



Our commitment to human rights

Modern Slavery Statement of CRH plc

For the year ending 31 December 2020



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This Statement was approved by the Board of Directors of CRH plc on xx xxxx xxxx and signed on behalf of the Board by Jim Mintern, Finance Director.

By:  _____
Jim Mintern,
Finance Director.

All 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.

Introduction

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 2020 to ensure that slavery or human trafficking is not taking place within its own business or in any of its supply chains.

CRH believes that slavery, in all its forms, is unacceptable and that all CRH companies must do everything they can to prevent any form of slavery, human trafficking or any other unethical behaviour in their businesses and supply chains.

“
At CRH we do what we say
and our values unite us in the
way we work, every day, all
over the world. This means
we have a clear zero tolerance
approach to all forms of
modern slavery.”



2020 achievements



Training and raising awareness

Our Modern Slavery e-Learning module was introduced to key colleagues. The module sets out to provide a summary of what modern slavery is and the risk modern slavery poses to our business. It summarises the key indicators of modern slavery and how to spot them. It also provides an overview of our policies, systems and processes and outlines how to flag any issues and concerns to the appropriate people.



Know Your Supplier

Following the update of our Supplier Code of Conduct (SCoC) in 2019, we have developed our core due diligence processes to increase the visibility and insights we get into our suppliers. This process captures a digital Supplier Code of Conduct acknowledgment, and automated data points on financial health, sanctions screening and adverse media report of suppliers in areas such as discrimination/workforce rights, human rights, workforce disputes and workforce health/safety issues. Focusing on our key suppliers in the first instance we plan to scale this insight across all spend.



Code of Business Conduct

The CRH Code of Business Conduct (CoBC) was updated in 2020 for launch in 2021.



Defining salient human rights issues

The risk to people's human rights can occur throughout the value chain. Through our Enterprise Human Rights Impact Assessment, which was completed in 2020, we identified the salient human rights issues in relation to our own operations, acquisitions and supply chain, communicating these to our stakeholders in a transparent and open way.

Goals and targets for 2021 and beyond



Expand coverage of our due diligence process and explore new ways of gaining intelligence and performance insights.



Expand the coverage of our Modern Slavery e-Learning module to more colleagues across our business.



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 (see page 5 for further details).



Our ambition is to have a culture of safety and wellness working towards zero harm. Our target of zero fatalities extends beyond our own employees to include contractors.



Continue to review human rights and modern slavery risks through our Enterprise Risk Management processes (see pages 26-29 in the CRH 2020 Annual Report, available on our corporate website [here](#)).

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. We have a dedicated Legal & Compliance team and a Procurement Head of Sustainability, Innovation & Risk who supports our global procurement team. In addition, the Group Sustainability team facilitates all Group sustainability reporting.

Expectations

Stakeholder expectations of businesses to uphold human rights have never been higher. At CRH, we understand the role of business in the protecting and upholding of human rights across our operations. We continue to develop and refine our approach to human rights due diligence to better understand our potential impacts.

We are committed to respecting internationally recognised human rights as set out in the International Bill of Human Rights and the International Labour Organisation's Core Labour Principles, across our operations and extended supply chain. We are committed to building knowledge and awareness on human rights across our entire value chain and to operate in a manner consistent with the UN Guiding Principles on Business and Human Rights.

CRH plc

At the end of 2020, our global footprint spanned 30 countries and over 3,100 operating locations, serving customers across the breadth of the building materials spectrum. Our operating companies manufacture and supply a range of integrated building materials, products and innovative solutions which can be found throughout the built environment.

We procure a wide range of goods and services and have an annual procurement spend of c.\$16 billion, with 118,000 suppliers worldwide. Our core business lines each have a specific supply chain footprint with different characteristics, challenges and opportunities.

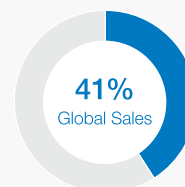
For further details of our global footprint refer to pages 3, 54 and 55 of our Sustainability Report [here](#).

