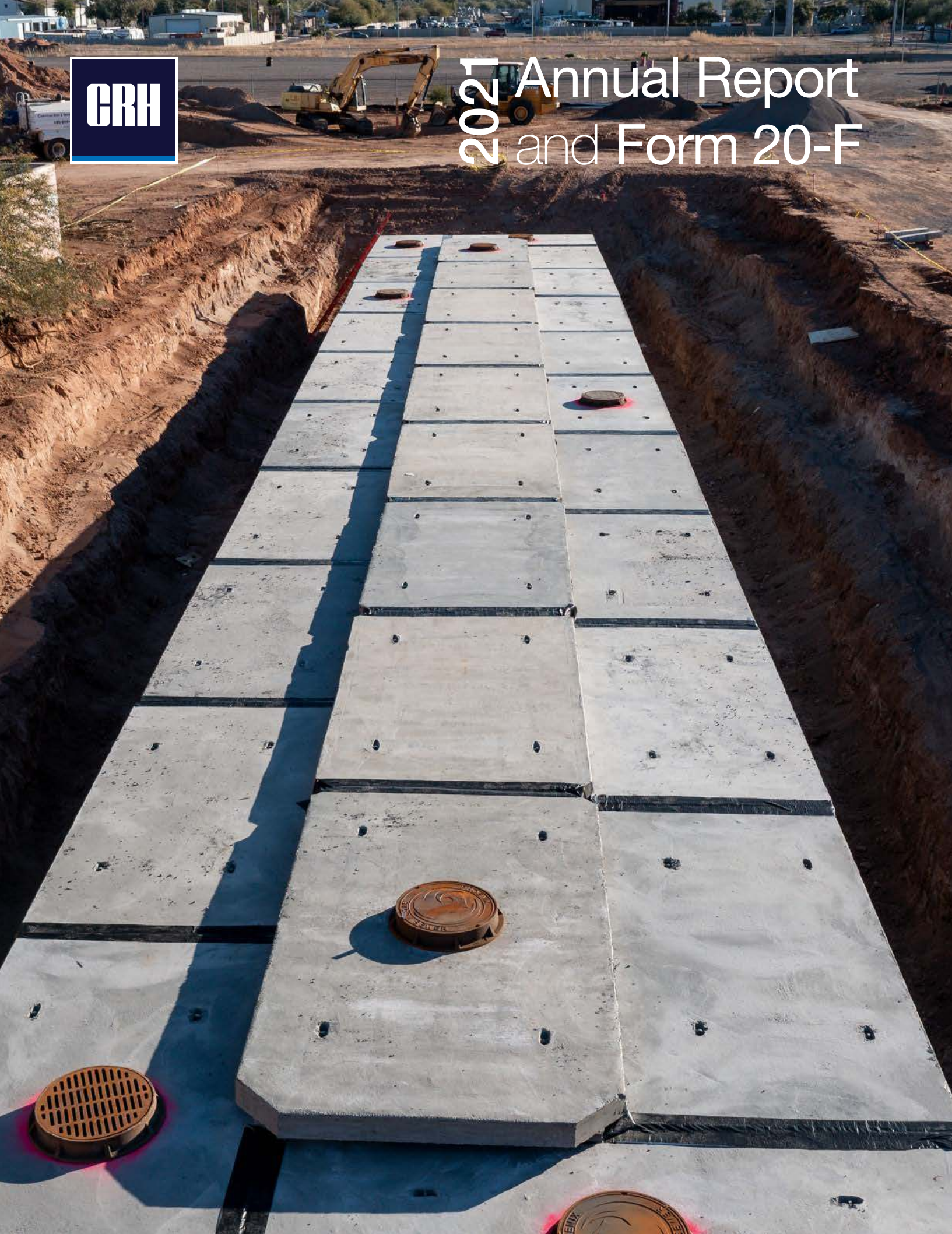




2021 Annual Report and Form 20-F



CRH is the leading building materials business in the world

Our materials, products and integrated building solutions can be found throughout the built environment in a wide range of construction projects from major public infrastructure to homes and commercial buildings.

Strategy

Our strategy is to continue to grow and improve our business and in doing so to maximise long-term value and deliver superior returns for our shareholders and for society.



Values

Our values unite us in the way we work, every day, all over the world. We put safety first, we continuously create value, we do what we say, we lead with integrity, we build enduring relationships and we operate locally, but act as one company globally.



Sustainability

Sustainability is a strategic imperative for our business. We are committed to growing and improving in a way that creates financial and non-financial value for all stakeholders and that has a positive impact on the world around us.



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This document constitutes the Annual Report and Financial Statements in accordance with Irish and UK requirements and the Annual Report on Form 20-F in accordance with the US Securities Exchange Act of 1934, for CRH plc for the year ended 31 December 2021. A cross reference to Form 20-F requirements is included on page 269.

The Directors' Statements (comprising the Statement of Directors' Responsibilities, the Viability Statement and the Directors' Compliance Statement on pages 112 to 114), the Principal Risks and Uncertainties (on pages 116 to 121), the Independent Auditors' Reports (on pages 124 to 134), the Parent Company financial statements of CRH plc (on pages 211 to 215) and EU Taxonomy (on page 243) do not form part of CRH's Annual Report on Form 20-F as filed with the Securities and Exchange Commission (SEC).

Forward-Looking Statements

This document contains forward-looking statements, which by their nature involve risk and uncertainty. Please see Disclaimer/Forward-Looking Statements on page 111 for more information about these statements and certain factors that may cause them to prove inaccurate.



View the Report on our website:
www.crh.com/investors/annual-reports/

Our 2021 Performance Highlights

SALES

\$31.0 billion ▲+12%



PROFIT AFTER TAX

\$2.6 billion ▲+125%



EBITDA (AS DEFINED)*

\$5.35 billion ▲+16%



EARNINGS PER SHARE

328.8 cent ▲+130%



OPERATING PROFIT

\$3.6 billion ▲+58%



DIVIDEND PER SHARE

121.0 cent ▲+5%



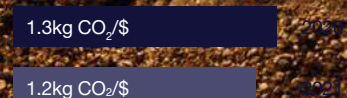
PEOPLE

22% females in senior leadership ▼6%



CLIMATE

1.2 kg CO₂/\$ revenue ▼8%
Greenhouse Gas Emissions (Scope 1 and Scope 2 CO₂ Emissions)



CIRCULAR ECONOMY

39.5 million tonnes ▲8%
of alternative fuels and raw materials recycled



SUSTAINABLE PRODUCTS

\$11.5 billion revenue ▲17%
from products with minimum sustainability attributes



* EBITDA is defined as earnings before interest, taxes, depreciation and amortisation, plus impairment charges and the fair value adjustments and the Group's share of profits and losses in investments in joint ventures.

Our business at a glance

We are organised as three operating Divisions of scale comprising Americas Materials, Europe Materials and Building Products.

