



# Commitment to Human Rights

Tackling Modern Slavery



## Introduction

CRH welcomes the introduction of the UK's Modern Slavery Act and supports fully all efforts to combat any abuse of human rights. Although the majority of CRH Group companies are not obliged under the Act to publish a Modern Slavery Statement, CRH plc has decided to do so voluntarily as part of its commitment to maintaining robust ethical business practices. Accordingly, this statement is made in respect of CRH Group.

As an ethical business, CRH is committed to ensuring that it abides at all times by the principles outlined in its Code of Business Conduct (COBC). CRH is committed to doing business in a sustainable, responsible and ethical manner with its customers, suppliers, business partners, local governments and communities, shareholders and employees alike. It builds lasting relationships based on trust and underpinned by its core values of integrity, honesty and respect for the law. These core values have guided CRH's approach to business since its foundation and a commitment to these values is a fundamental requirement of every CRH employee and every CRH business.

This Statement, which is made on behalf of CRH plc and its subsidiaries, outlines the steps that CRH has taken to ensure that slavery and human trafficking is not taking place within either its own businesses or its supply chains.

This Statement was approved by the Board of Directors of CRH plc on 28 April 2017 and signed on behalf of the Board by Maeve Carton, Director.

## About CRH

CRH is a leading diversified international building materials group, employing approximately 87,000 people at almost 3,800 operating locations in 31 countries worldwide.

CRH is the largest building materials company in North America and the second largest worldwide. It has leadership positions in Europe as well as established strategic positions in the emerging economic regions of Asia and South America.

With its extensive global presence and industry leadership positions, CRH is very aware of its role in the many communities in which it operates. The Group's business activities provide materials that are essential for residential and non-residential construction together with the infrastructure that is needed for communities to thrive. The Group believes that meeting these needs in a manner which respects sustainability principles will create long-term value for all stakeholders including investors, customers, partners, employees, suppliers, neighbours and local communities. Strong performance in the areas of sustainability and corporate social responsibility is fundamental to the delivery of its vision to be the leading building materials business in the world.

A Fortune 500 company, CRH is a constituent member of the FTSE 100 index, the EURO STOXX 50 index and the ISEQ 20. CRH's American Depositary Shares are listed on the NYSE. CRH is ranked among sector leaders by leading Socially Responsible Investment (SRI) rating agencies and is a constituent member of several sustainability indices including the FTSE4Good Index, the STOXX® Global ESG Leaders Indices and the Vigeo World 120 Index.

CRH has a long-standing commitment to human and labour rights and, insofar as they are applicable to CRH companies, it 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.

CRH believes that slavery in all its forms (slavery, servitude, forced or compulsory labour, human trafficking and exploitation) is abhorrent and that all CRH companies have a responsibility to ensure it does not occur in their sphere of influence. CRH's COBC specifically refers to the prohibition of forced labour.

# Implementing Robust Policies

CRH implements a formal COBC which sets out policies, guidelines, training, monitoring and review mechanisms to uphold CRH's principles to abide by good business practices and standards. Its core guiding principle being that *"there is never a good business reason to do the wrong thing"*.

CRH's commitment to human and labour rights is reflected in the COBC and through its interactions with its employees. Company Managing Directors are responsible for the implementation of the CRH core principles and policies including employment policies, guidelines and objectives in their areas of responsibility. They are supported in this role by their Human Resources teams and central CRH management.



Through CRH's Social Policy which is applied rigorously across the Group all Companies are required to:



CRH also implements a Supplier Code of Conduct, which outlines CRH's principles on ethical procurement. This Code sets out the human rights and labour standards, practices and related procedures that CRH expects of suppliers with which it does business, both directly and indirectly.

## Comply

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

## Prohibit

forced, compulsory or child labour

## Manage

our business 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 the COBC and proper business practice.

# Understanding Risk

CRH's Enterprise Risk Management Framework provides a basis for CRH to assess and manage risks associated with business and strategic decisions, including all aspects of sustainability and corporate social responsibility, human rights and labour rights. In addition, CRH conducts an annual review of social performance in its operations (the CRH Social Review). Human and labour rights are a focus of this review.

