



Commitment to Human Rights

Modern Slavery Statement of CRH plc

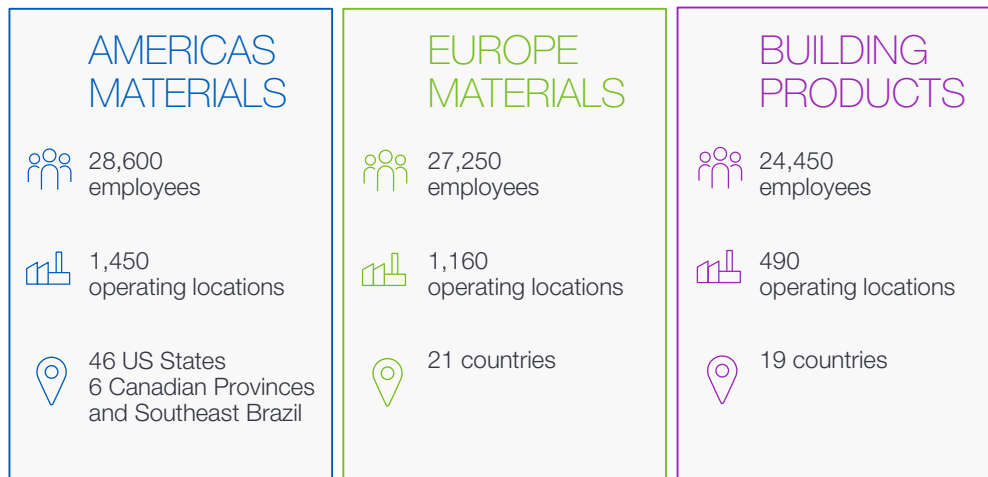
For the year ending 31 December 2019



This statement is made in compliance with Section 54(1) of the UK Modern Slavery Act 2015 and other applicable legislation*, and sets out the measures CRH and its subsidiaries (collectively "CRH" or the "Group") have taken during the financial year ending 31st December 2019 to ensure that slavery or human trafficking is not taking place within its own business or in any of its supply chains.

CRH plc

CRH's global footprint spans 30 countries and over 3,100 operating locations, serving customers across the breadth of the building materials spectrum. For further details of our global footprint refer to page 3 of our Sustainability Report [here](#).



CRH manufactures and supplies a range of integrated building materials, products and innovative solutions which can be found throughout the built environment, from major public infrastructure projects to commercial buildings and residential structures.

CRH procures a wide range of goods and services and has an annual procurement spend of c.€14 billion, with 123,000 suppliers worldwide. Our core business lines each have a specific supply chain footprint with different characteristics, challenges and opportunities.

Governance

The CRH Board is responsible for the leadership, oversight, control, development and long-term success of the Group. The Safety, Environment & Social Responsibility (SESR) Board Committee monitors developments in all areas of safety and sustainability. The CRH Group Procurement Council oversees all aspects of purchasing strategy, policy, targets and objectives. CRH has a dedicated Legal & Compliance team and a Procurement Head of Sustainability, Innovation & Risk who supports our global procurement team.

Expectations

CRH believes that slavery, in all its forms, (slavery, servitude, forced or compulsory labour, human trafficking and exploitation) is unacceptable and all CRH companies must do everything they can to prevent any form of slavery or any other unethical behaviour. We are committed to building knowledge and awareness on human rights across our entire value chain.

Stakeholder expectations of businesses to uphold human rights have never been higher. We support the principles set out in the articles of the UN's Universal Declaration of Human Rights and the International Labour Organisation's Core Labour Principles.

This "Commitment to Human Rights – Tackling Modern Slavery" statement and all previous year's statements are available on our corporate website [here](#).

* The California Transparency in Supply Chains Act 2010, The Australian Commonwealth Modern Slavery Act 2018 and Loi de Vigilance 2017.