Our Three Operating Divisions

Americas Materials

SALES
\$12.4 billion

▲ +10% 2020: \$11.3 billion
c. 28,300 employees
c. 1,605 operating locations
46 US states, six Canadian provinces

Products & Services

Aggregates • Cement • Paving and Construction Services • Readymixed Concrete • Asphalt

40%
GLOBAL
SALES

Europe Materials

SALES
\$10.6 billion

▲ +16% 2020: \$9.1 billion
c. 25,600 employees
c. 1,120 operating locations
20 Countries

Products & Services

Aggregates • Cement • Lime • Paving and Construction Services • Infrastructural Concrete • Readymixed Concrete • Asphalt

34%
GLOBAL
SALES

Building Products

SALES
\$8.0 billion

▲ +11% 2020: \$7.2 billion
c. 23,500 employees
c. 510 operating locations
19 Countries

Products & Services

Architectural Products • Building Envelope Infrastructure Products • Construction Accessories

26%
GLOBAL
SALES

Our Integrated Building Solutions Story

Mineral Reserves and Resources

Our mineral reserves and resources are found in our extensive network of quarry locations.

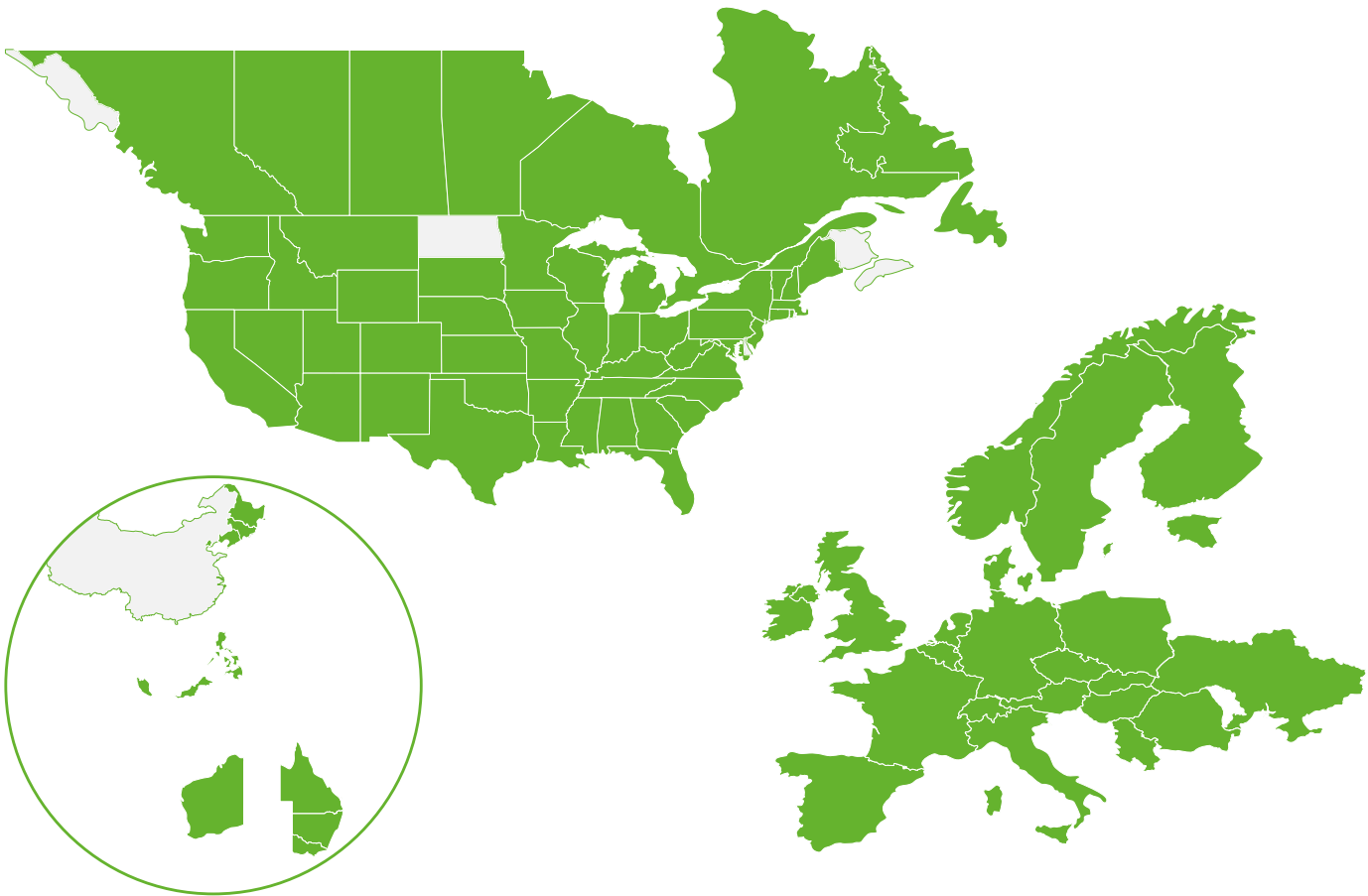
Building Materials

We process our mineral reserves to produce primary building materials including cement, lime, aggregates, asphalt and readymixed concrete.

Building Products

We also produce and supply a wide range of products for construction markets globally including Architectural Products, Building Envelope Products, Infrastructure Products and Construction Accessories.





The leading building materials business in the world



28
Countries



c. 3,235
Locations



c. 77,400
People

#1

North
America

#1

Europe

Residential Solutions

We then add value to the building materials and products, supplying a range of integrated solutions for use in homes.

Commercial Solutions

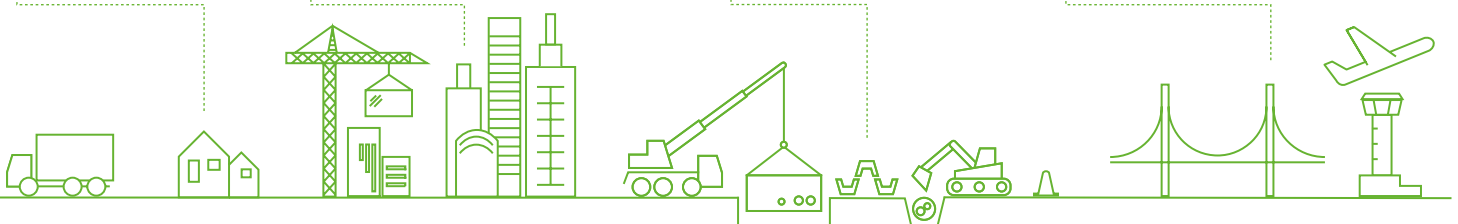
We work with architects, contractors and building owners to design, engineer, test and manufacture solutions for the building envelope including curtain walls, storefronts and architectural glass.

Utility Solutions

We combine and bundle building materials and products to create highly engineered systems to collect, connect & protect vital utility infrastructure.

Transport Infrastructure Solutions

We design, manufacture, install, maintain and recycle end-to-end infrastructure solutions which connect communities using uniquely integrating materials, products, solutions and services.



Chairman's Introduction¹

CRH successfully managed through the challenges of the ongoing COVID-19 pandemic during 2021, continuing to leverage our safety-first culture and practices as well as operating in accordance with pandemic-related guidance and policies of national and local health agencies. Management provided comprehensive support for the physical and mental well-being of our employees during this challenging period.

