



# **Policy Statement in compliance with the German Supply Chain Due Diligence Act**

**CRH Deutschland GmbH**



## **Policy Statement of CRH Deutschland GmbH in compliance with sec. 6 para. 2 of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – “LkSG”)**

This policy statement applies to CRH Deutschland GmbH (“**CRH Deutschland**”), which includes its operating subsidiaries listed in Annex 1 to this policy statement (“**CRH Deutschland Group**”). The CRH Deutschland Group has around 1,650 employees in Germany and is a leading producer of cement, architectural concrete products and construction accessories, as well as the third largest producer of architectural products and the leading supplier of construction accessories. The CRH Deutschland Group is part of the CRH plc. group (“**CRH Group**”) which is a leading provider of building materials solutions.

At CRH Deutschland Group, we respect human rights and the environment and apply due diligence obligations within our own operations and related to our supply chain. We support the principles outlined in the UN’s Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the International Labour Organisation’s Fundamental Labour Principles and the delivery of the United Nations Sustainable Development Goals (SDGs). Many of the existing principles, such as those in the conventions referenced in Annex I of the LkSG are already embedded in our business and remain under review. We also expect our suppliers and other business partners to comply with these principles.

With this policy statement, we describe the procedures by which CRH Deutschland Group fulfils its obligations under sec. 4 para. 1, sec. 5 para 1, sec. 6 para. 3 to 5, and sec. 7 to 10 of the LkSG. Furthermore, we will outline our priority human rights and environment-related risks identified on the basis of the risk analysis with reference to the conventions mentioned in the LkSG’s annex. Finally, we set our human rights and environment-related expectations towards our employees and suppliers in the supply chain.

### **1 Our risk management system (sec. 4 LkSG)**

The CRH Deutschland’s board of directors has decided to establish and anchor the risk management for the CRH Deutschland Group in line with the existing CRH Group-wide systems and processes, including a process for regular reporting to CRH Deutschland’s board of directors.

CRH Deutschland has designated the respective Procurement departments within the CRH Deutschland Group, in cooperation with CRH Group Procurement and Legal and Compliance, as responsible for implementing and ensuring the fulfilment of the obligations arising from the LkSG.

CRH Group’s approach to risk management is integrated into its business, providing a robust foundation for the identification and assessment of material



threats and opportunities and allowing it to make appropriate decisions. The CRH Group's board of directors (the "Board") is responsible for promoting the long-term sustainable success of the CRH Group, ensuring that it makes a positive contribution to society while generating value for its shareholders. The Board has established the Safety, Environment & Social Responsibility (SESR) Board Committee to monitor developments related to sustainability and provide strategic direction, oversight and support to the Board on this important topic. The Board has delegated responsibility for monitoring the effectiveness of the Group's risk management and internal control systems to the Audit Committee. In the area of procurement specifically, our Group Procurement Council oversees all aspects of purchasing strategy, policy, targets and objectives, and the global procurement team is supported by a Procurement Head of Sustainability, Innovation & Risk. In addition, the wider CRH Group's Sustainability team facilitates reporting in all areas of sustainability. Our global Legal & Compliance team provides support to the foregoing in these responsibilities.

The respective Procurement department of each of CRH Deutschland's operating subsidiaries has established a process to report periodically and will report on an ad-hoc basis as appropriate to the CRH Deutschland's board of directors.

## **2 Our risk analysis (sec. 5 LkSG)**

Our salient human rights risk assessment looks at our operating subsidiaries, the work that is carried out, and the countries in which we operate. The assessment includes human rights and environmental criteria covering areas such as policy implementation, safety across the employee and contractor value chain together with issues such as employee diversity, discrimination, freedom of association and forced labour.

Furthermore, our operating companies also complete individual human rights assessments and have systems in place to ensure compliance with human rights best practices. Where issues are identified, mitigation plans are put in place to ensure steps are taken to bring these companies up to CRH Deutschland Group's best practices within a specific time frame.

Further, we continue to consider human rights and modern slavery risks through our CRH Group Enterprise Risk Management processes.

We identified the following priority risks:

- Labour rights: We want to ensure that everyone working for CRH Deutschland Group is treated fairly and equitably free from discrimination, with just and favourable conditions of pay and employment. We want to



ensure that all those working on our sites are doing so freely, ensuring no forced labour and we support freedom of association.

- Health and safety: As a leading producer of cement, architectural concrete products and construction accessories, we want to ensure a safe and healthy workplace.
- Local community rights: As we operate and develop our extractive sites, it is important that we ensure the health and safety of the communities where we operate and respect their land rights as well as governmental requirements.

