Audit Committee Report

Our Audit Committee Chairman, Shaun Kelly, provides an overview and insight into the workings of, and principal matters considered by, the Audit Committee in 2022, including the Group's reporting on climate-related risks which was a particular area of focus in 2022.

Read the **Audit Committee Report** on **page 92**

Nomination & Corporate Governance Committee Report

Our Chairman, Richie Boucher, summarises the areas of focus for the Nomination & Corporate Governance Committee during 2022, including Board composition and renewal (including diversity), Board Committee composition and responsibilities, and executive Director succession planning.

Read the **Nomination & Corporate Governance Committee Report** on **page 98**

Governance

Safety, Environment & Social Responsibility Committee Report

Our SESR Committee Chairman, Mary Rhinehart, provides an update on the remit and focus of the SESR Committee during 2022, including updates on topics such as Safety, Purpose, I&D and employee engagement, as well as CRH’s 2030 sustainability targets and decarbonisation roadmap.

Read the **SESR Committee Report** on **page 104**

Directors' Remuneration Report

Our Remuneration Committee Chairman, Lamar McKay, introduces the remuneration policy updated and approved by shareholders in 2022, and the Annual Report on Remuneration, which contains details of CRH's remuneration arrangements and related disclosures.

Read the **Directors' Remuneration Report** on **page 108**

Board of Directors

Richie Boucher

Chairman

Appointed to the Board: March 2018
Nationality: Irish Age: 64
Skills and experience:

Richie has extensive experience in all aspects of financial services and was Chief Executive of Bank of Ireland Group plc between February 2009 and October 2017. He also held a number of key senior management roles within Bank of Ireland, Royal Bank of Scotland and Ulster Bank. He is a past President of the Institute of Banking in Ireland and of the Irish Banking Federation.

Qualifications: Bachelor of Arts (Economics) from Trinity College, Dublin; Fellow of the Institute of Banking in Ireland.

External appointments:

Listed: Director of Kennedy-Wilson Holdings, Inc., a global real estate investment company.

Non-listed: Non-executive Director of Clonbio Group Limited, which manufactures sustainable bio products and produces renewable energy.

Committee membership:
ADF (Chair); NCG (Chair); REM; and SESR

Albert Manifold

Chief Executive

Appointed to the Board: January 2009
Nationality: Irish Age: 60
Skills and experience:

Albert joined CRH in 1998. Prior to joining CRH, he was Chief Operating Officer with a private equity group. While at CRH he has held a variety of senior positions, including Finance Director of the Europe Materials Division, Group Development Director and Managing Director of Europe Materials. He became Chief Operating Officer in January 2009 and was appointed Group Chief Executive with effect from 1 January 2014.

Qualifications: FCPA, MBA, MBS.

External appointments:

Listed: Non-executive Director of LyondellBasell Industries N.V., one of the largest plastics, chemicals and refining companies in the world.

Non-listed: Not applicable.

Committee membership:
ADF and SESR

Jim Mintern

Chief Financial Officer

Appointed to the Board: June 2021
Nationality: Irish Age: 55
Skills and experience:

Jim has over 30 years' experience in the building materials industry, nearly 20 years of which have been with CRH. Jim joined CRH as Finance Director for Roadstone and since then has held several senior positions across the Group, including Country Manager for Ireland, Managing Director of each of the Western and Eastern regions of our Europe Materials Division and Chief of Staff to the Chief Executive. He was appointed to the Board and became Chief Financial Officer with effect from 1 June 2021.

Qualifications: Fellow of Chartered Accountants Ireland; Bachelor of Commerce from University College Dublin.

External appointments

Listed: Not applicable.

Non-listed: Not applicable.

Committee membership:

ADF

Lamar McKay

Senior Independent Director

Appointed to the Board: December 2020
Nationality: United States Age: 64
Skills and experience:

Lamar was, until July 2020, Chief Transition Officer of BP plc. During a 40 year career in Amoco and subsequently with BP, following the merger of the two companies, Lamar held a variety of senior executive roles, including responsibility for BP's interests in the TNK-BP joint venture, Chairman and CEO of BP Americas (during which period he acted as President of the Gulf Coast Restoration Organization and Chief Executive Officer for BP's worldwide Upstream Division). From April 2016 to February 2020 he was Deputy Group Chief Executive Officer of BP, a role in which he had a wide range of accountabilities, including safety, operational risk, legal affairs, technology, economic insight, long range planning and strategy with the latter responsibilities particularly influencing capital allocation planning and BP's sustainability initiatives.

Qualifications: Bachelor of Science from Mississippi State University.

External appointments:

Listed: Non-executive Chairman of APA Corporation.

Non-listed: Not applicable.

Committee membership:

ADF; NCG; REM (Chair); and SESR

Board Committees

Acquisitions, Divestments and Finance Committee	ADF
Audit Committee	AUDIT
Nomination & Corporate Governance Committee	NCG
Remuneration Committee	REM
Safety, Environment & Social Responsibility Committee	SESR

Caroline Dowling

Non-executive Director

Appointed to the Board: March 2021
Nationality: Irish Age: 55
Skills and experience:

Caroline was, until her retirement in February 2018, a Business Group President of Flex, an industry leading Fortune 500 company, with operations in 30 countries. In this role she led the Telecommunications, Enterprise Compute, Networking and Cloud Data Centre and was also responsible for managing the Global Services Division, supporting complex supply chains. Prior to this, Caroline held a range of senior executive roles in Flex, including responsibility for development & strategy, marketing, retail & technical services and global sales.

External appointments:

Listed: Non-executive Director of DCC plc and IMI plc.

Non-listed: Non-executive Director of Orion SCM, Inc., a US-based software firm.

Committee membership:

ADF; REM; and SESR

Richard Fearon

Non-executive Director

Appointed to the Board: December 2020
Nationality: United States Age: 66
Skills and experience:

Richard was, until March 2021, the Vice Chairman and Chief Financial and Planning Officer of Eaton Corporation plc, a global power management company, roles he held since 2009 and 2002, respectively. He had responsibility and oversight for a number of key operational and strategic functions at Eaton, including accounting, control, corporate development, information systems, internal audit, investor relations, strategic planning, tax and treasury functions. Prior to joining Eaton, he worked at several large diversified companies, including Transamerica Corporation, NatSteel Ltd, and The Walt Disney Company. He also served as a management consultant with Booz Allen & Hamilton and The Boston Consulting Group.

Qualifications: Bachelor of Arts in Economics from Stanford University; Masters of Business Administration from Harvard Business School; and a Juris Doctor from Harvard Law School.

External appointments:

Listed: Non-executive and Lead Director of Avient Corporation; non-executive Director of Crown Holdings, Inc and non-executive and Lead Director of Hennessy Capital Investment Corp. VI.

Non-listed: Not applicable.

Committee membership:

ADF; AUDIT*; and SESR

**Audit Committee Financial Expert as determined by the Board*

Johan Karlström

Non-executive Director

Appointed to the Board: September 2019
Nationality: Swedish Age: 66
Skills and experience:

Johan was President and Chief Executive Officer of Skanska AB, a leading multinational construction and project development company until 2017. Over a thirty-year career with Skanska, he held a variety of leadership roles in Europe and America, before becoming President and Chief Executive in 2008. He also served as President and Chief Executive Officer of BPA (now Bravida), a listed mechanical and installation group from 1996 to 2000.

Qualifications: Masters degree in Engineering from the KTH Royal Institute of Technology, Sweden.

External appointments:

Listed: Not applicable.

Non-listed: Non-executive Director of Nimlas AB.

Committee membership:

ADF; REM; and SESR

Shaun Kelly

Non-executive Director

Appointed to the Board: December 2019
Nationality: Dual Irish & United States
Age: 63
Skills and experience:

Shaun was until September 2019, the Global Chief Operating Officer of KPMG International, where he was responsible for the execution of the firm's global strategy and for the delivery of various global initiatives. Over a thirty-year career with KPMG, the majority of which was spent in the US, he held a variety of senior leadership positions, including Partner in Charge, US Transaction Services (2001 to 2005), Vice Chair and Head of US Tax (2005 to 2010) and Vice Chair Operations and Chief Operating Officer Americas (2010 to 2015), before his appointment as Global Chief Operating Officer in 2015.

Qualifications: Fellow of Chartered Accountants Ireland and a US Certified Public Accountant; Bachelor of Commerce and Diploma in Professional Accounting from University College Dublin; and an honorary doctorate from Queen's University Belfast.

External appointments:

Listed: Not applicable.

Non-listed: Non-executive Director of Park Indemnity Limited. Shaun holds a number of non-profit board memberships.

Committee membership:

ADF; AUDIT* (Chair); and REM

**Audit Committee Financial Expert as determined by the Board*

Board of Directors continued

Badar Khan

Non-executive Director

Appointed to the Board: October 2021
Nationality: Dual British & United States
Age: 51
Skills and experience:

Badar is currently a Senior Advisor with Global Infrastructure Partners, a leading global independent infrastructure fund manager. He was, until June 2022, President of National Grid US, a major business segment of the leading energy transmission and distribution company, National Grid plc. Prior to this, he held a variety of roles in National Grid, including responsibility for strategy and innovation. Before joining National Grid he worked at Centrica plc (2003 to 2017), a leading international energy services and solutions company, where he held a variety of senior executive positions in the UK and US, and has prior experience in marketing, consulting and project management.

Qualifications: Bachelor of Engineering from Brunel University and an MBA from The Wharton School of the University of Pennsylvania.

External appointments:

Listed: Non-executive Director of EVgo Inc.

Non-listed: Not applicable.

Committee membership:
AUDIT and SESR

Gillian L. Platt

Non-executive Director

Appointed to the Board: January 2017
Nationality: Canadian Age: 69
Skills and experience:

During the course of her executive career, Gillian held a number of senior leadership positions in a variety of industries, geographies and roles including human resources, corporate affairs and strategy. Most recently she was Executive Vice President and Chief Human Resources Officer at Finning International, Inc. (the world's largest Caterpillar equipment dealer) with global responsibility for human resources, talent development and communications. She previously held senior executive roles at Aviva, the multinational insurance company, as Executive Vice President Human Resources and Executive Vice President Strategy and Corporate Development.

Qualifications: Bachelor of Arts from the University of Western Ontario and a Masters of Education from the University of Toronto.

External appointments:

Listed: Non-executive Director of Interfor Corporation, a Canadian listed company, which is one of the world's largest providers of lumber.

Non-listed: Not applicable.

Committee membership:
NCG; REM; and SESR

Mary K. Rhinehart

Non-executive Director

Appointed to the Board: October 2018
Nationality: United States Age: 64
Skills and experience:

Mary is non-executive Chairman of Johns Manville Corporation, a Berkshire Hathaway company, which is a leading global manufacturer of premium-quality building products and engineered speciality materials. Over nearly 40 years with Johns Manville she has held a wide range of global leadership roles, encompassing responsibility for business management and strategic business development and was also Chief Financial Officer. Mary was formerly a non-executive Director of Ply Gem Holdings Inc., a leader in exterior building products in North America and Lead Director of CoBiz Financial Inc.

Qualifications: Bachelor's degree in Finance from the University of Colorado; MBA from the University of Denver.

External appointments:

Listed: Non-executive Director of Graphic Packaging Holding Company.

Non-listed: Non-executive Chairman of Johns Manville Corporation; and member of the Board of Trustees of the University of Denver.

Committee membership:
NCG; REM; and SESR (Chair)

Siobhán Talbot

Non-executive Director

Appointed to the Board: December 2018
Nationality: Irish Age: 59
Skills and experience:

Siobhán is Group Managing Director of Glanbia plc, a global nutrition company with operations in 32 countries, a position she has held since 2013. She has been a member of the Glanbia Board since 2009 and was previously Finance Director, a role which encompassed responsibility for Glanbia's strategic planning. Prior to joining Glanbia, she worked with PricewaterhouseCoopers in Dublin and Sydney.

Qualifications: Fellow of Chartered Accountants Ireland; Bachelor of Commerce; and a Diploma in Professional Accounting from University College Dublin.

External appointments:

Listed: Group Managing Director of Glanbia plc.

Non-listed: Director of the Irish Business Employers Confederation (IBEC).

Committee membership:
ADF; AUDIT*; and NCG

**Audit Committee Financial Expert as determined by the Board*

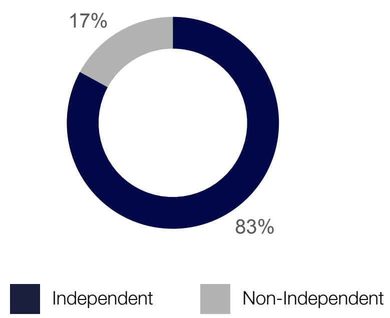
Board Committees

Acquisitions, Divestments and Finance Committee	ADF
Audit Committee	AUDIT
Nomination & Corporate Governance Committee	NCG
Remuneration Committee	REM
Safety, Environment & Social Responsibility Committee	SESR

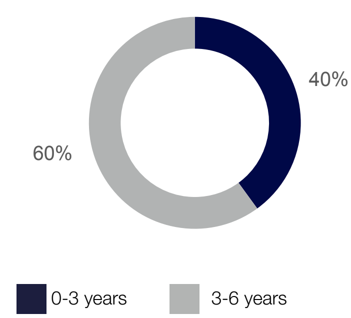
Membership of CRH Board (as at 31 December 2022)

Table 1

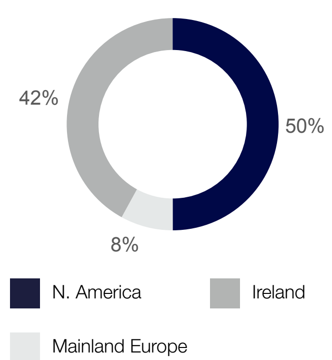
Independence (determined by CRH Board annually)



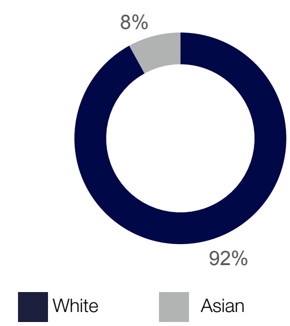
Tenure of Non-executive Directors



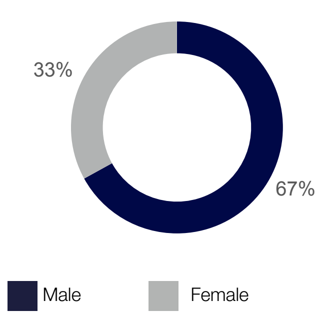
Geographical Spread (by residency)



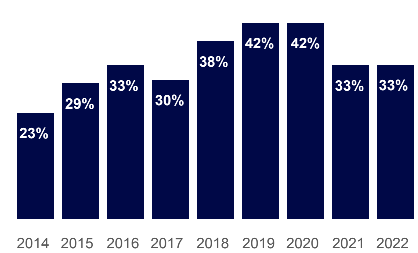
Ethnicity (based on information provided by Directors in line with the Parker Review)



Gender Diversity



Percentage of Female Directors at 31 December



Global Leadership Team

Albert Manifold

Chief Executive

Biography on page 82.

Jim Mintern

Chief Financial Officer

Biography on page 82.

Nathan Creech

President, Americas Division

Skills and experience

Nathan joined CRH in the Americas in 2011. Prior to joining CRH, he held various operating and strategy roles in the building materials industry. At CRH, he has served in a number of business development and executive leadership roles, including Vice President US Strategy & Development, Senior Vice President, Central Division of Americas Materials and most recently as President of CRH's Building Envelope business. Nathan was appointed President of Building Products in 2021 and President of our new Americas Division in January 2023.

Qualifications: BS (Business), MBA.

Isabel Foley

Group General Counsel

Skills and experience

Isabel joined CRH in 2020 in the newly created role of Group General Counsel. Isabel was previously a partner at Arthur Cox, one of Ireland's top-tier law firms, and is recognised globally as a leader in her field. She has advised State entities, multinationals and domestic corporations, and their boards, on business-critical risk, exposure and litigation arising from transactions and disputes as well as regulatory compliance and competition issues. Isabel is also an accredited mediator and an experienced and active mediator.

Qualifications: BCL, Law Society of Ireland, CEDR Accredited Mediator.

Randy Lake

Chief Operating Officer

Skills and experience

Randy joined CRH in the Americas in 1996 and has held several senior operating positions across multiple CRH businesses, initially in Architectural Products, then in Materials. In 2008, he was appointed President of our Americas Materials Performance group and subsequently led the launch of our Building Solutions business. Prior to his current appointment, Randy served as President of Americas Materials from 2016 to 2020 and Group Executive, Strategic Operations from 2020 to 2021. Randy is actively involved in the Materials industry in North America and served as Chairman of the US National Stone, Sand & Gravel Association in 2018.

Qualifications: BS (Business Administration), MBA.

David Dillon

President, Europe Division

Skills and experience

David joined CRH in 1998 in the United States where he was Controller for the Americas Materials Division, and he returned to Europe in 2003 as Development Manager for the Europe Materials Division. He has since held a number of senior operational and leadership roles across the Group including Country Manager Finland in the Europe Materials Division, Managing Director of Europe Lightside, Divisional President of Europe Lightside & Distribution, President Global Strategy & Business Development and Executive Vice President, Chief of Staff. Prior to joining CRH he held various financial roles in the airline industry. He was appointed to his current position in January 2023.

Qualifications: BComm, FCA.

Juan Pablo San Agustín

Group Executive, Group Strategic Planning, Innovation and Venturing

Skills and experience

Juan Pablo joined CRH in October 2020 to take up the newly created role of Chief Innovation & Sustainability Officer. He has over 25 years' experience working in the building materials industry across the Americas and Europe. His areas of expertise cover strategic planning, M&A, venture capital, digital innovation, and marketing. Immediately prior to CRH, he served as EVP of Strategic Planning and New Business Development at CEMEX.

Qualifications: BS, MBA.

Bob Feury, Jr.

Chief Culture and People Officer

Skills and experience

Bob joined CRH in 1996 with the acquisition of his family's business, Allied Building Products, which later became Americas Distribution. Upon the divestment of Americas Distribution in 2018, he served as Executive Vice President of Strategy and Development for CRH's Building Products Division. In 2023, Bob joined CRH's Executive Team on his appointment as Chief Culture & People Officer (CCPO), a new role established to elevate strategic focus on culture and people.

Qualifications: BS (Finance and Financial Management).

John Lydon

Director of Development

Skills and experience

John joined CRH's Executive Team in November 2022, in the new role of Director of Development, reporting to the Group Chief Executive. John spent over 20 years in the investment banking industry, working with leading corporates in Europe, Asia and North America with JPMorgan and Deutsche Bank covering M&A, capital markets and strategic advisory. Immediately prior to CRH, he was Head of Capital Markets at Davy, Ireland's largest wealth manager and corporate advisor.

Qualifications: BA (Business and Legal Studies), MA (Finance).

Governance Framework

Board of Directors

Collectively responsible for promoting the long-term sustainable success of the Group, generating value for shareholders and contributing to wider society. Its role is to provide leadership; to establish and monitor the Group's purpose, values and strategy; to set the Group's risk appetite and ensure that there is a robust framework of prudent and effective controls to enable risks and opportunities (including those related to climate change) to be assessed and managed; and to ensure that there is effective dialogue with shareholders and stakeholders on all relevant matters.

Our purpose	Our strategy	Our principal risks & uncertainties	Our stakeholder engagement processes	Our key Board activities during 2022
See pages 6 to 7	See pages 11 to 59	See pages 139 to 148	See pages 44 to 45	See pages 88 to 132

The Board has established five permanent Committees to assist in the execution of its responsibilities.
The terms of reference of each Committee are available on the CRH website, www.crh.com

Audit Committee

Supports the Board by providing governance and oversight of the Group's financial reporting and monitoring and assessing the Group's risk management and internal control systems.

See pages 92 to 97

Safety, Environment & Social Responsibility Committee

Supports the Board by monitoring and assessing performance in the areas of safety, climate change and sustainability and inclusion & diversity.

See pages 104 to 105

Nomination & Corporate Governance Committee

Supports the Board by monitoring the Board's structure, size, composition and balance of skills to ensure that the Board can meet its strategic objectives and regulatory responsibilities. It is also responsible for monitoring corporate governance developments and, with effect from January 2023, human capital management and employee engagement.

See pages 98 to 99

Remuneration Committee

Supports the Board by setting and ensuring that the Group's Remuneration Policies are fair and responsible and that they incentivise and retain talent. The Committee also approves the remuneration packages for the Executive Directors, senior executives and the Chairman.

See pages 108 to 132

Acquisitions, Divestments & Finance Committee

Supports the Board by reviewing the strategic rationale and impact of proposed acquisitions, divestments, large capital expenditure projects and advising the Board on the financial requirements of the Group and on appropriate funding arrangements.

See the Governance Appendix

The Board has delegated responsibility for the management of the Group, through the Chief Executive, to executive management

Chief Executive

The Chief Executive has responsibility for full day-to-day operational and profit performance of the Group and accountability to the Board for all authority delegated to executive management. He is also responsible for executing strategy agreed with the Board and reporting regularly on the progress and performance of the Group, including in relation to climate-related matters.

See pages 14 to 15

The Global Leadership Team supports the Chief Executive in executing his responsibilities

Global Leadership Team

The Global Leadership Team is responsible for pursuing performance delivery and progressing the Group's integrated solutions and climate-related strategy agenda.

Members	Our Business Model	Our Performance	Our Sustainability Strategy	Our Principal Risks & Uncertainties
See page 86	See pages 20 to 21	See pages 62 to 79	See pages 22 to 59	See pages 139 to 148

Corporate Governance Report

Richie Boucher

"The Board is responsible for setting the Group's strategy. Each year the Board focuses on a number of key strategic topics for in depth review. In the past year the main areas of focus were on our solutions strategy, innovation and sustainability."

Richie Boucher
Chairman

Governance Appendix - Further Information

Further general information in relation to the following Board-related governance practices is contained in the Governance Appendix:

- the operation of the Board
- the respective responsibilities of the Chairman, Chief Executive, Senior Independent Director and non-executive Directors
- how the Chairman is appointed
- the induction process to support newly appointed non-executive Directors
- the processes in place for appraising the performance of Directors and for evaluating the effectiveness of the Board and its Committees
- how often the Board meets
- the requirements for director retirements and re-election
- how Board agendas are determined
- how the Board assesses whether disclosures are fair, balanced and understandable
- the provisions in place in relation to shareholder meetings
- the Company's Constitution

Introduction

This section of the Annual Report provides an overview of the way in which your Board and its Committees operated in the past year, highlights the primary areas of focus and outlines the way in which the principles of the 2018 UK Corporate Governance Code (the "2018 Code") are implemented.

CRH's general governance practices are detailed in the governance appendix on CRH's website, www.crh.com (the 'Governance Appendix')[1].

Our People

The success of CRH derives from the efforts, expertise and collaboration of the c.75,800 people who work for the Company. Accordingly, the Board and management are committed to building a safe, inclusive and diverse organisation.

During 2021, CRH conducted an organisational health survey across its businesses, which highlighted an overall good performance and identified areas for improvement. Action plans in line with these areas were developed and implemented. In the last quarter of 2022, a pulse survey was issued to broadly the same population to ascertain progress on the areas identified for improvement. There was a 76% response rate to the survey, which was very encouraging. All organisational health areas where improvements had been focused showed improvement. In terms of inclusion practices, there was a range of trends. In order to understand the underlying drivers of those trends tailored focus groups of employees will be set up. In addition, as outlined in the Directors' Remuneration Report on page 108, an improvement in CRH's Inclusion Assessment, based on an externally validated Enterprise Score from engagement surveys, was included as a metric in our long-term incentive plans.

Also during 2022, led by members of the SESR Committee, we continued our process of direct employee engagement through an in-person discussion with a cross-section of local employees in Houston, Texas during a Board visit. This was supplemented by separate virtual sessions with employees from across our European and Americas businesses. On behalf of the Board, I would like to take the opportunity to thank those employees who engaged openly with us on their experiences and perspectives of CRH across a broad range of topics, including:

- safety;
- CRH's culture;
- awareness of the Code of Business Conduct and the extent to which employees feel empowered to speak-up through the CRH Hotline or otherwise when they have good faith concerns;
- career progression and personal development;
- performance transparency in relation to the link between individual roles and the performance of businesses;
- the integration process for newly-acquired businesses;
- CRH's employee benefit programmes;
- our newly articulated corporate Purpose; and
- the benefits of collaboration and innovation for employees and CRH

We also had an opportunity during these engagements to explain our remuneration structures and the alignment of incentives with the Group's strategic priorities. In relation to I&D, we noted that progress and many positive improvements are becoming evident across the organisation along with a common view that this will be a long journey.

The feedback from both the surveys and our direct engagement with employees has enabled us to conclude that there is a positive alignment

1. The Governance Appendix is published in conjunction with the Directors' Report in compliance with Section 1373 of the Companies Act 2014. For the purposes of Section 1373(2) of the Companies Act 2014, the Governance Appendix and the risk management disclosures on pages 50 to 54 and 139 to 148 form part of, and are incorporated by reference into, this Corporate Governance Report.

The primary (premium) listing of CRH plc is on the LSE, with the listing on Euronext Dublin characterised as secondary. For this reason, CRH plc is not subject to the same ongoing listing requirements as would apply to an Irish company with a primary listing on Euronext Dublin. For further information, shareholders should consult their financial adviser. Further details on the Group's listing arrangements, including its premium listing on the LSE, are set out on page 101.

between our performance culture, training and career development opportunities, our strong safety culture, our corporate Purpose, the initiatives in place to support I&D and our strategy.

Having robust talent management processes is a vital component of continued success. In that regard, the Board receives regular updates on talent reviews, which provide us with detailed insights into emerging talent within the organisation, the development programmes in place to support individuals and the plans to close any potential gaps in role succession or capability. We also receive regular reports on progress in relation to identified actions and key metrics in the area of talent management such as gender and diversity pipelines. In addition, during visits to operations in Europe and the US, which in 2022 were to Copenhagen, Denmark and, as noted above, to Houston, Texas, the Board had the opportunity to engage with the Divisional and local management teams, collectively and individually. Furthermore, I had the opportunity to attend management conferences held during the year.

Following a suggestion made in the external Board evaluation report, conducted by Christopher Saul Associates in 2021, the outcome of which was reported in the 2021 Annual Report, the remit of the Nomination & Corporate Governance Committee has been expanded by the Board to include human capital management to the extent that this is not a Board agenda item. In line with this, and to balance more evenly the workload of the Committees, the Board has also decided that responsibility for employee engagement will transfer from the SESR Committee to the Nomination & Corporate Governance Committee with effect from January 2023.

Strategy

The Board is responsible for setting the Group's strategy. Each year the Board focuses on a number of key strategic topics for in depth review. In the past year the main areas of focus were on our solutions strategy, innovation and sustainability. Further information on the Group's strategy and business model is included on pages 11 to 59.

Solutions & Innovation

A primary area of focus for the Board over the past 12 months has been on our accelerating solutions journey in the context of evolving construction trends. This included leveraging the Board site visits in Copenhagen and Houston to gain a detailed understanding of the opportunities and challenges that arise from developing, and expanding upon, the solutions CRH currently provides. The interaction between the execution of our solutions strategy and our work in the area of portfolio management is outlined in the Chief Executive's Review on pages 14 and 15.

In 2022, the Board considered and approved a $250 million venturing and innovation fund to identify new technologies and business models, and to foster innovation across the organisation. The operational and governance structures to support the fund, which will invest in internal projects and external partnerships, have been put in place and a number of initiatives are underway. The Board receives regular updates on the operation of the fund. Further information on the venturing and innovation fund is contained in the Strategy Report on page 30.

During the year, the Board also considered, and approved, an updated organisation structure for the Group, resulting in two distinct Divisions, CRH Americas and CRH Europe. This new structure will support CRH in taking advantage of the opportunities resulting from the changing construction environment while retaining the strengths of the existing model.

Sustainability

Another area of significant focus for the Board in the past year was CRH's decarbonisation roadmap. In particular, our industry leading absolute carbon emissions reduction target by 2030 which is aligned with our ambition to be a net-zero business by 2050. In early 2023, the SBTi validated that our revised targets[1] are in line with the updated 1.5ºC science-based framework which now equate to a 30% reduction in absolute carbon emissions by 2030 (from a 2021 base year).

Further details in relation to the Board's oversight of CRH's sustainability initiatives are set out in the SESR Committee Report on pages 104 and 105. In addition, the Directors' Remuneration Report on page 110 sets out the way in which sustainability has been integrated into CRH's incentive plans.

Business Performance and Capital Expenditure

The Board has in place robust procedures to monitor business performance, against approved financial budgets, and in respect of the approval of capital expenditure projects and development activity. Significant projects and opportunities are brought to the attention of the Board early in the process so that the Board can provide feedback to management prior to a formal proposal being considered. In addition, each year the ADF Committee reports to the Board on a detailed review of acquisitions and capital expenditure after three years of performance following approval of the proposal. Table 2 sets out the limits which apply to projects that can be approved by the Board, the ADF Committee and management respectively.

Limits for Acquisitions, Divestments and Capital Expenditure Projects — Table 2

Board	ADF	Management/CEO
>€/$100m	€/$30-100m*	<€/$30m

*For new regions the limit is €/$50 million

Dividends and Share Buybacks

The Board is responsible for setting CRH's dividend policy and decisions on the level and duration of the Group's share buyback programme. In determining our approach to shareholder distributions, we take into consideration the views of shareholders received through the engagement processes outlined below.

Stakeholder Engagement

During the past 12 months, supported by other Committee Chairs and the Company Secretary as appropriate, I held meetings with shareholders holding c.35% of CRH's issued share capital. These meetings provided a valuable opportunity for me to outline the Board's priorities and perspectives on certain matters and to ascertain shareholders' views on a wide range of topics such as Board composition, succession planning, our strategy, capital allocation policies, our approach to sustainability and remuneration. The feedback from these meetings, which was broadly in line with the Board's priorities and perspectives, was provided to the Board and relevant Committees and factored into the Board's decision-making processes. The Board also regularly receives detailed reports from related engagement activities carried out by management.

As noted above, the Board has transferred responsibility for employee engagement to the Nomination & Corporate Governance Committee from the SESR Committee with effect from January 2023. Given the footprint of CRH, the Board believes that having a Committee responsible for employee engagement is the most effective way of ensuring that the views of employees are understood and are taken into consideration in the Board's decision-making processes. The feedback from employee engagement sessions, the results from organisational health surveys and reports from CRH's Hotline also enable us to assess CRH's culture.

During both Board site visits in 2022, the Board had an opportunity to meet with, and hear directly from, customers with whom CRH is working on large scale projects. Customer perspectives on our water, road and urban construction solutions were also represented in our investor update in April 2022.

We also engage with stakeholder and investor groups in relation to sustainability matters and take their views into account when considering the disclosures to be included in the Annual and Sustainability Reports.

1. Refer to page 27 for further detail on our decarbonisation targets.

As noted in last year's Annual Report, following engagement with stakeholders, we undertook a review of climate change lobbying practices to ensure that there is an alignment between those practices and the expectations of the Board and our stakeholders. We also published the CRH Group Tax Strategy, which sets out the tax objectives, strategy and governance framework of the Group, due to the increasing importance for tax transparency across a number of different stakeholders, including Governments, sustainability analysts and investors.

A summary of the full range in which we engage with our stakeholders, including the main areas of interest and outcomes of the various engagement processes in 2022, is set out on pages 44 and 45.

Board Committees

The Board has five permanent committees: the Acquisitions, Divestments & Finance Committee, the Audit Committee, the Nomination & Corporate Governance Committee, the Remuneration Committee and the Safety, Environment & Social Responsibility Committee. Reports from the Chairs of each of the main Committees are set out on pages 92 to 132.

Detailed reports of all Committee meetings are provided to the Board, while Committee minutes and papers are available to all Board members electronically.

The terms of reference of each Committee are available on the CRH website, www.crh.com.

Board Training

The Board has a programme of regular training in areas such as Compliance & Ethics and the Board's responsibilities in respect of Market Abuse. In addition, an extensive tailored induction programme is put in place for newly appointed Directors.

Litigation & Compliance

The Group General Counsel regularly updates the Board on relevant legal and compliance matters and provides reports on any material matters that arise requiring Board decisions or detailed consideration.

External Appointments

During the year Badar Khan sought clearance to join the Board of EVgo Inc., the largest public fast charging network for electric vehicles in the US. Badar and the Board were satisfied that this would not impact on his time commitment to CRH or create any conflict of interests.

Re-election of Directors

Table 7 on page 100 provides a summary of competencies, important to the long-term success of the Group, that each Director seeking re-election at the 2023 AGM brings to the Board. I have evaluated the performance of each Director and am satisfied that each Director is committed to their role, provides constructive challenge and devotes sufficient time and energy to contribute effectively to the performance of the Board. I strongly recommend that shareholders vote in favour of the re-appointment of each Director going forward for re-election at the 2023 AGM.

Modern Slavery

Each year CRH publishes a Modern Slavery statement on the CRH website, www.crh.com, which sets out the measures CRH and its subsidiaries have taken during the relevant financial year to ensure that slavery or human trafficking is not taking place within CRH's business or its supply chains. Our Legal & Compliance department work with our Procurement and Sustainability teams to update the Statement annually and keep it under review. The outcome of the review is reported to the Board, which approves the statement for publication.

Dematerialisation of Shares

Under the EU Central Securities Depositories Regulation (EU) 909/2014 (CSDR) there is a requirement for all shares in Irish issuers to be held in book-entry form. The period by which this transition must happen is from 1 January 2023 for new issues of shares and from 1 January 2025 for all remaining shares. Book-entry form means an electronic record of ownership such as an entry in an electronic register, without any further document such as a share certificate.

In last year's report, I noted that the Irish market was considering fully dispensing with share certificates with effect from 1 January 2023 to avoid potential confusion and complications that might arise in some circumstances by having two systems running in parallel. However, following further consideration, market participants no longer intend to accelerate the transition. Therefore, certificated shareholders will experience no change with respect to their existing shares in 2023 and 2024 and their share certificates will remain valid until 2025.