A Record Financial Performance

2021 saw a record financial performance for CRH, attributable to the hard work of our employees, the consistent execution of our clear, focused strategy, the resilience and flexibility of the Group's business model and ongoing initiatives to enhance and improve business and operational performance.

These results also reflect the value which customers place on the depth and breadth of CRH's products and the expertise with which its skilled employees provide solutions for customers' needs in a fast-evolving construction environment.

CRH grew its revenues, profit, margins, cash generation and returns on capital during 2021 with Operating Cash Flow² of \$4.2 billion (2020: \$3.9 billion) arising from record EBITDA (as defined)* of \$5.35 billion (2020: \$4.6 billion), enabling, amongst other investment activities, capital expenditure of \$1.6 billion (2020: \$1.0 billion) in existing businesses.

CRH continues to actively manage its portfolio of businesses, assessing the ability of each business to continue to contribute to CRH's long-term strategy and evaluating the potential for acquisitions to enhance our business platforms through the provision of value-added solutions for customers.

The strength of CRH's business model, balance sheet and cash generation provide the Board with significant optionality to invest in businesses which fit our clearly defined strategy and which can generate enhanced value for our shareholders. During 2021, CRH invested \$1.5 billion (2020: \$0.4 billion) on acquisitions and we have a strong pipeline of development opportunities.

Further details on the record performance in 2021 and implementation of CRH's value creation strategy are set out in the Chief Executive's report on pages 10 to 11.

Delivering Cash Returns And Capital Growth For Shareholders

Dividends paid to CRH shareholders with respect to the 2020 financial year of 115.0c per share represented an increase of 25% compared to the total dividends per share declared for the 2019 financial year. In addition, during 2021 CRH continued its share buyback programme, investing \$0.9 billion (2020: \$0.2 billion).

Reflecting your Board's confidence in CRH and its future prospects, and our objective of continuing to have a sustainable, progressive dividend policy, the Board is recommending a final dividend of 98.0c for the 2021 financial year. This represents a total dividend of 121.0c per share for the 2021 financial year, an increase of 5% compared to 2020. Since 1970 CRH's compound annual Total Shareholder Return ('TSR')³ has been 15.5% (2020: 15.1%).

At the 2022 Annual General Meeting, the Board will seek a renewal of the annual authority enabling the Board to continue with the share buyback programme.

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

1. See cautionary statement regarding forward-looking statements on page 111.

2. Operating cash flow refers to net cash inflow from operating activities as reported in the Consolidated Statement of Cash Flows on page 144.

3. TSR represents the total accumulated value delivered to shareholders (via gross dividends reinvested and share appreciation). Details of how non-GAAP measures are calculated are set out on pages 219 to 223.

Health & Safety A Continuing Priority

In relation to COVID-19, the Board regularly monitored CRH's approach, initiatives and the outcomes therefrom against available research, best practice and the experiences of the wider populations where our businesses are located.

The safety of our employees and contractors continued to receive attention during the year. Through the Board's Safety, Environment and Social Responsibility (SESR) Committee we inputted into policies and practices relating to safety, culture and monitored performance. Notwithstanding this focus, very sadly, there were four workplace related fatalities in 2021. The background to, and the potential learnings from, each accident was carefully examined by the SESR Committee and the full Board.

The Board offers its sympathy to the families of any CRH employees and contractors who suffered bereavement as a result of COVID-19 or any other illness or as a consequence of a workplace accident.

During 2021 CRH conducted a comprehensive Group-wide employee survey seeking insights into a wide range of matters relating to their experiences as employees. This survey was complemented by a series of direct engagements, with similar objectives, between the SESR Committee and groups of employees from across CRH. In assessing the relevant information gathered from the survey and direct engagement, the Committee was able to report to the Board that safety, employee health and well-being were recognised by employees as being very important priorities for CRH and that this, including how CRH has supported employees throughout the COVID-19 pandemic, is appreciated and valued.

The Board is actively monitoring the very recent developments in Ukraine with a focus on the safety and security of the c.800 people who work in our Ukrainian operations.

Delivering Against Challenging ESG Targets

CRH is, and will continue to be, a leader in providing solutions in the built environment for the challenges and opportunities arising from mitigating and managing the impact of climate change and supporting environmentally sustainable economic growth.

Our 2020 Sustainability Report set out challenging targets for mitigating our environmental impact, enhancing the contributions our products and customer-solutions make to the circular economy and sustainable economic growth, ensuring the safety of our people and progressing our inclusion and diversity (I&D) agenda.

During 2021 we made positive progress against these targets and I am pleased to advise that

we expect to deliver on our decarbonisation target ahead of schedule. As a result, the SESR Committee has agreed with management and the Group has adopted an updated 2030 Group-wide carbon reduction target as set out on page 21.

In addition, to support our ongoing transparency on these matters, the Audit Committee oversaw the significant expansion of our disclosures in this document in line with the expectations of the Task Force on Climate-Related Financial Disclosure (TCFD), the emerging EU Taxonomy and further disclosures in respect of relevant accounting estimates and judgements.

In relation to diversity, as we develop our future leaders, we are focused on ensuring that CRH benefits from people with diverse backgrounds and experiences and has the structures in place to support them as they develop during their careers in the Group.

Your Board Making A Positive Contribution

As Chairman I am pleased to report that your Board continues to operate very effectively and cohesively in the ongoing assessment of strategy and business performance, the purpose and culture of CRH and the quality and contributions of its people. This is due to the experience and attributes of individual Directors and the collective efforts of a diverse team of people. The performance of the Board was evaluated by an external evaluator in 2021. This process similarly concluded that the Board was performing very effectively.

During the year, Caroline Dowling and Badar Khan joined your Board bringing their relevant backgrounds, experiences and qualities to enhance the Board's overall makeup and ability to contribute.

After a thorough process supported by an independent third party, which identified and assessed potential external and internal candidates for the role, the Board unanimously decided to appoint Jim Mintern to the role of Finance Director of CRH and to the Board in June 2021.

Since his appointment, the Group has benefited from the considerable strategic, financial and operational experience which Jim brings to the role.

As is CRH's policy and practice, Caroline, Badar and Jim will retire at the AGM and along with all other current members of the Board will stand for re-election by shareholders. The background and experience of each Board member, along with CRH's policies and approach to ongoing Board assessment and renewal are covered in more detail in the Nomination and Governance Committee's Report on pages 70 to 75.

Long-term succession planning for senior executive roles continued to be a core focus for the Board in 2021. Details in relation to the Board's approach to this important topic is set out in the Nomination & Corporate Governance Report on page 71.

Shareholder Engagement And Board Priorities

I have again had the benefit of considerable engagement with CRH shareholders over the past 12 months, discussing with them progress against the Board's priorities. This has enabled me to gain a detailed understanding of their perspectives and thoughts on CRH. Reports of all shareholder engagements are shared with my colleagues on the Board.