In addition, we have a continuing programme to assess and manage salient human rights risks in our extended supply chain. The CRH Deutschland Group assesses supply chain risks by using criteria covering the critical impact to the supply chain, such as health and safety, human and labour rights, environment, climate change and governance. CRH Group complies with the ISO 20400 – Sustainable Procurement best practice.

Based on the risks identified and the outcomes of an accompanying opportunity assessment, we continue to enhance our category strategy plans to drive improvement actions at the point where we have most influence with our suppliers. Country risk is a significant part of this assessment. We are continually improving our spend visibility platforms to enhance country and location insights into suppliers in regions with higher risks. This allows us to focus our resources. We do this with regard to human rights issues but also for environmental as well as health and safety issues.

The infringement of people's human rights can occur throughout the value chain. We have collaborated across group functions as well as with human rights specialists to benchmark our salient human rights assessment methodology and to help identify specific areas of risk to people coming into contact with our operations. We continue to develop and refine our approach to human rights due diligence to better understand our potential impacts.

We have processes to identify risks related to labour rights of those working in our extended supply chain and to work with our suppliers to implement appropriate measures to address these risks and promote human rights, where required. The health and safety, working conditions, labour rights and access to grievance mechanisms to raise concerns of the workers within this supply chain must be protected.

Our human rights risk assessment is conducted annually and on an ad-hoc basis. Mitigating measures are then implemented as necessary for CRH Deutschland Group in coordination with CRH Group.



### 3 Preventive measures (sec. 6 LkSG)

Depending on the identified risks, appropriate preventive measures are initiated. This includes the ongoing implementation of this policy statement.

In terms of labour rights, we support inclusion and diversity (I&D) through our global Inclusion and Diversity Council. Also the working conditions of our employees and contractors are monitored as part of our annual review processes. With regard to health & safety, we implemented CRH Group's Health and Safety Policy together with the Life Saving Rules. In addition, where appropriate we invest in community relations and development to support local community rights. We also strive to have a Community Engagement Plan in place for all relevant materials activities by 2030. Our HR teams are in place to implement the CRH Social Policy and everyone at CRH Deutschland Group must comply with our Code of Business Conduct.

The CRH Group's Code of Business Conduct sets out standards of integrity and ethical conduct for our organisation. Every CRH Group employee is required to read, confirm understanding of and abide by the Code of Business Conduct. The Code of Business Conduct contains principles for conduct in the workplace (e.g. putting safety first, respecting others, protecting company assets, keeping accurate records, maintaining confidentiality and avoiding insider trading), in business practices (e.g. competing fairly, refusing bribery and corruption, avoiding conflict of interests, complying with international trade laws, preventing money laundering and managing third party relationships), in community (e.g. respecting human and labour rights, promoting environmental sustainability, engaging with and supporting the community and respecting laws regarding political contributions).

We are working to ensure that our commitment to human rights is integrated into all levels of CRH. All in-scope employees are trained annually in the Code of Business Conduct and the training is available in multiple languages. Procurement teams are trained in responsible sourcing issues, tools and techniques. CRH Group provides modern slavery e-Learning and training in key sustainability areas including Inclusion & Diversity to relevant employees. CRH Group's front-line leadership and senior management development programmes include strategic modules covering the spectrum of human rights issues, including health and safety, developing an inclusive workplace and leading with integrity.

When it comes to risks relating to our direct suppliers, the CRH Group's Supplier Code of Conduct provides for various methods to ensure that our suppliers meet our standards in respect of human rights and environmental stewardship. We want our suppliers to continually improve Health & Safety performance, to adhere



to practices that respect human rights, to respect freedom of association and the effective recognition of the right to collective bargaining by employees, to prohibit all forms of modern slavery in the supplier's supply chain, to support the principles of equality, inclusion and respect when dealing with potential, current, and past employees, to support a proactive approach to environmental challenges related to water, circularity, and decarbonization as well as to comply with the concepts, principles and recommendations in the OECD Guidelines for Multinational Enterprises.

These methods include – based on the direct supplier's risk profile – the completion of questionnaires, specific contract clauses and third-party audits. CRH will also exclude from any future tendering process suppliers who fail to demonstrate adherence to our key procurement standards or comply with pertinent laws.

We review the effectiveness of our preventative measures annually and on ad-hoc basis.

#### **4 Remedial actions (sec. 7 LkSG)**

We take various measures to fulfil our responsibility to comply with human rights and environmental obligations with the aim of avoiding negative impacts on human rights and the environment and protecting the (potentially) affected persons.