Conclusion

I hope that this report and the reports from the Board's Committees provide shareholders with a good level of insight into the activities of the Board, the priority areas on which we are focused and the structures in place to enable the Board to fulfil our governance responsibilities to you.

Richie Boucher
Chairman
1 March 2023

UK Corporate Governance Code - Compliance Statement

The principles set out in the 2018 Code emphasise the value of good corporate governance to the long-term sustainable success of listed companies. These principles, and the supporting provisions, cover five broad themes:

- Board Leadership & Corporate Purpose
- Division of Responsibilities
- Composition, Succession & Evaluation
- Audit, Risk & Internal Controls
- Remuneration

As demonstrated by the disclosures in this Report and the details of CRH's general governance practices in the Governance Appendix, CRH applied the principles and complied with the provisions of the 2018 Code in 2022.

A copy of the 2018 Code can be obtained from the Financial Reporting Council's website, www.frc.org.uk.

Further information on how we applied the principles, and supporting provisions, can be found as follows:

		Pages
Board Leadership & Corporate Purpose	The Board's primary objective is to promote the long-term sustainable success of CRH. Further details on CRH's purpose, values and strategy, and how the Board ensures that these are aligned with CRH's culture, including how the Board engages with all of its stakeholders, are set out in the following sections:	
	• Purpose	6 – 7
	• Strategy Report	11 - 59
	• Engaging with our Stakeholders	44 - 45
	• Corporate Governance Report – Chairman's Introduction	88 - 90
Division of Responsibilities	The Board consists of two executive Directors and ten independent non-executive Directors (including the Chairman). The respective responsibilities of the Board, Chairman, Chief Executive, Chief Financial Officer, Senior Independent Director and non-executive Directors are set out in the Governance Appendix.	Governance Appendix
Composition, Succession & Evaluation	The Nomination & Corporate Governance Committee Report provides details on the Board renewal processes and on the structure of the annual evaluation of the Board and its Committees. Additional details are included in the Governance Appendix.	98 - 99
Audit, Risk & Internal Controls	The Board has delegated responsibility for monitoring the effectiveness of the Group's risk management and internal control systems to the Audit Committee[1]. The Audit Committee Report describes the primary areas of focus for the Audit Committee in 2022 and how it discharged its various responsibilities, including those in relation to the monitoring of the Group's risk and internal control frameworks. Additional details are included in the Governance Appendix.	92 - 97
Remuneration	The Directors' Remuneration Report describes the work of the Remuneration Committee and sets out how executive remuneration is aligned to the Company's purpose, values and strategy. It also describes how the Committee considers workforce remuneration and related policies in its decision-making regarding executive remuneration.	108 - 132

1. In accordance with Section 167(7) of the Companies Act 2014.

Audit Committee Report

Shaun Kelly

"A particular area of focus for the Committee in its review of the 2022 Annual Report and Form 20-F was the Group's reporting on climate-related risks. This included the impact on the Group's accounting judgements, disclosures and financial statements, including their alignment with CRH's carbon emissions reduction targets."

Shaun Kelly
Audit Committee Chairman

Committee Members

Shaun Kelly (Chairman)

Rick Fearon

Badar Khan

Siobhán Talbot

Governance Appendix - Further Information

Further general information in relation to the following Audit Committee related topics is contained in the Governance Appendix:

- the typical Audit Committee calendar, including agenda and attendees
- the Audit Committee's responsibility with regard to monitoring the effectiveness of the Group's risk management and internal controls systems
- the processes in place for safeguarding and monitoring the independence of the external auditor
- the Group's policy on the provision of non-audit services by the external auditor

Introduction

On behalf of the Committee, I am pleased to introduce the Audit Committee Report for the financial year ended 31 December 2022. The purpose of this report is to provide shareholders with an insight into the workings of, and principal matters considered by, the Committee in 2022, together with how the Committee has discharged its responsibilities and provided assurance on the integrity of the 2022 Annual Report and Form 20-F.

The responsibilities of the Committee are set out in full in its Terms of Reference, which is available on our website, www.crh.com.

The Committee has an extensive agenda which focuses on monitoring the effectiveness of risk management within the Group as well as ensuring the integrity of the Group's financial reporting, that any judgements made are appropriate, that the external auditor is effective in its role and that the Group has an effective internal control framework. Table 3 on page 93 provides a high-level summary of the main activities of the Committee in 2022.

Risk Management & Internal Control

During 2022, the Committee continued to monitor and assess the Group's ERM framework and the principal and emerging risks and uncertainties facing the Group, including those that could threaten its business model, future performance, solvency or liquidity. This included discussion with both management and the external auditor, Deloitte, on the impact of climate-related risks on the Group's accounting judgements, disclosures and financial statements.

We also considered an assessment of the Group's risk management and internal control systems. This had regard to risk management strategies and all material controls, including financial, operational and compliance controls that could affect the Group's business and concluded that the Group's internal control environment continued to be effective.

In addition, in the context of ever-evolving cyber security threats, we continued to monitor and discuss with management the Group's IT governance and information security programme and the Group's ability to address and mitigate against evolving cyber security threats.

Further details on the Group's risk governance and risk assessment processes are included on pages 94 and 95 respectively. Further details on the Group's ERM framework are included on pages 50 to 54.

Financial Reporting

A key area of responsibility and focus of the Committee each year is to monitor the financial reporting process and the integrity of the financial statements, and to review significant financial reporting issues and judgements exercised in preparation thereof. Accordingly, during the past year, the Committee spent significant time reviewing and considering the interim and full year results statements and the 2022 Annual Report and Form 20-F, together with supporting reports from the Group Finance function highlighting all key estimates, judgements and disclosures made by management. This included consideration and discussion with management and Deloitte of the potential accounting and disclosure implications arising from:

- the current volatile macroeconomic environment;
- the ongoing conflict in Ukraine; and
- engagement with stakeholders and relevant regulators in relation to potential additions to the climate-related disclosures included in the 2021 Annual Report and Form 20-F

Through discussions with both management and Deloitte, we also reviewed management's impairment testing methodology and processes, including key judgement areas, assumptions and alignment with our carbon emissions reduction targets, as well as the relevant accounting and disclosure requirements. We found the methodology to be robust and the results of the testing process appropriate. Further details in relation to the impairment testing process for 2022 are outlined in Table 5 on page 97.

A particular area of focus for the Committee in its review of the 2022 Annual Report and Form 20-F was the Group's reporting on climate-related risks. This included the impact on the Group's accounting judgements, disclosures and financial statements, their alignment with CRH's carbon emissions reduction targets, and its approach with regard to compliance with the recommendations of various regulatory bodies, the TCFD and EU Taxonomy requirements. We received a number of specific climate-related updates from management during 2022 and reviewed the climate-related disclosures, including the TCFD and EU Taxonomy disclosures included within the 2022 Annual Report and Form 20-F, and agreed that these are appropriate and that the assumptions used in the financial statements were consistent with these disclosures.

We also considered and discussed with management and Deloitte various accounting and reporting changes that impacted on the 2022 Annual Report and Form 20-F and may impact future financial periods. This included discussion on the implications of the changes to the Group's operating segments, which will be an area of focus for the Committee in 2023 (see page 193 for more details).

In addition, we reviewed the Going Concern and Viability Statements (see page 136), including the underlying assumptions (including alignment with the Group's carbon emissions reduction targets) and analysis to support the statements. We found the methodology and processes to be robust and recommended to the Board that it approve both statements.

External Auditor

Effectiveness

The Committee, on behalf of the Board, is responsible for the relationship with the external auditor and for monitoring the effectiveness and quality of the external audit process and the independence of the auditor. The Committee's primary means of assessing the effectiveness of the external audit process is by monitoring performance against the agreed audit plan.

The Committee also considers the experience and knowledge of the external audit team and the results of post-audit interviews with management and the Audit Committee Chairman. These annual procedures are supplemented by periodic formal reviews of the performance of the external auditor.

In June 2022, we met with Deloitte to agree the 2022 external audit plan. This included robust discussion and challenge with both Deloitte and management on the scope, materiality thresholds and the structure of the 2022 external audit plan. Table 5 on page 97 outlines the key areas identified as being potentially significant and how these were addressed during the year.

Audit Committee - Key Points

- The Audit Committee consists of four independent non-executive Directors who bring a broad range of relevant experience and expertise from a variety of industries
- Richard Fearon, Shaun Kelly and Siobhán Talbot have been designated by the Board as the Audit Committee's financial experts
- The Audit Committee met six times during 2022 in order to discharge its duties and responsibilities, with meetings held around the financial reporting cycle
- The Chief Financial Officer, Head of Internal Audit and representatives of the Group's external auditor, Deloitte, typically attend Committee meetings, with other senior personnel (such as the Head of Group Finance, Head of Group Risk, Chief Information Security Officer and Head of Compliance) attending meetings to provide updates on certain key areas of the business, as appropriate
- The Chairman of the Committee is available to all Board members to discuss any audit or risk related issues they may have and also meets with Deloitte and the Head of Internal Audit on a regular basis, in order to discuss any issues which may have arisen
- Deloitte was appointed as the Group's external auditor with effect from 1 January 2020. Richard Muschamp is the Group's lead audit engagement partner
- During 2022, the Audit Committee and the Board reviewed the operation, performance and effectiveness of the Committee and were satisfied that the Audit Committee continues to operate effectively

Summary of Committee Activities during 2022

Table 3

Financial Reporting

- Recommended to the Board that it approve the interim and full year results statements and the 2022 Annual Report and Form 20-F
- Reviewed and recommended to the Board that it approve the Going Concern and Viability Statements (see page 136)
- Reviewed and discussed with management and Deloitte the Group's reporting on climate-related risks, including the impact on the Group's accounting judgements, disclosures and financial statements, including their alignment with CRH's carbon emissions reduction targets
- Reviewed management's impairment testing methodology and processes, including key judgement areas, assumptions and alignment with our carbon emissions reduction targets
- Reviewed the appropriateness, prominence, definition and consistency of Alternative Performance Measures (APMs) and Non-GAAP Measures included in the 2022 Annual Report and Form 20-F
- Considered and discussed with management and Deloitte various accounting and reporting changes that impacted on the 2022 Annual Report and Form 20-F and which may impact future financial periods
- Discussed with management and Deloitte the potential implications of the changes to the Group's operating segments during the first quarter of 2023

External Auditors

- Approved the remuneration of Deloitte in respect of the 2022 financial year (see note 5 of the Consolidated Financial Statements on page 197)
- Having received confirmation of their willingness to continue in office, recommended to the Board Deloitte's continuance in office for the 2023 financial year. Their continuance will be subject to a non-binding advisory vote at the 2023 AGM

Internal Audit

- Approved the Internal Audit Charter and audit plan for 2022
- Received regular updates from the Head of Internal Audit on the delivery of the 2022 internal audit plan
- Considered and approved the Internal Audit Strategy for the 5-year period 2023 to 2027

Risk Management & Internal Controls

- Reviewed an assessment by management of the effectiveness of the Group's risk management and internal control systems. This had regard to risk management strategies and all material controls, including financial, operational and compliance controls that could affect the Group's business

Risk Governance

Board of Directors

Ultimately responsible for strategy, risk and governance across CRH. Sets the risk appetite and ensures risks are being managed within appetite. Delegates responsibility to the Audit Committee.

Safety, Environment & Social Responsibility Committee (SESR)

Responsible for monitoring developments related to sustainability risks including safety, health, environment, climate and social performance, and providing strategic direction, oversight and risk assurance.

Audit Committee

Responsible for monitoring and assessing the Group's risk management and internal control systems. Receives regular updates on risk management strategies, mitigation and action plans.

Other CRH Committees

Committees include: Acquisitions, Divestments & Finance; Nomination & Corporate Governance; and Remuneration.

Global Leadership Team

Responsible for setting strategy, pursuing performance delivery and progressing our ambitious sustainability agenda. Delegates responsibility for risk strategy, oversight and governance to the Risk Committee.

Risk Committee

Responsible for setting risk strategy and overseeing our governance model and how we identify, assess and manage the principal and emerging global risks the Group encounters in the pursuit of our strategic objectives.

Other Leadership Councils

Responsible for overseeing aspects of strategy, policy, targets and objectives related to a particular priority area for the Group, such as health and safety, climate and information security.

Regional Leadership

Responsible for identifying and managing divisional risks, ensuring risk management frameworks are operating effectively and capturing upside of risk, where possible.

Risk Champion Network

Embedded across businesses, functions and divisions. Responsible for integration of risk management frameworks, regular reporting of risks and sharing best practice mitigation.

First Line of Defence

Operating company/business leaders are responsible for risk identification, management and ensuring that the control environment is robust.

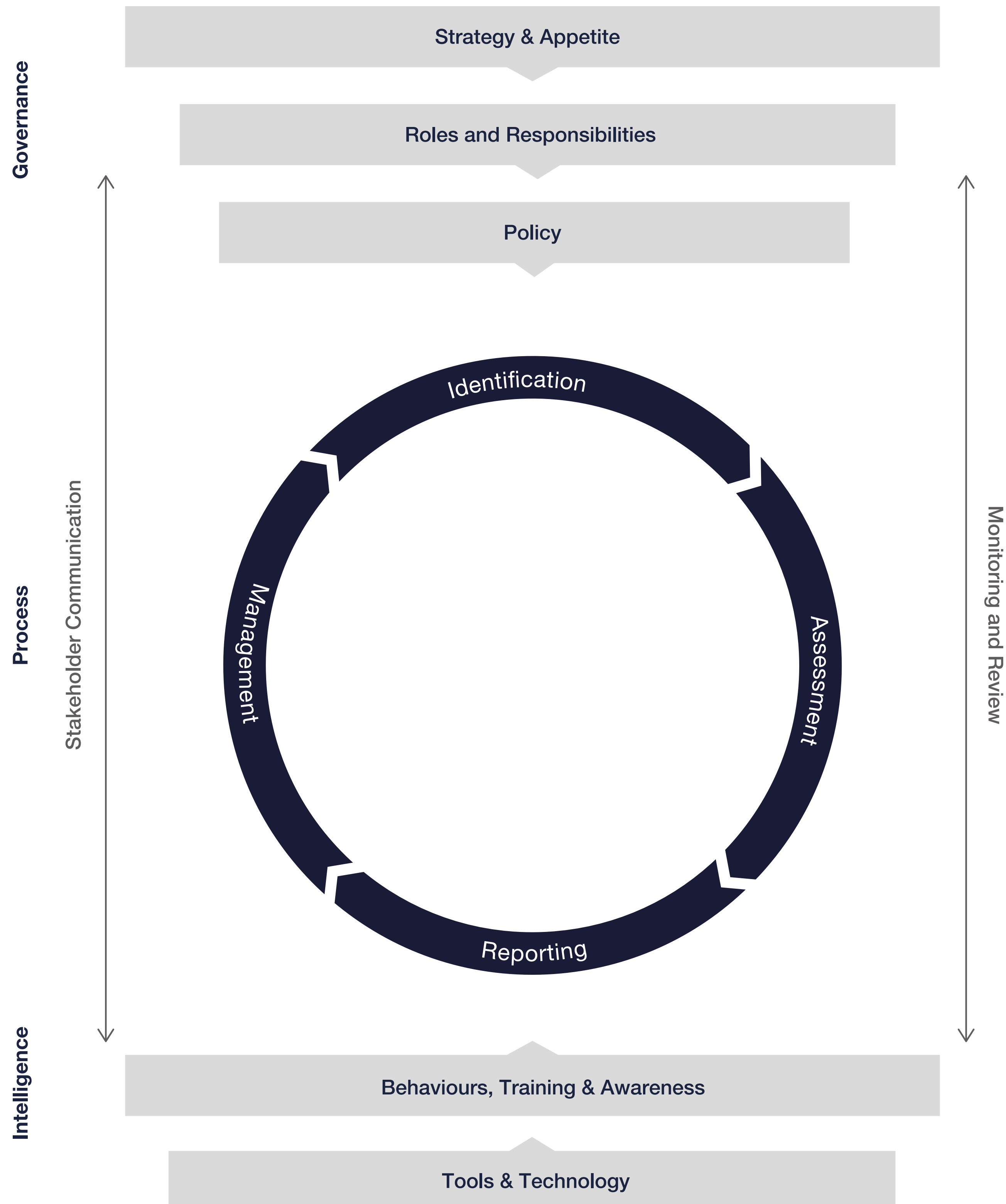
Second Line of Defence

CRH has various oversight functions which are responsible for providing subject matter expertise, defining standards and ensuring adherence.

Third Line of Defence

Group Internal Audit provides independent assurance over the control environment on a continuous basis.

Risk & Opportunity Assessment Process



External Auditor - continued

We met with Deloitte at each Committee meeting during 2022 to monitor progress in relation to the 2022 external audit plan and to discuss and consider their views on various matters, including:

- the appropriateness of the Group's accounting practices and policies;
- the key estimates, judgements and disclosures made by management; and
- evolving regulatory requirements and other corporate governance developments

In February 2023, we received and considered a report from Deloitte on its key audit findings, including the key risks and significant areas of judgement, prior to making a recommendation to the Board in relation to the approval of this 2022 Annual Report and Form 20-F.

Further details in relation to the external auditor, including information on how auditor objectivity and independence are maintained, are included in the Governance Appendix.

Non-Audit Services

In order to ensure auditor independence and objectivity, we have adopted a policy which sets out the types of permitted and non-permitted non-audit services and those which require explicit prior approval. In 2022 Deloitte provided a number of audit services, including Sarbanes-Oxley Section 404 attestation. Deloitte was also engaged during 2022 on a limited number of non-audit services mainly in relation to potential divestments, as well as to provide help with local tax compliance, advice on taxation laws and other related matters, assignments which typically involve relatively low fees.

The Committee is satisfied that the external auditors' knowledge of the Group was an important factor in choosing them to provide these services. The Committee is also satisfied that the fees paid to Deloitte for non-audit work in 2022, which amounted to $1.6 million and represented c.7% of the total audit fees for the year, did not compromise their independence or objectivity. Details of the amounts paid to the external auditor during the year for audit and other services are set out in note 5 to the Consolidated Financial Statements on page 197 (see also Table 4).

Internal Audit

In December 2021, the Committee received and approved the Internal Audit Charter and audit plan for 2022. During the year, we received regular updates from the Head of Internal Audit on the delivery of the 2022 plan and on the principal findings from the work of Internal Audit and management's responses thereto. External Quality Assessments of Internal Audit are conducted periodically to ensure that the Internal Audit function continues to work efficiently and effectively and in compliance with good practice standards.

During 2022, the Committee also considered and approved the proposed Internal Audit strategy for the next five years, which included detailed consideration of the focus, structure and resources required by the Internal Audit function.

The Head of Internal Audit has direct access to me as Chairman of the Audit Committee and the Committee meets with the Head of Internal Audit on a regular basis without the presence of management.

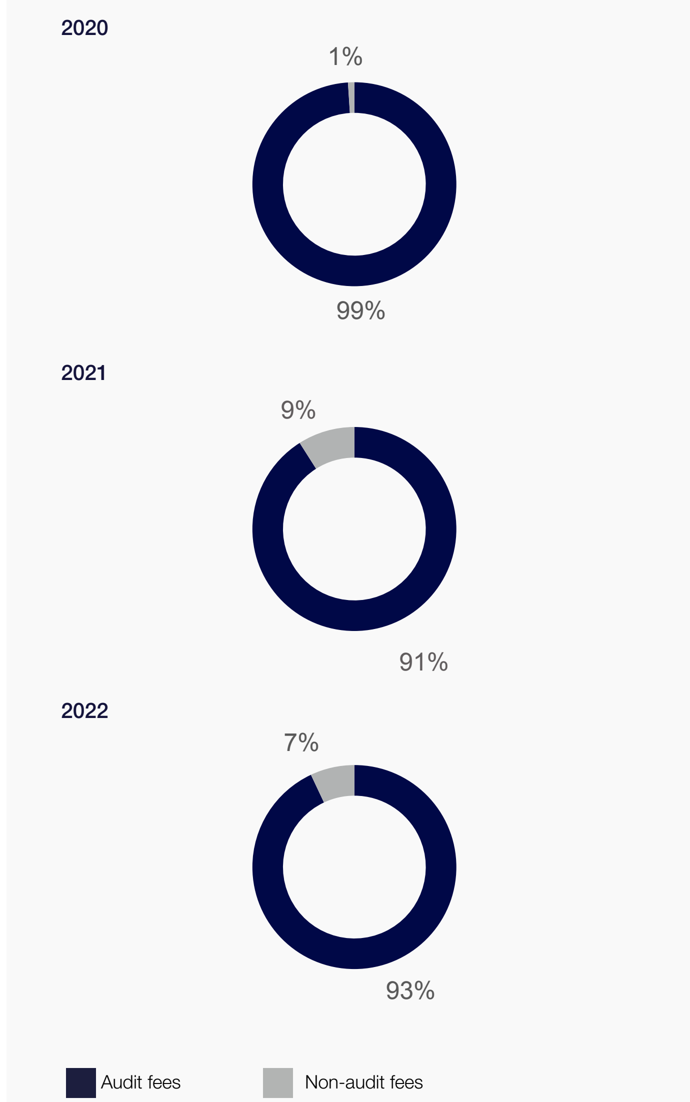
Conclusion

I would like to thank my fellow Committee members for their commitment and input to the work of the Committee during 2022.

Looking ahead to 2023, the Committee will continue to focus on the key ongoing areas outlined in Table 3 on page 93, and will also continue to monitor and assess the potential impact of the principal and emerging risks and uncertainties (including climate change) on the Group's Consolidated Financial Statements.

Shaun Kelly
Chairman of Audit Committee
1 March 2023

Percentage of Audit and Non-audit Fees Table 4



Areas Identified for Focus during 2022 External Audit Process Table 5

Impairment of Goodwill	For the purposes of its annual impairment testing process, the Group assesses the recoverable amount of each of CRH's cash-generating units (CGUs—see details in note 14 to the Consolidated Financial Statements) based on a value-in-use computation. The annual goodwill impairment testing was conducted by management, and papers outlining the methodology and assumptions used in, and the results of, that assessment were presented to the Committee. This included review of key judgement areas and assumptions such as CGU determination, discount rates, growth rates, alignment with the Group's carbon emissions reduction targets and the impact of the ongoing conflict in Ukraine on our Ukrainian business. Following its deliberations, the Committee was satisfied that the methodology used by management (which was consistent with prior years) and the results of the assessment, together with the disclosures in note 14, were appropriate. As outlined in note 14, no impairment charge was recorded in 2022 (2021: $nil).
Contract Revenue Recognition	IFRS 15 *Revenue from Contracts with Customers* requires revenue and expenses to be recognised on uncompleted contracts, with the underlying principle that, once the outcome of a long-term construction contract can be reliably estimated, revenue and expenses associated with that contract should be recognised by reference to the percentage of completion. If it is anticipated that the contract will be onerous (i.e. its unavoidable cost exceeds the economic benefit of the contract), a provision is created. Following discussion with management, recognising that the majority of contracts were completed within one year, the Committee was satisfied that the recognition of contract revenue (including the associated disclosures) was appropriate for the Group in 2022.

Nomination & Corporate Governance Committee Report

Richie Boucher

"A primary area of focus for Board renewal over the last year was identifying potential candidates who would further enhance the Board's experience in capital intensive industries of a scale and scope similar to CRH, and in meeting the challenges of, and unlocking the value from, the transition to a low-carbon environment, while also enhancing diversity on the Board."

Richie Boucher
Nomination & Corporate Governance Committee Chairman

Committee Members

Richie Boucher (Chairman)

Lamar McKay

Gillian L. Platt

Mary K. Rhinehart

Siobhán Talbot

Governance Appendix - Further Information

Further general information in relation to the following governance-related topics is contained in the Governance Appendix:

- the operation of the Nomination & Corporate Governance Committee
- how the Board plans for succession
- the criteria used to determine the independence of non-executive Directors
- the tenure of non-executive Directors
- the responsibilities delegated to the Committee by the Board

Introduction

The Nomination & Corporate Governance Committee consists of five non-executive Directors, considered by the Board to be independent. The biographical details of each member are set out on pages 82 to 84. The Chief Executive normally attends meetings of the Committee.

This report to shareholders summarises the areas of focus for the Committee over the course of the last year, which were primarily: Board composition and renewal, including diversity; Board Committee composition and responsibilities; and executive Director succession planning.

Board Composition, Renewal and Diversity

The Board currently comprises two executive Directors and 10 non-executive Directors. Following considerable refreshment over the past number of years, four non-executive Directors have been appointed in the last three years, while six have between three and six years' experience on the Board.

As can be seen from the biographies of each Director on pages 82 to 84 and the Tables outlining the Board's composition and competencies on pages 85 and 100, your Board is diverse in terms of skills and experience, age, gender and ethnicity. We consider the current size and composition of the Board to be within a range which is appropriate. The spread of nationalities of the Directors reflects the geographical reach of the Group and we consider that the Board as a whole has the appropriate blend of skills, knowledge and experience, from a wide range of industries, regions and backgrounds, necessary to lead the Group.

A primary area of focus for Board renewal over the last year has been on identifying potential candidates who would further enhance the Board's experience in capital intensive industries of a scale and scope similar to CRH, and in meeting the challenges of, and unlocking the value from, the transition to a low-carbon environment, while also enhancing diversity on the Board.

Gender diversity on the Board, which has recently fallen below the year end levels of 2019 and 2020 when more than 40% of the Board was composed of women, continues to be a core criterion when providing role specifications to external agents engaged to identify candidates for consideration by the Committee. The Board's policy on diversity in respect of director appointments is set out on page 99. Details of Board gender and ethnicity are set out on page 85.

The Nomination & Corporate Governance Committee and the SESR Committee work collectively with management on the I&D agenda at below Board level across CRH and monitor progress against agreed Group objectives and targets such as the Board's target of having a minimum of 33% of senior leaders being women by 2030. Details of the current gender balance across the Group, including of the senior leadership team and their direct reports, is set out on page 1.

Board Committee Composition and Responsibilities

The Board appointed Mary Rhinehart as Chairman of the SESR Committee during the year. Mary's report on the operation of the SESR Committee is set out on pages 104 and 105. Other changes to committee composition during the year are set out in Table 6 on page 99.

As outlined in the introduction to the Corporate Governance Report, the Board has extended the remit of the Nomination & Corporate Governance Committee to include oversight of CRH's human capital management. In addition, responsibility for employee engagement has been transferred to the Nomination & Corporate Governance Committee from the SESR Committee with effect from January 2023.

Summary of Committee Composition changes Table 6

Name	Joined	Ceased
R. Fearon	SESR	
L. McKay		Audit

Chairman

In advance of the completion of my initial three-year term as Chairman at the 2023 AGM, the Senior Independent Director engaged with my colleagues on the Board, individually and collectively, to ascertain whether the Board wished me to continue in the role. The Senior Independent Director also chaired this Committee when it considered this issue. I am delighted to have been invited to serve for a further three years and have accepted, subject, of course, to my continued annual re-election to the Board by shareholders.

Senior Independent Director

During the year, following a recommendation from the Committee, the Board appointed Lamar McKay as Senior Independent Director in place of Gillian Platt who had held the position since 2018. The responsibilities of the Senior Independent Director are set out in the Governance Appendix.

Executive Director Succession Planning

A priority of the Board and the Committee over the past number of years has been enhancing our long-term succession planning for the executive Directors and this is typically an agenda item at each meeting of the Committee and most Board meetings.

Whilst our Chief Executive, Albert Manifold, has a contract of employment currently until age 62 and no decisions have been taken in relation to the timing of succession for this role or potential candidates, the Committee has continued to support the Board in relation to the long-term process of planning for Chief Executive succession. Working in the context of a number of planning scenarios, development programmes for potential internal candidates, which are supported by Egon Zehnder[1], are in place and external candidate pools are regularly reviewed. Emergency arrangements are also in place for unexpected events.

Internal Board Evaluation

The Senior Independent Director undertook an internal Board performance evaluation, which built upon the findings of the externally facilitated evaluation conducted in 2021. The process, which included consideration of Board dynamics, composition and diversity, the relationship between management and the Board and areas of focus from a non-executive Director perspective, involved a series of one to one meetings, with a report of the feedback being considered by the Board. A number of suggestions were included in the report, including in relation to board composition priorities, strategic topics for in depth review, succession planning, agenda structures and meeting pre-read materials.

Corporate Governance

The Committee is responsible for reviewing the independence of Board members and has recommended to the Board that all of the non-executive Directors be deemed to be independent. The Committee also monitors developments in best practice in relation to corporate governance and makes recommendations to the Board in relation to changes and enhancements to current procedures, where appropriate.

Policy on Board Diversity

We are committed to ensuring that the Board is sufficiently diverse and appropriately balanced. In its work in the area of Board renewal and succession planning, the Nomination & Corporate Governance Committee looks at the following four criteria when considering Director roles:

- International business experience, particularly in the regions in which the Group operates or into which it intends to expand;
- Skills, knowledge and expertise (including education or professional background) in areas relevant to the operation of the Board;
- Diversity in all aspects, including nationality, gender, social and ethnic backgrounds, cognitive and personal strengths; and
- The need for an appropriately sized Board

During the ongoing process of Board renewal, each, or a combination, of these factors can take priority. To date, the Board has not set any policy regarding age. The ages of the Directors range from 51 to 69, which the Nomination & Corporate Governance Committee believes is appropriate at the current time.

Non-executive Director Appointment Process

- Non-executive Director recruitment processes are supported by an external recruitment agent
- A skills matrix is maintained to identify particular skills that would enhance the Board or which might need to be replaced following planned Board retirements
- Potential candidate lists are collated based on specifications agreed following input from the Nomination & Corporate Governance Committee
- The Nomination & Corporate Governance Committee reviews candidate lists and selects individuals for interview
- Once a preferred candidate is identified other members of the Board are invited to meet with them prior to formal consideration of their appointment to the Board

Pre-emption Rights

The Pre-emption Group in the UK published a revised statement of principles on the disapplication of pre-emption rights in November 2022, which increased the guideline threshold for annual pre-emption rights authorities from 10% to 20% of the issued share capital, with some additional flexibility for follow up offers of up to a maximum of an additional 4% in certain circumstances. Having considered the matter, the Committee recommended to the Board that it seek a pre-emption authority of up to a maximum of 10% of the issued share capital at the 2023 AGM, which is in line with the authorities received in prior years. The Committee will keep under review evolving best practice and shareholders' perspectives in this area. Further details on the authorities to be sought at the 2023 AGM are set out in the Directors' Report on page 137.

Richie Boucher
Chairman of the Nomination &
Corporate Governance Committee
1 March 2023

1. Egon Zehnder provide executive recruitment and support services as and when requested. Otherwise, they do not have any connection with CRH or individual directors.

Summary of Director Competencies — Table 7

	Accounting, Internal Control & Financial Expertise	Financial Services	Governance	M&A	Building Materials or Capital Intensive Industry Experience	IT & Cyber Security	Talent Management	Remuneration	Safety & Sustainability (including climate change)	Strategy	Global Experience
R. Boucher		▲	▲	▲			▲	▲		▲	
C. Dowling			▲	▲		▲	▲	▲		▲	▲
R. Fearon	▲	▲	▲	▲	▲	▲			▲	▲	▲
J. Karlström			▲	▲	▲		▲	▲	▲	▲	▲
S. Kelly	▲		▲	▲		▲	▲			▲	▲
B. Khan					▲	▲			▲	▲	
A. Manifold	▲		▲	▲	▲		▲		▲	▲	▲
J. Mintern	▲			▲	▲	▲			▲	▲	▲
L. McKay			▲	▲	▲	▲		▲	▲	▲	▲
G.L. Platt			▲				▲	▲	▲	▲	
M.K. Rhinehart	▲		▲	▲	▲		▲	▲	▲	▲	▲
S. Talbot	▲		▲	▲			▲		▲	▲	▲

Attendance at Scheduled Meetings during the year ended 31 December 2022 — Table 8

Name	Board		ADF (i)		Audit		Nomination (ii)		Remuneration		SESR (iii)	
	Total	Attended	Total	Attended	Total	Attended	Total	Attended	Total	Attended	Total	Attended
R. Boucher	5	5	2	2			5	5	5	5	4	4
C. Dowling	5	5	2	2					5	5	4	4
R. Fearon	5	5	1	1	6	6					2	2
J. Karlström (iv)	5	4	2	2					5	5	4	4
S. Kelly	5	5	2	2	6	6			5	5		
B. Khan	5	5			6	6					4	4
A. Manifold	5	5	2	2							4	4
J. Mintern	5	5	2	2								
L. McKay	5	5	2	2	2	2	5	5	5	5	4	4
G.L. Platt	5	5					5	5	5	5	4	4
M.K. Rhinehart (iv)	5	5					5	5	5	5	4	3
S. Talbot	5	5	2	2	6	6	5	5				

(i) Acquisitions, Divestments & Finance Committee.
(ii) Nomination & Corporate Governance Committee.
(iii) Safety, Environment & Social Responsibility Committee.
(iv) Johan Karlström and Mary Rhinehart were unable to attend one scheduled meeting each during the course of 2022 due to diary conflicts.

Substantial Holdings Table 9

As at 31 December 2022, the Company had received notification of the interests outlined in the table below in its Ordinary Share capital, which were equal to, or in excess of, 3%.

	31 December 2022		31 December 2021		31 December 2020	
Name	Holding/Voting Rights	% at year end	Holding/Voting Rights	% at year end	Holding/ Voting Rights	% at year end
BlackRock, Inc. (i)	59,927,029	8.05	56,891,415	7.38	59,047,330	7.52
Cevian Capital II GP Limited	30,545,474	4.10	27,534,705	3.57	27,534,705	3.51
UBS AG	26,380,604	3.34	26,380,604	3.34	26,380,604	3.34

(i) BlackRock, Inc. has advised that its interests in CRH shares arise by reason of discretionary investment management arrangements entered into by it or its subsidiaries.