Products & Services Index



Three Divisions

Americas Materials SALES \$11.3 billion



▼ -3% 2019: \$11.6 billion
c. 27,400 employees
c. 1,475 operating locations
46 US states, six Canadian Provinces and Southeast Brazil

Products & Services



Europe Materials SALES \$9.1 billion

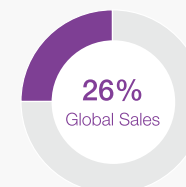


▼ -4% 2019: \$9.5 billion
c. 26,800 employees
c. 1,155 operating locations
21 Countries

Products & Services

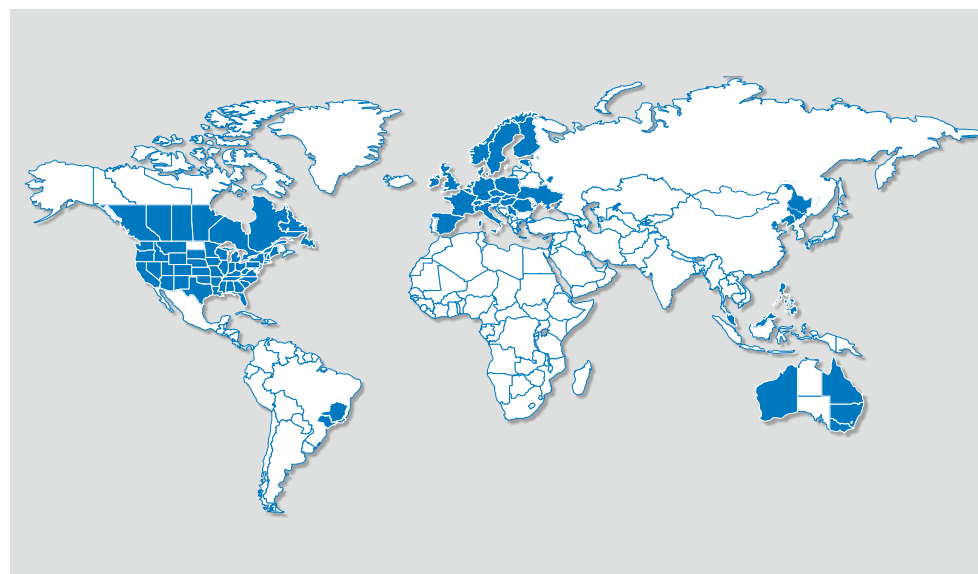


Building Products SALES \$7.2 billion



▲ +3% 2019: \$7.0 billion
c. 22,900 employees
c. 480 operating locations
19 Countries

Products & Services



Our policies

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

CRH Code of Business Conduct

Our CoBC sets out our commitment to doing the right things in the right way, complying with the law, and working responsibly. It is essentially the manual for how we can stay true to one of our core Group values - 'Do what we say and lead with integrity'. The CoBC is available in 21 languages on our corporate website [here](#).

Supplier Code of Conduct

Our SCoC 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 (available on our corporate website [here](#)). It applies the concepts, principles and recommendations of the OECD Guidelines for Multinational Enterprises and other applicable legislation. We integrate the SCoC 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:



Support and respect the protection of human rights within their areas of influence.



Prohibit all forms of modern slavery including forced labour, bonded labour, compulsory labour and child labour.



Support the principles of Equality, Fairness, Inclusion and Respect when dealing with the recruitment and selection of employees.



Respect freedom of association and the effective recognition of the right to collective bargaining by employees.

Other Policies are included on page 67 of the Sustainability Report [here](#)

Social Policy

The Social Policy is outlined in our Sustainability Report on page 67 (available on our corporate website [here](#)) and requires all our Group companies to:



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.



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



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.



Manage our businesses in a fair and equitable manner, meeting all our social responsibilities including working conditions, as both a direct and indirect employer.



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.



Prohibit forced, compulsory and child labour in all forms, including modern slavery.

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 and 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 enhance country and location insights into suppliers in regions with a higher prevalence of modern slavery. This allows us to focus our resources on supplier activities that prevent any potential issues with modern slavery.

Our criteria covering Human Rights and Labour practices includes modern slavery and other human rights issues and our procurement teams assess their projects and spend areas against this aspect.