Policies


There are a number of key codes and policies that demonstrate our commitment to our values. These include:

CRH Code of Business Conduct

We support the principles set out in the articles of the UN's Universal Declaration of Human Rights and the International Labour Organisation's Core Labour Principles. Our Code of Business Conduct sets out in particular our guiding principle: "there is never a good business reason to do the wrong thing". Always acting in accordance with our values is a fundamental requirement of every CRH employee and the Code of Business Conduct provides detailed guidance on what this means in practice. It includes an outline of our expected standards for fair labour practices. The Code of Business Conduct is available in 25 languages on our corporate website [here](#).

Social Policy

The Social Policy is outlined in our Sustainability Report on page 63 (available on our corporate website [here](#)) and requires all our Group companies to:

 <p>Comply at a minimum, with all applicable legislation and continuously improve our social stewardship, aiming all the time to meet or exceed industry best practice standards.</p>	 <p>Support freedom of association and recognise the right to collective bargaining.</p>	 <p>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.</p>
 <p>Manage our businesses in a fair and equitable manner, meeting all our social responsibilities including working conditions, as both a direct and indirect employer.</p>	 <p>Ensure that we deal responsibly with our suppliers and customers in accordance with our Code of Business Conduct, Supplier Code of Conduct and proper business practice.</p>	 <p>Prohibit forced, compulsory and child labour in all forms including modern slavery.</p>

Supplier Code of Conduct

In 2019, we reviewed and launched a new Supplier Code of Conduct (available on our corporate website [here](#)). This sets out how our suppliers must support and commit to our requirements in relation to safety and health, people and the community, environment, climate change, governance and compliance. We integrate the Supplier Code of Conduct requirements and acceptance into our standard contract clauses and terms and conditions of purchase. Our suppliers must specifically undertake the following in relation to modern slavery:

	<p>Support and respect the protection of human rights within their areas of influence.</p>
	<p>Prohibit all forms of forced, bonded, compulsory and child labour.</p>
	<p>Support the principles of Equality, Fairness, Inclusion and Respect when dealing with the recruitment and selection of employees.</p>

Other Publications: Page 49 of Sustainability Report [here](#)

Assessing and Managing Risk

Enterprise Risk Management plays a critical role in how we respond to a world of increasing uncertainty and globalisation. Effectively managing our risks and challenges facilitates better decision making, thereby driving performance, creating growth opportunities and generating sustainable shareholder value for CRH. CRH conducts an annual review of social performance in its operations. 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 main challenges in this regard are the scale, complexity and geographic spread of our supply chain.

Our sustainable procurement approach is in line with best practice and through our ongoing developments we ensure our businesses are well-equipped to implement and manage a sustainable and responsible supply chain. The CRH Group Procurement Council oversees all aspects of purchasing strategy, policy, targets and objectives. Core business lines each have their own specific supply chain footprint with different characteristics, challenges and opportunities.

CRH assesses risk at the category level, in line with ISO 20400 – Sustainable Procurement best practice. We plan to drive improvement actions at the point where we have most influence with our suppliers.

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

We aim to support the transition towards more responsible supply chains across the entire industry. We engage and collaborate with suppliers, governments, businesses and other partners to find new ways to innovate and create positive change.

We have assurance procedures in place to ensure that all CRH companies are actively implementing the requirements of the Supplier Code of Conduct. Additionally, CRH's central procurement team undertakes a specific corporate social responsibility risk assessment for all strategic spend, of which labour practices is one aspect.

Non-compliance by a supplier who violates the Supplier Code of Conduct can have a number of consequences including exclusion from any tendering process or termination of contract. However, our preference is to help manage suppliers through a remediation plan. Suppliers must show high ethical and corporate social responsibility standards and compliance with relevant laws.