Informed by this shareholder engagement and the Board's deliberations, the Board's priorities during 2022 will include:

- A continued focus on the ongoing safety of our people, monitoring and assessing the alignment of CRH's culture with our values and purpose, overseeing talent management and succession planning and ensuring that people with diverse backgrounds and experiences are actively encouraged and supported;
- Ensuring that CRH continues to be a leader in managing the challenges and opportunities arising from the impact of climate change and contributing to environmentally sustainable economic progress;
- Encouraging and assessing management's ongoing initiatives to enhance and improve CRH's businesses and business performance, including the contributions of businesses working together in the provision of comprehensive customer-focused solutions;
- Continuing to ensure that CRH has the appropriate, clearly communicated and shareholder-endorsed strategy and business model and capital allocation policy to support continued success and value creation.

Delivery against these priorities will support CRH's responsibility to continue to provide attractive cash returns and capital growth to CRH's shareholders over the short, medium and long term. I look forward to continued engagement with CRH shareholders over the next year to report on and hear their views on progress against these priorities.

Conclusion

Despite considerable external challenges, 2021 was another year of very strong delivery by CRH against its strategic and financial objectives and goals.

This delivery was made possible by the dedication, skill and quality of CRH's people working together as a team and benefiting from the commitment, focus, inclusiveness, and strategic insights of our CEO, Albert Manifold. The Board is very appreciative of the contributions of all of the people in CRH to its success and is very encouraged for the future given their commitment to CRH and their capabilities and potential.

Richie Boucher
Chairman
2 March 2022



Our ambition to play a leadership role in our industry's transition to carbon neutrality is underpinned by a strategy to grow and improve our business in a sustainable and responsible way.

Strategy Review

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Sustainability 20

Risk Management 32

An employee at Standard Materials Group, part of CRH's America's Materials Division and a leading provider of readymixed concrete and materials transportation in Northwest Arkansas and Oklahoma. CRH's Americas Materials Division employs 28,300 people in the United States and Canada.

Why Invest in CRH

The ways in which we maximise shareholder value.

Sustainability strategy embedded

\$11.5 billion

2021 Revenue from Products with Enhanced Sustainability Attributes

To create long-term value, we embed sustainability principles in all areas of our strategy and business model. CRH has set a target of 50% revenue from products with sustainability attributes by 2025.

Unique solutions capability

35% Infrastructure

33% Non-Residential

32% Residential

CRH's breadth of materials, products and services, together with its balanced exposure to construction end use demand, provides a unique opportunity to deliver integrated solutions for customers.

SBTi approved climate target

25%

Targeted reduction in absolute group-wide emissions by 2030

Our commitment to tackle climate change and decarbonise our operations includes a Science Based Targets Initiative (SBTi) approved reduction in absolute group-wide Scope 1 and Scope 2 CO₂ emissions. We have also set an ambition to become a net-zero business by 2050.

Experienced leadership

CRH's world class leadership team has a proven track record of performance delivery, underpinned by ongoing talent development and succession planning.

Capital allocation record

\$6.5 billion

Cash returned to shareholders via share buybacks and dividends since 2017

Our disciplined, value focused approach to capital allocation, made possible by our industry leading balance sheet strength provides us with optionality and the ability to return cash to shareholders through dividends and buybacks.

Operational and commercial efficiency

12.3%

Return on Net Assets (RONA)¹ +160 bps since 2017

CRH continues to demonstrate consistent growth and improvement in our returns, driven by a relentless focus on margin management, operating efficiencies and tight working capital management.



Albert Manifold
Group Chief Executive



Jim Mintern
Group Finance Director



Gina Jardine
Chief Human Resources Officer



Randy Lake
Chief Operating Officer



David Dillon
Executive Vice President, Chief of Staff

1. RONA is a non-GAAP measure as defined on page 222. The GAAP figures that are most directly comparable to the components of RONA include: Group operating profit (2021: \$3,585 million, 2020: \$2,263 million), impairment of property, plant and equipment and intangible assets (2021: \$nil million, 2020: \$673 million) and total assets and total liabilities (2021: \$44,670 million and \$23,756 million respectively; 2020: \$44,944 million and \$24,596 million respectively).

Long-term growth fundamentals

27%

Revenue Growth since 2017

There is a natural demand for CRH products driven by population and economic growth and the need to continually build and maintain the built environment.

Proven acquisition model

\$9.1 billion

Development Spend since 2017

CRH builds and grows successful businesses by regularly acquiring small to mid-sized companies that complement our portfolio and adding larger strategic deals to create further platforms for growth.

Cash generation track-record

70%

Operating Cash Flow growth since 2017

Strong financial discipline and an unrelenting focus on value creation are hallmarks of CRH. We have a proven, robust track record in cash generation.

Continuous business improvement

370 bps

EBITDA (as defined)* Margin Improvement 2017 to 2021

CRH is relentlessly focused on building better businesses through operational and commercial excellence, coordinated and driven from the centre and delivered locally by our businesses around the world.

Industry Leading Returns

Since formation in 1970 CRH has delivered an industry-leading compound annual TSR of 15.5% (2020: 15.1%). €100 invested in CRH shares in 1970, with dividends reinvested, would now be worth €165,000.

+15.5%

Compound Annual Total Shareholder Return



Dan Stover
President,
Americas Materials



Nathan Creech
President,
Building Products



Onne van der Weijde
President,
Europe Materials



Juan Pablo San Agustin
Chief Innovation &
Sustainability Officer



Isabel Foley
Group General Counsel

Executive Leadership Team as of 2 March 2022. Biographies included on page 265.

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

Chief Executive's Review¹

CRH delivered a record financial performance in 2021, driven by the strategic reshaping and repositioning of our business over recent years. CRH has been transformed from a sole supplier of commodity products and base materials to a fully integrated provider of value-added products and integrated building solutions, which are more sustainable and help to reduce the impact of construction on our world.

An Evolving CRH

Market demand and societal expectation for building materials and products is evolving. As our climate changes there is an increased emphasis on the sustainability performance of structures and buildings on a full life-cycle basis. By combining our materials, products and services, including recycled end-of-life materials, into integrated solutions which can be delivered more efficiently and sustainably, we can better serve the emerging needs of customers and support them in meeting the challenges of modern construction.

We continue to build out our integrated solutions strategy across our materials and products businesses. It is increasingly a differentiating feature of CRH's offering as we work closely with our customers to better understand and align with their specific challenges. At the same time we continue our focus on innovation to deliver value added solutions that improve the life cycle performance of buildings and climate resilient infrastructure. This in turn has helped us to identify additional opportunities for growth and value creation. As a result, CRH continues to be a strong and resilient business, delivering a record financial performance, with continued improvement in sales, profitability and cash generation.

Climate Change

In many of our markets CRH has become a valued partner in the delivery of a safer and more resilient built environment that helps to mitigate the impacts of climate change on communities.

We also recognise the importance of decarbonisation in addressing the challenges of climate change. We have a long track record in successful emissions reduction initiatives and we recently set ourselves a new, industry leading target to reduce our Group's absolute carbon emissions by 25% by 2030. For further information on this target please refer to page 21.

We will continue to strive for further improvements across our operating footprint in support of our ambition to become a net-zero business by 2050.

As CRH and the world around us transitions to a low carbon economy over the coming decades, how we navigate climate-related risks and opportunities will be increasingly important. Information on how our disclosures meet the requirements of the TCFD is included on pages 28 to 31.