Sustainable procurement approach

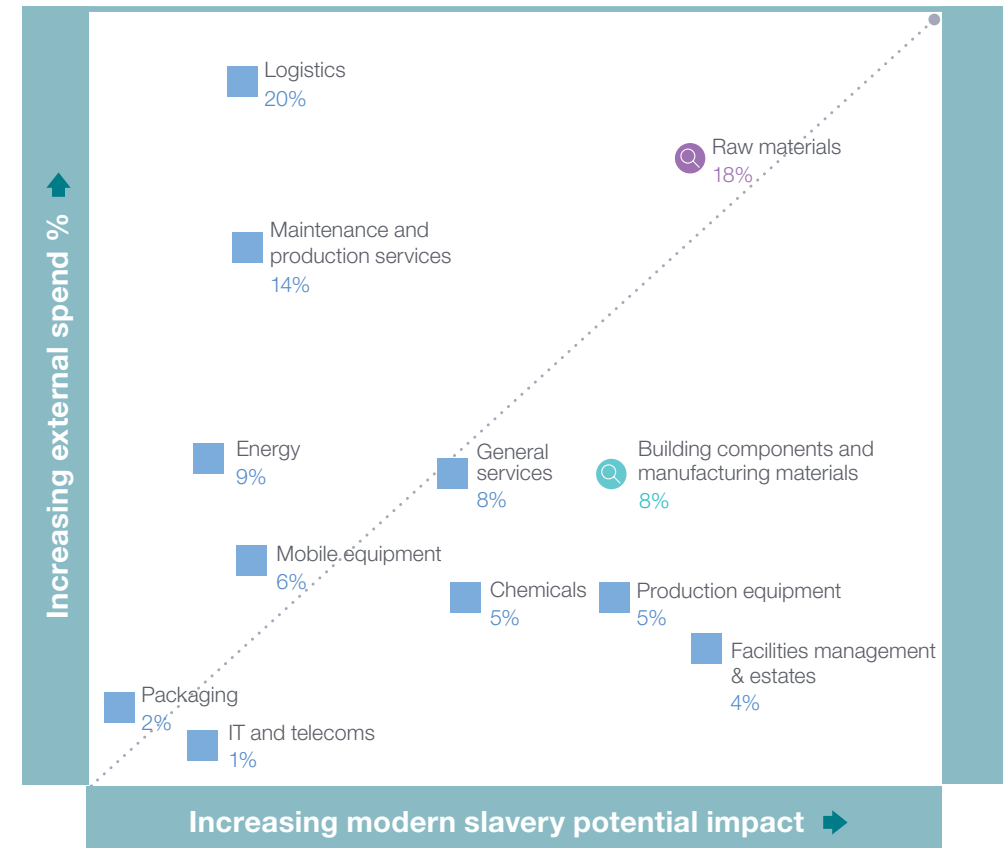
Our sustainable procurement approach is to ensure our businesses are well-equipped to understand and manage responsible supply chains through:

- Our CRH Group Procurement Council overseeing all aspects of purchasing governance including strategy, policy, targets and objectives.
- Engagement with suppliers, governments, businesses and other partners to find new ways to innovate and create positive change to transition towards more responsible supply chains across the entire industry.
- Assessing risk at a category level, in line with ISO 20400 – Sustainable Procurement best practice. Our procurement teams undertake a specific ESG risk assessment for all spend, of which labour practices is a core aspect.
- Identification of critical suppliers, in particular sustainability issues through the heat mapping process.
- Assurance procedures in place to ensure that all CRH companies are actively implementing the requirements of our SCoC.

Non-compliance by a supplier of the SCoC can have a number of consequences including exclusion from any tendering process or termination of contract. However, our preference is to work with our suppliers to develop remediation plans for those affected, and build the capacity of suppliers to ensure these issues are properly managed on an ongoing basis.

All suppliers must show high ethical and corporate social responsibility standards and compliance with relevant laws.

By managing risk and opportunity at a category level, we are able to obtain a greater insight into supply chains and ensure that the required improvements are integrated into category strategy plans and linked to our procurement decisions.



Building components and manufacturing materials - Sometimes sourced in low-cost countries through our Global Direct Sourcing team. See page 9 to see how we manage this risk.

Raw materials - we continue to engage in industry partnership schemes to understand and lead standards in this area – please see page 11 for details.

