



Commitment to Human Rights

Modern Slavery Statement of CRH plc

For the year ending 31 December 2018



Our Commitment

This statement is made in adherence to Section 54(1) of the UK Modern Slavery Act 2015 and the California Transparency in Supply Chains Act 2010, and sets out the measures CRH and its subsidiaries (collectively “CRH” or the “Group”) has taken during the financial year ending 31st December 2018, 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 32 countries and over 3,700 operating locations, serving customers across the entire building materials spectrum, on five continents worldwide.



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.€17 billion, with 148,000 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 CRH Group Procurement Council oversees all aspects of purchasing strategy, policy, targets and objectives. A Working Group (which included representatives from Legal and Compliance, Sustainability and Procurement) drafted this statement. 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 that all CRH companies must do everything they can to prevent any form of slavery or any other unethical behaviour.

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. In 2016 & 2017 CRH published its "Commitment to Human Rights—Tackling Modern Slavery" statement. These comprehensive documents (available on our corporate website www.crh.com) outline the Group's cohesive approach to ensuring human rights abuses are not taking place within its own businesses or its supply chains.

Policies

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

CRH Code of Business Conduct

Sets out in particular, our compliance values “integrity, honesty and respect for the law” and our core guiding principle “there is never a good business reason to do the wrong thing”. Always acting in accordance with our compliance 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 Code of Business Conduct on page 12 (available on our corporate website [here](#)) and requires all of our Group companies to:

| | | |
|---|---|---|
|  <p>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.</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 as both a direct and indirect employer.</p> |  <p>Prohibit forced, compulsory and child labour.</p> |  <p>Ensure that we deal responsibly with our suppliers and customers in accordance with our Code of Business Conduct and proper business practice.</p> |

Supplier Code of Conduct

Sets out how our suppliers must adhere to good ethical practices and specifically undertake the below in relation to modern slavery:

| | | |
|--|--|---|
|  <p>To support and respect the protection of human rights within their areas of influence.</p> |  <p>To prohibit all forms of forced, compulsory and child labour.</p> |  <p>To support the principles of equal opportunity in respect of the recruitment and selection of employees.</p> |
|  <p>The Supplier Code of Conduct is available in six languages on our corporate website here.</p> | | |

Assessing & Managing Risk

Enterprise Risk Management (ERM) 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 deal with the challenges of implementing and managing a 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.

An annual questionnaire is completed by all CRH companies certifying that “relevant suppliers” meet the requirements of the Supplier Code of Conduct, including a section that describes the supplier accreditation schemes we are developing across the Group.

CRH’s central procurement team undertakes a specific corporate social responsibility risk assessment for all strategic spend, of which labour practices are one aspect.