Performance Highlights

In 2021 CRH benefited from recovering market demand as economies reopened and construction activity returned to more normal levels. Positive underlying demand drove increased sales volumes in North America and Europe, while a continued focus on price improvements, coupled

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

1. See cautionary statement regarding forward-looking statements on page 111.

2. Net Debt and Net Debt/EBITDA (as defined)* are non-GAAP measures as defined on page 222. The GAAP figures that are most directly comparable to the components of Net Debt/EBITDA (as defined)* include: interest-bearing loans and borrowings: (2021: \$10,487 million, 2020: \$12,215 million) and profit after tax (2021: \$2,621 million, 2020: \$1,165 million).

3. Net of cash disposed and including deferred consideration proceeds in respect of prior year divestments.

with decisive action taken to control costs and improve operational efficiencies, helped improve our margins despite an inflationary input cost environment.

Sales increased 12% to \$31.0 billion (2020: \$27.6 billion) and EBITDA (as defined)* of \$5.35 billion (2020: \$4.6 billion) increased by 16% reflecting the benefits of our integrated solutions strategy along with strong demand growth and continued commercial discipline. On a like-for-like¹ basis EBITDA (as defined)* was 11% ahead of 2020, while EBITDA (as defined)* margin of 17.3% (2020: 16.8%) increased by 50 basis points.

Net debt of \$6.3 billion at year end (2020: \$5.9 billion) reflects strong inflows from operations, disciplined capital expenditure and value focused investments. The Group's Net Debt/EBITDA (as defined)*² was 1.2x (2020: 1.3x) at year end.

Profit after tax was significantly ahead of 2020 at \$2.6 billion (2020: \$1.2 billion) driven by a strong trading performance and the non-recurrence of non-cash impairment charges and one-off restructuring costs in the prior year. Earnings per share (EPS) for the year was 130% higher than 2020 at 328.8c (2020: 142.9c), reflecting a strong trading performance and the non-recurrence of non-cash impairment charges and restructuring charges in the prior year. This represented a 35% increase on a pre-impairment basis (2020 EPS pre-impairment: 243.3c). Our relentless focus on continuous business improvement helped contribute to a further increase in returns. RONA for the year was 12.3% (2020: 10.1%).

Operational Highlights

In our Americas Materials Division, solid volumes, pricing progression and good operating performance resulted in EBITDA (as defined)* of \$2.6 billion (2020: \$2.4 billion) up 7% on a like-for-like basis with sales of \$12.4 billion (2020: \$11.3 billion).

In Europe Materials, EBITDA (as defined)* of \$1.4 billion (2020: \$1.1 billion) on sales of \$10.6 billion (2020: \$9.1 billion) was 22% ahead of prior year on a like-for-like basis reflecting good volume growth and price progress against a prior year comparative that was heavily impacted by the COVID-19 pandemic.

Strong demand for residential construction drove increased sales across all platforms in our Building Products Division, which reported sales of \$8.0 billion (2020: \$7.2 billion) with EBITDA (as defined)* of \$1.4 billion (2020: \$1.2 billion) 8% ahead on a like-for-like basis.

Across all of our divisions positive pricing actions, cost savings and performance initiatives helped to minimise the impact of a challenging inflationary environment.

Portfolio Management And Capital Allocation

We continued to maintain our disciplined and value-focused approach to capital allocation. Development activity returned to more normal levels as visibility improved and COVID-19 related disruption eased. During the year the Group invested \$1.5 billion (2020: \$0.4 billion) in 20 bolt-on acquisitions. This included the addition of businesses such as National Pipe & Plastics (NPP) in the United States (US) which further enhance our end-to-end solutions offering to our customers.

Total proceeds from business divestments and asset disposals³ was \$0.5 billion (2020: \$0.3 billion) including the sale of our Brazil cement operations for a total consideration of \$0.2 billion.

We also continued our share buyback programme with a further \$0.9 billion (2020: \$0.2 billion) of shares repurchased during 2021, reflecting CRH's strong financial position and commitment to returning cash to shareholders.

On 28 February 2022, the Group entered into a binding agreement to divest of its Building Envelope business to KPS Capital Partners, LP for an enterprise value of \$3.8 billion. The transaction is subject to customary conditions and regulatory approvals. The decision to divest, at an attractive valuation, follows a comprehensive review of the business and demonstrates CRH's active approach to portfolio management, the efficient allocation of capital and the creation of a simpler and more focused Group.

Sustainability

Sustainability is deeply embedded in our business strategy, ensuring that CRH continues to prosper and grow in the long term. We believe that our actions have a positive impact on the world around us. In 2021 this included further increases in our use of alternative and recycled materials in our products and integrated building solutions, and increasing the amount of revenue attributable to sustainable products.

Safety

We continue to maintain our uncompromising approach to ensuring the health and safety of our employees, contractors, customers and the general public. In 2021 this included the further development of best practice safety management systems and health and wellbeing programmes across all our locations.

Despite our best efforts I regret to report that there were four workplace related fatalities in 2021, one of which involved an employee at one of our facilities and three road traffic incidents involving the fatality of a contractor and two third parties.

Our People

The record performance achieved in 2021 is testament to the hard work, commitment and resilience of each and every one of our employees, who despite the challenging backdrop of the ongoing COVID-19 pandemic, continued to deliver for the customers and communities that depend on us. We are fortunate to have an exceptionally talented and diverse team operating across our global business. As our business evolves, so do the demands on our leadership team. To deliver differently we must organise differently. In 2021 Randy Lake was appointed Chief Operating Officer, responsible for ongoing business improvement, formulating and executing our climate strategy, ensuring we align our teams and processes to drive innovation, and positioning CRH for further growth and the achievement of its full potential. I am also pleased to report that 2021 saw CRH continue to make progress on building a more inclusive company, one which fosters a sense of belonging and empowers people to be their best. Our agenda for change in this area is Chief Executive led and remains a top priority for CRH.

Outlook

We expect the underlying demand and pricing backdrop to remain favourable in 2022 albeit against an inflationary input cost environment and continued supply chain challenges. Our Americas Materials Division benefits from continuing favourable economic conditions and strong market positions. Federal funding for infrastructure is underpinned by the passing of the \$1.2 trillion infrastructure package by the US Congress, while the residential market is expected to continue to grow driven by robust demand. The backdrop in Europe is expected to be positive with continued growth in our key markets. In our Europe Materials Division, we continue to benefit from strong market positions in growing economies in Eastern Europe and attractive markets in Western Europe. Although cost inflation headwinds are anticipated to continue in the near-term, we expect to deliver further progress in 2022 supported by good demand and commercial discipline. We expect our Building Products Division to deliver further growth supported by good commercial management, increased activity and continued cost saving initiatives. Although there are a number of challenges and uncertainties across our markets, CRH's uniquely integrated and value-added solutions strategy, together with a strong and flexible balance sheet, leaves us well positioned for another year of progress.