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.



We conduct an annual review of social performance across our operations. Through this review and our due diligence work we have highlighted four human rights impact areas including:

Health and safety of those working on our sites

There are multiple safety hazards associated with our industry. We manage safety across our operations, working towards our ambition of zero harm.

Our actions

- Implement the CRH Life Saving Rules
- Employee and contractor engagement
- COVID-19 mitigation plans
- Safety audits ongoing
- Health & Safety Policy with the right to stop unsafe work

Employment conditions of employees and contractors working on our sites

Through our Annual Review, we assess the working conditions of our employees and contractors.

Our actions

- Focus on Inclusion & Diversity (I&D) by SESR Committee & I&D Council
- Fair remuneration and equal opportunity
- Group-wide organisational health survey

Health of the communities living close to our materials activities sites

We continue to apply best practice across our operations.

Our actions

- All relevant materials activities have a Community Engagement Plan in place at their sites
- Hosted over 3,500 stakeholder engagements over the last 3 years
- Invest in community relations and development

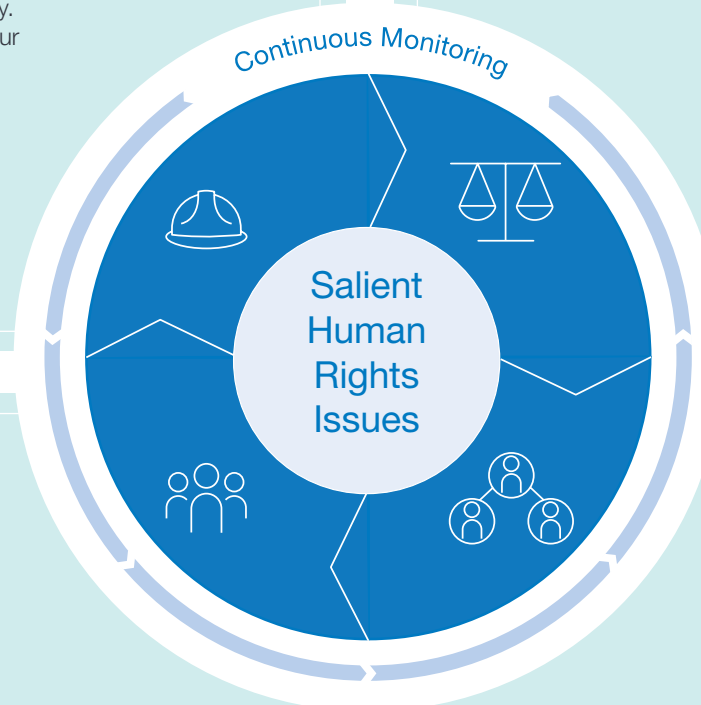
Labour rights of those working in our extended supply chain

We source our materials and products from suppliers worldwide. We work with our suppliers and stakeholders to promote human rights.

Our actions

- Category level assessments in line with ISO 20400
- Review labour practices annually
- CRH Hotline available

See page 4 for further information on supply chain risks.



 Case study

Collaborating for a safer world

Across the world, 1.35 million people die as the result of road traffic accidents annually, with 93% of these fatalities occurring in low to middle income countries (data from the World Health Organisation). The United Nations has set specific targets as part of the Sustainable Development Goals to provide access to sustainable transport systems for all and to halve the number of global deaths and injuries from road traffic accidents.

At CRH, we collaborate with other leading companies at the Global Cement and Concrete Association (GCCA) to improve health and safety across the building materials value chain. As part of this collaboration we have joined forces to produce a “Road Safety Handbook”, using our experience and scale in practical ways to promote better transport standards with our partners across the transport industry.


 Case study

Managing the risks and impacts of COVID-19

Over the last year, the COVID-19 pandemic has posed enormous challenges around the world. The awareness of public health, safety and protection issues has greatly increased, as has the recognition of the connection between environmental changes and disease. The vulnerability of certain groups has been exacerbated by the pandemic – in particular migrant workers, women working in the supply chain, and young workers.