Our Supply Chain Risks

We assess risk at the category level, in line with ISO 20400 - Sustainable Procurement best practice. We use 12 assessment criteria covering areas such as health and safety, human and labour rights, environment, climate change and governance. Based on the risks identified and the outcomes of an accompanying opportunity assessment, we enhance our Category Strategy Plans to drive improvement actions at the point where we have most influence with our suppliers.

Country risk is a significant part of this assessment. The vast majority of our suppliers replicate our operational footprint with over 91% of our spend in North America and Europe. We are continually improving our spend visibility platforms to get better country and location insight into suppliers in regions with a higher prevalence of modern slavery, to help focus our attention on their activity.

The "Labour Practices" criteria includes modern slavery and other human rights issues and our procurement teams assess their projects and spend areas against this aspect. We also assess for country risk in this process. A significant procurement lever in the Building Components category is to source in low-cost countries through our Global Direct Sourcing team (see page 8). In our highest spend category - Raw Materials - we either produce and make these materials ourselves or are beginning to engage in industry partnership schemes such as the Concrete Sustainability Council (see page 9).

Category		Safety	Health	Labour practices	Fairness, inclusion and respect	Social value	Energy and climate	Environmental stewardship	Resource efficiency	Circular economy	Water	Economic growth	Governance and ethics
Packaging	2%	●	○	○	○	○	○	●	●	●	○	○	○
Chemicals	2%	●	●	○	○	○	●	●	●	○	●	○	○
IT & Telecom	1%	○	○	○	○	○	●	○	○	○	○	○	●
Building Components & Manufacturing Materials	8%	●	●	●	○	●	●	●	○	○	○	○	○
Energy	10%	●	●	○	○	○	●	●	●	○	○	○	○
General Services	6%	●	○	●	●	○	○	○	○	○	○	●	●
Mobile Equipment	7%	●	●	○	○	○	●	○	○	○	○	○	○
Production Equipment	5%	●	○	●	○	○	●	○	○	○	○	○	○
Raw Materials	22%	●	●	○	○	●	●	●	●	●	●	●	●
Logistics Services	19%	●	●	○	○	●	●	○	○	○	○	●	●
Maintenance & Production Services	14%	●	●	○	●	●	○	○	○	○	○	●	○
Facilities Management & Estates	4%	●	○	●	●	●	○	○	○	○	○	●	○

