

CRH PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FINANCIAL YEAR ENDED DECEMBER 31, 2023

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Forward Looking Statements

In order to utilize the “Safe Harbor” provisions of the United States Private Securities Litigation Reform Act of 1995, CRH is providing the following cautionary statement.

This document contains 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. These forward-looking statements may generally, but not always, be identified by the use of words such as “will”, “anticipates”, “should”, “could”, “would”, “aims”, “may”, “expects”, “believes”, “intends” or similar expressions. These forward-looking statements include all matters that are not historical facts or matters of fact at the date of this document.

In particular, the following, among other statements, are all forward-looking in nature: plans and expectations regarding demand outlook, growth and macroeconomic trends in CRH’s markets, including government funding initiatives and priorities, supply-side dynamics, demand drivers and the effect of weather patterns on the foregoing; plans and expectations regarding strategy, value creation, growth opportunities, innovation and timing for completion of acquisitions and divestments, as well as synergies from acquisitions and divestments; plans and expectations regarding shareholders returns, including the timing and amount of share buybacks and dividends; plans and expectation regarding CRH’s corporate governance practices; plans and expectations regarding CRH’s capital allocation, financial capacity, ability to meet upcoming liabilities, working capital, capital expenditures, upcoming debt maturities, and other liquidity requirements; plans and expectations regarding the expected benefits of CRH’s transition to a U.S. primary listing; plans and expectations regarding regulatory developments, International Financial Reporting Standards (IFRS) and IFRIC interpretations and their expected impact on CRH; plans and expectations regarding human capital, sustainability and climate change, including CRH’s decarbonization targets, sustainability-related reporting, sustainability initiatives, the delivery of sustainable solutions, products, investments and related partnerships; and the plans and expectations regarding the potential impact and evolving nature of risk and CRH’s management of such risks.

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 factors: economic and financial conditions, including market turbulence, changes in interest rates, inflation, price volatility and/or labor and materials shortages; demand for infrastructure, residential and non-residential construction and our products in our geographic markets; increased competition and its impact on prices and market position; increases in energy, labor and/or other raw material costs; adverse changes to laws and regulations, including in relation to climate change; the impact of unfavorable weather; investor and/or consumer sentiment regarding the importance of sustainable practices and products; availability of public sector funding for infrastructure programs; political uncertainty, including as a result of political and social conditions in the jurisdictions CRH operates in, or adverse political developments, including the ongoing geopolitical conflicts in Ukraine and the Middle East; failure to complete or successfully integrate acquisitions or make timely divestments; cyber-attacks and exposure of associates, contractors, customers, suppliers and other individuals to health and safety risks, including due to product failures. Additional factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed by the forward-looking statements in this report include the risks and uncertainties described under “Principal Risks and Uncertainties” of this document.

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 document. The Company expressly disclaims any obligation or undertaking to publicly update or revise these forward-looking statements other than as required by applicable law.

Directors' Report

The Directors submit their report and the audited Consolidated Financial Statements and related Notes of CRH plc for the year ended December 31, 2023. These Consolidated Financial Statements for the year ended December 31, 2023 are prepared in accordance with IFRS as adopted by the European Union (EU) and meet the reporting requirements pursuant to Irish Company Law. In addition to the Consolidated Financial Statements contained in this Annual Report, we also prepare an Annual Report on Form 10-K pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (SEC) and in accordance with accounting principles generally accepted in the United States (U.S. GAAP). The Annual Report on Form 10-K (under U.S. GAAP) is a separate document, a copy of which may be obtained from the Company's website www.crh.com.

Principal Activities

General

CRH plc (together with its consolidated subsidiaries, the "Company", "CRH", the "Group", "we", "us" or "our") is a leading provider of building materials solutions that build, connect and improve our world. Since formation in 1970, CRH has evolved from being a supplier of base materials to providing end-to-end value-added solutions that solve complex construction challenges for our customers. CRH works closely with the customer across the entire project lifecycle from planning, design, manufacture, installation and maintenance through to end-of-life recycling, using our engineering and innovation expertise to provide superior materials, products and services.

The Company integrates essential materials (aggregates and cement), value-added building products as well as construction services, to provide our customers with complete end-to-end solutions. CRH's capabilities, innovation and technical expertise enable it to be a valuable partner for transportation and critical utility infrastructure projects, complex non-residential construction and outdoor living solutions.

CRH's business addresses the needs of customers across infrastructure, non-residential and residential construction markets. Operating in 29 countries, the Company has market leadership positions in North America and Europe. The United States is expected to be a key driver of future growth for CRH due to continued economic expansion, a growing population and significant public investment in construction. Our European business, which benefits from strong economic and construction growth prospects across Central and Eastern Europe as well as recurring repair and remodel demand in Western Europe, is an important strategic part of the Company and CRH intends to continue to expand its operations across the region. In both geographies there is significant government support for infrastructure and increasing demand for integrated solutions in major infrastructure and commercial projects.

CRH has a proven track record in value creation through acquisition which over the last decade has accounted for approximately two-thirds of the Company's growth. We achieve this by acquiring businesses at attractive valuations and creating value by integrating them with our existing operations and generating synergies. The Company takes an active approach to portfolio management and continuously reviews the competitive landscape for attractive investment and divestiture opportunities to deliver further growth and value creation for shareholders.

In 2023, CRH transitioned its primary stock exchange listing from the London Stock Exchange (LSE) to the New York Stock Exchange (NYSE). CRH currently maintains a primary listing on the NYSE and a standard listing on the LSE for its ordinary shares, each listing represented by the ticker symbol "CRH". CRH believes that its NYSE primary listing will bring increased commercial, operational and acquisition opportunities for the Company, further accelerating its integrated solutions strategy and delivering even higher levels of profitability, cash and returns for its shareholders.

Customer Solutions

CRH's differentiated strategy integrates building materials, products and services by providing them to customers as complete solutions that solve key challenges across the built environment.

Essential Materials

Essential Materials, consisting of aggregates and cement, are the foundation of CRH's solutions strategy. Our vertically integrated businesses manufacture and supply these materials for use extensively in a wide range of construction applications, ranging from major road and infrastructure projects to the development and refurbishment of commercial buildings, private residences, public spaces and communities. Our deep materials and market knowledge, along with our extensive network of locations and assets, drives our performance and helps us deliver value to our customers. Customers typically range from national, regional and local governments to contractors and other construction product and service providers.

Road Solutions

CRH is a leading provider of solutions for sustainable road construction in North America and Europe. With our capabilities in manufacturing, installation, maintenance and circularity, we deliver a range of innovative solutions for our customers to better connect our communities, from major public highway infrastructure projects to residential roads, airports and parking lots. As responsible operators considerate of our environmental impact, we optimize the use of recycled materials in our paving services, thereby reducing waste, emissions and energy consumption. Fully integrated with our Essential Materials businesses, we have developed our Road Solutions offering to provide customers with quality, flexibility, speed, expertise and convenience through our deep market knowledge and highly capable team of professionals.

Building and Infrastructure Solutions

Our Building & Infrastructure Solutions connect, protect and transport critical water, energy and telecommunications infrastructure to help solve complex construction challenges. We integrate design, materials, products and engineering to enable the transition to a more sustainable and resilient built environment with a particular focus on the below-ground built environment where we are a leading provider of multi-material infrastructure that connects and protects the critical utilities that enhance the daily lives of millions of people.

Outdoor Living Solutions

CRH's Outdoor Living Solutions integrate specialized materials, products and design features to enhance the quality of private and public spaces. We help our customers in residential and commercial markets create unique outdoor settings by providing solutions for repair, remodel and new construction projects. Our business is closely connected to our customers through a broad geographic network as well as a comprehensive suite of products and services spanning hardscapes, masonry, fencing, railing, packaged lawn and garden products, pool finishes and composite decking.

Business Segment Information

In the year ended December 31, 2023, CRH was organized through four segments across two divisions.

Americas Division

CRH's Americas Division comprises two segments: Americas Materials Solutions and Americas Building Solutions. The North American market's positive fundamentals, including strong population growth and significant public investment in construction, is driving demand for CRH's materials, products and services. Over several decades, CRH has established leadership positions across the United States and Canada. The Division employs approximately 46,400 people at 1,949 locations across 48 states of the United States and seven Canadian provinces.

Americas Materials Solutions

Americas Materials Solutions provides building materials for the construction and maintenance of public infrastructure and commercial and residential buildings in North America. The primary materials produced by this segment include aggregates, cement, readymixed concrete and asphalt. This segment also provides paving and construction services for customers.

The Americas Materials Solutions segment leverages our strong market knowledge, deep industry expertise and extensive array of essential materials to implement CRH's differentiated strategy, offering value-added, end-to-end solutions which combine different types of materials, products and services to satisfy multiple customer needs. In turn, this enables CRH to provide a value-enhancing, one-stop-shop experience, saving time and reducing logistical complexity for customers. Through this approach CRH aims to reduce lead times and complexity, deepening relationships, driving repeat business and increasing the share of customer wallet spent on CRH products and services.

Vertical integration is a defining characteristic within this segment, enabling us to optimize production throughout the value chain and to capture greater value. In order to support its operations, the Company has established a network of long-term reserves at quarry locations, predominantly adjacent to urban areas where demand for its materials and products is strongest.

Americas Building Solutions

Americas Building Solutions manufactures, supplies and delivers high quality, value-added, innovative solutions for the built environment in communities across North America. Solutions in this segment are highly specified, designed and engineered thereby adding value for the customer. This segment offers solutions serving complex critical utility infrastructure (such as water, energy, transportation and telecommunications projects) and outdoor living solutions for enhancing private and public spaces.

This segment analyzes market trends, including increasing urbanization, demand for more sustainable construction and evolving customer preferences to devise high quality, effective building product solutions. CRH's ability to provide end-to-end solutions which are tailored to the specific requirements of individual customer projects helps to drive competitive advantage and deliver sustainable growth in this segment.

Europe Division

CRH's Europe Division comprises two segments: Europe Materials Solutions and Europe Building Solutions. In Eastern Europe, we see high growth potential through strong infrastructure activity underpinned by European Union funding mechanisms. In Western Europe, CRH's businesses operate in markets which are more stable and developed with resilient demand for repair and remodel activity. In both regions, CRH is experiencing increasing demand for its integrated end-to-end solutions offering. The Division employs approximately 32,100 people at 1,441 locations across 28 countries.

Europe Materials Solutions

Europe Materials Solutions provides building materials for the construction of public infrastructure and commercial and residential buildings across Europe. The primary materials produced in this segment include aggregates, cement, readymixed concrete, asphalt and concrete products.

The segment has extensively integrated its operations, enabling it to provide essential materials, value-added products and services and complete solutions to customers. CRH has established itself as a market leader through this integrated approach, particularly in European regions, where the Company's cement, readymixed concrete and aggregates operations have been integrated with its precast and concrete products businesses, enabling strong value creation through commercial excellence and performance improvement initiatives.

Europe Building Solutions

Europe Building Solutions combines materials, products and services to produce a wide range of architectural and infrastructural solutions for use in the building and renovation of critical utility infrastructure, commercial and residential buildings and outdoor living spaces. This business serves the growing demand across the construction value chain for innovative and value-added products and services.

This business integrates design, engineering, materials and products to enable the transition to a more sustainable and resilient built environment.

Materials and Products

The following materials and products are produced and supplied by CRH's businesses.

Aggregates

Aggregates are naturally occurring mineral deposits such as granite, limestone and sandstone. CRH extracts these deposits and processes them for sale as aggregates products such as sand, gravel, and crushed stone. Typically, aggregates are used in road and rail infrastructure, building foundations and in the production of products including concrete and asphalt.

Cement

Cement is produced from limestone reserves and is the primary binding agent in the production of concrete products, including readymixed concrete and mortars, which are used extensively throughout the built environment.

Concrete

Concrete is a highly versatile building material, comprised of aggregates bound together with cement and water. Readymixed concrete is the most commonly used form of concrete. It forms the foundations of buildings and homes, roads, tunnels and bridges, water management systems and clean energy structures. While readymixed concrete is supplied to customers for on-site casting, CRH's infrastructural concrete businesses produce and supply precast and pre-stressed concrete products such as floor and wall elements, beams and vaults, pipes and manholes. These products are delivered to, and assembled at, construction sites where they are used throughout the modern built environment.

Asphalt

Asphalt consists of aggregates bound together with bitumen and is widely used as a surface material in roads, bridges, airport runways, sidewalks and other amenities. In recent years, the use of recycled materials in asphalt has increased considerably. Using materials from existing road surfaces to produce new asphalt reduces the need for virgin material demand, extends the life of our aggregates reserves and contributes to reducing the carbon footprint of the product. Recycled Asphalt Pavement (RAP) and Recycled Asphalt Shingles (RAS) are used extensively by CRH businesses to produce new asphalt products for road and other surfaces.

Building Products

CRH's Building & Infrastructure Solutions businesses manufacture concrete and polymer-based products such as underground vaults, drainage systems, utility enclosures and modular precast structures which are typically supplied to the water, energy, telecommunications and railroad markets. The businesses also provide a range of engineered steel and polymer-based anchoring, fixing and connecting solutions for a variety of new-build construction applications.

CRH's Outdoor Living Solutions businesses manufactures a variety of concrete masonry, hardscape and related products including pavers, blocks and curbs, retaining walls and slabs. The businesses also produces fencing and railing systems, composite decking, lawn and garden products and packaged concrete mixes. These products are supplied to residential, commercial & do-it-yourself (DIY) construction markets.

Key Trends and Opportunities

Key trends affecting the development of CRH's business include:

- Population growth and urbanization driving increasing demand for construction;
- Economic development and further investment in infrastructure, commercial and residential projects; and
- Recurring need to repair, maintain and upgrade the built environment as existing buildings and infrastructure age and wear.

In addition, there are several industry-specific trends that are shaping how CRH evolves to meet the needs of its customers:

- Unprecedented levels of funding support for infrastructure, critical utilities and the onshoring of manufacturing activity;
- An evolving regulatory landscape driving increasing customer demand for innovative, end-to-end solutions to deliver a more resilient and sustainable built environment; and
- Supply-side dynamics, such as labor constraints, driving increasing investment in automation, technology and digital solutions.

Business Review

Results of Operations

Revenue is derived from a range of products and services across four segments. The Materials Solutions segments in Americas and Europe utilize an extensive network of reserve-backed quarry locations to produce and supply a range of materials including aggregates, cement, readymixed concrete and asphalt, as well as providing paving and construction services. The Americas and Europe Building Solutions segments manufacture, supply and deliver high quality building products and solutions.

The table below summarizes CRH's Consolidated Income Statement for the periods indicated.

Consolidated Income Statement data <i>in \$ millions</i>	For the years ended December 31	
	2023	2022
Revenue	34,949	32,723
Cost of sales	(22,919)	(21,844)
Gross profit	12,030	10,879
Operating costs	(7,743)	(6,935)
Operating profit	4,287	3,944
Loss on divestitures	–	(99)
Profit before finance costs	4,287	3,845
Finance costs	(457)	(401)
Finance income	206	65
Other financial expense	(54)	(40)
Loss from equity method investments	(17)	–
Profit before tax from continuing operations	3,965	3,469
Income tax expense	(941)	(785)
Profit for the financial year from continuing operations	3,024	2,684
Profit after tax for the financial year from discontinued operations	–	1,190
Profit for the financial year	3,024	3,874
Basic earnings per Ordinary Share from continuing operations	\$4.32	\$3.50
Basic earnings per Ordinary Share from continuing operations - pre-impairment¹	\$4.62	\$3.50
Adjusted EBITDA ²	6,500	5,692

Revenue

Revenue was \$34.9 billion in 2023, an increase of \$2.2 billion, or 7%, compared with 2022, reflecting good underlying demand across key end-use markets, positive pricing and contributions from acquisitions which offset lower volumes compared to the prior year.

In Americas Materials Solutions, revenue in Essential Materials and Road Solutions increased by 10% and 7% respectively. In Americas Building Solutions, revenue in Building & Infrastructure Solutions increased by 6% while revenue in Outdoor Living Solutions increased by 18%.

In Europe Materials Solutions, in Essential Materials, revenue finished 5% ahead of 2022 while Road Solutions revenue was 2% ahead. In Europe Building Solutions revenue in Building & Infrastructure Solutions decreased by 3% and revenue in Outdoor Living Solutions increased by 4%.

For additional discussion on segment revenues, see "Segments" section below.

Gross profit

Gross profit was \$12.0 billion in 2023, an increase of \$1.2 billion, or 11%, compared with 2022, reflecting revenue growth of 7%, with cost of sales increasing by 5%. The gross profit margin of 34.4% increased 120 basis points from 33.2% in the prior year, due to revenue growth exceeding increases in cost of sales. Cost of sales increases were primarily as a result of increased employment costs of 8%, due to acquisitions, wage inflation impacted by continued labor shortages and increased headcount. Repair and maintenance costs increased 9% due to the impact of cost inflation, and depreciation, depletion, amortization and impairment costs increased 8%. These were partially offset by energy costs decreasing 2% compared with 2022 primarily as a result of lower volumes levels.

Operating costs

Operating costs, which primarily comprise of haulage costs, employment costs, depreciation, depletion, amortization and impairment costs, and selling and administration expenses, were \$7.7 billion in 2023, an increase of \$808 million, or 12%, compared with 2022. The increase in operating costs was driven by employment cost increases of 14%, as a result of increased headcount, impacted by acquisitions, and wage inflation; partially offset by haulage cost decreases of 4% as a result of reduced volumes and fuel costs. Depreciation, depletion, amortization & impairment increased due to an impairment of \$327 million. The impairment was in the Europe Materials Solutions segment where an impairment was recognized related to our business in the Philippines, which has been impacted by challenging market conditions.

¹ Basic earnings per Ordinary Share from continuing operations pre-impairment is a non-GAAP measure as defined on page 144.

² Adjusted EBITDA is a non-GAAP measure as defined on page 143.

Loss on divestitures

Loss on divestitures was \$nil in 2023, while the loss in 2022 was \$99 million.

Finance costs

Finance costs were \$457 million in 2023, an increase of \$56 million, or 14%, compared with 2022. The increase was primarily due to higher interest rates on floating rate debt, interest rate swaps and new fixed rate debt issued, partially offset by interest on maturing debt.

Finance income

Finance income was \$206 million in 2023, an increase of \$141 million compared with 2022, as a result of increased interest rates on deposits.

Other financial expense

Other financial expenses were \$54 million in 2023, an increase of \$14 million compared with 2022.

Loss from equity method investments

In 2023, the loss from equity method investments was \$17 million, compared to a balance of \$nil in 2022, primarily driven by the performance of the Company's equity method investment, Yatai Building Materials, in China where market conditions remained challenging.

Income tax expense

The Company's tax rate is driven by the tax rates in jurisdictions in which the Company operates and the relative amount of income earned in each jurisdiction. Our income tax expense for the following two-year period is shown below:

<i>in \$ millions, except effective tax rate</i>	2023	2022
Profit before tax from continuing operations	3,965	3,469
Income tax expense	(941)	(785)
Effective tax rate	23.7 %	22.6 %

The Company's income tax expense was \$941 million for 2023, an increase of \$156 million compared with 2022. The effective tax rate attributable to continuing operations was 23.7% for 2023 compared with 22.6% for 2022. The increase in the effective tax rate compared to the prior year was primarily driven by the impact of impairments not deductible for tax purposes in the year.

Profit for the financial year from continuing operations

Profit for the financial year from continuing operations was \$3.0 billion in 2023, an increase of \$340 million or 13%, compared with 2022. This result was primarily driven by an improved operating performance and higher interest income, partially offset by impairment charges and a higher income tax expense.

Profit after tax for the financial year from discontinued operations

Profit after tax for the financial year from discontinued operations in 2023 was \$nil. In 2022, profit after tax for the financial year from discontinued operations of \$1.2 billion related to the divestiture of the Building Envelope business, which was completed in April 2022.

Profit for the financial year and earnings per ordinary share

Profit for the financial year was \$3.0 billion in 2023, a decrease of \$0.9 billion from 2022. The decrease in profit was driven by the absence of profit after tax from discontinued operations, which contributed \$1.2 billion in 2022 due to gains on the divestiture of the Building Envelope business, partially offset by an increase in profit for the financial year from continuing operations, which contributed \$0.3 billion in 2023. Basic earnings per Ordinary share from continuing operations was \$4.32 per share for 2023, an increase from \$3.50 per share for 2022. Basic earnings per Ordinary share from continuing operations pre-impairment was \$4.62 for 2023.

Segments

Effective January 1, 2023, CRH restructured into two Divisions, CRH Americas and CRH Europe. As a result, CRH's segments increased from three to the following four segments: Americas Materials Solutions, Americas Building Solutions, Europe Materials Solutions and Europe Building Solutions.

Within CRH's segments, revenue is disaggregated by principal activities and products and by primary geographic market. Business lines are reviewed and evaluated as follows: (1) Essential Materials, (2) Road Solutions, (3) Building & Infrastructure Solutions, and (4) Outdoor Living Solutions. The vertically integrated Essential Materials businesses manufacture and supply aggregates and cement for use in a range of construction and industrial applications. Road Solutions support the manufacturing, installation and maintenance of public highway infrastructure projects and commercial infrastructure projects. Building & Infrastructure Solutions connect, protect and transport critical water, energy and telecommunications infrastructure and deliver complex commercial building projects. Outdoor Living Solutions integrate specialized materials, products and design features to enhance the quality of private and public spaces.

The Company's measure of segment profit is Adjusted EBITDA, which is defined as earnings from continuing operations before interest, taxes, depreciation, depletion, amortization, impairment charges, gain/loss on divestitures, income/loss from equity method investments and substantial acquisition-related costs.

Americas Materials Solutions

in \$ millions	Analysis of Change					2023	% change
	2022	Currency	Acquisitions	Divestitures	Organic		
Revenue	14,324	(44)	+242	–	+913	15,435	+8%
Adjusted EBITDA	2,786	(6)	+44	–	+322	3,146	+13%
Adjusted EBITDA margin	19.4%					20.4%	

Americas Materials Solutions' revenue was 8% ahead of 2022, 6% ahead on an organic³ basis, driven primarily by price progression across all business lines and partly offset by lower activity levels in certain regions.

In Essential Materials revenue increased by 10%, supported by double-digit pricing growth in both aggregates and cement, which were ahead by 14% and 15%, respectively. Aggregates volumes declined by 1% and cement volumes declined by 3%, impacted by unfavorable weather in certain regions.

In Road Solutions, revenue increased by 7% driven by increased pricing and positive infrastructure activity underpinned by Infrastructure Investment and Jobs Act (IIJA) funding. Asphalt prices increased by 7% while asphalt volumes were in line with the prior year as improved demand in the South and West during the second half of the year was offset by lower volumes in the Great Lakes and Northeast regions. Paving and construction revenues increased by 6%. Readymixed concrete pricing was 12% higher compared with 2022, however volumes were 2% behind due to lower activity levels in the South.

Adjusted EBITDA in Americas Materials Solutions of \$3.1 billion was 13% ahead of 2022 as increased pricing across all lines of business and operational efficiencies mitigated the impact of higher labor and subcontractor costs. Organic Adjusted EBITDA⁴ was 12% ahead of 2022. Adjusted EBITDA margin increased by 100bps.

Americas Building Solutions

in \$ millions	Analysis of Change					2023	% change
	2022	Currency	Acquisitions	Divestitures	Organic		
Revenue	6,188	(14)	+751	–	+92	7,017	+13%
Adjusted EBITDA	1,283	(4)	+156	–	+86	1,521	+19%
Adjusted EBITDA margin	20.7%					21.7%	

Americas Building Solutions recorded revenue growth of 13%, driven by the continued execution of our integrated solutions strategy, good commercial progress through price increases and contributions from prior year acquisitions, primarily Barrette Outdoor Living (Barrette). Organic revenue was 1% ahead of 2022.

In Building & Infrastructure Solutions, revenue growth was 6% due to increased demand in the water and energy sectors as well as contributions from recent acquisitions.

In Outdoor Living Solutions, revenue growth was 18%, driven by positive pricing, resilient retail demand and the incremental impact of the Barrette acquisition in July 2022.

Adjusted EBITDA in Americas Building Solutions was 19% ahead of the prior year, 7% ahead on an organic basis, driven by positive pricing and contributions from recent acquisitions which offset the impact of increased labor and raw materials costs. As a result, the Adjusted EBITDA margin was 100bps ahead of the prior year.

³ Organic revenue is a non-GAAP measure as defined on page 144.

⁴ Organic Adjusted EBITDA is a non-GAAP measure as defined on page 144.

Europe Materials Solutions

Analysis of Change							
<i>in \$ millions</i>	2022	Currency	Acquisitions	Divestitures	Organic	2023	% change
Revenue	9,349	+186	+61	(157)	+251	9,690	+4%
Adjusted EBITDA	1,255	+31	+11	(10)	+229	1,516	+21%
Adjusted EBITDA margin	13.4%					15.6%	

Europe Materials Solutions' performance in 2023 was driven by continued pricing progress which more than offset lower activity levels, resulting in revenue growth of 4%, or 3% ahead of 2022 on an organic basis.

In Essential Materials, revenue was 5% ahead of 2022 driven by positive pricing for aggregates and cement which were ahead by 9% and 18%, respectively. Aggregates volumes declined by 7% while cement volumes were 13% behind (10% behind excluding the impact of 2022 divestitures) as activity levels were impacted by lower new-build residential activity and unfavorable weather in several key markets.

In Road Solutions, notwithstanding the impact of adverse weather in the first half of the year, pricing progress across all key markets resulted in revenue for the year 2% ahead of 2022. Asphalt pricing increased by 10%, while volumes declined by 6%. Paving and construction revenues increased by 10%. Readymixed concrete pricing improved by 17%, while volumes decreased by 14%.

In 2023 Adjusted EBITDA in Europe Materials Solutions was \$1.5 billion, 21% ahead of 2022 and 18% ahead on an organic basis. Adjusted EBITDA growth was primarily driven by positive pricing and lower haulage and raw materials costs, which offset lower volume levels. Adjusted EBITDA margin increased by 220bps compared with 2022.

Europe Building Solutions

Analysis of Change							
<i>in \$ millions</i>	2022	Currency	Acquisitions	Divestitures	Organic	2023	% change
Revenue	2,862	+69	+95	–	(219)	2,807	(2)%
Adjusted EBITDA	368	+4	+9	–	(64)	317	(14)%
Adjusted EBITDA margin	12.9%					11.3%	

Revenue in Europe Building Solutions declined by 2% as increased infrastructure demand was more than offset by subdued new-build residential activity. Organic revenues were 7% behind the prior year.

Within Building & Infrastructure Solutions, revenue declined by 3% compared with 2022. Infrastructure Products delivered growth in revenue as positive pricing more than offset slower new-build residential activity across most European markets. Precast revenues were behind 2022 as positive commercial progress was offset by lower market activity. Revenues in Construction Accessories were behind the prior year as price increases were offset by subdued new-build residential activity in several markets.

Revenues in Outdoor Living Solutions were 4% ahead of the prior year as positive pricing more than offset the impact of lower demand and unfavorable weather in certain key markets.

Despite disciplined commercial management, cost saving initiatives and lower raw materials and haulage costs, Adjusted EBITDA in Europe Building Solutions declined by 14% compared with the prior year, a 17% decrease on an organic basis, primarily driven by a slowdown in residential construction activity. Consequently, Adjusted EBITDA margin decreased by 160bps compared with the prior year.

Liquidity and Capital Resources

CRH's primary source of incremental liquidity is cash flows from operating activities, which combined with the year-end cash and cash equivalents balance, the U.S. Dollar and Euro Commercial Paper Programs, and committed credit lines, is expected to be sufficient to meet the Company's working capital needs, capital expenditures, dividends, share repurchases, upcoming debt maturities, and other liquidity requirements associated with our operations for the foreseeable future. In addition, the Company believes that it will have sufficient ability to fund additional acquisitions via cash flows from internally available cash, cash flows from operating activities and, subject to market conditions, via obtaining additional borrowings and/or issuing additional debt or equity securities.

Total interest-bearing loans and borrowings were \$11.6 billion at December 31, 2023, compared to \$9.6 billion in 2022. In April 2023, €750 million of euro-denominated notes were repaid. Subsequently, €2 billion in new euro-denominated notes were issued in July 2023, followed by a further repayment of €500 million euro-denominated notes in November 2023. Year-end net debt⁵ at December 31, 2023 was \$6.8 billion compared to \$5.1 billion in 2022. The increase in year-end net debt between 2023 and 2022 reflects inflows from operations more than offset by outflows from the purchase of property, plant and equipment, acquisitions of subsidiaries and cash returns to shareholders through share buybacks and dividends.

⁵ Net debt is a non-GAAP measure as defined on page 143.

Principal Risks and Uncertainties

In addition to the other information contained in this Annual Report, you should carefully consider the following risk factors before investing in our ordinary shares. The risks and uncertainties we describe below are not the only ones we face. Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial may also adversely affect the business, financial condition and results of operations of the Company. If any of the possible events described below were to occur, the business, financial condition and results of operations of the Company could be materially and adversely affected. If that happens, the market price of our ordinary shares could decline, and holders of our ordinary shares could lose all or part of their investment.

This Annual Report also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Annual Report.

Risks Related To Our Industry And Our Business

Industry Cyclicity and Economic Conditions

CRH's business depends on construction demand, and construction activity 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, individually or collectively, disrupt outdoor construction activity.

Given the nature of our core products, many of which cannot be transported on a cost-effective basis over long distances, our operations are particularly sensitive to the economic conditions in the local markets in which we operate. In general, economic uncertainty and rising interest rates can exacerbate negative trends in construction activity, including when current and/or prospective customers are unable to obtain credit or issue bonds, which can lead to the postponement, delay and/or cancellation of projects, and an associated negative impact on demand for building materials and related services. With a significant proportion of construction activity undertaken outside (e.g. highway construction), demand for and the utilization of the Company's products and services such as aggregates, asphalt and concrete can be highly seasonal in line with customer demand, and may additionally be impacted by acute and/or chronic changes in global and/or localized weather events/conditions.

In addition, CRH may also be negatively impacted by fluctuations in the price of fuel and principal energy-related raw materials, which accounted for approximately 11% of total revenues in 2023, compared to 13% in 2022, with no guarantee that the Company will continue to be able to absorb these inflationary pressures.

Government Infrastructure Spending

CRH's financial performance may be adversely impacted by reductions or delays in government infrastructure spending.

A significant percentage of the Company's products and/or services, particularly in the United States, is consumed by public infrastructure projects, including the construction of highways, bridges and public utilities. Accordingly, demand for our products may be impacted by adverse changes in public policy, as well as the financial resources and investment strategy of government bodies in our markets. The allocation of government funding for public infrastructure programs is a key driver for our markets, such as the infrastructure and utilities elements of the IIJA in the United States, and large European infrastructure initiatives.

However, government budget deficits might reduce government infrastructure investment and reduce demand for the Company's products. Similarly, any significant delay and/or adverse change in investment strategy by policy makers in any of the Company's key markets could reduce market demand, adversely impacting financial performance.

Adverse Geopolitical Change/Environment

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

CRH primarily operates across North America and Europe. The economies of these countries in which we operate are broadly stable. However, they are at varying stages of development, which presents multiple risks and uncertainties that could adversely affect the Company's operations and financial results. These risks and uncertainties include:

- 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;
- Social activism and civil disturbance, terrorist events or outbreak of armed conflict, among other potential causes;
- Labor 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, assets and operations in Ukraine and neighboring countries, which face physical risk due to the ongoing conflict. The Board and management are actively monitoring the situation in Ukraine, as uncertainty continues to exist due to the ongoing conflict in the region.

Health and Safety Performance

CRH's businesses operate in an industry with inherent health and safety risks, including the operation of heavy vehicles, working at height, use of mechanized processes, and handling of substances and materials potentially hazardous to people, animal life and/or the environment. Any failure to ensure safe workplaces could result in a deterioration in CRH's safety performance and related adverse regulatory action or legal liability. Health and safety incidents could significantly impact CRH's operational and financial performance, as well as its reputation.

CRH'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 behaviors and engagement from employees as well as robust Company policies and procedures. A high number of accidents may pose additional challenges in recruiting new employees, ensuring operational continuity and maintaining licenses and permits.

Further, CRH 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 CRH's health and safety frameworks, processes and controls fail to comply with such regulations, the Company could be exposed to significant potential legal liabilities and penalties. Any failure resulting in the discharge or release of hazardous substances to the environment (e.g. storage tank leaks, or explosions) could in addition expose CRH to significant liability remediation costs and/or penalties that impact our financial position.

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

The recurrence of Covid-19 and/or similarly disruptive/dangerous pandemics could materially endanger our workers and/or contractors.

People Management

CRH may not achieve its strategic objectives if it is not successful in attracting, engaging, retaining and developing employees with the required skill sets, 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 Company's strategy and in ensuring that succession planning objectives for key executive roles throughout its international operations are satisfied. As well as ensuring the Company identifies, hires, integrates, engages, develops and promotes talent, the Company must attract and retain a diverse workforce and maintain an inclusive working environment. Our ability to achieve these objectives depends on population demographics in our local markets, the availability of a pool of workers with the required training and skills, and the attractiveness of our employer value proposition compared with competing employers.

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

The Company must also maintain constructive relationships with the trade/labor unions that represent certain employees under collective agreements. Failure to do so could mean that the Company cannot renegotiate on appropriate terms the relevant collective agreements upon expiration and may face strikes or work stoppages as a consequence. Poor labor relations could create reputational risk for the Company and/or disrupt our businesses, raise costs and reduce revenues and earnings from the affected locations, with potential adverse effects on the results of operations and financial condition of the Company.

Strategic Mineral Reserves and Permitting

Failure of CRH to maintain access to mineral resources and reserves, plan for reserve depletion and secure or maintain permits for its mining operations may result in operation stoppages, adversely impacting financial performance.

Continuity of the cash flows derived from the production and sale of certain building materials depends on satisfactory reserves planning, including appropriate long-term arrangements for their replacement. The high weight-to-price ratio of the aggregates we consume generally makes it uneconomical to transport them over long distances, and accordingly it is important to secure high quality mineral resources local to our markets or adjacent to appropriate logistical hubs (e.g. rail infrastructure). Any failure to adequately plan for reserve depletion, or accurately forecast future growth markets, could lead to a failure to maintain, and/or acquire and develop required sites, especially given long development lead times, and associated operational stoppages that adversely impact financial performance and cash flows.

Appropriate reserves are increasingly scarce, and licenses and permits required for operations are also becoming harder to secure (e.g. due to increasing resistance from communities that have expanded around potential attractive reserves). In addition, the Company cannot guarantee that it will continue to satisfy the many terms and conditions under which such licenses and permits are granted and/or renewed.

Reserve estimates and projections of production rates of the minerals used in the Company's products inherently contain numerous assumptions and uncertainties, that, for example, may depend upon geological interpretation, and statistical inferences or assumptions drawn from drilling and sampling analysis. If such interpretations, inferences or assumptions are subsequently proven incorrect and differ materially from actual geological conditions and/or production rates, we may exhaust reserves more quickly than anticipated over the long term.

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

Climate Change and Policy

The impact of climate change may adversely affect CRH's operations and cost base and the stability of markets in which the Company operates. Risks related to climate change that could affect the Company'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).

Risks related to climate change that could affect the Company's operations and/or financial performance are discussed as follows:

Physical

Acute weather events such as hurricanes or flooding, and chronic events such as increased precipitation, rising sea levels and/or temperatures may have an adverse effect on the Company's business and operations. Operational productivity and demand for the Company's products may be reduced during these weather events leading to reduced financial performance. Changing population demographics and other macro events arising from climate change may also impact demand for our products in significantly affected areas.

Transition

- **Legal and Regulatory:** As stakeholder expectations with regard to climate change continue to evolve, and various governmental bodies in our markets propose changes to laws and regulations covering emissions, carbon allowances and taxation, we may be exposed to increased operational, compliance and litigation related risks and costs. Efforts to address climate change through laws and regulations, for example by requiring reductions in emissions of greenhouse gases (GHG) such as carbon dioxide (CO₂) can create economic risks and uncertainties for the Company's businesses. Such risks could include the introduction of more extensive carbon emissions caps and associated carbon costs, additional costs of installing equipment to reduce emissions to comply with GHG limits, and higher costs from the imposition of legislative and/or regulatory controls. There is a risk of reduced

competitiveness due to any failure of equalization measures to level costs between domestic producers and importers from countries with lower enforced environmental regulations/GHG constraints.

- **Technology:** The Company has publicly set itself carbon emission reduction goals and ambitions, the delivery of which may depend on the rapid advancement of technologies, such as Carbon Capture, Usage and Storage (CCUS), that are still in early prototype or development phases. If our assumptions as to technology development timelines and/or our ability to economically access them prove inaccurate, we may be unable to deliver our emissions targets.
- **Reputational:** Any failure to reduce emissions arising from our operations or meet investor and other stakeholder groups' expectations with regard to emissions reductions may adversely impact the Company's reputation and/or increase the likelihood of associated stakeholder litigation. In addition, the Company may incur materially increased costs related to increases in the cost of carbon, requirements to make further capital investments, reduced access to capital, challenges in retaining and/or attracting talent, local community opposition to operating facilities, and any inability to secure licensing permits.

Portfolio Management

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

The Company'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 Company 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 Company may be liable for the past acts, omissions or liabilities of acquired companies, or may remain liable in cases of divestiture (including for potential environmental liabilities or potential on-going information technology (IT) support).

In addition, the Company's ability to realize the expected benefits from acquisitions depends in part on its ability to integrate newly-acquired businesses. If the Company fails to integrate acquisitions, it may not achieve expected growth synergies or financial, operating or other 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, products, or technology, or remediating post-acquisition underperformance and associated operational challenges, could divert management time and resources from other matters.

The Company may decide to use shares of its common stock to complete an acquisition and/or make strategic investments in other companies, which may dilute the ownership interests of existing shareholders and adversely impact the price of our stock.

Early Stage Business/Technology Investment

CRH's venture capital unit may fail to achieve expected commercial success and financial returns, and CRH may lose all or part of its investments in early-stage companies.

CRH, through its \$250 million CRH Ventures fund, makes investments in early stage ventures focused on construction, sustainability and digitalization technology whose products and services may offer us future competitive advantage.

Investing in early-stage businesses and/or technologies presents inherent risks, with the potential that we may lose all or part of our investment if they fail to achieve anticipated strategic, technological and financial returns. If we realize losses on our venture investments, our results of operations and financial condition may be adversely impacted.

Sustainable Products and Innovation

If CRH fails to develop new sustainable products that meet customer needs, we may fall behind our competitors and our financial performance may be adversely impacted.

We operate in competitive markets with customers continuously pushing suppliers to deliver new, innovative products and solutions that enable them to work more efficiently, reduce their environmental footprint and realize greater cost savings. This is especially so in relation to changing customer preferences and demands for high-performance sustainability solutions with enhanced emissions and/or circularity profiles, including those with greater recycled content and/or innovations to existing products, that help them to deliver on their own climate and/or emissions-related commitments.

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 RAP, permeable paving solutions, lower-carbon cements 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.

Commodity Products and Substitution

CRH manufactures and supplies a large number of commodity products into highly competitive markets. Failure by CRH to maintain pricing in an inflationary environment and to differentiate its products from its competitors could adversely impact our financial performance.

Many of the Company's products are commodities that face strong volume and price competition, with pricing impacted by macroeconomic conditions, the competitive environment, the degree of utilization of production capacity and the specifics of product demand, among other factors. In addition, the Company's local competitors are increasingly innovative and cost competitive, and our products may also face competition from substitute products, including new products, that the Company does not produce. Any significant shift in demand preference to these alternate products could adversely impact market share and results of operations.

The Company may experience downward pricing pressure from time to time across its different markets and may not always be able to raise prices to offset increased operating expenses and inflationary pressures. The Company'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.

Any failure to maintain strong customer relationships could result in an inability to respond to changing consumer preferences and approaches to construction. Failure to differentiate and innovate could lead to market share decline, with adverse impacts on financial performance.

Enabling Business Technology

CRH depends on multiple types of information and operational technologies, and failure to properly manage and maintain such technologies could adversely impact our ability to operate.

The Company makes significant capital investments in information and operational technology, and systems to promote operational efficiency and maintain competitive advantage. Some of these investments relate to complex, multi-year technology deployments that require specialist customization and project management to deliver expected value (including Enterprise Reporting Program (ERP) and industrial control systems deployments and upgrades). The Company maintains a complex operating environment in relation to both information and operating technology, that includes on-premises, hybrid and cloud technologies supported by a mixture of third-party outsourced service providers and internal resources. Any failure to properly manage the customization and/or deployment of these systems or this complex operating environment may result in additional costs being incurred, and/or delayed or eroded benefit realization. If we fail to make the required technological investments at the right time, we may lose competitive advantage and/or inhibit our ability to comply with evolving laws and/or regulations.

Given the specific nature of the technology that the Company implements, it often relies on the support of specialist third-parties; any failure to secure appropriately skilled and experienced third-parties may result in an increased risk of unsuccessful implementations, time delays and/or increased costs.

Major Business Interruption

CRH depends on the continued availability of people, production equipment, processes and systems, and our production could be materially disrupted by operational failures, which would have a negative impact on our profitability.

Given the capital-intensive nature of some of our product lines, with significant fixed and semi-fixed costs, the Company's profits are particularly sensitive to changes in volume, creating an exposure to any natural and/or human events that could disrupt production.

The ongoing, efficient operation of our facilities is often dependent on important pieces of equipment and IT networks/infrastructure. These can present single points of failure and can be difficult to quickly and/or easily replace due to long supply chain lead times and high associated capital costs. It is possible we could experience periodic disruption to equipment availability for a variety of reasons, including accidents, mechanical failures, fires/explosions and extreme weather conditions.

In addition to damaging equipment, extreme weather events could also disrupt operations through delaying project start dates, extending product curing times, and/or disrupting utility infrastructure on which we depend including power and water networks. In addition, the manual nature of some of our manufacturing processes and infrastructure projects, including highway construction and maintenance, creates a high level of dependency on our highly skilled workforce. Any event that materially inhibits our people from being able to work, including an inability to get to our facilities and/or customer sites or widespread sickness/pandemic, could materially disrupt our operations, with adverse impacts on financial performance.

Cybersecurity

CRH depends on multiple information and operational technology systems, including certain systems for which third-parties are in whole or in part responsible. We may be unable to protect our assets and data against increasingly sophisticated cybersecurity attacks. Security breaches, IT interruptions or data loss could result in significant business disruption, loss of production, reputational damage and/or regulatory penalties.

The Company has not been subject to a cyber-attack that has had a material impact on our operations or financial results. However, we have faced attempted cyber-attacks and may face future cyber-attacks, including malware or ransomware attacks, or suffer other human or technological errors that have a material impact. Breaches, significant IT interruptions or errors could disrupt production software, permit manipulation of financial data, and could lead to corruption or theft of sensitive data that we collect and retain about our customers, suppliers, employees and business performance. Following a material cybersecurity incident, the Company may incur significant remediation costs, may face regulatory proceedings and/or private litigation, and may suffer damage to our reputation and customer confidence in our operations.

Our businesses rely on information and operational technologies to support critical business processes and activities, and failures or breaches of such technologies could lead to production curtailment and/or other operational disruptions. We rely on specialist third-parties to provide many of our information and operational technology systems, and vulnerabilities within such third-party systems could have a material negative effect on us. The third-parties on whom we rely may themselves be affected by cybersecurity breaches or failures, which could lead to operational disruption or other negative consequences that could adversely impact our own business and financial condition.

In addition, the Company regularly engages in acquisition activity as part of its active portfolio management. Many newly-acquired companies rely on different information and operational technology systems to the rest of the Company and may not have cybersecurity protections comparable to those implemented throughout the existing Company. Integrating newly-acquired companies and assets and implementing appropriate cybersecurity controls may be more resource-intensive and time-consuming than anticipated. Failure to appropriately integrate new acquisitions into our cybersecurity and IT systems can lead to vulnerabilities and make our systems more complex to secure. Further, the global nature of our operations and diverse information and operational technologies used across the Company may result in potential delays in the detection and reporting of cyber incidents. In addition, as cybersecurity threats evolve, the Company is increasingly required to expend additional resources to enhance our cybersecurity protection measures and may be required to expend additional resources to investigate and remediate identified vulnerabilities.

Supply Chain Failure

CRH's ability to maintain production capacity and/or quality depends on the reliable and economic sourcing of various input materials, and 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.

The Company must reliably and economically source various raw materials, equipment and other inputs from many 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 optimizing our working capital and inventory levels is critical to the continuity and strong financial returns of our operations. Any failure to manage any material disruption in our supply chains, including where we do not hold adequate buffer stocks and/or are unable to source adequate alternatives within acceptable timelines and at reasonable cost, could adversely impact our ability to service our customers and result in a deterioration in operational and/or financial performance, and reputational damage.

Some of the raw materials, equipment, transport and other inputs that the Company requires are limited to a small number of suppliers from which the Company 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 and/or capacity in the market may fall below required levels (e.g. for haulage capacity), which could have an adverse impact on the Company's operations, financial performance and reputation. In addition, in certain markets in which the Company operates, including markets for steel, cement, bitumen and supplementary cementitious materials, contracted market demand can far outstrip supply, which may restrict the Company's ability to obtain alternative suppliers or additional volumes where necessary. Our focus on responsible sourcing practices and other Environmental & Social Governance (ESG) considerations may also limit the pool of acceptable suppliers from which we may choose to source.

Construction Contracts

A number of our projects/contracts are complex, spanning multiple parties, years and/or products, and our future financial results may be adversely affected if we incorrectly forecast project budgets, deliver projects that do not meet contracted standards, or fail to deliver on time.

Across the Company's business lines, we enter into contracts for complex, multi-year projects that comprise multiple product lines and as such are exposed to inherent risks related to forecasting and budgeting, project management and delivery, and quality control.

Any failure to manage these risks may reduce the Company's profitability and/or damage its reputation, with associated impacts on our ability to bid for and/or win future contracts.

Risks Related To Financial, Regulatory and Reporting Environment

Laws, Regulations and Business Conduct

CRH is subject to a wide variety of local and international laws and regulations. CRH may face adverse operational and financial effects and reputational damage, including significant fines, debarment or other sanctions, due to litigation or investigations in connection with breaches or perceived breaches of such laws and regulations or otherwise. In addition, we are governed by the Irish Companies Act, which differs from laws generally applicable to U.S. companies.

As an Irish incorporated company, with a listing on the NYSE and standard listing on the LSE, CRH must comply with a wide variety of local and international laws and regulations, including the Irish Companies Act, U.S. securities laws and regulations, NYSE listing requirements, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules, and other relevant legislation and regulation. The Company is also subject to various statutes, regulations and laws affecting land usage, zoning, labor 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.

There can be no assurance that the Company's policies and procedures will afford adequate protection against compliance failures or other fraudulent and/or corrupt activities. Any failure to comply with the requirements of any of these laws and/or regulations could have a material adverse effect on the Company's business, results of operations, financial condition, prospects and/or reputation, with resultant litigation or investigations, the imposition of significant fines, sanctions, debarment from operating in key markets, and/or reputational damage. Where subject to litigation, we establish reserves in line with the requirements of the relevant accounting standards, where there is a clearly defined past event, when the loss is assessed as probable and we can reasonably estimate the amount. These estimated reserves are based on the facts and circumstances known to the Company at the time of estimation and subsequent reporting and subsequent developments related to these matters may affect our assessment and estimates.

In addition, we are incorporated under Irish law, which treats interested director and officer transactions and shareholder lawsuits differently than do laws generally applicable to U.S. incorporated corporations and our shareholders may thus have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction of the United States. As we are an Irish company, the duties of our directors and officers are generally owed to CRH plc. Our shareholders will generally not have a personal right of action against our directors or officers and in limited circumstances only may exercise rights of action on behalf of the Company.

Financial Instruments

CRH 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 Company's credit ratings may give rise to increases in future funding costs and may impair the Company's ability to raise funds on acceptable terms. In addition, insolvency of the financial institutions with which the Company conducts business may adversely impact the Company's financial position.

Risks related to Company financing that could affect its operations and/or financial performance are discussed as follows:

Interest rate and leverage risks

As at December 31, 2023, the Company had outstanding gross indebtedness, including overdrafts, lease liabilities and the impact of derivatives, of approximately \$13.2 billion, compared to \$11.0 billion in 2022, and cash and cash equivalents of approximately \$6.4 billion, compared to \$5.9 billion in 2022. The Company 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 Company will not be adversely impacted by increases in borrowing costs in the future.

Foreign currency risks

If the Company's reporting currency weakens relative to the basket of foreign currencies in which net debt is denominated (including the euro, Pound Sterling, Canadian Dollar, Philippine Peso, Polish Zloty, and Swiss Franc), the net debt balance would increase; the converse would apply if the Company'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 Company conducts business or a downgrade in their credit ratings may lead to losses in the cash balances that the Company holds with such financial institutions or losses in derivative transactions that the Company has entered into with these parties and may render it more difficult for the Company to utilize existing debt capacity or otherwise obtain financing for operations. The Company holds significant cash and cash equivalents on deposit and derivative transactions with a variety of highly rated financial institutions which at December 31, 2023, totaled

\$6.4 billion and \$37 million, compared to \$5.9 billion and \$86 million, respectively, in 2022. In addition, certain of the Company's activities give rise to significant amounts receivable from counterparties at the balance sheet date; at December 31, 2023, this balance was \$4.1 billion and in 2022 this balance was \$3.9 billion.

Credit rating risks

A downgrade of the Company's credit ratings may give rise to increases in funding costs in respect of future debt and may, among other matters, 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 Company, including increased indebtedness stemming from acquisition activity, or from other factors such as general economic or sector specific weakness, Central Bank monetary policy, governmental fiscal policy or sovereign credit rating ceilings. In addition, any downgrade, suspension or withdrawal of one or more of our ratings could result in the market price, yield or marketability of our securities being adversely affected.