Substantial Holdings

The Company is not owned or controlled directly or indirectly by any government or by any corporation or by any other natural or legal person severally or jointly. The major shareholders do not have any special voting rights. Details of the substantial holdings as at 31 December 2022 are provided in Table 9.

Stock Exchange Listings

CRH, which is incorporated in Ireland and subject to Irish company law, has a premium listing on the London Stock Exchange (LSE), a secondary listing on Euronext Dublin (formerly the Irish Stock Exchange) and its American Depositary Shares are listed on the New York Stock Exchange (NYSE).

Legal and Compliance

CRH's Legal and Compliance function supports the Group in operating consistently with its values, providing advice and guidance to executive and operational management and working closely with them on a range of matters including establishing policies and procedures, providing compliance training and communications, providing legal advice on compliance and business issues, monitoring and investigating Hotline calls, competition/antitrust law, and ensuring the Group is informed of any changes to regulation and/or reporting requirements. CRH’s Legal and Compliance structure comprises experienced and qualified professionals. Operating companies exercise local Legal and Compliance oversight, and management ensures adequate resources are in place.

Code of Business Conduct

Our culture as a company is built on our commitment to uphold the CRH Values. At CRH, our values unite us in the way we work, every day, all over the world. They are the foundation of our culture — they show what’s important to us and are central to our success as a company.

At CRH, we do the right things in the right way, with respect for one another and for the law. This has always been our approach and as we continually reshape and improve our business, the one thing that will never change is our character – that combination of integrity, honesty and dependability that is a real strength of CRH.

The foundation of the Legal and Compliance programme is the Code of Business Conduct (CoBC) and supporting policies, which set out our standards of legal, honest and ethical behaviour. The CoBC complies with the applicable code of ethics regulations of the SEC arising from the Sarbanes-Oxley Act. The CoBC is applicable to all employees of the CRH Group, including the Chief Executive, our Global Leadership Team and senior financial officers. A refreshed CoBC and an enhanced training module was launched during 2021 and in 2022 both the CoBC and the training module were further updated to reflect the Group's refreshed values.

CRH's Internal Audit function works side-by-side with Legal and Compliance in monitoring compliance with the CoBC and supporting policies, and in providing an integrated approach to assurance. This cross-functional collaboration supports CRH's goal: to ensure CRH leads with integrity.

Awareness and Training

In line with our commitment to maintain high ethical business conduct standards, we continue to update and improve awareness and training efforts on an ongoing basis. All new employees are provided with the CoBC and relevant employees undertake CoBC training and Advanced Compliance Training on a regular basis. Additional training modules are developed for more focused topics and audiences where necessary.

CRH Hotline

In 2022, CRH launched a Speak Up Policy which is available on www.crh.com in 22 languages. To provide guidance to reporters on our Speak Up channels and processes, Speak Up FAQs are also available to all employees in 22 languages. CRH engages an external service provider to administer an independent 24/7 multi-lingual confidential “Hotline” facility that allows reporters to make an anonymous report, if they wish. CRH is committed to supporting all persons, including current and potential employees, customers, independent contractors, suppliers and/or other external stakeholders to raise good faith concerns that may be relevant to the CoBC, inappropriate or illegal behaviour or violations of any CRH policies or local laws. Our Speak Up Policy outlines CRH’s commitment to providing various ways to speak up, handling those reports appropriately and confidentially and treating all reporters with fairness and respect to ensure they are comfortable when speaking up. All concerns are handled discreetly and are professionally investigated with appropriate actions taken based on investigation findings. CRH is committed to creating an atmosphere where employees feel empowered and feel comfortable to speak up when they have good faith concerns. The Policy also affirms our zero-tolerance approach to retaliation or any form of penalisation for Speaking Up.

Communications with Shareholders

Communications with shareholders are given high priority and the Group devotes considerable time and resources each year to shareholder engagement. We recognise the importance of effective dialogue as an integral element of good corporate governance. The Investor Relations team, together with the Chief Executive, Chief Financial Officer and other senior executives, regularly meet with institutional shareholders (each year covering over 60% of the shareholder base). Detailed reports on the issues covered in those meetings and the views of shareholders are circulated to the Board after each group of meetings. Table 11 on page 102 provides a brief outline of the nature of the activities undertaken by our Investor Relations team.

In addition to the above, major acquisitions and disposals are notified to the Stock Exchanges in accordance with the requirements of the Listing Rules and development updates, giving details of other acquisitions or disposals completed and major capital expenditure projects, are issued periodically.

During 2022, the Chairman, Remuneration Committee Chairman and Company Secretary again participated in a number of meetings with some of the Group’s major shareholders in advance of the 2022 AGM and as part of the Group's ongoing engagement processes. We respond throughout the year to correspondence from shareholders on a wide range of issues.

US Listing - Additional Information

Table 10

Additional details in relation to CRH's general corporate governance practices are set out in the Governance Appendix, which is included as an exhibit to the Annual Report on Form 20-F as filed with the SEC. For the purposes of the Annual Report on Form 20-F, the Governance Appendix, and in particular the following sections thereof, are incorporated by reference herein:

Section 1 - Frequently Asked Questions

- Page 2: For what period are non-executive Directors appointed?
- Page 3: What are the requirements regarding the retirement and re-election of Directors?

Section 2 - Operation of the Board's Committees

- Page 5: Audit Committee: Role and Responsibilities
- Page 5: Audit Committee: Meetings and Structure of Committee
- Page 6: Audit Committee: Non-audit Fees
- Details of the executive Directors' service contracts and the policy for loss of office are set out in the section entitled 'Service Contracts' on page 95 of the 2021 Annual Report and Form 20-F

Investor Relations Activities

Table 11

- Formal Announcements: including the release of the annual and interim results and the issuance of trading statements. These announcements are typically accompanied by presentations and webcasts or conference calls
- Investor Roadshows: typically held following the release of formal announcements, provide an opportunity for the management team to meet existing and/or potential investors in a concentrated set of meetings
- Industry Conferences: attendance at key sector and investor conferences affords members of the senior management team the opportunity to engage with key investors and analysts
- Investor Briefings: in addition to regular contact with investors and analysts during the year, the Company periodically holds capital market days, which include presentations on various aspects of CRH's operations and strategy and provides an opportunity for investors and analysts to meet with CRH's wider management team
- Media Briefings: each year the Company provides media briefings on various issues

The following are available on www.crh.com

Table 12

Governance

- Governance Appendix
- Directors' Remuneration Policy
- Terms of Reference of the Acquisitions, Divestments & Finance, Audit, Nomination & Corporate Governance, Remuneration and Safety, Environment & Social Responsibility Committees
- Memorandum and Articles of Association of the Company
- Pre-approval policy for non-audit services provided by the external auditor
- Compliance & Ethics statement, Code of Business Conduct and Hotline contact numbers

Investors

- Annual and Interim Reports, the Annual Report and Form 20-F and the Annual Sustainability Report
- News releases
- Webcast recordings of results briefings
- General Meeting dates, notices, shareholder circulars, presentations and poll results
- Answers to Frequently Asked Questions, including questions regarding dividends and shareholder rights in respect of general meetings

Safety, Environment & Social Responsibility Committee Report

Mary K. Rhinehart

"During the past 12 months, the Committee received updates at each meeting on topics such as Safety, Purpose, I&D and employee engagement, monitored progress against the Group's ambitious 2030 sustainability targets and, together with the Board, considered CRH's decarbonisation roadmap in depth."

Mary K. Rhinehart
Chairman of the Safety, Environment & Social Responsibility Committee

Committee Members

Mary K. Rhinehart (Chairman)

Richie Boucher

Caroline Dowling

Rick Fearon

Johan Karlström

Badar Khan

Albert Manifold

Lamar McKay

Gillian L. Platt

Governance Appendix - Further Information

Further general information in relation to the following topics is contained in the Governance Appendix:

- the operation of the Safety, Environment & Social Responsibility Committee
- the responsibilities delegated to the Committee by the Board

Introduction

The SESR Committee currently consists of nine Directors, including the Chief Executive. The biographical details of each Committee member are set out on pages 82 to 84. The Chief Operating Officer, whose remit includes responsibility for sustainability, typically attends meetings. Other executives attend as required.

During the past 12 months, the Committee received updates at each meeting on topics such as Safety, Purpose, I&D and employee engagement, monitored progress against the Group's ambitious 2030 sustainability targets and, together with the Board, considered CRH's decarbonisation roadmap in depth. The Committee also received reports on environmental, health & safety and social reviews, climate lobbying practices, hotline reports on issues that fall within the Committee's remit, the roll-out of the refreshed Code of Business Conduct and related training, and developments in relation to external reporting requirements.

Safety

Health, safety and well-being, and managing health and safety risks within our businesses, is our top priority in terms of our employees, contractors and customers. We are committed to going beyond industry-minimum requirements to create an empowering safety culture. Our ambition is to have a culture of safety and wellness working towards zero harm, with a target of zero fatalities in any year.

As the Chairman mentioned in the introduction to the Annual Report, there were five reportable fatalities in 2022 involving one employee and four contractors. The Board received detailed reports on the background circumstances of these incidents. The Committee also received follow-up reports on the investigations into the root causes in each case. We are satisfied that none of the incidents were attributable to a lack of applicable training, deficient safety procedures or defective equipment being used. Furthermore, through detailed analysis and discussion of a range of measures, as well as through engagement with employees, we are satisfied that the appropriate safety culture is in place across the Group and that employees are, for example, comfortable to stop a work process if they believe unsafe practices are being employed. Nevertheless, management considers on an ongoing basis whether learnings or enhancements are possible, particularly in challenging areas such as road logistics and specialist contractors working from heights. The Committee advised the Remuneration Committee that it did not consider that there were any issues arising from its safety reviews that would require an override of remuneration incentive outcomes in 2022.

We also receive regular reports in relation to trends in leading and lagging safety indicators. Leading indicators relate to reporting of serious safety incidents, safety audits and safety culture assessments. In addition, learnings from serious injury and fatal incidents are shared across the Group as soon as possible.

Purpose

Good progress has been made in sharing our newly articulated Purpose to all employees following its launch in 2022, and we will monitor the plans to embed our Purpose into all company processes. Further details in relation to CRH's Purpose are set out on pages 6 and 7.

Inclusion & Diversity

The Committee monitors the implementation of CRH's I&D strategy, including the roll-out of related initiatives such as the content of, and feedback from, a programme put in place for senior leaders across the organisation to provide them with tools to meet common I&D challenges, and the progress being made in relation to our 2030 targets.

Employee Engagement

As mentioned earlier in the Corporate Governance section, with effect from January 2023, the Nomination & Corporate Governance Committee has assumed responsibility for employee engagement. An update on employee engagement during 2022 is set out on page 88.

Climate Change and Sustainability

As reported last year, our 2030 absolute carbon emissions reduction target was put in place as part of our ambition to be a net-zero business by 2050 in accordance with the Paris Agreement. In early 2023, the SBTi validated that our revised targets[1] are in line with the updated 1.5°C science-based framework which now equate to a 30% reduction in absolute carbon emissions by 2030 (on a 2021 base year). It will take some time for the many initiatives in areas such as low-carbon products, business optimisation, low-carbon fuels, transport and mobile equipment, clean electricity, new technologies etc. to take effect. To support delivery of our 2030 roadmap, we expect to invest approximately $150 million per annum in incremental capital expenditure. In addition, we have put in place a $250 million venturing and innovation fund referred to on page 30. This work is supported by our target for our cement plants to reduce cement specific net CO_2 emissions per tonne of cementitious product to 520kg by 2025 (accelerated from 2030). For more information on our decarbonisation journey, please see pages 26 to 31.

As a large scale landholder, we have a responsibility to continue to preserve and protect biodiversity. A core part of our Environmental Policy is to "Support and enhance biodiversity, ensuring responsible land use and biodiversity management". CRH operates at approximately 1,200 quarries/pits covering c.130,000 hectares and has a responsibility to enhance and restore natural habitats while mitigating potential negative impacts. CRH adheres to all relevant biodiversity legislation at each operating location and engages in collaborative initiatives to enhance biodiversity. During the year we received and considered updates on progress in relation to the achievement of our 2030 target and the work in developing CRH's biodiversity framework. For more information on our biodiversity policies and targets, please see pages 36 and 37.

In order to play our part in driving positive change, CRH works with regulators to establish improved legislative frameworks and industry standards for a net-zero built environment and the Committee receives regular updates on our climate lobbying practices.

During the course of the next year, we will continue to focus on CRH's initiatives and achievement against our 2030 sustainability targets.

Incorporating ESG Metrics in CRH's Remuneration Incentive Structures

The Remuneration Committee has incorporated sustainability and I&D metrics into CRH's incentive structures. Further details are set out on page 110.

Regulatory Environment

In 2021, CRH introduced new and enhanced disclosures in relation to both the TCFD and the EU Taxonomy Regulations. The TCFD framework requires disclosure on climate-related governance, strategy, risk management, as well as metrics and targets. CRH previously used the TCFD framework on a voluntary basis, and in line with our commitment to transparency, our disclosures are now consistent with TCFD recommendations and recommended disclosures. EU Taxonomy, which is an EU regulatory classification system that defines environmentally sustainable activities by providing "technical screening criteria" thresholds for activities to be reported as 'sustainable', requires CRH to disclose the percentage of activities that are taxonomy-eligible. TCFD and EU Taxonomy related disclosures in respect of 2022 have been further enhanced and are set out on pages 56 to 59 and 270 to 273 respectively.

Mary K. Rhinehart
Chairman of the Safety, Environment & Social Responsibility Committee
1 March 2023

Examples of Best Practice Initiatives

Safety

Automatic Fire Protection System for Mobile Equipment

Summary

- We are committed to implementing the systems and processes necessary to create a culture of safety excellence
- For example, Romcim, part of our Europe Materials Division in Romania, implemented an automatic fire protection system for mobile equipment at their Hoghiz location

Outcome

- The detection and suppression system prevents injuries and damages that could arise from potentially hard to detect and intense engine fires. Preventative action like this will reduce risks for employees at the Hoghiz plant and help to ensure they are able to complete their work safely

Inclusion & Diversity

Inclusive Leadership Development Programme

Summary

- More than 250 senior leaders (including the Global Leadership Team) across CRH participated in the programme
- It took place virtually over six months and was made up of three modules and three peer coaching sessions totalling 14 hours
- The programme aimed to create lasting and sustainable change, developing inclusive leadership skills and habits
- Participants also came away with a toolkit of nine practical tools that can be applied in day-to-day interactions and processes

Outcome

- Significant investment of leader's time, helping to develop their capability to build and lead a more inclusive organisation

Contributing to a more Circular Economy

Innovative Products & Solutions

Summary

- Our ambition is to deliver innovative products and solutions to drive progress towards a circular, net-zero built environment
- CRH's structural concrete business in Belgium, part of our Europe Materials Division, is collaborating with a Belgian start-up to establish a project involving the reuse of building insulation products
- As part of this collaboration, CRH's structural concrete business in Belgium is supplying recycled materials which are then converted into innovative insulation products

Outcome

- By continuously investing in sustainable solutions, we are driving toward our goal of 50% revenue coming from products with enhanced sustainability attributes by 2025 and contributing to a more circular economy

1. Refer to page 27 for further detail on our decarbonisation targets.

TCFD – Sustainability Governance

Board Oversight

Sustainability, including addressing the impact of climate change, is embedded in the Group's strategy and business model. The Board recognises the importance of decarbonisation in addressing the challenges of climate change and believes that the Group's integrated strategy of value-added products and innovative solutions have a key role to play in delivering a more resilient and sustainable built environment.

Climate change and sustainability are frequent discussion topics at Board and Board Committee meetings, with the Board and its Committees discussing various aspects of the Group's climate strategy, the linkage between the Group's remuneration policies and practices and the Group's sustainability (and climate-related) objectives, stakeholder expectations, the regulatory environment and CRH's carbon emissions reduction targets at the majority of meetings during 2022. In addition, climate change and sustainability-related matters form an integral part of discussions on the Group's strategy and business model, capital allocation and risk management. The SESR Committee, to which the Board has delegated primary responsibility for monitoring developments related to sustainability, including climate, and providing strategic direction, oversight and support to the Board on these important topics, meets every quarter. The Board monitors and oversees progress against climate-related targets and goals through detailed reports of discussions and recommendations which are presented to it by the SESR Committee following the conclusion of each meeting.

Table 13 provides a high-level summary of the Board's oversight of climate-related risks and opportunities during 2022. Further information is also included in the Governance Report on page 89 and in the SESR Committee Report on page 105. Further details in relation to the role and responsibilities of the Board and its Committees are set out in the Governance Report on pages 88 to 132.

Management Responsibility

The Chief Executive is responsible for the operational and profit performance of the Group and is accountable to the Board for all authority delegated to executive management. The Chief Executive executes strategy agreed with the Board and regularly reports to the Board on the progress and performance of the Group, including in relation to climate-related matters.

The Chief Executive is supported by the Global Leadership Team, which is responsible for implementing strategy, pursuing performance delivery and progressing the Group's sustainability and climate-related agenda.

Responsibility for formulating and executing our climate strategy sits with the Chief Operating Officer. The Global Leadership Team receives support from various executive-level committees and other working groups and functions on sustainability and climate-related issues.

For more information on the Group's organisation structure, including how responsibilities feed through each level, please see our Risk Governance Framework on page 94.

Board and Committees Activities during 2022

Table 13

	Climate-related Roles & Responsibilities	Principal Actions during 2022
Board	Ultimate responsibility for all risks, including climate-related risks and opportunities, and the delivery of our environmental targets	• Put in place an industry leading-target of a 25% reduction in absolute group-wide carbon emissions by 2030. In early 2023, the SBTi validated that our revised targets[1] are in line with the updated 1.5°C science-based framework which now equate to a 30% reduction in absolute carbon emissions by 2030 (from a 2021 base year) • A $250 million venturing and innovation fund was put in place to identify new technologies and business models, and to foster innovation across the organisation • Considered and approved the Group's Risk Appetite & Tolerance Framework
ADF Committee	Reviewing the strategic rationale and impact of proposed acquisitions, disposals and large capital expenditure projects	• Considered and approved a number of acquisitions and divestments, which further enhance our integrated sustainable solutions strategy
Audit Committee	Monitoring and assessing the Group's risk management processes (including climate risk) and internal control systems across the Group	• Received and considered regular updates on the Group's principal and emerging risks and uncertainties, including those that could threaten its business model, future performance, solvency or liquidity. This included detailed discussion on the impact of climate-related risks on the Group's accounting judgements, disclosures, processes and financial statements
Nomination & Corporate Governance Committee	Monitoring the Board's structure, size, composition and balance of skills to ensure that the Board can meet its strategic objectives and regulatory responsibilities	• Actively reviewed and monitored the structure, size, composition and balance of skills on the Board
Remuneration Committee	Designing incentive structures which support the achievement of the key strategic priorities such as our climate and sustainability objectives	• Following consultation with shareholders, considered and finalised appropriate ESG-related targets for inclusion in the Group's Performance Share Plan. This included a specific component related to decarbonisation
SESR Committee	Monitoring developments related to sustainability, including climate, and providing strategic direction, oversight and support to the Board	• Received and considered updates on the Group's sustainability and climate-related targets, actions and performance

1. Refer to page 27 for further detail on our decarbonisation targets.

Directors' Remuneration Report

Lamar McKay

"Despite a challenging and volatile cost environment in both North America and Europe, CRH delivered another strong result in 2022, with increased sales, profits and margins driven by the continued execution of our integrated and sustainable solutions strategy."

Lamar McKay,
Chairman of the Remuneration Committee

Committee Members

Lamar McKay (Chairman)

Richie Boucher

Caroline Dowling

Johan Karlström

Shaun Kelly

Gillian L. Platt

Mary K. Rhinehart

Governance Appendix - Further Information

Further general information in relation to the following topics is contained in the Governance Appendix:

- the operation of the Remuneration Committee
- the responsibilities delegated to the Committee by the Board

Introduction

I am delighted to introduce, on behalf of my colleagues on the Remuneration Committee and on the Board, the Remuneration Report to shareholders, which is split into three sections: this introductory overview, a summary of the remuneration policy updated and approved by shareholders in 2022, and the Annual Report on Remuneration, which contains details of CRH's remuneration arrangements and includes various legislative, regulatory and best practice disclosures.

Context and Performance in 2022

Despite a challenging and volatile cost environment in both North America and Europe, CRH delivered another strong result in 2022, with increased sales, profits and margins driven by the continued execution of our integrated and sustainable solutions strategy. The dividend for 2022 was increased by 5% and we continued our buyback programme returning $1.2 billion to shareholders, which brings the total returned to shareholders through the share buyback programme to over $4.1 billion. The Group's disciplined approach to capital allocation provides further opportunities for value creation.

Remuneration Policy

I would like to thank shareholders for their strong support of CRH's updated remuneration policy at the 2022 AGM. The updated policy provided for the enhancement of our long-term incentive scorecard by incorporating important metrics related to sustainability and our people, while retaining the broad structure of the previous policies which have served the Company well. A summary of the updated policy is set out on pages 113 to 118.

We believe that our remuneration structures are fully aligned with and support CRH's strategic priorities, our Purpose to reinvent the way that the world is built and our core values that people are our priority, character is our strength, performance is our commitment and innovation is our way forward. The alignment with strategy is summarised in Table 17 on page 110. Further details on our Purpose and our values are contained on pages 6 and 7.

Executive Directors' Remuneration

Base Salary

As reported in last year's Remuneration Report, the Committee approved salary increases of 2.75% for the executive Directors in respect of 2022. This was in line with the increases for the wider workforce in Ireland and the UK. Increases in salary for employees across the Group in 2023 will depend on a range of factors specific to a region or business. In Ireland increases will generally be 4.25%, while increases in the UK will be c.4.5%. For the executive Directors, salary increases have been set at a lower level of 3.5%.

Pension Entitlements

In line with the planned phased reduction, the contractual pension entitlements of our Chief Executive, Albert Manifold, ceased in full in August 2022 when he reached aged 60. As previously advised, the Chief Financial Officer's pension contribution is aligned with the rate which is available to the wider workforce in Ireland and the UK.

2022 Annual Bonus Plan

Reflecting the strong performance in 2022, the financial metrics for the annual bonus plan, which accounted for 80% of the overall opportunity were achieved in full. The Committee also assessed the performance of the Chief Executive and Chief Financial Officer against their personal and strategic objectives (which represent 20% of the overall opportunity), which the Committee concluded were met to the fullest extent possible. However, notwithstanding the outperformance during the year, in the context of the uncertain economic climate and backdrop of high inflation and rising costs, both management and the Committee judged that it would be appropriate to cap the bonus outcome at 85% of maximum.

2022 Performance Highlights

Table 14

OPERATING CASH FLOW	$4.0bn	6%	(2021: $4.2bn)	(2020: $3.9bn)	Down
RETURN ON NET ASSETS	13.3%	100 bps	(2021: 12.3%)	(2020: 10.1%)	Up
EARNINGS PER SHARE	$3.50	14%	(2021: $3.06)	(2020: $1.23)	Up
SALES	$32.7bn	12%	(2021: $29.2bn)	(2020: $25.9bn)	Up
EBITDA (as defined)*	$5.6bn	13%	(2021: $5.0bn)	(2020: $4.3bn)	Up
DIVIDEND PER SHARE	$1.27	5%	(2021: $1.21)	(2020: $1.15)	Up

In determining this outcome, the Committee considered input from the SESR Committee that, following an in-depth review of safety performance and, in particular, reportable fatalities which occurred during 2022, the exercise of downward discretion on bonus outcomes would not be warranted in its view. In reaching that conclusion, the SESR Committee was satisfied that none of the reportable fatalities was attributable to a lack of applicable training, deficient safety procedures or defective equipment being used. Furthermore, through detailed analysis and discussion of a range of measures, as well as through engagement with employees, the SESR Committee was satisfied that the appropriate safety culture is in place across the Group. Following discussion, the Committee concurred with the SESR Committee and concluded that downward discretion on these 2022 bonus outcomes should not be applied. Further details in relation to achievements against the financial and personal/strategic targets are set out on page 120.

2020 Performance Share Plan Award

Performance Share Plan (PSP) Awards are made to c.750 executives across the organisation. The PSP Award made in 2020 has been assessed against the cashflow, RONA and TSR targets set by the Committee in February 2020. Performance against these targets, which were set before the onset of the COVID-19 pandemic and were not subsequently adjusted, has resulted in a 100% vesting level. The reference price used for the award level (€33.10) was set in early March 2020, before the onset of the pandemic resulted in a significant impact on equity markets generally and CRH's share price for a time. Taking into account the very strong performance of the Company over the three years of the award, with sustained increases in sales, profits and margins, increased dividends and the continuation of the share buyback programme, the Committee is satisfied that the 100% vesting of the award is appropriate and that the increase in share price over the period is due to the Company's underlying performance rather than a 'windfall' gain resulting from market volatility caused by the COVID-19 pandemic.

2023 Incentive Plan Targets

The targets for the 2023 Bonus Plan will continue to be based on financial targets of EPS, cashflow and RONA, representing 80% of the opportunity, with the remaining 20% relating to personal and strategic objectives. The 2023 targets and the performance against those targets will be disclosed in the 2023 Directors' Remuneration Report.

The targets for the 2023 PSP award are set out in Table 35 on page 126. In line with the policy approved by shareholders at the 2022 AGM and the 2022 PSP award, the metrics are a mix of financial targets (Cashflow, RONA and TSR) (being 85% of the award) and non-financial targets (15%) which are focused on decarbonisation, sustainability and I&D.

In setting the targets for the annual bonus plan and PSP awards in 2023, the Committee has made a number of assumptions in relation to the macro-economic environment. In keeping with prior practice, these assumptions will be kept under review and, if appropriate, the Committee may adjust the targets or exercise its discretion at the time of vesting to ensure pay outcomes remain aligned with performance, particularly if the targets become less stretching than intended when they were set.

Chairman and Non-executive Directors

Fee increases of 3.5% will apply for 2023 for the Chairman and non-executive Directors.

Employee Engagement

As outlined in the Chairman's introduction to the Corporate Governance section on page 88, the Board led by members of the SESR Committee engaged with a cross section of employees during the past 12 months through a mixture of in-person and video conference calls. These were interactive sessions, which provided an opportunity for employees to discuss with Board members a wide range of topics and for us to gain a direct insight in relation to their perspectives on CRH. In relation to remuneration, we received comments on the positive nature in which local employee benefit programmes were valued and appreciated, particularly in the case of the employees of newly acquired companies. We also had an opportunity to explain CRH's overall remuneration structures, including the components of executive Director remuneration, and importantly how they linked to the metrics by which CRH as a whole is managed and the key strategic targets set by the Board.

Overall, the feedback we received was that there was an understanding of CRH's executive remuneration structures and the link with long-term organisational priorities, and that including incentives for non-financial performance was a positive step to help ensure the long-term future of CRH.

Gender Pay Gap Reporting

In the UK, our subsidiaries have reported on gender pay for a number of years. In Ireland, this requirement was implemented for the first time in 2022. Three subsidiaries, with a combined total of 1,319 employees, have published reports under the new legislation. The mean gender pay gap across the three Irish CRH companies is 12%, while the median pay gap is 15% (the latter in favour of women). A number of initiatives have been implemented to seek to address the gap identified.

Conclusion

2022 was another year of very strong performance for the Group in challenging circumstances. The Committee believes that the way in which we have implemented the remuneration policy outlined in this report is appropriate taking into account a range of factors, including the strong performance in 2022, the continued value created for shareholders and the experience of wider stakeholders. As usual, this Remuneration Report will be included on the agenda of the 2023 AGM. We look forward to receiving your support for the Report.

Lamar McKay
Chairman of the Remuneration Committee
1 March 2023

*EBITDA is defined as earnings from continuing operations before interest, taxes, depreciation, amortisation, asset impairment charges, profit on disposals and the Group's share of equity accounted investments' profit after tax.

Remuneration Committee - Key Points Table 15

Policy	• Updated in 2022. Approved by 90% of shareholders at the 2022 AGM
Base Salary	• 2023 salary increases for Irish & UK workforce were 4.25% and 4.5% respectively; 3.5% for executive Directors
Pensions	• The Chief Executive's entitlement ceased in August 2022. The Chief Financial Officer's pension remains aligned with that of the Irish and UK workforce
Annual Bonus Plan	• Payout of 85% of maximum. As explained on page 108, performance exceeded the stretch financial targets and personal/ strategic goals warranting 100% payout. However, both management and the Committee judged that it would be appropriate to cap the bonus outcome at 85% of maximum, in the context of the uncertain economic climate and backdrop of high inflation, and rising costs
Performance Share Plan	• 100% vesting for 2020 PSP award; opportunity calibrated using a reference price – and performance targets – set prior to COVID-19 impact on markets and macro-economic environment; 2022 and 2023 PSP scorecard includes ESG metrics aligned to our sustainability and I&D priorities.
Non-executive Directors	• Fees increased by 3.5% for 2023

2022 Remuneration Snapshot (full details of 2022 remuneration are set out in Table 20 on page 112) Table 16

	Fixed	Performance-related Variable Remuneration	
Director	Salary	Annual Bonus (i) (% of Max)	2020 PSP Award (ii) (% of Max)
Albert Manifold	€1,651,635	85%	100%
Jim Mintern	€861,045	85%	100%

(i) For the reasons outlined on page 108, the Committee and the executive Directors judged that the payout under the 2022 annual bonus plan should be capped at 85% of maximum.

(ii) The awards, for which performance was measured over the three-year period to end 2022, will vest at 100%. The award for Mr. Mintern, which was granted before his appointment to the Board, is not subject to an additional holding period and will vest in April 2023. The award for Mr. Manifold is subject to an additional two-year holding period and, therefore, will vest in 2025. Further details in relation to the estimated value of the awards, split between the value created for performance and the value created through share price growth, are included in Table 20 on page 112. The market value per share on the date of award (in March 2020) was €33.10.

Alignment of Executive Remuneration with Strategy Table 17

Performance Measure (i)	Annual Bonus	PSP	Reason for Selection
EPS	✔		EPS is a key measure of underlying profitability
Cash Flow	✔	✔	Cash flow is a key measure of CRH's ability to generate cash to fund organic and acquisitive growth and provide returns to our shareholders via dividends and share buybacks
RONA	✔	✔	RONA is a key measure of CRH's ability to create value through excellence in operational performance
TSR		✔	TSR is a key measure of CRH's returns to shareholders through the cycle
Sustainability and I&D		✔	Sustainability is deeply embedded in all aspects of the Group's strategy and business model. We recognise the importance of decarbonisation in addressing the challenges of climate change and we are fully committed to achieving our ambition to be a net-zero business by 2050. We also believe that our integrated model of value-added products and innovative solutions strategy has a key part to play in the delivery of a more resilient built environment and a more sustainable future. Furthermore, we consider that an inclusive working environment, policies and practices will assist in further developing the diversity of our workforce and leadership teams, which will positively contribute to growing shareholder value over the longer term
Personal/Strategic Objectives	✔		Personal strategic objectives enable a focus on specific factors aligned with CRH's short and medium-term strategic objectives that promote long-term performance

(i) Please see the footnotes to Tables 26 and 27 on pages 120 and 121 respectively for further information on the operation of the financial metrics for the purposes of the Group's incentive schemes.

Committee's Approach to Remuneration

Table 18

The key principles underpinning the Committee's approach are to set remuneration at a level that:

- Is fair and balanced
- Is market competitive, enabling the Company to recruit and retain talented executives
- Incentivises executives in a way that focuses on delivering the Company's strategic objectives
- Aligns the interests of the executive team with those of shareholders

The Committee also seeks to ensure that updates to the Policy take into account the views of stakeholders and evolving best practice. The Board and the Committee are regularly updated on the perspectives of our employees and take these perspectives into account when making remuneration decisions. In particular, the Remuneration Committee has oversight of remuneration policy across the Group and endeavours to keep the structure of remuneration consistent as far as possible, given CRH's international footprint. Generally speaking, total remuneration is more variable (and, in particular, weighted towards long-term performance) for roles with greater levels of responsibility and scope. Further details in relation to workforce engagement on remuneration matters are set out on page 109.

In setting the remuneration policy and practices for executive Directors, the Committee also takes into consideration the six pillars outlined in the 2018 Code: clarity, simplicity, risk, predictability, proportionality and alignment to culture, and is satisfied that the 2022 Policy addresses each of these areas (see page 113 for further details).

Most Recent Remuneration Related Votes

Table 19

	Year of AGM	% in Favour	% Against	No. of Votes Withheld	Total No. of Votes Cast (incl. Votes Withheld)	% of Issued Share Capital Voted
Directors' Remuneration Report ("Say on Pay")	2022	86.10%	13.90%	644,289	539,302,198	70.4%
Directors' Remuneration Policy	2022	90.38%	9.62%	661,221	538,931,361	70.4%

Individual Executive Remuneration for the year ended 31 December 2022 (Audited)

Table 20

	Albert Manifold			Jim Mintern (i)		
	2022	2021	2020	2022	2021	2020
Fixed Pay	€000	€000	€000	€000	€000	€000
Basic Salary (ii)	1,652	1,607	1,469	861	489	-
Benefits (iii)	31	23	27	32	21	-
Retirement Benefit Expense (iv)	413	551	612	86	49	-
Total Fixed Pay	2,096	2,181	2,108	979	559	-
Performance-related Pay						
Annual Bonus (v):						
Cash Element	2,106	2,049	2,018	976	554	-
Deferred Shares	1,053	1,025	1,009	488	277	-
Total Annual Bonus	3,159	3,074	3,027	1,464	831	-
Long-term Incentives (vi):						
Performance Share Plan						
- value delivered through performance	6,191	5,992	5,075	1,179	1,146	-
- value delivered through share price growth	625	2,659	990	119	509	-
Total Long-term Incentives	6,816	8,651	6,065	1,298	1,655	-
Total Performance-related Pay	9,975	11,725	9,092	2,762	2,486	-
Total Single Figure	12,071	13,906	11,200	3,741	3,045	-
(fixed and performance-related)						
Total Fixed v. Total Remuneration	17%	16%	19%	26%	18%	-
Total Variable v. Total Remuneration	83%	84%	81%	74%	82%	-

(i) Mr. Mintern was appointed as Chief Financial Officer and to the Board with effect from 1 June 2021. Accordingly, his 2021 remuneration reflected in the above Table relates to remuneration for the period 1 June 2021 to 31 December 2021.