€14 billion Spend
123,000 Suppliers

Americas 55% Europe 41%
Asia 3% RoW 1%

Modern Slavery Country Profile

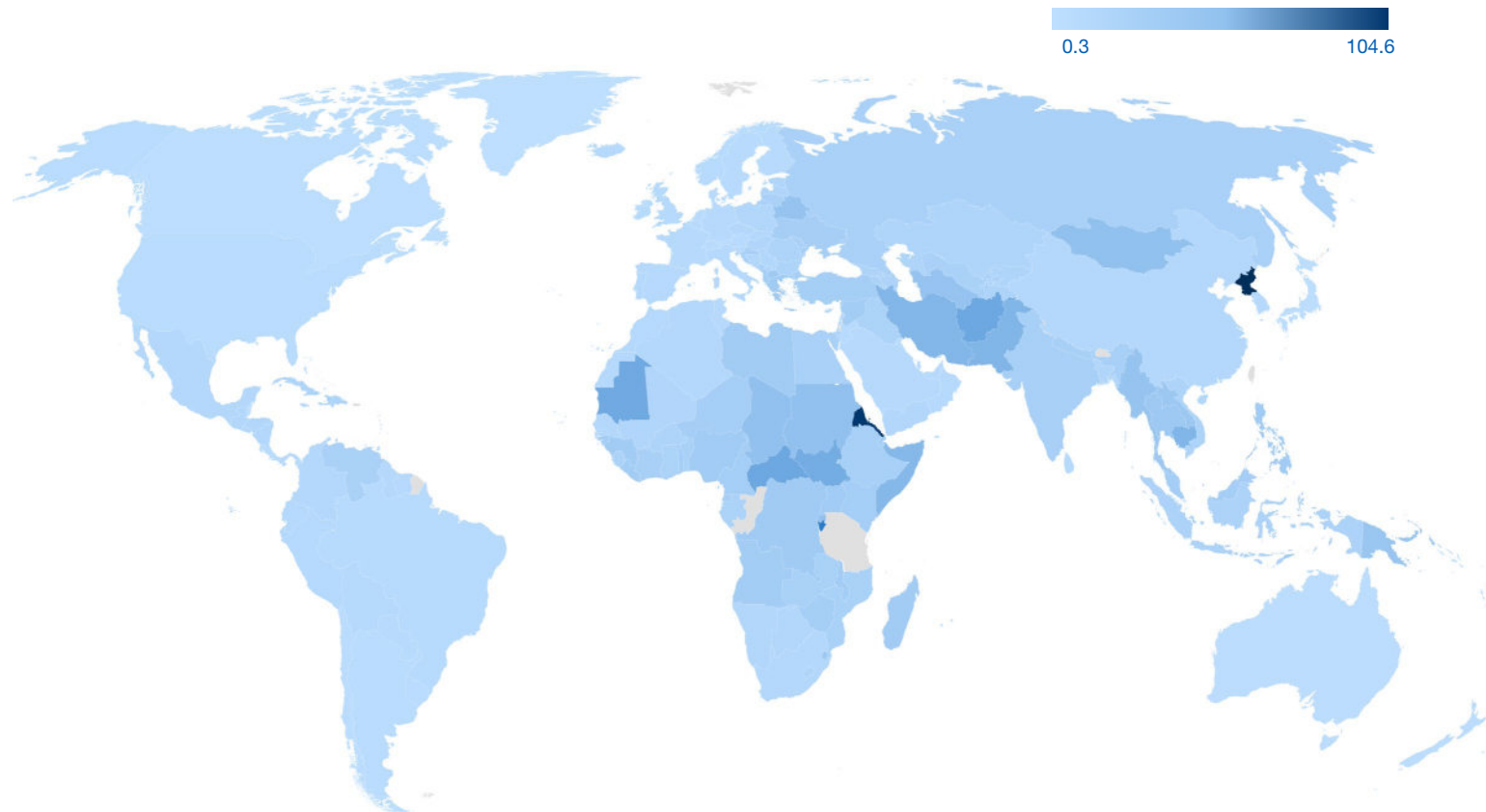
Countries with Highest Prevalence of Modern Slavery where CRH has suppliers	Number of CRH Global Suppliers	Prevalence of Modern Slavery (victims per 1,000 pop)
Pakistan	1	16.8
Thailand	22	8.9
Macedonia	1	8.7
Greece	5	7.9
Philippines	786	7.7
Malaysia	91	6.9
Turkey	11	6.5
Ukraine	103	6.4
India	22	6.1
Croatia	8	6.0

* Used number of suppliers as percentages are below 1%

Countries with Highest number of CRH Suppliers	% of CRH Global Suppliers	Prevalence of Modern Slavery (victims per 1,000 pop)
United States	42.92%	1.3
United Kingdom	9.01%	2.1
Poland	6.50%	3.4
France	5.46%	2.0
Germany	4.28%	2.0
Netherlands	3.77%	1.8
Finland	3.72%	1.7
Canada	3.66%	0.5
Belgium	2.67%	2.0
Switzerland	2.28%	1.7
Romania	2.19%	4.3
Ireland	2.19%	1.7
Spain	1.87%	2.3
Slovakia	1.79%	2.9
Denmark	1.45%	1.6
Brazil	1.22%	1.8
Hungary	1.11%	3.7

This map outlines the prevalence of modern slavery around the world. Due to CRH's geographic and operational footprint, the greatest risk area for modern slavery to occur is within its supply chain.