Liquidity risks

The principal liquidity risks stem from the maturation of debt obligations and derivative transactions. The Company 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 realize this objective. In addition, continued focus on climate change by investors and lenders may affect their preferences and sentiments, potentially impacting the Company's access to and cost of capital, and investment attractiveness.

Taxation Charge and Balance Sheet Provisioning

CRH 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 Company'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 Company in the multiple tax jurisdictions in which it operates. The determination of the Company's provision for income tax requires certain judgments and estimates in relation to matters where the ultimate tax outcome may not be certain. The recognition of deferred tax assets also requires judgment as it involves an assessment of the future recoverability of those assets. In addition, the Company 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 Company'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 Company's historical income tax provisions and accruals.

As a multinational corporation, the Company 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. In addition, the Company'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 Company's effective tax rate or result in higher cash tax liabilities. If the Company's effective income tax rate was to increase, its cash flows and the financial results of operations could be adversely affected.

Foreign Currency Translation

A significant proportion of CRH's revenues are in currencies other than its reporting currency, and adverse changes in exchange rates could negatively affect retained earnings.

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.

Given the geographic spread of the Company, a significant proportion of its revenues, expenses, assets and liabilities are denominated in currencies other than the Company's reporting currency, including the euro, Pound Sterling, Canadian Dollar, Philippine Peso, Polish Zloty, and Swiss Franc. 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.

Goodwill Impairment

CRH may be required to write-down its goodwill, which could have an adverse impact on the Company's retained earnings.

Significant under performance in any of the Company's major cash generating units or the divestiture 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 Company's retained earnings.

Goodwill and indefinite-lived intangible assets are subject to annual impairment testing, or more frequently if events or circumstances change in a manner that would more likely than not reduce the fair value of a reporting unit below its carrying value. 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 78 to 79.

Accounting Estimates

CRH's financial reporting requires the use of accounting estimates for a number of significant items.

The accounting standards used in preparation of our audited Consolidated Financial Statements are complex and involve the making of significant estimates and assumptions in their interpretation and application that are inherently uncertain and/or require subjective judgments. In the event these assumptions and/or judgments prove incorrect or different values were to be applied (e.g. through the adoption of different methods of calculation), our reported financial results could be materially higher or lower. We make accounting estimates in relation to a wide range of matters that are relevant to our business, such as impairment of long-lived assets, impairment of goodwill, pension and other postretirement benefits, tax matters and litigation, including self-insurance and environmental compliance costs.

Any changes to accounting standards previously applied in the preparation of our audited Consolidated Financial Statements could affect future reported results compared with prior years, and/or see the revision of prior reporting where any retrospective application is required.

Self-Insurance

CRH may elect or be required to self-insure specific risk exposures, and failure or inability to obtain appropriate insurance coverage could result in increased insurance and claims costs that adversely affects our financial results.

CRH elects to self-insure up to certain limits through one or more of its wholly-owned captive insurance companies (captives). The Company's captives provide coverage in respect of multiple lines of insurance to the Company's operating and non-operating entities up to certain designated limits, both each-and-every and in the annual aggregate. Where insurable losses exceed those limits, CRH would need to rely on external insurance and/or reinsurance from global institutions of appropriate credit standing, and such external insurance and/or reinsurance may not be available at an appropriate cost or at all.

Risks Related To Our Common Stock

Payment of Dividends/Share Repurchase Program

CRH may not pay dividends or make other returns of capital to shareholders in the future, and our current share repurchase program may not enhance long-term shareholder value.

We cannot guarantee that we will pay or maintain dividends at their current level, or effect other future returns of capital (including, without limitation, share repurchases). Our ability to pay dividends or effect other returns of capital depends on factors such as our financial performance, cash flow requirements, business outlook, working capital requirements, interest expenses, economic climate, regulatory considerations, and any other factors deemed significant by the Board in exercising its discretion to return capital. In addition, under Irish law dividends may only be paid, and share repurchases and redemptions must generally be funded, only out of distributable reserves.

In addition, we cannot guarantee that our share repurchase program of our ordinary shares will be fully consummated or that it will enhance long-term shareholder value. The timing and actual number of shares repurchased/redeemed will depend on a variety of factors including the price, cash availability and other market conditions; the share repurchase program does not oblige us to repurchase/redeem any specific dollar amount or to acquire/redeem any specific number of shares, and may be suspended or terminated at any time, which may adversely affect the trading price of our ordinary shares. The existence of our share repurchase program could also cause increased volatility in the price of our ordinary shares or increase the price of our ordinary shares and thus reduce their liquidity. Additionally, repurchases and redemptions under our share repurchase program will diminish our cash reserves, which may adversely affect our financial position.

Relocation Of Primary Listing

CRH faces a number of risks associated with the relocation of our primary listing.

On September 25, 2023, we relocated the primary listing of our ordinary shares from the LSE to the NYSE; we have maintained a standard listing on the LSE and accordingly our ordinary shares are now listed on both exchanges. As a result of the relocation of our primary listing CRH has ceased to be eligible for inclusion in certain UK and European equity indices. However, we are currently ineligible for inclusion in certain U.S. equity indices and we may not satisfy the criteria to become eligible for consideration for inclusion in United States equity indices, including the S&P 500. Failure to become eligible for such inclusion may adversely affect the price and liquidity of our ordinary shares.

In addition, because we are currently a "foreign private issuer", we are exempt from provisions of the Exchange Act applicable to United States domestic companies regulating the solicitation of proxies and consents in respect of CRH's ordinary shares, and our officers, directors and major shareholders are also exempt from compliance with the short-swing profit recovery provisions contained in Section 16 of the Exchange Act. Because of these exemptions, our shareholders currently do not have the same protections and benefit from the same level of disclosure as shareholders of United States domestic companies, which may adversely affect the price and liquidity of our ordinary shares.

Focus on Climate Risks and Opportunities

CRH's Enterprise Risk Management (ERM) framework supports risk identification, assessment and reporting activities across CRH.

Using the Task Force on Climate-related Financial Disclosures' (TCFD) 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 is described on pages 127 to 132.

Accounting Records

The Director's have appointed appropriate accounting personnel, including a professionally qualified Chief Financial Officer, in order to ensure that those requirements of sections 281 to 285 of the Companies Act 2014 are met. The books and accounting records of the Company are maintained at the Company's administrative head offices located at Stonemason's Way, Rathfarnham, Dublin 16, Ireland.

Dividends

CRH has paid dividends on its Ordinary Shares in respect of each fiscal year since the formation of the Company in 1970. Dividends are paid to shareholders on the Register of Members on the record date for the dividend. The Board continues to believe that a policy of consistent long-term dividend growth is appropriate for the Company and following the 5% dividend increase in 2022, the total dividend was increased by a further 5% in 2023 to \$1.33 per share (2022: \$1.27). An interim dividend of \$0.25 (2022: \$0.24) per share was paid in November 2023. In addition, in order to facilitate CRH's planned move to a quarterly dividend cadence in 2024 following CRH's transition of its primary listing to the United States in September 2023, a second interim dividend of \$1.08 was paid in January 2024 in place of the usual final dividend recommended by the Board for approval at CRH's Annual General Meeting (2022: \$1.03). It is proposed to pay a quarterly dividend of \$0.35 per share on April 17, 2024 to shareholders registered at the close of business on March 15, 2024.

Dividends are paid wholly in cash. The default payment currency is U.S. Dollar for shareholders who hold their Ordinary Shares through a Depository Trust Company (DTC) participant. It is also U.S. Dollar for shareholders holding their Ordinary Shares in registered form, unless a currency election is registered with CRH's Transfer Agent, Computershare Trust Company N.A. in advance of the applicable record date. The default payment currency for shareholders holding their Ordinary Shares in the form of Depository Interests is euro. Such shareholders can elect to receive dividends in U.S. Dollar or Pound Sterling by providing their instructions to the Company's Depository Interest provider, Computershare Investor Services plc, in advance of the applicable record date.

Events After The Balance Sheet Date

Details of post-Balance Sheet events are outlined in the Accounting Policies and notes 3, 11 and 30 to the Consolidated Financial Statements on pages 44, 61, 73 and 109.

Subsidiary Companies and Branches

Information regarding subsidiary undertakings, including information regarding branches, as at December 31, 2023 are listed on pages 138 to 142.

Political Donations

No political contributions that require disclosure by the Electoral Act 1997 were made during the financial year ended December 31, 2023.

Financial Instruments

CRH uses financial instruments throughout its businesses. A discussion of the use of financial instruments in the context of our financial risk management objectives and policies and our exposure to risk is contained in note 25 to the Consolidated Financial Statements on page 98.

Future Developments

Overall, we expect a favorable market backdrop and continued positive pricing momentum in 2024 driven by significant infrastructure investment and re-industrialization activity across our key markets in North America and Europe.

Our operations in North America are expected to benefit from increased infrastructure activity underpinned by strong federal and state funding, while investments in critical manufacturing and clean energy initiatives are expected to support key non-residential segments. New-build residential activity is expected to remain subdued in 2024 due to ongoing affordability constraints arising from the current interest rate environment, while residential repair and remodel activity is expected to remain resilient.

In Europe, we expect to benefit from positive pricing, disciplined cost control and good underlying demand in infrastructure and key non-residential markets which are supported by government and EU funding initiatives, while residential construction activity is expected to remain subdued.

Assuming normal seasonal weather patterns and no major dislocations in the macroeconomic environment, CRH remains well positioned for another year of growth in 2024 as we continue to execute our uniquely integrated and value-added solutions strategy, supported by the strength and flexibility of our balance sheet and disciplined approach to capital allocation.

Transactions in own shares

During 2023 and 2022, a total of 54,900,928 and 29,755,861 shares of Ordinary Shares (equivalent to 7.47% and 3.96% of the Company's issued share capital) were repurchased at an average price of \$54.92 and \$39.22 per share under the share buyback program, respectively.

During 2023, a total of 54,900,928 Ordinary Shares (equivalent to 7.47% of the Company's issued share capital) were repurchased at an average price of \$54.92 per share under the share buyback program (2022: 29,755,861 shares (equivalent to 3.96% of the Company's issued share capital) at an average price of \$39.22 per share). During 2023, 17,620,740 Ordinary Shares (equivalent to 2.40% of the Company's issued share capital) were redeemed on repurchase. During 2022, 22,000,000 shares of Treasury stock (equivalent to 2.92% of the Company's issued share capital) were redeemed. A further buyback tranche of \$300 million was completed in the period to February 28, 2024. 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.

The Treasury Share balance at December 31, 2023 was 41,205,490, equivalent to 5.61% of the Ordinary Shares in issue (2022: 7,398,112 (0.98%)). During 2023, 3,472,810 (2022: 3,834,608) Treasury Shares were reissued under the Company's employee share schemes.

Further information in relation to the Treasury Shares is set out in note 29 to the Consolidated Financial Statements on pages 107 to 108.

Details of the Company's employee share schemes and capital structure can be found in note 8 and 29 to the Consolidated Financial Statements on pages 67 to 69 and 107 to 108 respectively.

Non-Financial Information

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. This information has been provided in the Non-Financial Report on page 120, which is incorporated by reference and forms part of the Directors' Report.

Corporate Governance Statement

Corporate Governance Practices

CRH plc is incorporated in Ireland and is subject to Irish company law pursuant to the Irish Companies Act, 2014. During 2023, CRH completed the transfer of its primary listing of Ordinary Shares to the NYSE, the transfer of its listing category of Ordinary Shares on the LSE from a premium listing to a standard listing, and the cancellation of its secondary listing of Ordinary Shares on Euronext Dublin. As a result, CRH plc's Ordinary Shares are listed and traded on the NYSE and the LSE.

CRH plc's primary governance obligations arise by virtue of its listing on the NYSE, and as such, the Company is subject to the corporate governance rules of the NYSE, requiring it to adopt certain governance policies (which the company has adopted) and to the reporting and other rules of the SEC, which will require it to file an Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Form 8-Ks among other requirements.

During 2023, the Board of CRH plc adopted internal corporate governance guidelines (the 'Governance Guidelines') as a general framework to assist the Board in carrying out its responsibilities for the business and affairs of the Company. The Governance Guidelines also represent the corporate governance code which the Company has adopted in place of the UK Corporate Governance Code which no longer applies to the Company following the relocation of CRH's primary listing from the LSE to the NYSE (as described above). The Governance Guidelines, which are available on www.crh.com, cover the role of the Board and management, the composition of the Board, the structure and operations of the Board and the duties and responsibilities of the Board. The Governance Guidelines are deemed to be incorporated into the Directors' Report and form part of this Corporate Governance Statement for the purposes of DTR 7.2 of the Disclosure and Transparency Rules of the UK Financial Conduct Authority (FCA).

Governance Framework

A short illustrative summary of some of the key aspects of CRH plc's corporate governance structure is outlined below.

Board of Directors

Collectively responsible for promoting the long-term sustainable success of the Company and generating value for shareholders. Its role is to provide leadership; to establish and monitor the Company's purpose, values and strategy; to set the Company'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 on all relevant matters.

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

Acquisitions, Divestments & Finance Committee

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

Audit Committee

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

Compensation Committee

Supports the Board by setting and ensuring that the Company's compensation policies are fair and responsible and that they incentivize and retain talent. The Committee also approves the compensation packages for the Chairman and Chief Executive and makes recommendations to the Board regarding the compensation for Executive Directors and senior executives.

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, human capital management and employee engagement.

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.

The Board has delegated responsibility for the management of the Company, 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 Company 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 Company, including in relation to climate-related matters.

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 Company's integrated solutions and climate-related strategy agenda.

Directors and Company Secretary

The Directors and Company Secretary of the Company as of December 31, 2023 are listed below and, except as noted, have served from the period of January 1, 2023 through to the date of this report.

Directors

Richie Boucher, Independent Chairman and Non-management Director
 Albert Manifold, Chief Executive and Executive Director
 Jim Minter, Chief Financial Officer and Executive Director
 Lamar McKay, Senior Independent Director and Non-management Director
 Caroline Dowling, Independent Non-management Director
 Richard Fearon, Independent Non-management Director
 Johan Karlström, Independent Non-management Director

Shaun Kelly, Independent Non-management Director
 Badar Khan, Independent Non-management Director
 Gillian L. Platt, Independent Non-management Director
 Mary K. Rhinehart, Independent Non-management Director
 Siobhán Talbot, Independent Non-management Director
 Christina Verchere, Independent Non-management Director (Appointed March 20, 2023)

Company Secretary

Neil Colgan

Directors' and Company Secretary's Interests in Shares

The interests in the Ordinary Shares of the Company of the Directors and Company Secretary holding office as at December 31, 2023 are as follows:

Name	Beneficially Owned (i)	
	December 31, 2023	December 31, 2022
Executive Directors		
A. Manifold (ii)	86,883	87,692
J. Minter	34,217	33,957
Non-management Directors		
R. Boucher	23,300	23,450
C. Dowling	1,000	1,000
R. Fearon	50,000	5,000
J. Karlström	2,000	2,000
S. Kelly	3,000	1,000
B. Khan	1,000	1,000
L. McKay	4,000	4,000
G.L. Platt (ii)	1,133	1,108
M.K. Rhinehart	1,045	1,000
S. Talbot	1,550	1,550
C. Verchere (iii)	1,000	–
Company Secretary		
N. Colgan (ii)	6,994	5,441
Total	217,122	168,198

(i) Excludes awards under the Company's share incentive schemes, details of which are outlined on page 20. The Directors and Company Secretary do not have any special voting rights.

(ii) Mr. Manifold, Ms. Platt and Mr. Colgan each have dividend re-investment plans in place and, in this regard, following the payment of CRH's Second Interim Dividend on January 17, 2024 their beneficial holdings as at February 28, 2024 are now 86,898, 1,146 and 7,009 Ordinary Shares respectively.

(iii) Appointed with effect from March 20, 2023.

Summary of Outstanding Share Incentive Awards

	Year of Award	Performance Period	Release Date	Market Value at Date of Award	Exercise Price	Balance at December 31, 2022	Granted in 2023	Released in 2023	Exercised in 2023	Lapsed in 2023	Balance at December 31, 2023	Dividends Awarded & Released	Market Value on Date of Exercise/Released
Albert Manifold													
Annual Bonus Plan (Deferred Share Awards) (i)	2020	01/01/19-12/31/2019	2023	€33.38	n/a	29,419	-	29,419	-	-	-	2,482	€48.46
	2021	01/01/20-12/31/2020	2024	€33.01	n/a	30,568	-	-	-	-	30,568	-	-
	2022	01/01/21-12/31/2021	2025	€43.11	n/a	23,770	-	-	-	-	23,770	-	-
	2023	01/01/22-12/31/2023	2026	€36.44	n/a	-	28,892	-	-	-	28,892	-	-
2014 Performance Share Plan (ii)	2018	01/01/18-12/31/2020	2023	€27.62	n/a	170,321	-	170,321	-	-	-	23,758	€48.46
	2019	01/01/19-12/31/2021	2024	€29.86	n/a	186,106	-	-	-	-	186,106	-	-
	2020	01/01/20-12/31/2022	2025	€33.10	n/a	172,509	-	-	-	-	172,509	-	-
	2021	01/01/21-12/31/2023	2026	€36.95	n/a	158,785	-	-	-	-	158,785	-	-
	2022	01/01/22-12/31/2024	2027	€38.08	n/a	158,310	-	-	-	-	158,310	-	-
	2023	01/01/23-12/31/2025	2028	€45.89	n/a	-	135,965	-	-	-	135,965	-	-
2010 Savings-Related Share Option Scheme	2018	n/a	2023	n/a	€23.39	1,293	-	-	1,293	-	-	-	€51.92
Jim Mintern													
Annual Bonus Plan (Deferred Share Awards) (i)	2020	01/01/19-12/31/2019	2023	€33.38	n/a	4,206	-	4,206	-	-	-	356	€48.46
	2021	01/01/20-12/31/2020	2024	€33.01	n/a	4,393	-	-	-	-	4,393	-	-
	2022	01/01/21-12/31/2021	2025	€43.11	n/a	7,837	-	-	-	-	7,837	-	-
	2023	01/01/22-12/31/2023	2026	€36.44	n/a	-	13,389	-	-	-	13,389	-	-
2014 Performance Share Plan (ii)	2020	01/01/20-12/31/2022	2023	€33.10	n/a	32,860	-	32,860	-	-	-	3,484	€46.15
	2021	01/01/21-12/31/2023	2024	€36.95	n/a	30,280	-	-	-	-	30,280	-	-
	2022	01/01/22-12/31/2024	2027	€38.08	n/a	56,528	-	-	-	-	56,528	-	-
	2023	01/01/23-12/31/2025	2028	€45.89	n/a	-	48,549	-	-	-	48,549	-	-
2010 Savings-Related Share Option Scheme	2019	n/a	2024	n/a	€24.24	1,247	-	-	-	-	1,247	-	-

(i) The Compensation 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 Compensation 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.

Board Leadership and Structure

The roles of Chairman and Chief Executive are not currently combined. The Board Chairman is Richie Boucher, who is an independent non-management Director. Mr. Boucher was appointed to this role in January 2020 having joined the Board in March 2018. The Chief Executive is Albert Manifold who has held this position since January 2014 and has been a Board member since January 2009.

There is a clear division of responsibilities between the roles of the Chairman and the Chief Executive, which is set out in the Governance Guidelines.

The Board has appointed a Senior Independent Director, who chairs Board and Committee meetings in the absence of the Chairman and who is available to shareholders who have concerns that cannot be addressed through the Chairman, Chief Executive or Chief Financial Officer. The normal term of appointment is for a period of two years, which is renewable. This position has been held by Lamar McKay since April 2022.

Director Independence

Pursuant to the NYSE listing rules, in order for a Director to qualify as “independent”, the Board of Directors must affirmatively determine that the Director has no material relationship with CRH that would impair the Director's independence. Our Board's guidelines for Director independence conform to the independence requirements in the NYSE listing standards.

In addition to applying these guidelines, the Board considers all relevant facts and circumstances when making an independence determination, including all relevant transactions, relationships and arrangements among Board members, their family members and the Company.

Each of our 13 Directors who served in 2023, and will stand for re-election at the 2024 annual general meeting (AGM), were determined to be independent under the foregoing requirements, except for Albert Manifold and Jim Mintern, who were not independent pursuant to NYSE rules because they are executives employed by CRH.

Therefore, all members of the Audit, Compensation, and Nomination & Corporate Governance Committees are independent and meet all additional applicable independence tests of the NYSE standard listing and any additional standards imposed under the U.S. securities laws and the rules and regulations of the SEC.

The Nomination & Corporate Governance Committee reviews the independence of each Director annually and makes recommendations to the Board regarding independence.

Tenure of Directors

All Directors serve a one-year term, except that the initial term for each director shall run from the date of appointment until the next AGM, and are subject to election by shareholders at each annual general meeting.

The Board does not believe that it should limit the number of terms for which a person may serve as a Director as they develop significant insights into the Company and its operations over time. Nonetheless, the Board keeps the tenure of Directors under regular review to ensure there is an appropriate focus on Board refreshment and mix of skills and expertise relevant to the needs of the Board and the Company. Directors with long tenure are subject to a rigorous performance review.

Diversity Policy

The Board is committed to ensuring that the Board (and the Compensation, Audit and Nomination & Corporate Governance Committees) and the senior executive team is sufficiently diverse and appropriately balanced. The objective of this policy is to ensure that diversity in all its forms is a core component in the decision-making process for Board renewal and management succession. 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 Company 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, ethnicity, sexual orientation, disability, educational, professional and socio-economic backgrounds, 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.

It is the policy of the Board that there is regular refreshment of the Board's Committees, which ensures to the extent possible that the overall experience and diversity of the Directors is reflected in the composition of the Committees and Chair roles, taking into account other requirements such as Board succession planning and the need for financial experts to be members of the Audit Committee.

The Board's policy in relation to gender diversity at senior executive level reflects the Company's long-term strategic target of greater representation of women in the senior leadership team. The percentage as at December 31, 2023 was 29% compared to 19% as at December 31, 2022. There are also a range of initiatives to improve diversity in the broadest sense across the Company. Progress in this area is actively monitored by the Board's Safety, Environment & Social Responsibility (SESRI) Committee.

Gender and ethnic diversity

The FCA, in its capacity as the UK Listing Authority, introduced new rules during 2022 that require listed companies to publish information on female and ethnic representation on the Board and in senior management. This year is our first year to report on these new requirements. The tables below outline the current gender and ethnic diversity of the Board and executive management. The Board's commitment to diversity is evident in its composition. 5 Directors are women and 1 Director is ethnically diverse, contributing to 46% diversity on our 13 person Board.

Required Standardized Numerical Disclosures as at December 31, 2023 (i)

Sex/Gender Representation

	No. of Board Members	% of the Board (ii)	No. of senior positions on the Board (CEO, CFO, Chair & SID) (iii)	No. in executive management (iv)	% of executive management
Men	8	62%	4	9	90%
Women	5	38%	-	1	10%
Not specified/prefer not to say	-	-	-	-	-

Ethnicity Representation

	No. of Board Members	% of the Board	No. of senior positions on the Board (CEO, CFO, Chair & SID)(iii)	No. in executive management(iv)	% of executive management
White British or other White (including minority-white groups)	12	92%	4	10	100%
Mixed/Multiple Ethnic Groups	-	-	-	-	-
Asian/Asian British	1	8%	-	-	-
Black/African/Caribbean/Black British	-	-	-	-	-
Other ethnic group, including Arab	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-

- (i) There have been no changes to the Board between December 31, 2023 and February 28, 2024. All information on the Board's and Global Leadership Team's gender identity and ethnic background was manually gathered.
- (ii) Whilst the percentage of women Directors as at December 31, 2023 is just under 40%, reflecting the fact that Board renewal is a dynamic process, in the past 5 years this percentage has ranged from 33% to 50%. As outlined in our diversity policy, diversity is a core factor taken into account in relation to Board appointments.
- (iii) Although none of these senior positions is currently held by a woman, the roles of Chief Financial Officer and Senior Independent Director have both been held by a woman in the past. Diversity is taken into account for succession planning for all Board roles and senior executive roles. It is also worth noting that the role of Chair of the SESR Committee is currently held by a woman.
- (iv) Figures reflect the current membership of CRH's Global Leadership Team, which is equivalent to the executive management disclosure requirements in Listing Rule 14.3.33R.

Process for selection of Non-management Directors

The Board plans for its own succession with the assistance of the Nomination & Corporate Governance Committee. The process to identify, evaluate and appoint a non-management Director with the suitable experience, skills and time commitment takes into account both the needs of the Company and the diversity, tenure and skills of existing Board members.

Non-management Director Appointment Process

- Non-management 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. The composition and skills of the Board is also reviewed as part of the annual Board evaluation process;
- 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; and
- 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.

Board Evaluation

The Nomination & Corporate Governance Committee is responsible for conducting an annual review of Board effectiveness, the composition of the Board in the context of the skills, knowledge, experience and diversity required, the operation and performance of the Chairman, the Board and its Committees, and the effectiveness of Board communications. The Senior Independent Director, who is a member of the Nomination & Corporate Governance Committee, is generally delegated responsibility by the Committee to lead the evaluation process on its behalf. Periodically, the evaluation is supported by an external service provider.

The internal Board performance evaluation conducted in 2023, involved a series of one to one meetings, with a report of the feedback being considered by the Board. A number of minor suggestions were made in the report, including in relation to the structure of pre-read materials, further enhancements to the structure of discussions on strategic topics and building on the successful NYSE listing.

Director Orientation & Continuing Education

The Chairman agrees a tailored and comprehensive induction program with each new non-management Director. New non-management Directors are provided with extensive briefing materials on the Company and its operations, the procedures relating to the Board and its Committees and their duties and responsibilities as Directors under legislation and regulations that apply to the Company.

Directors regularly receive copies of research and analysis conducted on the Company and the building materials sector, and receive relevant industry, economic and geo-political updates. Directors are provided with regular training on compliance and ethics matters, while updates in relation to other relevant matters, for example, changes in company law, are provided from time to time.

In addition, two Board site visits each year are leveraged to gain a detailed understanding of CRH's business model and strategy. The site visits in 2023 were to operations in Poland and Canada.

Shareholder Engagement

Engagement with our investors helps us better understand their expectations for our financial and sustainability performance. Over the past 12 months, the Chairman held meetings with shareholders holding approximately 40% of CRH's issued share capital on corporate governance matters, during which he outlined the Board's priorities and perspectives and sought to ascertain shareholders' views on a wide range of topics such as:

- The NYSE listing, including detail around the transition, improvement in brand awareness and the factors that influence U.S. index inclusion;
- Our strategy in the United States and Europe and the success of our integrated solutions strategy;
- Capital allocation policies and M&A priorities;
- Succession planning, and the process being followed at the senior management level;
- Board composition, and the areas of focus for refreshment following the U.S. listing;
- The process to review our Executive compensation structures; and
- Our approach to sustainability considering the differing European and United States regulatory regimes and progress towards our 2030 targets.

The feedback from these meetings was provided to the Board and relevant Committees.

Employee Engagement and Organization Culture

Members of the Nomination & Corporate Governance Committee hold a number of employee engagement sessions during the year. These are a mix of in person and virtual sessions.

The results from organizational health surveys are reported to the Board, while reports on the operation of CRH's Hotline are reported to the Audit Committee and Safety, Environment & Social Responsibility Committee (SESR).

Succession Planning

Succession planning continues to be a focus for the Board. In particular, while no decisions have been made regarding timing or candidates, the Board has a well-defined process for managing Chief Executive succession in the medium-term, with plans for short-term emergency candidates if required for any circumstances.

Committees of the Board

The Board has established five permanent Committees to assist in the execution of its responsibilities:

- Acquisitions, Divestments and Finance;
- Audit;
- Compensation;
- Nomination & Corporate Governance; and
- Safety, Environment & Social Responsibility.

Ad hoc Committees are formed from time to time to deal with specific matters.

The responsibilities of each of the Board's Committees, which are summarized below, are set out in detail in their respective Charters and which are available on the CRH website, www.crh.com.

Acquisition, Divestments and Finance Committee

Chairman	Members	Primary Responsibilities
Richie Boucher	Caroline Dowling Rick Fearon Johan Karlström Shaun Kelly Badar Khan Albert Manifold Jim Minter Siobhán Talbot	<ul style="list-style-type: none">• Consider and approve acquisitions and divestitures and large capital expenditure projects up to agreed limits• Consider, at the request of management, the financial requirements of the Company and to agree with management appropriate funding arrangements• Consider and make recommendations to the Board in relation to the issue and buyback of shares and debt instruments and on the Company's financing arrangements, as appropriate• As required, consider and make recommendations to the Board in relation to dividend levels on the Ordinary Shares• Keep the Board advised on financial implications of Board decisions in relation to acquisitions• Approve guarantees related to bank financing provided by CRH plc up to certain limits• Assist management, at their request, in considering any financial or taxation aspect of the Company's affairs• Review the Company's insurance arrangements.
		Summary of Principal Activities in 2023
		The Committee met 4 times during 2023, with the key areas of focus being the consideration and approval of a number of acquisitions and divestitures, which further enhance the Company's integrated solutions strategy.

Audit Committee

Chairman	Members	Primary Responsibilities
Shaun Kelly*	Caroline Dowling Rick Fearon* Badar Khan Siobhán Talbot* Christina Verchere	<ul style="list-style-type: none"> Monitor the integrity of the financial statements of the Company, its periodic filings under the Exchange Act, its annual report and financial statements prepared in accordance with Irish company law, preliminary results' announcements, and any other formal announcement relating to its financial performance, reviewing, and reporting to the Board on, significant financial reporting issues and judgments which they contain, having regard to the matters communicated to it by the auditor. Monitor the audit of the financial statements Review and discuss the Company's annual and audited financial statements, quarterly financial statements and SEC filings that contain such financial statements with management and the independent auditor, including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in its annual and quarterly periodic filings with the SEC Keep under review the effectiveness of the Company's internal financial controls and the internal control and risk management systems and review and approve statements to be included in the Annual Report concerning internal control and risk management Establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, or other violations of the Company's Code of Business Conduct Review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and review the Company's procedures and systems for detecting fraud and preventing bribery Keep under review the adequacy of the Company's compliance function Monitor and review the effectiveness of the internal audit function Review the effectiveness of the audit process and the independence and objectivity of the external auditor. Develop and monitor the policy on non-audit services to be provided by the external auditor. Approve the remuneration and terms of engagement of the external auditor. Make recommendations to the Board in relation to the appointment or removal of the external auditor Report to the Board on how it has discharged its responsibilities.

Summary of Principal Activities in 2023

The Committee met 6 times during 2023, with the key areas of focus being the following:

- Considering the impact of CRH's transition to a primary listing on the NYSE, and the related move to quarterly reporting, on the Company's financial reporting and internal control processes
- Recommended to the Board that it approve the interim and full year results statements and the 2022 Annual Report
- Reviewed and discussed with management and Deloitte the Company's reporting on climate-related risks, including the impact on the Company's accounting judgments, disclosures and financial statements, including their alignment with CRH's carbon emissions reduction targets
- Reviewed management's impairment testing methodology and processes, including key judgment areas, assumptions and alignment with our carbon emissions reduction targets
- Having received confirmation of their willingness to continue in office, recommended to the Board Deloitte's continuance in office for the 2024 financial year. Their continuance will be subject to a non-binding advisory vote at the 2024 Annual General Meeting
- Approved the Internal Audit Charter and audit plan for 2023
- Received regular updates from the Head of Internal Audit on the delivery of the 2023 internal audit plan
- Reviewed an assessment by management of the effectiveness of the Company'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 Company's business.

* Financial Experts under relevant SEC rules.

Compensation Committee

Chairman	Members	Primary Responsibilities
Lamar McKay	Richie Boucher Caroline Dowling Johan Karlström Shaun Kelly Gillian Platt Mary Rhinehart	<ul style="list-style-type: none"> • Making recommendations to the Board with respect to the compensation and incentive compensation and equity-based plans for executive officers (other than the Chief Executive) that are subject to Board approval • Being directly responsible for reviewing and approving corporate goals and objectives relevant to compensation of the Chief Executive, evaluating his or her performance in light of those goals and objectives, and determining and approving the Chief Executive's compensation level • Determining the total individual compensation package of the Chairman • Being exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any compensation consultants who advise the Committee, and for obtaining reliable, up-to-date information about compensation in other comparable companies • Approving the design of, and determining the financial and non-financial targets for, any short-term performance-related pay schemes operated by the Company and approving the total annual payments made under such schemes. The Committee shall additionally review the design of all long-term share incentive plans for approval by the Board and shareholders, as applicable • Preparing such reports and other disclosures as may be required by applicable law and regulation to be prepared by the Committee, including disclosure required under Item 407(e)(5) of Regulation S-K and disclosure required to be prepared by the Committee for inclusion in the Company's annual proxy statement.
Summary of Principal Activities in 2023		
<p>The Committee met 6 times during 2023, with the key areas of focus being the following:</p> <ul style="list-style-type: none"> • Considered and approved salary increases for the executive Directors • Considered and approved the vesting and grant of awards under the Company's short-term and long-term share incentive schemes • Considered and approved updates to the executive Directors service contracts. 		

Nomination & Corporate Governance Committee

Chairman	Members	Primary Responsibilities
Richie Boucher	Badar Khan Lamar McKay Gillian Platt Mary Rhinehart Siobhán Talbot	<ul style="list-style-type: none"> • Identifying and nominating for the approval of the Board (i) candidates to fill Board vacancies as and when they arise, and (ii) Board nominees to stand for election as directors at the annual or, as applicable special meeting of shareholders • Reviewing the independence of each Director and making recommendations to the Board regarding independence • Considering succession planning for Directors and other senior executives • Keeping under review the leadership needs of the Company, both management and non-management, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace • Approving the terms of reference for any external person or agency engaged to facilitate the evaluation of Board performance and overseeing the annual performance evaluation process of Company management and of the Board, including its committees • Developing, and recommending to the Board, corporate governance guidelines applicable or appropriate to the Company and keeping under review corporate governance developments • Through the Chairman of the Board or through the Chairman of the Committee, ensuring that the Company maintains contact as required with its principal shareholders about corporate governance matters • Reviewing the disclosures and statements made in the report to shareholders on corporate governance contained in CRH's required regulatory disclosures, including its Annual Report • Reviewing and determining whether to approve any proposed transaction or ratify any transaction involving the Company and a related person which would be required to be disclosed under the rules of the SEC.
Summary of Principal Activities in 2023		
<p>The Committee met 4 times during 2023, with the key areas of focus being the following:</p> <ul style="list-style-type: none"> • Reviewed and monitored the structure, size, composition and balance of skills on the Board • Recommended the appointment of Ms. C. Verchere to the Board • Recommended various updates in relation to the memberships of the Board's Committees • Considered and recommended to the Board the approval of CRH's Governance Guidelines following CRH's transition to a primary listing on the NYSE • In conjunction with the Board, oversight of the succession planning process for executives. 		

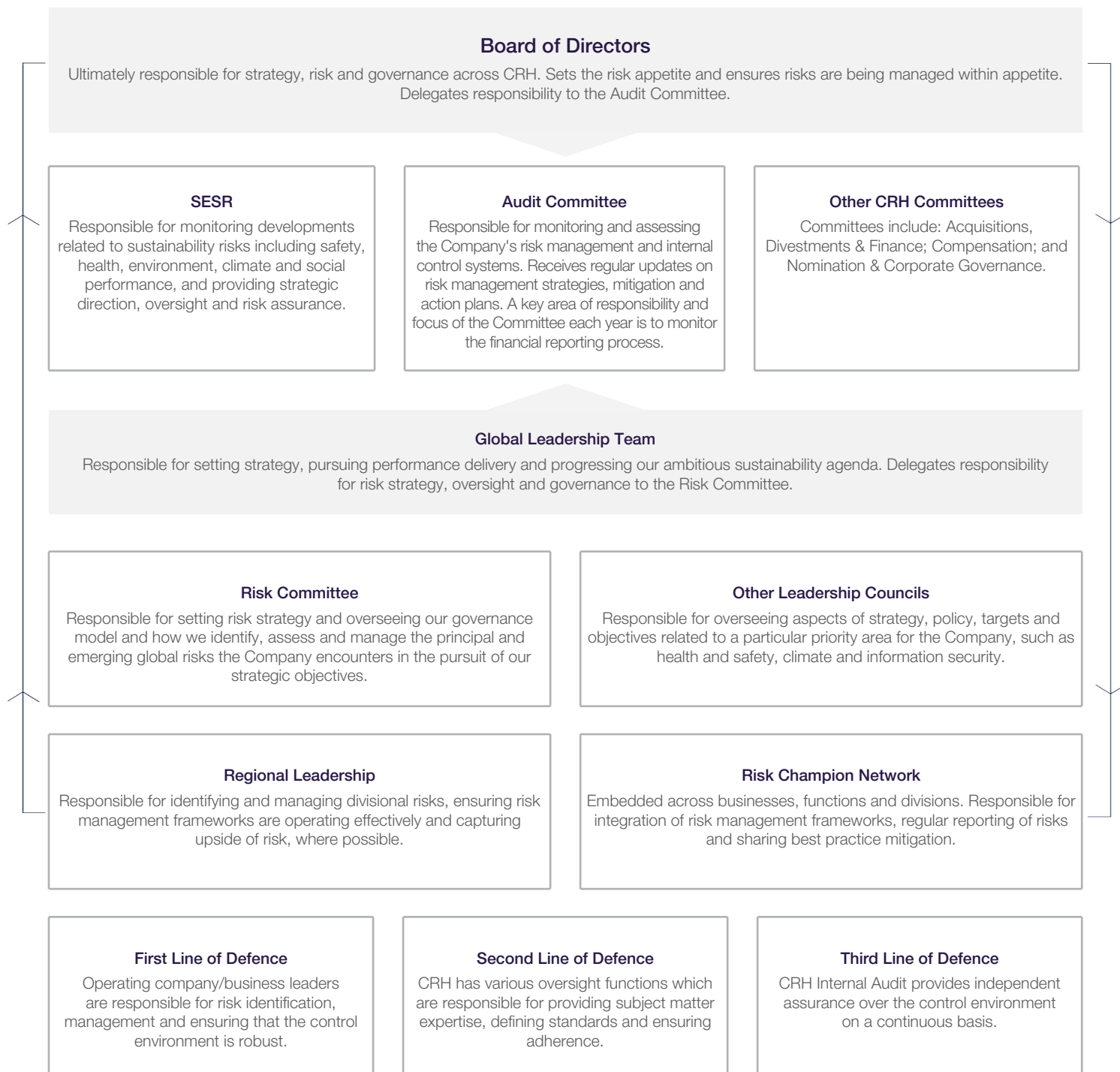
Safety, Environmental and Social Responsibility Committee

Chairman	Members	Primary Responsibilities
Mary Rhinehart	Richie Boucher Rick Fearon Johan Karlström Lamar McKay Albert Manifold Gillian Platt Christina Verchere	<ul style="list-style-type: none"> Monitoring the work of management to ensure that the Company's global health and safety policies and procedures are in line with best practice Reviewing and tracking performance against the Company's targets in the areas of health, safety, environment and social responsibility Monitoring management's strategies and action plans relating to health and safety, the environment and social responsibility Keeping under review developments in health and safety, the environment and social responsibility that may impact on the Company Reviewing, at least annually, the safety, environment and social responsibility performance of the Company and report to the Board on any significant trends or developments Reviewing the findings resulting from audits of safety and environment performance across the Company Reviewing management's implementation of recommendations to improve performance in areas under the responsibility of the Committee As agreed with management, making periodic visits to locations worldwide in order to become familiar with the nature of the operations Reviewing and approving any reports on Safety, Environment and Social Responsibility in public documents such as the annual Sustainability Report.
Summary of Principal Activities in 2023		
		<p>The Committee met 5 times during 2023, with the key areas of focus being the following:</p> <ul style="list-style-type: none"> Reviewed and monitored CRH's sustainability and climate-related targets, actions and performance Considered and approved the publication of the 2022 Sustainability Report and the inclusion of sustainability disclosures in the 2022 Annual Report.

Risk Oversight

In accordance with Section 167(7) of the Companies Act 2014, the Board has delegated responsibility for monitoring the effectiveness of the Company's risk management and internal control systems to the Audit Committee.

Internal Control and risk management systems in relation to the financial reporting process



Sustainability Oversight

Board Oversight

Sustainability, including addressing the impact of climate change, is embedded in the Company's strategy and business model. The Board recognizes the importance of addressing the challenges of climate change and believes that the Company is well placed to provide the value driven solutions to help solve global challenges (such as water, circularity and decarbonization) by designing and innovating our products, services and solutions to capture further value and accelerate growth across CRH. 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 Company's climate strategy, the linkage between the Company's remuneration policies and practices and the Company's sustainability (and climate-related) objectives, stakeholder expectations, the regulatory environment and CRH's carbon emissions reduction targets at the majority of meetings during 2023. The business opportunities and challenges for CRH and our customers from mitigating and managing the impact of climate change, whilst driving sustainability, form an integral part of discussions on the Company'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 Committee meeting. The table below provides a high-level summary of the Board's oversight of climate-related risks and opportunities during 2023.

Management Responsibility

The Chief Executive is responsible for the operational and profit performance of the Company 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 Company, 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 Company'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 Company's organization structure, including how responsibilities feed through each level, see our Risk Governance Framework on page 27.

Board and Committees Activities during 2023

	Climate-related Roles & Responsibilities	Principal Actions during 2023
Board	Ultimate responsibility for all risks, including climate-related risks and opportunities, and the delivery of our environmental targets.	<ul style="list-style-type: none"> Considered and approved CRH's risk appetite and tolerance framework Considered reports from the SESR Committee on sustainability-related matters Considered and approved acquisitions and capital expenditure projects that further enhance our integrated sustainable solutions strategy During site visits in Poland and Canada the Board observed sustainability related investments and projects in operation.
Acquisitions, Divestments and Finance Committee	Reviewing the strategic rationale and impact of proposed acquisitions, divestitures and large capital expenditure projects.	<ul style="list-style-type: none"> Within the thresholds set out in the Committee's charter, considered and approved acquisitions and capital expenditure projects that further enhance our integrated sustainable solutions strategy.
Audit Committee	Monitoring and assessing the Company's risk management processes (including climate risk) and internal control systems across the Company.	<ul style="list-style-type: none"> Received and considered regular updates on the Company'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 Company's accounting judgments, disclosures, processes and financial statements.
Compensation Committee	Designing incentive structures which support the achievement of the key strategic priorities such as our climate and sustainability objectives.	<ul style="list-style-type: none"> Considered and finalized appropriate sustainability-related targets for inclusion in the Company's 2023 Performance Share Plan.
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.	<ul style="list-style-type: none"> Actively reviewed and monitored the structure, size, composition and balance of skills on the Board Recommended to the Board that Ms. C. Verchere be appointed as a Director.
SESR Committee	Monitoring developments related to sustainability, including climate, and providing strategic direction, oversight and support to the Board.	<ul style="list-style-type: none"> Received and considered updates and reported to the Board on the Company's sustainability-related targets, actions and performance Monitored management's strategies and actions plans relating to health and safety, the environment and social responsibility, including inclusion and diversity programs Considered and approved the publication of the 2022 Sustainability Report and the inclusion of sustainability related disclosures in the 2022 Annual Report.

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.

Annual General Meeting

The AGM of the Company will take place at the Royal Marine Hotel, Dun Laoghaire, Co. Dublin, Ireland on Thursday, April 25, 2024 at 11.00 a.m. local time. The Notice of Meeting, which includes a description of the business to be transacted at the Annual General Meeting, will be made available on the Company's website, www.crh.com.

Statement Of Directors' Responsibilities

The Directors as at the date of this report, whose names are listed on page 19, are responsible for preparing the Annual Report 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 CRH plc, the Parent Company, and of the Company, and of the profit or loss of the Company taken as a whole for that period (the 'Consolidated Financial Statements').

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

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgments and estimates that are reasonable and prudent;
- (c) 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
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that to the best of their knowledge they have complied with the above requirements in preparing the 2023 Annual Report and Consolidated Financial Statements.

The considerations set out above for the Company are also required to be addressed by the Directors in preparing the financial statements of the Parent Company (which are set out on pages 115 to 119), 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- (a) so far as they are aware, there is no relevant audit information of which the Company's statutory auditor is unaware; and
- (b) 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
February 28, 2024

Independent auditor's report to the members of CRH plc

Report on the audit of the financial statements

Opinion on the financial statements of CRH plc (the 'Parent Company') and its subsidiaries (the 'Group')

In our opinion the Group and Parent Company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Group and Parent Company as at December 31, 2023 and of the profit of the Group for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

the Group financial statements:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Balance Sheet;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Statement of Cash Flows; and
- the related notes 1 to 33, including material accounting policy information as set out at the beginning of the notes.

the Parent Company financial statements:

- the Parent Company Balance Sheet;
- the Parent Company Statement of Changes in Equity; and
- the related notes 1 to 13, including material accounting policy information as set out in note 2.

The relevant financial reporting framework that has been applied in the preparation of the Group financial statements is the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union ("the relevant financial reporting framework"). The relevant financial reporting framework that has been applied in the preparation of the Parent Company financial statements is the Companies Act 2014 and FRS 101 "Reduced Disclosure Framework" issued by the Financial Reporting Council ("the relevant financial reporting framework").



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none">• Intangible assets - Philippines cash generating unit (Group only); and• Revenue - Revenue recognition for certain long-term contracts (Group only). <p>Within this report, any new key audit matters are identified with  and any key audit matters which are the same as the prior year are identified with .</p>
Materiality	<p>The Group materiality that we used in the current year was \$205 million, which was determined on the basis of profit before tax from continuing operations as the primary benchmark.</p> <p>The materiality that we used for the Parent Company financial statements was determined on the basis of total equity/net assets and represents approximately 1% of that metric.</p>
Scoping	<p>We structured our approach to the audit to reflect how the Group is organized as well as ensuring our audit was both effective and risk-focused.</p> <p>Our scope covered 34 components. Of these, 3 were full-scope audits, 17 were subject to specific procedures on certain account balances by component audit teams or the Group audit team, and the remaining 14 were subject to substantive analytical procedures performed centrally by the Group audit team.</p>
Significant changes in our approach	<p>There have been no significant changes in our approach from the prior year audit.</p>

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the Group's controls over the development and approval of the projections and assumptions used in the cash flow forecasts to support the going concern assumption and testing the operating effectiveness of these controls;
- testing the clerical accuracy of the cash flow forecast model;
- performing an assessment of the financing facilities, including the nature of facilities and their maturity profile;
- completing an assessment and challenging the consistency of the forecasts with other areas of our audit, such as the models used in the assessment of the carrying value of goodwill;
- performing a look back analysis of the historical accuracy of forecasts prepared by management;
- assessing the appropriateness of the sensitivity analysis prepared by management; and
- assessing the adequacy of the disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter description


The Group recorded an impairment charge of \$0.3 billion in the Philippines cash generating unit (CGU) during the year ended December 31, 2023 (2022: \$nil).

The Group's evaluation of the carrying value of goodwill for impairment involves the comparison of the recoverable amount of each CGU to its carrying value. The Group used the value-in-use approach, which deploys a discounted cash flow model to estimate the recoverable amount. This requires management to make significant estimates and assumptions relating to discount rates, short-term forecasts of sales growth, Adjusted EBITDA margin projections, and long-term growth rates (key assumptions). Changes in these key assumptions could have a significant impact on the recoverable amount, the amount of any goodwill impairment charge, or both.

We determined that the assessment of the carrying value of goodwill of the Philippines CGU was a key audit matter because of the significant judgments and assumptions made by management to estimate the recoverable amount of the CGU given the recoverable amount does not exceed the carrying value by a significant amount. Performing audit procedures to evaluate the reasonableness of management's key assumptions required a high degree of auditor judgment and an increased extent of audit effort, including the need to involve our fair value specialists.

How the scope of our audit responded to the key audit matter


Our audit procedures related to the discount rate, short-term forecasts of sales growth, Adjusted EBITDA margin projections, and long-term growth rate of the Philippines CGU, used by management to estimate the recoverable amount of the CGU included the following, among others:

- We tested the effectiveness of controls over management's goodwill impairment evaluation, including those over the recoverable amount of the Philippines CGU, such as controls related to management's selection of discount rates, short-term forecasts of sales growth, Adjusted EBITDA margin projections, and long-term growth rates.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the valuation methodology and discount rate for the Philippines CGU by:
 - assessing the valuation methodology compared to generally accepted valuation practices and accounting standards; and
 - developing a range of independent estimates and comparing those to the discount rate selected by management
- We agreed the underlying cash flow forecasts to the Board approved projections and we evaluated management's ability to accurately forecast future sales growth and Adjusted EBITDA margin projections by:
 - performing a look-back analysis and comparing actual results to management's historical forecasts;
 - assessing the reasonableness of the impact of macroeconomic activity on short-term cash flows;
 - comparing management's forecasts against independent third-party economic and industry projections; and
 - comparing internal Group communications to management and the Board against the cash flow forecasts to evaluate for consistency
- We compared the actual results for the year ended December 31, 2023 to management's forecasts at the date of the annual impairment test to determine if any additional indicators of impairment existed
- We evaluated the potential impact of climate change, and in particular the Group's 2030 CO₂ emissions reduction target, on the Adjusted EBITDA margin
- We evaluated the disclosures related to goodwill and assessed the assumptions used in the impairment assessment for consistency with the impairment models and other information presented in the Annual Report.

Key observations


Based on the procedures performed, we have determined management's assumptions used in the assessment of the carrying value of goodwill associated with the Philippines CGU to be reasonable.

We concluded that the related disclosures provided in the Group Financial Statements are appropriate.

Key audit matter description



The Group recognizes long-term contract revenue over the contract term as the work progresses because transfer of control and the fulfillment of performance obligations to the customer is continuous. Revenue derived from long-term contracts, measured on a percentage of completion basis and in-progress at the balance sheet date involves judgment, particularly as it relates to the process of estimating total forecasted costs of the contracts.