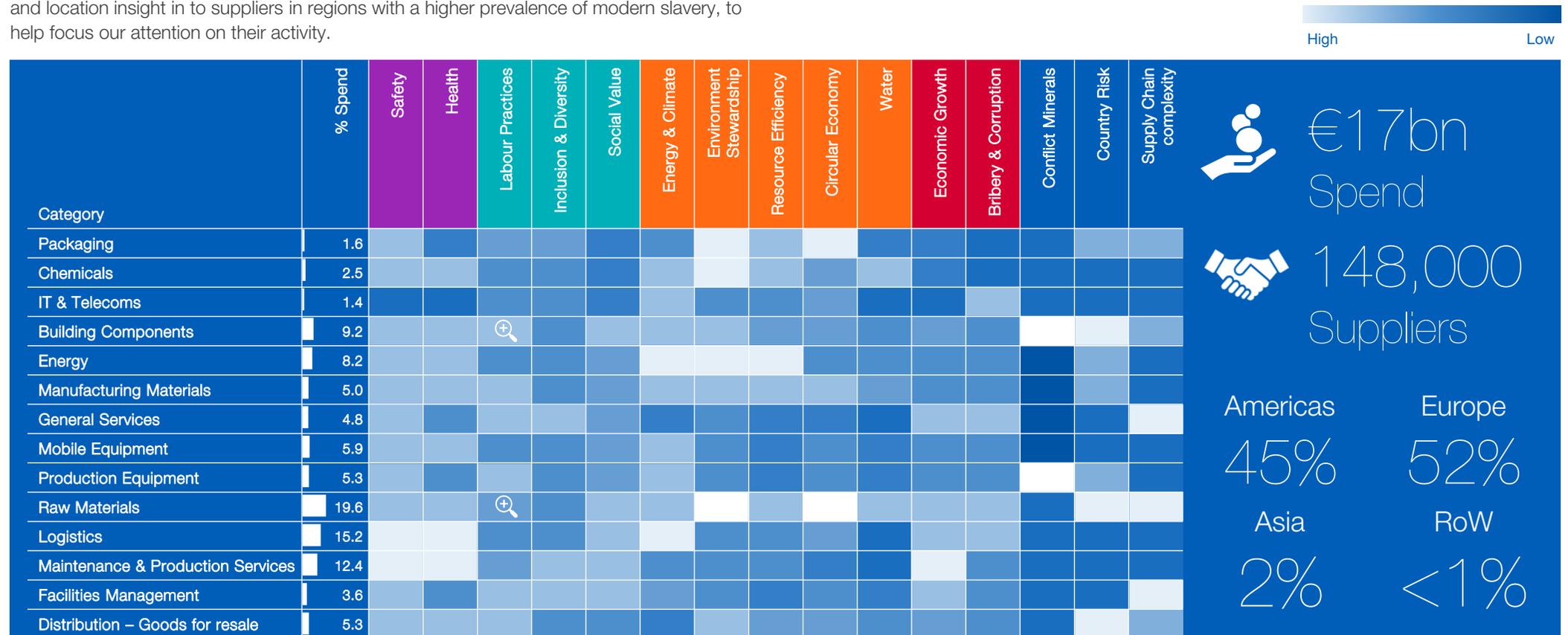
Non-compliance by a supplier who violates the Supplier Code of Conduct can have a number of consequences including exclusion from any tendering process or termination of contract but our preference is to help manage suppliers by ways of a remediation plan. Suppliers must show high ethical and corporate 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 15 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 97% of our spend in North America and Europe. We are continually improving our spend visibility platforms to get better country and location insight in to 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 team 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 7). 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).