(ii) Basic Salary: As outlined on page 108, the Directors received a salary increase of 2.75% in 2022 in recognition of their strong performance, contribution and leadership of CRH. The increase was in line with the increase for the general workforce in Ireland and the UK.

(iii) Benefits: For executive Directors these relate principally to the use of company cars (or car allowances), medical insurance and life assurance and, where relevant, the value of the non-taxable discount on the grant of options under the Group's 2010 SAYE Scheme.

(iv) As noted on page 114, Albert Manifold received a supplementary taxable non-pensionable cash allowance, in lieu of prospective pension benefits foregone. This allowance was similar in value to the reduction in the Company's liability represented by the pension benefit foregone. It was calculated based on actuarial advice as the equivalent of the reduction in the Company's liability to Mr. Manifold and spread over the term to retirement as annual compensation allowances. The planned phased reduction of Mr. Manifold's allowance, details of which were outlined in the 2019 Directors' Remuneration Report, was continued in 2022, with his payment being reduced to 25% of salary as at 1 January 2022. The compensation allowance for Mr. Manifold reduced to zero in August 2022. Mr. Mintern receives a supplementary taxable non-pensionable cash supplement equivalent to 10% of his annual base salary in lieu of a pension contribution.

(v) Annual Bonus Plan: Under the executive Directors' Annual Bonus Plan for 2022, a bonus was payable for meeting clearly defined and stretch targets and strategic goals. The structure of the 2022 Plan, together with details of the performance against targets and payouts in respect of 2022, are set out on pages 119 and 120. A third of the 2022 bonuses to be paid to executive Directors will be deferred into shares for a period of three years, with no additional performance conditions. In the case of Mr. Mintern, the 2021 bonus disclosed in the above Table reflects the portion attributable to his tenure as an executive Director.

(vi) In February 2023, the Remuneration Committee determined that 100% of the maximum PSP awards made in 2020 will vest, based on performance. The award for Mr. Manifold is subject to a further two-year holding period and will vest in 2025. The award for Mr. Mintern, which was granted prior to his appointment to the Board, is not subject to an additional holding period and will vest in April 2023. For the purposes of this table, the value of these has been estimated using a share price of €36.44, being the three-month average share price to 31 December 2022. Amounts in the long-term incentive column for 2021 reflect the value of long-term incentive awards with a performance period ending in 2021 (i.e. the PSP awards granted in 2019), which the Remuneration Committee determined in February 2022 had met the applicable performance targets. The award for Mr. Manifold is scheduled to vest in 2024 following the completion of a two-year holding period. The award for Mr. Mintern, which was granted prior to his appointment to the Board, vested in April 2022 (the value of the award on vesting was €1,422,028). For the purposes of this table, the value of these awards has been estimated using a share price of €43.11, being the three-month average share price to 31 December 2021. Amounts in the long-term incentive column for 2020 reflect the value of long-term incentive awards with a performance period ending in 2020 (i.e. the PSP awards granted in 2018), which the Remuneration Committee determined in February 2021 had met the applicable performance targets. The award is scheduled to vest in 2023 following the completion of a two-year holding period. For the purposes of this table, the value of these awards has been estimated using a share price of €33.01, being the three-month average share price to 31 December 2020.

Directors' Remuneration Policy

2022 Directors' Remuneration Policy

The Remuneration Committee's aim is to make sure that CRH's pay structures are fair, responsible and competitive, in order that CRH can attract and retain staff of the calibre necessary for it to compete in all of its markets.

CRH's Remuneration Policy, which was approved by shareholders at the 2022 AGM, is available on the Group's website, www.crh.com, and was included in full in the 2021 Annual Report and Form 20-F. As the Company is not seeking shareholder approval for any revision of the Policy in 2023, the full text of the Policy has not been reproduced in this report. The following paragraphs and Tables 21 to 25 on pages 114 to 118 provide a summary of key elements of the Policy. The Policy is consistent with that shown last year, save the changes to the performance scenario charts.

The Group's remuneration structures are designed to drive performance and link reward to the responsibilities and individual contribution of executives, while at the same time reflecting the risk policies of the Group. It is our policy to grant participation in the Group's performance-related plans to key management to encourage alignment with shareholders' interests and to create a community of common interest among different regions and nationalities.

In setting remuneration levels, the Remuneration Committee takes into consideration the remuneration practices of other international companies of similar size and scope and trends in executive remuneration generally, in each of the regions in which the Company operates.

The Committee is mindful of managing any conflicts of interest. Therefore, no individual is involved in determining his/her own remuneration arrangements. The Committee determines the remuneration of the Chairman and the executive Directors, with neither the Chairman nor any executive Director being present when their respective individual remuneration is being considered or approved. The remuneration of the non-executive Directors, including the Committee members, is determined by a committee of the Chairman and the executive Directors.

Regulatory Backdrop

Under the Shareholder Rights Directive 2017/2018 which was transposed into Irish law by the EU (Shareholders' Rights) Regulations 2020 ("SRD II"), public limited companies must submit a remuneration policy to an advisory vote at least every four years or earlier if there is a proposed material change to the approved policy. In order to continue alignment with general practice in the UK, the Committee intends to seek approval from shareholders to renew/update the policy every three years.

CRH's Approach to Remuneration

The purpose of the 2022 Directors' Remuneration Policy is to:

- Reward and motivate executives to perform in the long-term interests of the shareholders
- Attract and retain executives of the highest calibre
- Foster entrepreneurship within the Group by rewarding the creation of shareholder value through organic and acquisitive growth
- Provide an appropriate blend of fixed and variable remuneration and short and long-term incentives
- Reflect the spread of the Group's operations so that remuneration packages in each geography are appropriate and competitive for that area
- Reflect the risk policies and appetite of the Group

In formulating the 2022 Policy, the Committee sought to ensure that it and the Group's remuneration practices were consistent with the six factors set out in Provision 40 of the 2018 Code:

Clarity

The 2022 Policy is designed to be sustainable and simple.

Simplicity

The 2022 Policy utilises market standard annual bonus and long-term incentive plans, the operation of both of which are clearly explained in detail and well-understood by participants.

Risk

The 2022 Policy has been designed to ensure that inappropriate risk taking is discouraged with a balanced use of annual and longer term incentives; best practice measures such as significant in-employment and post-employment shareholding requirements to align the long-term interests of executives and shareholders; and the use of clawback and malus provisions. In addition, the Committee retains discretion to override formulaic outcomes; any use of such discretion will be disclosed in the relevant Remuneration Report.

Predictability

The possible outcomes under the 2022 Policy are quantifiable. Illustrations of potential outcomes under various scenarios are included in this report.

Proportionality

The 2022 Policy has been designed to ensure that there is a clear link between pay outcomes and the delivery of the Group's strategy and performance. A significant proportion of the executive Directors' potential remuneration is 'at risk' and is subject to clearly defined and stretching performance targets.

Alignment to Culture

The 2022 Policy is designed to promote the long-term sustainable success of the Group. The performance metrics and targets used in the annual and long-term incentive plans reflect our values and key strategic priorities.

2022 Policy Table

Further details regarding the operation of the 2022 Policy for the 2022 and 2023 financial years can be found on pages 119 to 132 of the Directors' Remuneration Report.

Policy Table

Table 21

Element	Fixed Base Salary	Fixed Pension
Purpose and link to strategy	• Competitive salaries help to attract and retain staff with the experience and knowledge required to enable the Group to compete effectively in its markets	• Pension arrangements provide competitive and appropriate retirement plans • Given the long-term nature of the business, pension is an important part of the remuneration package to support creation of value and succession planning
Operation	• Base salaries are set by the Committee taking into account: - the size and scope of the executive Director's role and responsibilities; - the individual's skills, experience and performance; - salary levels at FTSE listed companies of a similar size and complexity to CRH and other international construction and building materials companies; and - pay and conditions elsewhere in the Group • Base salary is normally reviewed annually with changes generally effective on 1 January, although the Committee may make an out-of-cycle increase if it considers it to be appropriate	• Irish-based executive Directors may participate in a contributory defined benefit scheme or, if they joined the Group after 1 January 2012, in a defined contribution scheme as the defined benefit scheme which the Directors participate in is closed to new entrants • For new appointments to the Board the Committee may determine that alternative pension provisions will operate (for example a cash contribution). When determining pension arrangements for new appointments the Committee will give regard to existing entitlements, the cost of the arrangements, market practice and the pension arrangements received elsewhere in the Group. Pension contribution rates for any newly appointed executive Directors will not exceed the norm for pension related contributions/allowances for new recruits, across the general workforce, in the individual's home jurisdiction or, if applicable, the jurisdiction in which the individual is to be based in their executive Director role
Maximum opportunity	• Base salaries are set at a level which the Committee considers to be appropriate taking into consideration the factors outlined in the "operation" section above • While there is no maximum base salary, normally increases will be in line with the typical level of increase awarded to other employees in the Group but may be higher in certain circumstances. These circumstances may include: - where a new executive Director has been appointed at a lower salary, higher increases may be awarded over an initial period as the executive Director gains in experience and the salary is moved to what the Committee considers is an appropriate positioning; - where there has been a significant increase in the scope or responsibility of an executive Director's role or where an individual has been internally promoted, higher salary increases may be awarded; and - where a larger increase is considered necessary to reflect significant changes in market practice	• The entitlement of individuals participating in defined contribution schemes reflects the accumulated individual and matching company contributions paid into the schemes. At present no Ireland-based executive Directors are members of a defined contribution scheme • In relation to Mr. Manifold, who joined the Group prior to 31 December 2011, the defined benefit pension is provided through an Irish-revenue approved retirement benefit scheme (the 'Scheme'). Accrued benefits for service to 31 December 2011 were based on pensionable salary and years of service as at that date (annual accrual of 1/60th), with this tranche being revalued annually at the Consumer Price Index subject to a 5% ceiling. For service subsequent to that date a career-average revalued earnings system was introduced with each year of service being subject to annual revaluation on the same basis as outlined above. Mr. Manifold elected to cease accruing pension benefits and to receive a supplementary taxable non-pensionable cash allowance in lieu of pension benefits foregone as a result of the pension cap (see page 123 for more details). This allowance was similar in value to the reduction in the Company's liability represented by the pension benefit foregone. Whilst there was no absolute maximum to the quantum of these payments they were calculated based on actuarial advice as the equivalent of the reduction in the liability the Company would otherwise have had under the Scheme in respect of Mr. Manifold's benefits and spread over the term to retirement as annual compensation allowances. Mr. Manifold voluntarily reduced the monetary value of the pension contribution/allowance so that it was reduced to 25% of his base salary as at 1 January 2022. His contractual entitlement to compensation in lieu of pension payments ceased in August 2022 when he reached age 60
Performance measure	• Not applicable	• Not applicable

Table 21

Fixed Benefits	Performance-related pay - Annual Bonus
• To provide a market competitive level of benefits for executive Directors	• The Annual Performance-related Incentive Plan is designed to reward the creation of shareholder value through operational excellence and organic and acquisitive growth. The Plan incentivises executive Directors to deliver Group and individual goals that support long-term value creation • A Deferred Annual Performance-related Incentive Plan element links the value of executive Directors' reward with the long-term performance of the CRH share price and aligns the interests of executive Directors with those of shareholders • "Malus" and clawback provisions enable the Company to mitigate risk
• The Committee's policy is to set benefit provision at an appropriate market competitive level taking into account market practice, the level of benefits provided for other employees in the Group, the individual's home jurisdiction and the jurisdiction in which the individual is based • Employment-related benefits include the use of company cars (or a car allowance), medical insurance for the executive Director and his/her family and life assurance • In the event that the Chief Executive falls ill or is injured in such a way as which would constitute ill-health or disablement so that the Chief Executive could not work for a period of more than six months, in lieu of the early ill-health retirement provisions in the pension scheme which would otherwise operate in such cases, he shall be entitled to receive a disability salary of €1,000,000 per annum. Such payment would cease when the Chief Executive reaches age 60, returns to work or if the service agreement is terminated • Benefits may also be provided in relation to legal fees incurred in respect of agreeing service contracts, or similar agreements (for which the Company may settle any tax incurred by the executive Director) and a gift on retirement • The Committee may remove benefits that executive Directors receive or introduce other benefits if it is considered appropriate to do so. The Company may also pay the tax due on benefits if it considers that it is appropriate to do so • All-employee share schemes - executive Directors are eligible to participate in the Company's all-employee share schemes on the same terms as other employees. Executive Directors may also receive other benefits which are available to employees generally • Re-location policy - where executive Directors are required to re-locate to take up their role, the Committee may determine that they should receive appropriate re-location and ongoing expatriate benefits. The level of such benefits would be determined based on individual circumstances taking into account typical market practice	• The Annual Performance-related Incentive Plan rewards executive Directors for meeting Company performance goals over a financial year of the Company. Targets are set annually by the Committee • The annual bonus is paid in a mix of cash and shares (structured as a deferred share award) • For 2023: – 66.7% of the bonus will be paid in cash; and – 33.3% will be paid in shares • In future years, the Committee may determine that a different balance between cash and shares is appropriate and adjust the relevant payments accordingly • When assessing performance and determining bonus payouts the Committee also considers the underlying financial performance of the business to ensure it is consistent with the overall award level • The deferred element of the bonus will be structured as a conditional share award or nil-cost option and will normally vest after three years from grant (or a different period determined by the Committee). Deferred share awards may be settled in cash in exceptional circumstances • Dividend equivalents may be paid on deferred share awards in respect of dividends paid during the vesting period. These payments may be made in cash or shares and may assume the reinvestment of dividends on a cumulative basis • For deferred awards, "malus" provisions apply. Cash bonus payments are subject to clawback of the net amount paid for a period of three years from payment
• The level of benefit provided will depend on the cost of providing individual items and the individual's circumstances, and therefore the Committee has not set a maximum level of benefit	• Maximum annual opportunity of 225% of base salary • For 2023, the intended maximum award levels are: – 225% of base salary for Chief Executive; and – 200% of base salary for the Chief Financial Officer
• Not applicable	• The performance-related incentive plan is based on achieving clearly defined and stretching annual targets and strategic goals set by the Committee each year based on key business priorities • The performance metrics used are a mix of financial targets including return goals and personal/strategic objectives generally. Currently 80% of the bonus is based on financial performance measures • The Committee may vary the weightings of measures but no less than 50% shall be based on financial performance measures • A portion of the bonus metrics for any Director may be linked to his/her specific area of responsibility • Up to 50% of the maximum bonus will be paid for achieving target levels of performance

Policy Table - continued Table 21

Element	Performance-related pay - 2014 Performance Share Plan
Purpose and link to strategy	• The purpose of the 2014 Performance Share Plan is to align the interest of key management across different regions and nationalities with those of shareholders through an interest in CRH shares and by incentivising the achievement of long-term performance goals • "Malus" and clawback provisions enable the Company to mitigate risk
Operation	• Awards (in the form of conditional share awards or nil-cost options) normally vest based on performance over a period of not less than three years. Awards may also be settled in cash in exceptional circumstances • Awards are normally subject to an additional holding period ending on the fifth anniversary of the grant date (or another date determined by the Committee) • Dividend equivalents may be paid on PSP awards that vest in respect of dividends paid during the vesting period until the end of the holding period. These payments may be made in cash or shares and may assume reinvestment on a cumulative basis • "Malus" and clawback provisions (as set out in the rules of the 2014 Plan) will apply to awards
Maximum opportunity	• Maximum annual opportunity of up to 365% of base salary • For 2023, the intended award levels are: – 365% of base salary for Chief Executive; and – 250% of base salary for Chief Financial Officer
Performance measure	• Awards to be granted in 2023 will vest based on cumulative cash flow (45%), a relative TSR test compared to a tailored group of key peers (20%), RONA (20%) and a number of Sustainability & Diversity measures (15%) • For threshold levels of performance, 25% of the award vests • Where applicable, when determining vesting under the PSP the Committee reviews whether the TSR performance has been impacted by unusual events and whether it therefore, reflects the underlying performance of the business • The Committee may adjust the weightings of the measures at the start of each cycle, with no measure's weighting falling below 15% • The Committee may amend the performance conditions if an event occurs that causes it to consider that an amended performance condition would be more appropriate and would not be materially less difficult to satisfy

Remuneration Policy for Non-executive Directors	Table 22
Approach to Setting Fees	
• The remuneration of non-executive Directors is determined by a Board committee of the Chairman and the executive Directors • The Remuneration Committee determines the remuneration of the Chairman within the framework or broad policy agreed with the Board • Remuneration is set at a level which will attract individuals with the necessary experience and ability to make a substantial contribution to the Company's affairs and reflect the time and travel demands of Board duties • Fees are set taking into account typical practice at other companies of a similar size and complexity to CRH • Fees are reviewed annually	
Basis of Fees	
• Fees are paid in cash • Non-executive Director fees policy is to pay: - a basic fee for membership of the Board; - an additional fee for chairing a Committee; - an additional fee for the role of Senior Independent Director; - an additional fee to reflect committee work (combined fee for all committee roles); and - an additional fee based on the location of the Director to reflect time spent travelling to Board meetings • Other fees may also be paid to reflect other Board roles or responsibilities • In accordance with the Articles of Association, shareholders set the maximum aggregate amount of the fees payable to non-executive Directors. The current limit of €1,200,000 was set by shareholders at the Annual General Meeting held in 2022	
Other Items	
• The non-executive Directors do not participate in any of the Company's performance-related incentive plans or share schemes • Non-executive Directors do not receive pensions • Where relevant, the Group Chairman may be reimbursed for expenses incurred in travelling from his residence to his CRH office on a gross up basis so that he is not at a net loss after deduction of tax • Benefits including retirement gifts (provided they do not exceed the de minimis threshold outlined on page 125) may be provided if, in the view of the Board (for non-executive Directors or for the Chairman), this is considered appropriate. The Company may gross up any expenses so that the non-executive Directors are not at a net loss after deduction of tax. Details regarding any benefit provided will be disclosed in the relevant year of receipt	

Service Contracts for Executive Directors

The Chief Executive and Chief Financial Officer have entered into service contracts, details of which are summarised on page 95 of the 2021 Annual Report and Form 20-F. All incentive arrangements remain at the discretion of the Committee.

Under Irish company law, CRH is not required to make service contracts available for inspection as the notice period is no more than 12 months. Service contracts will only be available with the executive Directors' consent due to data protection reasons.

Non-executive Directors - Letters of Appointment

Non-executive Directors serve under letters of appointment, copies of which are available for inspection at the Company's Registered Office and at the AGM.

In line with the 2018 Code, all non-executive Directors submit themselves for re-election by shareholders every year at the AGM. All non-executive Director appointments can be terminated by either party without notice. There is no payment in lieu of notice provided.

Shareholding Guideline for Executive Directors

Executive Directors are required to build up (and maintain) a minimum holding in CRH shares. The shareholding guidelines for the Chief Executive and Chief Financial Officer are 3.5 times basic salary and 2.5 times basic salary respectively, with the guidelines to be achieved by 31 December 2023 and 1 June 2024, respectively.

For the purposes of determining the number of shares held by the executive Directors, the relevant calculation will include shares beneficially owned by the executive Directors, annual bonus awards which are deferred into shares for three years and PSP awards that have met the financial performance criteria but are subject to a two-year holding period prior to release (on a net of tax basis). The deferred share awards and PSP awards subject to a two-year hold period are not subject to any further performance criteria other than continued employment with the Group. In the event that the shareholding guidelines are not met by the applicable deadlines, the Remuneration Committee will consider what action to take at that time.

Post-employment Holding Requirements

The Chief Executive and Chief Financial Officer are required to hold shares equivalent to 2 times and 1.5 times basic salary respectively for a period of two years post-employment in a third-party trust. Until the limit is achieved, an agreed portion of any Deferred Share or PSP awards which vest will be transferred on a net of tax basis to the third-party to be held in trust for their benefit. The shares will be held in trust on a rolling basis, until their employment ceases and a subsequent two-year period has elapsed.

External Board Appointments

Executive Directors may accept external non-executive directorships with the prior approval of the Board. The Board recognises the benefits that such appointments can bring both to the Company and to the Director in terms of broadening their knowledge and experience. Whether any related fees are retained by the individual or remitted to the Group is considered on a case-by-case basis.

Considering Employee Views

The Board is regularly kept abreast of employees' perspectives and takes them into account when making decisions. In particular, the Remuneration Committee has oversight of remuneration policy across the Group and endeavours to keep the structure of remuneration consistent as far as possible. Further details of how the Committee seeks and takes into account employee views when setting remuneration for the executive Directors is set out on page 109.

Consulting with Shareholders

The Committee believes that it is very important to maintain open dialogue with shareholders on remuneration matters. CRH consults regularly with shareholders and engaged extensively with shareholders in relation to the 2022 Policy. Shareholder views, and broad indications of support, were important in shaping the 2022 Policy.

The Committee will continue to liaise with shareholders regarding remuneration matters more generally and CRH arrangements as appropriate. It is the Committee's intention to continue to consult with major shareholders in advance of making any material changes to remuneration arrangements.

Remuneration Outcomes in different Performance Scenarios

Remuneration at CRH consists of fixed pay (salary, pension and benefits), short-term variable pay and long-term variable pay. A significant portion of executive Directors' remuneration is linked to the delivery of key business goals over the short and long-term and the creation of shareholder value. Table 25 shows hypothetical values of the remuneration package for executive Directors under four assumed performance scenarios (based on 2023 proposals). No share price growth or the payment of dividend equivalents has been assumed in these scenarios (other than where specified). Potential benefits under all-employee share schemes have not been included.

Remuneration Outcomes in different Performance Scenarios — Table 23

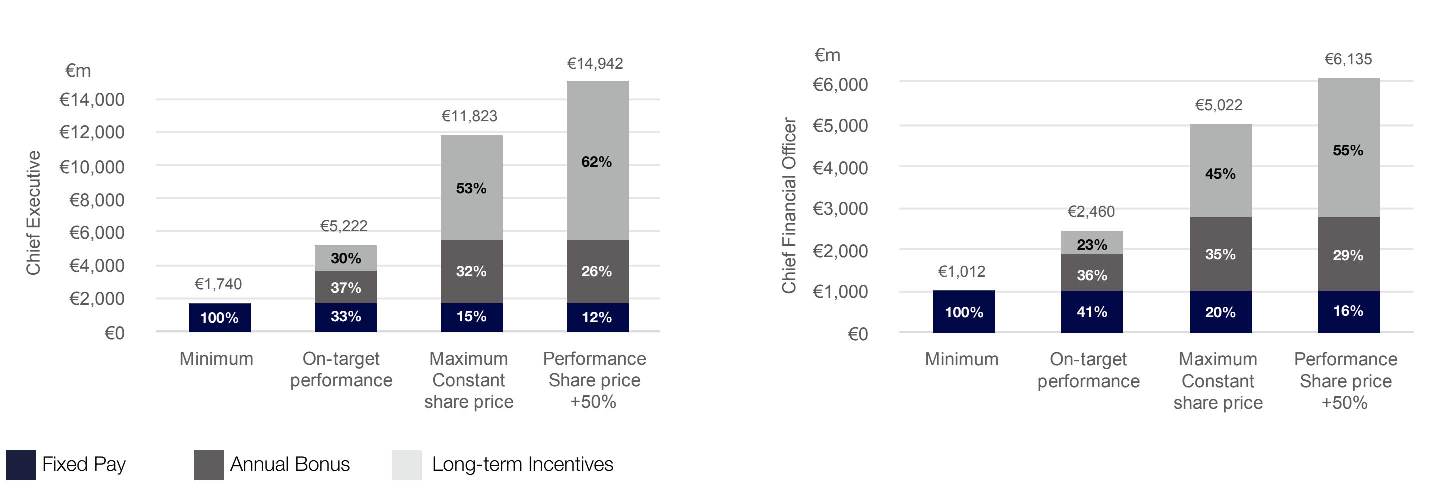
Performance Scenario	Payout Level
Minimum	• Fixed pay (see Table 24 for each executive Director) • No bonus payout • No vesting under the Performance Share Plan
On-target performance	• Fixed pay (see Table 24 for each executive Director) • 50% annual bonus payout (112.5% of salary for the Chief Executive and 100% for the Chief Financial Officer) • 25% vesting under the Performance Share Plan (91.25% of salary for the Chief Executive and 62.5% for the Chief Financial Officer)
Maximum performance (at constant share prices and assuming a 50% increase in share price)	• Fixed pay (see Table 24 for each executive Director) • 100% annual bonus payout (225% of salary for the Chief Executive and 200% of salary for the Chief Financial Officer) • 100% Performance Share Plan vesting (365% of salary for the Chief Executive and 250% for the Chief Financial Officer)

Hypothetical Remuneration Values — Table 24

	Salary With effect from 1 January 2023	Benefits Level paid in 2022 (i)	Estimated Pension (ii)	Total Fixed Pay
Chief Executive (Albert Manifold)	€1,709,442	€31,000	NIL	€1,740,442
Chief Financial Officer (Jim Mintern)	€891,182	€32,000	€89,118	€1,012,300

(i) Based on 2022 expenses.
(ii) See page 123 for details in relation to retirement benefit arrangements.

Performance-related Remuneration Outcomes — Table 25



Annual Report on Remuneration

The Remuneration Committee

The Remuneration Committee consists of seven non-executive Directors considered by the Board to be independent. They bring the range of experience of large organisations and public companies, including experience in the area of senior executive remuneration, to enable the Committee to fulfil its role. Their biographical details are set out on pages 82 to 84. A schedule of attendance at Committee meetings is set out in Table 8 on page 100.

The main focus of the Committee is to:

- determine and agree with the Board the Group's policy on executive remuneration;
- seek shareholder approval for the Directors' Remuneration Policy at least every three years;
- ensure that CRH's remuneration structures are fair and responsible; and
- consider and approve salaries and other terms of the remuneration packages for the executive Directors and the fee for the Chairman

In addition, the Committee:

- recommends and monitors the level and structure of remuneration for senior management; and
- oversees the preparation of this Directors' Remuneration Report

In considering remuneration levels for executive Directors particularly, the Committee takes into account remuneration trends across the CRH Group, which has a diverse range of operations in 29 countries, in geographic regions which are often at different stages in the economic cycle.

The Committee also engages regularly with shareholders and employees on the structure of the remuneration policy and executive incentives (see pages 118 and 109 respectively for more details).

Remuneration received by executive Directors in respect of 2022

Details of individual remuneration for executive Directors for the year ended 31 December 2022, including explanatory notes, are given in Table 20 on page 112. Details of Directors' remuneration charged against profit in the year are given in Table 45 on page 132.

The Group changed its reporting currency from euro to US Dollar with effect from 1 January 2020. Notwithstanding this, as the executive Directors are paid in euro, the Committee considers it appropriate that the remuneration figures disclosed in this Report continue to be presented in euro.

2022 Annual Bonus Plan

CRH's Annual Bonus Plan for 2022 was based on a combination of financial targets and personal/strategic goals. The metrics for target payout, which is up to a maximum of 50% of the total annual bonus opportunity, are based on achieving the budget set by the Board in respect of each metric. The threshold level for bonus payouts in 2022 was for the achievement of 92.5% of budget, whereas maximum payout is achieved for stretch performance of 107.5% of budget. The relative weighting of the components of the 2022 plan are set out in Table 26 on page 120.

When setting the targets for the annual bonus plan, the Committee makes assumptions regarding exchange rates and development activity. The Committee also compares the proposed targets to the outturn for the previous year to ensure that the targets are sufficiently stretching. In this regard, it is important to note that the metrics in the plan are influenced by the economic cycle and other factors, such as ongoing portfolio management, government infrastructure spending programmes and items outside of management's control and which may not continue into the next financial year.

When reviewing performance against the bonus plan, the Committee typically makes a number of routine adjustments to the financial targets, for example, to reflect significant development activity and actual share buyback activity during the year.

The financial targets for the 2022 annual bonus plan, which represent 80% of the potential bonus opportunity, were set in early 2022. As a result of the record financial performance of the Group in 2022 and the highest ever EBITDA (as defined)* outturn of $5.6 billion, the maximum target under each of the financial metrics was exceeded, resulting in a calculated payout level of 100%. Further details are set out in Table 26 on page 120.

The remaining 20% of the 2022 Annual Bonus Plan was linked to performance against key personal and strategic objectives. The Remuneration Committee assessed the achievements under the objectives set for 2022, as outlined in Table 26 on page 120, and concluded that they were met to the fullest extent possible.

Notwithstanding the outperformance of the target ranges set for the financial metrics during the year, and the personal/strategic goals being met to the fullest extent possible, in the context of the uncertain economic climate and backdrop of high inflation and rising costs, both management and the Committee judged that it would be appropriate to cap the bonus outcome at 85% of maximum.

In determining this outcome, the Committee considered input from the SESR Committee that, following an in-depth review of safety performance and, in particular, reportable fatalities which occurred during 2022, the exercise of downward discretion on bonus outcomes would not be warranted in its view. In reaching that conclusion, the SESR Committee was satisfied that none of the reportable fatalities was attributable to a lack of applicable training, deficient safety procedures or defective equipment being used. Furthermore, through detailed analysis and discussion of a range of measures, as well as through engagement with employees, the SESR Committee was satisfied that the appropriate safety culture is in place across the Group. Following discussion, the Committee concurred with the SESR Committee and concluded that downward discretion on the 2022 bonus outcomes outlined above should not be applied.

In accordance with the Policy, 33.3% of the bonus amounts for Albert Manifold and Jim Mintern will be deferred into shares for a period of three years. Deferred Share awards are not subject to any additional performance conditions during the deferral period and are adjusted for dividend equivalents based on dividends paid by CRH. Annual bonus awards are subject to recovery provisions for three years from the date of payment (cash awards) or grant (deferred awards).

Long-term Incentives

Performance Share Plan — 2020 awards

In 2020, the executive Directors were granted conditional awards under the 2014 Performance Share Plan. The awards were based on TSR (25% of the award) against a tailored group of key peers (see Table 29 on page 121), Cumulative Cash Flow (50% of the award) and RONA (25% of the award), and performance was measured over the three-year period 1 January 2020 to 31 December 2022. In respect of the TSR element, CRH's TSR over the period ranked in the top quartile of the tailored peer group weighted by market capitalisation and warrants 100% vesting for the TSR element. In respect of the cumulative cash flow element, the actual outturn over the period was $8.7 billion, resulting in 100% vesting for the cash flow element. In respect of the RONA element, the actual outturn was 13.5%, resulting in 100% vesting for the RONA element. Table 27 on page 121 sets out the targets for cashflow and RONA set by the Committee in 2020.

When reviewing performance against the targets, the Committee considered a number of adjustments consistent with best practice, for example, to neutralise the impact of significant acquisitions and divestments, and the impairment of subsidiaries in 2020 (as described in the 2020 Annual Report and Form 20-F).

* EBITDA is defined as earnings from continuing operations before interest, taxes, depreciation, amortisation, asset impairment charges, profit on disposals and the Group's share of equity accounted investments' profit after tax.

As outlined in the Chairman's introduction on page 109, the Committee considers that the vesting outcome is reflective of the Company's underlying performance over the performance period. In accordance with the Policy, the 2020 award to Albert Manifold will vest in 2025 on completion of an additional two-year holding period. The 2020 award for Jim Mintern was granted prior to his appointment as Chief Financial Officer and, under the terms of the award, is not subject to an additional holding period. Accordingly, the award will vest in April 2023. Vested awards will be adjusted to accrue dividend equivalents based on dividends in the period from grant to the applicable date of vesting. Table 27 on page 121 sets out details of the relevant targets. Table 28 on page 121 sets out details of the awards.

2022 Annual Bonus Plan - Achievement

Table 26

		2022 Targets - Performance needed for payout at (i) (ii)				
Measure	Weighting (% of total bonus)	Threshold	Target	Maximum	2022 Performance Achieved (iii)	Percentage of Maximum Awarded (iv)
CRH EPS (iii)	25%	251.7c	272.1c	292.6c	369.3c	21.25%
CRH Cash Flow (iii)	30%	$2,954m	$3,194m	$3,433m	$4,020m	25.50%
CRH RONA (iii)	25%	9.7%	10.5%	11.3%	13.5%	21.25%
Personal/Strategic	20%				See below	17.00%
Total	100%					85.00%

2022 Personal and Strategic Objectives

Objectives	Achievements
Refining strategy for an increasingly solutions oriented CRH business (v)	• Setting transformation and implementation roadmaps and defining future foundations to sustain such operating models (e.g. talent, technology, functions), and gaining Board support for these
Defining a framework for the continuous development of the next-generation of CRH leaders (v)	• Working closely with the Board, senior leadership team and employees across the Group to understand, define, articulate and clearly communicate our Purpose (see pages 6 and 7 for more details); • Providing leadership on the development and roll-out of our global talent strategy and development programmes, which help our people to grow their skillset and helps us to identify and attract talent and empower the next generation of leaders • Aligning leaders across the Group around the enablers that will deliver on our strategy to become a solutions-driven organisation and the critical role that our people, culture and mindsets will play in our future success
Defining a framework for the continuous development of the next-generation of CRH leaders (v)	• Implementation of organisation structure changes resulting in two distinct Divisions, CRH Americas and CRH Europe, with effect from January 2023
Continue the reorganization and design of CRH to reflect the strategic needs of the business (vi)	• Setting up of US Investor Relations office in New York and provision of support for US investors and analysts • Supporting the Board during 2022 in its continued assessment of the Group's listing structures

(i) 0% of each element is earned at threshold, 50% at target and 100% at maximum, with a straight-line payout schedule between these points.