Albert Manifold
Chief Executive
2 March 2022

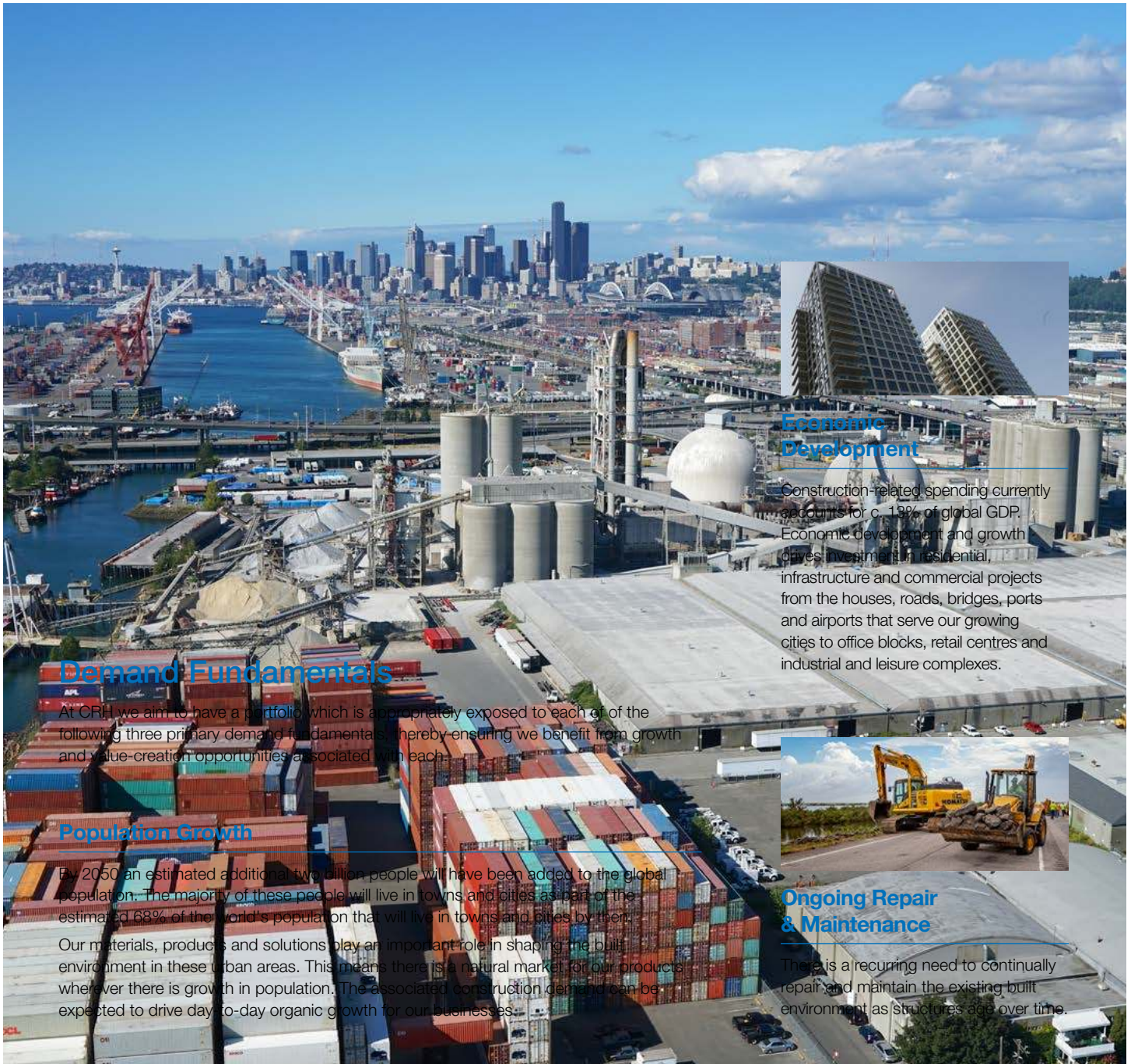
Market Backdrop

Building materials play an essential role in shaping the world around us. Market fundamentals including population and economic growth, drive demand for CRH's materials, products and solutions.

CRH is the global leader in building materials, serving the needs of the construction industry in 28 countries around the world.

We support the delivery of critical infrastructure required for society to function. As communities develop, populations grow and economic activity increases, so too does demand for our materials, products and customer-focused solutions.

CRH is ideally positioned to service the demand requirements of construction projects in local markets through its extensive network of mineral reserves, production, manufacturing and logistics assets which are strategically located in mature attractive construction markets globally.



Demand Fundamentals

At CRH we aim to have a portfolio which is appropriately exposed to each of the following three primary demand fundamentals, thereby ensuring we benefit from growth and value-creation opportunities associated with each.

Population Growth

By 2050 an estimated additional two billion people will have been added to the global population. The majority of these people will live in towns and cities as part of the estimated 68% of the world's population that will live in towns and cities by then.

Our materials, products and solutions play an important role in shaping the built environment in these urban areas. This means there is a natural market for our products wherever there is growth in population. The associated construction demand can be expected to drive day-to-day organic growth for our businesses.

Economic Development

Construction-related spending currently accounts for c. 13% of global GDP. Economic development and growth drives investment in residential, infrastructure and commercial projects from the houses, roads, bridges, ports and airports that serve our growing cities to office blocks, retail centres and industrial and leisure complexes.

Ongoing Repair & Maintenance

There is a recurring need to continually repair and maintain the existing built environment as structures age over time.

Market Development

CRH maintains a consistent focus on continuously shaping, reshaping and optimising our footprint in the markets where we do business. We prudently allocate capital to the parts of our business that are positively exposed to fundamental demand drivers that can be expected to persist and create value for CRH in the medium to long-term.

Our vertically integrated business model and unique integrated solutions strategy enhances our ability to complement organic growth by identifying suitable businesses which can be acquired and seamlessly integrated into CRH.

Through our enduring relationships and deep market insight we identify and acquire established businesses with a proven track record of performance and a capacity to hold strong leadership positions in local markets.

The extensive footprint of our materials businesses in North America and Europe sees us well positioned to capitalise on value creating opportunities for market consolidation and expansion of existing operations.

North America

In North America, which includes the world's largest economy, the US, CRH is the largest building materials business. Growth in North America is underpinned by a population that grows by 25 million people every decade, driving associated construction growth. The market for materials remains largely unconsolidated. For example, the top ten aggregates businesses account for less than one third of production.

In recent years we have reshaped and redirected our businesses in the US to increase CRH's exposure to positive demand fundamentals in the southern and western areas of the country.

Europe

CRH is a leading building materials business in Europe where the European Union (EU) is the largest economic bloc in the world. In Europe, there is an attractive mix of stable, developed markets which continue to deliver along with less developed, higher growth markets which offer opportunities for organic growth and acquisition activity.

Other Markets

Our Building Products Division produces high value-added, highly engineered products some of which can be economically transported over long distances, opening up important export markets for CRH beyond our core geographic footprint.

Ongoing innovation and product development ensures that we meet the needs of customers today and also addresses the longer-term opportunities presented by economic development, changing demographics and investments in a sustainable future.

Our Integrated Solutions Strategy

As the nature of construction changes customers are increasingly demanding more holistic solutions which reduce cost, time and complexity and can improve the overall environmental performance of a project.