Modern Slavery Country Profile

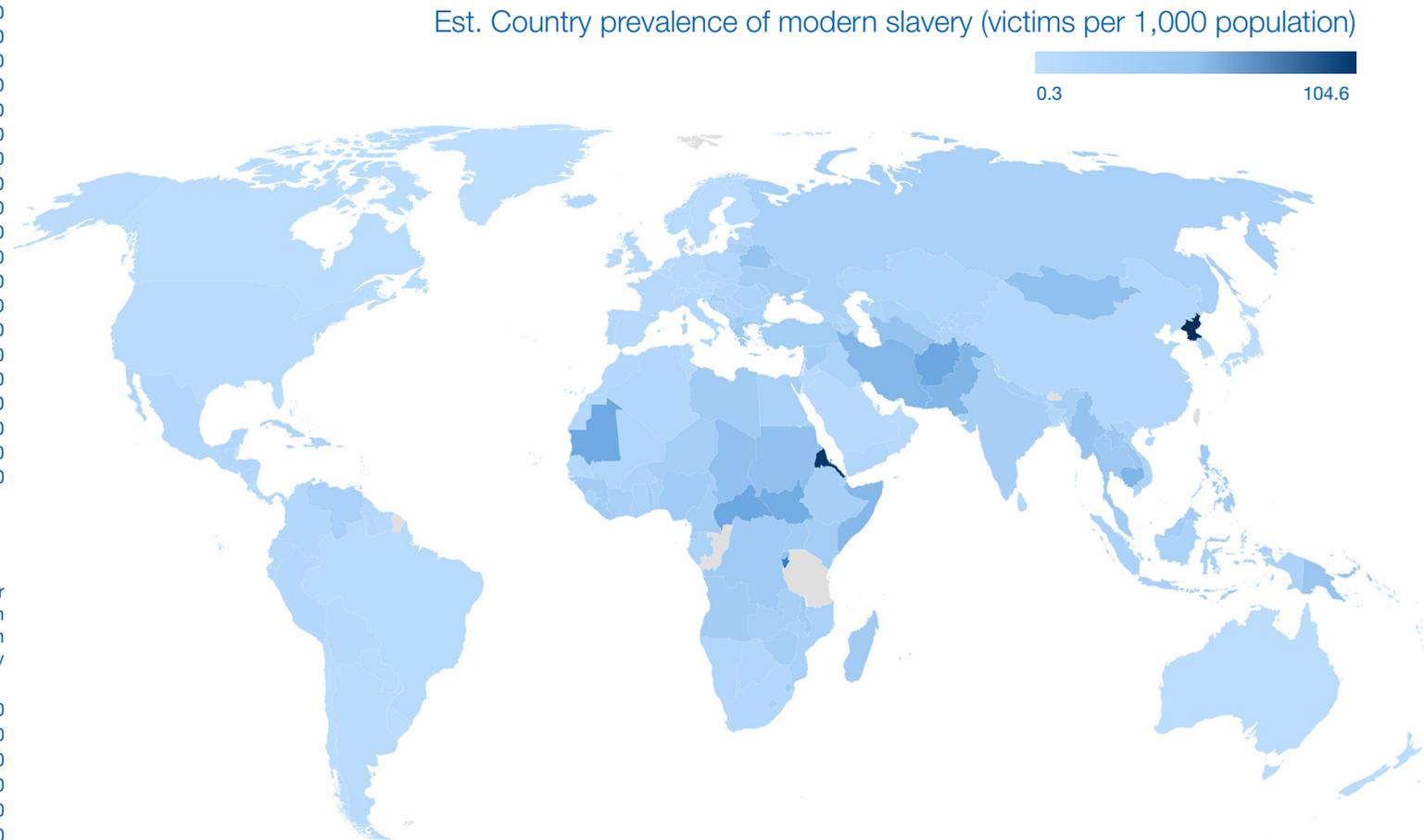
Over 96% of our suppliers reside within countries where we operate:

| Country | % of CRH Global Suppliers (over 1.0%) | Est. prevalence of population in modern slavery (victims per 1,000 population) | Est. number of people in modern slavery |
|----------------|---------------------------------------|--|---|
| United States | 35.1% | 1.3 | 403,000 |
| United Kingdom | 10.1% | 2.1 | 136,000 |
| Germany | 7.3% | 2.0 | 167,000 |
| Poland | 6.1% | 3.4 | 128,000 |
| France | 5.8% | 2.0 | 129,000 |
| Netherlands | 5.5% | 1.8 | 30,000 |
| Switzerland | 4.3% | 1.7 | 14,000 |
| Belgium | 3.8% | 2.0 | 23,000 |
| Canada | 2.9% | 0.5 | 17,000 |
| Finland | 2.7% | 1.7 | 9,000 |
| Ireland | 2.7% | 1.7 | 8,000 |
| Romania | 1.6% | 4.3 | 86,000 |
| Spain | 1.5% | 2.3 | 105,000 |
| Slovakia | 1.5% | 2.9 | 16,000 |
| Austria | 1.2% | 1.7 | 15,000 |
| Hungary | 1.1% | 3.7 | 36,000 |
| Denmark | 1.1% | 1.6 | 9,000 |
| Philippines | 1.0% | 7.7 | 784,000 |
| Ukraine | 1.0% | 6.4 | 286,000 |
| Brazil | 1.0% | 1.8 | 369,000 |

As a global business we also have suppliers in countries with a higher prevalence of modern slavery. The identified focussed list below represents less than 0.4% of our suppliers:

| Country | Number of CRH Suppliers | Est. prevalence of population in modern slavery (victims per 1,000 population) | Est. number of people in modern slavery |
|--------------------|-------------------------|--|---|
| Pakistan | 1 | 16.8 | 3,186,000 |
| Thailand | 7 | 8.9 | 610,000 |
| Macedonia | 1 | 8.7 | 18,000 |
| Greece | 4 | 7.9 | 89,000 |
| Malaysia | 260 | 6.9 | 212,000 |
| Turkey | 13 | 6.5 | 509,000 |
| India | 15 | 6.1 | 7,989,000 |
| Croatia | 6 | 6.0 | 25,000 |
| Russian Federation | 3 | 5.5 | 794,000 |
| China | 154 | 2.8 | 3,864,000 |

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. The table to the left looks at the countries CRH has suppliers in and their position on the global slavery index.



