



Commitment to Human Rights

Modern Slavery Statement of CRH plc.

For the year ending 31 December 2017



This statement is made in adherence to Section 54(1) of the UK Modern Slavery Act 2015 and outlines the steps CRH plc and its subsidiaries (collectively “CRH” or the “Group”) have taken to ensure that slavery and human trafficking is not taking place within either its own business or its supply chains.

CRH plc

CRH is a leading global diversified building materials group. Specifically, it is the largest building materials company in North America, the largest heavyside materials player in Europe, and has strategic positions in Asia and South America. In total, CRH has over 85,000 employees at 3,600 locations in 32 countries.

CRH provides building materials across the spectrum of the construction industry – from building foundations to frame and roofing, to fitting out the interior space and improving the exterior environment. CRH materials and products are also used extensively for on site works and infrastructural projects.

CRH has a dedicated Compliance team supported by in-house legal expertise and a Responsible Sourcing Manager who

supports our global procurement team. The CRH Procurement Board oversees purchasing policy and is accountable for delivering our responsible sourcing objective.

CRH procure a wide range of goods and services and have a procurement spend of c.€17 billion, with 168,000 suppliers worldwide. Our core business lines each have a specific supply chain footprint with different characteristics, challenges and opportunities:

Notably our heavyside materials businesses, are more vertically-integrated in that they source materials produced by other CRH Group companies as raw materials.

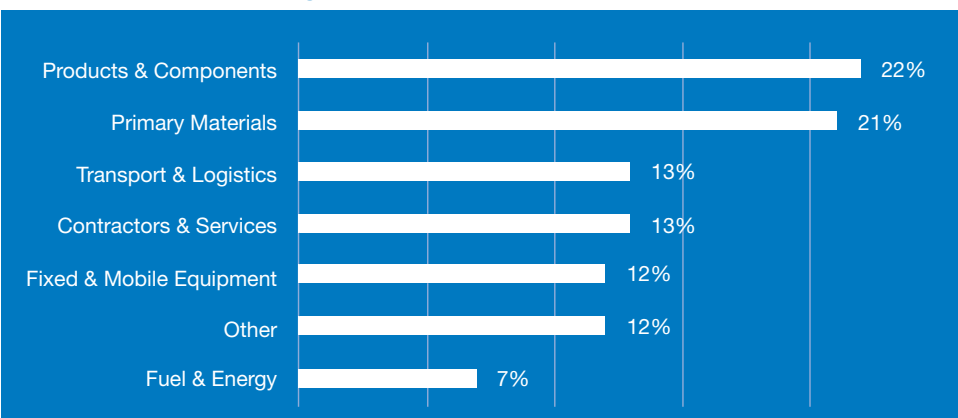
Policies

CRH has a long-standing commitment to human and labour rights and 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. In 2016 CRH published its “Commitment to Human Rights–Tackling Modern Slavery” statement. This comprehensive document (available on our corporate website [here](#)) outlines the Group’s cohesive approach to ensuring human rights abuses are not taking place within its own businesses or its supply chains.

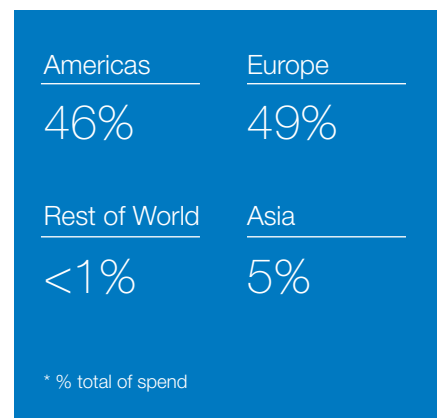
CRH believes that slavery, in all its forms (slavery, servitude, forced or compulsory labour, human trafficking and exploitation) is unacceptable and that all CRH companies must do everything in their power to prevent any form of slavery or any other unethical behaviour.