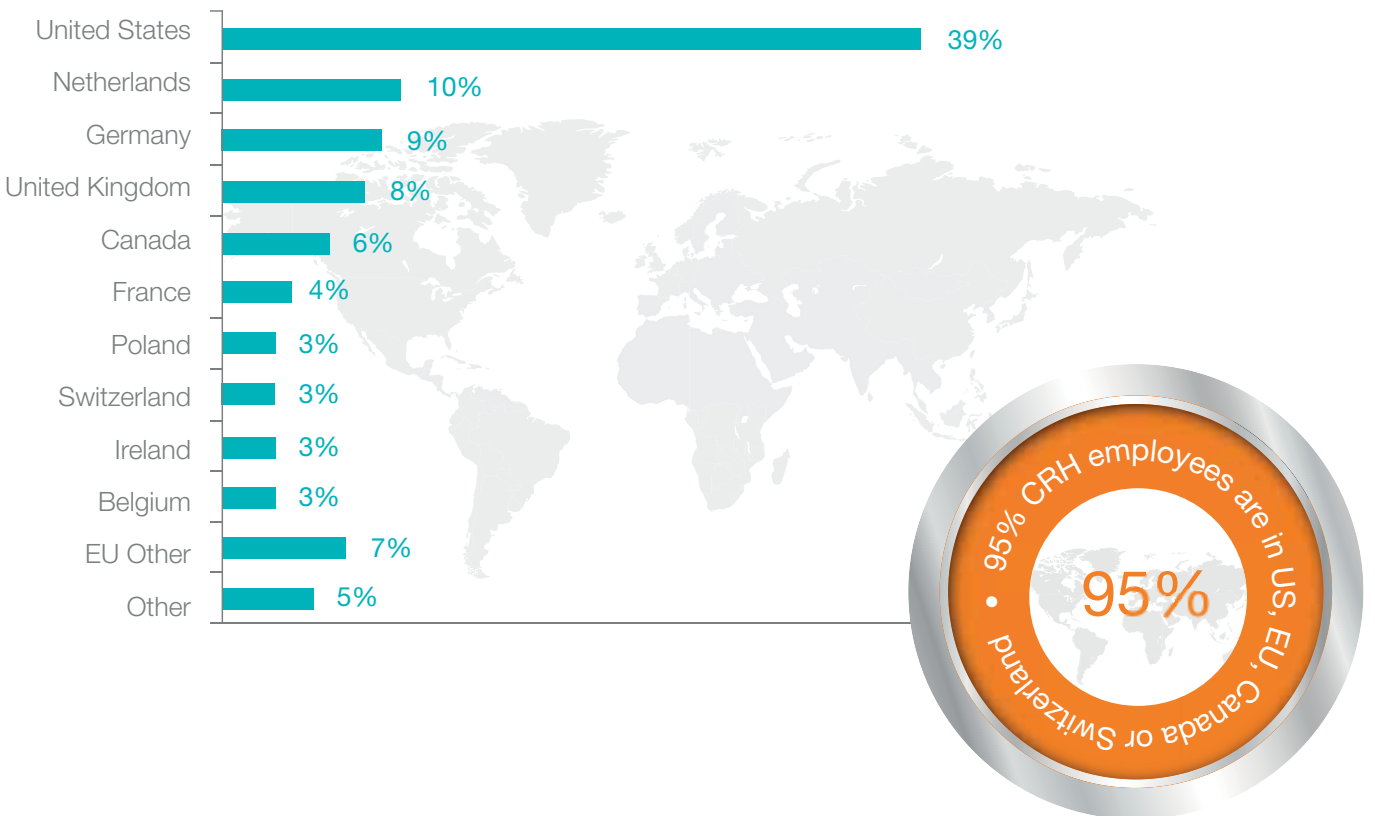
From a risk assessment perspective, in light of its geographic and operational footprint, CRH has determined that within its sphere of influence, the greatest risk area for modern slavery to occur is within its supply chain. The Group's actions are therefore focused on this area.