(ii) Targets have been adjusted to reflect the impact of the share buyback programme and major development activity.

(iii) For the purposes of the Annual Bonus Plan, the EPS outcome in the Table above differs from that disclosed elsewhere in this Report as it excludes profits and losses on divestments. Operating cash flow and RONA have been defined as reported internally. For cash flow the figure differs from the net cash inflow from operating activities reported in the Consolidated Statement of Cash Flows, primarily because it is calculated after deducting cash outflows on the purchase of property, plant and equipment (PP&E), net proceeds from the disposal of PP&E, and before deducting interest and tax payments. Similarly, RONA as reported internally differs from the RONA reported in the Non-GAAP Performance Measures in this report as it reflects seasonality and the timing impact of development activity.

(iv) For the reasons outlined on page 108 the Committee and the executive Directors judged that the payout under the 2022 annual bonus plan should be capped at 85%.

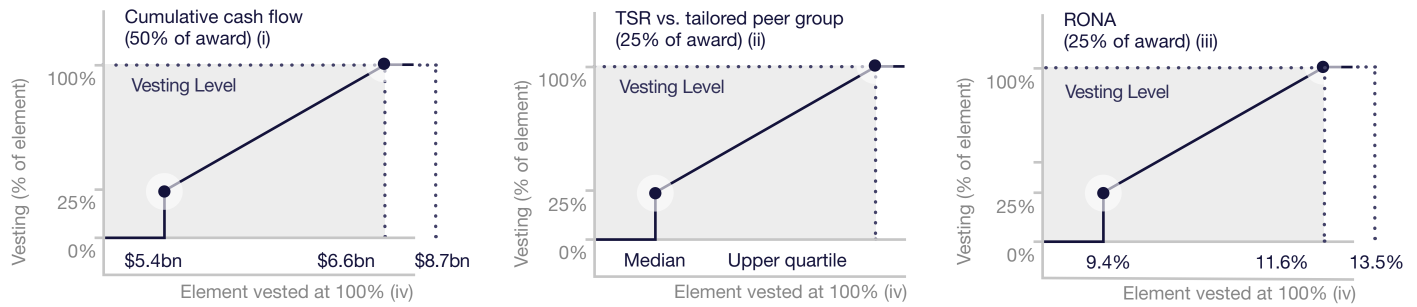
(v) Applies to both the Chief Executive and Chief Financial Officer.

(vi) Chief Executive only.

(vii) Chief Financial Officer only.

2020 Performance Share Plan Award Metrics

Table 27



(i) Further information on how cash flow is calculated for PSP awards is set out on page 123.

(ii) The methodology for calculating TSR assumes all dividends are reinvested on the ex-dividend date at the closing price on that day; the open and close price is based on the three-month average closing price on the last day before the start of the performance period and the final day of the performance period respectively. For the 2020 awards, TSR performance is assessed on a weighted market capitalisation basis.

(iii) RONA is also defined as reported internally and differs from the RONA reported in the Non-GAAP Performance Measure in this report as it reflects seasonality and timing impact of development activity.

(iv) For the purposes of the 2020 Award, the cumulative cash flow for the three years to end 31 December 2022 was $8.7 billion. TSR performance was in the top quartile against the tailored peer group (see Table 29). RONA at 31 December 2022 was 13.5%.

2020 Performance Share Plan Award Vesting Details (i)

Table 28

Executive Director	Interests Held	Vesting Outcome (% of max)	Interests Due to Vest	Date of Vesting	Assumed Share Price	Estimated Value
Albert Manifold	187,059	100%	187,059	March 2025	€36.44	€6,816,430
Jim Mintern	35,632	100%	35,632	April 2023	€36.44	€1,298,430

(i) Interests disclosed above include accrued dividend equivalents. As the share price on the date of vesting is not yet known, for the purposes of this Table, the value of these awards, which were subject to a three-year performance period ending in 2022, has been estimated using a share price of €36.44, being the three-month average share price to 31 December 2022.

Peer Group for Performance Share Plan Awards (i)

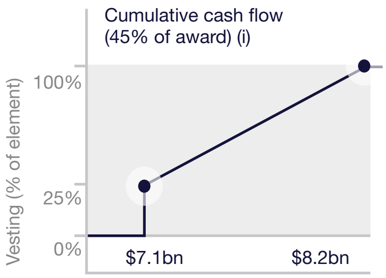
Table 29

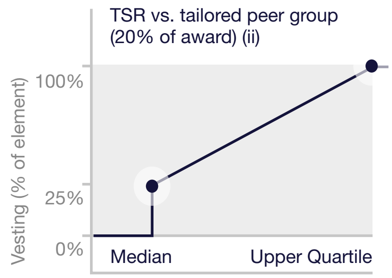
ACS	Cemex	Martin Marietta	Titan Cement	Vulcan Materials
Boral	Heidelberg Cement	Saint Gobain	Vicat	Wienerberger
Buzzi Unicem	Holcim	Skanska	Vinci	

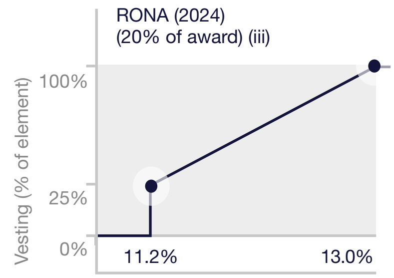
(i) Martin Marietta and Vulcan Materials were added to the peer group with effect from the PSP awards made in 2021.

2022 Performance Share Plan Award Metrics

Table 30







Sustainability and Inclusion & Diversity scorecard (15% of award)

Measure	Baseline	Threshold (25% vesting)	Stretch (iv) (100% vesting)	Reason for selection
5% - Driving to Carbon Neutrality				
• Delivery of roadmap for target of 25% emissions reduction by 2030	33.7mt of CO_2	This element will be based on a qualitative assessment by the Committee (and feedback from the SESR Committee) in early 2025 in relation to the development and implementation of a strategy to meet this ambition. Assessment will be informed by a range of criteria, which will be disclosed fully in the relevant Remuneration Report		Aligns with the Group's revised SBTi approved target (v) for a 25% reduction in absolute Scope 1 and Scope 2 CO_2e emissions by 2030 (from a 2020 baseline)
• Embedding sustainability programmes in relevant operating companies:				
- for waste management (1/3)	95%	96%	98%	Aligns directly with progress towards stated targets for 2030 (waste management target reflects acceleration of ambition to 2025)
- for biodiversity (1/3)	91%	92%	94%	
- for water management (1/3)	80%	81%	91%	
5% - Progress Toward a Net Zero Built Environment				
• Revenue from Products with Enhanced Sustainability Attributes	46%	47%	49%	Aligns directly with our ambition to achieve 50% by 2025
5% - Creating an Inclusive & Diverse Company				
• Representation of Women in Senior Management	14%	16%	19%	Aligns directly with our roadmap to our stated 2030 Ambition
• Improvement in Inclusion Assessment	68	70	73	Consistent with CRH's focus on inclusion as a driver of diversity and enabler of innovation. Quantitative assessment based on an externally validated Enterprise Score from engagement surveys

(i), (ii) and (iii) see Table 27 on page 121.

(iv) Vesting between threshold and stretch will be calculated on a straight-line sliding scale basis.

(v) The SBTi's Target Validation Team has classified CRH's Scope 1 and Scope 2 target ambition and has determined that it is in line with a well-below 2°C trajectory. The target boundary includes biogenic emissions and removals from bioenergyy feedstocks.

2022 Performance Share Plan Award - Grant Details

Table 31

Executive Director	Date of Grant	Number of Shares	Market Price on which Award was Based	Face Value at Date of Award	Face Value on which Award was Based (% of salary)
Albert Manifold	3 May 2022	158,310	€38.08	€6,028,445	365%
Jim Mintern	3 May 2022	56,528	€38.08	€2,152,586	250%

Performance Share Plan — 2022 awards

During 2022, awards under the 2014 Performance Share Plan were made to the executive Directors, details of which are summarised in Table 31 on page 122. 45% of each award granted in 2022 is subject to a cumulative cash flow metric. The definition of cash flow, which applies to the cash metric for all PSP awards, is the net increase/decrease in cash and cash equivalents adjusted to exclude:

- dividends to shareholders;
- acquisition/investment expenditure;
- proceeds from divestments and movements in working capital;
- share issues (scrip dividend, share options, other);
- financing cash flows (new loans/repayments);
- back funding pension schemes; and
- foreign exchange translation

The Remuneration Committee considers that it is appropriate to make these adjustments to align with the performance targets, or to remove items that do not reflect the quality of management's operational performance, or are largely outside of the Company's control. The Remuneration Committee will also make adjustments that may be required to cash flows, for example, as a result of acquisitions/divestments completed during the performance period or a significant underspend or delay in budgeted capital expenditure, both ordinary and extraordinary.

20% of each award is subject to a TSR metric, with performance being measured against a tailored peer group and on a market capitalisation weighted basis (see Table 29 on page 121).

20% of each award is subject to a RONA metric, a key measure used by management to assess investment opportunities and to run the business.

The remaining 15% of each award is subject to performance over key sustainability & diversity metrics, including the drive to carbon neutrality (5%), revenue from products with enhanced sustainability attributes (5%) and inclusion and diversity (5%). Performance for the awards made in 2022 will be assessed over the three-year period to 31 December 2024. Details of the performance targets are set out in Table 30 on page 122.

Awards, to the extent that they vest, will be adjusted for dividend equivalents based on dividends in the period from grant to the date of vesting in 2025.

"Malus" and clawback provisions apply to the awards.

Other Employee Share Plans

The executive Directors are eligible to participate in Irish Revenue approved Savings-related Option Schemes (the 'SAYE Scheme') and Share Participation Schemes (the `Participation Scheme') on consistent terms with all other employees. The SAYE Scheme is open to all Irish and UK employees, although at present there is currently no financial services provider supporting new awards under Irish SAYE schemes following the exit from the market of the provider in 2021. Participants may save up to €500/£500 a month from their net salaries for a fixed term of three or five years and at the end of the savings period they have the option to buy CRH shares at a discount of up to 15% of the market price on the date of invitation of each savings contract. Details of the outstanding awards of executive Directors under the 2010 SAYE Scheme are set out in Table 33 on page 124.

The Participation Scheme is an Irish Revenue approved plan and is open to all employees in Ireland. Grants can be made to participants up to a maximum of €12,700 annually in CRH shares. Albert Manifold and Jim Mintern participated in the Participation Scheme in 2022.

Retirement Benefit Expense

Albert Manifold is a participant in a contributory defined benefit plan which is based on an accrual rate of 1/60th of salary (defined as basic salary and excludes any fluctuating emoluments) for each year of pensionable service and is designed to provide two-thirds of career average salary at retirement for full service. Albert Manifold will become entitled to a deferred pension, payable from Normal Retirement Age, if he leaves service prior to Normal Retirement Age. The Finance Act 2006 established a cap on pension provisions by introducing a penalty tax charge on pension assets in excess of the higher of €5.4 million (in the Finance Act 2011, this threshold was reduced to €2.3 million and reduced further to €2 million by the Finance (No. 2) Act 2013) or the value of individual accrued pension entitlements as at 7 December 2005.

As a result of these legislative changes, the Remuneration Committee decided that executive Directors should have the option of continuing to accrue pension benefits as previously, or of choosing an alternative arrangement—by accepting pension benefits limited by the cap—with a similar overall cost to the Group. Albert Manifold has opted for an arrangement whereby his pension is capped in line with the provisions of the Finance Act 2006 and receives a supplementary taxable non-pensionable cash supplement in lieu of pension benefits foregone. There was, therefore, no additional accrual in 2022. The cash pension supplement for 2022 is detailed in Table 20 on page 112. This supplement was similar in value to the reduction in the Company's liability represented by the pension benefits foregone. It was calculated based on actuarial advice as the equivalent of the reduction in the Company's liability to Mr. Manifold and spread over the term to retirement as annual compensation allowances. In 2020, Mr. Manifold agreed to a voluntary reduction of 10% of the amount that would otherwise have been due to him. This was reduced by a further 10% in 2021 and was reduced to 25% in January in 2022. His contractual entitlement to compensation in lieu of pension payments ceased in August 2022 when he reached age 60. The contributory defined benefit plan in which Albert Manifold participates closed to new entrants at the end of 2011. Details regarding the pension entitlements of Albert Manifold are set out in Table 32.

Jim Mintern receives a taxable non-pensionable cash payment of 10% of salary in lieu of a pension contribution in line with that available to the wider UK and Irish workforce.

Pension Entitlements - Defined Benefit (Audited) — Table 32

Executive Director	Increase in accrued personal pension during 2022 (i) €000	Transfer value of increase in dependants pension (i) €000	Total accrued personal pension at year end (ii) €000
Albert Manifold	-	100	273

(i) As noted above, the pension of Albert Manifold has been capped in line with the provisions of the Irish Finance Acts. However, dependants' pensions continue to accrue resulting in Greenbury transfer values which have been calculated on the basis of actuarial advice. These amounts do not represent sums paid out or due in 2022 in the event of Mr. Manifold leaving service.

(ii) The accrued pension shown is that which would be payable annually from the normal retirement date.

Summary of Outstanding Share Incentive Awards (Audited)

Table 33

	Year of Award	Performance Period	Release Date	Market Value at Date of Award	Exercise Price	Balance at 31 December 2021	Granted in 2022	Released in 2022	Exercised in 2022	Lapsed in 2022	Balance at 31 December 2022	Dividends Awarded & Released	Market Value on Date of Exercise/ Released
Albert Manifold													
Annual Bonus Plan (Deferred Share Awards) (i)	2019	01/01/18-31/12/2018	2022	€24.90	n/a	27,337	-	27,337	-	-	-	2,139	€35.29
	2020	01/01/19-31/12/2019	2023	€33.38	n/a	29,419	-	-	-	-	29,419	-	-
	2021	01/01/20-31/12/2020	2024	€33.01	n/a	30,568	-	-	-	-	30,568	-	-
	2022	01/01/21-31/12/2021	2025	€43.11	n/a	-	23,770	-	-	-	23,770	-	-
2014 Performance Share Plan (ii)	2017	01/01/17-31/12/2019	2022	€32.24	n/a	115,380	-	115,380	-	-	-	14,755	€35.29
	2018	01/01/18-31/12/2020	2023	€27.62	n/a	170,321	-	-	-	-	170,321	-	-
	2019	01/01/19-31/12/2021	2024	€29.86	n/a	186,106	-	-	-	-	186,106	-	-
	2020	01/01/20-31/12/2022	2025	€33.10	n/a	172,509	-	-	-	-	172,509	-	-
	2021	01/01/21-31/12/2023	2026	€36.95	n/a	158,785	-	-	-	-	158,785	-	-
	2022	01/01/22-31/12/2024	2027	€38.08	n/a	-	158,310	-	-	-	158,310	-	-
2010 Savings-Related Share Option Scheme	2018	n/a	2023	n/a	€23.39	1,293	-	-	-	-	1,293	-	-
Jim Mintern													
Annual Bonus Plan (Deferred Share Awards) (i)	2020	01/01/19-31/12/2019	2023	€33.38	n/a	4,206	-	-	-	-	4,206	-	-
	2021	01/01/20-31/12/2020	2024	€33.01	n/a	4,393	-	-	-	-	4,393	-	-
	2022	01/01/21-31/12/2021	2025	€43.11	n/a	-	7,837	-	-	-	7,837	-	-
2014 Performance Share Plan (ii)	2019	01/01/19-31/12/2021	2022	€29.86	n/a	35,612	-	35,612	-	-	-	3,638	€36.23
	2020	01/01/20-31/12/2022	2023	€33.10	n/a	32,860	-	-	-	-	32,860	-	-
	2021	01/01/21-31/12/2023	2024	€36.95	n/a	30,280	-	-	-	-	30,280	-	-
	2022	01/01/22-31/12/2024	2027	€38.08	n/a	-	56,528	-	-	-	56,528	-	-
2010 Savings-Related Share Option Scheme	2019	n/a	2024	n/a	€24.24	1,247	-	-	-	-	1,247	-	-

The market price of the Company's shares at 31 December 2022 was €37.01 and the range during 2022 was €32.05 and €48.03.

(i) The Remuneration Committee has determined that dividend equivalents should accrue on deferred awards under the Annual Bonus Plan. Such dividend equivalents will be released to participants on the date of release of the Deferred Shares.

(ii) The Remuneration Committee has determined that dividend equivalents should accrue on awards under the 2014 Performance Share Plan. Subject to satisfaction of the applicable performance criteria, such dividend equivalents will be released to participants in the form of additional shares on vesting.

Shareholding Guideline for Executive Directors

Table 34 illustrates the current shareholdings of the executive Directors as a multiple of base salary.

Proposed Implementation of Remuneration in 2023

Basic Salary and Benefits

Details of the executive Directors' salaries for 2023 compared with 2022 are set out in the Committee Chairman's Overview on page 108. The Committee has reviewed the executive Directors' base salaries and concluded that salary increases of 3.5% should be awarded to the executive Directors in 2023 in recognition of their continued strong performance, contribution and leadership of CRH.

Increases in salary for employees across the Group in 2023 will depend on a range of factors specific to a region or business. In Ireland increases will generally be 4.25%, while increases in the UK will be c. 4.5%.

The level of benefits provided will depend on the cost of providing individual items and the individual circumstances.

Retirement Benefit Expense

As outlined in the Remuneration Committee Chairman's overview on page 108, the monetary value of the pension contribution/allowance for Mr. Manifold ceased in August 2022. The annual pension contribution/ allowance for Jim Mintern remains at 10% of his base salary.

2023 Annual Bonus Plan

The Remuneration Committee has determined that the 2023 Annual Bonus Plan will be operated broadly in line with the 2022 Annual Bonus Plan. 80% of the bonus will be based on financial targets and the remaining 20% on individual objectives aligned to key strategic areas for each executive Director. The targets attaching to the 2023 bonus will be disclosed in the 2023 Annual Report and Form 20-F.

2023 Performance Share Plan Awards

For the 2023 PSP awards, awards will be assessed over the three-year period to 31 December 2025. The metrics, weightings and opportunity for the 2023 PSP awards are summarised in Table 35 on page 126.

Fees Paid to Former Directors

The 2013 Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment Regulations) Regulations in the UK, require disclosure of payments to former Directors in certain circumstances. No payments have been made to individual former Directors in those circumstances which exceed the de minimis threshold of €20,000 per annum set by the Remuneration Committee. For the purposes of Section 1110N of the Companies Act 2014, details of the payments made to former Directors are included in Table 45 on page 132.

Senan Murphy retired from the Board following the 2021 AGM and as Finance Director on 1 June 2021. He continued as an employee until May 2022 to facilitate the completion of a number of projects/initiatives. Following his retirement in May 2022, the Remuneration Committee determined that Mr. Murphy be treated as a 'good leaver'. Accordingly, the Deferred Shares in respect of the bonuses granted in 2020, 2021 and 2022 were released to him, and his unvested award under the 2014 PSP (i.e. the award made in 2021) will be released on its normal release date subject to performance (to be measured at the normal time) and the normal two-year holding period. His vested PSP awards (i.e. the awards made in 2018, 2019 and 2020) will be released at the normal release date following the completion of the two-year hold period. Further details of Mr. Murphy's awards were set out on pages 102 and 103 of the 2021 Annual Report and Form 20-F. In line with our Policy, he also remains subject to a post-employment holding requirement.

Executives' External Appointments

The executive Directors may accept external appointments with the prior approval of the Board provided that such appointments do not prejudice the individual's ability to fulfil their duties at the Group. Whether any related fees are retained by the individual or remitted to the Group is considered on a case-by-case basis.

Workforce Engagement

Engagement of our workforce is at the heart of what we do at CRH. The proximity of our senior leaders to daily operations across CRH is a key reason for the Company's continued success and growth. The Company operates an annual talent and performance review process, where colleagues and their managers work together to review performance and set annual goals. The outcome of the review process is closely aligned to remuneration, both in terms of any increase in base salary for the next year, and any variable remuneration component.

In order to guide our leaders' discussions with employees across the group on remuneration structures, there is a reward policy section, which is based on the principles of remuneration applied by the Remuneration Committee and remuneration policy approved by shareholders, in policy documents issued to the managing directors of our operating companies.

As outlined on page 89, responsibility for employee engagement transferred from the SESR Committee to the Nomination & Corporate Governance Committee in January 2023. The Remuneration Committee members are kept up to date on the feedback from employee engagement activities, including in relation to remuneration. Further details in relation to the engagement with employees on remuneration matters during 2022 is included on page 109.

Executive Director Shareholdings as a % of 2023 Base Salary (i) Table 34

	Guideline (% of Salary)	To be achieved by	Holdings as of 1 March 2023	Total Interests (% of Salary)
A. Manifold	350%	2023	187% / 91% / 410% (Value of shares (% of salary); axis 0%–700%)	688%
J. Mintern	250%	2024	139% / 34% (Value of shares (% of salary); axis 0%–200%)	173%

■ Beneficially Owned Shares (as at 1 March 2023)

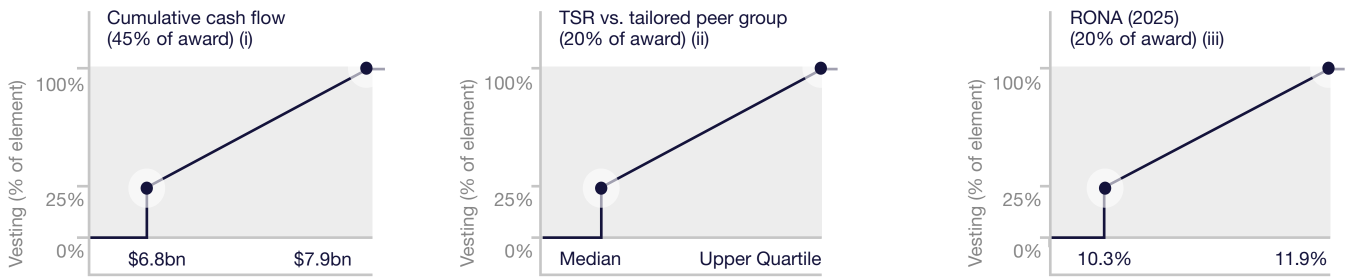
■ Estimated after tax value of Deferred Share awards made in 2020, 2021 and 2022, as appropriate

■ Estimated after tax value of PSP awards subject to a two-year hold period only

(i) For the purposes of this table, the interests have been valued using the three-month average share price to 31 December 2022 (€36.44).

Performance Share Plan Metrics - 2023 Awards

Table 35



Sustainability and Inclusion & Diversity scorecard (15% of award)

Measure	Baseline	Threshold (25% vesting)	Stretch (iv) (100% vesting)	Reason for selection
5% - Driving to Net Zero				
• Delivery of roadmap for target of 30% emissions reduction by 2030	36.1mt of CO_2	This element will be based on a qualitative assessment by the Committee (and feedback from the SESR Committee) in early 2026 in relation to the development and implementation of a strategy to meet this ambition. Assessment will be informed by a range of criteria, which will be disclosed fully in the relevant Remuneration Report		Aligns with the Group's target for a 30% reduction in absolute Scope 1 and Scope 2 CO_2 emissions by 2030 (from a 2021 baseline) which has been validated by the SBTi (v) under the new 1.5°C science-based framework
• Embedding sustainability programmes in relevant operating companies:				
- for waste management (1/3)	96%	97%	99%	Aligns directly with progress towards stated targets for 2030 (waste management target reflects acceleration of ambition to 2025)
- for biodiversity (1/3)	92%	93%	95%	
- for water management (1/3)	81%	82%	92%	
5% - Progress Toward a Net Zero Built Environment				
• Revenue from Products with Enhanced Sustainability Attributes	47%	48%	50%	Aligns directly with our ambition to achieve 50% by 2025
5% - Creating an Inclusive & Diverse Company				
• Representation of Women in Senior Management	15%	17%	20%	Supports our roadmap to our stated 2030 Ambition
• Improvement in Inclusion Assessment	66	70	73	Consistent with CRH's focus on inclusion as a driver of diversity and enabler of innovation. Quantitative assessment based on an externally validated Enterprise Score from engagement surveys

(i), (ii) and (iii) see Table 27 on page 121.

(iv) Vesting between threshold and stretch will be calculated on a straight-line sliding scale basis.

(v) The SBTi's Target Validation Team has classified CRH's Scope 1 and Scope 2 target ambition and has determined that it is in line with a 1.5°C trajectory. The target boundary includes biogenic emissions and removals from bioenergy feedstocks.

Non-executive Directors

The remuneration of non-executive Directors is determined by the Board of Directors. A Committee of the Chairman and the executive Directors considered and approved a 3.5% increase in the fees of the non-executive Directors with effect from 1 January 2023. The Remuneration Committee considered and approved a 3.5% increase for the Chairman. Both increases are in line with the increase received by the executive Directors (see Table 36 for details of the fees applicable with effect from 1 January 2023). Details of the remuneration paid to non-executive Directors in 2022 are set out in Table 37.

Changes in the remuneration of the Directors

Table 44 on page 131 shows the annual percentage change in the executive and non-executive Directors' salary/fees, benefits and bonus between 2020 and 2022 compared to the change in total average employment costs in respect of employees in the Group as a whole between 2020 and 2022.

Total Shareholder Return

The value at 31 December 2022 of €100 invested in CRH in 2012, compared with the value of €100 invested in the Eurofirst 300 Index and the FTSE100 Index (which CRH joined in December 2011) is shown in Table 38 on page 128.

TSR performance has been compared against the FTSE100 and the Eurofirst 300 as these are broad general market indices of which CRH is a constituent. The Committee, therefore, considers that they offer a reasonable comparison for performance. Compound annual TSR since the formation of the Group in 1970 (assuming the reinvestment of dividends) is 14.8% (2021: 15.5%).

Remuneration paid to Chief Executive 2013 – 2022

Table 39 on page 128 shows the total remuneration paid to the Chief Executive in the period 2013 to 2022 inclusive and shows bonuses and vested long-term incentive awards as a percentage of the maximum bonus and award that could have been received in respect of each year. Albert Manifold succeeded Myles Lee as Chief Executive in January 2014.

Non-executive Director Fee Structure

Table 36

Role	2023	2022
Group Chairman (including non-executive Director salary and fees for Committee work)	€669,750	€647,250
Basic non-executive Director fee	€93,400	€90,250
Committee fee	€33,900	€32,750
Additional fees		
Senior Independent Director	€26,400	€25,500
Remuneration Committee Chairman	€31,825	€30,750
Audit Committee Chairman	€41,400	€40,000
Combined Senior Independent Director and Committee Chairman	€41,400	€40,000
SESR Committee Chairman	€31,825	€30,750
Fee for Europe-based non-executive Directors	€15,500	€15,000
Fee for US-based non-executive Directors	€31,000	€30,000

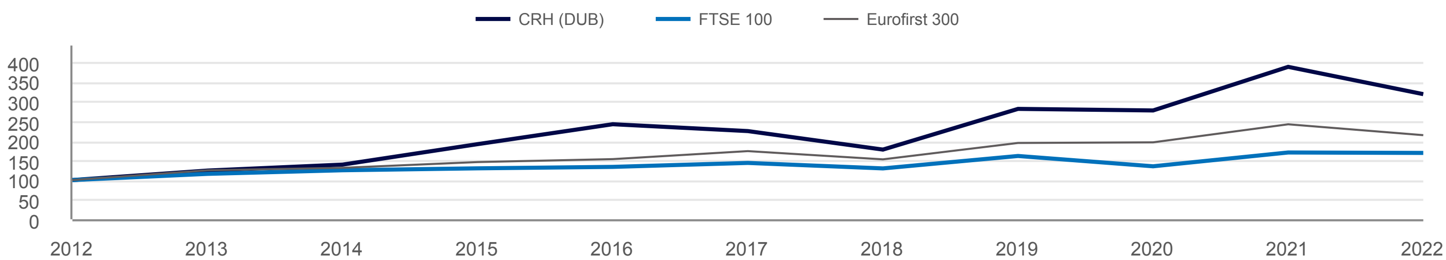
Individual Remuneration for Non-executive Directors for the year ended 31 December 2022 (Audited)

Table 37

	Basic fees (i) €000		Benefits (ii) €000		Other fees (iii) €000		Total €000		
	2022	2021	2022	2021	2022	2021	2022	2021	2020
Non-executive Directors									
R. Boucher	90	88	4	5	572	557	666	650	605
C. Dowling (iv)	90	69	3	3	48	37	141	109	–
R. Fearon (v)	90	88	–	–	63	62	153	150	10
J. Karlström	90	88	–	–	48	47	138	135	127
S. Kelly	90	88	–	–	103	101	193	189	178
B. Khan (vi)	90	4	–	–	63	10	153	14	–
L. McKay (v)	90	88	–	–	97	62	187	150	10
G.L. Platt	90	88	–	–	72	92	162	180	165
M.K. Rhinehart	90	88	–	–	83	62	173	150	141
S. Talbot	90	88	3	3	48	47	141	138	127
	900	777	10	11	1,197	1,077	2,107	1,865	1,363

(i) Further information in relation to the non-executive Director fee structure is set out in Table 36.
(ii) Includes the cost of hotel accommodation for Irish based non-executive Directors in respect of meetings held in Ireland which have been grossed up for Irish tax purposes.
(iii) Other Remuneration: Includes remuneration for Chairman, Board Committee work and allowances for non-executive Directors.
(iv) Caroline Dowling became a Director on 22 March 2021.
(v) Rick Fearon and Lamar McKay became Directors on 3 December 2020.
(vi) Badar Khan became a Director on 27 October 2021.

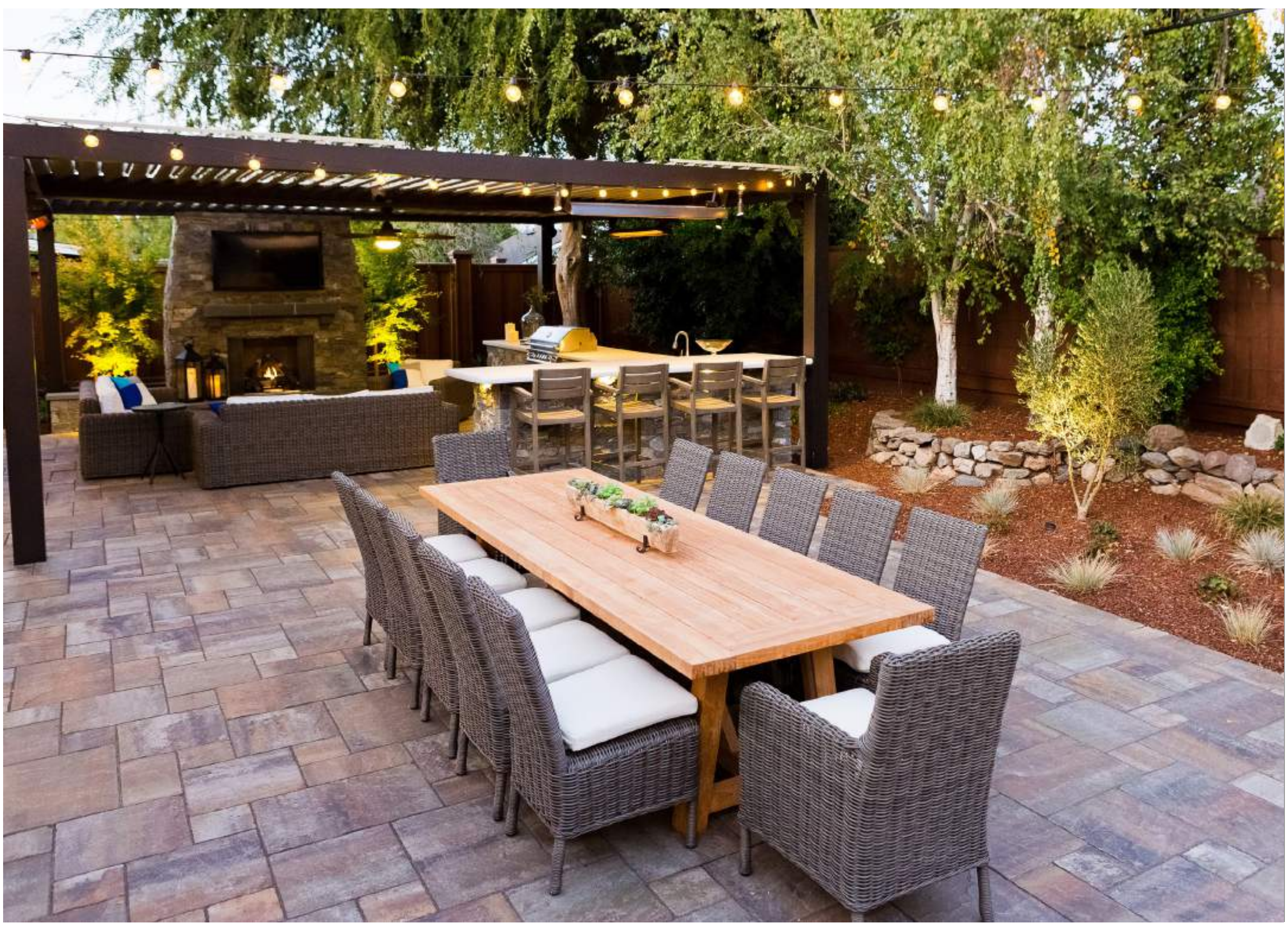
TSR Performance (2012-2022) Table 38



Remuneration paid to Chief Executive (2013-2022) Table 39

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Single figure Remuneration (€m) (i)	€4.2m	€4.3m	€5.4m	€9.9m	€8.7m	€8.2m	€9.3m	€11.2m	€13.9m	€12.1m
Annual Bonus (% of max)	30%	100%	100%	98%	96%	81%	86%	86%	85%	85%
Long-term incentive award vesting (% of max)	PSP: 49% LTIP: 34%	PSP: 0% Options: 75%	PSP: 78% Options: 37%	100%	79%	59%	71%	87%	100%	100%

(i) Single figure remuneration comprises the total fixed pay, annual bonus and the value of long-term incentives vesting in respect of each year.