At CRH, we are acutely aware of the impact of COVID-19 on those working in global supply chains, such as potential challenges of increasing unemployment and pressures on environmental management. Our procurement teams work in partnership with our suppliers to find solutions to potential issues. In response to the COVID-19 pandemic, we have undertaken specific resilience discussions with suppliers.

Our ‘Know Your Supplier’ programme is designed to highlight suppliers that are undergoing a change in their financial health, so we can be more targeted in our approach. In addition, our procurement teams continue to work closely with our operating companies to address the issues that have arisen from the pandemic.

Our site assessment programmes have been impacted by the pandemic. We will return to a normal practice as soon as we can safely do so and continue to manage our critical supplier relationships virtually for the time being.



Internal due diligence

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.

Measuring effectiveness and year-on-year progress

Our annual 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, 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 2020 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 2019). 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 CRH employees being members of trade unions (22% in 2019).



Case study

Tarmac Ethical Labour Standard (ELS)

Tarmac, a CRH company, is the UK's leading building materials and construction solutions business and has been verified under BES 6002, the Ethical Labour Sourcing (ELS) standard, which was developed by the Building Research Establishment (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 across 12 areas, including management structure and systems, learning and development, bribery and corruption, procurement and supply chain management.



Labour practices

At CRH, we embrace and comply with local wage and working time laws. Our operating companies offer entry-level wages at or above the minimum wage, with many companies having policies in place to ensure a living wage. Policies or procedures are in place at our operating companies to prevent excessive working hours.

Due diligence processes

Extensive due diligence processes are completed for all CRH acquisitions. Where deficiencies are identified in health and safety standards, improvement plans are put in place together with the relevant capex needed to ensure the safety of employees, contractors and the communities where we operate.

Across the Group in 2020 there were 17 bolt-on acquisitions. Through our due diligence and health and safety audit programmes, specific plans were put in place to improve health and safety standards as required. Issues identified included aligning processes to the CRH Life Saving Rules, installation and updating machine guarding, access to heights and pedestrian vehicle segregation. These remediation plans help progress our ambition to have a culture of safety and wellness working towards zero harm across all companies at CRH. The performance of these companies is tracked through the Annual Review process with 100% of these acquisitions reporting performance in 2020.



External due diligence

Measuring effectiveness and 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 SCoC include:

Category risk profile



Industry partnership schemes

For specific commodities we partner and collaborate with organisations dedicated to improving standards across industry sectors.



3rd party onsite audit

Partners providing audit and improvement plans as part of supplier site visits.



3rd party desktop audit

Independent review of data submissions from suppliers to an industry standard.



Know Your Supplier

Acknowledgement of CRH SCoC and Application Programming Interface (API) links to key external data points to identify any sanctions implications, financial health, adverse media or prosecutions of companies.



← Increasing risk

Global direct sourcing audit summary

Increasingly, we are sourcing goods and materials from best value countries. Our Global Direct Sourcing (GDS) team is based in Shanghai and looks to source key components and products for all our businesses.

The key categories of spend that utilize GDS are manufacturing materials, building components and production equipment. Often this spend occurs in countries that pose a higher risk profile in terms of modern slavery and human rights issues.

Following initial CRH site visits to set 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.



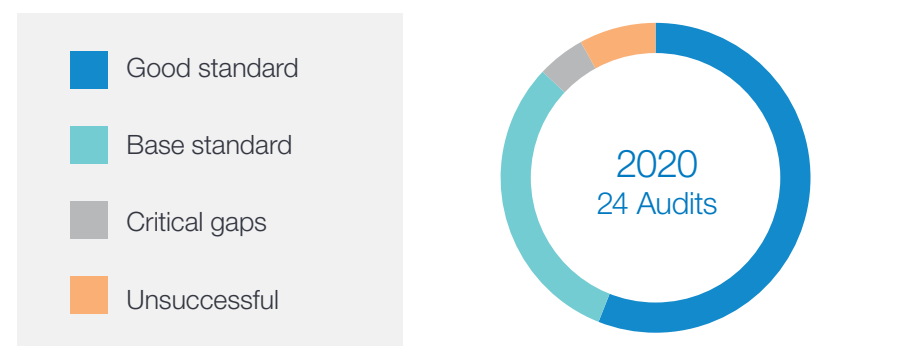
We have seen several issues raised in these assessments. Although we believe that modern slavery is not in place, we have identified some concerns that if left unchecked could create the opportunity for modern slavery to occur. For any critical gaps we identify, we ensure that a corrective action plan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

Common issues that we have had to manage in the past include discrepancies in wage records and processes being in place to demonstrate that people are being paid fairly for their work and potential indicator issues such as deposits being held by employers for onsite accommodation.