CRH assesses supply chain risk at a commodity level against a set of 15 different sustainability criteria that are tailored to its business and in accordance with its Supplier Code of Conduct. A commodity heat map is utilised, which identifies both a risk profile and an opportunity assessment to understand and leverage areas where improvements can be made. By managing risk

and opportunity at a commodity level, CRH is able to obtain a greater insight into its supply chain and ensure that the required improvements are integrated into commodity strategy plans and procurement decisions.

CRH actively addresses any risks identified within its own operations and also implements policies, such as the CRH social policy. The employment policies of its subsidiaries require that these policies are embedded within its businesses. In general, there is a low risk of modern slavery connected with direct employees because CRH operates mainly in countries where employment legislation incorporates the relevant international accords and conventions, and local employment policies, processes and controls ensure that such risks are negligible. Overall, 95% of CRH's employees are in the US, the European Union, Canada and Switzerland. Insofar as CRH entities in any other countries are concerned, the due diligence exercise undertaken prior to any acquisition includes, where relevant, a review of social policies and procedures. All entities are also included as part of the annual social review.

## CRH Employee Concentrations



# Assuring Standards

As stated, CRH completes an annual Social Review which tracks compliance with CRH's policies regarding human and labour rights. In addition, CRH carries out an annual compliance certification process which requires the Managing Director of each operating company, globally, to confirm implementation and compliance with CRH's COBC and its underlying policies. The positive results of these review exercises support the fact that CRH takes its responsibilities in these areas very seriously and that its policies are embedded within its operations.

Human and labour rights are of particular concern to CRH when entering emerging economies. For this reason, acquisition due diligence covers human rights and other corporate social responsibility issues. CRH also conducts a high level human rights risk assessment, which takes into account countries of operation and vulnerability.

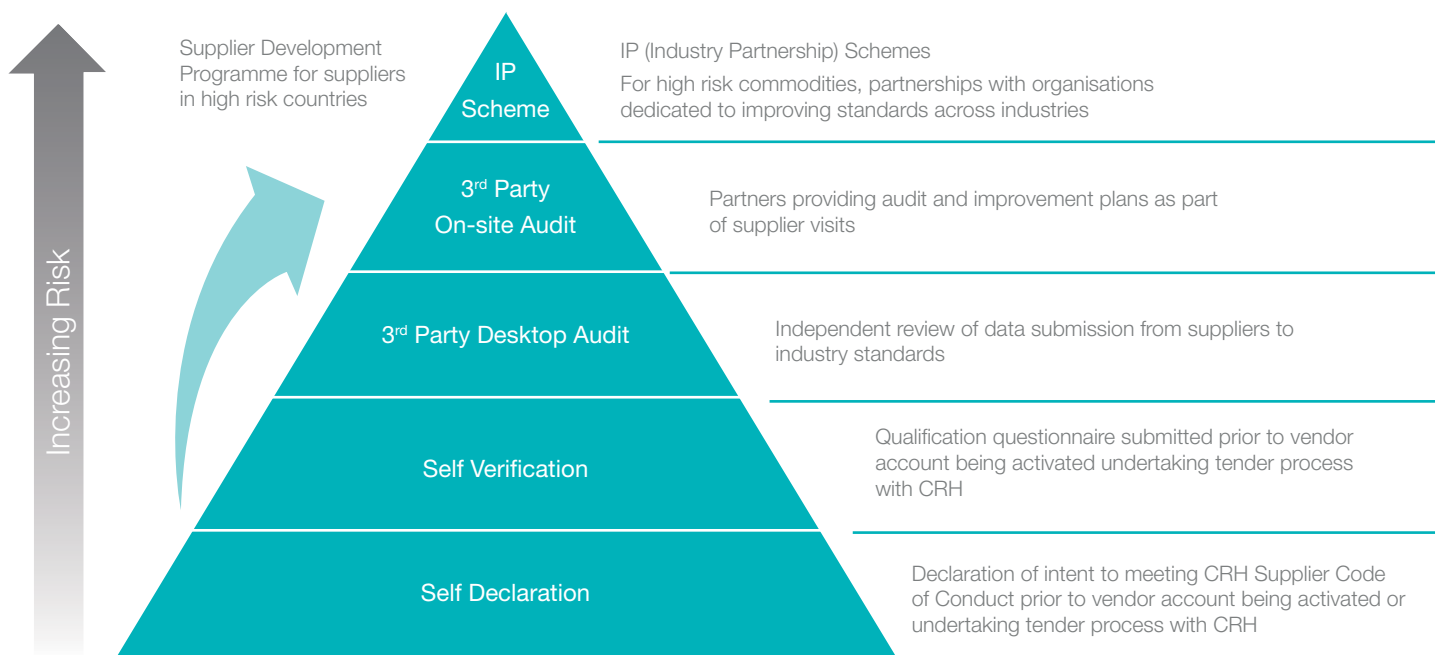
CRH has developed a number of assurance processes for supplier performance and compliance with the CRH Supplier Code of Conduct within its day-to-day business structures. By means of a questionnaire contained in the Supplier Code of Conduct, CRH verifies and ensures that relevant suppliers identified in the Supplier Code of Conduct as potentially high risk, operate to CRH's ethical standards. CRH expects that all other suppliers declare their adherence to the Supplier Code of Conduct and/or its principles when entering into a contract with CRH.

