



Ethical Procurement Code





1 CRH Ethical Procurement Code

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1 CRH Ethical Procurement Code

1.1 INTRODUCTION AND POLICY OBJECTIVE

CRH is committed to the highest levels of legal, ethical and moral standards, as set out in the Group's Code of Business Conduct and related policies. CRH requires all those involved in procurement activities to uphold these principles in their dealings with suppliers. The CRH Code of Business Conduct outlines the need for special attention to the purchase, directly or indirectly, of products in or from developing countries. The Code also requires that our principal suppliers adhere to good ethical business practices and meet appropriate standards in respect of local law concerning human rights, health and safety and environmental stewardship. To uphold these commitments the Group requires adherence to the procurement procedures prescribed in this Ethical Procurement Code.

1.2 STATEMENT OF POLICY

CRH companies should ensure that they procure from suppliers who:

1. Support and respect the protection of **Human Rights** within their areas of influence.
2. Respect **Freedom of Association** and the effective recognition of the right to collective bargaining by all employees.
3. Prohibit all forms of **Forced, Compulsory and Child Labour**.
4. Support the principle of **Equal Opportunity** in respect of the recruitment and selection of employees.
5. Comply, as a minimum, with all applicable **Health & Safety** legislation and continually improve stewardship towards industry best practice.
6. Comply, as a minimum, with all applicable **Environmental** legislation and support a proactive approach to environmental challenges.
7. Comply with all relevant **Anti-Bribery and Anti-Corruption** legislation in respect of their dealings with CRH.
8. Comply with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas as well as Section 1502 of the Dodd-Frank Act.

1.3 ROLES & RESPONSIBILITIES

Company Managing Directors (MDs)/Presidents, supported by their Procurement Officers, are responsible for the implementation of the CRH Ethical Procurement Code and associated guidelines.

New and Renewed Supply Contracts

The Company MD/President or their Procurement Officer must ensure that, where practical and relevant, contracts with new suppliers or agents and also renewed contracts with existing suppliers or agents incorporate the minimum prescribed Corporate Social Responsibility (CSR) terms and conditions set out in Appendix I.

Contracts >€1m/\$1m with Suppliers in Identified Risk Countries

The Company MD/President or where relevant/appropriate the Procurement Officer, must ensure that "Relevant Suppliers" have been assessed by the Divisional Procurement Leads (contact details set out overleaf) or by their own company and meet the requirements of this Code as set out below.

"Relevant Suppliers" are defined as:

- suppliers of goods or services under contracts with an annual value greater than €1m/\$1m operating in China, India, and Russia; and
- agents or suppliers who in turn directly source those goods or services (i.e. >€1m/\$1m) from a single source of supply in China, India and Russia.

The steps to take to ensure relevant suppliers comply with this Code are as follows:

- The CRH CSR Supplier Policy Questionnaire (included in Appendix II) must be completed by relevant suppliers i.e. this applies to all contracts >€1m/\$1m either sourced:
 - directly from suppliers in China, India or Russia
 - via agents who source from suppliers operating in those locations
 - or from suppliers who in turn directly source from suppliers operating in those locations

- *If the replies to the questionnaire are deemed to be acceptable, the supplier/agent may be engaged, ensuring the contract includes the prescribed CSR terms and conditions per Appendix I.*
- *Should the questionnaire highlight areas for concern, the supplier/agent may need to be audited and/or remedial steps agreed. The Divisional Procurement Leads must be consulted if an audit is to be initiated and are also available for general support and assistance in relation to the application of this Code.*

1.4 MONITORING, ASSURANCE AND REPORTING

The Head of Group Compliance & Ethics will provide an annual update on the implementation of the Ethical Procurement Code to the CRH Audit Committee. This update will be informed by annual Ethical Procurement Activity reports prepared by the Divisional Procurement Leads and information from the annual Safety & Social Review prepared by the Group Sustainability Manager. Internal Audit will review the effective operation of this Code as part of their audit programme.

Conflict Minerals

CRH will comply with all conflict minerals reporting rules and other applicable laws. In so doing, CRH will:

- Require that all of its suppliers (who provide products or components to CRH that contain conflict minerals) complete annual surveys regarding the country of origin of any conflict minerals contained in such products or components;
- Require that all suppliers agree to cooperate with CRH in connection with any due diligence that CRH chooses to perform with respect to its country of origin inquiries; and
- Require a supplier, when CRH deems it necessary, to provide reasonable proof of the due diligence performed by the supplier to support the country of origin certification provided by the supplier to CRH.