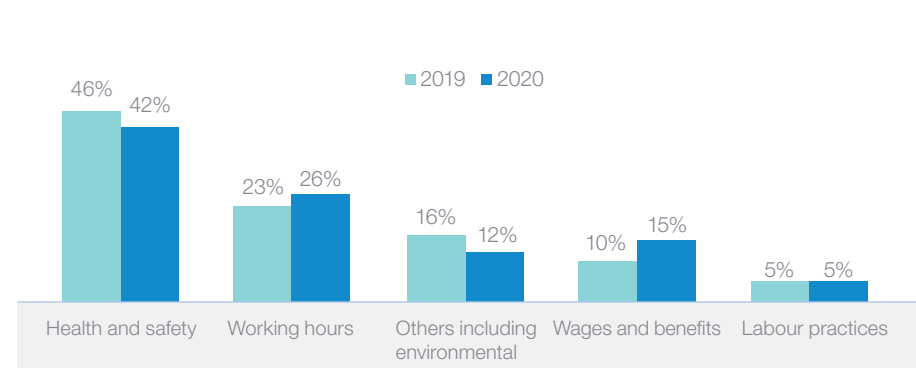
We intervene in all of these cases and we recognise the need to continue this engagement to build and improve supplier capabilities and processes, as well as our own understanding. We believe that using the commercial incentive of our future orders provides us with the best leverage to make an impact.

In 2020, we undertook 24, 3rd party onsite assessments, which is less than in 2019 because of the impact of the pandemic. However, we have maintained our supplier relationships and interactions virtually during this time and look forward to returning to normal procedures when it is safe to do so. We grade the results to help our teams and suppliers understand their performance better. We do not work with suppliers until they close any critical gaps identified.

Audit performance



Critical gap trends



Conflict minerals

CRH is committed to responsibly sourcing all its products and raw materials as outlined in the SCoC and in line with applicable legislation*. Our objective is to ensure that our direct suppliers are not using tin, tungsten, tantalum and gold (3TG) minerals from sources that directly or indirectly finance or benefit armed groups in Conflict-Affected and High-Risk Areas (CAHRAs).

In line with the SCoC and our Sustainable Procurement processes, we consider this aspect in the purchase of float glass, as tin is involved in its manufacture. For example, our Oldcastle BuildingEnvelope® business is a leading integrated supplier of products specified to close the building envelope, including architectural glass, storefront systems, custom engineered curtain and window walls, architectural glazing systems and related hardware. Float glass is used in the manufacture of some of these glazing products.

Assessment of conflict minerals in our supply chain

Due diligence and mitigation measures we have in place to develop a conflict-free supply chain include:

- Continuous inquiries across our business to ensure we have appropriately identified and assessed the risk relating to the use of 3TG in the Group's products.
- Following on from our inquiries, we have identified three direct glass suppliers and they have provided the country of origin details of their smelters. We have procedures in place to assess our suppliers' responses to our queries and these together with smelter listings remain under review.
- Engaging with our direct glass suppliers to confirm that a conflict minerals policy is in place and they undertake due diligence in their upstream supply chain. Suppliers must also confirm corrective action management processes are in place.

Of the information provided to CRH, it is estimated that there are 32 smelters and refiners in our supply chain. All of these smelters and refiners have successfully completed an assessment against the applicable RMAP (Responsible Minerals Assurance Process) standard or an equivalent cross-recognised assessment.



***Section 1502 of U.S. Dodd Frank Act** requires U.S. publicly-listed companies to check their supply chains for tin, tungsten, tantalum and gold, if they might originate in Congo or its neighbours, take steps to address any risks they find, and to report on their efforts every year to the U.S. Securities and Exchange Commission (SEC).