We identified revenue recognition for long-term contracts, measured on a percentage of completion basis and in-progress at the balance sheet date (certain long-term contracts) as a key audit matter because of the judgments made by management in estimating total forecasted costs of the contracts. This required extensive audit effort due to the complexity of certain long-term contracts and required a high degree of auditor judgment when performing audit procedures to audit management's estimates and evaluating the results of those procedures.

How the scope of our audit responded to the key audit matter



Our audit procedures related to management's recognition of revenue for certain long-term contracts at the balance sheet date included the following, among others:

- We tested the effectiveness of controls over long-term contract revenue, including management's controls over the estimates of total forecasted costs.
- We selected a sample of long-term contracts and:
 - assessed whether the contracts were properly included in management's calculation of long-term contract revenue based on the terms and conditions of each contract, including whether continuous transfer of control to the customer occurred as progress was made toward fulfilling the performance obligation;
 - tested the accuracy and completeness of the costs incurred to date for the performance obligation to supporting documentation;
 - evaluated management's ability to estimate total costs accurately by:
 - comparing costs incurred to date to the costs management estimated, at either the inception of the contract or the start of the reporting period, to be incurred to date;
 - evaluating management's ability to accurately estimate the total cost by performing corroborating inquiries with the Group's project managers, and comparing the estimates to management's work plans, engineering specifications, and supplier contracts; and
 - comparing management's estimates for the selected contracts to costs of similar performance obligations, when applicable; and
 - tested the mathematical accuracy of management's calculation of revenue for the performance obligation.

Key observations



Based on the procedures performed, we are satisfied that revenue recognized at the balance sheet date in respect of certain long-term contracts is appropriate and reasonable when assessed against our own independent expectations and our assessment of the accuracy of historical estimates against actual costs.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

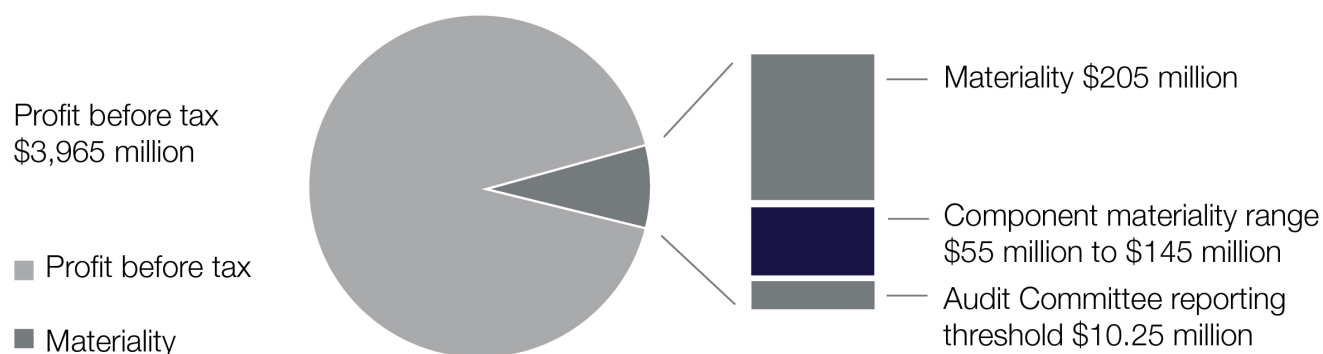
Our application of materiality

Materiality

We define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements								
Materiality	\$205 million (2022: \$170 million)	\$90 million (2022: \$83 million)								
Basis for determining materiality	The materiality that we used for the Group financial statements was determined on the basis of profit before tax from continuing operations and represents 5.2% of that metric.	The materiality that we used for the Parent Company financial statements was determined on the basis of total equity/net assets and represents approximately 1 % of that metric.								
Rationale for the benchmark applied	<p>We conducted an assessment to determine the financial statement items of most importance to investors and analysts by reading analyst reports and CRH's communication to shareholders. This resulted in us selecting profit before tax from continuing operations as the most appropriate benchmark.</p> <p>Moreover, profit before tax from continuing operations is traditionally considered the most appropriate benchmark for listed entities. Group materiality represents:</p> <table><tr><td>Metric</td><td>%</td></tr><tr><td>PBT from continuing operations</td><td>5.2%</td></tr><tr><td>Adjusted EBITDA*</td><td>3.2%</td></tr><tr><td>Revenue</td><td>0.6%</td></tr></table>	Metric	%	PBT from continuing operations	5.2%	Adjusted EBITDA*	3.2%	Revenue	0.6%	The Parent Company holds the Group's investments and is not in itself profit-oriented. The strength of the balance sheet is the key measure of financial health that is important to shareholders since the primary concern for the Parent Company is the payment of dividends. Using a benchmark of equity/net assets is therefore the most appropriate metric.
Metric	%									
PBT from continuing operations	5.2%									
Adjusted EBITDA*	3.2%									
Revenue	0.6%									



* Adjusted EBITDA which is defined as earnings from continuing operations before interest, taxes, depreciation, depletion, amortization, impairment charges, gain/loss on divestitures, income/loss from equity method investments and substantial acquisition-related costs.

Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements. Performance materiality was set at 80% of each of Group and Parent Company materiality for the 2023 audit (2022: 80%). In determining the current year performance materiality, we considered the following factors:

- (a) the quality of the control environment and whether we were able to rely on controls;
- (b) the amount and nature of control deficiencies;
- (c) the nature, volume and size of misstatements (corrected and/or uncorrected) in the previous audit;
- (d) prior period adjustments or errors found in the current year; and
- (e) our assessment of engagement risk.

Error reporting threshold

We agreed with the Audit Committee that we would report to them any audit differences in excess of \$10.25 million (2022: \$8.5 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Identification and scoping of components

The Group consists of four operating and reporting segments; it has a decentralized structure and an international footprint. As a result, a significant portion of audit planning time was spent to ensure that the scope of our work is appropriate to address the Group's identified risks of material misstatement.

- In-scope locations were identified based on their contribution to the applicable benchmarks i.e. revenue, total assets and profit before tax from continuing operations.
- We focused our Group audit scope primarily on the audit of 3 components (3 components in 2022) which were subject to full scope integrated audit procedures performed by local audit teams to a component materiality (Scope A). 17 components (17 components in 2022) were subject to specified integrated audit procedures on prescribed balances and specific controls that have been performed by component teams or the Group audit team to component materiality (Scope B), and the remaining 14 (15 components in 2022) were subject to defined audit procedures consisting of focused risk assessments and analytical reviews performed centrally by the Group audit team (Scope C).
- Data analytics were performed centrally and used extensively in selecting the components and addressing the residual entities based on the considerations listed. In addition, we analyzed disaggregated financial data related to residual entities not subject to full or specified scope audit procedures in order to identify any unusual movements or relationships.
- Our audit work for all components was executed at levels of materiality applicable to each individual component which were lower than Group materiality and ranged from \$55 million to \$145 million.

Working with other auditors

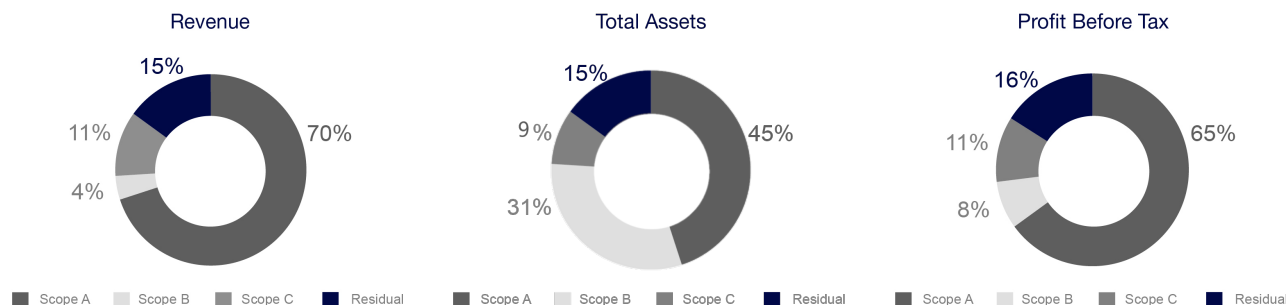
The Group audit team planned its site visits to component auditors based on a variety of factors including size of entity and number of significant risks. Oversight and guidance are provided to the component auditors through a combination of:

- issuance of Group referral instructions;
- upfront team briefings to all component teams;
- site visits (physical and virtual); and
- risk assessment discussions and detailed workpaper reviews.

These are designed so that the Lead Audit Partner or a senior member of the Group audit team visits all key locations across the Group. In addition, we assess the competence of our component auditors.

A combination of physical and virtual site visits were performed at key locations during the year.

We held regular meetings with management at a regional and Group level in order to update our understanding of the Group and its environment on an ongoing basis.



We classify components according to the following scoping categories:

1. Scope A – Full scope integrated audit procedures have been performed by local audit teams to a component materiality. These are financially significant to the Group and include risks relevant to the Group audit.
2. Scope B – Specified integrated audit procedures on prescribed balances and specific controls have been performed by component teams or the Group audit team to component materiality. Scope B also contains Risks of Material Misstatements and associated procedures performed at Group level. The Scope B entities are not individually financially significant to the Group.
3. Scope C – Defined audit procedures consisting of focused risk assessments and analytical reviews have been performed by the Group audit team. The Scope C entities are not individually financially significant to the Group.
4. Residual – As Risks of Material Misstatements have been determined to be remote for components and balances included in the residual, the Group engagement team performs analytical procedures, which are not substantive in nature, to determine whether the audit risk has been reduced to an acceptable level.

Our consideration of the control environment

We tested the effectiveness of internal controls over financial reporting across all in-scope entities and entity level controls at the Group level. Given the importance of information technology ("IT") to the recording of financial information and transactions, we have tested General IT controls relating to certain of the Group's IT systems where relevant to our audit work. We were able to place reliance on controls where planned and it was more efficient.

Our consideration of climate-related risks

In planning our audit, we have considered the potential impacts of the climate-related risks identified by management on the Group's business and its financial statements.

The Group has set out their 2030 carbon reduction target on page 120. The Group have also identified climate change and policy as part of their principal operational risks and uncertainties on pages 10 to 12. They have set out the potential impacts of their physical risks and transitional risks on their business on page 11 to 12 and their Taxonomy eligible economic activities on page 133.

As part of our audit, we have obtained management's climate-related risk assessment and made inquiries of management to understand their process for considering the impact of climate-related risks. The Group reflected the impact of stated 2030 carbon reduction target on assumptions used in setting key estimates recorded in the financial statements in accordance with IFRS requirements.

We have performed our own risk assessment of the potential impact of the 2030 carbon reduction target outlined by the Group and how they may affect judgments and estimates included in the financial statements. The main climate-related implications considered as part of our audit relate to the impact of climate change on cash flow projections underlying intangible assets. These projections include assumptions on costs of carbon and future capital expenditure required to meet the 2030 carbon reduction target. Our audit procedures were performed with the involvement of our sustainability and valuation specialists. We also challenged how the directors considered climate change in their assessment of going concern.

We assessed if the assumptions used by the directors in the financial statements were consistent with their 2030 carbon reduction target and as set out in their accounting policies, on pages 44 to 45.

We have also read the Group's disclosure of climate-related information in the Annual Report, including the TCFD disclosures listed on pages 120 to 137.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at:

<https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the board and presented to the Audit Committee on December 5, 2023;
- results of our enquiries of management, internal audit and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, fair value, pensions, IT, mineral reserves and sustainability specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (Ireland), we are required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group and the Parent Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Irish Companies Act 2014, the UK Listing Rules for Standard Listing, and reporting obligations under U.S. securities laws. The Group is also subject to various statutes, regulations, and laws applicable to businesses generally in the countries and markets in which it operates.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group and Parent Company's ability to operate or to avoid a material penalty. These include statutes, regulations and laws affecting land usage, zoning, labor and employment practices, competition/anti-trust, financial reporting, taxation, anti-fraud and theft, anti-bribery, anti-corruption, international trade compliance, governance, data protection and data privacy and security, environmental, health and safety, and international trade and sanctions laws and other matters.

Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the tax authorities; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Parent Company were sufficient to permit the financial statements to be readily and properly audited.
- In our opinion, information and returns adequate for our audit have been received from branches of the Parent Company not visited by us.
- The Parent Company Balance Sheet is in agreement with the accounting records.
- In our opinion the information given in those parts of the directors' report as specified for our review is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in those parts of the directors' report as specified for our review.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Muschamp

For and on behalf of Deloitte Ireland LLP

Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

February 28, 2024

Notes: *An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial statements since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.*

Legislation in Ireland governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

Consolidated Income Statement

for the financial year ended December 31, 2023

		2023 \$m	2022 \$m
Notes			
1,2	Revenue	34,949	32,723
4	Cost of sales	(22,919)	(21,844)
	Gross profit	12,030	10,879
4	Operating costs	(7,743)	(6,935)
2,5,7	Operating profit	4,287	3,944
2,6	Loss on divestitures	–	(99)
	Profit before finance costs	4,287	3,845
9	Finance costs	(457)	(401)
9	Finance income	206	65
9	Other financial expense	(54)	(40)
15	Loss from equity method investments	(17)	–
2	Profit before tax from continuing operations	3,965	3,469
10	Income tax expense	(941)	(785)
	Profit for the financial year from continuing operations	3,024	2,684
3	Profit after tax for the financial year from discontinued operations	–	1,190
	Profit for the financial year	3,024	3,874
	<i>Profit/(loss) attributable to:</i>		
	Equity holders of the Company		
	From continuing operations	3,130	2,657
	From discontinued operations	–	1,190
	Non-controlling interests		
	From continuing operations	(106)	27
	Profit for the financial year	3,024	3,874
12	Basic earnings per Ordinary Share	\$4.32	\$5.07
12	Diluted earnings per Ordinary Share	\$4.29	\$5.03
12	Basic earnings per Ordinary Share from continuing operations	\$4.32	\$3.50
12	Diluted earnings per Ordinary Share from continuing operations	\$4.29	\$3.48

Consolidated Statement of Comprehensive Income

for the financial year ended December 31, 2023

		2023	2022
		\$m	\$m
Notes			
	Profit for the financial year	3,024	3,874
	Other comprehensive income		
	<i>Items that may be reclassified to profit or loss in subsequent years:</i>		
	Currency translation effects	343	(641)
25	(Losses)/gains relating to cash flow hedges	(59)	66
10	Tax relating to cash flow hedges	8	(14)
		292	(589)
	<i>Items that will not be reclassified to profit or loss in subsequent years:</i>		
28	Remeasurement of retirement benefit obligations	(44)	279
10	Tax relating to retirement benefit obligations	15	(63)
		(29)	216
	Total other comprehensive income for the financial year	263	(373)
	Total comprehensive income for the financial year	3,287	3,501
	Attributable to:		
	Equity holders of the Company	3,390	3,520
	Non-controlling interests	(103)	(19)
	Total comprehensive income for the financial year	3,287	3,501

Consolidated Balance Sheet

as at December 31, 2023

		2023	2022
		\$m	\$m
Notes			
	ASSETS		
	Non-current assets		
13	Property, plant and equipment	19,116	18,921
14	Intangible assets	10,199	10,287
15	Equity method investments	620	649
15	Other financial assets	81	14
17	Other receivables	181	164
28	Retirement benefit assets	248	261
25	Derivative financial instruments	1	3
27	Deferred income tax assets	115	88
	Total non-current assets	30,561	30,387
	Current assets		
16	Inventories	4,291	4,194
17	Trade and other receivables	4,792	4,569
	Current income tax recoverable	93	63
25	Derivative financial instruments	47	39
23	Cash and cash equivalents	6,341	5,936
3	Assets held for sale	1,272	–
	Total current assets	16,836	14,801
	Total assets	47,397	45,188
	EQUITY		
	Capital and reserves attributable to the Company's equity holders		
29	Equity share capital	296	302
29	Preference share capital	1	1
29	Treasury Shares and own shares	(2,199)	(297)
	Other reserves	398	380
	Cash flow hedging reserve	(42)	5
	Foreign currency translation reserve	(352)	(692)
	Retained income	23,420	21,992
	Capital and reserves attributable to the Company's equity holders	21,522	21,691
31	Non-controlling interests	521	646
	Total equity	22,043	22,337
	LIABILITIES		
	Non-current liabilities		
20	Lease liabilities	1,211	1,059
24	Interest-bearing loans and borrowings	9,776	8,145
25	Derivative financial instruments	58	77
27	Deferred income tax liabilities	2,715	2,868
18	Other payables	651	691
28	Retirement benefit obligations	254	277
26	Provisions for liabilities	771	845
	Total non-current liabilities	15,436	13,962
	Current liabilities		
20	Lease liabilities	286	260
18	Trade and other payables	6,106	5,872
	Current income tax liabilities	774	702
24	Interest-bearing loans and borrowings	1,866	1,491
25	Derivative financial instruments	27	51
26	Provisions for liabilities	464	513
3	Liabilities associated with assets classified as held for sale	395	–
	Total current liabilities	9,918	8,889
	Total liabilities	25,354	22,851
	Total equity and liabilities	47,397	45,188

R. Boucher, A. Manifold, Directors

Consolidated Statement of Changes in Equity

for the financial year ended December 31, 2023

		Attributable to the equity holders of the Company								
		Issued share capital	Treasury Shares/ own shares	Other reserves	Cash flow hedging reserve	Foreign currency translation reserve	Retained income	Total	Non-controlling interests	Total equity
		\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Notes										
At January 1, 2023		303	(297)	380	5	(692)	21,992	21,691	646	22,337
Profit for the financial year		–	–	–	–	–	3,130	3,130	(106)	3,024
Other comprehensive income		–	–	–	(59)	340	(21)	260	3	263
Total comprehensive income		–	–	–	(59)	340	3,109	3,390	(103)	3,287
8	Share-based payment expense	–	–	123	–	–	–	123	–	123
29	Shares acquired by CRH plc (Treasury Shares)	–	(1,955)	–	–	–	281	(1,674)	–	(1,674)
29	Treasury Shares/own shares reissued	–	6	–	–	–	(6)	–	–	–
29	Shares acquired by Employee Benefit Trust (own shares)	–	(64)	–	–	–	–	(64)	–	(64)
29	Shares distributed under the Performance Share Plan Awards	–	111	(111)	–	–	–	–	–	–
29	Shares acquired and cancelled by CRH plc	(6)	–	6	–	–	(1,048)	(1,048)	–	(1,048)
	Hedging losses transferred to inventory	–	–	–	12	–	–	12	–	12
10	Tax relating to cash flow hedges	–	–	–	–	–	(3)	(3)	–	(3)
10	Tax relating to share-based payment expense	–	–	–	–	–	29	29	–	29
	Share option exercises	–	–	–	–	–	4	4	–	4
11	Dividends	–	–	–	–	–	(938)	(938)	(20)	(958)
	Transactions involving non-controlling interests	–	–	–	–	–	–	–	(2)	(2)
At December 31, 2023		297	(2,199)	398	(42)	(352)	23,420	21,522	521	22,043
for the financial year ended December 31, 2022										
At January 1, 2022		310	(195)	445	–	(97)	19,770	20,233	681	20,914
Profit for the financial year		–	–	–	–	–	3,847	3,847	27	3,874
Other comprehensive income		–	–	–	66	(595)	202	(327)	(46)	(373)
Total comprehensive income		–	–	–	66	(595)	4,049	3,520	(19)	3,501
	Reclassifications	–	–	–	35	–	(35)	–	–	–
8	Share-based payment expense	–	–	101	–	–	–	101	–	101
29	Shares acquired by CRH plc (Treasury Shares)	–	(1,170)	–	–	–	17	(1,153)	–	(1,153)
29	Treasury Shares/own shares reissued	–	24	–	–	–	(24)	–	–	–
29	Shares acquired by Employee Benefit Trust (own shares)	–	(8)	–	–	–	–	(8)	–	(8)
29	Shares distributed under the Performance Share Plan Awards	–	173	(173)	–	–	–	–	–	–
29	Cancellation of Treasury Shares	(7)	879	7	–	–	(879)	–	–	–
	Hedging gains transferred to inventory	–	–	–	(96)	–	–	(96)	–	(96)
10	Tax relating to cash flow hedges	–	–	–	–	–	17	17	–	17
10	Tax relating to share-based payment expense	–	–	–	–	–	(3)	(3)	–	(3)
	Share option exercises	–	–	–	–	–	11	11	–	11
11	Dividends	–	–	–	–	–	(931)	(931)	(13)	(944)
	Transactions involving non-controlling interests	–	–	–	–	–	–	–	(3)	(3)
At December 31, 2022		303	(297)	380	5	(692)	21,992	21,691	646	22,337

Consolidated Statement of Cash Flows

for the financial year ended December 31, 2023

	2023	2022
	\$m	\$m
Notes Cash flows from operating activities		
Profit for the financial year	3,024	3,874
9 Finance costs (net)	305	382
Loss from equity method investments	17	–
Profit on disposals (including disposal of other long-lived assets)	(66)	(1,422)
13,20 Depreciation and depletion charge	1,717	1,644
14 Amortization of intangible assets	139	113
13,14 Impairment charge	357	–
8 Share-based payment expense	123	101
Income tax expense	941	1,155
Other	(105)	42
19 Net movement in inventories, receivables, payables and provisions	4	(518)
Cash generated from operations	6,456	5,371
Interest paid (including leases)	(461)	(374)
Corporation tax paid	(959)	(1,043)
Net cash inflow from operating activities	5,036	3,954
Cash flows from investing activities		
Proceeds from disposals (net of cash disposed and deferred proceeds)	104	3,827
9 Interest received	206	65
15 Dividends received from equity method investments	44	36
13 Purchase of property, plant and equipment	(1,817)	(1,523)
30 Acquisition of subsidiaries (net of cash acquired)	(640)	(3,253)
15 Other investments and advances	(87)	(45)
21 Net cash flow arising from derivative financial instruments	(1)	(11)
19 Deferred and contingent acquisition consideration paid	(33)	(32)
19 Deferred divestiture consideration received	6	52
Net cash outflow from investing activities	(2,218)	(884)
Cash flows from financing activities		
Proceeds from exercise of share options	4	11
Transactions involving non-controlling interests	(2)	(3)
21 Increase in interest-bearing loans and borrowings	3,163	38
21 Net cash flow arising from derivative financial instruments	7	(11)
21 Repayment of interest-bearing loans and borrowings	(1,462)	(364)
20 Repayment of lease liabilities (i)	(255)	(249)
29 Ordinary Shares/Treasury Shares/own shares purchased	(3,067)	(1,178)
11 Dividends paid to equity holders of the Company	(940)	(917)
11 Dividends paid to non-controlling interests	(20)	(13)
Net cash outflow from financing activities	(2,572)	(2,686)
Increase in cash and cash equivalents	246	384
Reconciliation of opening to closing cash and cash equivalents		
Cash and cash equivalents at January 1	5,936	5,783
Translation adjustment	208	(231)
Increase in cash and cash equivalents	246	384
23 Cash and cash equivalents at December 31	6,390	5,936

(i) Repayment of lease liabilities amounted to \$302 million (2022: \$297 million), of which \$47 million (2022: \$48 million) related to interest paid which is presented in cash flows from operating activities.

Accounting Policies

(including key accounting estimates and assumptions)

This document constitutes both the Annual Report and the Financial Statements in accordance with Irish and certain relevant UK requirements.

Basis of Preparation

The Consolidated Financial Statements of CRH plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, which comprise standards and interpretations approved by the International Accounting Standards Board (IASB). IFRS as adopted by the European Union differ in certain respects from IFRS as issued by the IASB. However, the differences have no impact on the Consolidated Financial Statements for the financial years presented. The Consolidated Financial Statements are also prepared in compliance with the Companies Act 2014 and Article 4 of the EU IAS Regulation.

CRH plc, the Parent Company, is a publicly traded limited company incorporated and domiciled in the Republic of Ireland.

The Consolidated Financial Statements, which are presented in U.S. Dollar millions, have been prepared under the historical cost convention as modified by the measurement at fair value of share-based payments, retirement benefit obligations and certain financial assets and liabilities including derivative financial instruments.

The Consolidated Financial Statements have been prepared on a going concern basis. The Directors acknowledge that based on their review of the Company's activities, cash flows, liquidity position and borrowing facilities for the financial year ended December 31, 2023 and having assessed the principal risks facing the Company, the Board of Directors has a reasonable expectation that CRH plc, and the Company as a whole, has adequate financial and other resources to continue in operational existence and will be able to meet its liabilities as they fall due over the 12-month going concern period.

The accounting policies set out below have been applied consistently by all of the Company's subsidiaries, joint ventures and associates to all periods presented in the Consolidated Financial Statements.

Certain prior year disclosures have been amended to conform to current year presentation. An amount of \$50 million relating to the profit on disposal of long-lived assets has been reclassified in the Consolidated Income Statement from loss on divestitures to operating costs in the year ended December 31, 2022 to align with current year presentation. This has a corresponding impact on Operating profit but no impact on total Profit for the financial year or any other financial statement line items for the year ended December 31, 2022.

In accordance with Section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting its individual profit and loss account to the Annual General Meeting and from filing it with the Registrar of Companies.

Adoption of IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations

The following new standards and standard amendments became effective for the Company as of January 1, 2023:

- IFRS 17 *Insurance Contracts*
- Amendments to IAS 1 *Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality judgments* – Disclosure of Accounting Policies
- Amendments to IAS 12 *Income Taxes* – Deferred Tax Related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 *Income Taxes* – International Tax Reform – Pillar Two Model Rules
- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* – Definition of Accounting Estimates

The new standard and standard amendments did not result in a material impact on the Company's results.

IFRS and IFRIC interpretations being adopted in subsequent years

The following standard amendments will become effective for the Company as of January 1, 2024:

- Amendments to IFRS 16 *Leases* – Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 *Presentation of Financial Statements* – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendments to IAS 7 *Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures* – Disclosures: Supplier Finance Arrangements

The Company has evaluated the impact of these standard amendments on future periods and it is not expected to be material.

There are no other IFRS or IFRIC interpretations that are effective subsequent to the 2023 financial year-end that are expected to have a material impact on the results or financial position of the Company.

Impact of Climate Change and Carbon Emissions Reduction Targets

Climate change risks including the impact of achieving the Company's carbon emissions reduction targets and the other risks identified in the TCFD disclosures on pages 125 to 132 have been considered and assessed in the preparation of the Consolidated Financial Statements for the year ended December 31, 2023. There has been no material impact identified on the estimates and underlying assumptions made in the preparation of the Company's Consolidated Financial Statements as a result of climate change risks. In line with the application of our accounting policies, estimates and underlying assumptions are reviewed on an ongoing basis as we continue to develop and implement our strategy to meet our carbon emissions reduction targets. The table below provides details of where further information has been provided in these Consolidated Financial Statements.

Climate Change and Carbon Emissions Reduction Targets References	Pages
Impairment testing of goodwill and property, plant and equipment	45, 78
Useful lives of assets	50, 76
Provisions for liabilities	51
Inventories	52
Retirement Benefit Obligations	102

The Directors are aware of the ever-changing risks attached to climate change and regularly assess these risks against judgments and estimates made in the preparation of the Company's Consolidated Financial Statements.

Key Accounting Policies which involve Estimates, Assumptions and Judgments

The preparation of the Consolidated Financial Statements in accordance with IFRS requires management to make certain estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates, assumptions and judgments upon which it relies are reasonable based on the information available to it at the time that those estimates, assumptions and judgments are made. In some cases, the accounting treatment of a particular transaction is specifically dictated by IFRS and does not require management's judgment in its application.

Management considers that their use of estimates, assumptions and judgments in the application of the Company's accounting policies are inter-related and therefore discuss them together below with the major sources of estimation uncertainty. No significant judgments were required in the current year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates may be necessary if there are changes in the circumstances or experiences on which the estimate was based or as a result of new information. The critical accounting policies, which involve significant estimates, assumptions or judgments, the actual outcome of which could have a material impact on the Company's results and financial position outlined below, are as follows:

Impairment of goodwill and property, plant and equipment – Notes 13 and 14

Goodwill

In the year in which a business combination is effected and where some or all of the goodwill allocated to a particular cash-generating unit (CGU) arose in respect of that combination, the CGU is tested for impairment prior to the end of the relevant annual period.

Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist.

Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs of disposal and value-in-use), an impairment loss is recognized by writing down goodwill to its recoverable amount.

Major sources of estimation uncertainty: Adjusted EBITDA margin, long-term growth and pre-tax discount rates

The impairment testing process requires management to make significant judgments and estimates regarding the future cash flows expected to be generated by CGUs to which goodwill has been allocated. In assessing value-in-use, net cash flow forecasts are extrapolated using **long-term growth rates** to determine the basis for an annuity-based terminal value. These net cash flow forecasts reflect volume, price and cost (including the cost of carbon where applicable) assumptions in addition to other cash flow movements. **Adjusted EBITDA margin** is deemed an appropriate measure for assessing the estimation uncertainty associated with price and cost assumptions. Future cash flows, including the terminal value, are discounted to their present value using a **pre-tax discount rate** that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax. Management periodically evaluates and updates the estimates based on the conditions which influence these variables.

The assumptions and conditions for determining impairments of goodwill reflect management's best assumptions and estimates, but these items involve inherent uncertainties described above, many of which are not under management's control.

As a result, the accounting for such items could result in different estimates or amounts if management used different assumptions or if different conditions occur in future accounting periods. A detailed discussion of the impairment methodology applied, key assumptions used and related sensitivity analyses by the Company in the context of goodwill is provided in note 14 to the Consolidated Financial Statements.

The recoverable amount of goodwill is determined by reference to the CGU to which the goodwill has been allocated. Impairment losses arising in respect of goodwill are not reversed once recognized.

Goodwill relating to associates and joint ventures is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment. Where indicators of impairment of an investment arise in accordance with the requirements of IAS 36 *Impairment of Assets*, the carrying amount is tested for impairment by comparing its recoverable amount with its carrying amount.

Property, plant and equipment

The carrying values of items of property, plant and equipment are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

Property, plant and equipment assets are reviewed for potential impairment by applying a series of external and internal indicators specific to the assets under consideration. These indicators encompass macroeconomic issues including the inherent cyclicality of the building materials sector, actual obsolescence or physical damage, a deterioration in forecast performance in the internal reporting cycle and restructuring and rationalization programs. Consideration is also given to climate change and policy risks and uncertainties as set out on page 11, as well as to the actions required to deliver the Company's carbon emissions reduction targets when reviewing assets for potential impairment. A detailed discussion on this consideration is provided in note 13 to the Consolidated Financial Statements.

Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs of disposal and value-in-use), an impairment loss is recognized by writing down the assets to their recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined by reference to the CGU to which the asset belongs.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU for which the future cash flow estimates have not been adjusted. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax.

Retirement benefit obligations – Note 28

Costs arising in respect of the Company's defined contribution pension schemes are charged to the Consolidated Income Statement in the period in which they are incurred. The Company has no legal or constructive obligation to pay further contributions in the event that the fund does not hold sufficient assets to meet its benefit commitments.

The liabilities and costs associated with the Company's defined benefit pension schemes (both funded and unfunded) are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the balance sheet date.

Major sources of estimation uncertainty: Discount rates

The assumptions underlying the actuarial valuations (including **discount rates**, rates of increase in future compensation levels, mortality rates and healthcare cost trends), from which the amounts recognized in the Consolidated Financial Statements are determined, are updated annually based on current economic conditions and for any relevant changes to the terms and conditions of the pension and post-retirement plans. These assumptions can be affected by (i) for the **discount rates**, changes in the rates of return on high-quality corporate bonds; (ii) for future compensation levels, future labor market conditions and (iii) for healthcare cost trend rates, the rate of medical cost inflation in the relevant regions. The weighted average actuarial assumptions used and sensitivity analysis in relation to the significant assumptions employed in the determination of pension and other post-retirement liabilities are contained in note 28 to the Consolidated Financial Statements.

The assumptions that are the most significant to the measurement of retirement benefit obligations are the **discount rates**. The **discount rates** employed in determining the present value of the schemes' liabilities are determined by reference to market yields at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations.

Whilst management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect the obligations and expenses recognized in future accounting periods. The assets and liabilities of defined benefit pension schemes may exhibit significant period-on-period volatility attributable primarily to changes in bond yields and longevity. In addition to future service contributions, significant cash contributions may be required to remediate past service deficits.

The net surplus or deficit arising on each of the Company's defined benefit pension schemes, are shown either within non-current assets or non-current liabilities in the Consolidated Balance Sheet. The deferred tax impact of pension scheme surpluses and deficits is disclosed separately within deferred tax assets or liabilities as appropriate.

Remeasurements, comprising actuarial gains and losses, the return on plan assets (excluding net interest) and changes in the effect of the asset ceiling (if any, excluding net interest), are recognized immediately in the Consolidated Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The defined benefit pension asset or liability in the Consolidated Balance Sheet comprises the total for each plan of the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Fair value is based on market price information and, in the case of published quoted securities, it is the published bid price. The value of any defined benefit asset is limited to the present value of any economic benefits available in the form of refunds from the plan and reductions in the future contributions to the plan.

Defined benefit pension surpluses are recognized as assets to the extent that they are considered recoverable, which is generally by way of a refund or lower future employer contributions. Where there is no unconditional right to a refund or reduction in future contributions, we restrict the assets of the scheme by applying the asset ceiling test, which limits the net defined benefit surplus to the present value of available refunds and reductions in future contributions to the plan.

The Company's obligation in respect of post-employment healthcare and life assurance benefits represents the amount of future benefit that employees have earned in return for service in the current and prior periods. The obligation is computed on the basis of the projected unit credit method and is discounted to present value using a discount rate equating to the market yield at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and estimated term of the post-employment obligations.

Other Material Accounting Policies

Basis of consolidation

The Consolidated Financial Statements include the financial statements of the Parent Company and all subsidiaries drawn up to December 31 each year, and the Company's share of the results of joint ventures and associates which are accounted for using the equity method. The financial year-ends of the Company's subsidiaries, joint ventures and associates are coterminous.

Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. A change in the ownership interest of a subsidiary without a change in control is accounted for as an equity transaction.

When the Company holds less than the majority of voting rights, other facts and circumstances including contractual arrangements that give the Company power over the investee may result in the Company controlling the investee. The Company reassesses whether it controls an investee if, and when, facts and circumstances indicate that there are changes to the elements evidencing control.

Non-controlling interests represent the portion of the equity of a subsidiary not attributable either directly or indirectly to the Parent Company and are presented separately in the Consolidated Income Statement and within equity in the Consolidated Balance Sheet, distinguished from Parent Company shareholders' equity. Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognized as a result of such transactions. On an acquisition by acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Equity method investments – associates and joint ventures – Note 15

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of the arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company's investments in its associates and joint ventures are accounted for using the equity method from the date significant influence/joint control is deemed to arise until the date on which significant influence/joint control ceases to exist or when the interest becomes classified as an asset held for sale.

The Consolidated Income Statement reflects the Company's income/loss from equity method investments. Investments in associates and joint ventures are carried in the Consolidated Balance Sheet at cost adjusted in respect of post-acquisition changes in the Company's share of net assets, less any impairment in value. Loans advanced to associates or joint ventures form part of the net investment in the associate or joint venture held in the Consolidated Balance Sheet. The Company applies IFRS 9 *Financial Instruments*, including the impairment requirements, to these loans as the equity method does not apply. If necessary, impairment losses on the carrying amount of an investment are reported within the Company's share of equity method investments' results in the Consolidated Income Statement. If the Company's share of losses exceeds the carrying amount of an associate or joint venture, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Company has incurred obligations in respect of the associate or joint venture.

Joint operations

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

The Company's investments in its joint operations are accounted for by recognizing its assets and its liabilities, including its share of any assets or liabilities held jointly; its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly.

Revenue recognition – Note 1

The Company recognizes revenue in the amount of the price expected to be received for goods and services supplied at a point in time or over time, as contractual performance obligations are fulfilled and control of goods and services passes to the customer. It excludes trade discounts and value-added tax/sales tax.

Revenue derived from sale of goods (sources other than construction contracts)

The Company manufactures and supplies a diverse range of building materials and products. While there is a number of different activities across the Company, recognition of revenue from the sale of goods is similar, being recognized at the point in time when control is deemed to pass to the customer on leaving a CRH premises or on delivery to a customer depending on the terms of the sale. Contracts do not contain multiple performance obligations (as defined by IFRS 15 *Revenue from Contracts with Customers*).

Across the Company, goods are often sold with discounts or rebates based on cumulative sales over a period. This variable consideration is only recognized when it is highly probable that it will not be subsequently reversed and is recognized using the most likely amount or expected value methods, depending on the individual contract terms. In the application of appropriate revenue recognition, judgment is exercised by management in the determination of the likelihood and quantum of such items based on experience and historical trading patterns.

Revenue derived from construction contracts

The Company enters into a number of construction contracts, to complete large construction projects. Contracts usually commence and complete within one year and are generally fixed price, but may be subject to indexation and/or escalation clauses that can either increase or decrease the final transaction price.

The Company typically recognizes revenue within its construction contract businesses over time, as it performs its obligations. Management believe this best reflects the transfer of control to the customer by providing a faithful depiction of primarily the enhancement of a customer controlled asset or the construction of an asset with no alternative use.

The percentage-of-completion method is used to recognize revenue when the outcome of a contract can be estimated reliably. The percentage-of-completion is calculated using an input method and based on the proportion of contract costs incurred at the balance sheet date relative to the total estimated costs of the contract. In all of our construction contract arrangements, the Company has an enforceable right to payment for work and performance obligations completed to date.

Some of the Company's construction contracts may contain forms of variable consideration that can either increase or decrease the transaction price. Variable consideration is estimated based on the most likely amount or expected value methods (depending on the contract terms) and the transaction price is adjusted to the extent it is highly probable that a significant reversal of revenue recognized will not occur.

In some instances revenue is recognized in the period subsequent to the contracted work being completed when there is final certainty over the remaining element of variable consideration.

Recognition of contract assets and liabilities

In our construction contract businesses, amounts are billed as work progresses in accordance with pre-agreed contractual terms. When a performance obligation is satisfied but a customer has not yet been billed, a contract asset (unbilled revenue) is recognized and included within Trade and Other Receivables (note 17). Retentions (representing the percentage of consideration due which is retained by the customer until certain contractual activities are completed) are also a common feature of construction contracts and are recognized as a contract asset within Trade and Other Receivables when we have a right to consideration in exchange for the completion of the contract. Retentions are consistent with industry norms and the purpose of these is not to provide a form of financing. Apart from retentions, the Company does not have any construction contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Company applies the practical expedient in IFRS 15 and does not adjust any of its transaction prices for the time value of money.

When consideration is received in advance of work being performed, or we have billed an amount to a customer that is in excess of revenue recognized on the contract, a contract liability is recognized within Trade and Other Payables (note 18), and the revenue is generally recognized in the subsequent period when the right to recognize revenue has been determined. As a result, advance payments received for construction contract arrangements are not considered a significant form of financing.

Cumulative costs incurred, net of amounts transferred to cost of sales, after deducting onerous provisions, provisions for contingencies and payments on account not matched with revenue, are included as construction contract balances in inventories (note 16). Cost includes all expenditure directly related to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity. The Company's contracts are generally for a duration of less than one year and therefore the Company does not capitalize incremental contract costs; instead expensing as incurred, as permitted by the practical expedient under IFRS 15.

Onerous contracts and warranties

When a contract is identified as being onerous (i.e. its unavoidable cost exceeds the economic benefit of the contract), a provision is created; being the lower of costs to complete the contract and the cost of exiting the contract. The Company recognizes a provision for assurance-type (standard) warranties offered across the Company under its terms and conditions in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The Company provides assurance-type warranties for general repairs and does not typically provide service-type (extended) warranties.

Segment reporting – Note 2

Operating segments are reported in a manner consistent with the internal organizational and management structure and the internal reporting information provided to the Chief Operating Decision Maker who is responsible for allocating resources and assessing performance of the operating segments.

Assets and liabilities held for sale – Note 3

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within 12 months from the date of classification as held for sale.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. The Company ceases to use the equity method of accounting from the date on which an interest in a joint venture or associate becomes held for sale. Non-current assets classified as held for sale and liabilities directly associated with those assets are presented separately as current items in the Consolidated Balance Sheet.

Discontinued operations – Note 3

Discontinued operations are reported when a component of the Company, that represents a separate major line of business or geographical area of operation, has been divested of, or when a sale is highly probable; its operations and cash flows can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Company and is classified as held for sale or has been divested of. The Company classifies a non-current asset or disposal group as held for sale if its carrying value will be recovered through a sale transaction or distribution to shareholders rather than continuing use.

In the Consolidated Income Statement, discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations. Corresponding notes to the Consolidated Income Statement exclude amounts for discontinued operations, unless stated otherwise.

Share-based payments – Note 8

The Company operates a number of equity-settled share-based payment plans. Details of these plans, together with the nature of the underlying market and non-market performance and other vesting conditions are outlined in note 8. The Company has no material exposure in respect of cash-settled share-based payment transactions and share-based payment transactions with cash alternatives.

Awards under Performance Share Plans

20% of the awards under the 2014 Performance Share Plan are subject to a TSR (and hence market-based) vesting condition measured against a tailored sector peer group. Accordingly, the fair value assigned to the related equity instruments at the grant date is derived using a Monte Carlo simulation technique to model the market-based performance conditions, and is adjusted to reflect the anticipated likelihood as at the grant date of achieving the vesting condition. Awards are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The remaining awards granted under the 2014 Performance Share Plan are subject to non-market-based vesting conditions; 45% are subject to a cumulative cash flow target; 20% are subject to a RONA metric; and 15% are subject to a sustainability and diversity scorecard metric. The fair value of the awards is calculated as the market price of the shares at the date of grant. No expense is recognized for awards that do not ultimately vest. At the balance sheet date the estimate of the level of vesting is reviewed and any adjustment necessary is recognized in the Consolidated Income Statement.

If awards which vest under the 2014 Performance Share Plan are allotted to an Employee Benefit Trust, an increase in nominal share capital and share premium is recognized accordingly on allotment.

Savings-related Share Option Scheme

The fair values assigned to options under the Savings-related Share Option Scheme are derived in accordance with the trinomial valuation methodology on the basis that the services to be rendered by employees as consideration for the granting of share options will be received over the vesting period, which is assessed as at the grant date.

The cost is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Consolidated Income Statement expense/credit for a period represents the movement in cumulative expense recognized at the beginning and end of that period. The cumulative charge to the Consolidated Income Statement is reversed only where an employee in receipt of share options leaves service prior to completion of the expected vesting period and those options forfeit in consequence.

Where an award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Company or the employee are not met. All cancellations of awards are treated equally.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The dilutive effect of outstanding options is reflected as additional share dilution in the determination of diluted earnings per share.

Taxation – current and deferred – Notes 10 and 27

Current tax represents the expected tax payable (or recoverable) on the taxable profit for the year using tax rates enacted for the period. Where items are accounted for outside of profit or loss, the related income tax is recognized either in other comprehensive income or directly in equity as appropriate.

Deferred tax is recognized using the liability method on temporary differences arising at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. In addition, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. For the most part, no provision has been made for temporary differences applicable to investments in subsidiaries and joint ventures as the Company is in a position to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. However, a temporary difference has been recognized to the extent that specific assets have been identified for sale or where there is a specific intention to unwind the temporary difference in the foreseeable future. Due to the absence of control in the context of associates (significant influence only), deferred tax liabilities are recognized where appropriate in respect of CRH's investments in these entities on the basis that the exercise of significant influence would not necessarily prevent earnings being remitted by other shareholders in the undertaking.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets and liabilities are not subject to discounting. Deferred tax assets are recognized in respect of all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which the temporary differences can be utilized. The carrying amounts of deferred tax assets are subject to review at each balance sheet date and are reduced to the extent that future taxable profits are considered to be inadequate to allow all or part of any deferred tax asset to be utilized.

The Company's income tax charge is based on reported profit and enacted statutory tax rates, which reflect various allowances and reliefs available to the Company in the multiple tax jurisdictions in which it operates. The determination of the Company's provision for income tax requires certain judgments and estimates in relation to matters where the ultimate tax outcome may not be certain. The recognition or non-recognition of deferred tax assets as appropriate also requires judgment as it involves an assessment of the future recoverability of those assets. In addition, the Company 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 the control of the Company. Although management believes that the estimates included in the Consolidated Financial Statements and its tax return positions are reasonable, there is no certainty that the final outcome of these matters will not be different to that which is reflected in the Company's historical income tax provisions and accruals. While possible, the Company does not currently anticipate that any such differences could have a material impact on the income tax provision and profit for the period in which such a determination is made nor does it expect any significant impact on its financial position within the next 12 months. This is based on the Company's knowledge and experience, as well as the profile of the individual components which have been reflected in the current tax liability, the status of the tax audits, enquiries and negotiations in progress at each year-end, previous claims and any factors specific to the relevant tax environments.

Property, plant and equipment – Note 13

The carrying value of property, plant and equipment (excluding leased right-of-use assets) of \$17,695 million at December 31, 2023 represents 37% of total assets at that date. Property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairments except for certain items that had been revalued to fair value prior to the date of transition to IFRS (January 1, 2004).

Repair and maintenance expenditure is included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenditure is charged to the Consolidated Income Statement during the financial year in which it is incurred.

Borrowing costs incurred in the construction of major assets which take a substantial period of time to complete are capitalized in the financial year in which they are incurred.

In the application of the Company's accounting policy, judgment is exercised by management in the determination of residual values and useful lives.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period or method as appropriate on a prospective basis.

Amongst other factors, consideration is given to climate change and policy risks and uncertainties as set out on page 11 when determining the useful lives of assets. The determination of useful lives also considers the Company's carbon emissions reduction targets. Capital expenditure will continue to be required for ongoing projects and the useful lives of future capital expenditure may differ from current assumptions; however, there were no significant changes in the estimates of useful lives during the current financial year.

While future developments in technology may also result in a risk of obsolescence for the Company's current portfolio of plant and machinery assets, the expected timeframe for these developments is not currently anticipated to impact their remaining useful lives as the majority of the Company's plant and machinery assets will be fully depreciated within ten years.

Depreciation and depletion is calculated to write off the book value of each item of property, plant and equipment over its useful economic life on a straight-line basis at the following rates:

Land and buildings

The book value of mineral-bearing land, less an estimate of its residual value, is depleted over the period of the mineral extraction in the proportion which production for the year bears to the latest estimates of proven and probable mineral reserves. Land, other than mineral-bearing land, is not depreciated. In general, buildings are depreciated at 2.5% per annum (p.a.).

Plant and machinery

These are depreciated at rates ranging from 3.3% p.a. to 20% p.a. depending on the type of asset. Plant and machinery includes transport vehicles which are, on average, depreciated at 20% p.a.

Business combinations – Note 30

The Company applies the acquisition method in accounting for business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred (excluding amounts relating to the settlement of pre-existing relationships), the amount of any non-controlling interest in the acquiree and, in a business combination achieved in stages, the acquisition date fair value of the acquirer's previously-held equity interest in the acquiree. Transaction costs that the Company incurs in connection with a business combination are expensed as incurred.

To the extent that settlement of all or any part of consideration for a business combination is deferred, the fair value of the deferred component is determined through discounting the amounts payable to their present value at the date of exchange. The discount component is unwound as an interest charge in the Consolidated Income Statement over the life of the obligation. Any contingent consideration is recognized at fair value at the acquisition date and included in the cost of the acquisition. The fair value of contingent consideration at acquisition date is arrived at through discounting the expected payment to present value. In general, in order for contingent consideration to become payable, pre-defined profit and/or profit/net asset ratios must be exceeded. Subsequent changes to the fair value of the contingent consideration will be recognized in profit or loss unless the contingent consideration is classified as equity, in which case it is not remeasured and settlement is accounted for within equity.

The assets and liabilities arising on business combination activity are measured at their acquisition-date fair values. Contingent liabilities assumed in business combination activity are recognized as of the acquisition date, where such contingent liabilities are present obligations arising from past events and their fair value can be measured reliably. In the case of a business combination achieved in stages, the acquisition date fair value of the acquirer's previously-held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss. When the initial accounting for a business combination is determined provisionally, any adjustments to the provisional values allocated to the consideration, identifiable assets or liabilities (and contingent liabilities, if relevant) are made within the measurement period, a period of no more than one year from the acquisition date.

Goodwill – Note 14

Goodwill arising on a business combination is initially measured at cost, being the excess of the cost of an acquisition over the fair value of the net identifiable assets and liabilities assumed at the date of acquisition and relates to the future economic benefits arising from assets which are not capable of being individually identified and separately recognized. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. If the cost of the acquisition is lower than the fair value of the net assets of the subsidiary acquired, the identification and measurement of the related assets and liabilities and contingent liabilities are revisited and the cost is reassessed with any remaining balance recognized immediately in the Consolidated Income Statement.

The carrying amount of goodwill in respect of associates and joint ventures is included in investments accounted for using the equity method (i.e. within equity method investments) in the Consolidated Balance Sheet.

Where a subsidiary is divested of or terminated through closure, the carrying value of any goodwill of that subsidiary is included in the determination of the net profit or loss on divestiture/termination.

Intangible assets (other than goodwill) arising on business combinations – Note 14

An intangible asset is capitalized separately from goodwill as part of a business combination at cost (fair value at date of acquisition).

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The carrying values of definite-lived intangible assets (the Company does not currently have any indefinite-lived intangible assets other than goodwill) are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

Intangible assets are amortized on a straight-line basis. In general, based on the current composition of definite-lived intangible assets, the useful lives for customer-related intangible assets range from five to twenty years and the useful lives for marketing-related intangible assets range from ten to thirty years.

Amortization periods, useful lives, expected patterns of consumption and residual values are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method as appropriate on a prospective basis.

Provisions for liabilities – Note 26

A provision is recognized when the Company has a present obligation (either legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company anticipates that a provision will be reimbursed, the reimbursement is recognized as a separate asset only when it is virtually certain that the reimbursement will arise. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

The increase in the provision due to the passage of time is recognized as an interest expense.