People-positive supply chain management

€17 billion per year in goods and services purchased worldwide



€168,000 suppliers worldwide



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

- **CRH Code of Business Conduct** – sets out our 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 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** – requires all of our Group companies to:
 - Comply, at a minimum, with all applicable legislation and ensure that our social stewardship is consistent with industry best practice.
 - Manage our businesses in a fair and equitable manner, meeting all our social responsibilities.
 - Support freedom of association and recognise the right to collective bargaining
 - Prohibit forced, compulsory and child labour.
 - 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
 - Ensure that we deal responsibly with our suppliers and customers in accordance with our Code of Business Conduct and proper business practice
- **Supplier Code of Conduct (SCoC)** – sets out how our suppliers must adhere to good ethical practices and specifically undertakes the below in relation to modern slavery:
 - To support and respect the protection of human rights within their areas of influence.
 - To prohibit all forms of forced, compulsory and child labour.
 - To support the principles of equal opportunity in respect of the recruitment and selection of employees.

The Supplier Code of Conduct is available in six languages on our corporate website [here](#).

- **Ethical Procurement Code** – gives guidance to our employees, explaining our requirements of suppliers, due diligence processes and roles and responsibilities in relation to managing suppliers in accordance with the Supplier Code of Conduct.

Assessing & Managing Risk

CRH's Enterprise Risk Management Framework provides a basis for the Group to assess and manage risks associated with business and strategic decisions, including all aspects of sustainability, corporate social responsibility, human rights and labour rights. 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.

CRH assesses supply chain risk at a commodity level in line with ISO 20400 best practice against a set of 12 different sustainability criteria that are tailored to its business and in accordance with our Supplier Code of Conduct and Ethical Procurement Code. ISO 20400 is the world's first international standard for responsible sourcing which aims to increase supply chain transparency and sustainability. 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.

An annual questionnaire is completed by all CRH companies certifying that “relevant suppliers” meet the requirements of the Ethical Procurement Code including a section that describes the Supplier accreditation schemes across the Group.

CRH's central procurement team undertake a specific Corporate Social Responsibility (CSR) risk assessment for all strategic spend, of which labour practices are one aspect.

CRH may terminate a contract with a supplier who violates the Supplier Code of Conduct or refuses to take part in a remediation plan. Likewise, CRH will also exclude from any tendering process, suppliers who do not show high ethical and Corporate Social Responsibility standards or compliance with relevant laws.

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:

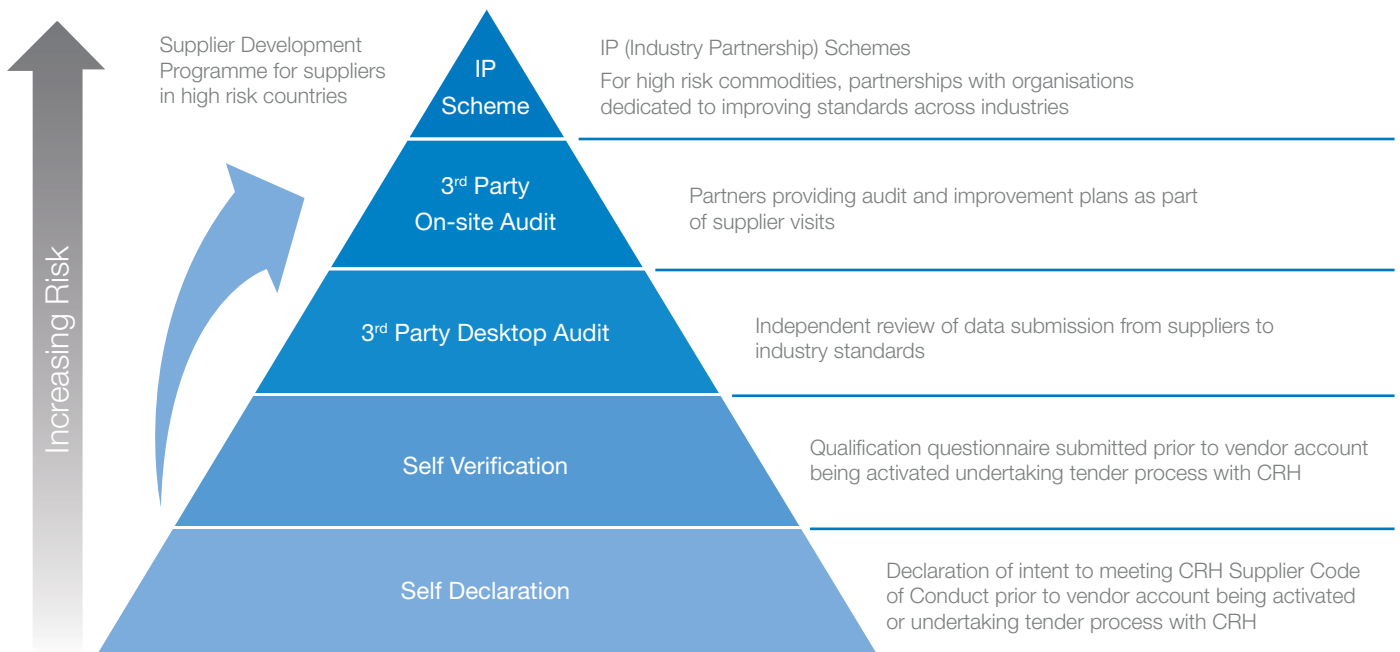
- Direct communication and supplier sign off (SCoC Declaration)
- Completion of SCoC questionnaire for high spend suppliers in higher risk countries (SCoC Validation).

