



# CRH Tax strategy



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# 1 Purpose and scope

This document sets out CRH's tax objectives, approach to taxation, tax principles and approach to reviewing this tax strategy.

CRH is the leading provider of building materials critical to modernizing infrastructure. With our team of 80,000 people across 4,000 locations, CRH's unmatched scale, connected portfolio, and deep local relationships make us the partner of choice for transportation, water, and reindustrialization projects, shaping communities for a better tomorrow.

A Fortune 500 company, CRH's shares are listed on the NYSE and LSE.

As a large global organization, CRH has responsibilities with respect to taxation in the multiple communities and jurisdictions in which it operates. CRH contributes a significant amount of tax to local and national governments, including corporate tax on profits, environmental levies, mining license fees, taxes on property, customs and excise duties, withholding taxes and social taxes on employment. In addition, CRH collects taxes on behalf of revenue authorities, including payroll taxes on salaries paid to employees and sales taxes charged to customers. Total tax payments across all tax heads represent an important contribution to the countries, economies and local communities in which CRH operates and helps governments provide investment in public services and infrastructure. CRH pays its fair share of tax in these communities in line with local rules.

# 2 Tax objectives

CRH is dedicated to compliance with its legal and regulatory tax obligations. The Group manages its tax affairs and risks in a balanced and appropriate manner in order to deliver its business strategy and to create long-term sustainable shareholder value. This ensures the tax strategy is aligned with the commercial operations and adds long-term sustainable value to the business.

As such, the impact of tax on a transaction or the impact of new tax laws will be considered and business transactions will be arranged in a manner which is economically sustainable for the business. When structuring a commercial transaction, CRH takes a holistic approach, considering all factors including tax.

# 3 Our approach to taxation

CRH is committed to:

- Paying taxes and filing tax returns on time in all jurisdictions where tax payments and returns are due in accordance with applicable tax laws, rules, regulations, disclosure and/or tax payment requirements.
- Aligning and maintaining continuous interaction with the Group's commercial operations; we do not use tax structures without commercial substance.
- Using standard and legitimate tax exemptions and reliefs which are available in legislation and within the spirit of the law.
- Maintaining awareness of new developments in the external tax environment so that CRH continues to be compliant with new legislation and regulations in all jurisdictions.

## 4 Tax principles

### 4.1 Risk management and governance

#### 4.1.1 Tax risk management framework

With operations in 28 countries, CRH is often subject to uncertainties stemming from governmental actions in respect of taxes paid and payable in all jurisdictions of operation. In addition, tax legislation is not always clear and can be open to interpretation.

The Group Tax department applies the Group Enterprise Risk Management framework to identify, monitor and manage key tax risks and to ensure mitigating controls are in place.

The Group's tax policy and tax operating guidelines are published internally and made available to all relevant employees. The tax policy must be strictly adhered to and compliance with the policy forms part of the ongoing program of Internal Audit reviews. Matters identified will be reported to the relevant stakeholders, including the Audit Committee, in accordance with the Internal Audit Charter.

#### 4.1.2 Tax governance framework

CRH employs experienced and qualified tax and finance professionals to manage its tax affairs and risks under the overall supervision of the Chief Financial Officer. In addition, external advisors are engaged, where required, to supplement the capacity of the Group's in-house expertise.

Under the CRH Governance Framework, outlined in the CRH plc Annual Report, responsibility for certain matters is delegated to sub-committees of the Board of CRH plc. Monitoring the Group's tax position and tax strategy has been delegated by the Board to the Acquisitions, Divestments & Finance Committee (Committee), which comprises executive and non-executive directors. Tax matters are presented to the Committee by the Group Head of Tax on a regular basis.

In addition, the Group's tax affairs are covered by the Group's Sarbanes-Oxley controls and are also examined in detail by external auditors as part of the annual audit process.

As set out in the CRH Code of Business Conduct, CRH does not tolerate any form of fraud. In accordance with our Anti-Fraud and Anti-Theft Policy, CRH management is required to establish and operate adequate controls and procedures to prevent, detect and mitigate the risk of fraud.



## 4.2 Compliance

CRH is committed to ensuring compliance with all laws and relevant regulations in the countries in which it operates and submits all tax returns, reports and documents to tax authorities on a timely basis.

The Group Tax department maintains the oversight of compliance activities across CRH and must be informed of any local tax audits.

## 4.3 Transfer pricing

CRH applies arm's-length principles in the pricing of all intra-group (i) transactions of goods and services and (ii) financial transactions in accordance with Organization for Economic Co-operation and Development (OECD) guidelines and local laws. This ensures that the Group's global profits are taxed where economic activities are performed and where value is created.

## 4.4 Our relationship with tax authorities

CRH seeks a constructive and cooperative working relationship with tax authorities in the various jurisdictions in which it operates. Where differences of opinion on technical issues arise, we seek to resolve these proactively with the relevant tax authority.

# 5 Approach to reviewing this strategy

The tax strategy has been approved by the Committee and is reviewed on an annual basis to ensure continued compliance with law and alignment with commercial operations. Any material amendments to the tax strategy will require approval by the Committee on behalf of the Board of CRH plc.



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