Contingent liabilities arising on business combinations are recognized as provisions if the contingent liability can be reliably measured at its acquisition date fair value. Provisions are not recognized for future operating losses. Management is not aware of any potential changes to key assumptions that have a significant risk of causing a material adjustment to the carrying value of provisions within the next financial year; however, due to the nature of some of our provisions, estimates may depend on the outcome of future events and may need to be revised as circumstances change in future accounting periods. Refer to note 26 for the expected timing of outflows by provisions category.

Environmental and remediation provisions

The measurement of environmental and remediation provisions is based on an evaluation of currently available facts with respect to each individual site and considers factors such as existing technology, currently enacted laws and regulations and prior experience in remediation of sites. Inherent uncertainties exist in such evaluations primarily due to unknown conditions, changing governmental regulations and legal standards regarding liability, the protracted length of the clean-up periods and evolving technologies.

The environmental and remediation liabilities provided for in the Consolidated Financial Statements reflect the judgment applied by management in respect of information available at the time of determining the liability and are adjusted periodically as remediation efforts progress or as additional technical or legal information becomes available.

The impact of climate change and policy risks and uncertainties as set out on page 11 on environmental and remediation provisions has been considered, specifically the impact on timing and extent of costs and cash outflows. Changes to legislation, including those relating to climate change, are factored into the assessment of provisions when the legislation is virtually certain to be enacted. The Company's carbon emissions reduction targets are also considered in these judgments. The measurement of our provisions is based on reasonable and supportable assumptions that represent management's current best estimate of the range of economic conditions that will exist in the foreseeable future. These assumptions do not have a significant risk of resulting in a material adjustment to the carrying value of these provisions within the next financial year and therefore do not represent a major source of estimation uncertainty.

Due to the inherent uncertainties described above, many of which are not under management's control, actual costs and cash outflows could differ if management used different assumptions or if different conditions occur in future accounting periods.

Legal contingencies

The status of each significant claim and legal proceeding in which the Company is involved is reviewed by management on a periodic basis and the Company's potential financial exposure is assessed. If the potential loss from any claim or legal proceeding is considered probable, and the amount can be reliably estimated, a liability is recognized for the estimated loss.

Because of the uncertainties inherent in such matters, the related provisions are based on the best information available at the time; the issues taken into account by management and factored into the assessment of legal contingencies include, as applicable, the status of settlement negotiations, interpretations of contractual obligations, prior experience with similar contingencies/claims, and advice obtained from legal counsel and other third parties. As additional information becomes available on pending claims, the potential liability is reassessed and revisions are made to the amounts accrued where appropriate. Such revisions in the judgments and estimates of the potential liabilities could have an impact on the results of operations and financial position of the Company in future accounting periods.

Insurance provisions

Insurance provisions are subject to actuarial valuation and are based on actuarial triangulations which are extrapolated from historical claims experience. These provisions include claims which are classified as "incurred but not reported", the status of which are reviewed periodically by management, in conjunction with appropriately qualified advisors. Changes in actuarial methodologies and assumptions, along with the receipt of new information, could have an impact on the financial position of the Company through recognition of additional, or release of, provisions in future accounting periods.

Leases – Notes 13 and 20

The Company enters into leases for a range of assets, principally relating to property. These property leases have varying terms, renewal rights and escalation clauses, including periodic rent reviews linked with a consumer price index and/or other indices. The Company also leases plant and machinery, vehicles and equipment. The terms and conditions of these leases do not impose significant financial restrictions on the Company.

A contract contains a lease if it is enforceable and conveys the right to control the use of a specified asset for a period of time in exchange for consideration, which is assessed at inception. A right-of-use asset and lease liability are recognized at the commencement date for contracts containing a lease, with the exception of leases with a term of 12 months or less which do not contain a purchase option, leases where the underlying asset is of low value and leases with associated payments that vary directly in line with usage or sales. The commencement date is the date at which the asset is made available for use by the Company.

The lease liability is initially measured at the present value of the future lease payments, discounted using the incremental borrowing rate or the interest rate implicit in the lease, if this is readily determinable, over the remaining lease term. Lease payments include fixed payments less any lease incentives receivable, variable payments that are dependent on a rate or index known at the commencement date, amounts expected to be paid under residual value guarantees and any payments for an optional renewal period and purchase and termination option payments, if the Company is reasonably certain to exercise those options. The lease term is the non-cancellable period of the lease adjusted for any renewal or termination options which are reasonably certain to be exercised.

Variable lease payments that do not depend on an index or a rate and rentals relating to low value or short-term leases are recognized as an expense in the period in which they are incurred. Management applies judgment in determining whether it is reasonably certain that a renewal, termination or purchase option will be exercised.

Incremental borrowing rates are calculated using a portfolio approach, based on the risk profile of the entity holding the lease and the term and currency of the lease.

After initial recognition, the lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments or when the Company changes its assessment of whether it is reasonably certain to exercise an option within the contract. A corresponding adjustment is made to the carrying amount of the right-of-use asset.

The right-of-use asset is initially measured at cost, which comprises the lease liability adjusted for any payments made at or before the commencement date, initial direct costs incurred, lease incentives received and an estimate of the cost to dismantle or restore the underlying asset or the site on which it is located at the end of the lease term. The right-of-use asset is depreciated over the lease term or, where a purchase option is reasonably certain to be exercised, over the useful economic life of the asset in line with depreciation rates for owned property, plant and equipment. The right-of-use asset is tested periodically for impairment if an impairment indicator is considered to exist.

Non-lease components in a contract such as maintenance and other service charges are separated from lease payments and are expensed as incurred.

Inventories – Note 16

Inventories are stated at the lower of cost and net realizable value. Cost is based on the first-in/first-out principle or weighted average principle and includes all expenditure incurred in acquiring the inventories and bringing them to their present location and condition. Raw materials are valued on the basis of purchase cost on a first-in/first-out basis. In the case of finished goods and work-in-progress, cost includes direct materials, direct labor and attributable overheads based on normal operating capacity and excludes borrowing costs.

Net realizable value is the estimated proceeds of sale less all further costs to completion, and less all costs to be incurred in marketing, selling and distribution. Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made, taking into consideration fluctuations of price or cost directly relating to events occurring after the end of the period, the likelihood of short-term changes in buyer preferences, product obsolescence or perishability (all of which are generally low given the nature of the Company's products) and the purpose for which the inventory is held.

Climate change and policy risks and uncertainties as set out on page 11 may also result in additional costs, changes to selling prices or product obsolescence impacting the valuation of inventories in future years. However, due to the short inventory turnover cycle there were no material write-downs of inventories required in this regard during the current financial year.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished goods, in which they will be incorporated, are expected to be sold at or above cost.

Trade and other receivables – Note 17

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company's principal financial assets are its trade and other receivables (including contract assets). Trade and other receivables are recognized when the Company becomes a party to the contract and has a legal right to receive cash. Trade receivables (including contract assets) are carried at original invoice amount, which is equivalent to amortized cost, less an expected credit loss provision.

The Company assesses on a forward looking basis the expected credit losses associated with trade and other receivables at each balance sheet date. The expected credit loss is estimated as the difference between the asset's carrying amount and the present value of the future cash flows the Company expects to receive. Where the present value of such cash flows is lower than the carrying value, the carrying value of the asset is adjusted, with the impairment gain or loss recognized in the Consolidated Income Statement.

Further detail on the Company's methodology for providing for expected credit losses is provided in note 17.

Cash and cash equivalents – Note 23

Cash and cash equivalents comprise cash balances held for the purpose of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are classified as financial assets measured at amortized cost or, in the case of certain money market deposits, fair value through profit or loss.

Bank overdrafts are included within current interest-bearing loans and borrowings in the Consolidated Balance Sheet. Where the overdrafts are repayable on demand and form an integral part of cash management, they are netted against cash and cash equivalents for the purposes of the Consolidated Statement of Cash Flows.

Interest-bearing loans and borrowings – Note 24

All loans and borrowings are initially recorded at the fair value of the consideration received net of directly attributable transaction costs. The computation of amortized cost includes any issue costs and any discount or premium materializing on settlement. Subsequent to initial recognition, current and non-current interest-bearing loans and borrowings are, in general, measured at amortized cost employing the effective interest methodology. Fixed rate loans and borrowings, which have been hedged to floating rates (using interest rate swaps), are measured at amortized cost adjusted for changes in value attributable to the hedged risks arising from changes in underlying market interest rates.

Borrowing costs arising on financial instruments are recognized as an expense in the period in which they are incurred (unless capitalized as part of the cost of property, plant and equipment).

Derivative financial instruments and hedging practices – Note 25

In order to manage interest rate, foreign currency and commodity risks and to realize the desired currency profile of borrowings, the Company employs derivative financial instruments (principally interest rate swaps, currency forwards and currency swaps). Derivative financial instruments are recognized initially at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The carrying value of derivatives is fair value based on discounted future cash flows and adjusted for counterparty risk. Future cash flows are estimated based on observable market data at the valuation date. Fixed and floating rate cash flows are discounted at future interest rates and translated at period-end foreign exchange rates. Short-dated forward foreign exchange contracts are used to hedge the forward foreign exchange risk on currency exposures. The forward price elements to these contracts are excluded from the hedge.

At the inception of a derivative transaction, the Company documents the relationship between the hedged item and the hedging instrument together with its risk management objective and the strategy underlying the proposed transaction. The Company also documents its assessment, both at the inception of the hedging relationship and subsequently on an ongoing basis, of the effectiveness of the hedging instrument in offsetting movements in the fair values or cash flows of the hedged items. Where derivatives do not fulfill the criteria for hedge accounting, changes in fair values are reported in the Consolidated Income Statement and Consolidated Balance Sheet.

Fair value and cash flow hedges

The Company uses fair value hedges and cash flow hedges in its treasury activities. For the purposes of hedge accounting, hedges are classified either as fair value hedges (which entail hedging the exposure to movements in the fair value of a recognized asset or liability or an unrecognized firm commitment that could affect profit or loss) or cash flow hedges (which hedge exposure to fluctuations in future cash flows derived from a particular risk associated with a recognized asset or liability, or a highly probable forecast transaction that could affect profit or loss).

Where the conditions for hedge accounting are satisfied and the hedging instrument concerned is classified as a fair value hedge, any gain or loss stemming from the remeasurement of the hedging instrument to fair value is reported in the Consolidated Income Statement. In addition, any gain or loss on the hedged item which is attributable to the hedged risk is adjusted against the carrying amount of the hedged item and reflected in the Consolidated Income Statement. Where the adjustment is to the carrying amount of a hedged interest-bearing financial instrument, the adjustment is amortized to the Consolidated Income Statement with the objective of achieving full amortization by maturity.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective part of any gain or loss on the derivative financial instrument is recognized as other comprehensive income, net of the income tax effect, with the ineffective portion being reported in the Consolidated Income Statement. The associated gains or losses that had previously been recognized as other comprehensive income are reclassified to the Consolidated Income Statement contemporaneously with the impact of the hedged item, unless the transaction results in the recognition of a non-financial asset or a non-financial liability, in which case the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or the relationship no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognized as other comprehensive income remains there until the forecast transaction occurs. If a hedged transaction is no longer anticipated to occur, the net cumulative gain or loss previously recognized as other comprehensive income is transferred to the Consolidated Income Statement in the period.

Net investment hedges

Where foreign currency swaps provide a hedge against a net investment in a foreign operation, and the hedge is deemed to be effective, foreign exchange differences are taken directly to a foreign currency translation reserve. The ineffective portion of any gain or loss on the hedging instrument is recognized immediately in the Consolidated Income Statement. Cumulative gains and losses remain in equity until disposal of the net investment in the foreign operation at which point the related differences are transferred to the Consolidated Income Statement as part of the overall gain or loss on sale.

Share capital and dividends – Notes 29 and 11

Treasury Shares and own shares

Ordinary Shares acquired by the Parent Company through the share buyback program (Treasury Shares) or purchased by the Employee Benefit Trust on behalf of the Parent Company under the terms of the Performance Share Plans and the Restricted Share Plan (own shares) are deducted from equity and presented on the face of the Consolidated Balance Sheet. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's Ordinary Shares. A financial liability is recorded if a contractual obligation to repurchase shares exists at the balance sheet date.

Dividends

Dividends on Ordinary Shares are recognized as a liability in the Consolidated Financial Statements in the period in which they are declared by the Parent Company and approved by shareholders in respect of final dividends. In respect of interim dividends, a liability is recognized when the Company has an obligation to pay.

Other Reserves

Other Reserves primarily comprise reserves relating to the Company's share-based payments expense.

Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Consolidated Financial Statements are presented in U.S. Dollar, which is the presentation currency of the Company. As disclosed in note 2 of the Parent Company financial statements, the Parent Company changed its functional currency from euro to U.S. Dollar, effective January 1, 2024.

Transactions in foreign currencies are recorded at the rate of exchange in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange in effect at the balance sheet date. All currency translation differences are taken to the Consolidated Income Statement with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognized in other comprehensive income until the disposal of the net investment, at which time they are recognized in the Consolidated Income Statement.

Results and cash flows of subsidiaries, joint ventures and associates with non-U.S. Dollar functional currencies have been translated into U.S. Dollar at average exchange rates for the period, and the related balance sheets have been translated at the rates of exchange in effect at the balance sheet date. Adjustments arising on translation of the results and net assets of non-U.S. Dollar subsidiaries, joint ventures, associates and joint operations are recognized in a separate translation reserve within equity, net of differences on related currency borrowings. All other translation differences are taken to the Consolidated Income Statement. Goodwill and fair value adjustments arising on acquisition of a foreign operation are regarded as assets and liabilities of the foreign operation and are translated accordingly.

Notes on Consolidated Financial Statements

1. Revenue

CRH is a leading provider of building materials solutions that build, connect and improve our world. As the essential partner for road and critical utility infrastructure, commercial building projects and outdoor living solutions, CRH's unique offering of materials, products and value-added services helps to deliver a more resilient and sustainable built environment.

As outlined in note 2, the Company has four operating segments (as identified under *IFRS 8 Operating Segments*) generating revenue through the following activities:

Our **Americas Materials Solutions** segment provides solutions for the construction and maintenance of public infrastructure and commercial and residential buildings in North America. The primary materials produced by this segment include aggregates, cement, readymixed concrete and asphalt. This segment also provides paving and construction services for customers.

Our **Americas Building Solutions** segment manufactures, supplies and delivers solutions for the built environment in communities across North America. Our subsidiaries within this segment offer building and infrastructure solutions serving complex critical utility infrastructure (such as water, energy, transportation and telecommunications projects) and outdoor living solutions for enhancing private and public spaces. The divestiture of our Building Envelope business, formerly part of the Americas Building Solutions segment, was completed in April 2022. As a result, it was classified as discontinued operations in the prior period.

Our **Europe Materials Solutions** segment provides solutions for the construction of public infrastructure and commercial and residential buildings to customers in construction markets in Europe. The primary materials produced in this segment include aggregates, cement, readymixed concrete, asphalt and concrete products.

Our **Europe Building Solutions** segment combines materials, products and services to produce a wide range of architectural and infrastructural solutions for use in the building and renovation of critical utility infrastructure, commercial and residential buildings, and outdoor living spaces for the built environment. This business serves the growing demand across the construction value chain for innovative and value-added products and services.

A. Disaggregated revenue

In the following tables, revenue is disaggregated by primary geographic market and by principal activities and products. To further accelerate the development of the Company's integrated solutions strategy, the Company transitioned to a new organizational structure, effective from January 1, 2023. Accordingly, for the purpose of disaggregation of revenue we have included certain products together, as follows:

The vertically integrated *Essential Materials businesses* manufacture and supply aggregates and cement for use in a range of construction and industrial applications.

Road Solutions support the manufacturing, installation and maintenance of public highway infrastructure projects and commercial infrastructure.

Building and Infrastructure Solutions connect, protect and transport critical water, energy and telecommunications infrastructure and deliver complex commercial building projects.

Outdoor Living Solutions integrate specialized materials, products and design features to enhance the quality of private and public spaces.

Comparative amounts for 2022 have been restated to reflect the new format for disaggregation of revenue.

Revenue from external customers (as defined in IFRS 8) attributable to the country of domicile and all foreign countries of operation greater than 10% are included below. Further operating segment disclosures are set out in note 2.

Year ended December 31

	Americas Materials Solutions	Americas Building Solutions	Europe Materials Solutions	Europe Building Solutions	Total
	2023	2023	2023	2023	2023
	\$m	\$m	\$m	\$m	\$m
Primary geographic markets					
<i>Continuing operations</i>					
Republic of Ireland (country of domicile)	–	–	916	–	916
United Kingdom	–	–	4,090	222	4,312
Rest of Europe (i)	–	–	4,230	2,256	6,486
United States	14,088	6,692	–	150	20,930
Rest of World (ii)	1,347	325	454	179	2,305
Total from continuing operations	15,435	7,017	9,690	2,807	34,949

Year ended December 31

	Americas Materials Solutions	Americas Building Solutions	Europe Materials Solutions	Europe Building Solutions	Total
	2022	2022	2022	2022	2022
	\$m	\$m	\$m	\$m	\$m
Primary geographic markets					
<i>Continuing operations</i>					
Republic of Ireland (country of domicile)	–	–	801	–	801
United Kingdom	–	–	4,003	238	4,241
Rest of Europe (i)	–	3	3,992	2,298	6,293
United States	13,050	5,860	–	178	19,088
Rest of World (ii)	1,274	325	553	148	2,300
Total from continuing operations	14,324	6,188	9,349	2,862	32,723
<i>Discontinued operations</i>					
United Kingdom - Building Envelope	–	7	–	–	7
Rest of Europe (i) - Building Envelope	–	4	–	–	4
United States - Building Envelope	–	576	–	–	576
Rest of World (ii) - Building Envelope	–	58	–	–	58
Total from discontinued operations	–	645	–	–	645

(i) The Rest of Europe principally includes Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Serbia, Slovakia, Spain, Sweden, Switzerland and Ukraine.

(ii) The Rest of World principally includes Australia, Canada and the Philippines.

Year ended December 31

	Americas Materials Solutions	Americas Building Solutions	Europe Materials Solutions	Europe Building Solutions	Total
	2023	2023	2023	2023	2023
	\$m	\$m	\$m	\$m	\$m
Principal activities and products					
<i>Continuing operations</i>					
Essential Materials	4,583	–	4,876	–	9,459
Road Solutions (iii)	10,852	–	4,814	–	15,666
Building & Infrastructure Solutions (iv)	–	2,524	–	2,174	4,698
Outdoor Living Solutions	–	4,493	–	633	5,126
Total from continuing operations	15,435	7,017	9,690	2,807	34,949

Year ended December 31

	Americas Materials Solutions	Americas Building Solutions	Europe Materials Solutions	Europe Building Solutions	Total
	2022	2022	2022	2022	2022
	\$m	\$m	\$m	\$m	\$m
Principal activities and products					
<i>Continuing operations</i>					
Essential Materials	4,160	–	4,625	–	8,785
Road Solutions (iii)	10,164	–	4,724	–	14,888
Building & Infrastructure Solutions (iv)	–	2,379	–	2,252	4,631
Outdoor Living Solutions	–	3,809	–	610	4,419
Total from continuing operations	14,324	6,188	9,349	2,862	32,723
<i>Discontinued operations</i>					
Building & Infrastructure Solutions - Building Envelope	–	645	–	–	645
Total from discontinued operations	–	645	–	–	645

(iii) Revenue from contracts with customers in the Road Solutions principal activities and products category that is recognized over time amounts to \$8,150 million (2022: \$7,605 million); Americas Materials Solutions \$6,146 million (2022: \$5,791 million); Europe Materials Solutions \$2,004 million (2022: \$1,814 million)

(iv) Revenue from contracts with customers in the Building & Infrastructure Solutions principal activities and products category that is recognized over time amounts to \$643 million (2022: \$599 million); Americas Building Solutions \$70 million (2022: \$78 million); Europe Building Solutions \$573 million (2022: \$521 million).

There are no material dependencies or concentrations of individual customers which would warrant disclosure under IFRS 8. The individual entities within the Company have a large number of customers spread across various activities, end-uses and geographies.

B. Contract balances

For information on the Company's construction contract balances, including movements during the year, refer to notes 16, 17 and 18. The increase in contract assets was primarily attributed to revenue recognized on certain contracts partially offset by the timing of billings. The increase in contract liabilities was due to the timing of advance payments and revenue recognized during the period.

C. Unsatisfied long-term construction contracts and other performance obligations

Revenue yet to be recognized from long-term construction contracts, primarily within our Americas Materials Solutions and Europe Materials Solutions businesses, amounted to \$3,725 million at December 31, 2023 (2022: \$3,742 million). The Company has applied the practical expedient set out in IFRS 15 whereby revenue yet to be recognized on contracts that had an original expected duration of less than one year is not disclosed. The majority of open contracts at December 31, 2023 will close and revenue will be recognized within 12 months of the balance sheet date.

2. Segment Information

Effective January 1, 2023 the Company restructured into two Divisions, CRH Americas and CRH Europe. During the first quarter of 2023, the Company's reportable segments increased from three to the following four segments: Americas Materials Solutions, Americas Building Solutions, Europe Materials Solutions and Europe Building Solutions. This realignment reflects the Company's organizational structure in 2023 and the nature of the financial information reported to and assessed by the Chief Executive, Chief Financial Officer and Chief Operating Officer, who are together determined to fulfill the role of Chief Operating Decision Maker (as defined in IFRS 8). Comparative segment information for 2022 has been restated where necessary to reflect the new format for segmentation. No operating segments have been aggregated to form these reportable segments.

The principal factors employed in the identification of the four segments reflected in this note include:

- the Company's organizational structure in 2023 (during 2023 the Divisional President fulfilled the role of "segment manager" as outlined in IFRS 8);
- the nature of the reporting lines to the Chief Operating Decision Maker (as defined in IFRS 8); and
- the structure of internal reporting documentation such as management accounts and budgets.

The Chief Operating Decision Maker monitors the operating results of segments separately in order to allocate resources between segments and to assess performance. Segment performance is evaluated using Adjusted EBITDA which is defined as earnings from continuing operations before interest, taxes, depreciation, depletion, amortization, impairment charges, gain/loss on divestitures, income/loss from equity method investments and substantial acquisition-related costs. Given that net finance costs and income tax are managed on a centralized basis, these items are not allocated between operating segments for the purposes of the information presented to the Chief Operating Decision Maker and are accordingly omitted from the detailed segmental analysis below. There are no asymmetrical allocations to reporting segments which would require disclosure.

A. Operating segments disclosures - Consolidated Income Statement data

	Year ended December 31			
	Revenue		Adjusted EBITDA	
	2023	2022	2023	2022
	\$m	\$m	\$m	\$m
Continuing operations				
Americas Materials Solutions	15,435	14,324	3,146	2,786
Americas Building Solutions	7,017	6,188	1,521	1,283
Europe Materials Solutions	9,690	9,349	1,516	1,255
Europe Building Solutions	2,807	2,862	317	368
Total from continuing operations	34,949	32,723	6,500	5,692
Discontinued operations				
Americas Building Solutions - Building Envelope	–	645	–	131
Total from discontinued operations	–	645	–	131
Continuing operations				
Adjusted EBITDA			6,500	5,692
Substantial acquisition-related costs			–	(27)
Depreciation, depletion, amortization and impairment (i)			(2,213)	(1,721)
Operating profit			4,287	3,944
Loss on divestitures (ii)			–	(99)
Finance costs less income			(251)	(336)
Other financial expense			(54)	(40)
Loss from equity method investments			(17)	–
Profit before tax from continuing operations			3,965	3,469
	(i) Depreciation, depletion, amortization and impairment		(ii) Loss on divestitures (note 6)	
	2023	2022	2023	2022
	\$m	\$m	\$m	\$m
Continuing operations				
Americas Materials Solutions	(909)	(839)	–	–
Americas Building Solutions	(362)	(284)	–	–
Europe Materials Solutions	(821)	(497)	–	(99)
Europe Building Solutions	(121)	(101)	–	–
Total	(2,213)	(1,721)	–	(99)

B. Operating segments disclosures - Consolidated Balance Sheet data

	As at December 31			
	Total assets		Total liabilities	
	2023	2022	2023	2022
	\$m	\$m	\$m	\$m
Americas Materials Solutions	17,526	17,609	3,459	3,227
Americas Building Solutions	7,960	7,750	1,627	1,603
Europe Materials Solutions	10,952	10,843	3,790	3,821
Europe Building Solutions	2,389	2,194	867	866
Total	38,827	38,396	9,743	9,517

Reconciliation to total assets as reported in the Consolidated Balance Sheet:

Equity method investments	620	649
Other financial assets	81	14
Derivative financial instruments (current and non-current)	48	42
Income tax assets (current and deferred)	208	151
Cash and cash equivalents	6,341	5,936
Assets held for sale	1,272	–
Total assets as reported in the Consolidated Balance Sheet	47,397	45,188

Reconciliation to total liabilities as reported in the Consolidated Balance Sheet:

Interest-bearing loans and borrowings (current and non-current)	11,642	9,636
Derivative financial instruments (current and non-current)	85	128
Income tax liabilities (current and deferred)	3,489	3,570
Liabilities associated with assets classified as held for sale	395	–
Total liabilities as reported in the Consolidated Balance Sheet	25,354	22,851

C. Operating segments disclosures - other items

Additions to non-current assets

	Year ended December 31	
	Property, plant and equipment (i) (note 13, 20)	
	2023	2022
	\$m	\$m
<i>Continuing operations</i>		
Americas Materials Solutions	898	752
Americas Building Solutions	446	283
Europe Materials Solutions	627	506
Europe Building Solutions	139	117
Total from continuing operations	2,110	1,658
<i>Discontinued operations</i>		
Americas Building Solutions - Building Envelope	–	29
Total	2,110	1,687

(i) Additions to property, plant and equipment include \$10 million (2022: \$10 million) relating to leased mineral reserves which fall outside the scope of IFRS 16.

D. Information about geographical areas

The non-current assets (as defined in IFRS 8) attributable to the country of domicile and all foreign countries of operation, for which revenue exceeds 10% of total external Company revenue, are set out below.

	As at December 31	
	Non-current assets*	
	2023	2022
	\$m	\$m
Republic of Ireland (country of domicile)	439	530
United Kingdom	2,469	2,268
United States	18,303	18,399
Other	8,724	8,660
Total	29,935	29,857

* Non-current assets comprise property, plant and equipment, intangible assets and equity method investments.

3. Assets Held for Sale and Discontinued Operations

A. Assets held for sale

In November 2023, the Company entered into a sales agreement with SigmaRoc plc. to divest of its Lime operations in Europe for consideration of \$1.1 billion. The transaction was structured in three phases. The first phase of the transaction, comprising the Company's lime operations in Germany, Czech Republic and Ireland, was closed effective January 1, 2024 and the second and third phases comprising the operations of the United Kingdom and Poland respectively, are expected to close in 2024. No impairment loss was recognized on the reclassification of the Lime operations as held for sale. In December 2023, the Company entered into a sales agreement to divest of certain of its cement and materials assets in Canada, which is expected to close in 2024. An impairment of \$30 million has been recognized on the Canadian cement and materials assets in the fourth quarter of 2023 to reflect the reduction to fair value less costs to sell.

The assets associated with these transactions comprise part of our Europe Materials Solutions and Americas Materials Solutions segments, respectively, and met the 'held for sale' criteria set out in IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* and the relevant assets and liabilities have accordingly been reclassified as assets and liabilities held for sale as appropriate as set out in the table below.

	2023
	\$m
Assets	
Property, plant and equipment (note 13, 20)	838
Intangible assets (note 14)	201
Deferred income tax assets (note 27)	10
Inventories (note 19)	102
Trade and other receivables (note 19)	70
Cash and cash equivalents (note 23)	49
Current income tax recoverable	2
Assets held for sale	1,272
Liabilities	
Trade and other payables (note 19)	129
Provisions for liabilities (note 19)	59
Retirement benefit obligations (note 28)	47
Lease liabilities (note 20)	6
Deferred income tax liabilities (note 27)	151
Current income tax liabilities	3
Liabilities associated with assets classified as held for sale	395
Net assets held for sale	877

Total losses recognized in other comprehensive income and accumulated in equity relating to assets held for sale amounted to \$29 million at December 31, 2023.

B. Profit on divestiture of discontinued operations

In April 2022, the Company completed the divestiture of its Building Envelope business, formerly part of our American Building Solutions segment. With the exception of our Building Envelope business, no other businesses divested during 2022 or 2023 are considered to be either separate major lines of business or geographical areas of operation and therefore do not constitute discontinued operations as defined in IFRS 5.

The table below sets out the proceeds and related profit recognized on divestiture which were included in profit after tax for the financial year from discontinued operations.

	2022
	\$m
Assets/(liabilities) disposed of at net carrying amount:	
- long-lived assets*	2,016
- cash and cash equivalents	27
- inventories, receivables, payables and provisions	406
- lease liabilities	(338)
- interest-bearing loans and borrowings	(6)
- deferred tax	(42)
- retirement benefit obligations	(14)
Net assets divested	2,049
Reclassification of currency translation effects on divestiture	5
Total	2,054
Proceeds from divestiture (net of divestiture costs)	3,525
Profit on divestiture from discontinued operations	1,471
Net cash inflow arising on divestiture	
Proceeds from divestiture from discontinued operations	3,525
Less: cash and cash equivalents disposed	(27)
Total	3,498

* Long-lived assets comprise property, plant and equipment, intangible assets and equity method investments.

C. Results of discontinued operations

The results of the discontinued operations included in the Profit for the financial year 2022 is set out as follows:

	2022
	\$m
Revenue	645
Cost of sales (i)	(412)
Gross profit	233
Operating costs (i)	(138)
Operating profit	95
Profit on divestitures	1,471
Profit before finance costs	1,566
Finance costs	(6)
Profit before tax	1,560
Attributable income tax expense (ii)	(370)
Profit after tax for the financial year from discontinued operations	1,190
Profit attributable to:	
Equity holders of the Company	1,190
Profit for the financial year from discontinued operations	1,190
Basic earnings per Ordinary Share from discontinued operations	\$1.57
Diluted earnings per Ordinary Share from discontinued operations	\$1.55
Cash flows from discontinued operations	
Net cash outflow from operating activities (iii)	(435)
Net cash inflow from investing activities (iv)	3,446
Net cash outflow from financing activities	(6)

(i) The depreciation and amortization charge for discontinued operations in 2022 amounted to \$26 million and \$10 million respectively.

(ii) 2022 attributable income tax expense includes \$347 million relating to the profit on divestiture of discontinued operations.

(iii) Includes the corporation tax paid on the sale of discontinued operations.

(iv) Includes the proceeds from the divestiture of discontinued operations.

4. Cost Analysis

Continuing operations

	2023	2022
	\$m	\$m
Cost of sales analysis		
Raw materials and goods for resale	7,350	7,446
Employment costs (note 7)	4,300	3,978
Energy conversion costs	2,066	2,106
Repairs and maintenance	1,346	1,230
Depreciation, depletion, amortization and impairment (i)	1,506	1,389
Change in inventory	(60)	(655)
Other production expenses (primarily sub-contractor costs)	6,411	6,350
Total	22,919	21,844
Operating costs analysis		
Selling and distribution costs	5,051	5,003
Administrative expenses	2,692	1,932
Total	7,743	6,935

(i) Depreciation, depletion, amortization and impairment analysis

	Cost of sales		Operating costs		Total	
	2023	2022	2023	2022	2023	2022
	\$m	\$m	\$m	\$m	\$m	\$m
Depreciation and depletion (note 13, 20)	1,474	1,389	243	229	1,717	1,618
Amortization of intangible assets (note 14)	2	–	137	103	139	103
Impairment of property, plant and equipment (note 13) (ii)	30	–	–	–	30	–
Impairment of intangible assets (note 14) (ii)	–	–	327	–	327	–
Total	1,506	1,389	707	332	2,213	1,721

(ii) Total impairment charges for the year ended December 31, 2023 amounted to \$357 million (2022: \$nil million).

5. Auditor's Remuneration

Continuing operations

In accordance with statutory requirements in Ireland, fees for professional services provided by the Company's independent auditor in respect of each of the following categories were:

	Deloitte Ireland (statutory auditor)		Deloitte (network firms)		Total	
	2023	2022	2023	2022	2023	2022
	\$m	\$m	\$m	\$m	\$m	\$m
Audit fees (i) (ii)	14	7	18	15	32	22
Other audit-related assurance fees (ii)	2	1	–	–	2	1
Tax advisory services (ii)	–	–	–	–	–	–
Total	16	8	18	15	34	23

(i) Audit of the Company accounts includes the audit of internal control over financial reporting and parent and subsidiary statutory audit fees, but excludes \$3 million (2022: \$2 million) paid to auditors other than Deloitte.

(ii) In accordance with the Companies Act 2014, audit fees including discontinued operations, amounted to \$32 million (2022: \$22 million). Other audit-related assurance fees, including discontinued operations, amounted to \$2 million (2022: \$1 million) and tax advisory services, including discontinued operations, amount to \$nil million (2022: \$nil million).

There were no other fees for services provided by the Company's independent auditor (2022: \$nil million).

6. Divestitures

2022

\$m

Continuing operations

Assets/(liabilities) disposed of at net carrying amount:

- long-lived assets*	344
- cash and cash equivalents	4
- inventories, receivables, payables and provisions	10
- lease liabilities	(4)
- deferred tax	(22)
- retirement benefit obligations	(11)

Net assets divested	321
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Reclassification of currency translation effects on divestiture	(4)
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Total	317
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Proceeds from divestitures (net of divestiture costs)	218
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Loss on divestitures from continuing operations	(99)
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Discontinued operations

Profit on divestiture from discontinued operations (note 3)	1,471
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Net cash inflow arising on divestiture

Continuing operations

Proceeds from divestitures from continuing operations	218
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Less: cash and cash equivalents disposed	(4)
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Net cash inflow arising on divestiture from continuing operations	214
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Discontinued operations

Net cash inflow arising on divestiture from discontinued operations	3,498
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Total net cash inflow arising on divestiture	3,712
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* Long-lived assets comprise property, plant and equipment, intangible assets and equity method investments.

7. Employment

Continuing operations

The average number of employees is as follows:

	Year ended December 31	
	2023	2022
Americas Materials Solutions	30,275	29,092
Americas Building Solutions	16,134	14,463
Europe Materials Solutions	21,240	21,656
Europe Building Solutions	10,838	10,627
Total	78,487	75,838

In accordance with the Companies Act 2014, the average number of employees, including discontinued operations, was 78,487 (2022: 77,520). Employment costs charged in the Consolidated Income Statement for continuing operations are analyzed as follows:

	2023	2022
	\$m	\$m
Wages and salaries	5,142	4,669
Social welfare costs	524	480
Redundancy, healthcare and other employment benefit costs	697	603
Share-based payment expense (note 8)	123	100
Total retirement benefits expense (note 28)	363	372
Total (i)	6,849	6,224

Total charge analyzed between:

Cost of sales	4,300	3,978
Operating costs	2,548	2,240
Finance costs (net) - applicable to retirement benefit obligations (note 9)	1	6
Total	6,849	6,224

(i) In accordance with the Companies Act 2014, employment costs in 2022, including discontinued operations, are analyzed as follows:

Wages and salaries	4,821
Social welfare costs	491
Redundancy, healthcare and other employment benefit costs	622
Share-based payment expense (note 8)	101
Total retirement benefits expense (note 28)	378
Total	6,413

8. Share-based Payment Expense

Continuing operations

	2023	2022
	\$m	\$m
Performance Share Plans expense	120	97
Share option expense	3	3
Total share-based payment expense (i)	123	100

(i) The total share-based payment expense in 2022 excludes \$1 million relating to discontinued operations.

Share-based payment expense relates primarily to awards granted under the 2014 Performance Share Plan and the Company's Savings-related Share Option Schemes. The expense is reflected in operating costs in the Consolidated Income Statement.

2014 Performance Share Plan

Details of the awards made under the 2014 Performance Share Plan are summarized below. An expense of \$120 million was recognized in 2023 (2022: \$97 million).

Details of awards granted under the 2014 Performance Share Plan

	Share price at date of award	Period to earliest release date	Number of shares	
			Initial award (i)	Net outstanding at December 31, 2023
Granted in 2023	€48.63	3 years	2,979,818	2,945,748
Granted in 2022	€38.37	3 years	3,678,505	3,491,612

(i) Numbers represent the initial awards. The Compensation Committee has determined that dividend equivalents will 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.

20% of each award made is subject to TSR performance measured against a tailored peer group; 20% is subject to a RONA metric; 15% is subject to a sustainability and diversity scorecard metric introduced in 2022; with the remaining 45% subject to a cumulative cash flow metric. Performance for the awards will be assessed over a three-year period.

The fair values assigned to the portion of awards which are subject to TSR performance against peers was €33.33 (2022: €19.04).

The fair value of these awards was calculated using a TSR pricing model taking account of peer group TSR, volatilities and correlations together with the following assumptions:

	2023	2022
Risk-free interest rate (%)	3.16	0.51
Expected volatility (%)	28.9	36.9

The expected volatility was determined using a historical sample of daily CRH share prices.

The fair value of (i) the portion of awards subject to cash flow performance; (ii) the portion of awards subject to a RONA metric; (iii) the portion of awards subject to a sustainability and diversity scorecard metric; and (iv) the awards with no performance conditions (which are subject to a two-year service period) was calculated as the closing CRH share price at the date the award was granted.

Share Option Schemes

The 2010 Share Option Scheme was replaced in 2014 by the 2014 Performance Share Plan, and accordingly no options have been granted since 2013.

Details of movement and options outstanding under Share Option Schemes (excluding Savings-related Share Option Schemes)

	Weighted average exercise price	Number of options 2023	Weighted average exercise price	Number of options 2022
Outstanding at beginning of year	€16.19	97,557	€16.19	145,731
Exercised (i)	€16.19	(96,813)	€16.19	(47,058)
Lapsed	€16.19	(744)	€16.19	(1,116)
Outstanding at end of year	–	–	€16.19	97,557
Exercisable at end of year	–	–	€16.19	97,557

(i) The weighted average share price at the date of exercise of these options was €47.55 (2022: €35.03).

	2023	2022
Weighted average remaining contractual life for the share options outstanding at December 31 (years)	–	0.30

2010 and 2021 Savings-related Share Option Schemes

In April 2021, shareholders approved the adoption of the 2021 savings-related share option schemes, which replaced the schemes approved by shareholders in May 2010. Under both schemes, participants may save up to €500/Stg£500 per 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 options granted under the Savings-related Share Option Schemes

	Weighted average exercise price	Number of options 2023	Weighted average exercise price	Number of options 2022
Outstanding at beginning of year	€24.20/Stg£26.52	1,044,130	€24.28/Stg£25.42	1,085,163
Exercised (i)	€24.02/Stg£21.93	(86,520)	€24.58/Stg£20.44	(402,645)
Lapsed	€26.07/Stg£27.31	(99,222)	€23.60/Stg£29.38	(209,916)
Granted (ii)	–	–	Stg£25.55	571,528
Outstanding at end of year	€24.10/Stg£26.75	858,388	€24.20/Stg£26.52	1,044,130
Exercisable at end of year	€23.39/Stg£20.83	13,385	€25.75/Stg£20.28	18,941

(i) The weighted average share price at the date of exercise of these options was €48.56 (2022: €34.99).

(ii) Pursuant to the 2010 and 2021 Savings-related Share Option Schemes operated by the Company, no options over CRH plc's Ordinary Shares were granted to employees in 2023 (2022: 571,528 share options in October 2022). In 2022 this figure comprises options over 476,454 shares and 95,074 shares which are normally exercisable within a period of six months after the third or the fifth anniversary of the contract, whichever is applicable. The exercise price at which the options are granted under the scheme represents a discount of 15% to the market price on the date of invitation of each savings contract.

Continuing operations

	2023	2022
Weighted average remaining contractual life for the share options outstanding at December 31 (years)	1.66	2.45
euro-denominated options outstanding at end of year (number)	43,363	79,910
Range of exercise prices (€)	23.39-24.24	23.39-27.86
Pound Sterling-denominated options outstanding at end of year (number)	815,025	964,220
Range of exercise prices (Stg£)	20.11-31.04	20.11-31.04

The weighted fair values assigned to options issued under the Savings-related Share Option Schemes, which were computed in accordance with the trinomial valuation methodology, were as follows:

	3-year	5-year
Granted in 2022 (October)	€8.08	€8.47

The fair value of these options were determined using the following assumptions:

	2022	
	3-year	5-year
	October	
Weighted average exercise price (€)	29.28	29.28
Risk free interest rate (%)	2.08	2.24
Expected dividend payments over the expected life (€)	4.06	7.05
Expected volatility (%)	26.4	24.2
Expected life in years	3	5

The expected volatility was determined using a historical sample of 37 month-end CRH share prices in respect of the three-year savings-related share options and 61 month-end share prices in respect of the five-year savings-related share options. The expected lives of the options are based on historical data and are therefore not necessarily indicative of exercise patterns that may materialize.

Other than the assumptions listed above, no other features of options grants were factored into the determination of fair value.

The terms of the options issued under the Savings-related Share Option Schemes do not contain any market conditions within the meaning of IFRS 2 *Share-based Payment*.

9. Finance Costs and Finance Income

Continuing operations

	2023 \$m	2022 \$m
Finance costs		
Interest payable on borrowings	349	328
Net cost on interest rate and currency swaps	64	8
Mark-to-market of derivatives and related fixed rate debt:		
- interest rate swaps (i)	(23)	154
- currency forwards and currency swaps	(5)	4
- fixed rate debt (i)	22	(159)
Net loss on non-derivative financial instruments	3	24
Unwinding of discount element of lease liabilities (note 20)	47	42
Finance costs	457	401
Finance income		
Interest receivable on cash and cash equivalents and other	(206)	(65)
Finance income	(206)	(65)
Finance costs less income	251	336
Other financial expense		
Unwinding of discount element of provisions for liabilities (note 26)	26	16
Unwinding of discount applicable to deferred and contingent acquisition consideration (note 18)	25	20
Unwinding of discount applicable to deferred divestiture proceeds	(5)	(8)
Unwinding of discount applicable to leased mineral reserves	7	6
Pension-related finance cost (net) (note 28)	1	6
Net other financial expense	54	40
Total net finance costs (ii)	305	376

(i) The Company uses interest rate swaps to convert fixed rate debt to floating rate and such fixed rate debt is stated in the Consolidated Balance Sheet at adjusted value to reflect movements in underlying fixed rates. The movement on this adjustment, together with the offsetting movement in the fair value of the related interest rate swaps, is included in finance costs in each reporting period.

(ii) Net finance costs in 2022 excludes \$6 million relating to discontinued operations.

10. Income Tax Expense

Recognized within the Consolidated Income Statement

	2023	2022
	\$m	\$m
Continuing operations		
<i>(a) Current tax</i>		
U.S.	691	550
Non-U.S.	306	215
Total current tax expense	997	765
<i>(b) Deferred tax</i>		
Origination and reversal of temporary differences:		
Retirement benefit obligations	1	(4)
Share-based payment expense	(8)	1
Derivative financial instruments	(1)	(4)
Other items	(48)	27
Total deferred tax (income)/expense	(56)	20
 Income tax reported in the Consolidated Income Statement	 941	 785

Recognized outside the Consolidated Income Statement

(a) Within the Consolidated Statement of Comprehensive Income:

Deferred tax - retirement benefit obligations	15	(63)
Deferred tax - cash flow hedges	8	(14)
	23	(77)

(b) Within the Consolidated Statement of Changes in Equity:

Current tax

Current tax - share option exercises	10	7
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Deferred tax

Deferred tax - share-based payment expense	19	(10)
Deferred tax - cash flow hedges	(3)	17
	26	14

Income tax recognized outside the Consolidated Income Statement	49	(63)
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	2023	2022
Reconciliation of applicable tax rate to effective tax rate		
<i>Continuing operations</i>		
Profit before tax (\$m)	3,965	3,469
Tax charge expressed as a percentage of profit before tax (effective tax rate):		
- current tax expense only	25.1 %	22.1 %
- total income tax expense (current and deferred)	23.7 %	22.6 %

The following table reconciles the applicable U.S. statutory tax rate to the effective tax rate (current and deferred) of the Company:

	% of profit before tax	
U.S. statutory rate	21.0	21.0
Other rates on earnings	1.4	1.9
Other		
- arising from 2023 impairment	1.7	
- other items	(0.4)	(0.3)
Total effective tax rate	23.7	22.6

Other disclosures

Effective tax rate

The 2023 effective tax rate is 23.7% (2022: 22.6%). The tax charge associated with discontinued operations is recognized separately in "Profit after tax for the financial year from discontinued operations". See note 3 for further details.

The prior year disclosures reconciled the Republic of Ireland statutory tax rate to the effective tax rate of the Company. These prior year disclosures have been amended to conform to current year presentation, which due to the percentage of global operations subject to tax in the United States reconciles the U.S. statutory tax rate to the effective tax rate. This has no impact on income tax expense or any other financial statement line items for any periods presented.

Changes in tax rates

The total tax charge in future periods will be affected by any changes to the tax rates in force in the countries in which the Company operates.

Pillar Two

The Company is within the scope of the Global Minimum Tax regime, commonly referred to as Pillar Two, which is based on model rules developed by the Organisation for Economic Co-operation and Development (OECD). The Company has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Company neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

On December 18, 2023, the Government of Ireland, where the Company is incorporated, enacted the Pillar Two income taxes legislation effective from January 1, 2024. Under the legislation, the Company will be required to pay, in Ireland, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15%. The impact of Pillar Two is not currently estimated to be material for the Company. The Company is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

Proposed dividends

There are no income tax consequences for the Company in respect of dividends proposed prior to issuance of the Consolidated Financial Statements and for which a liability has not been recognized.

11. Dividends

The dividends paid and proposed in respect of each class of share capital are as follows:

	2023 \$m	2022 \$m
Dividends to shareholders (i)		
<i>Equity</i>		
Final - paid \$1.03 per Ordinary Share (2022: \$0.98)	761	750
Interim - paid \$0.25 per Ordinary Share (2022: \$0.24)	177	181
Total	938	931
Reconciliation to Consolidated Statement of Cash Flows		
Dividends to shareholders	938	931
Translation adjustment (ii)	2	(14)
Dividends paid to equity holders of the Company	940	917
Dividends paid to non-controlling interests	20	13
Total dividends paid	960	930
Dividends proposed (memorandum disclosure)		
<i>Equity</i>		
Interim Q1 2024 Dividend - proposed \$0.35 per Ordinary Share	242	–
Second Interim 2023 Dividend - proposed \$1.08 per Ordinary Share (iii)	750	–
Final 2022 Dividend - \$1.03 per Ordinary Share	–	765

- (i) In 2023 the 5% Cumulative Preference Shares paid a dividend of €3,175 (2022: €3,175) and the 7% 'A' Cumulative Preference Shares paid a dividend of €77,521 (2022: €77,521).
- (ii) Translation adjustment arising from U.S. Dollar declared dividends paid in non-U.S. Dollar currencies.
- (iii) In order to facilitate CRH's planned move to a quarterly dividend cadence in 2024 following CRH's transition of its primary listing to the NYSE in September 2023, a second interim dividend of \$1.08 was paid in January 2024 in place of the usual final dividend recommended by the Board for approval at CRH's Annual General Meeting.

12. Earnings per Ordinary Share

The computation of basic and diluted earnings per Ordinary Share is set out below:

	2023 \$m	2022 \$m
Numerator computations		
Profit for the financial year	3,024	3,874
Loss/(profit) attributable to non-controlling interests	106	(27)
Profit attributable to equity holders of the Company	3,130	3,847
Preference dividends	–	–
Profit attributable to ordinary equity holders of the Company - numerator for basic/diluted earnings per Ordinary Share	3,130	3,847
Profit after tax for the financial year from discontinued operations - attributable to equity holders of the Company	–	1,190
Profit attributable to ordinary equity holders of the Company - numerator for basic/diluted earnings per Ordinary Share from continuing operations	3,130	2,657
Denominator computations		
Weighted average number of Ordinary Shares (millions) outstanding for the year (i)	723.9	758.3
Effect of dilutive potential Ordinary Shares (employee share awards) (millions) (i) (ii)	5.3	5.8
Denominator for diluted earnings per Ordinary Share	729.2	764.1
Basic earnings per Ordinary Share	\$4.32	\$5.07
Diluted earnings per Ordinary Share	\$4.29	\$5.03
Basic earnings per Ordinary Share from continuing operations	\$4.32	\$3.50
Diluted earnings per Ordinary Share from continuing operations	\$4.29	\$3.48

- (i) The weighted average number of Ordinary Shares included in the computation of basic and diluted earnings per Ordinary Share has been adjusted to exclude shares held by the Employee Benefit Trust and Ordinary Shares repurchased and held by the Company (CRH plc) as Treasury Shares given that these shares do not rank for dividend. The number of Ordinary Shares so held at the balance sheet date is detailed in note 29.
- (ii) Ordinary shares, that would only be issued contingent on certain conditions (totaling 4,677,404 at December 31, 2023 and 4,209,404 at December 31, 2022) are excluded from the computation of diluted earnings per Ordinary Share where the conditions governing exercisability have not been satisfied as at the end of the reporting period or they are antidilutive for the periods presented.