Figures taken from 2018 Global Slavery Index Findings

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.

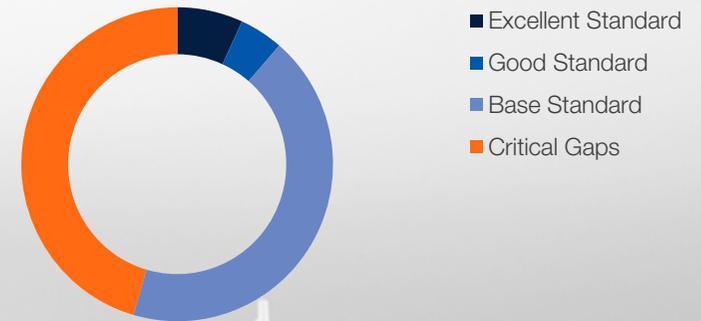
We have seen several issues raised in these assessments. Although we believe that modern slavery is not in place, we have identified some concerns that if left unchecked we believe could provide the opportunity for modern slavery to occur. For any critical gaps we identify we ensure that a corrective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

Issues we have 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.

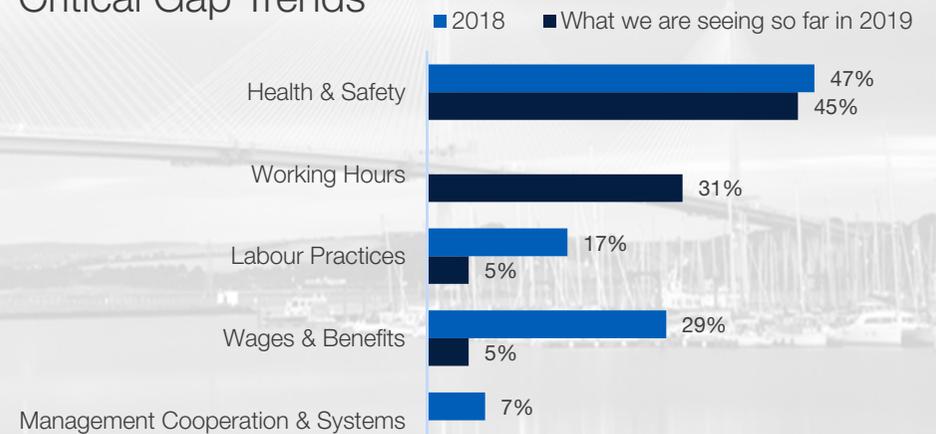
We intervene in all of these cases and we recognise the need to continue this engagement to build and improve supplier capabilities and processes, as well as our own understanding. We believe that using the commercial incentive of our future orders provides us the best leverage to make an impact.

We undertook 48 3rd Party onsite assessments in 2018. We grade the results to help our teams and the 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 - Working Hours after seeing a trend of this issue within the Wages & Benefits category in 2018

Measuring Effectiveness Year-on-Year Progress

External Due Diligence

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:



Putting the spotlight on Ethical Labour in our Industry Standards

CRH is a founder 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.



Measuring Effectiveness Year-on-Year Progress

Internal Due Diligence

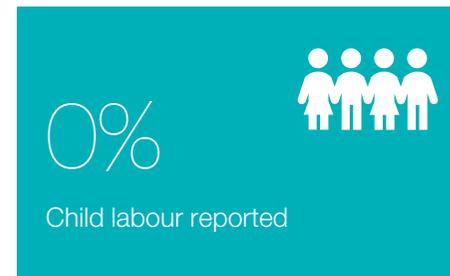
We carry out a comprehensive annual Social Review of all companies. A key objective of this Review is to verify the implementation of the CRH Social Policy and to review the company's performance against our salient human rights issues.