Where our commodity risk assessments identify further risk we also implement:

- Specific contract clauses
- CRH-led site assessment
- 3rd party desktop assessments and screening
- 3rd Party on-site assessment
- Corrective action plans
- Communications & Training

Communications & 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
- Procurement teams are trained in responsible sourcing issues, tools and techniques.
- CRH encourages employees and partners within its supply chain to “Speak Up” and raise any suspicions to our 24/7 multilingual confidential hotline facility. Hotline posters are in place at all CRH company sites or online at www.crhhotline.com. Every report is investigated thoroughly and appropriate actions is taken based on the investigations findings.



Measuring Effectiveness

Year-on-Year Progress

Case Study – Global Direct Sourcing

Increasingly CRH sources goods and materials from best value countries. We have a dedicated team in Shanghai supporting our businesses in this endeavour and a dedicated CSR Manager to ensure that all suppliers we engage meet the high standards we expect. We ensure that all suppliers in this area complete our Supplier Code of Conduct questionnaire and have a thorough third party Factory audit scheme in place to check standards are being met. We conduct our audits prior to agreeing contracts. Since we published our first statement, we have identified 2 potential issues relating to modern slavery that we have worked with suppliers to address.

1. At one supplier location, workers were being charged an accommodation deposit. Following worker interviews, our third party auditor established that there were no violations involved. However, since this activity can sometimes indicate bonded labour, we needed to be confident that the supplier could comply with our requirements. After obtaining confirmation from the supplier that they had returned the deposits obtained from workers, our Global Direct Sourcing CSR Manager conducted an unannounced on-site assessment and a series of worker interviews to confirm that the remedial actions were in place.
2. When engaging a potential supplier, a site assessment established an issue whereby some workers were found to have wages lower than the local minimum wage benchmark - an indicator of poor labour practices and possibly even modern slavery. We communicated immediately with the supplier to set out clear expectations of our standards and orders were held pending the delivery of a corrective action plan. Only when the supplier made improvements and evidence was submitted and assessed by our third party assessment team and CSR manager, was the contract approved.

2017 Reviews

Our 2017 review of labour practices across all CRH companies did not indicate any cases of forced or compulsory labour and found 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.

2017 Achievements

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

We developed our processes as set out above to meet the principles set out in ISO 20400, the world's first international standard for responsible sourcing which aims to increase supply chain transparency and sustainability.

We engaged a third party to review and benchmark our 2016 Modern Slavery Statement to provide recommendations on future reporting and practice.

Goals for 2018 and beyond

We seek to maintain 100% compliance of relevant suppliers with our Supplier Code of Conduct requirements year on year.

We are continually reviewing 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.

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 September 2018 and signed on behalf of the Board by Senan Murphy, Director.