13. Property, Plant and Equipment

	Mineral-bearing land \$m	Land and buildings \$m	Plant and machinery \$m	Assets in course of construction \$m	Total \$m
At December 31, 2023					
<i>Owned</i>					
Cost/deemed cost	4,643	5,934	20,449	1,271	32,297
Accumulated depreciation (and impairment charges)	(1,321)	(2,017)	(11,224)	(40)	(14,602)
Net carrying amount	3,322	3,917	9,225	1,231	17,695
At January 1, 2023 net carrying amount	3,553	3,926	9,134	1,050	17,663
Translation adjustment	46	75	150	23	294
Reclassifications	56	46	707	(809)	–
Transfer from leased assets (note 20)	–	2	4	–	6
Additions at cost	51	72	713	981	1,817
Additions to leased mineral reserves (note 19) (i)	10	–	–	–	10
Arising on acquisition (note 30)	33	81	132	6	252
Reclassified as held for sale	(326)	(128)	(358)	(20)	(832)
Disposals at net carrying amount	(5)	(7)	(24)	–	(36)
Depreciation charge for year	(96)	(150)	(1,203)	–	(1,449)
Impairment charge for year (ii)	–	–	(30)	–	(30)
At December 31, 2023 net carrying amount	3,322	3,917	9,225	1,231	17,695
		Land and buildings \$m	Plant and machinery \$m	Other \$m	
<i>Leased right-of-use assets (iii)</i>					
At December 31, 2023 net carrying amount (note 20)		1,015	372	34	1,421
Total property, plant and equipment					19,116
<i>The equivalent disclosure for the prior year is as follows:</i>					
	Mineral-bearing land \$m	Land and buildings \$m	Plant and machinery \$m	Assets in course of construction \$m	Total \$m
At December 31, 2022					
<i>Owned</i>					
Cost/deemed cost	4,831	5,786	19,577	1,090	31,284
Accumulated depreciation (and impairment charges)	(1,278)	(1,860)	(10,443)	(40)	(13,621)
Net carrying amount	3,553	3,926	9,134	1,050	17,663
At January 1, 2022 net carrying amount	3,646	3,961	9,394	937	17,938
Translation adjustment	(89)	(150)	(319)	(48)	(606)
Reclassifications	8	69	547	(624)	–
Transfer from leased assets (note 20)	–	–	5	–	5
Additions at cost	23	89	607	804	1,523
Additions to leased mineral reserves (note 19) (i)	10	–	–	–	10
Arising on acquisition (note 30)	76	258	426	39	799
Disposals at net carrying amount	(20)	(156)	(375)	(58)	(609)
Depreciation charge for year (iv)	(101)	(145)	(1,151)	–	(1,397)
At December 31, 2022 net carrying amount	3,553	3,926	9,134	1,050	17,663
		Land and buildings \$m	Plant and machinery \$m	Other \$m	
<i>Leased right-of-use assets (iii)</i>					
At December 31, 2022 net carrying amount (note 20)		930	302	26	1,258
Total property, plant and equipment					18,921

	Mineral-bearing land \$m	Land and buildings \$m	Plant and machinery \$m	Assets in course of construction \$m	Total \$m
<i>Owned</i>					
At January 1, 2022					
Cost/deemed cost	4,890	5,865	19,754	977	31,486
Accumulated depreciation (and impairment charges)	(1,244)	(1,904)	(10,360)	(40)	(13,548)
Net carrying amount	3,646	3,961	9,394	937	17,938

- (i) Additions relating to leased mineral reserves which fall outside the scope of IFRS 16.
- (ii) The impairment charge of \$30 million in 2023, against cost of sales (see note 4), principally relates to the write-down of property, plant and equipment in our Americas Materials Solutions segment.
- (iii) See note 20 for more detailed information on right-of-use assets and lease liabilities of the Company.
- (iv) The depreciation charge in 2022 includes \$15 million, relating to discontinued operations.

Climate risk and impairment of property, plant and equipment

Property, plant and equipment (PP&E) is reviewed for potential impairment by applying a series of external and internal indicators including climate-related risks. Specific climate-related considerations during 2023 included:

- considering potential future business optimization levers that may occur and the impact on useful lives;
- assessing the useful lives of transport and mobile equipment in the context of decarbonization of our transport and mobile equipment, this being identified as one of our decarbonization roadmap levers. It is assumed that transport and mobile equipment will be transitioned to lower carbon emitting units in line with normal asset retirement timelines;
- assessing the impact of the capital expenditure required to meet the Company's carbon emissions reduction targets on the useful lives of existing PP&E. The nature of the proposed projects required to deliver our targets, including technology advancements, and their impact on existing PP&E was also considered; and
- assessing the impact of physical risk to PP&E, in the context of the exposure of the Company's locations to potential future adverse weather impacts.

Capital expenditure will continue to be required to deliver our targets and mitigate potential physical risks. Therefore, the useful lives of future capital expenditure may differ from current assumptions. However, as a result of the assessments set out above, there were no significant changes in the estimates of useful lives or asset values during the current financial year.

Future purchase commitments for property, plant and equipment	2023 \$m	2022 \$m
Contracted for but not provided in the financial statements	939	862
Authorized by the Directors but not contracted for	1,639	530

14. Intangible Assets

	Other intangible assets				Total
	Goodwill	Marketing-related (i)	Customer-related (i) & (ii)	Contract-based (i)	
	\$m	\$m	\$m	\$m	\$m
At December 31, 2023					
Cost/deemed cost	10,159	310	1,260	101	11,830
Accumulated amortization (and impairment charges)	(1,001)	(94)	(482)	(54)	(1,631)
Net carrying amount	9,158	216	778	47	10,199
At January 1, 2023 net carrying amount	9,199	208	833	47	10,287
Translation adjustment	89	–	1	5	95
Arising on acquisition (note 30)	398	23	63	–	484
Reclassified as held for sale	(201)	–	–	–	(201)
Amortization charge for year	–	(15)	(119)	(5)	(139)
Impairment charge for year	(327)	–	–	–	(327)
At December 31, 2023 net carrying amount	9,158	216	778	47	10,199
<i>The equivalent disclosure for the prior year is as follows:</i>					
At December 31, 2022					
Cost/deemed cost	9,890	286	1,202	92	11,470
Accumulated amortization (and impairment charges)	(691)	(78)	(369)	(45)	(1,183)
Net carrying amount	9,199	208	833	47	10,287
At January 1, 2022 net carrying amount	9,451	104	282	11	9,848
Translation adjustment	(239)	–	(3)	(1)	(243)
Arising on acquisition (note 30) (i)	1,320	177	763	47	2,307
Disposals	(1,333)	(57)	(115)	(7)	(1,512)
Amortization charge for year (iii)	–	(16)	(94)	(3)	(113)
At December 31, 2022 net carrying amount	9,199	208	833	47	10,287
At January 1, 2022					
Cost/deemed cost	10,251	202	705	77	11,235
Accumulated amortization (and impairment charges)	(800)	(98)	(423)	(66)	(1,387)
Net carrying amount	9,451	104	282	11	9,848

(i) Marketing-related, customer-related and contract-based intangible assets of \$174 million, \$594 million and \$41 million respectively arose on the acquisition of Barrette Outdoor Living (Barrette) in July 2022. These primarily related to brand names, patents and non-contractual customer relationships.

(ii) The customer-related intangible assets relate predominantly to non-contractual customer relationships.

(iii) The amortization charge in 2022 includes \$10 million, in respect of discontinued operations, which primarily relates to customer-related intangible assets.

Annual goodwill testing

Cash-generating units

Goodwill acquired through business combination activity has been allocated to CGUs that are expected to benefit from synergies in that combination. The CGUs represent the lowest level within the Company at which the associated goodwill is monitored for internal management purposes, and are not larger than the operating segments determined in accordance with IFRS 8. Effective January 1, 2023, the Company restructured into two Divisions, CRH Americas and CRH Europe. During the first quarter of 2023, the Company's reportable segments increased from three to the below four segments and existing goodwill was reallocated to each of the new reportable segments. The results of this reallocation of goodwill have been recast below, by reportable segment, as of December 31, 2022. The increase in the number of CGUs presented in 2022 from 22 to the 26 presented below also relates to the organizational change. All businesses within the various CGUs exhibit similar and/or consistent profit margin and asset intensity characteristics. Assets, liabilities, deferred tax and goodwill have been assigned to the CGUs on a reasonable and consistent basis.

	Number of cash-generating units		Goodwill	
	2023	2022	2023	2022
			\$m	\$m
Americas Materials Solutions	5	5	4,417	4,407
Americas Building Solutions	2	2	2,752	2,517
Europe Materials Solutions	15	15	1,362	1,763
Europe Building Solutions	4	4	627	512
Total	26	26	9,158	9,199

Impairment testing methodology and results

Goodwill is subject to impairment testing on an annual basis. The recoverable amount of 26 CGUs is determined based on a value-in-use (VIU) computation.

The cash flow forecasts are primarily based on a five-year strategic plan document formally approved by the Board of Directors and specifically exclude the impact of future development activity and capital expenditure that would enhance the assets' performance. To align with the Company's acquisition modelling methodology, these cash flows are extrapolated out for an additional five years, using externally sourced growth rates, to determine the basis for an annuity-based terminal value. The methodology allows, in very limited circumstances, to adjust cash flows past the strategic plan horizon, where deemed appropriate.

No adjustments were made to years 6-10 cash flows for the purpose of the 2023 impairment testing.

As in prior years, the terminal value is based on a 20-year annuity, with the exception of certain non-current cement assets, where an assumption of a 30-year annuity has been used. Projected cash flows beyond the initial evaluation period have been extrapolated using real growth rates ranging from 1.4% in the Americas, 0.7% to 2.2% in Europe and 3.0% in Asia. Such real growth rates do not exceed the long-term average growth rates for the countries in which each CGU operates. The VIU represents the present value of the future cash flows, including the terminal value, discounted at a rate appropriate to each CGU. The real pre-tax discount rate used for purposes of impairment testing on Ukraine CGU was 17.8% (2022: 16.9%). Excluding Ukraine, the real pre-tax discount rates used range from 8.3% to 12.2% (2022: 6.0% to 9.5%). The 2023 annual goodwill impairment testing process has indicated that for our Philippines CGU in Europe Materials Solutions, the recoverable amount did not exceed carrying value, and as such an impairment charge of \$295 million has been recorded in intangible asset impairments (2022: \$nil million). The total impairment charge of \$327 million principally relates to the \$295 million impairment of the Philippines cement business which was driven by challenging cement market conditions which has had an impact on growth prospects. The assumptions underlying the VIU model projections result in a present value (using a real pre-tax discount rate of 9.7% (2022: 8.9%)) of \$1,022 million and a related goodwill impairment being recorded of \$295 million. Further, a goodwill impairment charge of \$32 million has been recorded across certain CGUs within our Americas Materials Solutions segment primarily relating to assets held for sale.

Climate risk and impairment testing

The impact of climate change risks including the risks identified as part of the TCFD disclosures on pages 125 to 132, with a particular focus on carbon costs, has been considered as part of the impairment testing process through net cash flow estimations and the duration of discounted cash flow models. In addition, the estimated capital expenditure required to meet our carbon emissions reduction targets was also incorporated into our net cash flows.

Our Cement businesses represent our largest contributor to CO₂ emissions and consequently have the largest exposure to carbon costs. The net cash flows included in VIU assessments, reflect carbon costs that are reasonably estimated to be incurred over the assessment period, based on current Emissions Trading Schemes (ETS) in place at the date of testing and known changes to regulations over the strategic plan horizon. The internal carbon prices applied in VIU assessments reflect the most recent carbon credits purchased by the Company along with the latest International Energy Agency (IEA) carbon price projections for the applicable regions where the Company operates.

The purchase of carbon allowances is managed by a central unit which buys forward to secure supply and de-risk the cost bases ahead of time. This helps provide the Company with near-term certainty on carbon prices and associated costs.

While none of the significant CGUs identified on page 80 currently has a material exposure to carbon costs and as such carbon costs are not deemed a key assumption, the Directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgments and estimates made in future VIU assessments.

While no adjustments in relation to carbon costs were made to years 6-10 cash flows for the purposes of impairment testing, on the basis of assumed cost recovery through pricing, CRH completed a scenario analysis that was aligned to the Paris Agreement to assess the potential impacts of higher carbon costs past the strategic plan period. Key variables included carbon prices based upon the IEA Net Zero scenario (which assumes \$140 per metric tonne in 2030 increasing to \$250 per metric tonne in 2050) and higher costs arising from the European Union's (EU) introduction of the Carbon Border Adjustment Mechanism. The impact of increasing carbon prices and declining free allowances (where applicable) was analyzed across our material CGUs subject to the EU ETS in combination with forecast levels of cost recovery through pricing. The analysis indicated that there was no material impact on any of the CGUs reviewed primarily due to the levels of headroom in these CGUs and an assumption of cost recovery through pricing. The Company continues to monitor the emergence of CO₂ regulatory pronouncements which will be factored into strategic plans once enacted.

Key sources of estimation uncertainty

The cash flows have been arrived at taking into account the Company's strong financial position, its established history of earnings and cash flow generation and the nature of the building materials industry. However, expected future cash flows are inherently uncertain and are therefore liable to material change over time. The key assumptions employed in arriving at the estimates of future cash flows factored into impairment testing are subjective and include projected Adjusted EBITDA* margin, long-term growth and discount rates used and the duration of the discounted cash flow model.

While carbon costs are considered a climate-related risk under our TCFD disclosures, they are not considered a major source of estimation uncertainty on their own for 2023. The impact of this risk from an impairment perspective is reflected through Adjusted EBITDA* margin which as set out on page 46 is a major source of estimation uncertainty.

Significant goodwill amounts

The goodwill allocated to the Americas Cement, AMAT South (both Americas Materials Solutions segment), APG North America and IPG North America (both Americas Building Solutions segment) CGUs account for between 11% and 23% of the total carrying amount shown on page 78.

The goodwill allocated to each of the remaining CGUs is less than 10% of the total carrying value in all other cases. The additional disclosures required for the four CGUs with significant goodwill are as follows:

	Americas Cement		AMAT South		APG North America	IPG North America
	2023	2022	2023	2022	2023	2023
	\$m	\$m	\$m	\$m	\$m	\$m
Goodwill allocated to the cash-generating unit at balance sheet date	2,114	2,125	998	981	1,701	1,051
Value-in-use (present value of future cash flows)	11,209	10,050	8,950	5,936	8,193	9,326
Excess of value-in-use over carrying amount	6,270	5,199	6,313	3,524	3,616	7,011

The key assumptions and methodology used in respect of these four CGUs are consistent with those described above. The real pre-tax discount rates applied to these CGUs ranged from 8.3% to 9.6% (2022: 8.1% to 8.2%) and the long-term growth rate used was 1.4% (2022: 1.9%) which resulted in a projected average Adjusted EBITDA* margin over the initial 5-year forecast period ranging from 17.1% to 41.3% (2022: 15.4% to 48.3%). The values applied to each of the key estimates and assumptions are specific to the individual CGUs and were derived from a combination of internal and external factors based on historical experience and took into account the cash flows specifically associated with these businesses. The cash flows and annuity-based terminal value were projected in line with the methodology disclosed above.

The Americas Cement, AMAT South, APG North America and IPG North America CGUs are not included in the 'Sensitivity analysis' section below. Given the magnitude of the excess of VIU over carrying amount, and our belief that the key assumptions are reasonable, management believes that it is not reasonably possible that there would be a change in the key assumptions such that the carrying amount would exceed the VIU.

Consequently no further disclosures relating to sensitivity of the VIU computations for the Americas Cement, AMAT South, APG North America or IPG North America CGUs are considered to be warranted.

Sensitivity analysis

A qualitative and quantitative assessment has been performed and results in additional sensitivity disclosures for the Philippines CGU. The key assumptions, methodology used and values applied to each of the key assumptions for this CGU are in line with those outlined above (a 30-year annuity period has been used).

A sensitivity analysis for the Philippines CGU, which represents management's assessment of the economic environment in which the CGU operates is presented below:

	Philippines CGU 2023	
		\$m
<i>Additional impairment that would arise as a result of:</i>		
Reduction in Adjusted EBITDA* margin	Decrease by 0.5%	41
Reduction in long-term growth rate	Decrease by 0.5%	54
Increase in pre-tax discount rate	Increase by 0.5%	66

*Adjusted EBITDA is a non-GAAP measure as defined on page 143.

15. Financial Assets

	Equity method investments (i.e. joint ventures and associates)			
	Share of net assets	Loans	Total	Other
	\$m	\$m	\$m	\$m
At January 1, 2023	638	11	649	14
Translation adjustment	(4)	–	(4)	2
Investments and advances	37	1	38	49
Disposals and repayments	–	(2)	(2)	–
Fair value gain through Income Statement	–	–	–	16
Loss from equity method investments (i)	(17)	–	(17)	–
Dividends received	(44)	–	(44)	–
At December 31, 2023	610	10	620	81

The equivalent disclosure for the prior year is as follows:

At January 1, 2022	640	13	653	12
Translation adjustment	(34)	–	(34)	–
Investments and advances	40	3	43	2
Arising on acquisition (note 30)	28	–	28	–
Disposals and repayments	–	(5)	(5)	–
Dividends received	(36)	–	(36)	–
At December 31, 2022	638	11	649	14

(i) The Company's loss from equity method investments is accounted for under the equity method and is presented as a single line item in the Consolidated Income Statement. It is analyzed as follows; income from joint ventures: \$3 million (2022: \$8 million), loss from associates: \$20 million (2022: \$8 million). A listing of the principal equity method investments is contained on page 142.

16. Inventories

	2023	2022
	\$m	\$m
Raw materials	1,865	1,988
Work-in-progress (i)	186	181
Finished goods	2,240	2,025
Total inventories at the lower of cost and net realizable value	4,291	4,194

(i) Work-in-progress includes \$5 million (2022: \$4 million) in respect of the cumulative costs incurred, net of amounts transferred to cost of sales under percentage-of-completion accounting, for construction contracts in progress at the balance sheet date.

An analysis of the Company's cost of sales expense is provided in note 4 to the financial statements.

Write-downs of inventories recognized as an expense within cost of sales amounted to \$15 million (2022: \$17 million).

17. Trade and Other Receivables

	2023 \$m	2022 \$m
Current		
Trade receivables	3,574	3,435
Construction contract assets (i)	716	606
Total trade receivables and construction contract assets, gross	4,290	4,041
Loss allowance	(149)	(125)
Total trade receivables and construction contract assets, net	4,141	3,916
Amounts receivable from equity method investments	27	37
Prepayments	285	269
Other receivables	339	347
Total	4,792	4,569
Non-current		
Other receivables	181	164

(i) Includes unbilled revenue and retentions held by customers in respect of construction contracts at the balance sheet date amounting to \$471 million and \$245 million respectively (2022: \$402 million and \$204 million respectively). The movements in these balances during the year were as follows:

	Unbilled revenue		Retentions	
	2023 \$m	2022 \$m	2023 \$m	2022 \$m
At January 1	402	361	204	204
Translation adjustment	12	(19)	5	(9)
Additional contract balances recognized	443	348	180	144
Invoiced in the year	(386)	(279)	–	–
Received from customers	–	–	(144)	(135)
Disposals	–	(9)	–	–
At December 31	471	402	245	204

Trade receivables, construction contract assets and deferred divestiture consideration, which is included in other receivables, are measured at amortized cost (less any expected credit loss allowance (ECL)) as the Company's business model is to "hold to collect" contractual cash flows, and the cash flows arising from trade and other receivables are solely payments of principal and interest. The carrying amount of trade receivables, construction contract assets and deferred divestiture consideration closely approximate their fair value.

Expected credit loss allowance

The movements in the ECL for receivables during the financial year were as follows:

	2023 \$m	2022 \$m
At January 1	125	131
Translation adjustment	5	(8)
Reclassified as held for sale	(2)	–
Disposed of during year	–	(5)
Written off during year	(18)	(19)
Arising on acquisition (note 30)	–	2
Net remeasurement of expected credit loss allowance	39	24
At December 31	149	125

Given the common profile of CRH's customers, how customer credit risk is managed at appropriate Company locations, and the breadth and scale of its international operations, a disclosure of concentrations of credit risk by segment best enables users of financial statements to assess CRH's credit risk exposure. The following table sets out the gross carrying value of trade receivables and construction contract assets and expected credit loss allowance by segment:

	Trade receivables and construction contract assets, gross		Expected credit loss allowance	
	2023	2022	2023	2022
	\$m	\$m	\$m	\$m
Americas Materials Solutions	1,956	1,764	29	22
Americas Building Solutions	744	734	19	16
Europe Materials Solutions	1,240	1,177	91	78
Europe Building Solutions	350	366	10	9
Total	4,290	4,041	149	125

Customer credit risk is managed according to established policies, procedures and controls. Customer credit quality is assessed in line with strict credit rating criteria and credit limits are established where appropriate. Outstanding customer balances are regularly monitored for evidence of customer financial difficulties including payment default, breach of contract, etc.

Significant balances are reviewed individually while smaller balances are grouped and assessed collectively. Receivables balances are in general unsecured and non-interest-bearing. Customer credit risk arising in the context of the Company's receivables is not significant and the total expected credit loss allowance for impairment of trade receivables and construction contract assets amounts to 3.5% of the Company's gross trade receivables and construction contract assets (2022: 3.1%). The Company considers the aging of past due receivables a key factor in assessing credit risk. The trade receivables and construction contract assets balances disclosed above comprise a large number of customers spread across the Company's activities and geographies with balances classified as "not past due" representing 71% of the total gross trade receivables and construction contract assets balance at the balance sheet date (2022: 69%). There have been no significant changes to the Company's credit risk parameters or to the composition of the Company's trade receivables and construction contract assets portfolio during the financial year.

The Company applies the simplified approach to providing for ECL permitted by IFRS 9 which requires expected lifetime losses to be recognized from initial recognition of the receivables. Receivables such as those which relate to bonded government contracts and receivables which fall under credit insurance are considered lower risk and would not attract a material ECL. Considering the uncertain economic outlook for the next 12 months, our ECL allowance adequately represents the risk of default on our receivables balances.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. Where recoveries are made, these are recognized in the Consolidated Income Statement.

Aged analysis

The aged analysis of net trade receivables and construction contract assets at the balance sheet date was as follows:

	Americas Materials Solutions	Americas Building Solutions	Europe Materials Solutions	Europe Building Solutions	Total	Americas Materials Solutions	Americas Building Solutions	Europe Materials Solutions	Europe Building Solutions	Total
	2023	2023	2023	2023	2023	2022	2022	2022	2022	2022
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Not past due	1,313	517	965	243	3,038	1,225	467	857	248	2,797
Past due:										
- less than 60 days	493	140	151	73	857	415	147	177	84	823
- 60 days or greater but less than 120 days	97	55	28	15	195	73	65	34	19	191
- 120 days or greater	24	13	5	9	51	29	39	31	6	105
Total trade receivables, net	1,927	725	1,149	340	4,141	1,742	718	1,099	357	3,916

Trade receivables and construction contract assets are in general receivable within 90 days of the balance sheet date.

18. Trade and Other Payables

	2023 \$m	2022 \$m
Current		
Trade payables	3,145	2,927
Construction contract-related payables (i)	439	344
Deferred and contingent acquisition consideration (ii)	34	30
Accruals	2,296	2,132
Other payables	188	436
Amounts payable to equity method investments	4	3
Total	6,106	5,872
Non-current		
Other payables	319	392
Deferred and contingent acquisition consideration (ii)	332	299
Total	651	691

- (i) Construction contract-related payables include billings in excess of revenue, together with advances received from customers in respect of work to be performed under construction contracts and foreseeable losses thereon. \$308 million was recognized in the Consolidated Income Statement during 2023 which was included in the contract-related payables balance at December 31, 2022. The movements in these balances during the year was as follows:

	Advances received		Billings in excess of revenue	
	2023 \$m	2022 \$m	2023 \$m	2022 \$m
At January 1	37	56	276	274
Translation adjustment	1	(5)	5	(8)
Additional contract balances recognized	23	41	383	264
Opening balances recognized as revenue	(37)	(55)	(271)	(253)
Disposals	–	–	–	(1)
At December 31	24	37	393	276

The carrying amounts of trade payables, construction contract-related payables and other payables approximate their fair value largely due to the short-term maturities and nature of these instruments.

- (ii) The fair value of total contingent consideration is \$327 million (2022: \$293 million) (Level 3 in the fair value hierarchy), and deferred consideration is \$39 million (2022: \$36 million). On an undiscounted basis, the corresponding future payments relating to contingent consideration, for which the Company may be liable, ranges from \$425 million to \$638 million. This is based on a range of estimated potential outcomes of the expected payment amounts primarily dependent on reasonable possible changes in underlying performance metrics as set out in the relevant agreements. The fair value of contingent consideration is arrived at through discounting the expected payment to present value. Based on a reasonable possible change in assumptions, the fair value ranges from \$262 million to \$392 million on a discounted basis. The movement in deferred and contingent consideration during the financial year was as follows:

	2023 \$m	2022 \$m
At January 1	329	361
Translation adjustment	1	(1)
Arising on acquisitions and investments during year (note 30)	14	14
Changes in estimate	30	(33)
Paid during year	(33)	(32)
Discount unwinding	25	20
At December 31	366	329

19. Movement in Inventories, Receivables, Payables and Provisions

	Inventories \$m	Trade and other receivables \$m	Trade and other payables \$m	Provisions for liabilities \$m	Total \$m
At January 1, 2023	4,194	4,733	(6,563)	(1,358)	1,006
Translation adjustment	74	99	(158)	(36)	(21)
Arising on acquisition (note 30)	65	78	(86)	(6)	51
Reclassified as held for sale	(102)	(70)	129	59	16
<i>Deferred and contingent acquisition consideration:</i>					
- arising on acquisitions during year (note 30)	–	–	(14)	–	(14)
- paid during year	–	–	33	–	33
<i>Deferred divestiture consideration:</i>					
- received during year	–	(6)	–	–	(6)
Shares to be acquired by CRH plc (Treasury Shares) (note 29)	–	–	281	–	281
Interest accruals and discount unwinding	–	11	(45)	(26)	(60)
Additions to leased mineral reserves	–	–	(10)	–	(10)
Increase/(decrease) in inventories, receivables, payables and provisions	60	128	(324)	132	(4)
At December 31, 2023	4,291	4,973	(6,757)	(1,235)	1,272
<i>The equivalent disclosure for the prior year is as follows:</i>					
At January 1, 2022	3,611	4,808	(6,409)	(1,416)	594
Translation adjustment	(122)	(183)	236	69	–
Arising on acquisition (note 30)	375	227	(195)	(19)	388
Disposals	(325)	(295)	214	(10)	(416)
<i>Deferred and contingent acquisition consideration:</i>					
- arising on acquisitions during year (note 30)	–	–	(14)	–	(14)
- paid during year	–	–	32	–	32
<i>Deferred divestiture consideration:</i>					
- received during year	–	(52)	–	–	(52)
Interest accruals and discount unwinding	–	19	(37)	(16)	(34)
Additions to leased mineral reserves	–	–	(10)	–	(10)
Increase/(decrease) in inventories, receivables, payables and provisions	655	209	(380)	34	518
At December 31, 2022	4,194	4,733	(6,563)	(1,358)	1,006

20. Leases

	Land and buildings \$m	Plant and machinery \$m	Other \$m	Total \$m
Leased right-of-use assets				
At December 31, 2023				
Cost	1,489	741	76	2,306
Accumulated depreciation (and impairment charges)	(474)	(369)	(42)	(885)
Net carrying amount	1,015	372	34	1,421
At January 1, 2023 net carrying amount	930	302	26	1,258
Translation adjustment	22	11	1	34
Transfer to owned assets	(2)	(4)	–	(6)
Additions at cost	91	169	23	283
Arising on acquisition (note 30)	30	4	1	35
Disposals at net carrying amount	(11)	(4)	(1)	(16)
Reclassified as held for sale	(2)	(3)	(1)	(6)
Adjustment as a result of remeasurement of lease liability	85	21	1	107
Depreciation charge for year	(128)	(124)	(16)	(268)
At December 31, 2023 net carrying amount	1,015	372	34	1,421
<i>The equivalent disclosure for the prior year is as follows:</i>				
At December 31, 2022				
Cost	1,302	609	64	1,975
Accumulated depreciation (and impairment charges)	(372)	(307)	(38)	(717)
Net carrying amount	930	302	26	1,258
At January 1, 2022 net carrying amount	1,195	313	56	1,564
Translation adjustment	(35)	(13)	(3)	(51)
Transfer to owned assets	–	(5)	–	(5)
Additions at cost	41	101	12	154
Arising on acquisition (note 30)	96	10	1	107
Disposals at net carrying amount	(289)	(9)	(27)	(325)
Adjustment as a result of remeasurement of lease liability	41	17	3	61
Depreciation charge for year (i)	(119)	(112)	(16)	(247)
At December 31, 2022 net carrying amount	930	302	26	1,258
At January 1, 2022				
Cost	1,573	581	105	2,259
Accumulated depreciation (and impairment charges)	(378)	(268)	(49)	(695)
Net carrying amount	1,195	313	56	1,564

(i) The depreciation charge in 2022 includes \$11 million relating to discontinued operations.

	Land and buildings	Plant and machinery	Other	Total
	\$m	\$m	\$m	\$m
Lease liabilities				
At January 1, 2023	992	301	26	1,319
Translation adjustment	21	9	–	30
Addition of right-of-use assets	91	169	23	283
Arising on acquisition (note 30)	30	4	1	35
Disposals	(11)	(4)	(1)	(16)
Reclassified as held for sale	(2)	(3)	(1)	(6)
Remeasurements	85	21	1	107
Payments	(145)	(140)	(17)	(302)
Discount unwinding	37	9	1	47
At December 31, 2023	1,098	366	33	1,497

The equivalent disclosure for the prior year is as follows:

At January 1, 2022	1,296	319	56	1,671
Translation adjustment	(41)	(14)	(2)	(57)
Addition of right-of-use assets	41	101	12	154
Arising on acquisition (note 30)	96	10	1	107
Disposals	(332)	(8)	(28)	(368)
Remeasurements	41	17	3	61
Payments	(147)	(132)	(18)	(297)
Discount unwinding (ii)	38	8	2	48
At December 31, 2022	992	301	26	1,319

(ii) Discount unwinding in 2022 includes \$6 million relating to discontinued operations.

The table below shows a maturity analysis of the discounted and undiscounted lease liability arising from the Company's leasing activities. The projections are based on the foreign exchange rates applying at the end of the relevant financial year and on interest rates (discounted projections only) applicable to the lease portfolio.

	As at December 31, 2023		As at December 31, 2022	
	Discounted	Undiscounted	Discounted	Undiscounted
	\$m	\$m	\$m	\$m
Within one year	286	292	260	263
Between one and two years	236	248	196	205
Between two and three years	187	203	154	166
Between three and four years	142	159	121	135
Between four and five years	113	132	92	106
After five years	533	867	496	798
Total	1,497	1,901	1,319	1,673

The Company avails of the exemption from capitalizing lease costs for short-term leases and low-value assets where the relevant criteria are met. Variable lease payments directly linked to sales or usage are also expensed as incurred. The following lease costs have been charged to the Consolidated Income Statement as incurred:

	2023	2022
	\$m	\$m
<i>Continuing operations</i>		
Short-term leases	329	273
Lease of low-value assets	14	11
Variable lease payments not included in the lease liability	85	94
Total	428	378
Total cash outflow for lease payments	730	675

Lease commitments for short-term leases are similar to the portfolio of short-term leases for which the costs, as above, were expensed to the Consolidated Income Statement. The effect of excluding future cash outflows arising from variable lease payments, termination options, residual value guarantees and leases not yet commenced from lease liabilities was not material for the Company. The potential undiscounted future cash outflows arising from the exercise of renewal options that are not expected to be exercised (and are therefore not included in the lease term) are as follows:

	As at December 31, 2023	As at December 31, 2022
	\$m	\$m
Within one year	2	5
Between one and two years	5	4
Between two and three years	7	6
Between three and four years	6	6
Between four and five years	5	5
After five years	296	296
Total	321	322

Income from subleasing and gains/losses on sale and leaseback transactions were not material for the Company.

21. Analysis of Net Debt

Components of net debt

Net debt comprises cash and cash equivalents, interest-bearing loans and borrowings, lease liabilities and derivative financial instrument assets and liabilities; it enables investors to see the economic effects of these in total (see note 22 for details of the capital and risk management policies employed by the Company). Net debt is commonly used in computations such as net debt as a % of total equity and net debt as a % of market capitalization.

	As at December 31, 2023		As at December 31, 2022	
	Book value	Fair value	Book value	Fair value
	\$m	\$m	\$m	\$m
Cash and cash equivalents (note 23)	6,390	6,390	5,936	5,936
Interest-bearing loans and borrowings (note 24) (i)	(11,642)	(11,444)	(9,636)	(9,001)
Lease liabilities (note 20)	(1,503)	(1,503)	(1,319)	(1,319)
Derivative financial instruments (net) (note 25)	(37)	(37)	(86)	(86)
Net debt (ii)	(6,792)	(6,594)	(5,105)	(4,470)

(i) Interest-bearing loans and borrowings are Level 2 instruments whose fair value is derived from quoted market prices.

(ii) Includes \$49 million cash and cash equivalents and \$6 million lease liabilities reclassified as held for sale.

Reconciliation of opening to closing net debt

	At January 1 Book value	Cash flow	Movement attributable to acquired companies	Movement attributable to divested companies	Mark-to-market and other non-cash adjustments	Translation adjustment	At December 31 Book value
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
December 31, 2023							
Cash and cash equivalents	5,936	227	19	–	–	208	6,390
Interest-bearing loans and borrowings	(9,636)	(1,701)	(104)	–	(22)	(179)	(11,642)
Lease liabilities	(1,319)	255	(35)	–	(374)	(30)	(1,503)
Derivative financial instruments - financing	(70)	(7)	–	–	20	(2)	(59)
Liabilities from financing activities	(11,025)	(1,453)	(139)	–	(376)	(211)	(13,204)
Derivative financial instruments - non-financing	(16)	104	–	–	(47)	(19)	22
Net debt	(5,105)	(1,122)	(120)	–	(423)	(22)	(6,792)

The equivalent disclosure for the prior year is as follows:

December 31, 2022							
Cash and cash equivalents	5,783	393	22	(31)	–	(231)	5,936
Interest-bearing loans and borrowings	(10,487)	326	(8)	6	159	368	(9,636)
Lease liabilities	(1,671)	249	(107)	342	(189)	57	(1,319)
Derivative financial instruments - financing	122	11	–	–	(194)	(9)	(70)
Liabilities from financing activities	(12,036)	586	(115)	348	(224)	416	(11,025)
Derivative financial instruments - non-financing	–	(58)	–	–	38	4	(16)
Net debt	(6,253)	921	(93)	317	(186)	189	(5,105)

The following table shows the effective interest rates on year-end fixed and gross debt:

	As at December 31, 2023			As at December 31, 2022		
	\$m	Interest rate	Weighted average fixed period Years	\$m	Interest rate	Weighted average fixed period Years
Interest-bearing loans and borrowings nominal - fixed rate (i)	(10,342)			(9,398)		
Derivative financial instruments - fixed rate	1,375			1,775		
Net fixed rate debt including derivatives	(8,967)	3.4%	8.2	(7,623)	3.1%	8.1
Interest-bearing loans and borrowings nominal - floating rate (ii)	(1,320)			(280)		
Cumulative fair value hedge adjustment (i)	20			42		
Derivative financial instruments - floating rate (i)	(1,375)			(1,775)		
Derivative financial instruments (net) - fair value	(37)			(86)		
Gross debt including derivative financial instruments, excluding lease liabilities	(11,679)	3.9%		(9,722)	3.5%	
Lease liabilities - fixed rate	(1,503)			(1,319)		
Gross debt including derivative financial instruments, including lease liabilities	(13,182)			(11,041)		
Cash and cash equivalents - floating rate (note 23)	6,390			5,936		
Net debt	(6,792)			(5,105)		
Cash at bank and in hand reclassified as held for sale	(49)			–		
Lease liabilities reclassified as held for sale	6			–		
Net debt excluding balances held for sale	(6,835)			(5,105)		

(i) Of the Company's nominal fixed rate debt at December 31, 2023 \$1,375 million is hedged to daily compounded SOFR using interest rates swaps (2022: \$1,775 million was hedged to a mix of U.S. Dollar LIBOR and EURIBOR floating rates using interest rate swaps).

(ii) Floating rate debt comprises commercial paper and bank borrowings bearing interest at rates set in advance for periods ranging from overnight to less than one year largely by reference to inter-bank interest rates.

Currency profile

The currency profile of the Company's net debt and net worth (capital and reserves attributable to the Company's equity holders) as at December 31, 2023 and December 31, 2022 is as follows:

	U.S. Dollar	Euro	Pound Sterling	Canadian Dollar	Philippine Peso	Polish Zloty	Swiss Franc	Other (i)	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
December 31, 2023									
Cash and cash equivalents (note 23)*	1,892	3,017	532	280	16	325	91	188	6,341
Interest-bearing loans and borrowings (note 24)	(5,546)	(5,175)	(508)	(4)	(394)	–	–	(15)	(11,642)
Lease liabilities (note 20)*	(738)	(248)	(246)	(98)	(6)	(67)	(42)	(52)	(1,497)
Derivative financial instruments (net) (note 25)	(39)	1,649	(334)	(302)	(28)	(256)	(141)	(586)	(37)
Net debt by major currency including derivative financial instruments	(4,431)	(757)	(556)	(124)	(412)	2	(92)	(465)	(6,835)

Non-debt assets and liabilities (including cash and lease liabilities reclassified as held for sale) analyzed as follows:

Non-current assets	18,430	3,776	2,577	1,691	1,130	487	650	1,819	30,560
Current assets	4,811	2,455	1,215	752	182	298	95	640	10,448
Non-current liabilities	(3,036)	(440)	(301)	(200)	(113)	(23)	(175)	(103)	(4,391)
Current liabilities	(2,984)	(2,020)	(1,351)	(414)	(154)	(267)	(86)	(463)	(7,739)
Non-controlling interests	(148)	(43)	–	–	(297)	(1)	(9)	(23)	(521)
Capital and reserves attributable to the Company's equity holders	12,642	2,971	1,584	1,705	336	496	383	1,405	21,522

The equivalent disclosure for the prior year is as follows:

December 31, 2022									
Cash and cash equivalents (note 23)	2,309	2,334	523	210	24	194	57	285	5,936
Interest-bearing loans and borrowings (note 24)	(4,508)	(4,213)	(482)	(3)	(419)	–	–	(11)	(9,636)
Lease liabilities (note 20)	(650)	(227)	(204)	(99)	(6)	(48)	(42)	(43)	(1,319)
Derivative financial instruments (net) (note 25)	(23)	1,443	(391)	(291)	(34)	(258)	(128)	(404)	(86)
Net debt by major currency including derivative financial instruments	(2,872)	(663)	(554)	(183)	(435)	(112)	(113)	(173)	(5,105)

Non-debt assets and liabilities analyzed as follows:

Non-current assets	18,849	3,690	2,295	1,658	1,456	399	535	1,502	30,384
Current assets	4,740	1,496	1,065	545	231	193	85	471	8,826
Non-current liabilities	(3,136)	(656)	(315)	(209)	(113)	(18)	(154)	(80)	(4,681)
Current liabilities	(3,065)	(1,634)	(1,185)	(330)	(194)	(211)	(87)	(381)	(7,087)
Non-controlling interests	(126)	(41)	–	–	(444)	(2)	(8)	(25)	(646)
Capital and reserves attributable to the Company's equity holders	14,390	2,192	1,306	1,481	501	249	258	1,314	21,691

(i) The principal currencies included in this category are Chinese Renminbi, Romanian Leu, Ukrainian Hryvnia, Serbian Dinar and Swedish Krona.

* Excluding \$49 million cash and cash equivalents and \$6 million lease liabilities reclassified as held for sale which are analyzed by major currency in current assets and liabilities above.

Liquidity and capital resources

The following table provides certain information related to our cash generation and changes in our cash and cash equivalents position:

	2023 \$m	2022 \$m
Net cash inflow from operating activities	5,036	3,954
Net cash outflow from investing activities	(2,218)	(884)
Net cash outflow from financing activities	(2,572)	(2,686)
Increase in cash and cash equivalents	246	384
Cash and cash equivalents at beginning of year (note 23)	5,936	5,783
Effect of exchange rate changes	208	(231)
Cash and cash equivalents at end of year (note 23)	6,390	5,936
Derivative financial instruments - non-financing	22	(16)
Lease liabilities	(1,503)	(1,319)
Bank overdrafts	(107)	(94)
Borrowings	(11,535)	(9,542)
Derivative financial instruments - financing	(59)	(70)
Total liabilities from financing activities	(13,204)	(11,025)
Net debt at end of year	(6,792)	(5,105)
Cash at bank and in hand reclassified as held for sale	(49)	–
Lease liabilities reclassified as held for sale	6	–
Net debt excluding balances held for sale	(6,835)	(5,105)

The Company believes that its financial resources (operating cash together with cash and cash equivalents of \$6.4 billion and undrawn committed loan facilities of \$3.9 billion) is sufficient to cover the Company's cash requirements.

At December 31, 2023 U.S. Dollar and euro denominated cash and cash equivalents represented 30% (2022: 39%) and 48% (2022: 39%) respectively of total cash and cash equivalents.

Significant borrowings

The main sources of Company debt funding are public bond markets in Europe and North America. The following external bonds were outstanding as at December 31, 2023:

	Annual coupons	Outstanding (millions)	Final maturity	Hedged to floating rate (millions)
Commercial Paper (i)	5.846%	\$1,002	2024	–
euro bonds	1.875%	€600	2024	–
U.S. Dollar bonds	3.875%	\$1,250	2025	\$875
euro bonds	1.250%	€750	2026	–
U.S. Dollar bonds	3.400%	\$600	2027	–
euro bonds	4.000%	€500	2027	–
U.S. Dollar bonds	3.950%	\$900	2028	\$500
euro bonds	1.375%	€600	2028	–
Pound Sterling bonds	4.125%	£400	2029	–
euro bonds	1.625%	€750	2030	–
euro bonds	4.000%	€750	2031	–
U.S. Dollar bonds (ii)	6.400%	\$213	2033	–
euro bonds	4.250%	€750	2035	–
U.S. Dollar bonds	5.125%	\$500	2045	–
U.S. Dollar bonds	4.400%	\$400	2047	–
U.S. Dollar bonds	4.500%	\$600	2048	–

(i) \$1 billion of commercial paper was outstanding at year end issued under the Company's commercial paper programs. The weighted average interest rate on outstanding notes was 5.846%. The maturity dates on the notes ranged from one month to six months.

(ii) The \$300 million bond was issued in September 2003, and at the time of issuance the bond was partially swapped to floating interest rates. In August 2009 and December 2010, \$87 million of the issued notes were acquired by CRH plc as part of liability management exercises undertaken and the interest rate hedge was closed out. At December 31, 2023 the remaining fair value hedge adjustment on the hedged item on the Consolidated Balance Sheet was \$30 million (2022: \$33 million).

22. Capital and Financial Risk Management

Capital management

Overall summary

The primary objectives of CRH's capital management strategy are to ensure that the Company maintains a strong credit rating to support its business and to create shareholder value by managing the debt and equity balance and the cost of capital. The Company is committed to optimizing the use of its balance sheet within the confines of the overall objective to maintain an investment-grade credit rating.

The capital structure of the Company, which comprises net debt and capital and reserves attributable to the Company's equity holders, may be summarized as follows:

	2023	2022
	\$m	\$m
Capital and reserves attributable to the Company's equity holders	21,522	21,691
Net debt	6,792	5,105
Capital and net debt	28,314	26,796

The Board periodically reviews the capital structure of the Company, including the cost of capital and the risks associated with each class of capital. The Company manages and, if necessary, adjusts its capital structure taking account of underlying economic conditions; any material adjustments to the Company's capital structure in terms of the relative proportions of debt and equity are approved by the Board. In order to maintain or adjust the capital structure, the Company may issue new shares, dispose of assets, amend investment plans, alter dividend policy or return capital to shareholders.

Dividend cover for the year ended December 31, 2023 amounted to 3.2x (2022: 4.0x; on a continuing basis 2.8x).

No changes were made to the objectives or policies during 2023.

Financial risk management objectives and policies

The Company uses financial instruments throughout its businesses: interest-bearing loans and borrowings, cash and cash equivalents and leases are used to finance the Company's operations; trade receivables and trade payables arise directly from operations; and derivatives, principally interest rate and currency swaps and currency forwards, are used to manage interest rate risks and currency exposures and to achieve the desired profile of borrowings.

In accordance with the United Kingdom's Financial Conduct Authority's announcement on March 5, 2021, LIBOR benchmark rates were discontinued after December 31, 2021, with the exception of certain U.S. Dollar settings which continued until June 30, 2023 when they too were discontinued. This required amendments to the contractual terms of USD LIBOR-referenced interest rates in certain interest rate hedging agreements and the corresponding update of the hedge designations. These USD LIBOR-referenced interest rate agreements were amended to reference the Secured Overnight Financing Rate (SOFR) resulting in economically equivalent trades upon transition. The changes required to systems and processes in relation to the fair valuation of financial instruments were implemented and the transition had no material tax or accounting implications.

At December 31, 2023, the notional value of hedging instruments that reference 3-month SOFR is \$1.4 billion.

The Company does not trade in financial instruments, nor does it enter into any leveraged derivative transactions.

The Company's corporate treasury function provides services to the business units, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company. The Company's Group Treasurer reports to the Head of Group Finance and the activities of the corporate treasury function are subject to regular internal audit. Systems and processes are in place to monitor and control the Company's liquidity risks. The Company's net debt position forms part of the monthly documentation presented to the Board.

The Company's hedging activity is based on observable economic relationships, when there is confidence that such relationships will continue for the foreseeable future. Matching critical terms such as notional amount, tenor, timing and currency, the Company establishes relationships between a hedged item and hedging instrument where directional response to changes in fair value, driven by underlying economic conditions, are opposing and proportional in equal measure being an economic relationship under IFRS 9. Hedging ratios of 1:1 are used throughout all hedging activity as the hedged item and hedging instrument are of the same type and currency. The hedges employed mitigate identified risks and have consistently demonstrated close economic relationships. Ineffectiveness between the hedged item and hedging instrument is immaterial in the overall context of the Company.

The main risks attaching to the Company's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and commodity price risk. The Board reviews and agrees policies for the prudent management of each of these risks as documented below.

Interest rate risk

The Company's exposure to market risk for changes in interest rates stems predominantly from its long-term debt obligations. Interest cost is managed using a mix of fixed and floating rate debt. With the objective of managing this mix in a cost-efficient manner, the Company can enter into interest rate swaps, under which the Company contracts to exchange, at predetermined intervals, the difference between fixed and variable interest amounts calculated by reference to a pre-agreed notional principal. Such contracts enable the Company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures of issued floating rate debt.

These swaps are designated under IFRS 9 to hedge underlying debt obligations and qualify for hedge accounting treatment.

The Company applies hedge accounting where there is an economic relationship between the hedged item and the hedging instrument. The existence of an economic relationship is determined initially by comparing the critical terms of the hedging instrument and those of the hedged item and it is prospectively assessed using linear regression analysis. The Company issues fixed rate debt and may enter into interest rate swaps with critical terms that match those of the debt and on a 1:1 hedge ratio basis. The hedge ratio is determined by comparing the notional amount of the derivative with the notional amount of the debt. The hedge relationship is designated for the full term and notional value of the debt.

While interest rate increases observed in the markets in which the Company operates were in the range of 2%-4.5% during 2023, the following table demonstrates the impact on profit before tax as a result of incremental changes of 1% in the interest rates applicable. The Company was in a net floating rate cash position at year end (floating rate debt less floating rate cash). The impact is calculated based on the closing balance sheet floating rate net cash position for a full year and assumes that all floating interest rates change by the same amount. The movement operates in a linear manner, with all other variables held constant.

Percentage change in applicable interest rates (i)		+/-1%
Impact on profit before tax	2023	+/- \$37m
	2022	+/- \$38m

(i) Sensitivity analysis for the net Finance Costs and Finance Income has been presented for continuing operations only.

Foreign currency risk

Due to the nature of building materials, which in general have a low value-to-weight ratio, the Company's activities are conducted primarily in the local currency of the country of operation resulting in low levels of foreign currency transaction risk; variances arising in this regard are reflected in operating costs or cost of sales in the Consolidated Income Statement in the period in which they arise.

Given the Company's presence in 29 countries worldwide, the principal foreign exchange risk arises from fluctuations in the U.S. Dollar value of the Company's net investment in a wide basket of currencies other than the U.S. Dollar; such changes are reported separately within the Consolidated Statement of Comprehensive Income. A currency profile of the Company's net debt and net worth is presented in note 21. The Company's established policy is to spread its net worth across the currencies of its various operations with the objective of limiting its exposure to individual currencies and thus promoting consistency with the geographical balance of its operations. In order to achieve this objective, the Company manages its borrowings, where practicable and cost effective, to act as a natural foreign currency hedge of a portion of its foreign currency assets.

The Company's foreign exchange hedging strategy and activity is based on the assumption that changes in international economic factors are reflected in current foreign exchange rates and impact the translation of the Company's non-euro net assets (euro being the functional currency of the Parent Company during 2023). The economic relationship, being the translation impact of the Company's net investment in non-euro subsidiaries (hedged item) is hedged against a foreign currency swap (hedging instrument) to counterbalance movements in foreign currency rates. The Company identifies certain portions of foreign currency net investments where foreign currency translation movements can be mitigated through the use of currency swaps in the same currency pairing. A hedge ratio of 1:1 is established. As at December 31, 2023 the notional amount of hedged net investments was \$1,187 million (2022: \$1,145 million). The primary currency pairs in use are euro versus Canadian Dollar, Pound Sterling, Romanian Leu, Polish Zloty and Danish Kroner. The fair value movements of the hedging instruments are inverse to the impact of the translation of the hedged net assets because the critical terms match. This reduces the Company's exposure to fluctuations on the translation of the Company's subsidiaries with a non-euro functional currency into euro. Potential sources of ineffectiveness are changes in the interest rate differentials of the hedged currency pairs, recorded through the Consolidated Income Statement. Past trends indicate that the economic relationship described will continue for the foreseeable future. The fair values and maturity analysis of the hedging instruments are set out in note 25. Undesignated financial instruments are termed "not designated as hedges".

While foreign exchange volatility observed in the markets in which the Company operates was in the range of +/-10% during 2023, the following table demonstrates the sensitivity of profit before tax and equity to incremental movements of 5% in the relevant U.S. Dollar/euro exchange rate, which operate in a linear manner, with all other variables held constant. The euro has been selected as the appropriate currency for this analysis given the materiality of the Company's activities in euro. The impact on profit before tax is based on changing the U.S. Dollar/euro exchange rate used in calculating profit before tax for the period. The impact on total equity and financial instruments is calculated by changing the U.S. Dollar/euro exchange rate used in measuring the closing balance sheet.