Estimated country prevalence of modern slavery (victims per 1,000 population)



Figures taken from 2018 Global Slavery Index Findings

External Due Diligence

Measuring Effectiveness Year-on-Year Progress

We monitor compliance with our human and labour rights policies, in relation to issues such as modern slavery, across all CRH companies and review labour practices annually. Within our supply chain we increase our assurance and due diligence response in accordance to the risk we identify for the spend area. Methods we prescribe in our Supplier Code of Conduct include:



Global Direct Sourcing Audit Summary

Increasingly CRH sources goods and materials from best value countries. Our Global Direct Sourcing team is based in Shanghai and looks to source key components and products for all our divisions across Asia. While this is a relatively small spend in our organisation, it occurs in countries that pose a distinctly different risk profile in terms of modern slavery and human rights issues. By engaging in this activity we can significantly increase the visibility and interaction we have through these supply chains.

Following initial site visits from CRH setting out our expectations and codes of conduct, we work with our audit partner TÜV Rheinland who carries out an onsite assessment of supplier operations and factories. Only on successful completion of this audit and the closure of any critical gaps do we enter contracts and place any orders with suppliers.



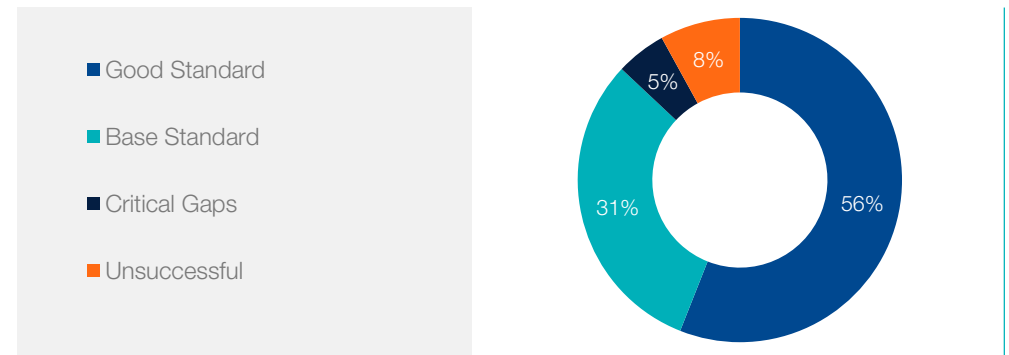
We have seen several issues raised in these assessments. Although we believe that modern slavery is not in place, we have identified some concerns that if left unchecked could create the opportunity for modern slavery to occur. For any critical gaps we identify, we ensure that a corrective action plan is delivered and implemented and re-checked through secondary visits or spot checks.

Issues found include minimum wages not being paid, deposits held by employers for onsite accommodation and inadequate records and processes in place to demonstrate that people are being paid fairly for their work.

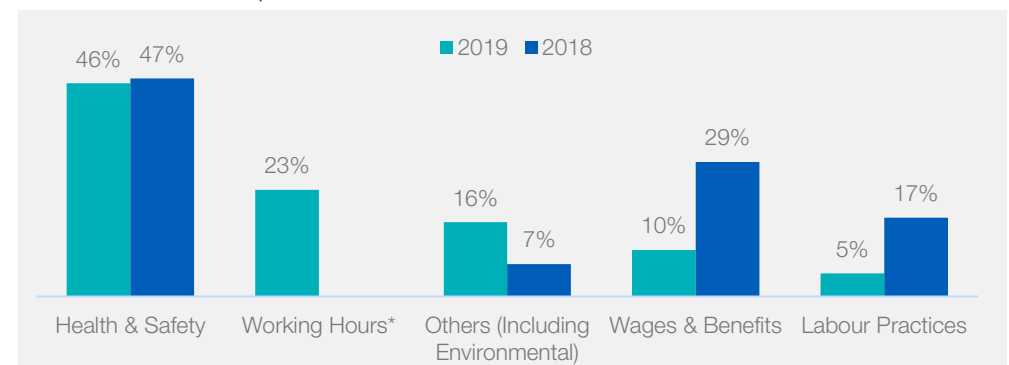
We intervene in all of these cases and we recognise the need to continue this engagement to build and improve supplier capabilities and processes, as well as our own understanding. We believe that using the commercial incentive of our future orders provides us with the best leverage to make an impact.