Chief Executive Pay Ratio compared to UK-based Employees

As required by the reporting regulations with which CRH complies, Table 40 summarises the ratio of the Chief Executive's remuneration compared with the UK workforce (which represents only 13% of the Group's c.75,800 employees). In last year's Report, the Committee noted an expectation for year-on-year variations in the reported pay ratio to be driven by performance-based pay outcomes which, in line with our remuneration policy, comprise a significant proportion of the total remuneration for the Chief Executive. While the majority of employees across CRH also participate in performance-related incentives, these typically comprise a lower proportion of the package (in line with competitive market practices for these roles and levels). Consistent with our philosophy across the Group that incentives should be linked to performance that an individual can influence, these more commonly reflect an individual's own (and own business unit) performance, compared with a linkage to Group performance for the Chief Executive and other senior executives.

In keeping with our remuneration philosophy and policy, a significant proportion of the total remuneration for executive Directors is derived from variable, performance-based remuneration. Total remuneration for the Chief Executive— and therefore the pay ratio— is likely to vary year-on-year based on the Group's performance, as illustrated in the scenario charts on page 118. Noting that the total remuneration pay ratio will be volatile over time, the Committee has elected to continue also disclosing the pay ratio for base salary. In line with the Committee's policy that executive Directors' base salaries will normally increase in line with the typical level of increase awarded to other employees in the Group, it is anticipated that this ratio will be more stable – and representative of relative changes in fixed pay - over time.

The median total remuneration pay ratio for 2022 of 259:1 demonstrates continued alignment of the Chief Executive's remuneration with the performance of CRH over the longer-term. A significant proportion (56%) of the Chief Executive's total remuneration for 2022 is derived from the vesting of the 2020 PSP award, which was based on the delivery of sustained financial performance and above-market shareholder returns over the last three years. Through the denomination of this award in CRH shares, its value also directly reflects CRH's share price performance over this period; 16% of the PSP value reported in the Single Figure of Total Remuneration table derives from share price appreciation and accrued dividends (i.e. total shareholder return). These shares cannot be sold for a further two years, further aligning the Chief Executive's interests with those of shareholders over the longer-term.

Chief Executive Pay Ratios

Total Remuneration Pay Ratios compared to UK-based Employees — Table 40

Year	Calculation Methodology	P25 (lower quartile)		P50 (median)		P75 (upper quartile)		Chief Executive
		Total remuneration	Ratio	Total remuneration	Ratio	Total remuneration	Ratio	Total remuneration
2022	**C**	**€35,000**	**345:1**	**€46,600**	**259:1**	**€59,700**	**202:1**	**€12,071,100**
2021	C	€35,700	390:1	€48,200	289:1	€62,400	223:1	€13,906,922
2020	C	€30,400	368:1	€42,000	267:1	€54,600	205:1	€11,200,211
2019	C	€32,200	289:1	€44,900	207:1	€58,900	158:1	€9,311,400

Salary Pay Ratios compared to UK-based Employees — Table 41

Year	Calculation Methodology	P25 (lower quartile)		P50 (median)		P75 (upper quartile)		Chief Executive
		Salary	Ratio	Salary	Ratio	Total remuneration	Ratio	Salary
2022	**C**	**€30,200**	**55:1**	**€37,300**	**44:1**	**€46,900**	**35:1**	**€1,651,600**
2021	C	€26,900	60:1	€36,800	44:1	€54,400	30:1	€1,607,400
2020	C	€28,200	52:1	€37,800	39:1	€46,800	31:1	€1,469,100
2019	C	€28,500	53:1	€42,400	36:1	€49,900	31:1	€1,522,500

1. Salary and total remuneration figures have been rounded to the nearest 100.
2. Employee remuneration data converted into Euros at the average quarter four EUR:GBP exchange rate (Source: Central Bank of Ireland). For 2022 this rate was 0.87:1 (2021: 0.85:1; 2020: 0.90:1; 2019: 0.86:1).
3. Total remuneration for the lower quartile, median and upper quartile employees are determined using the 'single figure' methodology. This methodology was chosen as it provides a like-for-like comparison between the CEO and other employees. For practical reasons (primarily relating to the number of employing entities and employees covered by this analysis), the ranking of employees to identify the three individuals representing P25, P50 and P75 is conducted in November each year. Given the timing, for the purpose of the ranking exercise, total remuneration is defined as the sum of base salary, employer pension contributions and other taxable benefits for the period 1 January to 31 October, and the incentive paid in the period in respect of the prior year. All elements of remuneration are calculated on a full-time and full-year equivalent basis. In the following January, total remuneration is updated for the three employees representing P25, P50 and P75 using the same single figure methodology used to report CEO remuneration.
4. The Committee considered the pay data for the three individuals identified and believes that they fairly reflect pay at the relevant quartiles amongst the UK employee population, albeit noting the exact figures are likely to vary slightly year-on-year due to changes in the employee population and thus the identified individuals by the selection methodology. The Committee reviewed the underlying rationale for the year-on-year change in the quartile figures for the identified UK employees. The total remuneration outcomes reflect another year of strong performance by our UK businesses (which forms the basis of bonus payouts for eligible employees in this sample), with increasing variability in the package observed at the P75 level; for which a greater proportion of the package is performance-based. The Committee also notes the year-on-year variance in salaries at the quartiles, which reflects the fact that the individuals were selected based on total remuneration and the pay mix differs by role, location and operating company. On a like-for-like basis, the budgeted salary increase across the UK workforce in 2022 was 2.75%.

Relative Importance of Spend on Pay

Table 42 sets out the amount paid by the Group in remuneration to employees compared to the amount returned to shareholders as part of the share buyback programme and dividend distributions made to shareholders in 2021 and 2022. We have also shown the change in EBITDA (as defined)* performance year-on-year to provide an indication of the change in profit performance.

Advisers to the Remuneration Committee

In 2022, Ellason acted as the Committee's independent remuneration consultants. The Committee has satisfied itself that the advice provided by Ellason is robust and independent and that the Ellason engagement partner and team that provide remuneration advice to the Committee do not have connections with CRH plc that may impair their independence. Ellason are signatories to the Voluntary Code of Conduct in relation to executive remuneration consulting in the UK. During 2022, Ellason provided the following remuneration services:

- research and advice regarding remuneration trends, best practice and remuneration levels for executive and non-executive Directors in companies of similar size and complexity;
- advice in relation to remuneration matters generally; and
- attendance at Committee meetings, when required

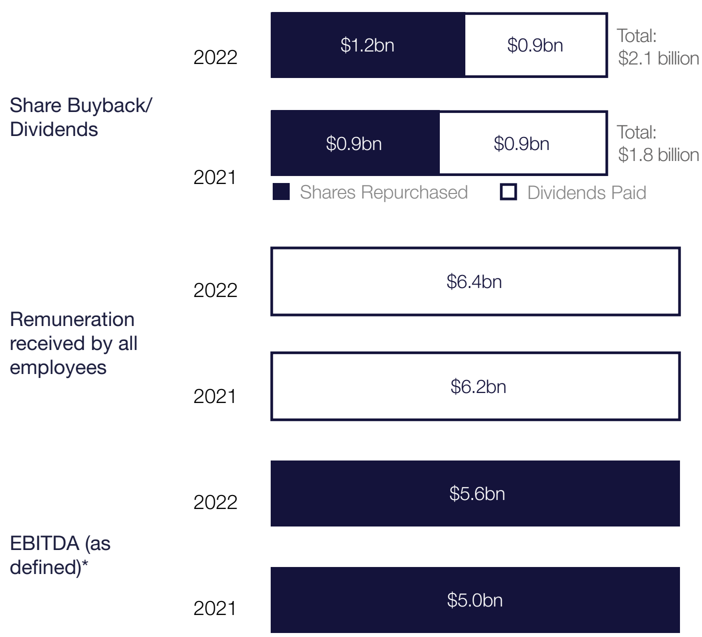
In 2022, the total fees paid to Ellason were £54,162.

2022 Annual General Meeting

The voting outcome in respect of the remuneration-related votes at the 2022 AGM is set out in Table 19 on page 111.

Lamar McKay
Chair of Remuneration Committee
1 March 2023

Relative Importance of Spend on Pay Table 42



*EBITDA is defined as earnings from continuing operations before interest, taxes, depreciation, amortisation, asset impairment charges, profit on disposals and the Group's share of equity accounted investments' profit after tax.

Shareholdings of Directors and Company Secretary

Table 43

Name	Beneficially Owned (i) 31 December 2022	31 December 2021
Executive Directors		
A. Manifold (ii)	87,692	89,727
J. Mintern (ii)	33,957	33,603
Non-executive Directors		
R. Boucher	23,450	23,300
C. Dowling	1,000	1,000
R. Fearon (iii)	5,000	5,000
J. Karlström	2,000	2,000
S. Kelly (iii)	1,000	1,000
B. Khan (iii)	1,000	1,000
L. McKay (iii)	4,000	4,000
G.L. Platt	1,108	1,082
M.K. Rhinehart (iii)	1,000	1,000
S. Talbot	1,550	1,550
Company Secretary		
N. Colgan	5,441	5,087
Total	168,198	169,349

(i) Excludes awards of Deferred Shares, details of which are disclosed on page 124. The Directors and Company Secretary do not have any special voting rights.
(ii) The total interests of the executive Directors, using the methodology set out in the Shareholding Guidelines section on page 117, are illustrated in Table 34 on page 125.
(iii) Holdings in the form of American Depositary Receipts (ADRs).

Changes in the Remuneration of the Directors

Table 44

	Percentage change from prior year								
	Salary/Fees			Benefits			Bonus		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Executive Directors									
A. Manifold	+3%	+9%	-4%	+35%	-15%	-37%	+3%	+2%	+3%
J. Mintern (i)	+3%	n/a	n/a	+52%	n/a	n/a	+3%	n/a	n/a
Non-executive Directors									
R. Boucher	+3%	+6%	-6%	-20%	n/a	n/a	n/a	n/a	n/a
C. Dowling (ii)	+2%	n/a	n/a	-	n/a	n/a	n/a	n/a	n/a
R. Fearon	+2%	+6%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
J. Karlström	+2%	+6%	-6%	n/a	n/a	n/a	n/a	n/a	n/a
S. Kelly	+2%	+6%	-6%	n/a	n/a	n/a	n/a	n/a	n/a
B. Khan (iii)	+2%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
L. McKay	+25%	+6%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
G.L. Platt	-10%	+6%	-6%	n/a	n/a	n/a	n/a	n/a	n/a
M.K. Rhinehart	+15%	+6%	-6%	n/a	n/a	n/a	n/a	n/a	n/a
S. Talbot	+2%	+6%	-6%	-	n/a	n/a	n/a	n/a	n/a
Average Workforce Costs (iv)	-1.6%	+4.9%	+1%						

(i) Appointed with effect from 1 June 2021. Increase in 2022 shown on a full year equivalent basis.
(ii) Appointed with effect from 22 March 2021. Increase in 2022 shown on a full year equivalent basis.
(iii) Appointed with effect from 27 October 2021. Increase in 2022 shown on a full year equivalent basis.
(iv) For the purposes of Section 1110N(2)(e)(ii), CRH plc had no employees in each of the financial years from 2017 to 2022.

Details of Remuneration Charged against Profit in 2022 (i) (Audited)

Table 45

	2022 €000	2021 €000	2020 €000
Executive Directors			
Basic Salary	2,513	2,376	2,237
Performance-related Incentive Plan			
- cash element	3,082	2,841	2,707
- deferred shares element	1,541	1,421	1,353
Retirement Benefits Expense	499	668	816
Benefits	63	50	40
Total executive Directors' remuneration	7,698	7,356	7,153
Average number of executive Directors	2.0	1.92	2.00
Non-executive Directors			
Fees	900	835	730
Other remuneration	1,197	1,118	995
Benefits	10	11	
Total non-executive Directors' remuneration	2,107	1,964	1,725
Average number of non-executive Directors	10	9.58	8.83
Payments to former Directors (ii)	9	9	40
Total Directors' remuneration	9,814	9,329	8,918

(i) See analysis of 2022 remuneration by individual in Tables 20 and 37 on pages 112 and 127 respectively.

(ii) Consulting and other fees paid to a number of former directors.

For the purposes of Section 305 of the Companies Act 2014, the total aggregate of "emoluments" paid or received by Directors in respect of qualifying services was €9.8 million; the total gains on the exercise of shares options was €nil; the aggregate value of shares received by Directors under the long-term incentive scheme was €8.1 million (see page 112 for more details); the aggregate amount of contributions paid to a retirement benefit scheme was €nil; and there were no payments in respect of loss of office. Details of share-based payments charges through P&L can be found in note 8 on page 200.


AMERIMIX™
888-313-0755 ♦ amerimix.com
MADE IN
U. S. A.

Directors’ Report

The Directors submit their report and the audited Consolidated Financial Statements for the year ended 31 December 2022.

Principal Activity, Results for the Year and Review of Business

CRH is the leading building materials business in the world, employing c.75,800 people at c.3,160 locations in 29 countries. CRH manufactures and supplies a range of building materials, products and innovative solutions for the construction industry. From primary materials, to products that are highly engineered and high-value-added, to integrated building solutions that enable faster, more sustainable construction, CRH is uniquely positioned to address evolving trends in global construction markets. Our products can be found throughout the built environment in a wide range of construction projects from major public infrastructure to homes and commercial buildings. The Group has c.900 subsidiary, joint venture and associate undertakings; the principal ones as at 31 December 2022 are listed on pages 290 to 293.

The Group's strategy, business model and development activity are summarised on pages 11 to 79 and are deemed to be incorporated in this part of the Directors' Report. As set out in the Consolidated Income Statement on page 176, the Group reported a profit before tax for the year of $3.5 billion from continuing operations. Comprehensive reviews of the financial and operating performance of the Group during 2022 are set out in the Business Performance section on pages 61 to 79; key financial performance indicators are set out on page 65.

The treasury policy and objectives of the Group are set out in detail in note 22 to the Consolidated Financial Statements.

During the year ended 31 December 2022, 29,755,861 ordinary shares were repurchased on the Euronext Dublin for a total of $1.2 billion, at an average price of $39.22 per share. Further details in relation to the buyback programme and the Company's profits available for distribution are set on pages 137 and 241 respectively.

Dividend

CRH's capital allocation policy reflects the Group's strategy of generating industry-leading returns through value-accretive allocation of capital while delivering long-term dividend growth for shareholders.The Board continues to believe that a progressive dividend policy is appropriate for the Group and further to the 5% dividend increase in 2021, an interim dividend of $0.24 (2021: $0.23) per share was paid in October 2022. The Board is recommending a final dividend of $1.03 per share. This would give a total dividend of $1.27 for the year (2021: $1.21), an increase of 5% over last year. The earnings per share for the year were $3.50, representing a cover of 2.8x the proposed dividend for the year. It is proposed to pay the final dividend on 4 May 2023 to shareholders registered at the close of business on 17 March 2023. The final dividend will be paid wholly in cash. Reflecting the resilience of our business model and continued strong cash generation, the Board believes that a through-the-cycle dividend cover of 2.0 to 2.5 times is appropriate for the Group going forward.

2023 Outlook

The 2023 outlook set out in the Chief Executive’s Review on page 15 is deemed to be incorporated in this part of the Directors’ Report.

Principal Risks and Uncertainties

Pursuant to Section 327(1)(b) of the Companies Act 2014, Regulation 5(4)(c)(ii) of the Transparency (Directive 2004/109/EC) Regulations 2007 (the 'Transparency Regulations') and the Central Bank (Investment Market Conduct) Rules 2019, the principal risks and uncertainties that could affect the Group’s business are set out on pages 139 to 148 and are deemed to be incorporated in this part of the Directors’ Report. These risks and uncertainties reflect the international scope of the Group’s operations and its decentralised structure. If any of these risks should occur, the Group’s business, financial condition, results of operations, liquidity and/or prospects could be materially adversely affected.

Non-Financial Reporting

The European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (the ‘Non-Financial Regulations’) requires CRH to provide certain non-financial information to investors and other stakeholders necessary to provide them with an understanding of the Company’s development, performance, position and impact of its activity. Table 46 provides more details on the information required to be provided by the Non-Financial Regulations and where this information has been provided in this Annual Report and Form 20-F.

Non-Financial Reporting Table 46

Reporting Requirement	Relevant Policies (i)	Location of Information (ii)	Pages
Environmental and Climate-Related Matters	Environmental Policy	Sustainability, Transparency on Climate, Risk, Governance	24 to 49, 56 to 59, 104 to 105, 142 and 150 to 156
Social & Employee Matters	Health & Safety Policy, Social Policy	Sustainability, SESR Committee Report and Principal Risks	24 to 49, 104 to 105 and 139 to 148
Human Rights	Social Policy, Code of Business Conduct	Sustainability	24 to 49, and 101
Anti-bribery & Corruption	Code of Business Conduct	Sustainability and Risk Factors	24 to 49, and 145
Business Model	–	Business Model	20 and 21
Non-financial KPIs	–	Key Performance Indicators	65
Principal Risks	–	Risk Management	50 to 54
		Principal Risks and Uncertainties	139 to 148

(i) Policies are available on CRH’s website, www.crh.com.
(ii) The referenced sections are deemed to be incorporated within this Directors’ Report.

Regulatory Information[1] Table 47

Companies Act 2014	For the purpose of Section 1373, the Corporate Governance Report on pages 80 to 132, together with the Governance Appendix located on the CRH website (www.crh.com), which contains the information required by Section 1373(2) of the Companies Act 2014 and the risk management disclosures on pages 50 to 54 and 139 to 148, are deemed to be incorporated in the Directors' Report and form part of the corporate governance statement required by Section 1373 of the Companies Act. Details of the Company's employee share schemes and capital structure can be found in notes 8 and 29 to the Consolidated Financial Statements on pages 200 to 202 and 239 to 241 respectively.
2006 Takeover Regulations	For the purpose of Regulation 21 of Statutory Instrument 255/2006 European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006, the rules relating to the appointment and replacement of Directors are summarised in the Governance Appendix. The Chief Executive and the Chief Financial Officer have entered into service contracts, the principal terms of which are summarised in the 2022 Directors' Remuneration Policy on page 95 of the 2021 Annual Report and Form 20-F are deemed to be incorporated in this part of the Directors' Report. The Company's Memorandum and Articles of Association, which are available on the CRH website, are also deemed to be incorporated in this part of the Directors' Report. The Group has certain banking facilities and bond issues outstanding which may require repayment in the event that a change in control occurs with respect to the Company. In addition, the Company's Share Option Schemes and Performance Share Plan contain change of control provisions which can allow for the acceleration of the exercisability of share options and the vesting of share awards in the event that a change of control occurs with respect to the Company.
2007 Transparency Regulations	For the purpose of Statutory Instrument 277/2007 Transparency (Directive 2004/109/EC) Regulations 2007, the following sections of this Annual Report and Form 20-F are deemed to be incorporated into this part of the Directors' Report[2]: the Chairman's Introduction on pages 8 and 9, the Strategy Report on pages 11 to 59, the Principal Risks and Uncertainties section on pages 139 to 148, the Business Performance section on pages 61 to 79, the information on inclusion and diversity on pages 38 to 43, the details of earnings per Ordinary Share in note 12 to the Consolidated Financial Statements, the details of derivative financial instruments in note 25, the details of the reissue of Treasury Shares in note 29 and the details of employees in note 7.
Disclaimer/ Forward-Looking Statements	In order to utilise the "Safe Harbor" provisions of the US Private Securities Litigation Reform Act of 1995, CRH plc (the 'Company'), and its subsidiaries (collectively, 'CRH' or the 'Group') is providing the following cautionary statement. This document contains certain statements that are, or may be deemed to be, forward-looking statements with respect to the financial condition, results of operations, business, viability and future performance of CRH and certain of the plans and objectives of CRH including, but not limited to, the statements under: "Chairman's Introduction", "Strategy Report – Chief Executive's Review", "Governance – Directors' Report" and "Strategy Review - Our Strategic Framework", in each case regarding the Group's strategy, plans and expectations for future growth and delivery; "Strategy Report – Solutions for a Sustainable Future", "Strategy Report – Decarbonisation" and "Strategy Report – TCFD Executive Summary" with regard to our sustainability priorities and ambitions, our strategies for decarbonisation and reaching other sustainability-related targets, policy, and legal and regulatory developments that may affect CRH and our climate-related risks and opportunities; "Business Performance and Segmental Reviews - Chief Financial Officer's Review" with respect to our belief that the Group has sufficient resources to meet its debt obligations, working capital, and capital and other expenditure requirements in the short and long terms, and the Group's execution of its strategy; "Business Performance and Segmental Reviews" with respect to our expectations regarding economic activity and fiscal developments in our operating regions, our expectations for the residential, non-residential and infrastructure markets, and our strategies for individual segments and business lines; "Governance – Safety, Environmental & Social Responsibility Committee Report" with regard to our environment, social, and governance strategies, priorities and initiatives; "Governance – Directors' Remuneration Report" with regard to growth forecasts; "Governance – Directors' Report", "Governance – Principal Risks and Uncertainties" and "Strategy Report – Risk Management" with respect to the potential impact and evolving nature of risk as well as the direction risk may be trending; and "Financial Statements" regarding projected financial metrics and the expected impact of climate change and carbon reduction targets. These forward-looking statements may generally, but not always, be identified by the use of words such as "will", "anticipates", "should", "could", "would", "targets", "aims", "may", "continues", "expects", "is expected to", "estimates", "believes", "intends" or similar expressions. These forward-looking statements include all matters that are not historical facts or matters of fact at the time of this document. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future and reflect the Company's current expectations and assumptions as to such future events and circumstances that may not prove accurate. A number of material factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, certain of which are beyond our control and which include, among other things: the COVID-19 pandemic; macroeconomic, financial conditions and changes in consumer preferences; interest rates, inflation, price volatility, availability of labour and/or materials shortages, in various countries and regions where we operate; the pace of growth in the overall construction and building materials sector; demand for infrastructure, residential and non-residential construction in our geographic markets; increased competition and its impact on prices; increases in energy and/or raw materials costs; approval or allocation of funding for infrastructure programmes; adverse political developments in various countries and regions; failure to complete or successfully integrate acquisitions; adverse changes to laws and regulations, including in relation to climate change and sustainability; the direct and indirect effects of climate change and related regulations on our business, as well as the impact of unfavorable weather and other physical impacts on our operations; consumer sentiment, political stability and economic growth in relevant areas of the world; wars, political conflict and acts of terrorism; cyber-attacks or sabotage; and the specific factors identified in the discussions accompanying such forward-looking statements and in the Principal Risks and Uncertainties included on pages 139 to 148 of the Directors' Report of this Annual Report and Form 20-F. You are cautioned not to place undue reliance on any forward-looking statements. These forward-looking statements are made as of the date of this Directors' Report. The Company expressly disclaims any obligation or undertaking to publicly update or revise these forward-looking statements other than as required by applicable law. The forward-looking statements in this Annual Report and Form 20-F do not constitute reports or statements published in compliance with any of Regulations 4 to 8 and 26 of the Transparency (Directive 2004/109/EC) Regulations 2007.

Location of Information required pursuant to Listing Rule 9.8.4C

Listing Rule	Information to be included (i):
LR 9.8.4 (12) and (13)	Waivers of Dividends Disclosure: The Trustees of the Employee Benefit Trust have elected to waive dividends in respect of certain holdings of CRH shares. See page 241 to the Consolidated Financial Statements.

(i) No information is required to be disclosed in respect of Listing Rules 9.8.4 (1), (2), (4), (5), (6), (7), (8), (9), (10), (11) and (14).

1. This table contains information which is required to be provided for regulatory purposes.

2. For the purposes of the Company's Annual Report on Form 20-F as filed with the SEC, the Sustainability Report, and any reference thereto, is explicitly excluded from this Directors' Report.

Directors' Report continued

Going Concern and Viability Statements

The Group continues to serve the societal need for building materials products and integrated solutions and in doing so creating long-term value and delivering superior returns for all our stakeholders. The Directors have reviewed the long-term prospects of the Group to assess its viability, carrying out a robust assessment of our current position and the principal risks (pages 139 to 148) facing the Group, including those which would threaten its strategy (page 12 to 19), business model (page 20 and 21), future performance, solvency or liquidity.

The Board's consideration of the long-term prospects of the Group is an extension of the strategic planning process. This process includes regular budget reviews as part of the internal reporting cycle, financial forecasting and performance reviews, a comprehensive enterprise risk management assessment and scenario planning involving our principal risks and uncertainties. Our business strategy is focused on creating long-term value and delivering superior returns for all our stakeholders through disciplined capital management and operational efficiency.

Going Concern

The Group's going concern assessment focuses on immediately available sources of liquidity to fund our anticipated trading pattern, plus anticipated acquisition spend, returns to shareholders and capital investment, ensuring appropriate headroom. The Directors are required to evaluate that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements (the 'period of assessment').

Viability

The Group's viability assessment focuses on the expected future solvency or liquidity of the Group in the face of more severe, but plausible, unexpected events. The Directors have reviewed the length of time to be covered by the Viability Statement, particularly given its primary purpose of providing investors with a view of financial viability that goes beyond the period of the Going Concern assessment. A three-year period is considered appropriate for this viability statement for the following reasons:

- it aligns with our normal strategic planning time horizon;
- construction activity, and therefore demand for the Group's products, is inherently cyclical as it is influenced by global and national economies;
- it aligns with our long-term management incentives, such as the deferred element of the Annual Performance-related Incentive Plan; and
- uncertainty increases inherently with expanding time horizons potentially impacting the large number of external variables that need to be factored

Assessment of Going Concern and Viability

In carrying out their assessment of going concern and viability, the Directors considered a wide range of information, including:

- the Group's business activities together with the factors likely to affect its future development, performance and position which are set out in the Strategy Review and in this report on pages 11 to 59;
- the Group's Strategic plan ("the plan") and projections and the financial position of the Group considering the Group's cash flows, committed funding and liquidity positions, forecast future funding requirements, other key financial ratios, including those relevant to maintaining the Group's investment grade credit ratings and the Group's 2030 climate targets; and
- the financial position of the Group, its cash flows, liquidity position and borrowing facilities which are described in the Business Performance Review on pages 60 to 79. In addition, notes 21 to 25 to the Consolidated Financial Statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit, currency and liquidity risks

Appropriate stress testing of certain key performance, solvency and liquidity assumptions, such as continuing operations EBITDA (as defined)* margins and Net Debt/EBITDA (as defined)*, underlying the plan has been conducted taking account of the principal risks and uncertainties faced and possible severe but plausible combinations of those risks and uncertainties. For more detail on our principal risks and uncertainties, how they could impact the Group and how the Group manages these risks, see pages 139 to 148.

Scenario Modelled	Relevant Principal Risks
Scenario 1: Recessionary Environment Economic slowdown/recession resulting in revenue reductions and margin compression	• Industry Cyclicality and Economic Conditions • Portfolio Management • Public Policy and Geopolitics
Scenario 2: One-off Expense Impact of a potential large event, fine and/or penalty	• Laws, Regulations and Business Conduct • Public Policy and Geopolitics • Information Technology and Cyber Security
Scenario 3: Combination (1&2) Combination of prior scenarios overlapping or occurring simultaneously	• Combination of relevant risks from prior scenarios

Conclusion

While the Board acknowledges that the potential severity, complexity and velocity of the risks assessed may change, based on its review of the Group's activities, cash flows, liquidity position and borrowing facilities for the period of assessment, and having assessed the principal risks facing the Group, the Board has a reasonable expectation that CRH plc, and the Group as a whole, has adequate financial and other resources to continue in operational existence for the period of assessment and will be able to meet its liabilities as they fall due over the aforementioned 12-month going concern period and three-year viability assessment period to 31 December 2025. For this reason, the Directors continue to adopt the going concern basis in preparing the Consolidated Financial Statements.

Risk Management and Internal Control[1]

The Directors confirm that, in addition to the monitoring carried out by the Audit Committee under its Terms of Reference, they have reviewed the effectiveness of the Group's risk management and internal control systems up to and including the date of approval of the financial statements. This review had regard to all material controls, including financial, operational and compliance controls that could affect the Group's business.

1. For more information in relation to the Group's risk management and internal control systems, please see the Risk Management and Internal Control section in the Supplemental 20-F and Other Disclosures section on page 269.

*EBITDA is defined as earnings from continuing operations before interest, taxes, depreciation, amortisation, asset impairment charges, profit on disposals and the Group's share of equity accounted investments' profit after tax.

Directors' Compliance Statement

It is the policy of the Company to comply with its relevant obligations (as defined in the Companies Act 2014). The Directors have drawn up a compliance policy statement (as defined in section 225(3)(a) of the Companies Act 2014) and arrangements and structures are in place that are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations. The Directors confirm that these arrangements and structures were reviewed during the financial year. As required by Section 225(2) of the Companies Act 2014, the Directors acknowledge that they are responsible for the Company's compliance with the relevant obligations. In discharging their responsibilities under Section 225, the Directors relied on the advice both of persons employed by the Company and of persons retained by the Company under contract, who they believe have the requisite knowledge and experience to advise the Company on compliance with its relevant obligations.

Directors' Remuneration Report

Resolution 3 to be proposed at the 2023 AGM deals with the 2022 Directors' Remuneration Report (excluding the Remuneration Policy summary), as set out on pages 108 to 132, which is being presented to shareholders for the purposes of a non-binding advisory vote in line with the requirements of Section 1110N(6) of the Companies Act, 2014.

Changes to the Board of Directors

Under the Company's Articles of Association, co-opted Directors are required to submit themselves to shareholders for election at the AGM following their appointment and all Directors are required to submit themselves for re-election at intervals of not more than three years. However, in accordance with the provisions contained in the 2018 Code, the Board has decided that all Directors eligible for re-election should retire at each AGM and offer themselves for re-election.

Auditor

As required under Section 381(1)(b) of the Companies Act 2014, the AGM agenda includes a resolution authorising the Directors to fix the remuneration of the auditor. Section 383 of the Companies Act 2014 provides for the automatic re-appointment of the auditor of an Irish company at a company's AGM, unless the auditor has given notice in writing of their unwillingness to be re-appointed or a resolution has been passed at that meeting appointing someone else or providing expressly that the incumbent auditor shall not be re-appointed. The auditor, Deloitte Ireland LLP, is willing to continue in office.

Notwithstanding the provisions of Irish company law, the Board has decided to provide shareholders with an opportunity to have a say on the continuance in office of Deloitte Ireland LLP and a non-binding resolution has been included on the agenda for the 2023 AGM for this purpose.

Authority to Allot Shares

The Directors require the authority of the shareholders to allot any unissued Ordinary Share capital of the Company. Accordingly, an ordinary resolution will be proposed at the 2023 AGM (Resolution 7) to renew the annual authority for that purpose. The authority will be for an amount which represents just under 50% of the issued Ordinary Share capital as at 1 March 2023. Any allotment exceeding 33% of the issued Ordinary Share capital will only be made pursuant to a pre-emptive issue and no issue of shares will be made which could effectively alter control of the Company without prior approval of the Company in General Meeting.

The Directors have no present intention of making any issue of shares, other than in connection with the Group's share incentive plans.

If approved, this authority will expire on the earlier of the date of the AGM in 2024 or 26 July 2024.

Disapplication of Pre-emption Rights

Resolution 8 is a special resolution which, if approved by shareholders, will renew the annual authority of the Directors to disapply statutory pre-emption rights in relation to allotments of Ordinary Shares for cash in certain circumstances.

In November 2022, the Pre-Emption Group published a revised Statement of Principles, which increased the guideline threshold for the annual disapplication of pre-emption rights authorities from 10% to 20% of a company's issued share capital, with some additional flexibility for follow-on offers of up to a maximum of an additional 4% of a company's issued share capital in specified circumstances. Having considered the matter, the Board has decided to seek authority under Resolution 8 for the disapplication of pre-emption rights up to a maximum of 10% of the Company's issued share capital and will keep this under review in future years. This proposal is in line with the authorities received by the Company in prior years. The 10% limit includes any Treasury Shares reissued by the Company while the authority in Resolution 8 remains operable.

Transactions in Own Shares

Under the share buyback programme, a total of 29,755,861 Ordinary Shares, equivalent to 3.96% of the Company's issued share capital, were repurchased during 2022, at an average price of $39.22 per share. 22,000,000 Ordinary Shares, equivalent to 2.92% of the Company's issued share capital were cancelled on 22 December 2022 as part of the Group's management of its Treasury Share requirements.

As at 1 March 2023, 9,819,256 shares were held as Treasury Shares, equivalent to 1.32% of the Ordinary Shares in issue (excluding Treasury Shares). The Treasury Share balance at 31 December 2022 was 7,398,112, equivalent to 0.98% of the Ordinary Shares in issue (2021: 3,476,859 (0.5%)).

During 2022, 3,834,608 (2021: 3,439,904) Treasury Shares were reissued under the Group's employee share schemes.

A special resolution will be proposed at the 2023 AGM (resolution 9) to renew the authority of the Company, or any of its subsidiaries, to purchase up to 10% of the Company's Ordinary Shares in issue at the date of the AGM.

If approved, the minimum price which may be paid for shares purchased by the Company shall not be less than the nominal value of the shares and the maximum price will be 105% of the higher of the last independent trade in the Company's shares (or current independent bid, if higher) and the average market price of such shares over the preceding five days. A special resolution will also be proposed for the purpose of renewing the authority to set the maximum and minimum prices at which Treasury Shares (effectively shares purchased and not cancelled) may be reissued off-market by the Company. If granted, both of these authorities will expire on the earlier of the date of the AGM in 2024 or 26 July 2024. As at 1 March 2023, options to subscribe for a total of 1,132,656 Ordinary Shares are outstanding, representing 0.15% of the issued Ordinary Share capital (excluding Treasury Shares). If the authority to purchase Ordinary Shares was used in full, the options would represent 0.17% of the remaining shares in issue.