The 'building site' has evolved into the assembly site with more and more of the actual construction carried out in specialised plants off-site before pre-engineered structural elements are transported and laid into place on-site.

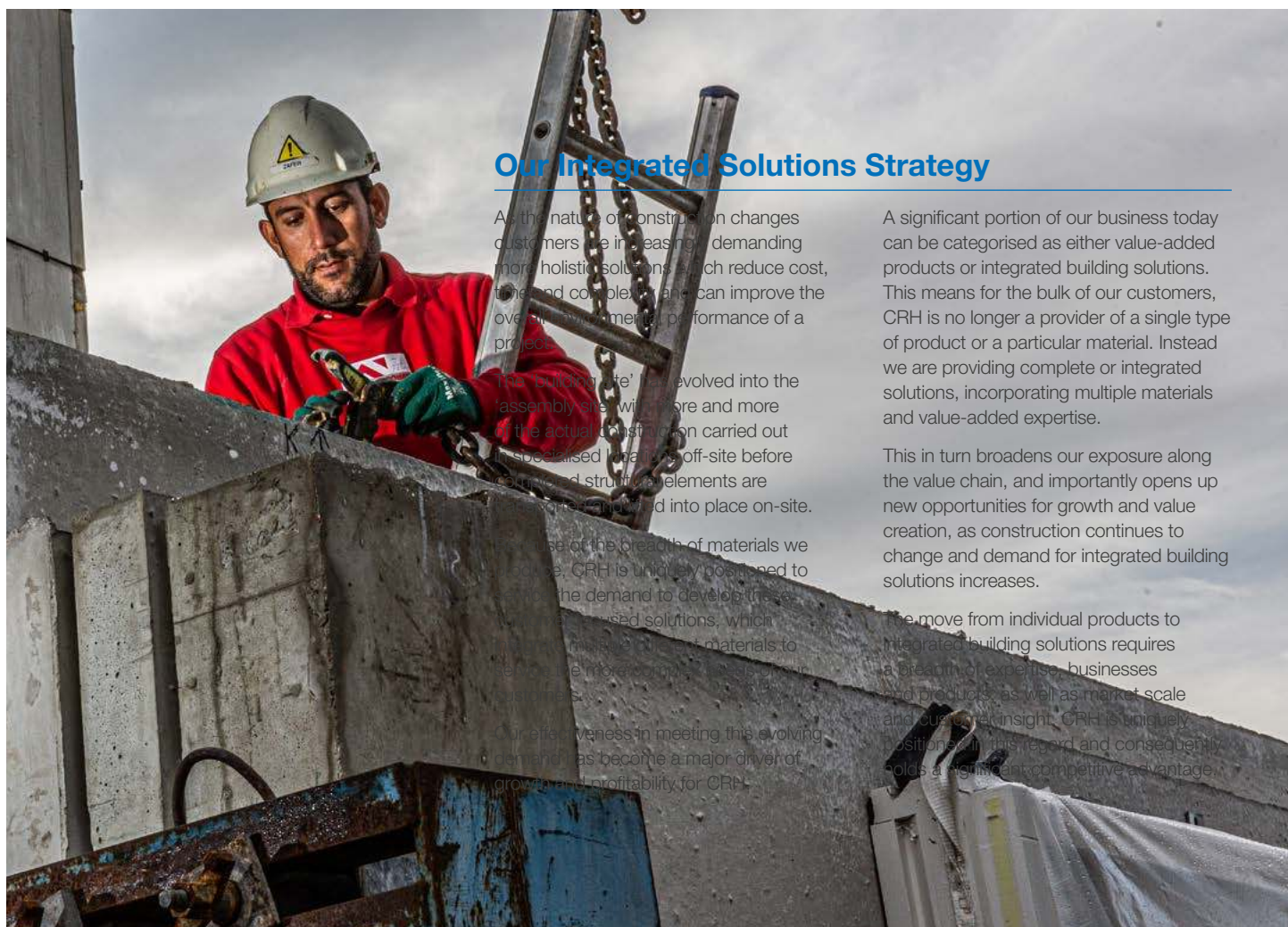
Because of the breadth of materials we produce, CRH is uniquely positioned to address the demand to develop these integrated solutions, which require multiple types of materials to serve the more complex needs of our customers.

Our effectiveness in meeting this evolving demand has become a major driver of growth and profitability for CRH.

A significant portion of our business today can be categorised as either value-added products or integrated building solutions. This means for the bulk of our customers, CRH is no longer a provider of a single type of product or a particular material. Instead we are providing complete or integrated solutions, incorporating multiple materials and value-added expertise.

This in turn broadens our exposure along the value chain, and importantly opens up new opportunities for growth and value creation, as construction continues to change and demand for integrated building solutions increases.

The move from individual products to integrated building solutions requires a breadth of expertise, businesses and products, as well as market scale and customer insight. CRH is uniquely positioned in this regard and consequently holds a significant competitive advantage.



Our Strategy

Maximising long-term value and delivering superior returns

At CRH we are focused on creating long-term value and delivering superior returns for all our stakeholders.

Our strategy is driven through four core pillars: continuously improving our business, focused growth, harnessing the benefits of scale and integration and developing the leaders that will deliver the value creation and superior returns for CRH into the future.

The successful implementation of our strategy is directed by these four strategic pillars, which drive our ability to generate superior margins, returns and cash on a continuous basis.



Strategy in Action

Our strategy guides the continuous improvement and enhancement of our business while building resilience and future-proofing CRH in the face of evolving market demand. In recent years our improved performance has been underpinned by a focus on higher growth markets in the South and West of the US and Central and Eastern

Europe. Positive demand fundamentals and significant long-term infrastructure needs in particular in these markets provide optimum conditions for superior growth and performance. In addition, our scale in these markets has enabled us to bundle individual materials and products into value-added integrated solutions, changing the way CRH

delivers for its customers as their requirements evolve. Our integrated solutions strategy which now accounts for a significant portion of sales, increases our exposure to large-scale infrastructure construction and deepens customer relationships, safeguarding existing business and market share.

Strategy in Action in 2021

- Through a range of operational excellence initiatives including energy and alternative fuel optimisation, process improvements and logistics-related initiatives aimed at improving operational performance, our Europe Materials Division delivered c. \$81 million of savings in 2021.

- In 2021 we invested \$1.5 billion (2020: \$0.4 billion) in 20 bolt-on acquisitions. The majority of these businesses are part of the ongoing development of our integrated solutions strategy.
- We also invested \$1.6 billion (2020: \$1.0 billion) in capital expenditure projects to support further organic growth in our existing businesses.

- CRH's Group Technical Services (GTS) unit provides advice and expertise to businesses across our cement portfolio, supporting our plants around the world to optimise their performance and to develop and deliver their capital investment pipeline. In 2021 GTS worked with our cement businesses to improve performance in areas such as Reserve Management and Alternative Fuel utilisation where CRH is the global leader at 35% substitution and to manage a portfolio of capital projects.