This Social Review covers operating companies' performance around 50 human rights criteria. These human rights criteria cover areas such as policy implementation; discrimination; diversity; safety; forced labour; freedom of association and fair payment. There are also questions on training for various employee categories and types.

Our review findings form an agenda item for the Safety, Environment & Social Responsibility Committee and the Board and are fed back to our operating companies through our network of Human Resource managers.

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

The Social Review is a key input to the Sustainability Report and our Sustainability Report 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 company 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 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 on 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 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.

To date this training has focused on our procurement teams. We will develop training programmes to increase employee awareness of modern slavery. As we build awareness, these training programmes will help mitigate the threat posed by modern slavery.



Speak Up Process

A 24/7 multi-lingual confidential “Hotline” facility is available for employees to report any good faith concerns relevant to the CRH Code of Business Conduct or violations of any of CRH policies, or of any local laws.

In 2018, a total of 328 concerns were raised globally. All allegations are taken seriously and are fully investigated. In 2018, 23 proven incidents resulted in disciplinary action. All employees are made aware that CRH will invoke its disciplinary procedures in the event of a proven breach of its policies, codes or any rule of law.

CRH is committed to creating an atmosphere of no reprisals, where employees feel empowered to speak up when they have genuine concerns. Retaliation or reprisals are not tolerated.

CRH encourages employees and partners within its supply chain to also “Speak Up”.

During 2018 no hotline calls relating to human rights were received

CRH Regulatory, Compliance & Ethics **Hotline**

At CRH we all agree that **“there is never a good business reason to do the wrong thing”**.
So, if you see, hear or suspect something illegal, unethical or unsafe

“Speak Up!”

Examples of the types of Concerns to Report:

- Creation or ignoring safety or environmental hazards
- Failure to abide by a legal obligation
- Actual, alleged or alleged fraud or theft
- Disclosure of proprietary information
- Misuse of assets
- Misuse of any form of consultation
- Misuse of confidential information
- Financial dealings with customers or vendors
- Use or sale of alcohol and/or drugs
- Conflicts of interest
- Any violation of the law
- Breach of any applicable law
- Breach of any applicable policy
- Information showing any of the above has occurred being destroyed
- Whether an offence has been committed
- Human rights violations

There are a number of ways you can report your concerns:

- Talk to your line manager or a member of your management team
- Contact a member of the Regulatory, Compliance & Ethics Team (contact details are on the CRH website)
- Call any of the other resources available to you as set out in our Code of Business Conduct

If you prefer, you may also report your concerns confidentially, in your own language and at any time, by contacting the hotline:

Online at: Or

Call the number:

Our hotline allows employees to confidentially ask questions or report concerns without fear of retaliation. After you complete your report, you will be assigned a unique number code called a “Report Key” either by the operator or automatically online. Write down your Report Key and password and keep them in a safe place. You will need them to check your report for any feedback or questions.

The hotline should not be used for routine personnel issues that are much better managed by your local HR Department.

Leading with Integrity

2018 Achievements

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 4 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.

World Procurement Awards

Finalist in the Corporate Social Responsibility Award category at the World Procurement Awards, which recognise the collective efforts of individuals and teams and are an affirmation of the hard work, innovation and dedication of those at the forefront of the procurement profession. Nominated for embedding sustainability in our procurement operations and how we are driving demonstrable results through innovation, engagement and a commitment to doing business better.

Edie Sustainability Leaders Awards

2018 Finalist

Nominated for our collaboration with Achilles, developing a Modern Slavery onsite assessment to engage with businesses we identified to be at risk through our category heatmap assessment. The assessment combined the traditional approach of checking management records and personnel records but combined it with anonymous worker interviews to cross check performance.



Finalist 2018

Goals for 2019 and beyond

Our Code of Business Conduct will be updated in 2019 to ensure we continue to meet the needs of our business and international best practice as they and our external environment evolve.

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.

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

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

Ensure future legislation e.g. Loi de Vigilance, Australian MSA is embedded into our businesses and supply chain.

Launch hotline awareness campaign to ensure employees, customers and suppliers know who to call to report any concerns they may have regarding modern slavery or human rights.



We will 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 24th June 2018 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.