Percentage change in relevant \$/€ exchange rate strengthening/weakening (i)		+/- 5%
Impact on profit before tax	2023	-/+ \$3m
	2022	-/+ \$5m
Impact on total equity*	2023	+/- \$148m
	2022	+/- \$110m
* Includes the impact on financial instruments which is as follows:	2023	-/+ \$36m
	2022	-/+ \$33m

(i) Sensitivity analysis for exchange rates has been presented for continuing operations only.

Financial instruments include deposits, money market funds, commercial paper, bank loans, medium-term notes and other fixed term debt, interest rate swaps, commodity swaps and foreign exchange contracts. They exclude trade receivables and trade payables on the basis that they are denominated in the currency of the underlying operations. The Company minimizes the impact of movements in foreign exchange rates on the Company's income statement through matching where possible, foreign currency monetary assets and liabilities or the use of derivative contracts at an entity level.

Credit/counterparty risk

In addition to cash at bank and in hand, the Company holds significant cash balances, which are invested on a short-term basis and are classified as cash equivalents (see note 23). These deposits, investments and other financial instruments (principally certain derivatives and loans and receivables included within financial assets) give rise to credit risk on amounts due from counterparty financial institutions (stemming from their insolvency or a downgrade in their credit ratings). Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty primarily depending on its credit rating and by regular review of these ratings and internal treasury policies.

Acceptable credit ratings for deposits and other financial instruments are higher investment-grade ratings—in general, counterparties have ratings of A3/A-/A- or higher from at least two of Moody's/ Standard & Poor's/Fitch ratings agencies. The maximum exposure arising in the event of default on the part of the counterparty (including insolvency) is the carrying value of the relevant financial instrument.

Credit rating of counterparty (Moody's/Standard & Poor's/Fitch)

	As at December 31, 2023		As at December 31, 2022	
	\$m	%	\$m	%
Aaa/AAA/AAA	2,078	33%	279	5%
Aa/AA/AA	1,735	27%	2,194	37%
A/A/A	2,338	37%	3,199	54%
Baa/BBB/BBB or lower	239	3%	264	4%
	6,390	100%	5,936	100%

Money market liquidity funds are managed by external third-party fund managers to maintain Aaa/AAA long-term ratings and P1/A1 short-term ratings from Moody's/Standard & Poor's. The Company limits its investment in each fund to a prescribed maximum amount or 5% of the fund's assets under management, whichever is the lower. The Company has a number of managed investment funds that hold fixed income euro securities with an average credit quality of Aaa/AAA. As at December 31, 2023 67% (2022: 95%) of cash and cash equivalents was held with higher investment grade bank counterparties, and 33% (2022: 5%) with the money market funds.

Credit risk arising in the context of the Company's operations is not significant with the total loss allowance at the balance sheet date amounting to 3.5% of gross trade receivables and construction contract assets (2022: 3.1%). Information in relation to the Company's credit risk management of trade receivables is provided in note 17. Amounts receivable from related parties (notes 17 and 32) are immaterial. Factoring arrangements and supplier financing arrangements are employed in certain of the Company's operations where deemed to be of benefit by operational management and are deemed immaterial.

In its worldwide insurance program, the Company carries appropriate levels of insurance for typical business risks (including product liability) with various leading insurance companies. However, in the event of the failure of one or more of its insurance counterparties, the Company could be impacted by losses where recovery from such counterparties is not possible.

Liquidity risk

The principal liquidity risks faced by the Company stem from the maturation of debt obligations and derivative transactions. A downgrade of CRH's credit ratings may give rise to increases in funding costs in respect of future debt and may impair the Company's ability to raise funds on acceptable terms. The Company's corporate treasury function ensures that sufficient resources are available to meet such liabilities as they fall due through a combination of cash and cash equivalents, cash flows and undrawn committed bank facilities. Flexibility in funding sources is achieved through a variety of means including (i) maintaining cash and cash equivalents only with a diverse group of highly-rated counterparties; (ii) limiting the annual maturity of such balances; (iii) borrowing the bulk of the Company's debt requirements under committed bank lines or other term financing; and (iv) having surplus committed lines of credit.

The undrawn committed facilities available to the Company as at the balance sheet date are quantified in note 24; these facilities span a wide number of highly-rated financial institutions thus minimizing any potential exposure arising from concentrations in borrowing sources. The repayment schedule (analyzed by maturity date) applicable to the Company's outstanding interest-bearing loans and borrowings as at the balance sheet date is also presented in note 24.

The Company's €1.5 billion Euro Commercial Paper Program and \$2.0 billion U.S. Dollar Commercial Paper Program means we have framework programs in place in the money markets that allow the Company to issue in the relevant markets within a short period of time.

Commodity price risk

The principal commodity price risks are identified in a variety of highly probable and active commodity contracts where a significant part of the price to be paid relies on a reference to specific floating price indices (usually U.S. Dollar) for a specific period. Programs are in place to hedge the quantities and qualities of commodity products, including fuel oil and related products, electricity and carbon credits. The aim of the programs is to neutralize the variability in the Consolidated Income Statement as a result of changes in associated commodity indices over a timeframe of approximately four years (2022: two years). A hedge ratio of 1:1 is established. Fixed price swap contracts in the entity's operating currency are used to hedge the same specific floating index risk and currency risk where it is determined that those risks are better managed at a fixed price rather than being exposed to uncontrollable price fluctuations due to the floating price index element of the contract. Sources of ineffectiveness can relate to timing of cash flows and counterparty credit risk adjustments. The derivative contracts qualify for cash flow hedge accounting under IFRS 9 and the fair values by maturity are set out in note 25.

The notional and fair values in respect of derivative contracts as at December 31, 2023 and December 31, 2022 were as follows:

Profile of commodity products

	As at December 31, 2023		As at December 31, 2022	
	Notional value	Fair value	Notional value	Fair value
	\$m	\$m	\$m	\$m
Carbon credits	330	43	435	(30)
Electricity	15	2	11	20
Fuel oil and related products	91	(10)	94	(10)
	436	35	540	(20)

The tables below show the projected contractual undiscounted total cash outflows (principal and interest) arising from the Company's trade and other payables, gross debt and derivative financial instruments. The tables also include the gross cash inflows projected to arise from derivative financial instruments. These projections are based on the interest and foreign exchange rates applying at the end of the relevant financial year.

	Within 1 year \$m	Between 1 and 2 years \$m	Between 2 and 3 years \$m	Between 3 and 4 years \$m	Between 4 and 5 years \$m	After 5 years \$m	Total \$m
At December 31, 2023							
<i>Financial liabilities - cash outflows</i>							
Trade and other payables	6,098	190	37	39	38	782	7,184
Lease liabilities	292	248	203	159	132	867	1,901
Other interest-bearing loans and borrowings	1,876	1,257	832	1,444	1,563	4,757	11,729
Interest payments on other interest-bearing loans and borrowings (i)	368	329	302	260	218	1,725	3,202
Interest rate swaps - net cash outflows (ii)	44	44	14	14	14	–	130
Currency forwards and currency swaps - gross cash outflows	1,652	–	–	–	–	–	1,652
Other derivative financial instruments	8	–	–	–	–	–	8
Gross projected cash outflows	10,338	2,068	1,388	1,916	1,965	8,131	25,806
<i>Derivative financial instruments - cash inflows</i>							
Currency forwards and currency swaps - gross cash inflows	(1,638)	–	–	–	–	–	(1,638)
Other derivative financial instruments	(3)	–	–	–	–	–	(3)
Gross projected cash inflows	(1,641)	–	–	–	–	–	(1,641)
<i>The equivalent disclosure for the prior year is as follows:</i>							
At December 31, 2022							
<i>Financial liabilities - cash outflows</i>							
Trade and other payables	5,878	356	29	26	24	521	6,834
Lease liabilities	263	205	166	135	106	798	1,673
Other interest-bearing loans and borrowings	1,502	696	1,253	804	893	4,584	9,732
Interest payments on other interest-bearing loans and borrowings (i)	285	262	234	210	177	1,538	2,706
Interest rate swaps - net cash outflows	27	27	16	5	5	3	83
Currency forwards and currency swaps - gross cash outflows	1,557	–	–	–	–	–	1,557
Other derivative financial instruments	40	–	–	–	–	–	40
Gross projected cash outflows	9,552	1,546	1,698	1,180	1,205	7,444	22,625
<i>Derivative financial instruments - cash inflows</i>							
Currency forwards and currency swaps - gross cash inflows	(1,561)	–	–	–	–	–	(1,561)
Other derivative financial instruments	(17)	(3)	–	–	–	–	(20)
Gross projected cash inflows	(1,578)	(3)	–	–	–	–	(1,581)

- (i) At December 31, 2023 and December 31, 2022 a portion of the Company's long-term debt carried variable interest rates. The Company uses the interest rates in effect on December 31 to calculate the interest payments on the long-term debt for the periods indicated.
- (ii) The Company uses interest rate swaps to help manage its interest cost. Under these contracts the Company has agreed to exchange at predetermined intervals, the net difference between fixed and variable interest amounts calculated by reference to a pre-agreed notional principal. The Company uses the interest rates in effect on December 31 to calculate the net interest receipts or payments on these contracts.

23. Cash and Cash Equivalents

Cash and cash equivalents balances are spread across a wide number of highly-rated financial institutions. The credit risk attaching to these items is documented in note 22.

Cash and cash equivalents are included in the Consolidated Balance Sheet and are analyzed as follows:

	2023	2022
	\$m	\$m
Cash at bank and in hand	1,139	873
Cash equivalents (short-term deposits)	5,202	5,063
Total	6,341	5,936

Cash at bank earns/pays interest at floating rates based on daily deposit bank rates. Short-term deposits, which include bank and money market deposits, are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company, earning interest at the respective short-term deposit rates.

Money market deposits are held at fair value through profit and loss and are Level 1 instruments. The fair values of money market deposits are calculated by multiplying the net asset value per share by the investment held at the balance sheet date.

Cash and cash equivalents include the following for the purposes of the Consolidated Statement of Cash Flows:

	2023	2022
	\$m	\$m
Cash at bank and in hand	1,139	873
Cash equivalents (short-term deposits)	5,202	5,063
Cash at bank and in hand reclassified as held for sale	49	—
Total	6,390	5,936

24. Interest-bearing Loans and Borrowings

	2023	2022
	\$m	\$m
Bank overdrafts	107	94
Bank loans	395	420
Bonds	10,135	9,118
Commercial paper notes	1,002	–
Other Debt	3	4
Interest-bearing loans and borrowings	11,642	9,636

Interest-bearing loans and borrowings include borrowings of \$nil million (2022: \$nil million) secured on specific items of property, plant and equipment.

Maturity profile of loans and borrowings and undrawn committed facilities

	As at December 31, 2023		As at December 31, 2022	
	Loans and borrowings	Undrawn committed facilities	Loans and borrowings	Undrawn committed facilities
	\$m	\$m	\$m	\$m
Within one year	1,866	–	1,491	–
Between one and two years	1,219	–	688	–
Between two and three years	824	–	1,202	–
Between three and four years	1,436	–	799	3,736
Between four and five years	1,537	3,868	890	9
After five years	4,760	–	4,566	–
Total	11,642	3,868	9,636	3,745

The Company manages its borrowing ability by entering into committed borrowing agreements. Revolving committed bank facilities are generally available to the Company for periods of up to five years from the date of inception. The undrawn committed facilities figures shown in the table above represent the facilities available to be drawn by the Company at December 31, 2023. The Company successfully carried out an amendment to its €3.5 billion revolving credit facility in May 2023 whereby the Company extended the maturity date of the facility for a further 2 years to 2028.

At the end of 2021, a number of LIBOR settings ceased to be published (including Sterling and Swiss Franc), while certain U.S. Dollar LIBOR settings continued to be provided until June 2023. There is no change to the publication of EURIBOR rates. The Company's syndicated revolving credit facility (undrawn as at December 31, 2023) previously referenced USD LIBOR, GBP LIBOR and CHF LIBOR rates. During 2021 the Company negotiated with its Lenders, amendments to the facility to include market standard LIBOR replacement language. From January 1, 2022 the agreement adopted the SOFR, Sterling Overnight Index Average (SONIA) and Swiss Average Rate Overnight (SARON) as the alternative benchmark rates in respect of USD, GBP and CHF LIBOR rates respectively.

In April 2023 the Company repaid a €750 million bond upon maturity and later in the year, in November 2023 a €500 million bond was repaid upon maturity. In July 2023, the Company accessed the euro debt capital markets and raised €2 billion in funding across three tranches of €500 million in 4-year, €750 million in 8-year and €750 million in 12-year tenors at a weighted average coupon of 4.13%.

\$1 billion of commercial paper was outstanding at year end issued under the Company's commercial paper programs. The maturity dates on the notes ranged from one month to six months.

Guarantees

The Parent Company has given letters of guarantee to secure obligations of subsidiary undertakings as follows: \$11.3 billion in respect of loans and borrowings, bank advances and derivative obligations (2022: \$9.3 billion) and \$0.4 billion in respect of letters of credit due within one year (2022: \$0.4 billion).

Any Irish registered wholly-owned subsidiary of the Parent Company may avail of the exemption from filing its statutory financial statements for the year ended December 31, 2023 as permitted by section 357 of the Companies Act 2014 and if an Irish registered wholly-owned subsidiary of the Parent Company elects to avail of this exemption, there will be in force an irrevocable guarantee from the Parent Company in respect of all commitments entered into by such wholly-owned subsidiary, including amounts shown as liabilities (within the meaning of section 357 (1) (b) of the Companies Act 2014) in such wholly-owned subsidiary's statutory financial statements for the year ended December 31, 2023.

25. Derivative Financial Instruments

The fair values of derivative financial instruments are analyzed by year of maturity and by accounting designation as follows:

	Fair value hedges \$m	Cash flow hedges \$m	Net investment hedges \$m	Not designated as hedges \$m	Total \$m
At December 31, 2023					
Derivative assets					
Within one year - current assets	–	46	1	–	47
Between one and two years	–	1	–	–	1
Non-current assets	–	1	–	–	1
Total derivative assets	–	47	1	–	48
Derivative liabilities					
Within one year - current liabilities	–	(11)	(14)	(2)	(27)
Between one and two years	(32)	(1)	–	–	(33)
Between four and five years	(25)	–	–	–	(25)
Non-current liabilities	(57)	(1)	–	–	(58)
Total derivative liabilities	(57)	(12)	(14)	(2)	(85)
Net (liability)/asset arising on derivative financial instruments	(57)	35	(13)	(2)	(37)
<i>The equivalent disclosure for the prior year is as follows:</i>					
At December 31, 2022					
Derivative assets					
Within one year - current assets	6	17	15	1	39
Between one and two years	–	3	–	–	3
Non-current assets	–	3	–	–	3
Total derivative assets	6	20	15	1	42
Derivative liabilities					
Within one year - current liabilities	–	(43)	(8)	–	(51)
Between two and three years	(47)	–	–	–	(47)
After five years	(30)	–	–	–	(30)
Non-current liabilities	(77)	–	–	–	(77)
Total derivative liabilities	(77)	(43)	(8)	–	(128)
Net (liability)/asset arising on derivative financial instruments	(71)	(23)	7	1	(86)

At December 31, 2023 and 2022, the Company had no master netting or similar arrangements, no collateral posting requirements, or enforceable right of set-off agreements with any of its derivative counterparts.

Fair value hedges consist of interest rate swaps. These instruments hedge risks arising from changes in asset/liability fair values due to interest rate movements.

Cash flow hedges consist of currency forwards, currency swaps, commodity forwards and commodity swaps. These instruments hedge risks arising to future cash flows from movements in foreign exchange rates and commodity prices. Cash flow hedges are expected to affect profit and loss over the period to maturity.

Net investment hedges comprise of currency forwards and currency swaps and hedge changes in the value of net investments due to currency movements.

The profit/(loss) arising on fair value hedges, cash flow hedges, and related hedged items reflected in the Consolidated Income Statement is shown below:

	2023 \$m	2022 \$m
<i>Fair value hedges and related hedged items</i>		
Movement in cumulative fair value of the hedge adjustment of hedge instruments	23	(154)
Movement in cumulative fair value of the hedge adjustment of hedged items	(25)	156
Components of other comprehensive income - cash flow hedges		
<i>Fair value (losses)/gains arising on hedging instruments:</i>		
- commodity forwards and commodity swaps	(55)	61
- currency forwards and currency swaps	(4)	5
Total	(59)	66

	2023 Level 2 \$m	2022 Level 2 \$m
Fair value hierarchy		
<i>Assets measured at fair value</i>		
Fair value hedges - interest rate swaps	–	6
Cash flow hedges - currency forwards, currency swaps, commodity forwards and commodity swaps	47	20
Net investment hedges - currency forwards and currency swaps	1	15
Not designated as hedges (classified as held for trading) - currency forwards and currency swaps	–	1
Total	48	42

<i>Liabilities measured at fair value</i>		
Fair value hedges - interest rate swaps	(57)	(77)
Cash flow hedges - currency forwards, currency swaps, commodity forwards and commodity swaps	(12)	(43)
Net investment hedges - currency forwards and currency swaps	(14)	(8)
Not designated as hedges (classified as held for trading) - currency forwards and currency swaps	(2)	-
Total	(85)	(128)

At December 31, 2023 and 2022 there were no derivatives valued using Level 1 or Level 3 fair value techniques.

26. Provisions for Liabilities

	At January 1	Translation adjustment	Arising on acquisition (note 30)	Provided during year	Utilized during year	Reclassified as held for sale	Disposed during year	Reversed unused	Discount unwinding	At December 31
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
December 31, 2023										
Insurance (i)	421	5	–	156	(178)	–	–	(31)	10	383
Environment and remediation (ii)	596	18	–	43	(27)	(56)	–	(59)	15	530
Rationalization and redundancy (iii)	17	–	–	20	(23)	(1)	–	(3)	–	10
Other (iv)	324	13	6	96	(54)	(2)	–	(72)	1	312
Total	1,358	36	6	315	(282)	(59)	–	(165)	26	1,235

Analyzed as:

Non-current liabilities	845	771
Current liabilities	513	464
Total	1,358	1,235

The equivalent disclosure for the prior year is as follows:

December 31, 2022

Insurance (i)	395	(6)	–	178	(108)	–	–	(44)	6	421
Environment and remediation (ii)	681	(40)	17	35	(26)	–	(10)	(69)	8	596
Rationalization and redundancy (iii)	21	(1)	–	16	(11)	–	(2)	(6)	–	17
Other (iv)	319	(22)	2	83	(41)	–	22	(41)	2	324
Total	1,416	(69)	19	312	(186)	–	10	(160)	16	1,358

Analyzed as:

Non-current liabilities	937	845
Current liabilities	479	513
Total	1,416	1,358

- (i) This provision relates to obligations arising under the self-insurance components of the Company's insurance arrangements which comprise employers' liability (workers' compensation in the United States), public and products liability (general liability in the United States), automobile liability, property damage, business interruption and various other insurances; a substantial proportion of the total provision pertains to claims which are classified as "incurred but not reported". Due to the extended timeframe associated with many of the insurances, a significant proportion of the total provision is subject to periodic actuarial valuation. The projected cash flows underlying the discounting process are established through the application of actuarial triangulations, which are extrapolated from historical claims experience. The triangulations applied in the discounting process indicate that the Company's insurance provisions have an average life of four years (2022: four years).
- (ii) This provision comprises obligations governing site remediation, restoration and environmental works to be incurred in compliance with either local or national environmental regulations together with constructive obligations stemming from established best practice. The value of current obligations is \$66 million (2022: \$70 million), whilst \$279 million (2022: \$282 million) of the total provision will be utilized in the medium-term (two to ten years). The value of legal and constructive obligations applicable to non-current assets (principally mineral-bearing land) that will unwind over a 30-year timeframe is \$185 million (2022: \$244 million). In discounting the related obligations, expected future cash outflows have been determined with due regard to extraction status and anticipated remaining life. The discount rates used are consistent with the timing of the expected future cash outflows of the provision and the economic environment of the jurisdiction where the provision will be settled.
- (iii) These provisions relate to irrevocable commitments under various rationalization and redundancy programs, none of which are individually material to the Company. In 2023, \$20 million (2022: \$16 million) was provided in respect of rationalization and redundancy activities as a consequence of undertaking various cost reduction initiatives across all operations. These initiatives included removing excess capacity from manufacturing and distribution networks and scaling operations to match supply and demand. The Company expects that these provisions will primarily be utilized within one to two years of the balance sheet date (2022: one to two years).
- (iv) Other provisions primarily relate to legal claims and also include onerous contracts, guarantees and warranties and employee-related provisions. The Company expects the majority of these provisions will be utilized within one to five years of the balance sheet date (2022: one to five years); however due to the nature of the legal provisions there is a level of uncertainty in the timing of settlement as the Company generally cannot determine the extent and duration of the legal process.

27. Deferred Income Tax

The deductible and taxable temporary differences in respect of which deferred tax has been recognized are as follows:

	2023 \$m	2022 \$m
Deferred tax liabilities	2,715	2,868
Deferred tax assets	(115)	(88)
Net deferred income tax liability	2,600	2,780

Deferred income tax assets (deductible temporary differences)

Deficits on retirement benefit schemes	54	52
Revaluation of derivative financial instruments to fair value	7	6
Tax loss carryforwards (primarily income tax losses)	105	87
Share-based payment expense	70	40
Provisions for liabilities, inventories, receivables and payables	541	474
Lease liabilities	292	263
Other deductible temporary differences	85	79
Total	1,154	1,001

Deferred income tax assets have been recognized in respect of all deductible temporary differences, with the exception of some tax loss and interest carryforwards. The amount of tax losses and interest carryforwards where recovery is not probable and is therefore not recognized in the Consolidated Balance Sheet is \$1.0 billion (2022: \$1.0 billion) and \$2.1 billion (2022: \$1.5 billion) respectively. The vast majority either do not expire based on current tax legislation or expire post 2028 (2022: 2027). Of the losses and interest carryforwards not recognized in the Consolidated Balance Sheet, \$0.1 billion (2022: \$0.1 billion) expire within five years, \$0.2 billion (2022: \$0.2 billion) expire post five years and the remainder of losses do not expire. The Company also has unrecognized state net operating loss carryforwards with a tax value of \$16 million (2022: \$32 million).

Deferred income tax liabilities (taxable temporary differences)

Taxable temporary differences principally attributable to accelerated tax depreciation and fair value adjustments arising on acquisition (i)	3,278	3,312
Leased right-of-use assets	274	250
Investment in subsidiaries	155	159
Surpluses on retirement benefit schemes	21	30
Revaluation of derivative financial instruments to fair value	5	10
Rolled-over capital gains	21	20
Total	3,754	3,781

Investments in subsidiaries

The aggregate temporary differences in relation to investments in subsidiaries for which deferred tax liabilities have not been recognized is \$16.4 billion (2022: \$14.5 billion) given the Company is in a position to control the timing of reversal and given management's intention not to unwind these temporary differences. Participation exemptions and tax credits are available in the majority of jurisdictions in which the Company operates. A deferred tax liability has been recognized in respect of any temporary differences relating to investments in subsidiaries expected to unwind in the foreseeable future.

Movement in net deferred income tax liability

At January 1	2,780	2,625
Translation adjustment	26	(44)
Net income for the year (ii)	(56)	(54)
Arising on acquisition (note 30)	30	247
Reclassified as held for sale	(141)	–
Disposals	–	(64)
Movement in deferred tax recognized in the Consolidated Statement of Comprehensive Income	(23)	77
Movement in deferred tax recognized in the Consolidated Statement of Changes in Equity	(16)	(7)
At December 31	2,600	2,780

(i) Fair value adjustments arising on acquisition principally relate to property, plant and equipment.

(ii) The net income in 2022 includes income of \$74 million, relating to discontinued operations.

28. Retirement Benefit Obligations

The Company operates either defined benefit or defined contribution pension schemes in all of its principal operating areas. The disclosures included below relate to all pension schemes in the Company.

The Company operates defined benefit pension schemes in Belgium, Canada, France, Germany, Italy, the Netherlands, the Philippines, the Republic of Ireland, Romania, Serbia, Slovakia, Switzerland, the United Kingdom and the United States. The Company has a mixture of funded and unfunded defined benefit pension schemes. The net surplus of the funded schemes is \$207 million (2022: \$221 million). Unfunded obligations (including jubilee, post-retirement healthcare obligations and long-term service commitments) comprise of a number of schemes in Canada, France, Germany, Italy, the Netherlands, the Philippines, Romania, Serbia, Slovakia, Switzerland and the United States, totaling a net liability of \$213 million (2022: \$237 million).

Funded defined benefit schemes in the Republic of Ireland, Switzerland and the United Kingdom are administered by separate funds that are legally distinct from the Company under the jurisdiction of Trustees. The Trustees are required by law to act in the best interests of the scheme participants and are responsible for the definition of investment strategy and for scheme administration. Other schemes are also administered in line with the local regulatory environment. The level of benefits available to most members depends on length of service and either their average salary over their period of employment or their salary in the final years leading up to retirement. For Switzerland, the level of benefits depends on salary, level of savings contributions, the interest rate on old age accounts (which cannot be negative) and the annuity conversion factor on retirement. The Company's pension schemes in Switzerland are contribution based schemes with guarantees. This means the Company pays an age-dependent fixed contribution percentages, but should the invested assets be insufficient to meet the guaranteed benefit obligations, additional contributions might be required.

Defined benefit pension schemes - principal risks

Through its defined benefit pension and jubilee schemes, long-term service commitments and post-retirement healthcare plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: Under IAS 19 *Employee Benefits*, the assets of the Company's defined benefit pension schemes are reported at fair value (using bid prices, where relevant). The majority of the schemes' assets comprise equities, bonds and property, all of which may fluctuate significantly in value from period to period including from fluctuations arising in respect of climate change and associated risks and uncertainties. Given that liabilities are discounted to present value based on bond yields and that bond prices are inversely related to yields, an increase in the liability discount rate (which would reduce liabilities) would reduce bond values, though not necessarily by an equal magnitude.

Given the maturity of certain Company funded defined benefit pension schemes, de-risking frameworks have been introduced to mitigate deficit volatility and enable better matching of investment returns with the cash outflows related to benefit obligations. These frameworks entail the usage of asset-liability matching techniques, whereby triggers are set for the conversion of equity holdings into bonds of similar average duration to the relevant liabilities.

Discount rates: The discount rates employed in determining the present value of the schemes' liabilities are determined by reference to market yields at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations. Changes in discount rates impact the quantum of liabilities as discussed above.

Inflation risk: A significant amount of the Company's pension obligations are linked to inflation; higher inflation will lead to higher liabilities (although in most cases, caps on the level of inflationary increases are in place to protect the schemes against extreme inflation).

Longevity risk: In the majority of cases, the Company's defined benefit pension schemes provide benefits for life with spousal and dependent child reversionary provisions; increases in life expectancy (decreases in mortality assumptions) will therefore give rise to higher liabilities.

Aggregation

For the purposes of the disclosures which follow; the schemes in Belgium, France, Germany, Italy, the Netherlands, the Republic of Ireland and Slovakia have been aggregated into a "Eurozone" category on the basis of common currency and financial assumptions; schemes in the Philippines, Romania, Serbia and the United Kingdom have been aggregated into an "Other" category.

Financial assumptions – scheme liabilities

The major long-term assumptions used by the Company's actuaries in the computation of scheme liabilities and post-retirement healthcare obligations are as follows:

	Eurozone		United States and Canada		Switzerland	
	2023	2022	2023	2022	2023	2022
	%	%	%	%	%	%
Rate of increase in:						
- salaries	3.30	3.30	3.00	3.00	2.50	2.50
- pensions in payment	2.30	2.10	–	–	–	–
Inflation	2.30	2.30	2.10	2.10	2.00	2.00
Discount rate	3.60	4.20	4.90	5.20	1.50	2.20
Medical cost trend rate	n/a	n/a	6.91	1.87	n/a	n/a

The mortality assumptions employed in determining the present value of scheme liabilities under IAS 19 represent actuarial guidelines in the relevant jurisdictions, taking account of mortality experience and industry circumstances. For schemes in the Republic of Ireland and the United Kingdom, the mortality assumptions used are in accordance with the underlying funding valuations. For the Company's most material schemes, the future life expectations factored into the relevant valuations, based on retirement at 65 years of age for current and future retirees, are as follows:

	Republic of Ireland		United States and Canada		Switzerland	
	2023	2022	2023	2022	2023	2022
<i>Current retirees</i>						
- men	22.7	22.7	20.6	20.5	22.8	22.7
- women	24.6	24.6	22.6	22.5	24.6	24.5
<i>Future retirees</i>						
- men	25.0	25.0	22.4	22.3	25.6	25.5
- women	26.8	26.9	24.2	24.2	27.0	26.9

The above data allows for future improvements in life expectancy.

Impact on Consolidated Income Statement

The total retirement benefit expense from continuing operations in the Consolidated Income Statement is as follows:

	2023	2022
	\$m	\$m
Total defined contribution expense (i)	329	316
Total defined benefit expense	34	56
Total expense in Consolidated Income Statement	363	372

(i) The total defined contribution expense in 2022 excludes \$6 million, relating to discontinued operations.

At December 31, 2023 \$110 million (2022: \$104 million) was included in trade and other payables in respect of defined contribution pension liabilities.

Analysis of defined benefit expense

Charged in arriving at profit before finance costs:

Current service cost	27	46
Administration expenses	6	5
Past service credit	–	(1)
Subtotal	33	50

Included in finance income and finance costs respectively:

Interest income on scheme assets	(100)	(52)
Interest cost on scheme liabilities	101	58
Net interest expense	1	6

Net expense to Consolidated Income Statement

	34	56
The composition of the net expense to the Consolidated Income Statement is as follows:		
Eurozone	8	25
United States and Canada	15	14
Switzerland	6	9
Other	5	8
Total	34	56

	2023	2022
	\$m	\$m
Reconciliation of scheme assets (bid value)		
At January 1	2,443	3,174
<i>Movement in year</i>		
Interest income on scheme assets	100	52
Remeasurement adjustments		
- <i>return on scheme assets excluding interest income</i>	57	(534)
Employer contributions paid	35	35
Contributions paid by plan participants	7	7
Benefit and settlement payments	(126)	(142)
Administration expenses	(6)	(5)
Translation adjustment	101	(144)
Fair value of plan assets	2,611	2,443
Remeasurement adjustments		
- <i>impact of asset ceiling (i)</i>	(26)	(88)
At December 31	2,585	2,355

The composition of scheme assets is as follows:

Eurozone	1,278	1,217
United States and Canada	668	652
Switzerland	437	303
Other	202	183
Total	2,585	2,355

Reconciliation of actuarial value of liabilities

At January 1	(2,371)	(3,483)
<i>Movement in year</i>		
Current service cost	(27)	(46)
Past service credit net	–	1
Interest cost on scheme liabilities	(101)	(58)
Reclassified as held for sale	47	–
Disposals	–	25
Remeasurement adjustments		
- <i>experience variations</i>	(11)	(48)
- <i>actuarial (loss)/gain from changes in financial assumptions</i>	(171)	951
- <i>actuarial gain/(loss) from changes in demographic assumptions</i>	10	(2)
Contributions paid by plan participants	(7)	(7)
Benefit and settlement payments	126	142
Translation adjustment	(86)	154
At December 31	(2,591)	(2,371)

The composition of the actuarial value of liabilities is as follows:

Eurozone	(1,210)	(1,096)
United States and Canada	(814)	(797)
Switzerland	(365)	(296)
Other	(202)	(182)
Total	(2,591)	(2,371)

Net pension deficit (ii)	(6)	(16)
Related deferred income tax asset	33	22
Net pension asset	27	6

The composition of the net pension asset is as follows:

Eurozone	62	106
United States and Canada	(110)	(109)
Switzerland	73	6
Other	2	3
Total	27	6

(i) Remeasurement adjustments from the change in the asset ceiling reported in other comprehensive income for 2023 is \$71 million (2022: \$88 million).

(ii) Reconciliation to Consolidated Balance Sheet

Retirement benefit assets	248	261
Retirement benefit obligations	(254)	(277)
Net pension deficit	(6)	(16)

Sensitivity analysis

The revised liabilities due to the impact of a reasonably possible change (as indicated below) in the principal actuarial assumptions would be as follows:

		Eurozone	United States and Canada	Switzerland	Other	Total
		2023	2023	2023	2023	2023
		\$m	\$m	\$m	\$m	\$m
Scheme liabilities at December 31		(1,210)	(814)	(365)	(202)	(2,591)
<i>Revised liabilities</i>						
Discount rate	Increase by 0.25%	(1,166)	(794)	(351)	(195)	(2,506)
	Decrease by 0.25%	(1,256)	(836)	(379)	(209)	(2,680)
Inflation rate	Increase by 0.25%	(1,254)	(816)	(366)	(205)	(2,641)
	Decrease by 0.25%	(1,167)	(812)	(363)	(202)	(2,544)
Mortality assumption	Increase by 1 year	(1,170)	(792)	(354)	(197)	(2,513)
	Decrease by 1 year	(1,250)	(836)	(375)	(207)	(2,668)

The above sensitivity analysis is derived through changing the individual assumption while holding all other assumptions constant.

	2023	2022
	\$m	\$m
Split of scheme assets		
<i>Investments quoted in active markets</i>		
Equity instruments (i)	483	504
Debt instruments (ii)	1,512	1,482
Property	103	113
Cash and cash equivalents	52	42
Investment funds	109	89
<i>Unquoted investments</i>		
Equity instruments	2	2
Debt instruments (iii)	139	14
Property	82	74
Cash and cash equivalents	15	13
Assets held by insurance company	114	110
Total assets	2,611	2,443

(i) Equity instruments primarily relate to developed markets.

(ii) Quoted debt instruments are made up of \$1,038 million (2022: \$991 million) and \$474 million (2022: \$491 million) of government and non-government instruments respectively.

(iii) Unquoted debt instruments primarily relate to government debt instruments.

Actuarial valuations - funding requirements and future cash flows

In accordance with statutory requirements in the Republic of Ireland and funding requirements set by the Trustees in the United Kingdom, additional annual contributions and lump-sum payments are determined to get the plans to a fully funded position (on a funding basis). The funding requirements in relation to the Company's defined benefit schemes are assessed in accordance with the advice of independent and qualified actuaries and valuations are prepared in this regard either annually, where local requirements mandate that this be done, or at triennial intervals at a maximum in all other cases. In the Republic of Ireland and the United Kingdom, either the attained age or projected unit credit methods are used in the valuations. In Canada, Germany, Switzerland and the United States, valuations are performed in accordance with the projected unit credit methodology. The dates of the funding valuations range from January 2021 to January 2023.

In general, funding valuations are not available for public inspection; however, the results of valuations are advised to the members of the various schemes on request.

The Company has contracted payments (presented on a discounted basis) to certain schemes in the United Kingdom as follows:

	2023	2022
	\$m	\$m
Within one year	3	3
Between one and two years	3	3
Between two and three years	3	3
Between three and four years	3	3
Between four and five years	2	2
After five years	7	9
Total	21	23

Employer contributions payable in the 2024 financial year including minimum funding payments (expressed using year-end exchange rates for 2023) are estimated at \$36 million.

Average duration and scheme composition

	Eurozone		United States and Canada		Switzerland	
	2023	2022	2023	2022	2023	2022
Average duration of defined benefit obligation (years)	15.2	14.0	11.0	10.2	15.2	13.5
<i>Allocation of defined benefit obligation by participant:</i>						
Active plan participants	70%	70%	46%	47%	76%	76%
Deferred plan participants	10%	10%	15%	15%	–%	–%
Retirees	20%	20%	39%	38%	24%	24%

29. Share Capital and Reserves

Equity share capital	2023	2022
	Ordinary Shares of €0.32 each (i)	Ordinary Shares of €0.32 each (i)
<i>Authorized</i>		
At January 1 and December 31 (\$m)	491	491
Number of Shares at January 1 and December 31 (millions)	1,250	1,250
<i>Allotted, called-up and fully paid</i>		
At January 1 (\$m)	302	309
Cancellation of Shares (ii)	(6)	(7)
At December 31 (\$m)	296	302

The movement in the number of shares (expressed in millions) during the financial year was as follows:

At January 1	752	774
Cancellation of Shares (ii)	(18)	(22)
At December 31	734	752

- (i) The Ordinary Shares represent 99.50% of the total issued share capital as at December 31, 2023 (2022: 99.52%).
- (ii) Following the Company's transition to a U.S. primary listing in September 2023, 17,620,740 Ordinary Shares were purchased as part of the share buyback program (the Program) and immediately cancelled. The amount paid to repurchase these shares was recognized in retained income on cancellation. During 2022, 22,000,000 Ordinary Shares which were previously held as Treasury Shares were cancelled.

Transition to U.S. Primary Listing

On March 2, 2023, CRH announced that following a review of its listing structure, the Board had concluded that it was in the best interests of our business and our shareholders to pursue a U.S. primary listing, together with U.S. equity index inclusion as soon as possible. At an Extraordinary General Meeting (EGM) on June 8, 2023, our shareholders overwhelmingly approved our move to a primary U.S. stock market listing. On September 25, 2023, CRH completed the transition of our primary listing to the NYSE.

Share schemes

The aggregate number of shares which may be committed for issue in respect of any share option scheme, savings-related share option scheme, share participation scheme, performance share plan or any subsequent option scheme or share plan, may not exceed 10% of the issued ordinary share capital from time to time.

Share option schemes

Details of share options granted under the Company's share option schemes and the terms attaching thereto are provided in note 8 to the financial statements. A total of 183,333 Treasury Shares were re-issued during the financial year to satisfy the exercise of options over Ordinary Shares under these Schemes (2022: 449,703).

Share participation schemes

As at December 31, 2023, 8,700,494 (2022: 8,593,666) Ordinary Shares had been appropriated to participation schemes. In 2023 the appropriation was satisfied by the purchase of 106,828 shares (2022: 149,426 satisfied by the purchase of shares). The Ordinary Shares appropriated pursuant to these schemes were issued at market value on the dates of appropriation. The shares issued pursuant to these schemes are excluded from the scope of IFRS 2 and are hence not factored into the expense computation and the associated disclosures in note 8.

Preference share capital	5% Cumulative Preference Shares of €1.27 each		7% 'A' Cumulative Preference Shares of €1.27 each	
	Number of Shares '000s	\$m	Number of Shares '000s	\$m
<i>Authorized</i>				
At January 1, 2023 and December 31, 2023	150	–	872	1
<i>Allotted, called-up and fully paid</i>				
At January 1, 2023 and December 31, 2023	50	–	872	1

There was no movement in the number of cumulative preference shares in either the current or the prior year.

The holders of the 5% Cumulative Preference Shares are entitled to a fixed cumulative preference dividend at a rate of 5% per annum and priority in a winding-up to repayment of capital, but have no further right to participate in profits or assets and are not entitled to be present or vote at general meetings unless their dividend is in arrears. Dividends on the 5% Cumulative Preference Shares are payable half-yearly on April 15 and October 15 in each year. The 5% Cumulative Preference Shares represent 0.03% of the total issued share capital as at December 31, 2023 (2022: 0.03%).

The holders of the 7% 'A' Cumulative Preference Shares are entitled to a fixed cumulative preference dividend at a rate of 7% per annum, and subject to the rights of the holders of the 5% Cumulative Preference Shares, priority in a winding-up to repayment of capital, but have no further right to participate in profits or assets and are not entitled to be present or vote at general meetings unless their dividend is in arrears or unless the business of the meeting includes certain matters, which are specified in the Articles of Association. Dividends on the 7% 'A' Cumulative Preference Shares are payable half-yearly on April 5 and October 5 in each year. The 7% 'A' Cumulative Preference Shares represent 0.47% of the total issued share capital as at December 31, 2023 (2022: 0.45%).

Treasury Shares/own shares	2023	2022
	\$m	\$m
At January 1	(297)	(195)
Own Shares released by the Employee Benefit Trust under the 2014 Performance Share Plan	111	173
Shares acquired by CRH plc (Treasury Shares) (i)	(1,955)	(1,170)
Shares acquired by Employee Benefit Trust (own shares)	(64)	(8)
Treasury Shares/own shares reissued (ii)	6	24
Cancellation of Treasury Shares	–	879
At December 31	(2,199)	(297)

The movement in the number of Treasury Shares/own shares during the financial year is outlined in the table below.

	Number of shares	
	2023	2022
At January 1	7,712,885	3,720,563
Own Shares released by the Employee Benefit Trust under the 2014 Performance Share Plan	(3,362,689)	(3,502,924)
Shares acquired by CRH plc (Treasury Shares) (i)	37,280,188	29,755,861
Shares acquired by Employee Benefit Trust (own shares)	972,230	189,088
Treasury Shares/own shares reissued (ii)	(183,333)	(449,703)
Cancellation of Treasury Shares	–	(22,000,000)
At December 31	42,419,281	7,712,885
Split of Treasury Shares/own shares (iii)		
Treasury Shares	41,205,490	7,398,112
Own shares	1,213,791	314,773
	42,419,281	7,712,885

- (i) During 2023, CRH repurchased a total of 54,900,928 Ordinary Shares returning a further \$3.0 billion of cash to shareholders (17,620,740 were cancelled immediately on purchase). This brings total cash returned to shareholders under the Program to \$7.1 billion since its commencement in May 2018.
- (ii) These reissued Treasury Shares were previously purchased at an average price of \$33.24 (2022: \$53.21).
- (iii) As at the balance sheet date, the nominal value of the Treasury Shares and own shares was €13.2 million and €0.4 million respectively (2022: €2.4 million and €0.1 million respectively). Dividends have been waived by the Trustees of the own shares.

	2023		2022 (i)	
	Number of Shares	\$m	Number of Shares	\$m
Ordinary Shares repurchased during the period	37,280,188	1,955	29,755,861	1,170
Ordinary Shares repurchased and cancelled during the period	17,620,740	1,048	–	–

- (i) On December 31, 2022 a financial liability of \$281 million was recognized in other payables.

On December 21, 2023, CRH commenced a further phase of the Program which was entered into with Citigroup Global Markets Inc. (Citi) to repurchase ordinary shares listed on the NYSE on CRH's behalf for an aggregate maximum consideration of \$300 million. This phase ended on February 28, 2024.

30. Business Combinations

The acquisitions completed during the year ended December 31, 2023 by reportable segment, together with the completion dates, are detailed below; these transactions entailed the acquisition of an effective 100% stake except where indicated to the contrary:

Americas Materials Solutions:

Arkansas: Dilbeck Excavation, Inc. (December 15);

Florida: Epic Materials, Inc. (December 15);

Montana: H&H Contracting, Inc. (September 29);

New Jersey: certain assets of North State Materials, LLC (June 29);

Ohio: Trison Concrete (January 20);

Oklahoma: Dunham's Asphalt Services, Inc. (October 6);

Oregon: certain assets of Hatley (October 11); and

West Virginia: Scary Creek Materials, Inc. (June 2).

Americas Building Solutions:

Idaho: certain assets of Waupaca Northwoods, LLC (December 21);

Indiana: Quality Precast, Inc. (September 8) and PipeConx (October 30);

Maine: Hydro International (July 24); and

Pennsylvania: certain assets of CertainTeed, LLC (August 1).

Europe Materials Solutions:

Denmark: Bedsted Lø Grusværker ApS (February 1);

Romania: Bolintin Sand and Gravel (May 8) and Bauelemente SRL (July 28); and

Slovakia: certain assets of TBG Slovensko a.s. (June 1) and certain assets of ZAPA beton SK s.r.o (October 16).

Europe Building Solutions:

Australia: Tri-Underground (August 1); and Burdens Australia (November 30);

Germany: Modersohn (January 31); and

Sweden: Ulricehamns Betong AB (January 2).

The identifiable net assets acquired, including adjustments to provisional fair values, were as follows:

	2023	2022
	\$m	\$m
ASSETS		
Non-current assets		
Property, plant and equipment	287	906
Intangible assets	86	987
Equity method investments	–	28
Total non-current assets	373	1,921
Current assets		
Inventories	65	375
Trade and other receivables (i)	78	227
Current income tax recoverable	1	–
Cash and cash equivalents	19	22
Total current assets	163	624
LIABILITIES		
Trade and other payables	(86)	(195)
Provisions for liabilities	(6)	(19)
Lease liabilities	(35)	(107)
Interest-bearing loans and borrowings	(104)	(8)
Deferred income tax liabilities	(30)	(247)
Total liabilities	(261)	(576)
 Total identifiable net assets at fair value	 275	 1,969
Goodwill arising on acquisition (ii)	398	1,320
Total consideration	673	3,289
 Consideration satisfied by:		
Cash payments	659	3,275
Deferred consideration (stated at net present cost)	8	10
Contingent consideration	6	4
Total consideration	673	3,289
 Net cash outflow arising on acquisition		
Cash consideration	659	3,275
Less: cash and cash equivalents acquired	(19)	(22)
Total outflow in the Consolidated Statement of Cash Flows	640	3,253

Notes (i) to (ii) are set out overleaf.

The acquisition balance sheet presented on the previous page reflects the identifiable net assets acquired in respect of acquisitions completed during 2023, together with adjustments to provisional fair values in respect of acquisitions completed during 2022. The measurement period for a number of acquisitions completed in 2022, closed in 2023 with no material adjustments identified.

CRH performs a detailed quantitative and qualitative assessment of each acquisition in order to determine whether it is material for the purposes of separate disclosure under IFRS 3 *Business Combinations*. None of the acquisitions completed during the financial year were considered sufficiently material to warrant separate disclosure of the attributable fair values. The initial assignment of the fair values to identifiable assets acquired and liabilities assumed as disclosed are provisional (principally in respect of property, plant and equipment) in respect of certain acquisitions due to timing of close. The fair value assigned to identifiable assets and liabilities acquired is based on estimates and assumptions made by management at the time of acquisition. CRH may revise its purchase price allocation during the subsequent reporting window as permitted under IFRS 3.

- (i) The gross contractual value of trade and other receivables as at the respective dates of acquisition amounted to \$78 million (2022: \$229 million). The fair value of these receivables is \$78 million (all of which is expected to be recoverable) (2022: \$227 million).
- (ii) The principal factor contributing to the recognition of goodwill on acquisitions entered into by the Company is the realization of cost savings and other synergies with existing entities in the Company which do not qualify for separate recognition as intangible assets. \$33 million of the goodwill recognized in respect of acquisitions completed in 2023 is expected to be deductible for tax purposes (2022: \$1,289 million).

	2023	2022
	\$m	\$m
Acquisition-related costs		
Barrette	–	27
Other acquisitions	10	12
Total	10	39

The above acquisition-related costs for continuing operations, which exclude post-acquisition integration costs, have been included in operating costs in the Consolidated Income Statement (note 4).

The following table analyses the 22 acquisitions completed in 2023 (2022: 29 acquisitions) by reportable segment and provides details of the goodwill and consideration figures arising in each of those segments:

	Number of acquisitions		Goodwill		Consideration	
	2023	2022	2023	2022	2023	2022
			\$m	\$m	\$m	\$m
Reportable segments						
Continuing operations						
Americas Materials Solutions	8	10	29	172	97	493
Americas Building Solutions	5	8	249	1,190	269	2,621
Europe Materials Solutions	5	9	28	34	142	144
Europe Building Solutions	4	2	89	15	166	31
Total from continuing operations	22	29	395	1,411	674	3,289
Adjustments to provisional fair values of prior year acquisitions			3	(91)	(1)	-
Total			398	1,320	673	3,289

The post-acquisition impact of acquisitions completed during the year on the Company's profit for the financial year was as follows:

	2023	2022
	\$m	\$m
Continuing operations		
Revenue	228	761
Loss before tax for the financial year	(14)	(8)

The revenue and profit of the Company for the financial year determined in accordance with IFRS as though the acquisitions effected during the year had been at the beginning of the year would have been as follows:

	2023 acquisitions	Company excluding 2023 acquisitions	Company including acquisitions
	\$m	\$m	\$m
Revenue	508	34,721	35,229
(Loss)/profit before tax for the financial year	(12)	3,979	3,967

On November 21, 2023, the Company announced that it reached agreement to acquire a portfolio of cement and readymixed concrete assets and operations in Texas, United States from Martin Marietta, Inc. (the 'Transaction') for a total consideration of \$2.1 billion. On February 9, 2024, the Transaction was completed. The assets acquired are located in the United States and are expected to strengthen our position in Texas as well as increasing exposure to attractive, high-growth markets. Due to the timing of the Transaction, the preliminary purchase price accounting remains ongoing as the Company continues to collect and assess information as of the transaction date.

There have been no other acquisitions completed subsequent to the balance sheet date which would be individually material to the Company, thereby requiring disclosure under either IFRS 3 or IAS 10 *Events after the Balance Sheet Date*. Development updates, giving details of acquisitions which do not require separate disclosure on the grounds of materiality, are published periodically.

31. Non-controlling Interests

The total non-controlling interest at December 31, 2023 is \$521 million (2022: \$646 million) of which \$297 million (2022: \$444 million) relates to Republic Cement & Building Materials (RCBM), Inc. and Republic Cement Land & Resources (RCLR), Inc. The non-controlling interests in respect of the Company's other subsidiaries are not considered to be material.

Name	Principal activity	Country of incorporation	Economic ownership interest held by non-controlling interest
Republic Cement & Building Materials, Inc. and Republic Cement Land & Resources, Inc.	Manufacture, development and sale of cement and building materials	Philippines	45%

The following is summarized financial information for RCBM and RCLR prepared in accordance with IFRS 12 *Disclosure of Interests in Other Entities*. This information is before intragroup eliminations with other Company companies.

	2023	2022
Summarized financial information	\$m	\$m
Loss for the year	(327)	(26)
Current assets	200	265
Non-current assets	1,128	1,455
Current liabilities	(252)	(267)
Non-current liabilities	(649)	(699)
Net assets	427	754
Cash flows from operating activities	24	13

There were no dividends paid to non-controlling interests of the combined Philippines business during the current or the prior year.

