



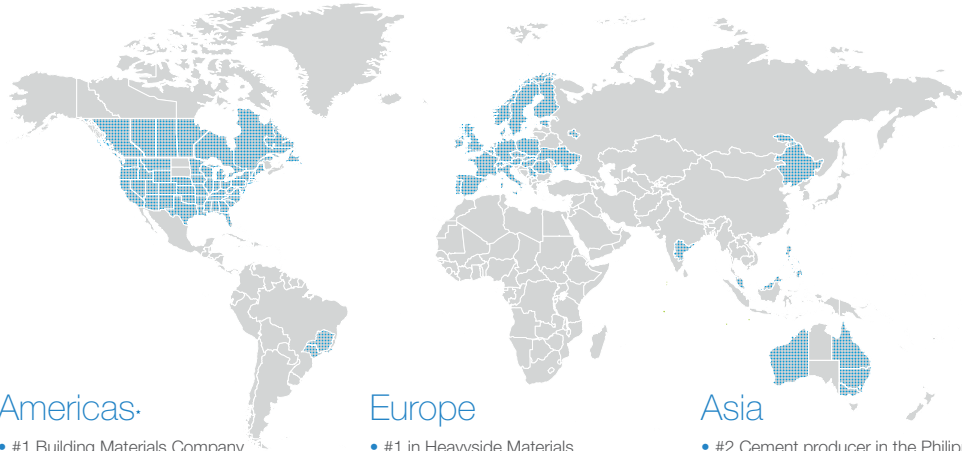
Creating  
a Sustainable  
Built Environment

Our Sustainability Summary 2017

# Our global business

CRH's global footprint spans 32 countries and over 3,600 operating locations, serving customers across the entire building materials spectrum, on five continents, worldwide.

To create long-term value, we embed sustainability principles in all areas of our business strategy. As we grow our business, we have a unique opportunity to contribute to some of the key sustainable development challenges facing society.



## Americas

- #1 Building Materials Company in North America
- Operations in 46 states, seven Canadian provinces and Southeast Brazil
- c. 41,200 employees
- c. 1,650 operating locations



## Europe

- #1 in Heavyside Materials
- Operations in 24 countries
- c. 42,700 employees
- c. 1,950 operating locations



## Asia

- #2 Cement producer in the Philippines
- Regional leadership positions in China and India
- c. 1,400 employees
- 12 operating locations



\* Our discontinued operations Americas Distribution employed approximately 3,900 people, across over 200 locations in 31 US states in 2017. Total Group revenue from continuing operations was €25.2 billion while Group revenue from continuing and discontinued operations was €27.6 billion.

With the global population expected to reach 9.8 billion by 2050, the way that people interact with buildings, infrastructure and cities will change. CRH is leading the way through innovation to help shape the structures of the future, in collaboration with our valued customers and partners. Together, we can create a sustainable built environment for all.

**Albert Manifold, CRH Chief Executive**



# Our response to selected trends shaping our future

As one of the world's leading building materials companies, we have a unique insight into the global trends that are shaping our future. By understanding and responding to these in the right way, we drive returns in our business while contributing to delivery of the United Nations' Sustainable Development Goals (SDGs).

## Building solutions for a changing world

At CRH, we produce and supply the materials that build the world – a world that is changing fast. The products and materials we produce build the homes, roads, workplaces and infrastructure to support a growing population. But to create cities that sustain jobs and prosperity without straining land and resources will require industry-wide innovation. We need to work together to create an integrated approach to sustainable construction across the entire value chain.

## Upholding human rights in our transparent global supply chains

In today's globalised economy, creating a transparent and responsible supply chain is fundamental to the sustainable growth of any business. It is a highly complex challenge and one we have taken significant steps to improve in recent years. Now we are further increasing our scrutiny of issues such as human rights, ensuring we meet ever changing stakeholder requirements and legislative demands, as well as our own standards for our supply chain.

## On the move: creating safer road transport networks for all who use them

Road safety is a global challenge, with 1.25 million people dying on the world's roads every year. As well as improving the safety of our own transport operations, our businesses are involved in a wide range of innovative collaborations with customers, industry partners, safety bodies and other key stakeholders that aim to improve the safety of the road networks and that of the construction industry as a whole.



# Our sustainability targets and ambitions

We set Group-level targets to focus our efforts on the areas that are most important for delivering long-term value by managing our sustainability risks and opportunities. These targets are complemented by business-specific metrics, monitoring and reporting to track results across key areas such as safety, energy efficiency and resource efficiency. Through our efforts to integrate sustainability within all areas of our business, we are also contributing to our four focus UN Sustainable Development Goals (SDGs).



