in October 2004. Since then, the content and transparency of the report has been continuously evolving in line with the development of sustainability reporting in the industry, and also taking into account stakeholder feedback. In 2011, CRH adopted "Sustainability" concept, and changed the format of its reporting to reflect this. This Report, published mid-year in 2015, is CRH's twelfth annual CSR Report and covers activities in 2014.

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 has been independently verified by DNV GL. The detailed verification statements are included on pages 75-78.

Global Reporting Initiative (GRI)

CRH has voluntarily adopted sustainability reporting guidelines developed by the GRI. CRH declares that its 2014 Reporting is prepared in accordance with the GRI G4 Sustainability Reporting Guidelines using the Core option. The GRI content index is provided on pages 79-86 and this has also been verified by DNV GL.

Reporting scope and methodology

Data from 100% of Group subsidiaries forms the basis of this Report. Details of CRH's principal subsidiaries are recorded on pages 162-165 of the CRH Annual Report 2014. 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 page 166 of the CRH Annual Report 2014. Most of these companies supply sustainability data to the Group and actively participate in Sustainability and CSR Programmes. Their key data is included on an appropriate % shareholding basis at appropriate points in this Report.

Data in this report has been collated from 3,300 locations spread across 34 countries. CRH has a robust data collection and management process in place, as verified by DNV GL, which has been developed and continuously improved. Data is mostly based on measured or metered physical quantities. Where actual data is not available, best estimates based on industry knowledge and established calculation factors and representative samples are used. Such estimates have been refined over the years, and therefore are fairly representative.

CO₂ emissions are calculated according to the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development GHG Protocol for cement plants. All Key Performance Indicators (KPIs) defined by CSI are reported in accordance with the CSI conventions. No universally accepted methodology yet exists for calculating CO₂ emissions for activities other than cement, for example lime or asphalt. Such emissions are estimated from established fuel and activity air emissions factors. Metric units are used throughout.

The scope of the Report addresses the full range of economic, environmental and social impacts of the organisation. CRH has considered the GRI's Reporting Principles for Defining Report content. A formal materiality assessment carried out with the assistance of a third party for an independent approach and incorporating stakeholder inputs ensured the identification and prioritization of material topics and aspects. The boundary for all material aspects was considered to be within the organisation. CRH has considered the principles of stakeholder inclusiveness, sustainability context, materiality, completeness, balance, comparability, accuracy, timeliness, clarity and reliability and believes that this Report meets these principles. This Sustainability

Report is informed by internal reports on sustainability performance that are formal Board Agenda items and the Sustainability Report is approved by Group executive management prior to publication.

Structure of the Report

The Report presents information on CRH's material sustainability 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 these are implemented, and describes material issues. The various Socially Responsible Investment Agencies ratings that have been awarded for the Group's performance in sustainability are provided in the Appendices. The Appendices also cross-reference the content of the Report to the requirements of the GRI guidelines and include a glossary of terms. The DNV GL verification statement on this Report is also included in the appendices, together with WBCSD CSI KPI data and the associated DNV GL 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 believes that this Report provides a reasonable and balanced representation of the Group's material sustainability areas of impact and opportunity, and enables stakeholders to assess the Group's performance in the area.

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

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