CRH holds 40% of the equity share capital in RCBM and RCLR and has an economic interest of 55% of the combined Philippines business. Non-controlling interest relates to another party who holds 60% of the equity share capital in RCBM and RCLR and has an economic interest of 45% of the combined Philippines business. CRH has obtained control (as defined under IFRS 10 *Consolidated Financial Statements*) by virtue of contractual arrangements which give CRH power to direct the relevant non-nationalized activities of the business, in compliance with Philippine law.

32. Related Party Transactions

The principal related party relationships requiring disclosure in the Consolidated Financial Statements of the Company under IAS 24 *Related Party Disclosures* pertain to: the existence of subsidiaries, joint ventures and associates; transactions with these entities entered into by the Company; the identification and compensation of key management personnel; and lease arrangements.

Subsidiaries, joint ventures and associates

The Consolidated Financial Statements include the financial statements of the Company (CRH plc, the ultimate parent) and its subsidiaries as well as its joint ventures and associates accounted for by applying the equity method as outlined in the accounting policies on pages 44 to 54. The Company's principal subsidiaries, joint ventures and associates are disclosed on pages 138 to 142.

Sales to and purchases from joint ventures and associates are as follows:

	Joint ventures		Associates	
	2023	2022	2023	2022
	\$m	\$m	\$m	\$m
<i>Continuing operations</i>				
Sales	162	192	59	45
Purchases	46	41	24	20

Loans extended by the Company to joint ventures and associates (see note 15) are included in financial assets. Amounts receivable from and payable to equity method investments (arising from the aforementioned sales and purchases transactions) as at the balance sheet date are included as separate line items in notes 17 and 18 to the Consolidated Financial Statements.

Terms and conditions of transactions with subsidiaries, joint ventures and associates

Sales to and purchases from joint ventures and associates are conducted in the ordinary course of business and on terms equivalent to those that prevail in arms-length transactions. The outstanding balances included in receivables and payables as at the balance sheet date in respect of transactions with joint ventures and associates are unsecured and settlement of these arise in cash. No guarantees have been either requested or provided in relation to related party receivables and payables. Loans to joint ventures and associates (as disclosed in note 15) are extended on normal commercial terms in the ordinary course of business with interest accruing and, in general, paid to the Company at predetermined intervals.

Key management personnel

For the purposes of the disclosure requirements of IAS 24, the term "key management personnel" (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Company) comprises of the Board of Directors and the Chief Operating Decision Maker (as defined in IFRS 8) which manage the business and affairs of the Company.

Key management remuneration amounted to:	2023	2022
	\$m	\$m
Short-term benefits	15	14
Post-employment benefits	1	1
Share-based payments - calculated in accordance with the principles disclosed in note 8	11	9
Total	27	24

Other than these compensation entitlements, there were no other transactions involving key management personnel.

Directors' emoluments

	2023 (i)	2022 (i)
	\$m	\$m
Emoluments (ii)	11	10
Gains by the Directors on the exercise of share options (iii)	–	–
Benefits under long-term incentive schemes (iv)	13	9
Total	24	19

Directors' emoluments are included in administrative expenses in note 4.

- (i) All compensation of the Directors outlined in this table was received/valued in euro and has been converted to U.S. Dollar using the average Bloomberg composite rate for the applicable year.
- (ii) For the purposes of Section 305 of the Companies Act 2014, "emoluments" includes any salaries, fees, bonuses or expenses received by the Directors of CRH plc in respect of the years ended December 31, 2023 and 2022.
- (iii) Albert Manifold exercised an option under the Group's Savings-related Share Option Scheme on August 24, 2023 under which he acquired 1,293 Ordinary Shares at a price of €23.39 per Ordinary Share. The total gain on exercise, converted to U.S. Dollar using the average Bloomberg composite rate for 2023, was \$39,663. There were no option exercises by the Directors in 2022.
- (iv) The amounts in the long-term incentive column for 2023 reflect the value of long-term incentive awards with a performance period ending in 2023 (i.e. the Performance Share Plan awards granted in 2021). In February 2024, the Compensation Committee determined that 100% of the maximum Performance Share Plan awards made in 2021 will vest, based on performance. The award for the Chief Executive is subject to a further two-year holding period and will vest in 2026. The award for the Chief Financial Officer, which was granted prior to his appointment to the Board, is not subject to an additional holding period and will vest in March 2024. For the purposes of this table, the value of these awards has been estimated using a share price of \$60.35, being the three-month average share price to December 31, 2023. Amounts in the long-term incentive column for 2022 reflect the value of long-term incentive awards with a performance period ending in 2022 (i.e. the Performance Share Plan awards granted in 2020), which the Compensation Committee determined in February 2023 had met the applicable performance targets. The award for the Chief Executive is scheduled to vest in 2025 following the completion of a two-year holding period. The award for the Chief Financial Officer, which was granted prior to his appointment to the Board, vested in March 2023. For the purposes of this table, the value of these awards has been estimated using a share price of \$38.29, being the three-month average share price to December 31, 2022.

Lease arrangements

CRH has a number of lease arrangements in place with related parties across the Company, which have been negotiated on an arms-length basis at market rates. We do not consider these arrangements to be material either individually or collectively in the context of the 2023 and 2022 Consolidated Financial Statements.

33. Board Approval

The Board of Directors approved and authorized for issue the financial statements on pages 39 to 114 in respect of the year ended December 31, 2023 on February 28, 2024.

Parent Company Balance Sheet

as at December 31, 2023

		2023	2022
		\$m	\$m
Notes			
	Fixed assets		
3	Financial assets	9,685	8,699
	Current assets		
4	Debtors	332	158
	Cash at bank and in hand	831	807
	Total current assets	1,163	965
	Creditors (amounts falling due within one year)		
5	Trade and other creditors	1,717	1,301
	Total current liabilities	1,717	1,301
	Net current liabilities	(554)	(336)
	Net assets	9,131	8,363
	Capital and reserves		
8	Called-up share capital	296	302
8	Preference share capital	1	1
8	Treasury Shares and own shares	(2,199)	(297)
9	Revaluation reserve	62	62
	Other reserves	389	371
	Foreign currency translation reserve	(791)	(1,162)
9	Profit and loss account (i)	11,373	9,086
	Total equity	9,131	8,363

(i) In accordance with section 304 of the Companies Act 2014, the profit for the financial year of the Parent Company amounted to \$3,994 million (2022: \$630 million).

R. Boucher, A. Manifold, Directors

Parent Company Statement of Changes in Equity

for the financial year ended December 31, 2023

	Issued share capital \$m	Treasury Shares/own shares \$m	Revaluation reserve \$m	Other reserves \$m	Foreign currency translation reserve \$m	Profit and loss account \$m	Total equity \$m
At January 1, 2023	303	(297)	62	371	(1,162)	9,086	8,363
Profit for the financial year	–	–	–	–	–	3,994	3,994
Total comprehensive income	–	–	–	–	–	3,994	3,994
Share-based payment expense	–	–	–	123	–	–	123
Shares acquired by CRH plc (Treasury Shares)	–	(1,955)	–	–	–	281	(1,674)
Treasury Shares/own shares reissued	–	6	–	–	–	(6)	–
Shares acquired by Employee Benefit Trust (own shares)	–	(64)	–	–	–	–	(64)
Shares distributed under the Performance Share Plan Awards	–	111	–	(111)	–	–	–
Shares acquired and cancelled by CRH plc	(6)	–	–	6	–	(1,048)	(1,048)
Share option exercises	–	–	–	–	–	4	4
Dividends	–	–	–	–	–	(938)	(938)
Translation adjustment	–	–	–	–	371	–	371
At December 31, 2023	297	(2,199)	62	389	(791)	11,373	9,131

for the financial year ended December 31, 2022

At January 1, 2022	310	(195)	62	436	(542)	10,262	10,333
Profit for the financial year	–	–	–	–	–	630	630
Total comprehensive income	–	–	–	–	–	630	630
Share-based payment expense	–	–	–	101	–	–	101
Shares acquired by CRH plc (Treasury Shares)	–	(1,170)	–	–	–	17	(1,153)
Treasury Shares/own shares reissued	–	24	–	–	–	(24)	–
Shares acquired by Employee Benefit Trust (own shares)	–	(8)	–	–	–	–	(8)
Shares distributed under the Performance Share Plan Awards	–	173	–	(173)	–	–	–
Cancellation of Treasury Shares	(7)	879	–	7	–	(879)	–
Share option exercises	–	–	–	–	–	11	11
Dividends	–	–	–	–	–	(931)	(931)
Translation adjustment	–	–	–	–	(620)	–	(620)
At December 31, 2022	303	(297)	62	371	(1,162)	9,086	8,363

Notes to the Parent Company Balance Sheet

1. Basis of Preparation

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2014 and GAAP in the Republic of Ireland (Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101)). Note 2 below describes the principal accounting policies under FRS 101, which have been applied consistently.

In these financial statements the Parent Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Statement of Cash Flows;
- Disclosures in respect of transactions with wholly-owned subsidiaries;
- Certain requirements of IAS 1 *Presentation of Financial Statements*;
- Disclosures required by IFRS 7 *Financial Instrument Disclosures*;
- Disclosures required by IFRS 13 *Fair Value Measurement*; and
- The effects of new but not yet effective IFRSs

2. Accounting Policies

General information

The Parent Company and its subsidiaries (together the 'Company') operates in the building materials industry, providing essential products and services for construction projects worldwide. The Company is one of the largest suppliers of building materials globally. The Company is a major producer of aggregates, cement, readymixed concrete, and asphalt and a supplier of paving and constructions services, providing solutions to a wide range of customers, including contractors, builders, engineers, infrastructure developers, and the residential market. The Parent Company is a public limited company whose shares are publicly traded. The Parent Company is incorporated and domiciled in the Republic of Ireland. The Parent Company's registered number is 12965 and registered office address is 42 Fitzwilliam Square, Dublin 2, Ireland.

Key accounting policies which involve estimates, assumptions and judgments

No key accounting judgments or estimates were required in the current year.

Other material accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held for the purpose of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Bank overdrafts are included within creditors falling due within one year in the Parent Company Balance Sheet.

Financial assets

Investments in subsidiaries, are stated at cost less any accumulated impairment and are reviewed for impairment if there are indications that the carrying value may not be recoverable. Impairment assessment is considered as part of the Parent Company's overall impairment assessment.

Foreign currencies

The functional currency of the Parent Company is euro. As a result of the Parent Company completing its NYSE listing in September 2023, the primary economic environment and generation and use of cash flows for the Parent Company will be mainly denominated in U.S. Dollar going forward. Consequently, effective January 1, 2024, the Parent Company changed its functional currency from the euro to the U.S. Dollar.

Transactions in foreign currencies are translated at the rates of exchange in effect at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange in effect at the balance sheet date, with a corresponding charge or credit to the profit and loss account.

The presentation currency of the Parent Company is the U.S. Dollar.

Loans receivable and payable

Intercompany loans receivable and payable are initially recognized at fair value. These are subsequently measured at amortized cost, less any loss allowance.

Share-based payments

The Parent Company has applied the requirements of Section 8 of FRS 101.

The accounting policy applicable to share-based payments is addressed in detail on page 49 of the Consolidated Financial Statements.

Treasury Shares and own shares

Treasury Shares

Own equity instruments (i.e. Ordinary Shares) acquired by the Parent Company are deducted from equity and presented on the face of the Parent Company Balance Sheet. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's Ordinary Shares. A financial liability is recorded if a contractual obligation to repurchase shares exists at the balance sheet date.

Own shares

Ordinary Shares purchased by the Employee Benefit Trust on behalf of the Parent Company under the terms of the Performance Share Plan are recorded as a deduction from equity on the face of the Parent Company Balance Sheet.

Dividends

Dividends on Ordinary Shares are recognized as a liability in the Parent Company's Financial Statements in the period in which they are declared by the Company and approved by shareholders in respect of final dividends. In respect of interim dividends, a liability is recognized when the Parent Company has an obligation to pay.

Dividend income

Dividend income is recognized when the right to receive payment is established.

Operating income and expense

Operating income and expense arises from the Parent Company's principal activities as a holding and financing company for the Company and are accounted for on an accruals basis.

3. Financial Assets

The Parent Company's investment in its subsidiaries is as follows:

	Shares \$m	Other \$m	Total \$m
At January 1, 2023 at cost	8,221	478	8,699
Capital contribution in respect of share-based payments	–	32	32
Additions (i)	2,288	–	2,288
Divestitures	(1,667)	–	(1,667)
Translation adjustment	305	28	333
At December 31, 2023 at cost	9,147	538	9,685

The equivalent disclosure for the prior year is as follows:

At January 1, 2022 at cost	8,714	507	9,221
Capital contribution in respect of share-based payments	–	11	11
Translation adjustment	(493)	(40)	(533)
At December 31, 2022 at cost	8,221	478	8,699

- (i) Additions in the year include \$3.4 billion in respect of the transfer of ownership of CRH Belgard Limited to the Parent Company from CRH International Unlimited Company (CRI), net of a corresponding deduction in the Parent Company's investment in CRI of \$3.4 billion.

The Parent Company's principal subsidiaries, joint ventures and associates are disclosed on pages 138 to 142.

Pursuant to Section 348(4) of the Companies Act 2014, a full list of subsidiaries, joint ventures and associated undertakings will be annexed to the Parent Company's annual return to be filed in the Companies Registration Office in Ireland.

4. Debtors

	2023 \$m	2022 \$m
Amounts owed by subsidiary undertakings	332	158

Amounts owed by subsidiary undertakings are repayable on demand.

5. Creditors

	2023 \$m	2022 \$m
<i>Amounts falling due within one year</i>		
Amounts owed to subsidiary undertakings	1,706	1,007
Other creditors	11	291
Corporation tax liability	–	3
	1,717	1,301

Amounts owed to subsidiary undertakings are repayable on demand.

6. Auditor's Remuneration (Memorandum Disclosure)

In accordance with Section 322 of the Companies Act 2014, the fees paid in 2023 to the statutory auditor Deloitte Ireland LLP (Deloitte) for work engaged by the Parent Company comprised audit fees of \$22,000 (2022: \$22,000) and other assurance services of \$8,000 (2022: \$nil).

The statutory auditor has not provided any tax advisory or other non-audit services to the Parent Company during the financial year (2022: \$nil).

7. Dividends Proposed (Memorandum Disclosure)

Details in respect of the second interim 2023 dividend proposed of \$750 million, in respect of the interim Q1 2024 dividend proposed of \$242 million and dividends paid during the year are presented in the dividends note (note 11) on page 73 of the notes to the Consolidated Financial Statements (2022: \$765 million relating to the final 2022 dividend).

8. Called-up Share Capital

Called-up Share Capital

Details in respect of called-up share capital, preference share capital, Treasury Shares and own shares are presented in the share capital and reserves note (note 29) on pages 107 to 108 of the notes to the Consolidated Financial Statements.

9. Reserves

Revaluation Reserve

The Parent Company's revaluation reserve arose on the revaluation of certain investments prior to the transition to FRS 101.

Other Reserves

The Parent Company's other reserves includes \$40 million (2022: \$34 million) undenominated share capital that arose on the cancellation of the Treasury Shares/Ordinary Shares.

In accordance with Section 304 of the Companies Act 2014, the Parent Company is availing of the exemption from presenting its individual profit and loss account to the AGM and from filing it with the Registrar of Companies.

The reserves of the Parent Company available for distribution are restricted by the amount of the consideration paid for the Treasury Shares and own shares held by the Parent Company, \$2,199 million as at December 31, 2023 (2022: \$297 million) and the undenominated share capital of \$40 million as at December 31, 2023 (2022: \$34 million).

10. Share-based Payments

The total expense of \$123 million (2022: \$101 million) reflected in the Consolidated Financial Statements attributable to employee share options and performance share awards has been included as a capital contribution in financial assets (note 3) in addition to any payments to/from subsidiaries.

11. Section 357 Guarantees

Any Irish registered wholly-owned subsidiary of the Parent Company may avail of the exemption from filing its statutory financial statements for the year ended December 31, 2023 as permitted by Section 357 of the Companies Act 2014 and if an Irish registered wholly-owned subsidiary of the Parent Company elects to avail of this exemption, there will be in force an irrevocable guarantee from the Parent Company in respect of all commitments entered into by such wholly-owned subsidiary, including amounts shown as liabilities (within the meaning of Section 357 (1)(b) of the Companies Act 2014) in such wholly-owned subsidiary's statutory financial statements for the year ended December 31, 2023.

Details in relation to other guarantees provided by the Parent Company are provided in the interest-bearing loans and borrowings note (note 24) on page 97 of the notes to the Consolidated Financial Statements.

12. Directors' Emoluments

Directors' emoluments are presented in the related party transactions note (note 32) on page 113 of the Consolidated Financial Statements and Directors interests are presented in the Corporate Governance Statement on page 19 of this Annual Report.

13. Board Approval

The Board of Directors approved and authorized for issue the Parent Company Financial Statements on pages 115 to 119 in respect of the year ended December 31, 2023 on February 28, 2024.

Non-Financial Report

The European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (as amended) requires CRH to disclose certain non-financial information.

This Non-Financial Report forms part of the Directors' Report. It includes information on environment, social and employee matters; and responsible business practices, including respect for human rights and combating bribery and corruption. It also includes information on policies (including due diligence in implementing these policies and the outcomes of these policies), risk identification and management, and non-financial key performance indicators (KPIs).

CRH separately publishes detailed information about its sustainability framework, strategies, methodologies and KPIs annually in its Sustainability Performance Report in accordance with the Sustainability Accounting Standards Board (SASB) reporting standards.

Business Model

The business model of CRH is described in the 'Principal Activities' section of the Directors' Report.

Innovation and Sustainability

We are accelerating investment in innovation to develop a higher-performing and more sustainable built environment. Through our \$250 million venturing and innovation fund, we are supporting the development of new technologies and innovative solutions to meet the increasingly complex needs of customers and evolving trends in construction. Our ability to replicate and scale our innovation and technical expertise between Europe and North America gives us opportunities for further growth. Through our Innovation Center for Sustainable Construction (ICSC), we have a global network of experts across our businesses collaborating in the research, development and replication of innovative solutions. In addition, our CRH Ventures platform works in partnership with industry players (such as Shell, Volvo, Caterpillar and others) and academic institutions to pilot and scale cutting-edge and innovative technologies.

Sustainability is deeply embedded in all aspects of our business and a key pillar of CRH's purpose is sustainability leadership. CRH's building materials solutions play an important role in shaping a more sustainable built environment and in 2023, revenue from products with enhanced sustainability attributes⁶ was \$13.9 billion, an increase of 10% compared with 2022 and an increase of 22% compared with 2021.

Our sustainability framework identifies three global challenges for society and the built environment - water, circularity and decarbonization. Our ability to solve these challenges, by uniquely integrating our materials, products and services, positions us to capture further value and accelerate growth across CRH.

- **Water:** We are advancing solutions to solve global water challenges and enhance flood resilience and water management including upgrading water infrastructure, wastewater treatment and groundwater recharging and conserving water across the value chain;
- **Circularity:** We are reimagining the way materials are used to enable the circular economy, including preserving our natural resources, recycling and reusing construction and other waste, facilitating resource-efficient buildings and infrastructure, and building more circular supply chains; and
- **Decarbonization:** We are developing innovative solutions for a low-carbon future by targeting a reduction in our absolute carbon emissions and operational carbon from products, buildings, and infrastructure, developing energy efficient solutions and infrastructure for the clean energy transition.

By continuing to meet the needs of our customers and society, we will continue to drive growth and value. In addition, we are progressing the foundations of our sustainability framework, striving to create a positive impact on the natural world, helping our people and communities to thrive and standing out as a responsible business by collaborating to ensure a more sustainable supply chain and embedding responsible conduct at each level throughout our organization.

Environment

Climate Change

The transition to a more sustainable built environment represents a commercial opportunity for CRH. Certain government legislation designed to accelerate the energy transition has had a positive impact on our business, and we see increasing opportunities as public policy changes begin to increase demand for low-carbon, sustainable products. We are well-positioned to capitalize on this increased demand, which is underpinned by significant United States and EU funding programs and regulatory policies (such as the EU Emissions Trading System). In particular, in the United States, the \$1.2 trillion IIJA is the single-largest, long-term investment in infrastructure and economy in the history of the United States and provides \$550 billion in funding between 2022 through 2026 for infrastructure, including roads, bridges, mass transit, water infrastructure, climate resilience, and broadband. In 2023, CRH's operating companies across the United States helped to deliver multiple infrastructure projects receiving funding under the Act.

As part of our ambition to be a net-zero business by 2050, CRH has announced an absolute CO₂ emissions reduction target of 30% by 2030 (from a 2021 base year) inclusive of organic business growth. The Science Based Targets initiative (SBTi) has validated our targets⁷ to be in line with a 1.5°C trajectory. A significant portion of the actions required to deliver on the 2030 decarbonization roadmap are based on known technologies, well-established operational excellence programs and activities in which CRH has a proven track record of delivery. CRH's roadmap includes an incremental capital expenditure of approximately \$150 million per annum on average, to implement and execute, which is subject to strict internal investment criteria and the net business benefit is expected to increase revenue and profitability. CRH will continue to invest in solutions that strengthen circularity and climate resilience in the built environment.

In 2023, our Scope 1 and 2 absolute carbon emissions decreased by 8%, from 33.6 million tonnes in 2022 to 31.0 million tonnes in 2023, as we execute against the levers in our decarbonization roadmap and benefited from lower clinker production. Our cement-specific net CO₂ emissions per tonne of cementitious product amounted to 562kg (2022: 566kg). We are continuing to advance our contribution to the circular economy, preserving scarce natural

⁶ Revenue from products with enhanced sustainability attributes is defined as revenue derived from those products that incorporate any, or a combination of; recycled materials; are produced using alternative energy and fuel sources; have a lower carbon footprint as compared to those products using traditional manufacturing processes; and are designed to specifically benefit the environment.

⁷ CRH commits to reduce gross Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 33.5% per tonne of cementitious product by 2030 from a 2021 base year. CRH also commits to reduce absolute gross Scope 1 and Scope 2 GHG emissions from other activities by 42% by 2030 from a 2021 base year. CRH further commits to reduce gross Scope 3 GHG emissions by 23.5% from purchased clinker and cement per tonne purchased over the same timeframe. The target boundary includes land related emissions and removals from bioenergy feedstocks.

Note: where relevant, volume related sustainability KPI's are presented in metric tonnes.

resources and using more recycled materials in construction. In 2023, we recycled 43.9 million tonnes of by-products and wastes from other industries (2022: 42.4 million tonnes). Information on environmental risks facing the Company is described in our TCFD disclosures beginning on page 125.

Our Carbon Footprint

<i>in million tonnes</i>		2023	2022	2021
Scope 1	Direct CO ₂ e emissions from use of fuels, chemical decarbonization from cement production and transport of raw materials and finished products in our own vehicles	28.7	31.2	33.4
Scope 2	Indirect CO ₂ e emissions from purchased electricity	2.3	2.4	2.6
Scope 3	Indirect CO ₂ e emissions from other activities	13.1	12.9	12.0
	Upstream: Indirect CO ₂ e from sources including:	12.0	12.4	11.7
	<ul style="list-style-type: none"> • Purchased goods • Fuel and energy related activities • Contracted transport • Waste generated • Employee commuting 			
	Downstream: Indirect CO ₂ e emissions from:	1.1	0.5	0.3
	<ul style="list-style-type: none"> • Customer transport • Processing of sold goods • End of life treatment of sold products 			

For the purposes of this report, all references to carbon emissions (CO₂) relate to CO₂ equivalent (CO₂e), which includes the six Greenhouse gases (GHG) listed in the Kyoto Protocol: carbon dioxide (CO₂); methane (CH₄); nitrous oxide (N₂O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulfur hexafluoride (SF₆). The only exception relates to our cement specific net CO₂ emissions per tonne of cementitious product metric, which is specifically CO₂ only in line with the Global Cement and Concrete Association (GCCA) guidelines referenced below.

For reporting Scope 1 CO₂ cement emissions, we use the GCCA 'Sustainability Guidelines for the monitoring and reporting of CO₂ from cement manufacturing' and the accompanying Excel spreadsheet, 'Cement CO₂ and Energy Protocol, Version 3.1, CO₂ Emissions and Energy Inventory'. For reporting Scope 1 CO₂ lime emissions, we use the Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012 and 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories. We calculate Scope 1 CO₂e emissions from other activities in line with the World Resources Institute Greenhouse Gas Protocol (Revised Edition) using the United Kingdom Government 'GHG conversion factors for company reporting 2023'. These methodologies consider CO₂e emissions from biomass fuels as climate neutral.

We calculate Scope 2 CO₂e emissions from electricity in line with the method of the World Resources Institute Greenhouse Gas Protocol Scope 2 Guidance (2015), using the following: 'International Energy Agency (2023) Emissions Factors' (published in 2023), Association of Issuing Bodies (AIB) European Residual Mixes report, Results of the calculation of Residual Mixes for the calendar year 2022, Version 1.0, eGRID2021 'Summary Table' for emissions factors (published in 2023) and 2023 Green-e® Residual Mix Emissions Rates (2021 Data).

Following a materiality analysis on sources of Scope 3 CO₂e emissions, CRH has affirmed that the eight categories listed above are the most relevant for our business. We calculate Scope 3 CO₂e emissions estimations in line with the GHG Protocol's Scope 3 Standard and the GHG Protocol's Scope 3 Standard for cement companies, using the United Kingdom Government 'GHG conversion factors for company reporting 2023'. Reported Scope 3 CO₂e emissions include the most-relevant emissions categories for CRH operating company activities. In 2023, we expanded the categories to include processing of sold goods and end of life treatment of sold products.

CRH defines its organizational boundary on a financial control approach (entity driver based) and our Scope 1 and 2 CO₂e emissions are reported on this basis. In 2022, in order to better reflect our decisions on where we source power, we adopted a market-based Scope 2 carbon emissions approach. Note the 2021 Scope 2 emissions have not been restated from location-based (market-based equivalent is 2.9 million tonnes).

CRH is not relying on carbon offsetting to achieve its 2030 emission reduction target and is committed to decarbonizing our operations and value chain. We are involved in a number of initiatives with a goal of removing carbon emissions from the atmosphere. In the longer-term, carbon offsets may become more relevant for residual emissions.

Biodiversity

As a large scale landholder, we respect our responsibility to continue to preserve and protect biodiversity. By restoring and managing lands and wetlands at quarries and other locations, we strive to enhance and rehabilitate natural habitats and help reverse nature loss.

We actively manage biodiversity at over 575 locations, and we ensure that restoration plans are in place at all relevant extractive locations. We continue to collaborate with internal specialists, expert organizations and communities to drive best practices and support the acceleration towards a nature-positive economy.

Social & Employees

Human Capital Resources

People are our priority, and we believe that building a safe and inclusive work environment that empowers and inspires our global workforce is core to our success. In 2023, we employed approximately 78,500 people at approximately 3,390 locations in 29 countries, of which approximately 46,400 were in the Americas Division and 32,100 in the Europe Division. Some of our businesses are seasonal in nature which results in peaks and troughs in employment numbers across certain sections of our workforce. These changes are managed through fair and flexible hiring practices. We take a collaborative approach to developing stakeholder relationships, strengthening existing partnerships and developing new relationships. Our approach to people and communities is underpinned by our Health and Safety and Social Policies (see page 124).

Safety & Well-Being

The safety and well-being (including physical and mental health) of our employees, contractors and other stakeholders are a priority for CRH. Our ambition is to have a culture of safety and wellness working towards zero harm, with a target of zero fatalities in any year. Regrettably, despite our efforts, CRH recorded four employee fatalities during the year. Our thoughts are with their families and we will continue to do everything in our power to reach our target of zero harm and zero fatalities.

The SESR Committee, receives regular reports in relation to safety indicators and potential risks. Our global networks of safety officers work closely with our businesses in implementing policy and practice. CRH invests substantial time, effort and financial resources to comply with applicable regulations and ensure a safe workplace. In 2023, 95% of our locations had zero accidents and we achieved a lost time incident rate of 0.21 based on the number of incidents per 200,000 work hours for employees and contractors globally. We continue to monitor near misses, prioritizing those high potential learning events to achieve our goal of zero harm. We invest in initiatives and programs across CRH including training, technologies and our equipment and vehicles to increase the standard of safety across our operations and reduce risks. CRH further supports our employees through our health and well-being programs providing tools, social support and strategies for physical and mental health.

Our mining operations, manufacturing facilities and other operations are subject to a variety of worker health and safety requirements, including laws and regulations administered by the United States' Occupational Safety and Health Administration (OSHA) and Mine Safety and Health Administration (MSHA) and their state-level and foreign equivalents. Failure to comply with these applicable workplace health and safety requirements can result in sanctions and claims for personal injury and property damage and/or the closure of sites.

Employee Engagement

Employee engagement is critical in shaping CRH's culture and overall strategy through training and career development opportunities and initiatives to support inclusion and diversity (I&D). The Board has delegated responsibility for the management of employee engagement to the Nomination & Corporate Governance Committee. Through employee engagement, we gain a better understanding of what matters most to our employees, identifying any challenges or risks to accelerate our progress. We continue to adapt ways of working and leadership development approaches based on employee feedback.

Working with the Global Leadership Team, CRH develops action plans based on the results of these engagements. The proximity of our senior leaders to daily operations across CRH is a key reason for the Company's continued success and enables dynamic engagement across our operations.

We respect the rights of our employees to form and join trade unions and take part in collective bargaining. We operate both unionized and non-unionized workplaces.

Learning and Development

We are focused on creating a global workforce that will drive performance now and for years to come. Learning and development is integral to embedding our culture and values, ensuring compliance and attracting, retaining and developing top talent. We have a pipeline of talent in place to develop the next generation of CRH leaders. We invest in talent development throughout our businesses, empowering our employees across all levels of education and employment to grow their careers through personal and professional development opportunities. We continue to roll out our Frontline Leadership Program advancing the skills of our employees in areas such as management and safety. We have also established multiple training and compliance programs to support appropriate conduct, including mandatory annual trainings regarding anti-bribery, anti-fraud and anti-theft topics.

Inclusion and Diversity

At CRH, we want to create and sustain a culture where fairness, inclusion and belonging are achievable for everyone. The Board and management team are committed to building an inclusive and diverse organization, in which talented people of all backgrounds can work in an environment which enables them to perform at their best. CRH has developed an I&D strategy built on, among other things, a firm commitment to nurture inclusion as a core capability.

CRH strives to ensure that its employee population reflects the communities in which it operates. We promoted our I&D goals through a range of initiatives and developments in 2023, including continuing to establish Employee Resource Groups (ERGs) across our operating companies sponsored by senior leadership. Our ERGs are voluntary, employee-led groups whose aim is to foster an inclusive workplace by enhancing the experience for all employees.

Community and Social Impact

We aim to develop and strengthen positive relationships with our stakeholders through continuing to have open and meaningful communications. Our stakeholders include investors, customers, employees, suppliers, Non-Governmental Organizations (NGOs), communities, assessment organizations, advocacy groups, media and other interested parties.

We contribute to local communities through employment, educational development and supporting local businesses, as well as through our donations and other support in areas such as environment and conservation, health and wellness, arts and culture, and provision of shelter.

Responsible Business

Culture and Ethics

Our culture as a company is to uphold the CRH values. We endeavor to do the right things in the right way, with respect for one another and for the law. The foundation of our approach is the Code of Business Conduct (CoBC) and supporting policies, which set out our standards of legal, honest and ethical behavior. We take a zero-tolerance approach to illegal behavior, bribery, corruption and fraud. The CoBC outlines clear expectations for all employees related to business conduct and we require relevant employees to undertake CoBC training. Our Internal Audit and Legal and Compliance functions monitor compliance with the CoBC and supporting policies, and provide an integrated approach to assurance. We have a 'Speak Up' Policy and encourage a culture where employees, independent contractors, customers, suppliers and other stakeholders can raise good faith reportable concerns through a number of secure channels, including a CRH Hotline.

We respect internationally recognized human rights – as set out in the International Bill of Human Rights and the International Labour Organization's Fundamental Principles and Rights at Work – across our operations and extended supply chain. In addition, we are a signatory of the United Nations (UN) Global Compact and apply the UN Guiding Principles on Business and Human Rights. We develop our approach to human rights through the identification of salient human rights related to CRH operations, including the health and safety of those working on our sites, the health of neighboring communities and the labor rights of workers in our extended supply chain. Risk assessment and management processes play a critical role in improving our human rights performance.

Responsible Sourcing

We expect all our suppliers to share our commitment to ethical business practices and meet the standards set out in our Supplier Code of Conduct (SCoC), including respect for human rights, health and safety and environmental stewardship. We engage with suppliers to develop a responsible and sustainable supply chain needed to deliver innovative, sustainable products and solutions.

Through our SCoC, we continue to operate our core supplier due diligence processes to increase visibility and insights into our suppliers. These actions are taken with the goal of ensuring that good business practices are upheld throughout our supply chain. Our 'Commitment to Human Rights' Modern Slavery Statement is published annually on the CRH website, www.crh.com, and discloses our risks, progress and targets related to preventing modern slavery within our operations and supply chain. We continue to review our supply chain risks through our Enterprise Risk Management (ERM) framework.

Risk Management

In line with requirements of the Companies Act 2014, the material risks facing the Company are set out on pages 10 to 16. These risks are reviewed biannually and reflect the international scope of the Company's operations and its decentralized structure. If any of these risks should occur, the Company's business, financial, operational, and liquidity prospects could be materially adversely affected. Further information on specific climate risks facing the Company are described in our TCFD on pages 125 to 132.

Our ERM framework and the related processes are deeply embedded in our businesses and provide a structured and consistent global approach for the identification, assessment and management of our most material risks. Ultimately, the purpose of ERM is to help our people make better decisions by providing timely, relevant information that informs which risks the Company should take in the pursuit of market-leading, sustainable growth. Our ERM framework is aligned with the Committee of Sponsoring Organizations of the Treadway Commission principles, and provides a clear approach for our people to comprehensively identify and effectively manage the uncertainties facing our businesses. The Board is responsible for setting the risk appetite for the Company and ensuring that risks are appropriately managed within agreed limits and tolerances, and the Audit Committee is responsible for monitoring the effectiveness of the Company's risk management and internal control systems. The Board also directly engages with employee groups representing cross-sections of the workforce to solicit first-hand experiences and perspectives and receives additional culture and performance insights from our annual employee organizational health survey. Members of the Board receive ERM training on joining the Company, with six members having specific risk and internal control competencies⁸.

To support the consistent application of our ERM framework, we engage with our key stakeholders, such as employees, customers, suppliers, shareholders and local communities, to identify and manage risk across our value chain. Methods of engagement include risk workshops, formal materiality assessments and assurance processes. Downside risks are assessed in line with the Company's risk appetite and opportunities are explored and captured. The use of our online risk management information system by almost all our businesses enables employees to capture and escalate risks in real-time, promoting transparency, accountability, and proactive decision-making in response to changes in the risk landscape.

Our principal risks are split into short, medium and long-term exposures, defined as less than a year, one to three years, and three to five years, respectively. These risks are regularly reviewed and represent the key risks faced by the Company.

Recognizing the slower evolution of some risks over longer time frames, we have an embedded process to track and manage emerging risks. These risks are defined as significant threats where the impact cannot yet be fully understood, due to lack of data or longer time horizons, restricting management and mitigation of the risk. While emerging risks are generally new and unknown – for example, emerging climate and technology risks – they can also be known risks that have evolved to present new challenges for the Company.

A dynamic watchlist of emerging risks is maintained by the Company to enable early identification of potential threats that could impact the long-term performance of our business. The Risk Committee reviews the watchlist and deems certain threats to be accepted risks, which are integrated into our risk register, and are subject to oversight by the Audit Committee.

To maximize value, ERM is integrated into our formal strategic planning and budgeting processes, and also at key day-to-day decision points, driving our risk-aware culture and underpinning more informed decision-making. Performance is our commitment and encouraging all employees to proactively manage risk creates a more agile and resilient organization, which is reflected in the Company's strong financial performance this year. In support of this important operating principle, the Company maintains a network of risk champions across our businesses, and also receives input from external subject matter experts, so we can develop effective risk management strategies.

To establish and maintain our robust risk culture, the Company has appointed an executive-level Chief Culture and People Officer. In addition, the Company's 'Speak Up' policy, which is available in 22 languages, also provides employees, customers, suppliers and other stakeholders with numerous secure channels, including the CRH Hotline, to raise any good-faith concerns.

To discourage inappropriate risk-taking, remuneration structures for both management and employees use annual and longer-term incentives aligned to specific performance and risk metrics that are reviewed as part of the individual's performance evaluation. Our executive leadership is also subject to additional remuneration policies relating to in-employment and post-employment shareholding requirements – such as the use of claw back and malus provisions – to ensure their long-term interests align with the Company's shareholders. In addition, a significant proportion of Executive Directors' potential remuneration is 'at risk' and subject to clearly defined and stretching performance and risk targets.

⁸ Board members with specific risk management and internal control experience include A. Manifold, J. Mintern, R. Fearon, S. Kelly, M.K. Rhinehart, and S. Talbot.

Policies

Daily responsibility for ensuring that the Company's Environmental, Health and Safety, and Social policies are effectively implemented lies with individual location managers, assisted by a network of CRH specialists across the areas of environment, health and safety and human resources. In addition, we provide training to our employees to raise awareness of our performance standards and our sustainability policies, and the importance of upholding them across our business.

We require our operating companies to establish appropriate environmental management systems (EMS), in line with local environmental permit requirements. We have stringent mitigation plans in place and operating companies apply the principles of the 'Mitigation Hierarchy' to avoid, minimize, restore, and offset any negative effects on the environment.

We practice and promote responsible management and use of resources such as water, energy and land. Additionally, we monitor and control our emissions to air, water and land in order to protect further the health of our environment and of society.

Environmental Statement of Policy

The CRH Environmental Policy, applied across operating companies, is to:

- Address proactively the challenges of climate change, reduce emissions and waste as well as optimize our use of energy, water, land and other resources;
- Promote sustainable product and process innovation and new business opportunities;
- Support and enhance biodiversity, ensuring responsible land use and biodiversity management;
- Comply with or exceed all applicable environmental legislation and continually implement and improve our environmental management systems, always striving to meet or exceed industry best practice standards, monitoring and reporting performance;
- Maintain open communications and ensure that our employees and contractors are aware of and adhere to their environmental responsibilities; and
- Maintain positive relationships with stakeholders through engagement and consultation, always striving to be good neighbors in every community in which we operate.

Health and Safety Statement of Policy

All working in CRH must:

- Comply, at a minimum, with all applicable health and safety legislation by developing a culture of health and safety excellence, continuously striving to meet or exceed industry best practice standards;
- Ensure that our companies provide a healthy and safe workplace for all employees and contractors and take due care of stakeholders such as customers, visitors and communities at all our locations, monitoring and reporting performance to ensure policy compliance;
- Maintain open communications and require all employees and contractors to work in a safe manner as mandated;
- Ensure that appropriate resources, training and supervision are provided; and
- Ensure that everyone working at CRH has the authority and responsibility to stop unsafe work on a no reprisals basis.

Social Statement of Policy

All working in CRH must:

- Comply at a minimum, with all applicable legislation and continuously improve our social stewardship, aiming at all times to meet or exceed industry best practice standards;
- Support freedom of association and recognize the right to collective bargaining;
- Apply the principle of equal opportunity, valuing diversity regardless of age, gender, disability, creed, ethnic origin or sexual orientation, while insisting that merit is the ultimate basis for recruitment and selection decisions;
- Manage our businesses in a fair and equitable manner, meeting all our social responsibilities including working conditions, as both a direct and indirect employer;
- Ensure that we deal responsibly with our suppliers and customers in accordance with our CoBC, SCoC and proper business practice; and
- Prohibit forced, compulsory and child labor in all forms including modern slavery.

Task Force on Climate-related Financial Disclosures

Our climate-related disclosures and details of the risks, opportunities and actions that we are taking are consistent with all of the TCFD recommendations and recommended disclosures. We comply with the four pillars (Governance, Risk Management, Strategy, Metrics and Targets) and the 11 recommended disclosures. For Strategy B and C of the TCFD recommendations, we have described the impacts in both qualitative and quantitative terms and further work is planned in future years for financial quantification. The disclosures are primarily outlined in this part of the Annual Report and a cross-referencing map is outlined below.

Recommended Disclosures	Location of Information	Pages
Governance		
<i>Disclose the organization's governance around climate-related risks and opportunities</i>		
Board's oversight of climate-related risks and opportunities	Governance Framework; Committees of the Board; Risk Oversight; Sustainability Oversight; Accounting Policies	18, 23-28, 44-45, 126
Management's role	Governance Framework; Committees of the Board; Risk Oversight; Sustainability Oversight; Accounting Policies; Climate Risks & Opportunities	18, 23-28, 44-45, 126, 127-132
Strategy		
<i>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning</i>		
Risks and opportunities for the short, medium, and long-term	Risk Management; Climate Risks & Opportunities	123, 126-132
Impact on business, strategy and financial planning	Accounting Policies; Task Force on Climate-related Financial Disclosures	44-45, 125-132
Resilient strategy and scenario planning	Climate Scenario Analysis	131-132
Risk management		
<i>Disclose how the organization identifies, assesses, and manages climate-related risks</i>		
Climate-related risk identification and assessment	Governance Framework; Risk Management; Climate Risks & Opportunities	18, 123, 126-132
Climate-related risk management	Governance Framework; Risk Management; Climate Risks & Opportunities	18, 123, 126-132
Integration of processes into overall risk management	Risks Related To Our Industry And Our Business; Climate Risks & Opportunities	11-12, 127-132
Metrics and targets		
<i>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities</i>		
Climate-related metrics	Non-Financial Report; Climate Risks & Opportunities	120-121, 127-132
Disclose Scope 1, 2 and 3 CO ₂ emissions and related risks	Non-Financial Report	120-121
Climate-related targets	Non-Financial Report; Climate Risks & Opportunities	120-121, 127-132

Governance

The Board is responsible for promoting the long-term success of the Company, generating value for shareholders and ensuring we make a positive contribution to society. Its role includes:

- Providing leadership;
- Establishing and monitoring the Company's purpose, values, and strategy;
- Setting the Company's risk appetite; and
- Ensuring there is a robust framework of effective controls to enable risks and opportunities, including those related to climate change, to be successfully assessed and managed.

Sustainability, including the impacts of climate change, is embedded in the Company's strategy, business model and Sustainability Framework. The Board recognizes the importance of decarbonization to address the challenges of climate change and believes the Company'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.

The Chief Executive is responsible for the operational and profit performance of the Company 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 Company, including in relation to climate-related matters. The Chief Executive is supported by the Global Leadership Team, which is responsible for implementing strategy, performance delivery and progressing the Company's sustainability and climate-related agenda. Responsibility for formulating, executing and communicating our climate strategy sits with the Chief Sustainability Officer (CSO), while the Global Leadership Team receives support from various executive-level committees and other working groups and functions on sustainability and climate-related issues.

Risk Management

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

Identification

CRH operates a bottom-up and top-down risk assessment process, where information from our operating companies informs our Company-wide risk assessments, and Company-level risk analysis informs local risk identification and assessment.

A robust risk catalog is used to inform our bottom-up risk identification processes and ensure our businesses consider the full breadth of climate-related risks and opportunities.

CRH developed a specific climate risk and opportunity register following extensive analysis through workshops and stakeholder engagement in 2022 which was subsequently incorporated into the Company's ERM process. During 2023, further workshops were carried out which confirmed the most material climate risks and opportunities remained the same. The materiality assessment of climate-related risks and opportunities took into account: the level of exposure to climate-related risks and opportunities and the scope and objectives of CRH's climate-related strategy. For further information, Climate Change and Policy is identified under our existing ERM process as a Principal Risk on page 11 of Principal Risks and Uncertainties.

In 2023, the Company's physical climate change scenario analysis was expanded to all operating locations under a number of different warming scenarios. For more information, see Climate Scenario Analysis on page 131.

Assessment

Common criteria and topic hierarchies are used to assess and consistently categorize risks and opportunities, which helps CRH to identify and manage aggregate exposures that may be more effectively managed centrally.

More broadly, climate-related risks and opportunities are managed using our ERM framework. While our traditional ERM process assesses risks over our strategic planning horizon, with longer-term risks being embedded into our emerging risk categories, the horizons over which we assessed the Company's climate risks and opportunities mean our time horizons take a longer-term view and were defined as:

- Short-term: The risks, opportunities and actions reasonably foreseeable up to 2025 (2-year window) 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, Company-wide target of reducing our absolute CO₂ emissions by 30% by 2030 and represents a transitional period between current planning and the longer-term strategic goals for the Company; and
- Long-term: The 2031 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.

Given the nature of climate change, it is viewed as both a current principal risk and an emerging risk for CRH. The timelines identified for climate risk and opportunities on pages 127-132 represent when the most material impacts are most likely to occur.

Management

The size and significance of each risk is determined according to the product of its assessed impact on the organization and its likelihood of occurrence, with consideration of factors such as impact velocity, for example, informing the prioritization of risks for subsequent management to within agreed acceptable levels.

In order to highlight the Company's commitment towards managing our climate risks, a portion of the Company's Performance Share Plan (PSP) 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 Company's Risk Management Information System (RMIS) which facilitates the effective allocation of responsibility, tracking of risk performance and monitoring of mitigation activities. Our RMIS is integrated across the Company 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 Company's risk strategy and oversees the Company's risk governance model and how the Company identifies, assesses and manages the principal and emerging risks the Company encounters in pursuit of its strategic objectives. Additionally, climate-related risks and opportunities are reported to our CSO who is responsible for developing climate strategies for consideration by the Global Leadership Team and Board and for ensuring that they are fully embedded in the Company's corporate priorities. For further information on risk governance structures, see pages 18 and 27.

The outputs of our climate-related workshops are included as part of our Climate Scenario Analysis disclosure on page 131 and inform our strategy and risk planning going forward.

Strategy

CRH's strategy and financial planning process is designed to identify, evaluate, and manage significant risks and threats that could inhibit the Company from operating in a stable and sustainable manner. The Sustainability, Risk and Finance teams work closely to ensure that climate-related considerations are integrated into the financial planning (including acquisitions and divestitures) process to ensure that adequate capital expenditure, investments and operational capital is directed to achieving the organization's financial and environmental objectives. Where opportunities arise in our businesses and markets, we are uniquely positioned to maximize the environmental and business benefit. We are creating value-added solutions to address the impacts of climate change to ensure that we can continue to drive growth and value for our business and support our customers and society in the transition to net-zero. For more information on how climate considerations are incorporated into the Company's strategy, see pages 127-132.

Climate Risks and Opportunities

Using the TCFD's framework, CRH conducted an assessment which identified a number of transitional and physical risks and opportunities that may adversely or positively impact the operational and financial performance of the Company, without considering any mitigation or adaptation actions CRH may take. This analysis was informed by third-party warming scenarios key assumptions and supported, where appropriate, with high-level quantitative assessments.

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

Potential impact and probability of climate-related risks and opportunities

Risk	Impact			Probability		
	Low	Medium	High	Low	Medium	High
Carbon Pricing						
Unfavorable Policy Environment						
Reliance on Technological Advancements						
Adverse Weather						
Corporate Reputation						
Opportunity	Low	Medium	High	Low	Medium	High
Climate Driven Solutions						
Low-carbon Fuels						
Circular Economy						
Clean Electricity						

Impact for the risk refers to CRH's exposure to the specific risk. Each of our identified risks has been evaluated considering a number of variables, such as operational, financial, reputational and compliance factors.