Area	2020 target
Safety	Zero fatalities
Employee engagement	95% of employees to receive training
Business conduct	95% of relevant employees to have been trained in CoBC
Community engagement	90% of relevant companies to have Community Engagement Plans
Supply chain	100% of relevant suppliers to be compliant with the Ethical Procurement Code
Environment	90% of relevant locations to have a permitted/certified environmental management system
Environment	2015 acquisitions to be integrated into environmental roadmaps
Climate	Specific reduction in CO <sub>2</sub> emissions (25% by 2020 on 1990 levels, designated plants)
Air	Specific reduction in particulates emissions (80% by 2020 on 2006 levels, designated plants)
Air	Specific reduction in NO <sub>x</sub> emissions (22% by 2020 on 2006 levels, designated plants)
Air	100% clinker to be produced with monitoring of minor emissions
Waste	95% of relevant companies to have waste reduction/recycling programmes
Water	75% of relevant companies to have water efficiency and quality programmes
Biodiversity	90% of relevant locations in sensitive areas for biodiversity to have a biodiversity management plan
Biodiversity	100% of relevant extractive sites to have a restoration plan

Throughout this year's Sustainability Report, we have identified examples of our how our activities are contributing to our focus SDGs and the innovative and collaborative initiatives that support them. Looking to the future, we will work to further align the SDGs with our business strategy, putting them front and centre of our post-2020 targets and short, medium and long-term action plans.



# We embed a culture of safety

There are multiple hazards associated with our industry – from kilns operating at over 1,400°C, to working at height and operating heavy machinery. Because of this, we must integrate safety into everything we do.

Our culture of safety sets us apart and we are united in our common goal – that nobody gets hurt at work. The development of a strong safety culture is driven by management and employees at every level and is a core part of doing business with integrity.

Image: A worker at CRH Canada's Mississauga plant using appropriate Personal Protective Equipment to safely carry out welding.

Safety has long been a strategic priority for CRH. Our global network of safety officers works closely with our businesses implementing policy and best practice across all of our operations. We also continue to invest in initiatives targeted at promoting safety and in the past five years over €160 million has been invested in this area.

Our industry involves dangerous work and achieving zero accident status at every location continues to be the goal. While 94% of locations were accident free in 2017, ensuring consistency in the application of our safety processes across our global business continues to be a focus.

Despite our progress, in 2017 a number of fatalities at our operations underlined the need for us to do even more to ensure that all of our people return home safe at the end of each working day.



**94%**  
locations  
accident free

**€160m**  
invested in  
safety over  
last 5 years

Almost  
**3,000**  
locations  
with safety  
audits

**1.7m**  
hours of safety  
training  
completed

**87%**  
Group companies  
with health  
& wellbeing  
programmes

# We create solutions for our customers

At CRH, sustainability is a driver for customer collaboration and innovation. With our customers increasingly focused on creating sustainable structures, their choice of materials matters. The way in which buildings and infrastructure interact with people and the environment is increasingly important. By innovating around themes including climate, circular economy and resilience, we can drive better outcomes for our customers, our business and also for wider society.

Image: Concrete samples being tested for water resistance in the Concrete Lab at Podilsky Cement in Ukraine. Podilsky has been part of our Europe Heavyside Division since 1999 and is one of the largest and most modern dry process cement producers in Europe.

A challenge that we all face is how to develop and maintain our living spaces, working zones and transportation networks to meet the demands of an increasing global population without negatively imposing on the environment. CRH is committed to continuing to lead the way towards a more sustainable built environment. An increasing portion of our products are recognised as suitable for use in green building rating systems such as BREEAM® and LEED®.

Our focus on delivery through local businesses creates new revenue opportunities and supports our resilient business model, while also building stronger customer relationships. Our businesses are working to devise effective strategies to meet our customers' evolving expectations through the products and services that support strong sustainability performance and differentiate us in the marketplace.



**30m**  
tonnes of alternative raw materials

**77.5**  
clinker:cement ratio

**1.8m**  
tonnes of CO<sub>2</sub> emissions avoided through reduction efforts

**75%**  
of our US asphalt volume is warm-mix

# We develop and empower our people

With operations in 32 countries, CRH is both multinational and multicultural. Our aim is to attract and develop a workforce that is as diverse as our customers and our communities, recognising that people are critical to sustaining competitive advantage and long-term success.

Image: An employee at Tarmac, UK, part of our Europe Heavyside Division, which has an active programme to increase the proportion of women in its organisation.

Investing in employee development is fundamental to the long-term growth of our company. It is a strategic imperative that we build a better workplace by developing and empowering our people to succeed.

As a growing and dynamic company, making sure that we have the right people to deliver on our strategy is important. Attracting, developing and empowering the next generation of performance-orientated, innovative and entrepreneurial leaders is an ongoing priority. We commit significant resources to developing our employees skills and deepening expertise in areas including safety, front-line leadership, environmental and skills training.