Once a risk has occurred in our own operations or in the operations of a direct supplier, we will work to minimise or eliminate its impact. To this end, we have implemented processes involving various levels of escalation based on the significance of the impacts and the results of a root cause analysis. These processes also apply to our direct suppliers, including the termination of business relationships in the event of non-conformance or refusal to remediate.

We review the effectiveness of our remedial actions annually and on ad-hoc basis.

#### **5 Grievance mechanism (sec. 8 LkSG)**

CRH Deutschland Group is committed to supporting all persons, including current, potential, and former employees, independent contractors, customers, and suppliers to raise genuine concerns of wrongdoing within CRH Deutschland Group.

The CRH Group has established a group wide [Speak Up Policy](#) outlining the CRH Group's commitment to providing various ways for employees to Speak Up and treating those employees with fairness and respect when they speak up. The Speak Up Policy also affirms our global zero-tolerance approach to retaliation.



The CRH Hotline is an independent, confidential, third-party reporting platform which is available 24/7, offers multi-lingual services and allows for anonymous reporting. The CRH Hotline is available for employees, customers, suppliers and other external stakeholders to raise any genuine concerns they may have related to compliance with our Code of Business Conduct or other CRH policies or possible violations of local laws. CRH investigates all reported concerns and takes appropriate action in response to investigation findings. Reports are handled discreetly and in a confidential manner, to the extent reasonably possible and allowed by local laws.

## **6 Indirect suppliers (sec. 9 LkSG)**

As of the adoption of this policy statement, there are no specific indications suggesting that indirect suppliers may be in breach of a human rights or environmental obligations.

We will carry out ad hoc risk assessments and act accordingly in the event of significant changes to our business activities or a significant change in risk exposure, as well as in the event of substantiated findings of a potential human rights or environmental violation at an indirect supplier. This includes measures as described further below, e.g., suitable preventive measures vis-à-vis the responsible party, the development and implementation of remedial measures and, if necessary, updates to this policy statement.

The grievance mechanism also applies to indirect suppliers.

## **7 Documentation and reporting obligations (sec. 10 LkSG)**

The CRH Deutschland Group procurement departments together with the relevant CRH Group procurement departments will continuously document the fulfilment of the due diligence obligations and the CRH Group Legal and Compliance department will prepare an annual report related to the past financial year no later than four months after the end of the financial year, which will be submitted to BAFA and made publicly available for a period of seven years.

## **8 Our human rights and environmental expectations related to our employees and suppliers**

We endeavour to further reduce the risks associated with human rights and environmental violations in our supply chains or our operations. From all our stakeholders, employees, and business partners, including our suppliers, we expect that they comply with the human rights and environmental obligations and standards as set out in this policy statement. Should they potentially cause or contribute to human rights and environmental violations, we expect these violations to be remediated and stopped. We expect our suppliers, both direct



and indirect, to share our unwavering commitment to ethical business practices and meet our standards including respect for human rights, health & safety and environmental stewardship. Therefore, we also expect our suppliers to commit to passing on our expectations and standards to their own suppliers. Our expectations are anchored in CRH Group's internal and external policies, e.g.,

- Code of Business Conduct,
- Supplier Code of Conduct,
- Modern Slavery Statement of CRH plc,
- Health and Safety Policy,
- Social Policy,
- Environmental Policy,
- Preventing Discrimination and Harassment in the Workplace Statement,
- Stakeholder Engagement Statement,
- Sustainability Performance Report,
- Climate Advocacy Review.

All policies are available online for employees and can be downloaded at: <https://www.crh.com/sustainability/codes-of-conduct> and [https://www.crh.com/media/4748/crh-2022-sustainability-performance-report\\_interactive.pdf](https://www.crh.com/media/4748/crh-2022-sustainability-performance-report_interactive.pdf).

We consistently work towards ensuring that there is no form of corruption, discrimination, harassment, forced or child labour or any other human rights or environmental related violation in our own operations or in our supply chains.

## **9 Amendments provisions**

CRH Deutschland Group reviews this policy statement annually and on ad-hoc basis, updates will be published as needed. The policy statement was approved by CRH Deutschland's board of directors on 11 December 2024.



### Annex 1

<b>Subsidiaries of CRH Deutschland GmbH</b>	<b>Address</b>
Leviat GmbH	Liebigstraße 14, 40764 Langenfeld
EHL AG	Alte Chaussee 127, 56642 Krufft
OPTERRA Wössingen GmbH	Wössinger Straße 2, 75045 Walzbachtal
Filoform GmbH	Kupferschmidstraße 86, 79761 Waldshut-Tiengen
Modersohn GmbH &Co. KG	Industriestraße 23, 32139 Spenge



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