As outlined on page 65, during 2022 the Group returned a further $1.2 billion of cash to shareholders under its share buyback programme. A further buyback tranche of $300 million is underway and is scheduled to complete by 30 March 2023.

The Board believes that the Company should retain the ability to buyback its own shares so that it can be used in the best interests of shareholders generally.

Events after the Balance Sheet Date

Details of post-Balance Sheet events are outlined in the Accounting Policies and notes 2 and 29 to the Consolidated Financial Statements on pages 181, 193 and 241 respectively.

Annual General Meeting

The Notice of Meeting for the 2023 AGM will be published in March on the CRH website (www.crh.com) and is expected to be posted to shareholders on 29 March 2023.

Statement of Directors' Responsibilities

The Directors as at the date of this report, whose names are listed on pages 82 to 84, are responsible for preparing the Annual Report and Form 20-F and Consolidated Financial Statements in accordance with applicable laws and regulations.

Irish company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the assets, liabilities, financial position of the Parent Company and of the Group, and of the profit or loss of the Group taken as a whole for that period (the 'Consolidated Financial Statements').

In preparing the Consolidated Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable International Financial Reporting Standards as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are required by the Transparency (Directive 2004/109/EC) Regulations 2017 and the Central Bank (Investment Market Conduct) Rules 2019 to include a management report containing a fair review of the development and performance of the business and the position of the Parent Company and of the Group taken as a whole and a description of the principal risks and uncertainties facing the Group.

The Directors confirm that to the best of their knowledge they have complied with the above requirements in preparing the 2022 Annual Report and Form 20-F and Consolidated Financial Statements.

The considerations set out above for the Group are also required to be addressed by the Directors in preparing the financial statements of the Parent Company (which are set out on pages 248 to 252), in respect of which the applicable accounting standards are those which are generally accepted in Ireland.

The Directors have elected to prepare the Company Financial Statements in accordance with Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), including FRS 101 *Reduced Disclosure Framework*.

The Directors are responsible for keeping adequate accounting records which disclose, with reasonable accuracy, at any time the financial position of the Parent Company and which enable them to ensure that the Consolidated Financial Statements are prepared in accordance with applicable International Financial Reporting Standards as adopted by the European Union and comply with the provisions of the Companies Act 2014 and Article 4 of the IAS Regulation.

The Directors have appointed appropriate accounting personnel, including a professionally qualified Chief Financial Officer, in order to ensure that those requirements are met. The books and accounting records of the Company are maintained at the Group's administrative head offices located at Stonemason's Way, Rathfarnham, Dublin 16, Ireland.

The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors confirms that, to the best of their knowledge and belief, and as required by the Transparency Regulations

- the Consolidated Financial Statements, prepared in accordance with IFRS and the Parent Company Financial Statements prepared in accordance with FRS 101, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group for the financial year ended 31 December 2022; and
- the Directors' Report contained on page 134 to 138 of this Annual Report and Form 20-F includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face

Each of the Directors also confirm that they consider that the Annual Report and Form 20-F and Consolidated Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

For the purposes of Section 330 of the Companies Act 2014, each of the Directors also confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's statutory auditor is unaware; and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditor is aware of that information

On behalf of the Board,

R. Boucher, A. Manifold
Directors
1 March 2023

Principal Risks and Uncertainties

Under Section 327(1)(b) of the Companies Act 2014 and Regulation 5(4)(c)(ii) of the Transparency (Directive 2004/109/EC) Regulations 2007, the Group is required to give a description of the principal risks and uncertainties which it faces. These risks and uncertainties reflect the international scope of the Group's operations and the Group's decentralised structure. The risks and uncertainties presented below are reviewed on an annual basis and represent the principal risks and uncertainties faced by the Group at the time of compilation of the 2022 Annual Report and Form 20-F. During the course of 2023, new risks and uncertainties may materialise attributable to changes in markets, regulatory environments and other factors and existing risks and uncertainties may become less relevant.

Principal Strategic Risks and Uncertainties

Industry Cyclicality and Economic Conditions

Description

Construction activity, and therefore demand for the Group's products, is inherently cyclical and influenced by multiple factors, including global and national economic circumstances (particularly those affecting the infrastructure and construction markets), monetary policy, consumer sentiment, swings in fuel and other input costs, and weather conditions that may disrupt outdoor construction activity.

In general, economic uncertainty exacerbates negative trends in construction activity leading to postponement of orders, and rising interest rates typically adversely impact construction activity and demand for building materials and services. The Group may also be adversely impacted by fluctuations in the price of fuel and principal energy-related raw materials such as bitumen and steel (which accounted for approximately 13% of annual Group sales revenues in 2022 (10% in 2021)), and monetary and public policies in the countries in which the Group operates.

There is no guarantee that any future actions taken by Group management will be effective in managing these risks and maintaining financial performance in the face of current changes in economic conditions. In addition, there is no guarantee that the Group will continue to be able to absorb the inflationary pressures we are currently facing across fuel, energy, labour and transport, among other inputs, in many of our major markets. Failure to manage the above factors could have a material adverse effect on the Group's operating results and the market price of CRH plc's Ordinary Shares.

Risk trend: ︿

How We Manage the Risk

- Market diversification strategies, in addition to the Group's multiple end-use sectors
- Constant focus on cost control, use of hedging instruments to control input increases, strong cash generation and disciplined financial management
- Disciplined and focused approach to capital allocation and reallocation to ensure our capital is deployed to where we see optimum opportunity for growth

Developments During 2022

- Strong commercial management and disciplined cost control has enabled the Group to maintain robust performance amid significant inflationary pressures
- The continued execution of the Group's integrated and sustainable solutions strategy has enabled the Group to offer a differentiated value-adding strategy
- The solutions strategy has also created a more resilient business which, due to the sector breadth of our customer base, is more agile and flexible and less exposed to cyclical economic activity

People Management

Description

The Group may not achieve its strategic objectives if it is not successful in attracting, engaging, retaining and developing employees, planning for leadership succession, developing a diverse and inclusive workforce, and building constructive relationships with collective representation groups.

The identification and subsequent assessment, management, development and deployment of talented individuals is of major importance in continuing to deliver on the Group's strategy and in ensuring that succession planning objectives for key executive roles throughout its international operations are satisfied. As well as ensuring the Group identifies, hires, integrates, engages, develops and promotes talent, the Group must attract and retain a diverse workforce and maintain an inclusive working environment.

The Group operates in a labour-intensive industry and can face frontline labour shortages that impact the Group's ability to produce goods, operate facilities and install products. Additionally, any significant loss of employee resources for a sustained period of time due to sickness or a public health emergency could impact the Group's ability to maintain operations.

The Group must also maintain constructive relationships with the trade/labour unions that represent certain employees under collective agreements. Failure to do so could mean that the Group cannot renegotiate on appropriate terms the relevant collective agreements upon expiration or may face strikes or work stoppages. Poor labour relations could create reputational risk for the Group and impact operational continuity, which could have a material adverse effect on the results of operations and financial condition of the Group.

Risk trend: ︿

How We Manage the Risk

- Global I&D Council, chaired by our Chief Executive, with I&D Committees at a Division and corporate levels, and local I&D plans and/or ERGs across many operating companies
- Talent management programmes (e.g. succession planning, I&D leadership development programme etc.) are deployed across our operating companies, with oversight and support from Group Human Resources
- Development interventions are in place including enterprise-wide leadership development training
- Positive employee and trade/labour union relations are maintained

Developments During 2022

- Established a formal mentorship programme for our top talent and specific programmes targeting our early in career talent
- Continued roll out of our Front Line Leadership programme across all operating companies
- More than 250 of our most senior leaders participated in a six-month training programme on inclusive leadership development to ensure that they have the capability to build inclusive working environments

Commodity Products and Substitution

Description

Many of the Group's products are commodities that face strong volume and price competition. Such products may also face competition from substitute products, including new products, that the Group does not produce. The Group must maintain strong customer relationships to ensure it can respond to changing consumer preferences and approaches to construction. Failure to differentiate and innovate could lead to market share decline, thus adversely impacting financial performance.

The Group operates in a competitive environment in which pricing is impacted by macroeconomic conditions, the number of competitors, the degree of utilisation of production capacity and the specifics of product demand, among other factors. The Group's local competitors are increasingly innovative and cost competitive. The Group experiences downward pricing pressure from time to time across its different markets, and the Group may not always be able to raise prices to offset increased operating expenses and inflationary pressures. The Group's profits are particularly sensitive to changes in volume, as the cement business is capital-intensive and thus has significant fixed and semi-fixed costs.

Many Group products compete with building products that the Group does not produce. Any significant shift in demand preference to these alternate products could adversely impact market share and results of operations.

If the Group falls behind its competitors in developing new products which respond to customer needs, such as innovative, sustainable products, demand for the Group's products might decline, which could impact our financial performance.

Risk trend:

How We Manage the Risk

- Our integrated building solutions focused business model and a strong focus on customer connectivity ensures differentiation from competitors
- Business-led innovation and Research and Development services aimed at ensuring the Group aligns its products and services to the demands of customers. For more information please see our Solutions for a Sustainable Future section on page 24
- Robust cost management practices and production process innovation, ensuring competitive product pricing

Developments During 2022

- Further development of our integrated solutions model, prompting enhanced customer collaboration to develop more value-added solutions and building practices
- Integrating products and services (e.g. base materials, water management and utility services, engineering and technical expertise) to offer solutions that drive higher value relationships with customers, and associated commercial and operational benefits
- The Group continues to invest in innovation, announcing a $250 million venturing and innovation fund in 2022

Portfolio Management

Description

The Group engages in acquisition and divestment activity as part of active portfolio management which presents risks around due diligence, execution and integration of assets. Additionally, the Group may be liable for liabilities of companies it has acquired or divested. Failure to efficiently identify and execute deals may limit the Group's growth potential and impact financial performance.

The Group's acquisition strategy depends on successfully identifying and acquiring suitable assets at prices that satisfy our stringent cash flow and return on investment criteria. The Group may not be able to identify such companies, and, even if identified, may not be able to acquire them because of a variety of factors including the outcome of due diligence processes, the ability to raise required funds on acceptable terms, regulatory approvals (including in certain instances from competition authorities) and competition for transactions from peers and other entities acquiring companies in the building materials sector. In addition, situations may arise where the Group may be liable for the past acts, omissions or liabilities of acquired companies, or may remain liable in cases of divestment; for example, the potential environmental liabilities addressed under the Sustainability and Corporate Social Responsibility risk on page 144.

In addition, the Group's ability to realise the expected benefits from acquisitions depends in part on its ability to integrate newly-acquired businesses. If the Group fails to integrate acquisitions, it may not achieve expected growth synergies or other financial and operating benefits, and it may incur write-downs, impairment charges or unforeseen liabilities that could negatively affect its operating results or financial position or could otherwise harm its business. Further, integrating an acquired business, product or technology could divert management time and resources from other matters.

Risk trend:

How We Manage the Risk

- Expertise in identifying and evaluating targets, conducting due diligence (supported by external specialists when necessary) and executing integration. Many core markets are fragmented and continue to offer focused growth opportunities
- The Group maintains a portfolio of diverse solutions-orientated businesses which can be scaled to create new growth opportunities and advance our decarbonisation journey

Developments During 2022

- Continued execution of the Group's strategy to create value through the efficient allocation and reallocation of capital, with divestment of the Building Envelope business for $3.8 billion and investment of $3.3 billion in acquisitions, including Barrette in July 2022 for an enterprise value of $1.9 billion - see note 30 to the Consolidated Financial Statements for more details
- Our acquisition pipeline remains strong, and our significant balance sheet capacity provides optionality to capitalise on opportunities that create shareholder value
- For more information on our portfolio management activity during the year refer to the Chief Financial Officer's Review on page 62

Public Policy and Geopolitics

Description

Adverse public policy, economic, social and political situations in any country in which the Group operates could lead to health and safety risks for the Group's people, a fall in demand for the Group's products, business interruption, restrictions on repatriation of earnings or a loss of plant access.

Public policy, as well as the financial resources and investment strategy of government bodies in our markets, affect demand for our products. The allocation of government funding for public infrastructure programmes is a key driver for our markets, such as the infrastructure and utilities elements of the Build Back America bill in the US. However, government budget deficits might reduce government infrastructure investment and reduce demand for the Group's products. Similarly, any significant change in investment strategy by policy makers in any of the Group's key markets could reduce market demand, adversely impacting financial performance.

The Group currently operates mainly in Europe and North America, as well as, to a lesser extent, in less developed emerging markets in Eastern Europe, the Philippines and China. The economies of these countries are at varying stages of development, which could present multiple risks and uncertainties, including:

- Changes in political, social or economic conditions;
- New or strengthened trade protection measures, currency controls or import or export licensing requirements;
- Political unrest and currency shocks;
- Activism and civil disturbance, triggered by natural disasters, terrorist events or outbreak of armed conflict, among other potential causes;
- Labour and procurement practices which contravene ethical considerations and regulatory requirements;
- Unexpected changes in regulatory and tax requirements; and
- Lockdowns or other restrictions due to public health emergencies, such as pandemics

In addition, CRH has people and assets in Ukraine and neighbouring countries. The ongoing geopolitical conflict in Ukraine poses potential physical risks to our people and operations and continues to create economic uncertainty. The Board is actively monitoring the situation in Ukraine, with the priority being the safety and security of our people.

Risk trend: ︿

How We Manage the Risk

- Mitigation strategies to protect CRH's people and assets are in place in high-risk areas
- Senior management and Board monitoring of economic indicators and commentaries
- Two-phase budgeting process with prevailing economic and market forecasts factored in

Developments During 2022

- As the conflict in Ukraine escalated, following Russia's invasion in February 2022, the primary focus of the Group was on the health and safety of our people. Our crisis management structures were put into immediate effect, with our focus on getting our people and their families out of conflict zones and to safety in neighbouring countries
- Increased hygiene and sanitation procedures continued across our businesses, as some regions experienced fresh waves of different strains of COVID-19

Strategic Mineral Reserves

Description

Appropriate reserves are increasingly scarce, and licences and permits required for operations are becoming harder to secure. Numerous uncertainties are inherent in estimating reserves and projecting production rates of the minerals used in the Group's products. Failure of the Group to plan for reserve depletion and secure or maintain permits may result in operation stoppages, adversely impacting financial performance.

Continuity of the cash flows derived from the production and sale of building materials depends on satisfactory reserves planning, including appropriate long-term arrangements for their replacement. The Group cannot guarantee its ability to secure new reserves and plan for reserve depletion.

In addition, the Group may not be able to obtain the required licences and permits for its mining operations, and cannot guarantee that it will continue to satisfy the many terms and conditions under which such licences and permits are granted.

The failure to plan adequately for current and future extraction and utilisation or to ensure ongoing compliance with requirements of issuing authorities could lead to operational disruptions and negatively affect our financial results.

For additional information on the Group's reserve position, see pages 262 to 267.

Risk trend: ︿

How We Manage the Risk

- Planning for reserves enlargement and security of permits is a key focus area for our businesses
- Robust mine planning to maximise the lifetime of permitted reserves under the Group's control
- Implementation of operational best practices ensure mineral extraction in line with permit requirements, while minimising the impact of our operations on local environments

Developments During 2022

- The updating of existing plans and the development of new mine plans progressed further in 2022, with formalised mine plans projected to increase from 49% to 64% of our cement raw material sites. A similar effort and increase is planned for 2023
- A programme to upskill internal CRH personnel and provide them with specialised mine planning software was further rolled out in 2022
- Exploration drilling and updating of block models continues, with a focus on increasing raw material reserves at key sites

Principal Operational Risks and Uncertainties

Climate Change and Policy

Description

The impact of climate change may adversely affect the Group's operations and cost base and the stability of markets in which the Group operates. Risks related to climate change that could affect the Group's operations and financial performance include both physical risks (such as acute and chronic changes in weather) and transitional risks (such as technological development, policy and regulation change and market and economic responses).

Physical Risks include:

- Acute: A once-off weather event, such as a hurricane or flooding. An increase in these types of events may disrupt CRH's production rates as facilities are damaged or closed; and
- Chronic: Sustained weather events, such as increased precipitation which may lead to higher sea levels. An increase in these types of events can disrupt CRH's supply chain and transport logistics

These physical risks may reduce product revenues and increase costs of maintaining the integrity of facilities. Operational productivity and demand for the Group's products may be reduced during these weather events leading to reduced financial performance.

Transition Risks include:

- Technology: The failure to keep up with the pace of technological change may lead to increased operational costs and financial loss through the inability to supply products to customers who require innovative and low-carbon sustainable solutions. Failure to leverage innovation and other sustainability initiatives, for example transitioning to innovative lower-carbon products such as lower-carbon cements, recycled asphalt pavement (RAP), permeable paving solutions and other high-performance sustainability solutions, may shorten product life cycles or give rise to early product obsolescence thus impairing financial performance and/or future value creation;
- Legal and Regulatory: Changes to climate-related laws or regulation could increase risks and costs related to compliance and litigation related to CRH's operations. Efforts to address climate change through laws and regulations, for example by requiring reductions in emissions of GHGs such as CO_2 and additional disclosures of GHG emissions among other changes can create economic risks and uncertainties for the Group's businesses. Such risks could include the cost of purchasing allowances or credits to meet GHG emissions caps, the cost of installing equipment to reduce emissions to comply with GHG limits and higher direct and indirect costs from the imposition of legislative or regulatory controls;
- Reputation: The building materials industry is, by its nature, energy intensive and stakeholder expectations with regard to climate change continue to increase. Failing to reduce emissions arising from our operations or failing to meet investor expectations with regard to emissions reductions may adversely impact the Group's reputation; and
- Market: Continued focus on climate change by investors and lenders may affect their preferences and sentiments, which could affect the Group's access to capital markets, cost of capital, and potential investors, each of which could potentially increase the Group's financing costs and affect its financial performance. In terms of operating markets, failure to transition to lower-carbon products could result in early product obsolescence thus impairing financial performance and/or future value creation

The Group continues to be exposed to costs related to carbon emissions trading schemes. While these costs do not currently have a material financial impact, there can be no assurance that more extensive carbon cost mechanisms will not be introduced that could potentially impact the Group's financial performance. Further, although the Group continues to engage with stakeholders to fully understand their expectations in relation to climate change, such expectations continue to evolve rapidly and the Group cannot guarantee that all stakeholders' expectations will continue to be met. Please refer to page 150 to 156 for further details.

Risk trend:

How We Manage the Risk

- The Group is working towards delivery of its ambition to become a net-zero business by 2050, with an industry leading target of a 30% reduction in absolute carbon emissions by 2030 (on a 2021 base year)
- Operational improvements at plants, such as the use of alternative fuels that reduce CO_2 emissions, deliver financial efficiencies and support the circular economy
- Acquisitions are assessed through our ESG due diligence processes to identify potential risks and upon acquiring are incorporated into our ERM processes
- The Group publishes an annual independently-assured Sustainability Report, which is available on www.crh.com

Developments During 2022

- Our Scope 1 and 2 absolute carbon emissions decreased by 7% in 2022 as we execute against the levers in our decarbonisation roadmap and lower clinker production
- We also saw an improvement in our cement specific net CO_2 emissions per tonne of cementitious product which reduced to 566kg (from 586kg in 2021)
- Continued progress towards our 2025 target of 50% of product revenue from products with enhanced sustainability attributes, which was 47% of product revenue in 2022

Information Technology and Cyber Security

Description

The Group is dependent on information and operational technology systems (including those for which third-parties are in whole or in part responsible) to support its business activities. Security incidents and cyber-attacks are becoming increasingly sophisticated, and our systems for protecting our assets and data against cyber security risks may be insufficient. Security breaches, IT interruptions or data loss could result in significant business disruption, loss of production, reputational damage and/or regulatory penalties.

The Group collects, processes, and retains potentially sensitive and confidential information about our customers, suppliers, employees and business performance, and has been subject to cyber security attacks. Despite the security measures we have in place, and those of third party suppliers and vendors with which we do business, attacks or other significant IT interruptions or errors may result in interference with production software, corruption or theft of sensitive customer or employee data, manipulation of financial data and/or reputational losses.

In addition, as cyber security threats evolve, the Group may be required to expend additional resources to continue to modify or enhance protection measures or to investigate and remediate any vulnerability to cyber incidents. The Group likewise may incur significant remediation costs following any major cyber security incident.

Risk trend: ⌃

How We Manage the Risk

- Ongoing strategic and tactical efforts to address the evolving nature of cyber threats and the associated challenges, including enhancing existing information and cyber security practices to promote best practice across our people, processes and technology
- Ongoing investment and development of risk management and governance associated with cyber security and information technology
- Global Information Security Council oversees cyber risk and strategic matters related to the implementation and ongoing monitoring of information security across the Group, focused on high-impact cyber risks

Developments During 2022

- Cross-functional collaboration across the Group to ensure continued emphasis on the core domains of cyber security which have the greatest impact on our ability to protect, detect and respond to security events
- Our cyber risk appetite was reviewed and updated, with further investment in controls to ensure alignment with appetite
- A new Cyber Essentials programme setting mandatory minimum cyber security standards was rolled out across the Group

Health and Safety Performance

Description

The Group's businesses operate in an industry with inherent health and safety risks, including operation of heavy vehicles, working at height, and use of mechanised processes. Failure to ensure safe workplaces could result in a deterioration in the Group's safety performance and related adverse regulatory action or legal liability. Health and safety incidents could significantly impact the Group's operational and financial performance, as well as its reputation.

The Group's safety risks extend to sites not wholly within our control, including outdoor paving and construction sites. This environment presents a complex challenge which requires safe behaviours and engagement from employees as well as robust Group policies and procedures. A high number of accidents may pose additional challenges in recruiting new employees, ensuring operational continuity and maintaining licences and permits.

Further, the Group is subject to a broad and stringent range of existing and evolving laws, regulations, standards and best practices with respect to health and safety in each of the jurisdictions in which it operates. Should the Group's health and safety frameworks, processes and controls fail to comply with such regulations, the Group could be exposed to significant potential legal liabilities and penalties.

In addition, potential health and safety issues with products could lead to welfare and security issues for our broad range of stakeholders including our employees, contractors, customers and communities.

The COVID-19 pandemic has presented and continues to present additional health and safety challenges due to potential transmission of the virus and changes to traditional operating norms. There is no guarantee that efforts to mitigate the risk of transmission will be effective in preventing the spread of COVID-19 or other viral infections at our sites and locations.

Risk trend: ⊖

How We Manage the Risk

- A robust health and safety framework is implemented throughout the Group's operations requiring all employees to complete formal health and safety training on a regular basis. The company complies with the Hierarchy of Control and implements the Life Saving Rules with a 'no compromises' approach
- The Group monitors the performance of its health and safety framework and takes immediate and decisive action where non-adherence is identified. The company complies with product specifications and standards as a minimum
- The maintenance of a strong safety and wellness culture is driven by management and employees at every level and is a core part of doing business with integrity and our ambition of zero harm

Developments During 2022

- Continued rollout of our Global Frontline Leadership programme which is being delivered to all CRH Frontline leaders and their managers
- We continue to implement the Life Saving Rules across our businesses, integrating acquisitions into our safety management systems
- We continue to commit significant resources to ensure that employees receive training to complete their work safely

Sustainability and Corporate Social Responsibility

Description

The nature of the Group's activities poses certain environmental and social risks, which are also subject to an evolving regulatory framework and changing societal expectations. Failure to embed sustainability principles within the Group's businesses and strategy may result in non-compliance with relevant regulations, standards and best practices and lead to adverse stakeholder sentiment and reduced financial performance.

Customers are increasingly demanding sustainable products, particularly products with reduced lifetime carbon emissions. If the Group fails to offer products with improved sustainability performance, demand for the Group's products may fall and the Group will experience a deterioration in financial performance. Failing to leverage innovation and other sustainability initiatives may also shorten product life cycles or give rise to early product obsolescence thus impairing financial performance and/or future value creation.

The Group is also subject to a broad and increasingly stringent range of laws, regulations, standards and best practices with respect to ESG performance, including new regulations related to climate change and pollution. As a result of this new regulatory environment, the Group faces rising compliance costs, potential new legal liability exposure and could be subject to an obligation to adapt certain of its current operations.

Risk trend:

How We Manage the Risk

- CRH's strategy and business model are built around sustainable, responsible and ethical performance. CRH aims to positively contribute to society through the delivery of materials and products that enhance the sustainability of structures and considers the needs of our communities
- Sustainability performance continues to be subject to rigorous external evaluation. The Group's achievements have been recognised through its inclusion in a variety of leading global sustainability indices
- We focus on maintaining good labour relations and work to limit the impacts of seasonality and provide assistance to employees and managers with retirement planning and downsizing when it is necessary

Developments During 2022

- In 2022, CRH tied the monetary and non-monetary remuneration of the Chief Executive, executive board members, senior executives and business unit managers, to a range of ESG measures, including organisational performance on GHG emissions. Please see Directors' Remuneration Report on pages 108 to 132

Supply Chain Continuity

Description

The Group must reliably and economically source various raw materials, equipment and other inputs from various third-party suppliers and then transport finished products to satisfy customer demands and meet contractual requirements. Our ability to balance maintaining resilient supply chains with optimising our working capital and inventory levels is critical to the continuity and strong financial returns of our operations. Failure to manage any material disruption in our supply chains could adversely impact our ability to service our customers and result in a deterioration in operational and/or financial performance.

Like many other industries, the global building materials industry has been adversely impacted by disruptions and threats to supply chains caused by the COVID-19 pandemic, and subsequently the conflict in Ukraine. Additionally, the inflationary environment within the Group's major markets has resulted in increased cost and reduced availability of some key inputs and transportation.

Some of the raw materials, equipment, transport and other inputs that the Group requires are limited to a small number of suppliers from which the Group can economically and/or practically source, which often have long lead times. Any of our suppliers may experience temporary, prolonged or even permanent operational disruption, which could have an adverse impact on the Group's operations, financial performance and reputation. In addition, in certain markets in which the Group operates, including markets for steel, cement, bitumen and supplementary cementitious materials, contracted market demand can far outstrip supply, which may restrict the Group's ability to obtain alternative suppliers or additional volumes where necessary. Our focus on responsible sourcing practices and other ESG considerations may also limit the pool of acceptable suppliers from which we may choose to source.

Risk trend:

How We Manage the Risk

- Source from and build close relationships/partnerships with established, reputable suppliers, maintaining regular communication on potential supply chain challenges
- Wide range of supplier risk management practices, which enable CRH to identify and manage critical supply chain challenges
- Risk scenarios on potential risks to CRH's supply chain and strategies to alleviate these risks, if they occur
- Robust demand forecasting to ensure appropriate inventory levels are maintained

Developments During 2022

- Creation of a central team focused on procurement risk and market intelligence to build strategies for managing supply chain risks and implementing these strategies across global supply chains and local operations
- A procurement response team was formed to minimise any disruption to our operations associated with the conflict in Ukraine, with global category teams working closely with local teams, and a renewed focus on innovative solutions

Principal Compliance Risks and Uncertainties

Laws, Regulations and Business Conduct

Description	How We Manage the Risk
The Group is subject to a wide variety of local and international laws and regulations. There can be no assurance that the Group's policies and procedures afford adequate protection against compliance failures or other fraudulent and/or corrupt activities. Potential breaches of local and international laws and regulations could result in litigation or investigations, the imposition of significant fines, sanctions, adverse operational impact (to include an inability to operate in key markets/debarment) and reputational damage. As an Irish incorporated company, with a premium listing on the LSE, a secondary listing on Euronext Dublin and an ADR listing on the NYSE, CRH must comply with various laws and regulations including, among others, the Irish Companies Acts, the UK and Euronext Dublin Listing Rules, the Market Abuse Regulation, the Irish Transparency Regulation, and reporting obligations under US securities laws. The Group is also subject to various statutes, regulations and laws affecting land usage, zoning, labour and employment practices, competition/anti-trust, financial reporting, taxation, anti-fraud and theft, anti-bribery, anti-corruption, governance, data protection and data privacy and security, environmental, health and safety, and international trade and sanctions laws, among other matters. Despite mandating that its employees comply with its Code of Business Conduct the Group cannot guarantee that its employees will comply with all demands of regulatory agencies. Any such activities or breaches of external regulations or internal policies could have a material adverse effect on the Group's business, results of operations, financial condition, or prospects. **Risk trend:** —	• Robust governance, including oversight by the Global Legal and Compliance function and other relevant Group functions that report to the Board, Audit Committee and/or SESR • CRH's Code of Business Conduct, which is available on www.crh.com • Proactive engagement throughout the Group, including an extensive training programme on CRH's Code of Business Conduct and Advanced Compliance Training • Global Speak Up Programme with a dedicated whistleblowing hotline (the results of which are reported to the Audit and SESR Committees) **Developments During 2022** • Enhancements to the Speak Up Programme, including a new Speak Up Policy, Speak Up FAQ Guidance, investigator toolkit, Speak Up Point of Contact manual and training materials • Enhanced Fraud and Theft Policy and reporting procedures, training improvement projects, including development of bespoke e-learning modules

Principal Financial and Reporting Risks and Uncertainties

Taxation Charge and Balance Sheet Provisioning

Description

The Group is exposed to uncertainties stemming from governmental actions in respect of taxes paid or payable in the future in all jurisdictions of operation. In addition, various assumptions are made in the computation of the overall tax charge and in balance sheet provisions which may need to be adjusted over time. Changes in tax regimes or assessment of additional tax liabilities in future tax audits could result in incremental tax liabilities which could have a material adverse effect on cash flows and the financial results of operations.

The Group's income tax charge is based on reported profits and statutory tax rates, which reflect various allowances and reliefs and tax efficiencies available to the Group in the multiple tax jurisdictions in which it operates. The determination of the Group's provision for income tax requires certain judgements and estimates in relation to matters where the ultimate tax outcome may not be certain. The recognition of deferred tax assets also requires judgement as it involves an assessment of the future recoverability of those assets. In addition, the Group is subject to tax audits which can involve complex issues that could require extended periods to conclude, the resolution of which is often not within its control. Although management believes that the estimates included in the Consolidated Financial Statements and the Group's tax return positions are reasonable, there can be no assurance that the final outcome of these matters will equal the estimates reflected in the Group's historical income tax provisions and accruals.

As a multinational corporation, the Group is subject to various taxes in all jurisdictions in which it operates. Economic and political conditions, tax rates and the interpretation of tax rules in these jurisdictions may be subject to significant change, particularly during periods of administrative change or fiscal deficit. For example, the introduction of a Global Minimum Tax as developed by the OECD could result in increased tax liabilities in respect of some jurisdictions. In addition, the Group's future effective income tax rate could be affected (positively or negatively) by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets or changes in tax laws or their interpretation.

Finally, changes to international tax principles, for example at an EU level, could adversely affect the Group's effective tax rate or result in higher cash tax liabilities. If the Group's effective income tax rate was to increase, its cash flows and the financial results of operations could be adversely affected.

Risk trend:

How We Manage the Risk

- The Group Tax Policy, supporting Tax Guidelines and SOX controls provide a tax governance framework operable throughout the Group
- Group Tax is managed by a team of in-house specialists with significant experience. The in-house expertise is supplemented by the assistance of external advisors where required

Developments During 2022

- We continue to monitor the evolution in global and domestic tax policies to better understand how current proposals could impact our business and in parallel perform analyses to understand and estimate the impact of potential changes as currently understood

Financial Instruments

Description

The Group uses financial instruments throughout its businesses giving rise to interest rate and leverage, foreign currency, counterparty, credit rating and liquidity risks. A downgrade of the Group's credit ratings may give rise to increases in future funding costs and may impair the Group's ability to raise funds on acceptable terms. In addition, insolvency of the financial institutions with which the Group conducts business may adversely impact the Group's financial position.

Interest rate and leverage risks: As at 31 December 2022, the Group had outstanding gross indebtedness, including leases, of approximately $11.0 billion (2021: $12.0 billion) and cash and cash equivalents of approximately $5.9 billion (2021: $5.8 billion). The Group uses interest rate swaps to convert a portion of its fixed rate debt to floating rate. While current leverage is low, acquisition activity could adversely impact operating and financial flexibility as well as financial position. There can be no assurance that the Group will not be adversely impacted by increases in borrowing costs in the future. During 2021, the Group transitioned from some IBOR backed rates linked to its main banking facilities to alternative benchmark rates. These alternative benchmark rates are backward looking meaning the related interest charges would not be fully known until close to the end of the interest period. This transition process will continue until June 2023 after which US dollar IBOR rates will cease to be available.

Foreign currency risks: If the Group's reporting currency weakens relative to the basket of foreign currencies in which net debt is denominated (including the euro, Canadian Dollar, Swiss Franc, Polish Zloty, Philippine Peso and Pound Sterling), the net debt balance would increase; the converse would apply if the Group's reporting currency was to strengthen. Where economically feasible, net debt is maintained in the same relative ratio as capital employed to act as an economic hedge of the underlying currency assets.

Counterparty risks: Insolvency of the financial institutions with which the Group conducts business or a downgrade in their credit ratings may lead to losses in the cash balances that the Group holds with such financial institutions or losses in derivative transactions that the Group has entered into with these parties and may render it more difficult for the Group to utilise existing debt capacity or otherwise obtain financing for operations. The Group holds significant cash and cash equivalents on deposit and derivative transactions with a variety of highly rated financial institutions which at 31 December 2022, totalled $5.9 billion (2021: $5.8 billion) and $(86) million (2021: $122 million) respectively. In addition, certain of the Group's activities give rise to significant amounts receivable from counterparties at the balance sheet date; at 31 December 2022, this balance was $3.9 billion (2021: $4.0 billion).