Diversity and inclusion is a challenge that is not unique to our company or our industry. We continue to champion diversity and inclusion within our businesses, and we strive to create an environment that provides all individuals the freedom to succeed.



**29.2**  
hours of training  
per employee

Over  
**85,000**  
employees  
worldwide

**9.5 years**  
average length  
of service

**17%**  
of CRH employees  
are female



# We collaborate and engage for sustainability

We know that, in today's increasingly complex world, we can achieve much more when we collaborate with others. Our motivation goes beyond economic, social and environmental responsibility and looks to create shared value for all our stakeholders.

Image: Over 250 colleagues, family members, friends, neighbours and volunteers attended the CRH Americas' Community Day event on the Oldcastle Nature Trail at the Marcus Autism Centre in Atlanta, Georgia, where a beekeeper demonstrating the importance of bees to our environment was just one of many attractions.

As a global business, consistent collaboration with stakeholders is a key part of how we operate, particularly in the context of human and labour rights. We maintained our open-door policy and our companies hosted approximately 1,100 stakeholder engagement events in 2017.

We are committed to responsible sourcing and 100% of our procurement teams have been trained in responsible sourcing issues. Our aim is to ensure that our businesses are well-equipped to deal with the challenges of implementing and managing a sustainable supply chain, including cost, and external regulations.



**1,100**  
stakeholder  
engagement events

**100%**  
procurement teams  
received training in  
responsible sourcing

**€5.2m**  
donated to  
organisations  
and initiatives

**85%**  
companies with  
community  
engagement plans

# We protect the environment

A strong environmental performance is fundamental to our strategic focus on continuous business improvement and delivers significant financial and extra-financial benefits. As we continue to grow and expand our Group. It is more important than ever that we continue to build a business that is low carbon, energy efficient, circular and restorative.

Image: Our Europe Heavyside company Northstone works with external stakeholders to protect wildlife, including this peacock butterfly (*Aglais io*), photographed at Croaghan Quarry, Northern Ireland.

We have continued to deliver positive trends in our environmental KPIs while effectively integrating acquisitions into environmental management systems and receiving external recognition for our environmental performance. We are focused on providing building solutions that promote climate resilience and reduce carbon emissions along the lifetime of a building. We are reducing our direct CO<sub>2</sub> emissions through the use of alternative fuels, alternative materials and efficiencies.

We continue to work towards our environmental and climate change targets while ensuring consistency in our approach and leadership on key environmental issues for our industry.



**€151m**  
in environmental  
expenditure

**22%**  
reduction in  
cement CO<sub>2</sub>  
emissions  
since 1990

**2m**  
tonnes of  
alternative  
fuels used

**80%**  
sensitive  
locations with  
biodiversity  
plans

**98%**  
pits and quarries  
with restoration  
plans

**828 GWh**  
'green' electricity  
purchased

# We build a resilient and sustainable business

For almost five decades, we have grown to be a leader in the building materials industry by building better businesses across our international operations. We do not have a separate sustainability strategy; rather sustainability is embedded in our business strategy and is integral to how we run our business

Image: Surfacing work undertaken by Idaho Materials & Construction (IMC), part of our CRH Americas Materials Division on a section of Interstate-84 (I-84) between Nampa and Caldwell, Idaho. Recent harsh winters caused the original surface to deteriorate and IMC completed a fast-track project that included milling out the existing surface, inlaying a base course and overlaying approximately 15km of highway.



Our approach to sustainability has, at its core, the ambition of harnessing the value creation opportunity from sustainability so that we can deliver long-term value for all of our stakeholders.

We continued to deliver strong profit growth during 2017 through improved performance in our businesses. All of our companies are expected to exhibit increasingly responsible behaviour. As a global organisation, we ensure that our corporate governance standards are rigorously applied across all of our company sites, in line with local jurisdiction requirements.



CoBC available in

**23**  
languages

**27%**  
CRH Directors  
are female

Over  
**34,000**  
employees  
received CoBC  
training

Almost  
**9,000**  
employees received  
Advanced Compliance  
Training



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CRH® is a registered trade mark  
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We've launched our 2017 Sustainability Report  
Be sure to check it out at [www.crh.com](http://www.crh.com)

**Cover image:** Ancon, a company with CRH's Europe Lightside Division, provided over 100,000 Ancon Rebar Couplers for use in the concrete support towers, end piers and road deck of one of the longest cable-stayed bridges in the world. The Queensferry Crossing was officially opened on 4th September 2017 and at 2.7km, is the longest threestower, cable-stayed bridge in the world.

Photo Courtesy of Transport Scotland