For further information regarding this Code please contact:

Europe:

Heavyside/Lightside:	John McKeon	jmckeon@crh.com
Distribution:	Richard Piekar	rpiekar@crh-eur.nl

USA:

Oldcastle Materials:	Deron Banke	deron.banke@oldcastlematerials.com
Oldcastle Building Products:	Bill Braswell	bill.braswell@oldcastle.com
Allied Building Products:	Tim Williams	tim.williams@alliedbuilding.com

For more information on the CRH Compliance & Ethics programme please contact the Head of Group Compliance & Ethics.

Appendix I Minimum Prescribed Corporate Social Responsibility (CSR) Terms & Conditions for:



- Supply Contracts with New Suppliers and Agents; and
- Renewed Supply Contracts with Existing Suppliers and Agents

Contracts may include additional clauses and specific laws and regulations may be referenced as required. However the contract must at a minimum incorporate the following CSR clauses, or equivalent references:

- *The supplier must comply with all relevant laws relating to human rights, health, safety and the environment and anti-bribery and anti-corruption (including the UK Bribery Act and The US Foreign Corrupt Practices Act if applicable)*
- *The supplier must also adhere to good ethical business practices as set out in the CRH Code of Business Conduct (www.crh.com/crh-people/crh-code-of-conduct.aspx) (page 11) and comply with the CRH Ethical Procurement Code which specifically requires the supplier to:*
 1. Support and respect the protection of human rights within their areas of influence.
 2. Respect freedom of association and the effective recognition of the right to collective bargaining by all employees.
 3. Prohibit all forms of forced, compulsory and child labour.
 4. Support the principle of equal opportunity in respect of the recruitment and selection of employees.
 5. Comply, as a minimum, with all applicable health & safety legislation and continually improve stewardship towards industry best practice.
 6. Comply, as a minimum, with all applicable environmental legislation and support a proactive approach to environmental challenges.
 7. Comply with all relevant anti-bribery and anti-corruption legislation in respect of their dealings with CRH.
 8. Comply with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas as well as Section 1502 of the Dodd-Frank Act.

Appendix II CRH Corporate Social Responsibility (CSR) Supplier Questionnaire



SUPPLIER/AGENT DETAILS	Company Name		
	Address		
	CEO/Managing Director		
	Type of Business		
	Telephone		
	Fax		
	e-mail		
	Website		
KEY EMPLOYEE STATISTICS	Number of employees		
	Minimum age requirement		
	Average age		
	Gender balance	Male	
		Female	
Average weekly working hours per employee			
CSR POLICY	Does the company have a CSR policy? If so, please attach a copy.		
	Does the company have any relevant certifications in relation to CSR? If so, please attach a copy.		
HUMAN RIGHTS	Is the company involved in forced labour?		
	Does the company employ child labour?		
	Are there any barriers to freedom of association or collective bargaining in place?		
	If local law prohibits freedom of association or collective bargaining, what arrangements are in place for the facilitation of these?		
	Does the company discriminate on the basis of age, gender, disability, creed, ethnic origin or sexual orientation?		
	Is the company involved in corporal punishment, mental or physical coercion or verbal abuse?		
	Do wages paid for a standard work week meet national legal and industry standards?		
CONFLICT MINERALS	Does the company provide products or components to CRH that contain 'Conflict Minerals' (gold, tantalum, tin or tungsten)? If so, where do these minerals originate (country where they are mined or smelter where they are refined)?		

HEALTH AND SAFETY	Does the company have a health and safety policy? If so, please attach a copy.	
	Does the company comply with local legislation in respect of health and safety?	
	Does the company have ISO 18001 accreditation? If so, please attach a copy.	
	Does the company provide a safe and healthy work environment?	
	Are the significant health and safety risks of the business identified?	
	Have employees received health and safety training?	
	Has the company had any legal actions or convictions for breaches of health and safety legislation in the past 3 years?	
	Has the company had any fatalities in the last 3 years? If so, please give details.	
ENVIRONMENT	Does the company have an environmental policy? If so, please attach a copy.	
	Does the company comply with local environmental legislation?	
	Does the company have ISO 14001 accreditation? If so, please attach a copy.	
	Are the significant environmental impacts of the business measured and controlled?	
	Have employees received environmental training?	
	Has the company had any significant environmental incidents in the past 3 years?	
QUALITY	Does the company have a quality policy? If so, please attach a copy.	
	Does the company have ISO 9001 accreditation? If so, please attach a copy.	
	Is there an appointed person with responsibility for quality?	
	Are quality related continuous improvement targets set and delivered?	
	Have employees received quality training?	
ANTI-BRIBERY & CORRUPTION	Does the company have an anti-bribery & corruption policy? If so, please attach a copy.	
	Does the company comply with all relevant local and international anti-bribery & anti-corruption legislation?	
	Has the company ever been sanctioned for any bribery or corruption offence? If so, please give details.	