Credit rating risks: A downgrade of the Group's credit ratings may give rise to increases in funding costs in respect of future debt and may, among other concerns, impair its ability to access debt markets or otherwise raise funds or enter into lines of credit, for example, on acceptable terms. Such a downgrade may result from factors specific to the Group, including increased indebtedness stemming from acquisition activity, or from other factors such as general economic or sector specific weakness or sovereign credit rating ceilings.

Liquidity risks: The principal liquidity risks stem from the maturation of debt obligations and derivative transactions. The Group aims to achieve flexibility in funding sources through a variety of means including (i) maintaining cash and cash equivalents with a number of highly rated counterparties; (ii) meeting the bulk of debt requirements through debt capital markets or other term financing; (iii) limiting the annual maturity of such balances; and (iv) having surplus committed bank lines of credit. However, market or economic conditions may make it difficult at times to realise this objective.

For additional information on the above risks see note 22 to the Consolidated Financial Statements on pages 225 to 228.

Risk trend: ⊖

How We Manage the Risk

- The Group seeks to ensure that sufficient resources are available to meet the Group's liabilities as they fall due through a combination of cash and cash equivalents, cash flows and undrawn committed bank facilities. Systems are in place to monitor and control the Group's liquidity risks, which are reported to the Board on a monthly basis. Cash flow forecasting is provided to executive management on a weekly basis
- All of the Group's financial institution counterparties are leading financial institutions of international scope with a strong investment grade credit rating with at least two of S&P/Moody's/Fitch
- Please see note 22 to the Consolidated Financial Statements for further detail

Developments During 2022

- The Group's liquidity metrics remained strong with the leverage ratio improving from 1.3x Group Net Debt to 0.9x at the end of 2022. While the Group made $3.3 billion of acquisitions during the year, these were funded by disposals of $3.8 billion with the cash proceeds recycled into the new acquisitions
- Despite the economic uncertainty, the Group received positive reports from the credit rating agencies who affirmed CRH's existing ratings of BBB+/Baa1/BBB+ from S&P, Moody's, and Fitch
- Given the high level of fixed rate debt (100% of net debt), a rising interest rate is interest cash flow positive as deposits are now earning interest income
- Counterparty risk remains under watch and the Group is continuing with its cash and cash equivalent policy (deposits <3 months)

Goodwill Impairment

Description

Significant under performance in any of the Group's major cash-generating units or the divestment of businesses in the future may give rise to a material write-down of goodwill. While a non-cash item, a material write-down of goodwill could have a substantial impact on the Group's income and equity.

Under IFRS, goodwill and indefinite-lived intangible assets are subject to annual impairment testing. A detailed discussion of the impairment testing process, the key assumptions used, the results of that testing and the related sensitivity analysis is contained in note 14 to the Consolidated Financial Statements on pages 210 to 212.

While a goodwill impairment charge does not impact cash flow, a full write-down at 31 December 2022 would have resulted in a charge to income and a reduction in equity of $9.2 billion (2021: $9.5 billion).

Risk trend: ⊖

How We Manage the Risk

- Economic indicators of goodwill impairment are monitored closely through the monthly reporting process. Detailed impairment testing is undertaken prior to year end
- The goodwill impairment assessment is subject to regular review by the Audit Committee
- For further information on how the Group manages the risk posed by goodwill impairment and the results of the 2022 impairment testing process, please refer to note 14 to the Consolidated Financial Statements on pages 210 to 212

Developments During 2022

- We reconfirmed the appropriateness of goodwill testing levels
- We reviewed and revised discount rates to ensure continued inclusion of appropriate levels of risk
- We extended procedures performed with respect to climate change risk. These procedures included reviewing cost of carbon assumptions, capital expenditure requirements to meet climate targets and asset useful lives

Foreign Currency Translation

Description

The principal foreign exchange risks to which the Consolidated Financial Statements are exposed pertain to (i) adverse movements in reported results when translated into the reporting currency; and (ii) declines in the reporting currency value of net investments which are denominated in a wide basket of currencies other than the reporting currency. Adverse changes in the exchange rates could negatively affect retained earnings.

Given the geographic diversity of the Group, a significant proportion of its revenues, expenses, assets and liabilities are denominated in currencies other than the Group's reporting currency, including the euro, Canadian Dollar, Swiss Franc, Polish Zloty, Philippine Peso and Pound Sterling. From year to year, adverse changes in the exchange rates used to translate these and other foreign currencies into the reporting currency have impacted and will continue to impact consolidated results and net worth.

For additional information on the impact of foreign exchange movements on the Consolidated Financial Statements for the Group for the year ended 31 December 2022, see the Business Performance and Segmental Reviews section commencing on page 61 and note 22 to the Consolidated Financial Statements on pages 225 to 228.

Risk trend: ⊖

How We Manage the Risk

- The Group changed to US Dollar reporting currency effective 1 January 2020, in consideration of the current portfolio and business mix which has a significant US Dollar exposure
- The Group's established policy is to spread its net worth across the currencies of the various operations with the objective of limiting its exposure to individual currencies and thus promoting consistency with the geographical balance of its operation
- The Group's activities are conducted primarily in the local currency of operation, resulting in low levels of foreign currency transactional risk

Developments During 2022

- The value of the US Dollar has strengthened relative to most of the other functional currencies that CRH operates in, resulting in a currency loss being reported through the Consolidated Statement of Comprehensive Income (this is an accounting loss rather than a cash flow loss)
- The Group continues to monitor its currency spread of net debt to ensure that it reflects the currency spread of capital employed and thus acts as a natural hedge and minimises the overall net currency risk

Focus on Climate Risks and Opportunities

CRH's ERM framework supports risk identification, assessment and reporting activities across the Group; the below information is an example of how our ERM framework was applied to manage our climate risk.

Identification

As part of our continued commitment to understanding the potential climate-related risks and opportunities that CRH faces, during 2022 we undertook a number of risk workshops focused on where climate-related risks could adversely impact the Group, and where we see potential opportunities for CRH to create value and contribute to the development of a more resilient built environment and a more sustainable future.

These sessions involved bringing senior leaders from across our business together to discuss, challenge and prioritise what participants believed to be the most material climate risks and opportunities the Group may face. Our sessions were facilitated by the Group Risk team with the support of other corporate functions who challenged the perceptions and opinions of the participants to ensure a robust discussion.

Assessment

While our traditional ERM process assesses risks over our strategic planning horizon, with longer-term risks being embedded into our emerging risk categories, the longer-term horizons over which we assessed the Group's climate risks and opportunities necessitated redefining our time horizons to take a longer-term view. The climate risk and opportunity assessment process defined the business-relevant time horizons as:

Short-term: The risks, opportunities and actions reasonably foreseeable up to 2025 (3-year window) and for which business planning has the highest degree of visibility.

Medium-term: The period between 2025 and 2030 which represents the period up to our publicly disclosed group-wide target of reducing our absolute emissions by 30% by 2030 and a transitional period between current planning and the longer-term strategic goals for the Group.

Long-term: The 2030 to 2050 period where transitioning to net-zero is fully embedded in the business structure and performance with climate driven solutions at the forefront of value creation.

Our bottom-up analysis of risks and opportunities was complemented, and expanded upon, by feedback from stakeholders and expert advisors. The exercise included assessing emerging best practice in TCFD disclosures to ensure we provide a comprehensive and transparent disclosure. The Sustainability, Risk and Finance teams have created an extensive library of potential and wide-ranging climate-related risk impacts and their significance. As part of each workshop, these issues were categorised on a five-point scale from negligible to severe. Where one or more of the risk criteria were met our method categorises the risk in the higher impact band.

Given the nature of climate change, it is viewed as both a current principal risk and an emerging risk for CRH. Some climate risks are near-term and acute and are treated as current enterprise risks, whereas other risks and challenges are longer-term and potentially enduring if left unmanaged and would be seen as emerging risks. Similarly, some opportunities are available now and in the near-term whereas others require facilitating action such as policy change or physical infrastructure to fully realise the benefits over the longer-term.

Management

Every individual in CRH is responsible for managing risk and a core value in CRH is accountability. Every risk across the Group is assigned a risk owner who is responsible for ensuring that appropriate attention is directed towards that risk whether through current mitigation or future planning. Not all risks can be managed at the point of identification and as such the risk owner is responsible for the implementation of mitigation strategies that could be enacted should a risk materialise. Common risk criteria and topic hierarchies are used to assess and consistently categorise risks and opportunities, which helps identify and manage aggregate exposures that may be managed centrally more effectively. The size and significance of each risk is determined according to the product of its assessed impact on the organisation and its likelihood of occurrence, with consideration of factors such as impact velocity, for example, informing the prioritisation of risks for subsequent management to within agreed acceptable levels.

In order to highlight the Group's commitment towards managing our climate risks, from 2022, a portion of the Group's Performance Share Plan is directly linked to specific actions related to managing climate change and the achievement of certain climate-related targets, such as delivery of our carbon emissions reduction target and embedding sustainability into relevant operating companies.

Monitoring and Reporting

All risks identified in CRH are recorded in the Group's RMIS which facilitates the effective allocation of responsibility, tracking of risk performance and monitoring of mitigation activities. Our RMIS is integrated across the Group and enables the efficient reporting of risks through our bottom-up process, from operations up to the Board. Risks are reported to the Risk Committee from all divisions and functions on a rotational basis ensuring that all risks are presented, discussed and challenged in an appropriate forum.

The Risk Committee sets the Group's risk strategy and oversees the Group's risk governance model and how the Group identifies, assesses and manages the principal and emerging risks the Group encounters in pursuit of its strategic objectives. Additionally, climate-related risks and opportunities are reported to our Climate Action Council, which reports to the Chief Operating Officer, and is responsible for considering and developing climate strategies for consideration by the Global Leadership Team and Board and for ensuring that they are fully embedded in the Group's corporate priorities. For further information on risk governance structures, please see pages 94 and 95.

The outputs of our climate-related workshops are included as part of our climate scenario analysis disclosure on page 156 and inform our strategy and risk planning going forward.

Climate Risks and Opportunities

Climate Change and Policy is identified under our existing ERM process as a Principal Risk on page 142 of Principal Risks and Uncertainties. Using the TCFD's framework, CRH has considered climate risks and opportunities that could impact us in the short-, medium- and long-term covering all TCFD categories of transition and physical risks as well as opportunities; regulatory risks; market risks; physical environmental risks; innovative products and services opportunities; and resource efficiency, resilience, and market opportunities. We have assessed these factors qualitatively to understand the implications of different climate scenarios over different timeframes.

This analysis was informed by third-party warming scenarios key assumptions and supported, where appropriate, with high-level quantitative assessments.

This assessment identified a number of transitional and physical risks and opportunities that may adversely or positively impact the operational and financial performance of the Group, without considering any mitigation or adaptation actions CRH may take.

The table below details the priority climate risks and opportunities identified and the high-level assessment from an impact and probability basis.

Table 48. Potential probability and impact of climate-related risks and opportunities

	Impact			Probability		
Risk	**Low**	**Medium**	**High**	**Low**	**Medium**	**High**
Carbon Pricing	■	■	■	■	■	■
Unfavourable Policy Environment	■	■		■	■	
Reliance on Technological Advancements	■	■		■		
Adverse Weather	■			■	■	■
Corporate Reputation	■	■		■		
Opportunity	**Low**	**Medium**	**High**	**Low**	**Medium**	**High**
Climate Driven Solutions	■	■	■	■	■	■
Low-carbon Fuels	■	■		■	■	
Circularity	■	■	■	■	■	■
On-site and Clean Electricity	■	■		■	■	

Impact for the risk refers to CRH's exposure to the specific risk.

Impact for the opportunity is the value CRH can gain on the opportunity.

Discussion of most material climate risks

Carbon Pricing

Category	Timeline	Description	How we Manage the Risk
Policy and Legal	Medium-term	Regulations across CRH's markets could lead to increased direct and indirect carbon emission costs. CRH participates in Emissions Trading Schemes (ETS) in the EU and other regions. The EU ETS is CRH's largest emissions trading market and changes are currently being evaluated as part of the European Commission's "Fit for 55" with the intention of phasing out free carbon allowances over time. A tightening of the EU ETS poses a risk of carbon leakage to jurisdictions with lower environmental standards. In response, the EU has proposed a Carbon Border Adjustment Mechanism (CBAM) to create a level playing field on carbon costs between domestic producers and importers. Carbon in CRH's supply chain is also a significant transition risk for the Group. Unless abated through lower carbon consumption, these regulatory changes will over time lead to increased costs of producing cement. Cement which accounts for 81% of the Group's total direct CO_2 emissions contributes 13% of external revenue.	CRH's decarbonisation roadmap will support CRH to be a resilient business as well as enabling the low-carbon economy. CRH has set an industry-leading absolute carbon emissions reduction target by 2030 which includes investing approximately $150 million of incremental capital expenditure to enable delivery of this objective. The Group also has a robust decarbonisation strategy (see more information on page 26) to become a net-zero business by 2050. A key lever in the medium- and long-term will be scaling technologies such as Carbon Capture, Use and Storage (CCUS). To accelerate progress, CRH is building partnerships with CCUS technology stakeholders. A growing number of carbon pricing and other tax-related measures, will also act as drivers for CRH to decarbonise. The new CBAM should facilitate decarbonisation while maintaining competitiveness. The purchase of carbon allowances is managed by a central unit which buys forward to secure supply and de-risk the cost base ahead in time. This helps provide the Group with near-term certainty on carbon prices and associated costs. CRH has extensive experience in absorbing increases in carbon costs through pricing and enhancing its margins.
Metric	**Target**		
46.5mt (2022): Absolute Scope 1, 2 and 3 CO_2 Emissions 48.0mt baseline in 2021 (Scope 1, 2 and 3 CO_2 Emissions)	30% reduction in absolute carbon emissions by 2030 (from a 2021 base year)		

Unfavourable Policy Environment

Category	Timeline	Description	How we Manage the Risk
Policy and Legal	Short-term	Regulation and industry standards provide a predictable operating environment, but there are also risks with unfavourable regulation, such as: • Reduced competitiveness due to ‘carbon leakage’ (e.g. importing carbon intensive materials from jurisdictions with low environmental regulations or lack of a carbon price) • Policies that set inappropriate benchmarks or introduce unwarranted biases that may lead to sub-optimal building materials choices and designs • Misunderstanding & poor accounting of the full lifecycle of products • Lack of financial incentives for Research & Development (R&D) and low-carbon investments	CRH primarily operates in Europe and North America and as such is subject to well established regulations. CRH's ambition is to be a net-zero business by 2050. Constructive collaboration between members of the industry and policymakers to create a regulatory environment that supports the green transition by promoting innovation and healthy competition will be required to realise this ambition. As such, CRH engages in responsible and transparent corporate advocacy to support the development of an effective regulatory regime. We also ensure our direct advocacy and trade groups’ (such as the GCCA and CEMBUREAU) advocacy both align with the Paris Agreement. For more information, please see our Climate Advocacy review at www.crh.com

Metric	Target
Ensure CRH and Trade Group Advocacy aligns with Paris Agreement Goals	Complete Climate Advocacy Review annually to validate corporate lobbying approach

Reliance on Technological Advancements

Category	Timeline	Description	How we Manage the Risk
Technology	Medium-term	R&D solutions will play a pivotal role in CRH's ambition to be net-zero by 2050. As part of our decarbonisation roadmap, we are targeting carbon reductions across all activities through a number of levers, ranging from operational efficiencies and business optimisations, to low-carbon fuels, products and transport. The most significant reductions are available in our cement and lime activities through CCUS technologies, which are evaluated based on costs, technical feasibility, compatibility with CO_2 usage opportunities and scalability. However, not every solution will be scalable, may have associated high energy demands (such as carbon capture), as well as challenges around transportation and infrastructure. Not successfully mitigating these challenges could reduce the company’s competitiveness.	CRH has a Group Technical Services (GTS) team to share technology knowledge and expertise and support projects (including developing and piloting our approach to CCUS). The GTS team collaborates with our Innovation Centre for Sustainable Construction, which works to develop ground-breaking decarbonisation technologies. Priorities include developing CCUS solutions; reducing carbon emissions during cement and lime manufacturing; and utilising minerals to absorb CO_2 and enhance climate resilience. The Group has also established Task-Force teams to speed-up delivery of R&D projects. CRH has established a $250 million venturing and innovation fund to commercialise new technologies, products, processes and customer solutions which will support our solutions strategy.

Metric	Target
Fund Spend	$250 million venturing and innovation fund
Carbon-related capital expenditure spend	Roadmap capital expenditure plan

Baseline from 2022

Adverse Weather

Category	Timeline	Description	How we Manage the Risk
Physical	Medium to Long-term	Adverse weather can negatively impact CRH’s production processes. For example, in sustained high temperatures it may not be safe for workers to be outdoors. Heavy rainfall impacts ready-mix concrete and paving operations, which depend on favourable weather conditions. In the event of drought, CRH might not be able to maintain production at impacted sites. Although less than 1% of locations are in 'high risk' areas of drought severity, this figure is projected to increase according to climate change warming scenarios. Operations and supply chains may also be affected by floods and rising water levels that could lead to damaged or closed facilities. All of these events impede the ability to service customers and could lead to increased costs for CRH.	To effectively mitigate disruption or loss associated with physical risks the geo-locations of most CRH sites are mapped against geographic natural catastrophe and weather/climate vulnerabilities to identify those at higher risk. Business Impact Assessments (BIA) are conducted at our sites to ensure the safety of our people and business continuity. Crisis management plans have been implemented to ensure CRH sites can restore operations following any adverse weather events.

Metric	Target
81% (2022) of relevant companies with water management plans 75% baseline in 2020 (first year target set)	100% by 2030

Corporate Reputation

Category	Timeline	Description	How we Manage the Risk
Reputational	Short-term	Increasing stakeholder expectations regarding climate ambition and environmental performance need to be constantly monitored. To avoid a negative perception it is important that the Group continues to illustrate its efforts in a proactive and transparent way. For example, cement production continues to be seen as a high emissions process. This could negatively affect CRH in several ways, such as: • Reduced access to capital • Challenges retaining/attracting talent • Local community opposition to cement production sites • Inability to secure licensing permits	CRH actively engages with ESG analysts and rating agencies to ensure accurate and timely communication to stakeholders. This is underpinned by actions CRH is taking to lead its industry in setting the ESG agenda while reflecting the trends shaping the future of construction. The Group has tied executive remuneration to progress on key sustainability goals, including our decarbonisation roadmap. CRH is committed to continuously improving its ESG disclosures and reporting for increased transparency about our sustainability strategy.
Metric	**Target**		
Third-party ESG Rating scores Baseline: See 'External Benchmarks and Recognition' in the CRH Sustainability Report, 2021 and 2022	Industry leader in ESG Rating scores		

Discussion of most material climate opportunities

Climate Solutions

Category	Timeline	Description	How we Realise the Opportunity
Markets	Medium-term	Creating sustainable cities is an imperative for net-zero living, especially as the global population continues to grow. • Increasing customer demand for low-carbon, sustainable, climate-resilient products and solutions • Major investment is needed in addressing water scarcity, temperature extremes and flood management in the built environment • Infrastructure for clean energy, energy-efficient buildings, smart public transport networks and green infrastructure are also central to building more sustainable urban centres	CRH already has in its portfolio a range of climate solutions as demonstrated by our progress on product revenue derived from products with enhanced sustainability attributes. CRH will continue to invest in solutions that strengthen circularity and climate-resilience in the built environment (see Solutions for a Sustainable Future beginning on page 24). CRH is a leader in sustainable products and our ICSC works to catalyse sustainable innovation opportunities. Currently, there are around >100 research projects ongoing across CRH to develop new innovative technologies. CRH has established a $250 million venturing and innovation fund.
Metric	**Target**		
47% (2022) product revenue derived from products with enhanced sustainability attributes 42% baseline in 2018 (first year reported externally)	50% by 2025		

Low-carbon Fuels

Category	Timeline	Description	How we Realise the Opportunity
Energy Source	Medium-term	As a large energy consumer there is an opportunity for CRH to further reduce its reliance on fossil fuels by transitioning to alternative low-carbon fuel sources. With ongoing technological advancements and CRH's relentless drive to limit its environmental impact, the scope for incremental fuel substitution continues to expand, which in turns creates new opportunities to reduce the release of harmful emissions in our production processes. Substituting traditional fuels with low-carbon alternatives is also proving a competitive advantage for CRH as it reduces our costs, diversifies supply, and limits the impact of volatile energy prices on our operations.	CRH is an industry-leader in using low-carbon energy sources. For example, we are the leading user of alternative fuels in the cement sector and continue to work with suppliers on fuel substitution to low-carbon sources. The Group is also collaborating with partners in its own and other industries (one example being Shell in 2022) on decarbonisation opportunities across the value chain that will benefit transport, operations and sourcing materials and energy.
Metric	**Target**		
36% (2022) Alternative and Bio-based Fuels in Energy Mix (Cement) 33% baseline in 2021 (based upon decarbonisation roadmap)	Increase usage aligned to decarbonisation roadmap		

Circularity

Category	Timeline	Description	How we Realise the Opportunity
Products & Services	Medium-term	Advancing the circular economy is not only contributing to reducing carbon emissions, but it also protects scarce natural resources, prolongs the life of reserves and creates financial value. By embedding a consistent circularity approach across our value chain, the Group will be able to rely less on higher-emission fuels, use fewer natural resources, reduce the carbon intensity of our products, aid the environment, and manage operating costs more efficiently.	CRH is a leading recycler worldwide and recycled over 40 million tonnes in 2022 and over 110 million tonnes of materials over the last three years. These figures make CRH the leading recycler of building materials in North America. CRH has successfully redirected alternative raw materials into its production processes across its product range (e.g. cement, concrete & asphalt). For example by using Recycled Asphalt Pavement (RAP), fewer virgin aggregates are required and a lower level of bitumen is used in the production of asphalt which leads to a more sustainable built environment. CRH works closely with its customers to increase their use of our recycled materials and products. We also work with regulators to help establish improved industry standards and regulatory frameworks for a more circular built environment.
Metric	**Target**		
c. 25% (2022) of roads we build in US are made from recycled materials 25% baseline in 2021	50% in the next decade		

On-site and Clean Electricity

Category	Timeline	Description	How we Realise the Opportunity
Energy Source	Short-term	We are transforming our business and finding new opportunities in electricity generated by solar and wind power, and charging for electric vehicles. As more processes transition to electrification - currently 25% of purchased electricity comes from renewable sources. This includes grid mix renewable sources. CRH, as a large landowner, can utilise its scale to capitalise on this in its real estate and production facilities. There are financial benefits for CRH, as self-sufficiency in energy production can insulate our Group from cost fluctuations in wholesale energy markets. It is also an opportunity to further reduce our carbon emissions.	CRH has been installing renewable energy sources at some of our locations and Power Purchase Agreements (PPAs) are used at operating company level. The Group is investigating opportunities to engage with community energy generation schemes that can supply renewable energy for adjacent industries. CRH is also decarbonising its transport. For example, a subsidiary based in Europe, was the first company in its sector to sign up to EV100 - a global initiative committed to accelerating the transition to electric vehicles. Through this initiative, Tarmac has committed to transitioning its fleet of corporate cars and vans to electric vehicles by 2030.
Metric	**Target**		
25% (2022) of electricity is renewable 23% baseline in 2021 (based upon decarbonisation roadmap)	Increase usage aligned to decarbonisation roadmap		

Notes on how to interpret the 'Climate Risk and Opportunities' section

The timelines identified for climate risk and opportunities represent when the most material impacts are most likely to occur.

All climate-related risks and opportunities have been categorised in line with the TCFD's terminology, with all impacts having been considered from both a (i) transitional; and (ii) physical, perspective.

CRH has outlined metrics and targets consistent with the requirements of the TCFD and its supplemental guidance for the Construction Materials sector on these pages and within the 'Solutions for a Sustainable Future' on pages 24 to 49.

Additional metrics and targets which illustrate CRH's climate performance, progress and ambition, are available within the 2021 & 2022 Sustainability Reports.

The baselines above are based upon when a target was originally established. In some cases, these baselines have been updated based on actual performance in 2022.

Information in relation to the potential climate impact on the Group's businesses, strategy, and financial planning, including its: Supply and Value Chain; Products and Services; Operations; Acquisitions and Divestments; and, Access to Capital is given throughout the 'Climate Risk and Opportunities' section.

Information on subsequent adaption and mitigation activities, as well as how the Group's strategy may be affected, is given in the 'How we Manage the Risk' and 'How we Realise the Opportunity' sections.

Information on the potential impact of climate-related issues on financial performance and position is given qualitatively throughout the 'Climate Risks and Opportunities' section, in both the 'How we Manage the Risk' and 'How we Realise the Opportunity' sections.

TCFD Supplementary Guidance for the Construction Sector

	Relevant Guidance	CRH Response
Strategy	Discussion of how climate issues are integrated into current decision-making and strategy formulation in the following areas: (a) R&D and adoption of new technology. (b) Existing and committed future activities such as investments, restructuring, write-downs, or impairment of assets. (c) Critical planning assumptions around legacy assets. (d) How GHG emissions, energy, and water and other physical risk exposures, if applicable, are considered in capital planning and allocation. (e) The organisation's flexibility in positioning/repositioning capital to address emerging climate-related risks and opportunities.	CRH has considered the supplemental guidance for the Strategy pillar, where additional information is available within our Annual Report at the following: (a) See decarbonisation strategy on pages 27 to 29. (b) See decarbonisation roadmap levers on pages 28 and 29 and investment & financial planning on page 30. See pages 186 and 211 of the Consolidated Financial Statements on how any existing and future activities have been considered. (c) See 'Our Climate Risks and Opportunities' on pages 150 to 154. (d) Climate investments in technology discussed in relation to financial planning on page 30. (e) See statement of Strategic Resilience on page 156.
Metrics and Targets	Organisations should consider providing metrics: (a) That support scenario analysis and strategic planning processes. (b) Related to GHG emissions, energy, water and other physical risk exposures, land use, and, if relevant, investments in climate adaptation and mitigation. (c) Historical trends and forward-looking projections (by relevant country and/or jurisdiction, business line, or asset type). (d) In line with Tables A1.1 and A2.1 and targets in line with Table A2.2.	CRH has considered the supplemental guidance for the Metrics and Targets pillar, where additional information is available within our Annual Report at the following: (a) See the results of the Group's climate scenario analysis on page 156. (b) (c) (d) See metrics and targets given in the 'Our Climate Risks and Opportunities' and the subsequent Note on pages 150 to 154.

Conducting Climate Scenario Analysis

Climate scenario analysis

In 2022, CRH conducted a quantitative scenario analysis on the potential impacts of climate change to help us enhance our strategies and financial planning related to carbon and physical risks, including flooding (coastal and fluvial), wind and extreme temperature. The Group also tested its strategic resilience to climate change. We anticipate that in future Annual Reports we will further refine our approach to quantitative assessments and expand this analysis to other material risks and opportunities.

Scenario selection

For the modelling of transitional risks, the International Energy Agency (IEA) and the Network for Greening of the Financial System (NGFS) were chosen due to their close alignment with the TCFD's recommendations. For the modelling of physical risks, the Intergovernmental Panel on Climate Change (IPCC) was chosen. Their Representative Concentration Pathways (RCPs) are the common framework for physical scenarios and are recommended by the TCFD. In line with the TCFD's recommendations, information on scenario selections can be seen in Table 49 below, which provides some context on the Group's modelling results.

In 2022, as new scientific evidence was released by the IPCC and the SBTi released its 1.5°C guidance for the cement sector, we extended our scenario analyses to assess the impacts of a 1.5°C temperature increase above pre-industrial levels (by 2100) on our business in 2030 and 2050.

Table 49. Information on scenario selection and warming scenarios

Warming Pathway	Transition Scenarios		Physical Scenarios
	IEA WEO	NGFS	IPCC
1.5ºC	Net Zero Emissions by 2050 (NZE)	Orderly; Disorderly	N/A
< 2.0ºC	Announced Pledges Scenario (APS)	Orderly; Disorderly	RCP 2.6 (combined with Shared Socioeconomic Pathway 1)
3-4ºC	Stated Policies Scenario (STEPS)	Current Policies ("Hot house world")	RCP 8.5 (combined with Shared Socioeconomic Pathway 5)

Approach to detailed quantitative scenario assessments

The quantitative scenario analysis of the risks and opportunities were completed for two material risks of Carbon Pricing and Adverse Weather. We used IEA-sector and scenario-level data to frame the analysis as well as other datasets including internally generated data.

The scenario analysis for both risks involved a third-party specialist, platform and external data sets for risk analysis. The following table outlines the process CRH undertook to complete quantitative climate scenario analysis on its business during the reporting year.

	Transition - Carbon Pricing	Physical - Adverse Weather
Risk background	The risk of increased carbon pricing was modelled across all three warming scenarios and identified as most significant under a 1.5°C scenario. This was due to the high probability of increased operational costs associated with purchasing allowances or credits to meet carbon emission caps. Although the EU ETS remains CRH's largest emissions trading market, accounting for 47% of the Group's direct carbon emissions, CRH also participates in ETS arrangements in other regions, including: the Canadian Federal System, Quebec, the UK and San Francisco. There may be further carbon pricing mechanisms and other forms of taxations introduced in other regions in which we operate.	The risk of adverse weather can impact CRH's production processes. For example, sustained high temperatures may affect the health and safety of our staff, as it may not be safe for operational workers to be outdoors. There may also be implications for product lines such as ready-mix concrete and asphalt, as these are dependent on favourable weather conditions and any adverse changes in temperatures could affect production efficiencies. CRH facilities could also be damaged or closed, which would lead to increased operating costs to maintain the integrity of our production sites.
Process	100% of Group Scope 1, 2 and 3 emissions were used during the analysis. The compliance markets currently only regulate direct emission (Scope 1), predominantly for cement and lime. The Group wanted to understand the implications if all of CRH's Scope 1, 2 and 3 emissions would potentially be covered by carbon pricing mechanisms. As part of the Group's decarbonisation strategy, emission reduction roadmaps are available for all activities and were included in the analysis. The projected carbon emissions were multiplied by a range of potential regional carbon prices using the IEA published carbon price assumptions under different scenarios to generate a spectrum of potential future financial implications.	This involved selection of representative CRH locations based upon a number of different criteria and undertaking detailed quantitative analysis of those locations using a third-party platform and data set for asset-level physical risks analysis. The selection criteria included regional analysis and selection according to materiality to the Group, based on revenue and operating profit earned in each country in 2021. In total, 106 locations were selected, representing an estimated $6.8 billion of revenue, or c. 22% of 2021 Group revenue. Revenue per location (if not readily available) was calculated by either production data or extracted volumes and the average selling price of the relevant product for the applicable country/region/business.
Assumptions	• A $0/t carbon price in 2020 was used as a starting point for the purposes of interpolation to future time periods where published IEA carbon prices were used. For Net Zero Emissions by 2050 scenario the following carbon prices were adopted: 2030 $25/t - $140/t, 2040 $85/t - $205/t, 2050 $180/t - $250/t • Carbon prices follow a linear interpolation between the IEA published 10-year intervals • Freely allocated emissions rights for cement and lime activities - assumed to end by 2030 in the EU - were factored into the analysis • Gross costs to the business were modelled before considering any mitigation measures • Existing controls for the risks were then identified and included in the risk assessment and financial modelling where relevant	• Business interruption risk has been considered • The financial quantification of the risks in 2022 focused on the revenue implications of business disruption. Property damage and equipment damage have not been included in this analysis • Gross costs to the business were modelled before considering any mitigation measures • Existing controls for the risks were then identified and included in the risk assessment and financial modelling where relevant
Outcomes from Quantitative Analysis	The IEA model projects that under each scenario there is an expectation that carbon pricing will increase from current prevailing levels, whereby the costs associated with carbon are most impactful within the 2030 to 2040 transition timeframe. While the overall impact and probability are high, under the IEA's 'Stated Policy' warming scenario, the projected increase will be gradual. This mostly impacts our cement activities which account for 13% of external revenue. Reducing GHG emissions is a key component of CRH's climate change strategy. Based upon our analysis, CRH's target of a 30% reduction in absolute carbon emissions by 2030 against 2021 levels falls within the range of emissions reductions required in this timeframe to be considered aligned with the goals of the Paris Agreement. The impacts of carbon pricing will also provide opportunities for accelerated development of technologies and increased demand for energy efficient and lower-carbon products and services.	The results of the assessment indicated the overall risk profile for the locations and physical risks modelled was at the lower range of impact while risk of occurrence of more extreme adverse weather events was high. The analysis highlighted that the risk to specific types of weather events varies significantly based upon the business activities and different geographic regions where CRH operates. The models did highlight higher impact geographies including Western Europe and Eastern North America. A more in-depth analysis will be undertaken covering more CRH locations. The results of the assessment will be used to guide actions to increase resilience to physical risks within CRH's operations and value chain.

1. In assessing capital investment projects and to facilitate strategic planning, CRH uses an internal carbon price, in regions where such a system is in place. The Group's near-term internal carbon price is primarily based upon already purchased carbon allocations whereas longer-term assumptions are based on IEA projections for the respective region. For example, for 2023 in Europe a price of $89 per tonne of CO_2 was used with increases each year thereafter.

Statement of Strategic Resilience

We stress tested our business strategy against the risks that we believe are most likely to impact us by conducting scenario analysis to see the implications on our costs, revenue and profitability. We have qualitatively described the output from this process above and found that the probability of adverse weather events occurring is high, while the risk from carbon pricing increasing is high under some scenarios. However, we already have a plan and targets in place and we are on track to mitigate against these impacts and decarbonise our business, so the residual level of risk is at an acceptable level for our business strategy. We recognise the importance of understanding our risk and opportunity landscape in guiding CRH's climate strategy. Based on this assessment, the Group believes it has sufficient flexibility and resilience to successfully manage its climate risks and opportunities. As CRH continues to assess its strategy, new climate risks and opportunities may become apparent, which the Group may consider as part of its planning. CRH will further deepen its climate-related initiatives in the coming years to help ensure CRH plays a leading role in shaping a sustainable future. For more information on the Group's financial resilience, including its viability statement, see page 134.