CRH's central procurement team also undertakes a specific Corporate Social Responsibility risk assessment for all our strategic spend, of which labour practices are one aspect. If any specific risks are identified in our supply chain, CRH then seeks to manage and understand suppliers performance further and build on their capacity and capability to improve. As our perceived risk of corporate social responsibility issues increases in the supply chain, CRH employs a higher standard of audit as described in the schematic below.

In those spend areas where the Group has identified a real opportunity to improve performance significantly through our influence, CRH has begun to enter into industry partnership schemes with NGOs and industry associations. These spend areas typically involve complex supply chains where issues may lie in multiple tiers of a supply chain and where support of independent subject matter experts and industry bodies is required in order to make an impact.

CRH also has a due diligence process to ensure conflict minerals are absent from its supply chain and its disclosure in this regard is available on [www.crh.com](http://www.crh.com).

## CRH Supplier Risk Management Measures and Audit Principles



## Developing Awareness

All relevant employees in CRH are trained on the COBC and awareness of the CRH Social Policy is covered in COBC training. The COBC can be downloaded from the CRH corporate website: [www.crh.com](http://www.crh.com). In the current training cycle, circa 23,500 employees completed COBC training.

The Supplier Code of Conduct is distributed to suppliers and is also available from the CRH corporate website: [www.crh.com](http://www.crh.com). For procurement teams, CRH has undertaken a series of modern slavery training sessions involving customers, suppliers and stakeholder groups to ensure that CRH raises awareness and knowledge of international legislation banning modern slavery, not just within CRH, but in the wider industry.

## Enabling a Culture of Openness

CRH encourages colleagues and partners within its supply chain to raise any suspicions they may have that slavery, in any form, may be taking place in any part of the business. CRH has a 24/7 multi-lingual confidential "Hotline" facility in place, available to employees and external stakeholders alike, to report issues that concern them, including possible human rights violations and infringements of labour standards. Hotline posters are in place at all CRH company sites. Every report is investigated thoroughly and appropriate actions are taken based on the investigation's findings.

## Conclusion

CRH is committed to taking all necessary steps needed to ensure inasmuch as possible that slavery in any form does not take place within its sphere of influence. CRH implements its social policy (which includes a prohibition on forced labour) to address the issue within its own business. To address the issue within its supply chain, CRH implements its Supplier Code of Conduct which includes the CRH principles on ethical procurement. CRH has processes in place to assure standards, understand risks, develop awareness and enable a culture of openness.

CRH aims for continuous improvement in all areas of sustainability and Corporate Social Responsibility performance, and will use this annual Policy Statement, which CRH has prepared on a voluntary basis, to demonstrate progress and to drive continuous improvement in the associated processes.

For further information please see [www.crh.com](http://www.crh.com)