We undertook 63 3rd Party onsite assessments in 2019 (2018: 48). We grade the results to help our teams and suppliers understand their performance better. We do not work with suppliers until they close their critical gaps.

Audit Performance



Critical Gap Trends



* We established a new category for Working Hours after seeing a trend of this issue within the Wages & Benefits category in 2018

Putting the spotlight on Ethical Labour in our Industry Standards

CRH is a founding member of the Concrete Sustainability Council (CSC). This organisation brings together major players and stakeholders across the industry to develop a global responsible sourcing certification system for concrete and its direct industry supply chain. Ethical labour and business practices are core to the certification.

Concrete is the world's most widely used building material. By creating a certification system for responsibly sourced concrete, the CSC promotes and demonstrates concrete as a sustainable building material to enable informed decisions in construction.

Cementbouw, a CRH company, is leading the way in this certification by achieving the gold standard for 10 plants across the Netherlands, providing transparency and demonstrating our performance in construction supply chains.

cb CEMENTBOUW
A CRH COMPANY



Internal Due Diligence

Measuring Effectiveness Year-on-Year Progress

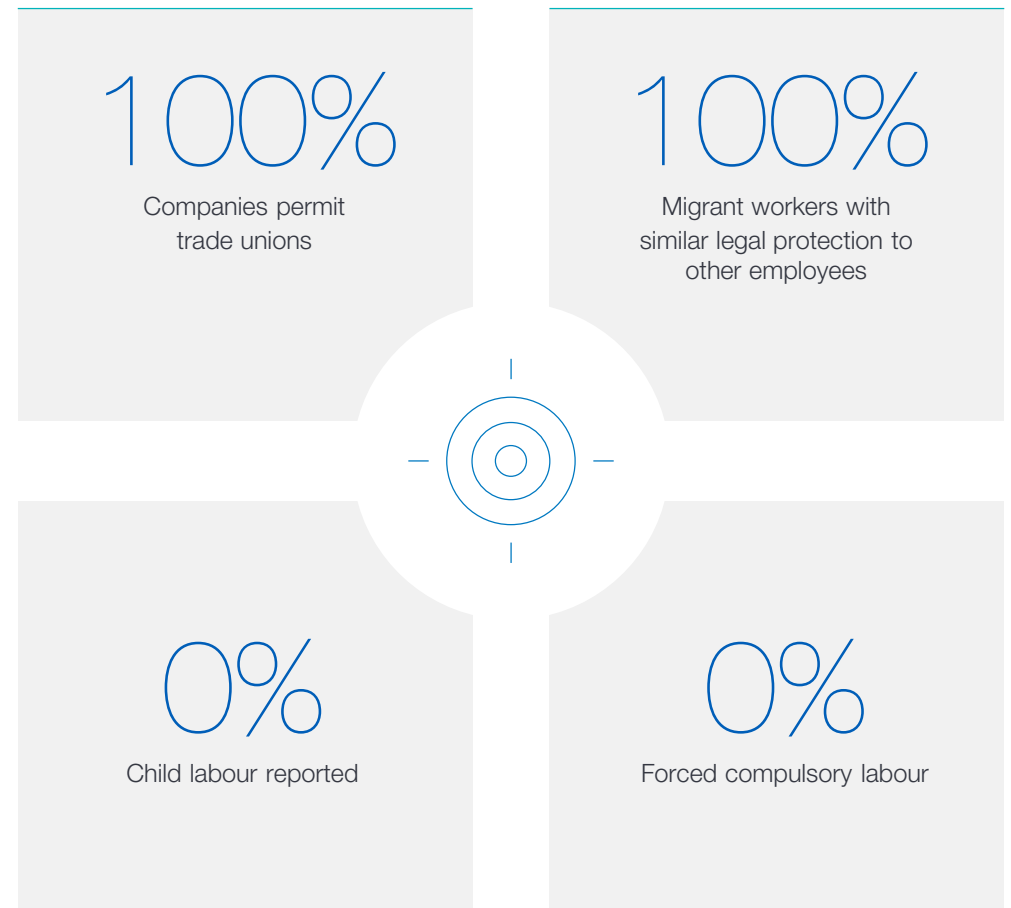
We carry out a comprehensive annual Social Review of all our operating companies, as well as, where possible, associates and joint ventures. A key objective of this Social Review is to verify the implementation of the CRH Social Policy and to review performance against our salient human rights issues.