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

Discussion of the most material climate risks

Carbon Pricing

Category	Timeline	Description	How we Manage the Risk
Policy and Legal	Medium-term	<p>Regulations across CRH's markets could lead to increased direct and indirect carbon emission costs.</p> <p>CRH participates in ETS in the European Union (EU) and other regions. The EU ETS is CRH's largest emissions trading market. The gradual phase out of free carbon allowances between 2026 and 2034 poses a risk of carbon leakage to domestic producers from jurisdictions with lower regulatory standards or lower/no carbon price(s).</p> <p>In response, the European Union has introduced into law a Carbon Border Adjustment Mechanism (CBAM) to create a level playing field on carbon costs between domestic producers and importers.</p> <p>CO₂ emissions in CRH's supply chain are also a significant transition risk for the Company. Unless abated through lower carbon consumption, these regulatory changes will over time lead to increased costs of production.</p>	<p>CRH's decarbonization roadmap will support CRH to be a resilient business as well as enabling the transition to a low-carbon economy. CRH has set an absolute carbon emissions reduction target by 2030 which includes investing approximately an average of \$150 million per annum of incremental capital expenditure to enable delivery of this objective. The Company has a decarbonization roadmap which is business-led and executed through locally managed plans. There is central oversight and co-ordination that builds on significant experience in carbon reduction across different geographies, functions and business types, where for many years our dedicated team of experts have been active.</p> <p>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 and other key players.</p> <p>Certain government legislation designed to accelerate decarbonization (such as carbon pricing, CBAM and other tax-related measures) present opportunities as public policy changes begin to increase demand for low-carbon, sustainable products. We are well-positioned to capitalize on this increased demand, which is underpinned by significant U.S. and EU funding programs and regulatory policies.</p> <p>The purchase of ETS carbon allowances is managed by a central unit which buys forward to secure supply and de-risk the cost base ahead of time. This helps provide the Company 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.</p>
Metric	Target		
2023: 44.1m tonnes 2022: 46.5m tonnes Absolute Scope 1, 2 and 3 CO ₂ Emissions	30% reduction in absolute carbon emissions by 2030 (from a 2021 base year)		
48.0m tonnes baseline in 2021 (Scope 1, 2 and 3 CO ₂ Emissions)			

Unfavorable 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 unfavorable regulation, such as: <ul style="list-style-type: none"> Reduced competitiveness due to 'carbon leakage' (see CBAM on previous page); Policies that set inappropriate benchmarks or introduce unwarranted biases that may lead to sub-optimal building materials choices and designs; Misunderstanding and poor accounting of the full lifecycle of products; and Lack of financial incentives for Research and Development (R&D) and low-carbon investments. 	CRH primarily operates in North America and Europe and as such is subject to well-established regulatory processes. 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 realize this ambition. CRH engages in responsible and transparent corporate advocacy to support the development of an effective regulatory regime. We also monitor the development and manage the implementation of new regulations. We also aim to ensure our direct advocacy and trade groups' activities align with the Paris Agreement. For more information, please see our Climate Advocacy review at www.crh.com .
Metric	Target		
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	A significant portion of the actions required to deliver on the 2030 roadmap are based on known technologies, well-established operational excellence programs and activities in which CRH has a proven track record of delivering. However, new technology and innovative solutions will play a pivotal role in CRH's ambition to be net-zero by 2050. <p>The most significant reductions needed to reach net zero are in our cement activities which may be realized through innovative technologies such as CCUS, which are evaluated based on costs, technical feasibility, compatibility with CO₂ usage opportunities and scalability. However, not every solution will be scalable and may have associated high energy demands (such as carbon capture), as well as challenges around availability of CO₂ transportation and storage infrastructure.</p> <p>Not successfully managing these challenges could reduce the company's competitiveness.</p>	CRH's Group Technical Services (GTS) team share technical knowledge and expertise and support projects (including developing and piloting our approach to CCUS). The GTS team collaborates with our ICSC, which works to develop ground-breaking decarbonization technologies. Priorities include developing CCUS solutions; reducing carbon emissions during cement manufacturing; and utilizing minerals to absorb CO ₂ and enhance climate resilience. The Company has also established Exploration Councils to accelerate the delivery of R&D projects. CRH's \$250 million venturing and innovation fund is continuing to commercialize new technologies, products, processes and customer solutions which will support our decarbonization strategy.
Metric	Target		
2023: c.400 2022: c.100 R&D initiatives ongoing	Ongoing development of R&D projects		

Adverse Weather

Category	Timeline	Description	How we Manage the Risk
Physical	Medium to Long-term	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 readymixed concrete and asphalt, as these are dependent on favorable 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. <p>An analysis of CRH's locations shows that chronic drought and heat stress may impact the business, (e.g. on the West Coast of the United States). However, the relative impact on the business remains low and is mitigated by CRH's diverse geographical spread of locations.</p> <p>Operations and supply chains may also be affected by floods and rising water levels that could lead to damaged or closed facilities.</p> <p>Adverse weather may impact working conditions for employees. It is paramount that we ensure the health, safety and well-being of our employees.</p>	To effectively mitigate disruption or loss associated with physical risks, the geo-locations of CRH sites are mapped against geographic natural catastrophe and weather/climate vulnerabilities to identify those at higher risk. Business Impact Assessments (BIA) and Crisis Management Plans (CMP) are conducted at our sites to ensure the safety of our people and business continuity (such as ensuring plant, property and equipment are protected as much as feasibly possible) following any adverse weather events. CRH already operates in regions vulnerable to weather impacts and effectively manages its operations throughout. This is done through investing in facilities to ensure that they are adapting for future changes in climate.
Metric	Target		
2023: 89% 2022: 81% 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. Failing to reduce operational emissions or meet investor expectations with regard to emissions reductions may adversely impact the Company's reputation and likelihood of potential litigation from activist groups.	CRH actively engages with investors, ESG analysts and rating agencies to deliver accurate and timely communication to stakeholders.
Metric	Target		The Company has tied executive remuneration to progress on key sustainability goals, including our decarbonization roadmap.
Third-party ESG Rating scores	Industry leading in ESG Rating scores	<p>This could negatively affect CRH in several ways, such as:</p> <ul style="list-style-type: none"> • Reduced access to capital; • Challenges retaining/attracting talent; • Local community opposition to production sites; and • Inability to secure licensing permits. <p>To avoid a negative perception, it is important that the Company continues to illustrate its efforts in a proactive and transparent way.</p>	Climate-related accounting guidelines continue to evolve, and CRH is committed to meeting relevant regulatory requirements.
Baseline: See 'External Benchmarks and Recognition' in the CRH Sustainability Report, 2022			

Discussion on most material climate opportunities

Climate Solutions

Category	Timeline	Description	How we Realize the Opportunity
Markets	Medium-term	Creating a more sustainable built environment is an imperative for net-zero living, especially as the global population continues to grow and urban areas expand. This trend results in:	CRH already has in its portfolio a range of climate solutions as demonstrated by our progress on revenue derived from products with enhanced sustainability attributes.
Metric	Target		CRH will continue to invest in solutions that strengthen circularity and climate resilience in the built environment and our ICSC works to accelerate sustainable innovation opportunities. Currently, there are c. 400 research projects ongoing across CRH and we also invest in new innovative climate technologies, through the \$250 million venturing and innovation fund.
2023: 48% 2022: 47% revenue derived from products with enhanced sustainability attributes	50% by 2025	<ul style="list-style-type: none"> • 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; and • Infrastructure needs for clean energy, energy-efficient buildings, smart public transport networks and green infrastructure that are also central to building more sustainable urban centers. 	
42% baseline in 2018 (first year reported externally) ⁹			

Low-carbon Fuels

Category	Timeline	Description	How we Realize 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.	CRH is using low-carbon energy sources.
Metric	Target		For example, we are advancing our use of alternative fuels in the cement sector and continue to work with suppliers on fuel substitution to low-carbon sources.
2023: 36% 2022: 36% Alternative and Bio-based Fuels in Energy Mix (Cement)	Increase usage aligned to decarbonization roadmap	<p>With ongoing technological advancements and CRH's focus on reducing its environmental impact, the scope for incremental fuel substitution continues to expand, which in turn creates new opportunities to reduce emissions from our production and transportation processes.</p> <p>Substituting traditional fuels with low-carbon alternatives is also proving a commercial advantage for CRH as it manages our costs, diversifies supply, and mitigates the potential impact of changing energy prices on our operations.</p>	CRH is also collaborating with partners in its own and other industries (an example being Shell and Volvo) on decarbonization opportunities across the value chain that will benefit transport, operations and sourcing materials and energy.
33% baseline in 2021 (based upon decarbonization roadmap)			

⁹ % Revenue derived from products with enhanced sustainability attributes is a non-GAAP measure as defined on page 144.

Circular Economy

Category	Timeline	Description	How we Realize the Opportunity
Products & Services	Medium-term	Successfully leveraging innovative sustainable solutions (such as lower-carbon cements, recycled asphalt materials and permeable paving solutions), may prolong product life cycles or increase market share which could positively impact financial performance and/or future value creation.	In 2023, CRH recycled over 43.9 million tonnes of waste and by-products from other industries and over 125 million tonnes over the last three years. CRH is the leading recycler in North America.
Metric	Target		CRH has successfully redirected alternative raw materials into its production processes across its product range (e.g. cement, readymixed concrete and asphalt). For example, by using recycled asphalt materials, 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.
2023: c.25% 2022: c.25% of roads we build in the United States are made from recycled materials	50% in the next decade	By embedding a consistent circular approach across our value chain, the Company will be able to reduce reliance 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 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.
25% baseline in 2021			

Clean Electricity

Category	Timeline	Description	How we Realize 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, more purchased electricity comes from renewable sources (including grid mix). CRH, as a large landowner, can utilize its scale to capitalize on this in its real estate and production facilities.	CRH is exploring and implementing a range of clean electricity solutions including: <ul style="list-style-type: none"> • using Power Purchase Agreements (PPAs) to increase our certified renewable supply • progressing physical renewable energy capacity at some of our locations • exploring innovative solutions such as battery storage • CRH is also decarbonizing its transport and now some mobile equipment have been replaced by electric vehicles.
Metric	Target		
2023: 31% 2022: 25% of electricity is renewable	Increase usage aligned to decarbonization roadmap	There are financial benefits for CRH, as self-sufficiency in energy production can insulate us from cost fluctuations in wholesale energy markets. It is also an opportunity to further reduce our carbon emissions.	
23% baseline in 2021 (based upon decarbonization roadmap)			

Metrics and Targets

CRH uses a variety of metrics and targets to measure and manage our climate-related risks and opportunities. Internally, these inform the Company's risk governance, sustainability, strategy, and management processes. Externally, they allow investors and other stakeholders to assess the Company's performance over time and provide a sound basis for comparison with industry peers.

To monitor performance and the implementation of our sustainability strategy, KPIs and related targets are defined for each climate-related risk and opportunity in the Strategy section. To facilitate comparative and trend analysis, our climate-related metrics are disclosed consistently from year to year and our targets have a defined time horizon. The Company's Sustainability function is responsible for monitoring the Company's climate-related metrics and progress being made towards targets through our Annual Sustainability Review process.

Our climate-related targets are set by the Global Leadership Team and approved by our SESR Committee, which evaluates these targets annually.

ESG and climate are active considerations in the Company's remuneration policy, where 15% of the PSP award relates to ESG metrics. Our PSP is an effective mechanism for incentivizing progress towards a more sustainable built environment, recognizing the long-term nature of our targets.

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

All climate-related risks and opportunities discussed on pages 127 to 130 have been categorized 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.

Additional metrics and targets which illustrate CRH's climate performance, progress and ambition, are available within the 2022 and 2023 Sustainability Performance 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 2023.

Information in relation to the potential climate impact on the Company's businesses, strategy, and financial planning, including its: Supply and Value Chain; Products and Services; Operations; Acquisitions and Divestitures; 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 Company's strategy may be affected, is given in the 'How we Manage the Risk' and 'How we Realize 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 Realize the Opportunity' sections.

TCFD Supplementary Guidance for the Construction Sector

	Relevant Guidance	CRH Response
Strategy	<p>Discussion of how climate issues are integrated into current decision-making and strategy formulation in the following areas:</p> <ul style="list-style-type: none"> (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 organization's flexibility in positioning/repositioning capital to address emerging climate-related risks and opportunities. 	<p>CRH has considered the supplemental guidance for the Strategy pillar, where additional information is available within our Annual Report at the following:</p> <ul style="list-style-type: none"> (a) See 'Reliance on Technological Advancements' risk on page 128. (b) See 'Environment' on page 120. See pages 44-45 and 76-79 of the Consolidated Financial Statements on how any existing and future activities have been considered. (c) See 'Climate Risks and Opportunities' on pages 127-132. (d) Climate investments in technology are discussed in our climate risks and opportunities on pages 127-132. (e) See Statement of Strategic Resilience on page 132.
Metrics and Targets	<p>Organizations should consider providing metrics:</p> <ul style="list-style-type: none"> (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 of the TCFD's 2021 Guidance on 'Metrics, Targets, and Transition Plans'. 	<p>CRH has considered the supplemental guidance for the Metrics and Targets pillar, where additional information is available within our Annual Report at the following:</p> <ul style="list-style-type: none"> (a) See the results of the Company's Climate Scenario Analysis below. (b) (c) (d) See metrics and targets given in the 'Climate Risks and Opportunities' and the subsequent Note on pages 127-131.

Climate Scenario Analysis

In 2023, CRH conducted climate scenario analysis on the potential impacts of climate change to help us enhance our strategies and financial planning related to carbon and physical risks. The Company also tested its strategic resilience to climate change. We anticipate that in future Annual Reports we will further refine our approach to climate assessments and expand this analysis to other material risks and opportunities.

Scenario selection

For the modelling of transitional risks, the International Energy Agency World Energy Outlook (IEA WEO) and the Network for Greening the Financial System (NGFS) were chosen due to their close alignment with the TCFD's recommendations.

CRH used an external third-party tool for screening of physical climate risk exposures for current and future (2030s, 2050s and beyond 2050) time horizons using a range of different climate scenarios in line with the recommendations of the IPCC. Underlying climate data was provided by Munich Re's climate change hazard layers which utilizes data from the European Center for Medium-Range Weather Forecasts (ECMWF), UKCP18, JBA Global Flood Model and the Met office.

Information on scenario selection and warming scenarios

Warming Pathway	Transition Scenarios		Physical Scenarios
	IEA WEO	NGFS	IPCC
1.5°C	Net Zero Emissions by 2050 (NZE)	Orderly; Disorderly	RCP 2.6
< 2.0°C	Announced Pledges Scenario (APS)	Orderly; Disorderly	RCP 4.5
3-4°C	Stated Policies Scenario (STEPS)	Current Policies ("Hot house world")	RCP 8.5

Approach to detailed scenario assessments

The 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 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 under some scenarios. Although the EU ETS remains CRH's largest emissions trading market, accounting for 41% of the Company's direct carbon emissions, CRH also participates in ETS arrangements in other regions, including: the Canadian Federal System, Quebec, the United Kingdom and San Francisco. There may be further carbon pricing mechanisms and other forms of taxation 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 readymixed concrete and asphalt, as these are dependent on favorable 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	Scope 1, 2 and 3 CO ₂ emissions were used during the analysis. The compliance markets currently only regulate direct emission (Scope 1), predominantly for cement. The Company 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 Company's decarbonization 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.	CRH provided geocodes for its locations globally for input into a third-party platform for asset-level physical risks analysis. Each geocode was attributed revenue as per internal financial reporting systems to indicate a financial impact before considering mitigation processes which may be in place. Chronic weather events modelled included: heat stress, drought stress, increased precipitation, and sea level rise. Acute weather events modelled included: flooding, windstorms, tornados, and cyclones. The specific hazards and modelled exposures were multiplied by projected vulnerability to generate a spectrum of potential future financial implications.
Assumptions	<ul style="list-style-type: none"> A \$0/tonne 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/tonne - \$140/tonne, 2040 \$85/tonne - \$205/tonne, 2050 \$180/tonne - \$250/tonne Carbon prices follow a linear interpolation between the IEA published 10-year intervals Freely allocated emissions rights for cement 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 Mitigating measures for the risks were then identified and included in the risk assessment and financial modelling where relevant. 	<ul style="list-style-type: none"> Business interruption risk has been considered The financial quantification of the risks in 2023 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 Mitigation measures 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. CRH has extensive experience in absorbing increases in carbon costs through pricing and enhancing its margins. 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 that while the likelihood of weather interruptions is expected to increase in line with global trends, CRH already operates in regions vulnerable to weather impacts and effectively manages its operations throughout. Highlighted chronic weather events included drought and heat stress, however, the relative impact on the business remained low and is mitigated by CRH's diverse geographical spread of locations. Higher impact areas include the South and West coast of the United States. Highlighted acute events included flash flooding and windstorms, however, the relative impact on the business remained low and is mitigated by CRH's diverse geographical spread of locations. Higher impact areas are in the United States (such as the East Coast), and Asia.

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 Company'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 2024 in Europe, a price of \$107 per tonne of CO₂ 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 CRH 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 decarbonize our business, so the residual level of risk is at an acceptable level for our business strategy. We recognize the importance of understanding our risk and opportunity landscape in guiding CRH's climate strategy. Based on this assessment, the Company believes it has sufficient flexibility and resilience to successfully manage its climate risks and opportunities. As CRH continues to assess its strategy, new climate-related risks and opportunities may become apparent, which the Company may consider as part of its planning. CRH will further deepen its climate-related initiatives in the coming years to help the Company play a leading role in shaping a sustainable future.

EU Taxonomy

The EU Taxonomy regulation (Regulation (EU) 2020/852) is part of the EU's overall efforts to implement the European Green Deal. It is intended to serve as a standardized and mandatory classification system to determine which economic activities are considered as 'environmentally sustainable' by the European Union. CRH is reporting under the environmental objective of climate change mitigation primarily in relation to the activity 3.7 Manufacture of cement. While the level of alignment reported is low for each of the KPIs for the year ended December 31, 2023, we expect alignment to increase as we deliver on our multi-year decarbonization roadmap, which is aligned to a 1.5°C trajectory.

Voluntary Compliance Statement

Following the transition to a U.S. primary listing in September 2023, CRH is not currently in the scope of, and is not required to report in accordance with, the EU Taxonomy regulation for the year ended December 31, 2023. Therefore, the information in this section is provided on a voluntary basis. CRH will fall within scope of the EU Taxonomy regulation again in line with the timeline for reporting under the EU Corporate Sustainability Reporting Directive (CSRD).

In June 2021, the European Commission formally adopted the Climate Delegated Act (Regulation (EU) 2021/2139) with its Annexes, establishing the Technical Screening Criteria that define which activities substantially contribute to the first two, out of six, environmental objectives of the EU Taxonomy regulation, namely:

- Climate change mitigation (Annex I); and
- Climate change adaptation (Annex II).

The Technical Screening Criteria for the remaining four environmental objectives were published in the Environmental Delegated Act (Regulation (EU) 2023/2486) in November 2023 and will apply as of January 2024. The four environmental objectives are:

- Sustainable use and protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control; and
- Protection and restoration of biodiversity and ecosystems.

In addition, amendments to add economic activities to the list of those substantially contributing to the objectives of climate change mitigation and adaptation, and to clarify the reporting obligations for the additional activities, were published in November 2023 in the Regulation (EU) 2023/2485. This will also apply as of January 2024.

CRH will continue to voluntarily disclose its KPIs for the year ended December 31, 2023 in relation to the first two environmental objectives; climate change mitigation and climate change adaptation consistent with reporting in the prior year. CRH will not comply with reporting on its eligibility under the four remaining environmental objectives as outlined in the Environmental Delegated Act and will report on its eligibility and alignment under these environmental objectives for the year ended December 31, 2025 in line with the reporting timeline applicable to CRH under the CSRD.

CRH will therefore continue to disclose, for the year ended December 31, 2023, the share of Environmentally sustainable (Taxonomy-aligned), Taxonomy-eligible but not-aligned and Taxonomy non-eligible economic activities in turnover, capital expenditure (CapEx) and operating expenditure (OpEx) under the Climate Delegated Act.

The Climate Delegated Act prioritized specific sectors responsible for 94% of direct GHG emissions in the European Union. A high proportion of CRH's activities do not fall into these prioritized sectors and are not included in the Climate Delegated Act.

CRH's assessment of Taxonomy-eligible economic activities

An assessment was completed by reviewing the Climate Delegated Act which established the descriptions of activities which are Taxonomy-eligible (Regulation (EU) 2021/2139) and considered the amendments as outlined in Regulation (EU) 2023/2485.

CRH is reporting under the environmental objective of climate change mitigation as our activities primarily contribute to climate change mitigation. This avoids double-counting in the allocation of the numerator to Turnover, CapEx, and OpEx KPIs across economic activities by only applying one environmental objective.

While the Climate Delegated Act and Regulation (EU) 2023/2485 do not cover a high proportion of our economic activities, we have identified the economic activity 3.7 Manufacture of cement as a Taxonomy-eligible activity. Further activities are in scope only for CapEx as outlined in the CapEx table.

We also assessed the Delegated Regulation (EU) 2022/1214 to see if any activities were Taxonomy-eligible. Some cement plants utilize generators for back-up power generation. This represents an immaterial portion of the Company's electricity consumption. It is already reported under activity 3.7 Manufacture of cement.

CRH's assessment of Taxonomy-aligned economic activities

We reviewed the Technical Screening Criteria to determine which of these eligible activities met the conditions of being Taxonomy-aligned. As a result of this assessment, we have identified 5% (2022: 4%) of turnover relating to economic activity 3.7 Manufacture of cement as Taxonomy-aligned. The level of alignment is low as the Technical Screening Criteria set is based upon the 10 lowest-emitting cement plants in the European Union. In addition, we also identified some CapEx projects as being Taxonomy-aligned for other economic activities as outlined on the following page.

As part of our assessment, we verified the share of the economic activity that qualifies as contributing substantially to the environmental objective of climate change mitigation. Our assessment did not identify any economic activities that contribute specifically to the second environmental objective of climate change adaptation. This is in line with our business strategy which is focused on mitigating the impact of climate change through our decarbonization roadmap and other environmental initiatives. We also confirmed each economic activity caused no significant harm to any of the other environmental objectives. An assessment was also undertaken that confirmed compliance with the minimum safeguards. The assessment took into account the four overarching topics of Human rights (includes labor and consumer rights), Corruption/Bribery, Taxation and Fair competition.

Share of Taxonomy-aligned, Taxonomy-eligible, not aligned, and Taxonomy non-eligible economic activities

	2023						2022					
	Turnover		Capital Expenditure		Operating Expenditure		Turnover		Capital Expenditure		Operating Expenditure	
	\$bn	Proportion of Total	\$bn	Proportion of Total	\$bn	Proportion of Total	\$bn	Proportion of Total	\$bn	Proportion of Total	\$bn	Proportion of Total
Cement ¹	0.2	1%	0.0	1%	0.0	1%	0.2	1%	0.0	1%	0.0	1 %
Other economic activities ²			0.0	0%					0.0	0%		
Taxonomy-aligned³	0.2	1%	0.0	1%	0.0	1%	0.2	1%	0.0	1%	0.0	1 %
Cement ¹	4.3	12%	0.4	16%	0.4	20%	4.1	12%	0.4	10%	0.3	21 %
Other economic activities ⁴			0.1	4%					0.1	4%		
Taxonomy-eligible, not aligned	4.3	12%	0.5	20%	0.4	20%	4.1	12%	0.5	14%	0.3	21 %
Taxonomy non-eligible	30.4	87%	2.0	79%	1.4	79%	28.4	87%	3.1	85%	1.3	78 %
Total	34.9	100%	2.5	100%	1.8	100%	32.7	100%	3.6	100%	1.6	100 %

Note: numbers are rounded to the nearest \$100 million and percentages to the nearest %.

¹ Activity 3.7 Manufacture of cement.

² Comprises Capital Expenditure under economic activities:

4.1 Electricity generation using solar photovoltaic technology;

4.3 Electricity generation from wind power;

6.5 Transport by motorbikes, passenger cars and light commercial vehicles;

6.6 Freight transport services by road; and

7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings).

³ Taxonomy-Aligned economic activities comply with the Do no significant harm criteria and minimum safeguards.

⁴ Comprises Capital Expenditure under economic activities:

6.5 Transport by motorbikes, passenger cars and light commercial vehicles;

6.6 Freight transport services by road;

7.1 Construction of new buildings;

7.2 Renovation of existing buildings; and

7.7 Acquisition and ownership of buildings.

Turnover KPI

The share of Taxonomy-aligned turnover is calculated by the proportion of turnover derived from economic activities that are Taxonomy-aligned (numerator) over total turnover as per the Consolidated Income Statement on page 39 (denominator).

The total turnover represents the consolidated revenue and amounts to \$34.9 billion for the financial year ended December 31, 2023 (2022: \$32.7 billion).

The accounting policy applicable for revenue recognition is addressed in detail on pages 47-48 of the Consolidated Financial Statements.

CRH's share of turnover associated with Taxonomy-aligned economic activities for the year ended December 31, 2023 is 1% (2022: 1%). Taxonomy-aligned turnover is comprised of turnover from the sale of grey cementitious materials to third-parties.

In addition to the Taxonomy-aligned turnover, CRH's Taxonomy-aligned businesses also sold cementitious materials to other CRH companies for use in downstream activities. This represented 20% of total revenue for those businesses (2022: 20%). This is a key driver of CRH's vertically integrated business model and helps contribute to the lower-carbon intensity of CRH's downstream businesses.

Capital Expenditure KPI

The share of Taxonomy-aligned CapEx is calculated by the proportion of CapEx associated with economic activities that are Taxonomy-aligned (numerator) over total CapEx (denominator).

Total CapEx includes additions to tangible and intangible assets, considered before depreciation, depletion, amortization and any remeasurements, and excluding fair value changes. It also includes additions as a result of business combinations. Total CapEx involves all additions to PP&E, Right-of-Use Assets and Intangible Assets. Any acquired goodwill is not considered.

For the reconciliation of total CapEx see note 13, note 14 and note 20 to the Consolidated Financial Statements.

CRH's share of CapEx associated with Taxonomy-aligned economic activities for the year ended December 31, 2023 is 1% (2022: 1%). Taxonomy-aligned CapEx primarily comprises additions to owned PP&E. CapEx in the cement business in 2023 was 17% of total CapEx (2022: 11%).

CRH continuously invests in technology and efficiency projects across our operating companies to enhance environmental performance, as well as investing in the environmental element of major capital investment projects to reach our CO₂ reduction targets.

Operating Expenditure KPI

The share of Taxonomy-aligned OpEx is calculated by the proportion of OpEx associated with economic activities that are Taxonomy-aligned (numerator) over total OpEx (denominator) as defined by the EU Taxonomy regulation.

EU Taxonomy regulations define total OpEx as the direct non-capitalized costs of R&D, building renovation measures, short-term leases, repairs and maintenance and any other direct expenditures relating to the day-to-day servicing of assets of PP&E.

As the EU Taxonomy regulation has its own definition of OpEx, the reported OpEx only represents a proportion of the total cost of sales and operating costs, and includes repairs and maintenance, short-term leases and R&D costs.

CRH's share of OpEx associated with Taxonomy-aligned economic activities for the year ended December 31, 2023 was 1% (2022:1%). Taxonomy-aligned OpEx comprises repairs and maintenance costs and some short-term leases.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Financial year 2023		2023		Substantial contribution criteria ¹		DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (2)	Turnover (3) US\$	Proportion of turnover, 2023 (4) %	Climate change mitigation (5) Y;N; N/EL;EL	Climate change adaptation (6) Y;N; N/EL;EL	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular economy (15) Y/N	Biodiversity (16) Y/N	Minimum safeguards (17) Y/N	Proportion of Taxonomy-aligned (A.1) or eligible turnover, 2022 (18) %	Category enabling activity (19) E	Category transitional activity (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
Cement ²	CCM 3.7	0.2	1%	Y	N	N/A	Y	Y	Y	N/A	Y	Y	1%		T
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.2	1%										1%		
Of which enabling															
Of which transitional		0.2	1%	Y	N	N/A	Y	Y	Y	N/A	Y	Y	1%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Cement ²	CCM 3.7	4.3	12%	EL	EL								12%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		4.3	12%										12%		
Turnover of Taxonomy-eligible activities (A.1+A.2)		4.5	13%										13%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES															
Turnover of Taxonomy-non-eligible activities		30.4	87%												
Total		34.9	100%												

Note: numbers are rounded to the nearest \$100 million and percentages to the nearest %.

¹ Water, Pollution, Circular economy and Biodiversity are not included under Substantial contribution criteria as CRH will report under these criteria in line with the timeline for reporting under CSRD.

² Manufacture of cement.

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Financial year 2023		2023		Substantial contribution criteria ¹		DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (2)	OpEx (3) US\$	Proportion of OpEx, 2023 (4) %	Climate change mitigation (5) Y;N;N/EL;EL	Climate change adaptation (6) Y;N;N/EL;EL	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular economy (15) Y/N	Biodiversity (16) Y/N	Minimum safeguards (17) Y/N	Proportion of Taxonomy-aligned (A.1.) or eligible OpEx 2022 (18) %	Category enabling activity (19) E	Category transitional activity (20) T
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
Cement ²	CCM 3.7	0.0	1%	Y	N	N/A	Y	Y	Y	N/A	Y	Y	1%		T
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	1%										1%		
Of which enabling															
Of which transitional		0.0	1%	Y	N	N/A	Y	Y	Y	N/A	Y	Y	1%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Cement ²	CCM 3.7	0.4	20%	EL	EL								21%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.4	20%										21%		
OpEx of Taxonomy-eligible activities (A.1+A.2)		0.4	21%										22%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES															
OpEx of Taxonomy-non-eligible activities		1.4	79%												
Total		1.8	100%												

Note: numbers are rounded to the nearest \$100 million and percentages to the nearest %. Where 0% noted, balance is <0.5% of Total OpEx.

¹ Water, Pollution, Circular economy and Biodiversity are not included under Substantial contribution criteria as CRH will report under these criteria in line with the timeline for reporting under CSRD.

² Manufacture of cement.

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Financial year 2023		2023		Substantial contribution criteria ¹		DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (2)	CapEx (3) US\$	Proportion of CapEx, 2023 (4) %	Climate change mitigation (5) Y;N;N/EL;EL	Climate change adaptation (6) Y;N;N/EL;EL	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular economy (15) Y/N	Biodiversity (16) Y/N	Minimum safeguards (17) Y/N	Proportion of Taxonomy-aligned (A.1.) or eligible CapEx 2022 (18) %	Category enabling activity (19) E	Category transitional activity (20) T
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
Cement ²	CCM 3.7	0.0	1%	Y	N	N/A	Y	Y	Y	N/A	Y	Y	1%		T
Solar panels ³	CCM 4.1	0.0	0%	Y	N	N/A	Y	N/A	N/A	Y	Y	Y	0%		
Wind power ⁴	CCM 4.3	0.0	0%	Y	N	N/A	Y	Y	N/A	Y	Y	Y	0%		
Passenger cars ⁵	CCM 6.5	0.0	0%	Y	N	N/A	Y	N/A	Y	Y	N/A	Y	0%		
EV charging stations ⁷	CCM 7.4	0.0	0%	Y	N	N/A	Y	N/A	N/A	N/A	N/A	Y	0%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	1%										1%		
Of which enabling		0.0	0%	Y	N	N/A	Y	N/A	N/A	N/A	N/A	Y	0%	E	
Of which transitional		0.0	1%	Y	N	N/A	Y	Y	Y	N/A	Y	Y	1%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Cement ²	CCM 3.7	0.4	16%	EL	EL								10%		
Passenger cars ⁵	CCM 6.5	0.0	2%	EL	EL								1%		
Road freight ⁶	CCM 6.6	0.1	2%	EL	EL								2%		
Construction of new buildings	CCM 7.1	0.0	0%	EL	EL								1%		
Renovation of existing buildings	CCM 7.2	0.0	0%	EL	EL								0%		
Acquisition and ownership of buildings	CCM 7.7	0.0	0%	EL	EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.5	20%										14%		
CapEx of Taxonomy eligible activities (A.1+A.2)		0.5	21%										15%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES															
CapEx of Taxonomy-non-eligible activities		2.0	79%												
Total		2.5	100%												

Note: numbers are rounded to the nearest \$100 million and percentages to the nearest %. Where 0% noted, balance is <0.5% of Total CapEx.

¹ Water, Pollution, Circular economy and Biodiversity are not included under Substantial contribution criteria as CRH will report under these criteria in line with the timeline for reporting under CSRD.

² Manufacture of cement.

³ Electricity generation using solar photovoltaic technology.

⁴ Electricity generation from wind power.

⁵ Transport by motorbikes, passenger cars and light commercial vehicles.

⁶ Freight transport services by road.

⁷ Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings).

Principal Subsidiary Undertakings

as at December 31, 2023

Americas Materials Solutions

Incorporated and operating in		% held	Products and services
Canada	CRH Canada Group Inc.	100	Aggregates, asphalt, cement and readymixed concrete and provider of construction services
	Ash Grove Cement Company	100	Aggregates and cement
	Callanan Industries, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
	CPM Development Corporation	100	Aggregates, asphalt, readymixed concrete, prestressed concrete and related construction activities
	Dolomite Products Company, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
	Michigan Paving and Materials Company	100	Aggregates, asphalt and related construction activities
	Mountain Enterprises, Inc.	100	Aggregates, asphalt and related construction activities
	Mulzer Crushed Stone	100	Aggregates, asphalt, readymixed concrete, aggregates distribution and related construction activities
	CRH Americas Materials, Inc. and subsidiaries	100	Holding company
	Oldcastle SW Group, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
	OMG Midwest, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
United States	Pennsy Supply, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
	Pike Industries, Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
	P.J. Keating Company	100	Aggregates, asphalt and related construction activities
	Preferred Materials, Inc.	100	Aggregates, asphalt, readymixed concrete, aggregates distribution and related construction activities
	Staker & Parson Companies	100	Aggregates, asphalt, readymixed concrete and related construction activities
	Suwannee American Cement Company, LLC (trading as Ash Grove South)	80	Cement
	Tilcon Connecticut Inc.	100	Aggregates, asphalt, readymixed concrete and related construction activities
	Tilcon New York Inc.	100	Aggregates, asphalt and related construction activities
	The Shelly Company	100	Aggregates, asphalt, readymixed concrete and related construction activities
	Trap Rock Industries, LLC*	60	Aggregates, asphalt and related construction activities
	West Virginia Paving, Inc.	100	Aggregates, asphalt and related construction activities

Americas Building Solutions

Incorporated and operating in		% held	Products and services
Canada	Oldcastle Building Products Canada, Inc. (trading as Groupe Permacon, Expocrete Concrete Products, Techniseal, Oldcastle Enclosure Solutions), C.R. Laurence of Canada	100	Specialty masonry, hardscape and patio products, utility boxes and trench systems
	APG Mid-Atlantic, Inc	100	Specialty masonry, hardscape and patio products
	Barrette Outdoor Living (Trading as Boyle Transportation Services, LLC and Barrette Logistics, Inc.)	100	Vinyl and aluminum fencing and railing and transportation
	CRH America Finance, Inc.	100	Holding company
	CRH America, Inc.	100	Holding company
	CRH Americas, Inc.	100	Holding company
	CRH Americas Products, Inc.	100	Holding company
	MoistureShield, Inc.	100	Composite building products
	National Pipe & Plastics, Inc.	100	Pipe Products
	Oldcastle APG Northeast, Inc. (trading principally as Anchor Concrete Products)	100	Specialty masonry, hardscape and patio products
United States	Oldcastle APG South, Inc. (trading principally as Adams Products, Georgia Masonry Supply, Northfield Block Company, and Oldcastle Coastal)	100	Specialty masonry, hardscape and patio products
	Oldcastle APG West, Inc. (trading principally as Amcor Masonry Products, Central Pre-Mix Concrete Products, Jewell Concrete, Sierra Building Products, US Mix, Superlite Block and Calstone)	100	Specialty masonry and stone products, hardscape and patio products
	Oldcastle APG, Inc. (trading principally as EP Henry, Pebble Technology International, and Anchor Wall Systems)	100	Specialty masonry and stone products, hardscape, patio products, aggregate pool finishes and freestanding and retaining wall systems
	Oldcastle Building Products, Inc.	100	Holding company
	Oldcastle Infrastructure, Inc.	100	Precast concrete products, concrete pipe, prestressed plank and structural elements
	Oldcastle Lawn & Garden, Inc.	100	Patio products, bagged stone, mulch and stone
	Hydro International Americas, Inc	100	Stormwater and waste water products
	Turner International Topco Limited (Hydro International)	100	Stormwater and waste water products

Europe Materials Solutions

Incorporated and operating in		% held	Products and services
Belgium	VVM N.V.*	100	Clinker grinding and cement production
	Northstone (NI) Limited	100	Building & civil engineering
	Northstone Materials Limited	100	Aggregates, readymixed concrete, mortar, coated macadam, rooftiles, building and civil engineering contracting
	Cubis Systems Limited	100	Chamber & covers
	Materials Testing Limited	100	Testing
Britain & Northern Ireland	Premier Cement Limited	100	Marketing and distribution of cement
	Southern Cement Limited	100	Sale and distribution of cement
	Tarmac Aggregates Limited	100	Aggregates, asphalt, readymixed concrete and contracting
	Tarmac Building Products Limited	100	Building products
	Tarmac Cement and Lime Limited	100	Cement and lime
	Tarmac Trading Limited	100	Aggregates, asphalt, cement, readymixed concrete and contracting
Czech Republic	Vapenka Vitosov s.r.o	75	Production of lime and lime products
Estonia	Rudus AS	100	Aggregates and readymixed concrete
Finland	Finnsementti Oy	100	Cement
	Rudus Oy	100	Aggregates, readymixed concrete and concrete products
France	Eqiom*	99.99	Aggregates, cement and readymixed concrete
	Fels Holding GmbH	100	Holding company
	Fels Netz GmbH	100	Logistics and owned railway infrastructure operator
Germany	Fels Vertriebs und Service GmbH & Co. KG.	100	Lime and limestone, development of new products
	Fels-Werke GmbH	100	Production and sale of lime and limestone
	Opterra GmbH*	100	Cement
Hungary	Danucem Magyarország Kft.	100	Cement, aggregates and readymixed concrete
	Clogrennane Lime Limited	100	Burnt and hydrated lime
	Irish Cement Limited	100	Cement
Ireland	Roadstone Limited	100	Aggregates, readymixed concrete, mortar, coated macadam, concrete blocks and pipes, asphalt, agricultural and chemical limestone and contract surfacing
Netherlands	Cementbouw B.V.	100	Cement transport and trading, readymixed concrete and aggregates
Poland	Przedsiębiorstwo Produkcji Mas Betonowych Bosta Beton Sp. z o.o.	90.3	Readymixed concrete
	Drogomex Sp. z o.o.*	100	Asphalt and contract surfacing
	Cement Ożarów S.A.	100	Cement
	Masfalt Sp. z o.o.*	100	Asphalt and contract surfacing
	Trzuskawica S.A.	100	Production of lime and lime products
Romania	ROMCIM S.A.	98.61	Cement, aggregates and readymixed concrete
	Bauelemente	100	Structural concrete products
	Elpreco S.A.	100	Architectural concrete products
Serbia	Moravacem d.o.o. Popovac	100	Cement
Slovakia	Danucem Slovensko a.s.	99.8	Cement, readymixed concrete and aggregates
Spain	Beton Catalan S.A.	100	Readymixed concrete
	Cementos Lemona S.A.	98.75	Cement
Switzerland	JURA-Holding AG	100	Cement, aggregates and readymixed concrete
	LLC Cement	100	Cement
Ukraine	PJSC Mykolaivcement	100	Cement
	Podilsky Cement PJSC*	100	Cement
Philippines (i)	Republic Cement & Building Materials, Inc.	40	Cement
	Republic Cement Land & Resources Inc.	40	Cement and Building Materials

(i) 55% economic interest in the combined Philippines business (see note 31 to the Consolidated Financial Statements).

* Audited by firms other than Deloitte.

Europe Building Solutions

Incorporated and operating in		% held	Products and services
Australia	Infrastructure Products Australia Pty Ltd	100	Supplier of access chambers and ducting products
	Tri-Underground Pty Ltd	100	Supplier of access chambers and ducting products
	Leviat Pty Limited	100	Construction accessories
	Plakabeton N.V.	100	Construction accessories
Belgium	Marlux N.V.	100	Concrete paving and landscaping products
	Ergon N.V.	100	Precast concrete and structural elements
	Oeterbeton N.V.	100	Precast concrete
	Prefaco N.V.	100	Precast concrete structural elements
	Schelfhout N.V.	100	Precast concrete wall elements
	Stradus N.V.	100	Concrete paving and landscaping products
	Leviat Limited	100	Construction accessories
	MCL Industrial Enclosures Limited	100	Supplier of access chambers and ducting products
Britain & Northern Ireland	MCL Group Holdings Limited	100	Supplier of ducting products
	Filoform UK Ltd	100	
	NAL Limited	100	Supplier of access chambers and ducting products
	Cubis Systems Limited	100	Supplier of access chambers and ducting products
Denmark	Betongruppen RBR A/S	100	Concrete paving manufacturer
	RC Beton A/S	100	Manufacturer of concrete paving, concrete blocks and underground products
	CRH Concrete A/S	100	Structural concrete products
	Plaka Group France S.A.S.	100	Construction accessories
France	L'industrielle du Béton S.A.	100	Structural concrete products
	Stradal	100	Utility and infrastructural concrete products
	Cubis SARL	100	Supplier of access chambers and ducting products
	EHL AG	100	Concrete paving and landscape walling products
Germany	Leviat GmbH	100	Construction accessories
	Filoform GmbH	100	Supplier of ducting products
Hungary	Ferrobeton Dunaújvárosi Beton- és Vasbetonelem-gyártó Zrt*	100	Precast concrete structural elements
Ireland	Cubis Systems Limited	100	Supplier of access chambers and ducting products
	NAL Products Limited	100	Supplier of access chambers and ducting products
Netherlands	Struyk Verwo Groep B.V.	100	Concrete paving products
	Calduran B.V.	100	Sand-lime bricks and building elements
	Dycore B.V.	100	Concrete flooring elements
	Filoform B.V.	100	Supplier of ducting products
	Heembeton B.V.	100	Precast concrete structural elements
	Leviat B.V.	100	Construction accessories
	Polbruk S.A.	100	Concrete paving products
Romania	Ferrobeton Romania SRL*	100	Structural concrete products
Slovakia	Premac, spol. s.r.o.*	100	Concrete paving and floor elements
Sweden	Ulricehamns Betong AB	100	Structural concrete products
Switzerland	Leviat AG*	100	Construction accessories
United States	Meadow Burke, LLC	100	Concrete accessories

* Audited by firms other than Deloitte.

Principal Equity Method Investments

as at December 31, 2023

Americas Materials Solutions

Incorporated and operating in	% held	Products and services	
Canada	Airlinx Transit Partners Inc.*	50	Special-purpose entity on Ontario infrastructure construction
	Blackbird Infrastructure 407 General Partnership*	50	Special-purpose entity on highway infrastructure construction
	Blackbird Maintenance 407 General Partnership*	50	Construction
	Blackbird Constructors 407 General Partnership*	50	Construction
	Blackbird Infrastructure 407 CRH GP Inc.*	50	Special-purpose entity on highway infrastructure construction
	DAD (Finch West LRT Inc.)*	33	Special-purpose entity on Ontario infrastructure construction
	Kiewit-Dufferin Midtown Partnership*	35	Construction
	Mosaic Transit Partners General Partnership*	33	Special-purpose entity on infrastructure construction
	Mosaic Transit Constructors General Partnership*	33	Construction
United States	Buckeye Ready Mix, LLC*	45	Readymixed concrete
	Cadillac Asphalt, LLC*	50	Asphalt
	Piedmont Asphalt, LLC*	50	Asphalt
	Southside Materials, LLC*	50	Aggregates
	Camden Materials, LLC*	50	Asphalt
	Asphalt Inc., LLC	20	Asphalt and Construction
	Carrollton River Terminal, LLC*	50	Liquid Asphalt Storage
	Nally & Gibson Georgetown, LLC*	50	Aggregates, Asphalt and Construction

Europe Materials Solutions

Incorporated and operating in		% held	Products and services
Ireland	Kemek Limited*	50	Commercial explosives
China	Yatai Building Materials Group Company Limited*	26	Cement

* Audited by firms other than Deloitte.

Non-GAAP Reconciliation

CRH uses a number of non-GAAP performance measures to monitor financial performance. These measures are referred to throughout the discussion of our reported financial position and operating performance on a continuing operations basis unless otherwise defined and are measures which are regularly reviewed by CRH management. These performance measures may not be uniformly defined by all companies and accordingly may not be directly comparable with similarly titled measures and disclosures by other companies.

Certain information presented is derived from amounts calculated in accordance with IFRS but is not itself an expressly permitted GAAP measure. The non-GAAP performance measures as summarized below should not be viewed in isolation or as an alternative to the equivalent GAAP measure.

Adjusted EBITDA: Adjusted EBITDA is defined as earnings from continuing operations before interest, taxes, depreciation, depletion, amortization, impairment charges, gain/loss on divestitures, income/loss from equity method investments and substantial acquisition-related costs. It is quoted by management in conjunction with other GAAP and non-GAAP financial measures to aid investors in their analysis of the performance of the Company. Adjusted EBITDA by segment is monitored by management in order to allocate resources between segments and to assess performance.

An amount of \$27 million relating to substantial acquisition-related costs and \$50 million relating to the profit on disposal of long-lived assets has been included in the calculation of Adjusted EBITDA for the year ended December 31, 2022 to better align to the measure used internally by management and to conform to current year presentation. **Adjusted EBITDA margin** is calculated by expressing Adjusted EBITDA as a percentage of revenue.

Reconciliation to its nearest GAAP measure is presented below:

<i>in \$ millions</i>	2023	2022
Profit for the financial year	3,024	3,874
Profit after tax for the financial year from discontinued operations	–	(1,190)
Profit for the financial year from continuing operations	3,024	2,684
Income tax expense	941	785
Profit before tax from continuing operations	3,965	3,469
Loss from equity method investments	17	–
Other financial expense	54	40
Finance costs less income	251	336
Profit before finance costs	4,287	3,845
Loss on divestitures	–	99
Operating profit	4,287	3,944
Depreciation, depletion, amortization and impairment	2,213	1,721
Substantial acquisition-related costs (i)	–	27
Adjusted EBITDA	6,500	5,692
Revenue	34,949	32,723
Adjusted EBITDA margin	18.6%	17.4%

(i) Represents expenses associated with non-routine substantial acquisitions, which are those not bolt-on in nature and are separately reported in note 30 of the audited financial statements. Expenses in 2022 include legal and consulting expenses related to the acquisition of Barrette.

Net debt: Net debt is used by management as it gives additional insight into the Company's current debt position less available cash. Net debt is provided to enable investors to see the economic effect of gross debt, related hedges and cash and cash equivalents in total. Net debt comprises current and non-current interest-bearing loans and borrowings, lease liabilities, cash and cash equivalents and current and non-current derivative financial instruments (net).

Reconciliation to its nearest GAAP measure is presented below:

<i>in \$ millions</i>	2023	2022
Interest-bearing loans and borrowings (i)	(11,642)	(9,636)
Cash and cash equivalents (i)	6,390	5,936
Lease liabilities (i)	(1,503)	(1,319)
Derivative financial instruments (net) (i)	(37)	(86)
Net debt (ii)	(6,792)	(5,105)

(i) These items appear in notes 20 to 25 to the Consolidated Financial Statements.

(ii) Includes \$49 million cash and cash equivalents and \$6 million lease liabilities reclassified as held for sale.

Organic Revenue and Organic Adjusted EBITDA: CRH pursues a strategy of growth through acquisitions and investments, with total consideration spent on acquisitions and investments of \$0.7 billion in 2023, compared to \$3.3 billion in 2022. Acquisitions completed in 2022 and 2023 contributed incremental revenues of \$1.1 billion and Adjusted EBITDA of \$0.2 billion in 2023. Cash proceeds from disposals (net of cash disposed and deferred proceeds) and deferred divestiture consideration received amounted to \$0.1 billion in 2023, compared to \$3.9 billion in 2022. The total revenue impact of divestitures in 2023 was a negative \$0.2 billion and the impact at an Adjusted EBITDA level was a negative \$10 million.

The U.S. Dollar weakened against most major currencies during 2023 resulting in an overall positive currency exchange impact in 2023.

Because of the impact of acquisitions, divestitures, exchange translation and other non-recurring items on reported results each year, CRH uses organic revenue and organic Adjusted EBITDA as additional performance indicators to assess performance of pre-existing (also referred to as underlying, heritage, like-for-like or ongoing) operations each year.

Organic revenue and organic Adjusted EBITDA are arrived at by excluding the incremental revenue and Adjusted EBITDA contributions from current and prior year acquisitions and divestitures, the impact of exchange translation, and the impact of any one-off items. In the 'Segments' section on pages 8 to 9, changes in organic revenue and organic Adjusted EBITDA are presented as additional measures of revenue and Adjusted EBITDA to provide a greater understanding of the performance of the Company. Organic change % is calculated by expressing the organic movement as a percentage of the prior year (adjusted for exchange effects). A reconciliation of the changes in organic revenue and organic Adjusted EBITDA to the changes in total revenue and Adjusted EBITDA by segment, is presented with the discussion within each segment's performance in tables contained in the "Segments" section commencing on pages 8 to 9.

Earnings per Share (EPS) pre-impairment: EPS pre-impairment is a measure of the Company's profitability per share from continuing operations excluding any non-cash impairment charges and the related tax impact of such impairments. It is used by management to evaluate the Company's underlying profit performance and its own past performance. EPS information presented on a pre-impairment basis is useful to investors as it provides an insight into the Company's underlying performance and profitability. EPS pre-impairment is calculated as profit from continuing operations adjusted for loss/profit attributable to non-controlling interests, and excluding any non-cash impairment charges (and the related tax impact of such impairments) divided by the weighted average number of ordinary shares outstanding for the year.

Reconciliation to its nearest GAAP measure is presented below:

<i>in \$ millions (except share and per share figures)</i>	2023	Per Share - basic	2022	Per Share - basic
Weighted average number of Ordinary Shares (millions) outstanding for the year	723.9		758.3	
Profit for the financial year	3,024		3,874	
Loss/(profit) attributable to non-controlling interests	106		(27)	
Profit attributable to equity holders of the Company	3,130		3,847	
Preference dividends	—		—	
Profit attributable to ordinary equity holders of the Company - numerator for basic earnings per Ordinary Share	3,130	\$4.32	3,847	\$5.07
Profit after tax for the financial year from discontinued operations - attributable to equity holders of the Company	—		1,190	
Profit attributable to ordinary equity holders of the Company - numerator for basic earnings per Ordinary Share from continuing operations	3,130	\$4.32	2,657	\$3.50
Impairment of property, plant and equipment and intangible assets (i)	224		—	
Tax related to impairment charges	(9)		—	
Profit attributable to ordinary equity holders of the Company - numerator for basic earnings per Ordinary Share from continuing operations - pre-impairment	3,345	\$4.62	2,657	\$3.50

(i) Reflective of CRH's share of impairment of property, plant and equipment and intangible assets (\$224 million) and related tax effect.

Revenue from products with enhanced sustainability attributes: is derived from products that incorporate any, or a combination of; recycled materials; are produced using alternative energy and fuel sources; have a lower-carbon footprint as compared to those produced using traditional manufacturing processes; and/or are designed to specifically benefit the environment (i.e. water treatment and management systems, products with strong thermal mass/U-values).

<i>in \$ millions</i>	2023	2022
Revenue (i)	34,949	32,723
Adjusted for:		
Service revenue excluding the internal value of products delivered as part of the total service (ii)	(5,872)	(6,103)
Denominator - Adjusted product revenue	29,077	26,620
Numerator - Revenue from products with enhanced sustainability attributes	13,888	12,591
Percentage revenue from products with enhanced sustainability attributes	48%	47%

(i) Revenue as shown in the Consolidated Income Statement on page 39.

(ii) Service revenue relates to the sale of services (i.e., contracting, distribution and other services), adjusted to exclude the value of products delivered as part of the service and incorporated within service revenue.