***The EU Conflict Minerals Regulations** require importers to: establish strong company management systems, identify and assess risk in their supply chains, design and implement a strategy to respond to identified risks, carry out an independent third-party audit of supply chain due diligence and report annually on supply chain due diligence.



Case study

Demonstrating performance throughout the value chain

Concrete is the world's most widely used building material. We continue to demonstrate the sustainability credentials of our products to our clients and customers by achieving responsible sourcing certification of our products.

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. BES 6001 is a dominant standard in many markets.

Ethical labour and business practices are a key element of both schemes. CSC and BES 6001 are aligned and provide credits to the major building sustainability certification schemes BREAMM® and LEED®.

CEMENTBOUW
A CRH COMPANY



OPTERRA
A CRH COMPANY

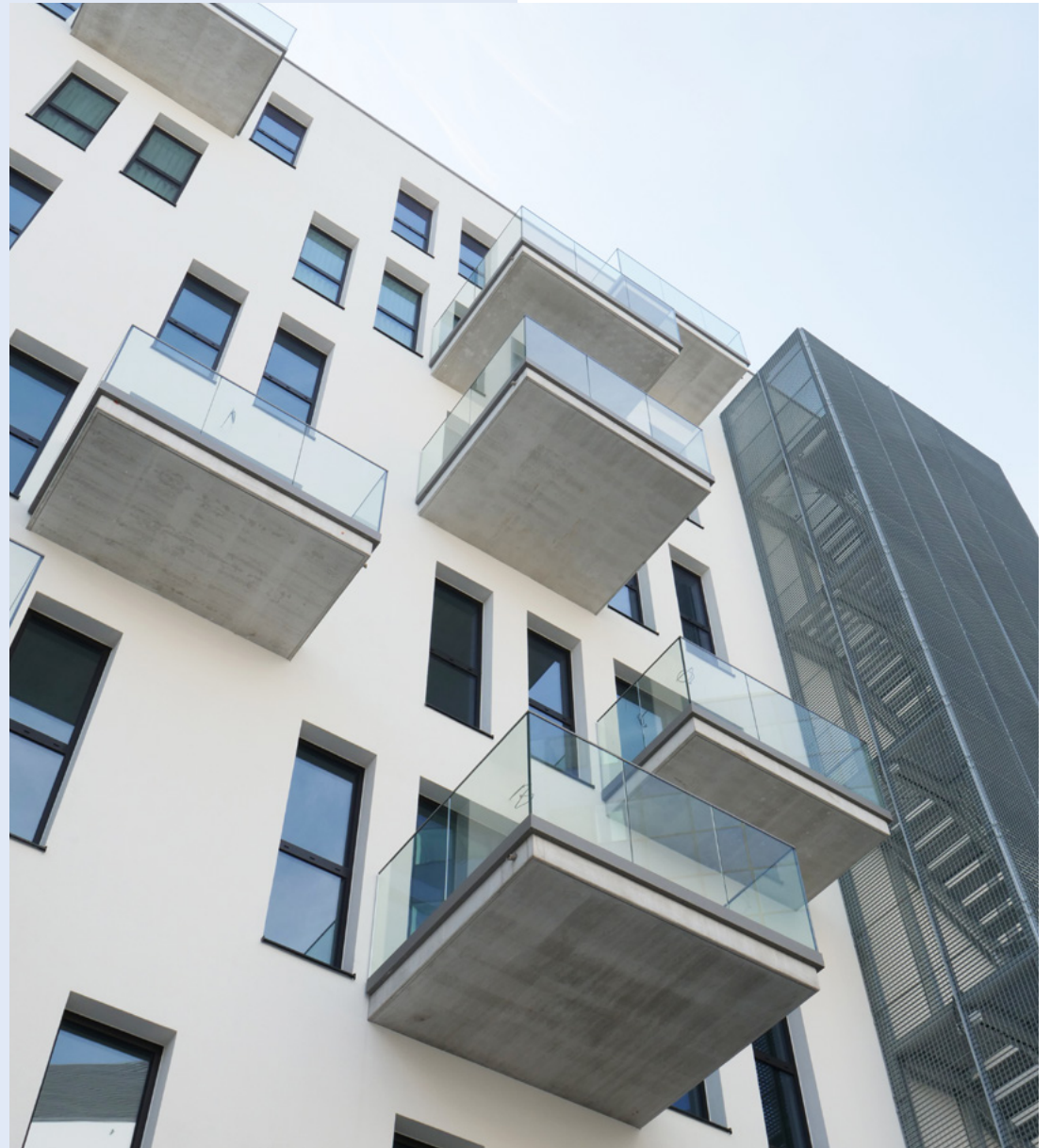


TARMAC
A CRH COMPANY

BES 6001
Responsible Sourcing
Excellent

ROMCIM
A CRH COMPANY

BES 6001
Responsible Sourcing
Very Good

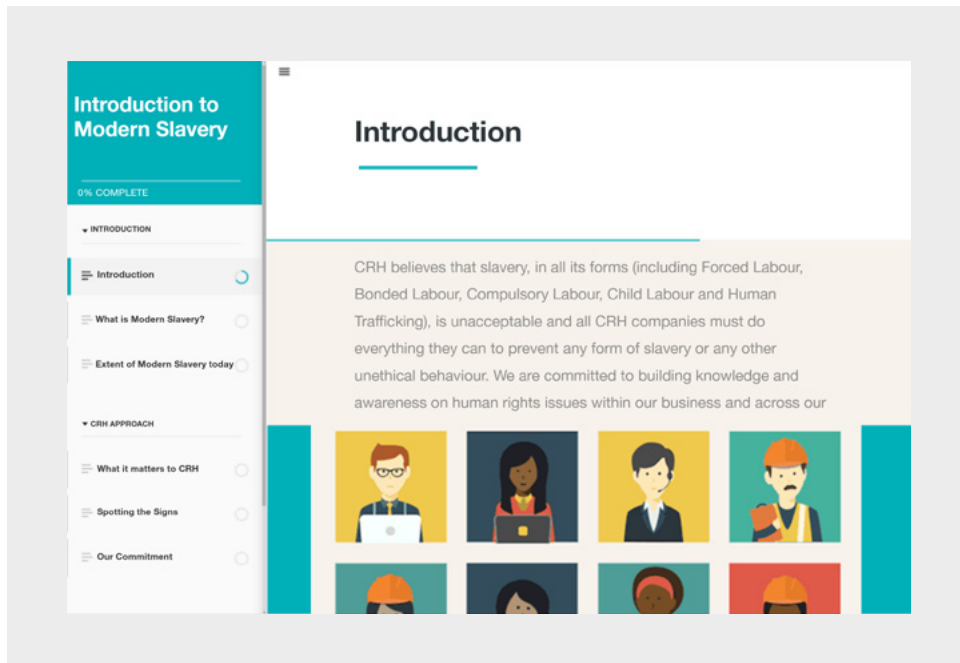


Training

All policies are available online for employees and the CoBC and SCoC can be downloaded from crh.com. All in-scope employees are trained annually in the CoBC and the training is available in 21 languages.

Procurement teams are continuously trained in responsible sourcing issues, tools and techniques. In 2020, Modern Slavery eLearning was developed with a planned rollout across the Group in 2021. This training was developed to increase employee awareness of the potential of modern slavery to occur and the steps to take to report any issues that can help stop modern slavery.

At CRH, we take a holistic approach to training, our frontline leadership and senior management development programmes include strategic modules across the spectrum of human rights including health and safety, developing an inclusive workplace and leading with integrity. We are working to ensure our commitment to human rights is integrated into all levels of the business.



Speak Up process

As part of the Group's Speak Up! culture, we provide formal, confidential ways to report concerns through a "Hotline" facility, an independent, multi-lingual reporting service that is accessible 24/7. The CRH Hotline allows employees, customers, suppliers and other external stakeholders to raise any good faith concerns they may have relevant to CoBC, inappropriate or illegal behaviour or violations of any CRH policies or local laws. This global provider is able to manage our multinational, multilingual workforce and supply chains and is a 24/7 service. All concerns and grievances raised are handled discreetly, assessed, fully investigated and prioritised and escalated where necessary.

In 2020, a total of 309 concerns were raised globally and 21 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.

During 2020
no hotline calls
relating to human
rights were received





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