This Social Review covers our operating companies' performance relating to 50 human rights criteria. These cover areas such as policy implementation, discrimination, diversity, safety, forced labour, freedom of association and fair payment. Performance data is also collected on training for various employee categories and types.

An enterprise-wide human rights risk assessment is completed annually with results included in the report to the SESR Committee. In addition, our operating companies also complete individual human rights assessments and have systems in place to ensure compliance with human rights best practices.

Where issues are identified, such as poorer health and safety standards or a lack of inclusion and diversity in acquisitions, mitigation plans are put in place to ensure steps are taken to bring these companies up to CRH best practices within a specific timeframe.

In 2019 we found zero cases of forced or compulsory labour and no employees or contractors under the relevant legal age working at any location among our businesses (zero cases reported in 2018). Apprenticeship and internship programmes are delivered in accordance with local legislation and are typically regulated by governmental educational agencies. The Social Review also found that all migrant workers have similar legal protection to other employees and all companies permit trade unions, with 22% of employees being members of trade unions (19% in 2018).



The Social Review is a key input to the Sustainability Report which is subject to extensive invigilation, including independent assurance by external auditors.

Tarmac Ethical Labour Standard (ELS)

Tarmac, a CRH company, is the UK's leading building materials and construction solutions business and became the latest organisation to be recognised by the Building Research Establishment (BRE) for its commitment to ethical sourcing practices.

The company has been officially verified under BES 6002, the Ethical Labour Sourcing (ELS) standard, which was developed by BRE in response to the 2015 Modern Slavery Act. The last assessment was completed mid - 2019 and recertification is expected in the second half of 2020.

The ELS standard aims to verify companies that are applying due diligence around human rights and ethical concerns when sourcing materials, products and services including labour, and which are actively identifying and working towards eradicating the exploitation of vulnerable workers.

BRE's ethical sourcing standard assesses organisations across 12 areas, including management structure and system, learning and development, bribery and corruption, procurement and supply chain management.

Dr Shamir Ghumra, BREEAM Director commented, "Tarmac has joined a number of leading companies with verification to the ELS. This is a significant step forward for the industry and the mineral products sector in particular. More and more companies are seeking verification to the ELS as a way to demonstrate their commitment to Ethical Labour Sourcing."

"Businesses across construction and all other industries must work together to help eradicate labour exploitation and modern slavery to protect the safety and wellbeing of the workforce. We remain fully committed to delivering ethical best practice across our business. Achieving BES 6002 verification under the ELS standard is a testament to our ongoing work in this area and ensures that we are continuing to meet our customers' expectations for responsibly sourced construction materials".

Dr Martyn Kenny, Sustainability Director - Tarmac



Training

All policies are available online for employees and the Code of Business Conduct and Supplier Code of Conduct can be downloaded from www.crh.com. All in-scope employees are trained in the Code of Business Conduct and the training is available in 23 languages.

Procurement teams are continuously trained in responsible sourcing issues, tools and techniques. In 2019, having launched the new Supplier Code of Conduct, there were a number of key changes which we have communicated to the team.

To date this training has focused on our procurement teams. Further training is in development to increase employee awareness of modern slavery. Building awareness among all our employees of the potential of modern slavery to occur and the steps to take to report any issues can help stop modern slavery.



Speak Up Process

As part of the Group's Speak Up! culture, an external service provider is engaged to administer an independent, confidential hotline service allowing employees, customers, suppliers or other external stakeholders to raise concerns they may have about unethical, inappropriate or illegal behaviour. This global provider is able to manage our multinational, multilingual workforce and supply chains and is a "24/7" service. All concerns raised are assessed, fully investigated and prioritised and escalated where necessary.

All allegations are taken seriously and are fully investigated. In 2019, a total of 427 concerns were raised globally and 30 proven incidents resulted in disciplinary action.

CRH does not tolerate retaliation and is committed to ensuring that anyone reporting a reasonably-held concern will not be negatively treated. In addition, an employee suspected of retaliation against a person who has reported a concern will be investigated in accordance with disciplinary procedures.

CRH encourages employees and partners within its supply chain to "Speak Up!".

During 2019
no hotline calls
relating to
human rights
were received

CRH **HOTLINE**

WHEN
IF YOU SEE, HEAR OR SUSPECT
SOMETHING ILLEGAL,
UNETHICAL OR UNSAFE
SPEAK UP!

HOW
Talk to your manager, a
member of the
management team or
contact Legal and
Compliance. Otherwise use
the HOTLINE

WHAT
Types of issue to report:

Health & Safety	Fraud & Theft	Breach of Law	Human Rights Violations	Unethical Behaviour	Bribery & Corruption	Workmen's Long & Abuse
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The Hotline is an independent and confidential way to report without fear of retaliation. Routine employee issues are best dealt with by your local HR team.

www.crhhotline.com

Any queries contact legalandcompliance@crh.com or your local Compliance contact

2019 Achievements

Training and Processes

We met our target of training 100% of procurement teams in responsible sourcing issues, tools and techniques.

We continued to develop our processes as outlined on page 3 to meet the principles set out in ISO 20400 – Sustainable Procurement, the world's first international standard for responsible sourcing which aims to increase supply chain transparency and sustainability.

Updated Supplier Code of Conduct



Our Supplier Code of Conduct was updated in 2019, focusing on four areas where supplier support and commitment is expected – Safety and Health, People and Community, Environment and Climate Change and Governance and Compliance. We continue to review our Group Supplier Code of Conduct and procurement policies and standards to ensure they reflect the processes we have developed to meet the ISO 20400 principles.

Australian Operations Workshops

With the introduction of The Australian Commonwealth Modern Slavery Act 2018 we completed in-depth training to take lessons learned from UK Modern Slavery processes and embed them into our Australian businesses.

Hotline

In 2019, we moved our US and Europe/APAC hotlines to one service provider, GAN Integrity, to provide better oversight and reporting from a global perspective. We undertook an awareness campaign across the Group which included producing new posters in 27 languages.

Goals for 2020 and beyond

Updated Code of Business Conduct will be launched in 2020 to ensure we continue to meet the needs of our business and international best practice as they and our external environment evolve.



Continue to improve on our processes in place to reduce the risk of modern slavery in the supply chain.



Launch training programmes to increase awareness of Modern Slavery across the organisation.



Continue to use this annual statement to demonstrate progress and ensure we are fully transparent in our actions in the areas of human and labour rights.



This Statement was approved by the Board of Directors of CRH plc on 23 June 2020 and signed on behalf of the Board by Senan Murphy, Director.

By: Senan Murphy

Senan Murphy
Finance Director

“ We are committed to creating lasting value for all our stakeholders by building and improving on partnerships with suppliers and customers who share our ethical standards. By working together, we are playing our part in eliminating modern slavery. ”