- 2,500 employees in 17 countries participated in our Frontline Leadership Program (FLP).
- Over 5,000 leaders and managers have received their initial I&D awareness training.
- 175 high potential global leaders participating in over 1,200 1:1 coaching hours.
- Over 5,000 hours of virtual training, aimed at building soft-skill capabilities was successfully delivered to more than 420 employees.

Future Focus

- We will continue to rigorously monitor and measure performance across our businesses while implementing our detailed plans to make our businesses better through incremental improvement initiatives to structurally improve our margins, cash and returns year-after-year.

- We will continue to adjust our asset base, allocating and reallocating capital to higher growth areas with more sustainable returns.
- Investing in our existing businesses to build capacity and improve efficiency.
- Monitor evolving market trends and developments to ensure CRH is positioned for long-term sustainable growth.

- Continue to take a group-wide view of our business, leveraging our core strengths and collective capabilities in operating integrated and value-adding businesses to which we can apply a centrally-coordinated focus on improving efficiency, sustainability, productivity and cost saving measures.

- Further roll-out of the global FLP across the US and mainland Europe with extensive design, train-the-trainer and translation investments made to support further delivery.
- Diversify further training and learning capability into remote live sessions and digital learning to facilitate scalable learning for all.
- Further inclusive leadership skill building training to be delivered.

KPIs

- Value creation
- Cash Generation
- Shareholder Returns
- Environment
- Safety
- Leadership

- Value creation
- Cash Generation
- Financial Machine
- Shareholder Returns
- Environment
- Safety
- Leadership

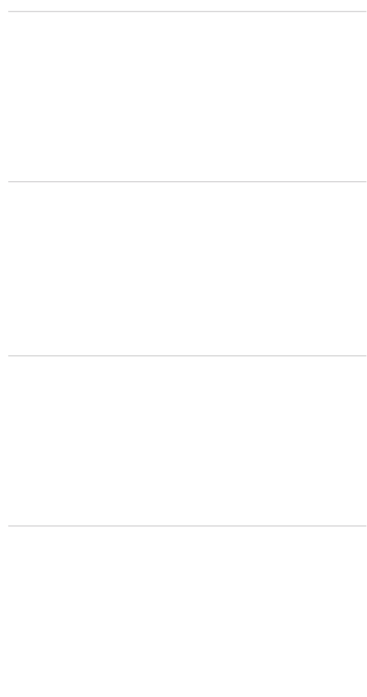
- Value creation
- Cash Generation
- Shareholder Returns
- Environment
- Safety
- Leadership

- Value creation
- Cash Generation
- Shareholder Returns
- Environment
- Safety
- Leadership

Business Model

How we maximise value and deliver superior returns

Through disciplined capital management and operational efficiency CRH creates value for both its shareholders and for society.



1. Capital and Net Debt of \$26.5 billion (2020: \$25.6 billion) and raw materials spend of \$6.9 billion (2020: \$5.8 billion) as outlined in notes 22 and 4 to the Consolidated Financial Statements, respectively on pages 189 and 160. Net Debt is a non-GAAP measures as defined on page 222.

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

Key Performance Indicators

CRH measures its progress in achieving its strategic objectives through the use of specific financial and non-financial key performance indicators (KPIs). KPIs are a consistent feature of how we operate our business and fundamental to how we track progress. CRH regularly reviews these KPIs to ensure they remain appropriate for its business.



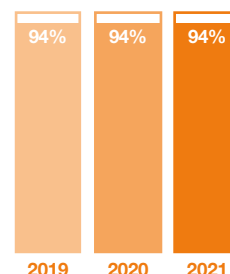
Sustainability Performance

Sustainability is a strategic imperative for CRH as we strive to create both financial and non-financial value for all our stakeholders. We view strong sustainability performance as a key driver in a competitive market and one which can lead to increased business opportunities. We are committed to reporting on the breadth of our sustainability performance. A selection of KPIs relating to three of our sustainability priority areas is set out on this page:

Safety

94%

% Zero-Accident
in our Locations



What do we measure?

A strong safety culture is a key element of our business strategy. We measure a wide range of health and safety KPIs including the percentage of locations that had zero accidents.

How did we do?

In 2021, we continued to achieve a high level (94%) of zero accident locations and continued to integrate COVID-19 protection measures into our existing safe systems of work.

Our focus for 2022

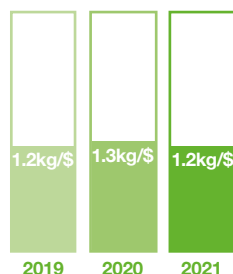
We continue to invest in safety initiatives and technologies, with the overall aim of realising a culture of safety and wellness while working towards zero harm.

Environment

1.2

 kg/\$ Revenue

Greenhouse Gas Emissions¹ Scope 1 and
Scope 2 CO₂ Emissions (kg/\$ Revenue)



What do we measure?

We recognise the need to reduce our direct emissions and contribute to the circular economy. We measure direct and indirect CO₂ emissions as well as specific indicators of efficiency, including progress towards targets.

How did we do?

While our Scope 1 and 2 CO₂ emissions increased, kg CO₂/\$ decreased by 8% and we maintained our progress towards our cement emissions reduction target of 520kg net CO₂/tonne cementitious product by 2025 (2021: 586kg; 2020: 586kg²).

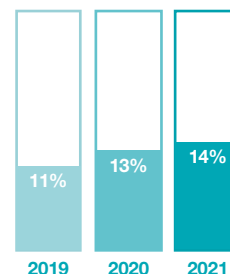
Our focus for 2022

In line with our new targets, we will continue to accelerate our carbon reduction programme to drive our ambition and ensure that the vital products we provide can be delivered on a carbon neutral basis by 2050.

People

14%

% Females in Senior Management³



What do we measure?

As part of our focus on building a more inclusive and diverse CRH, we closely monitor the percentage of females in senior management, in pursuit of our target of 33% female senior leadership by 2030.

How did we do?

The percentage of females in senior management was 14% in 2021 and as of 31 December 2021, 33% of the Directors of CRH plc and 22% of senior leadership were female. We continued to focus on executing our I&D strategy across the Group.

Our focus for 2022

We continue to focus on increasing the share of females in senior management and build on our ambition to be a business where everyone has the same opportunity to develop and progress.

1. CO₂ emissions subject to final verification under the European Union Emissions Trading Scheme (EU ETS). For further detail on our CO₂ metrics and targets as well as calculation methodology see page 31.

2. Due to the impact of the divestment of our cement assets in Brazil on our net CO₂ emissions per tonne of cementitious product, we are providing the 2020 figure excluding Brazil as a prior year comparator. The previously reported figure for 2020, including Brazil, was 573kg.

3. Please refer to page 24 for further information on I&D, including additional indicators.

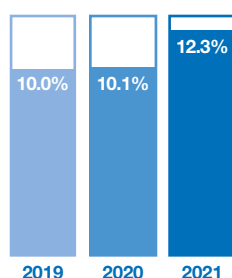
Financial Performance

CRH uses a balanced set of financial KPIs to measure our strategic progress, foster positive performance behaviour, evaluate operating effectiveness and make strategic financial decisions. KPIs relating to four of our financial priority areas are set out below:

Creating Value

12.3%

Return on Net Assets (RONA)



What do we measure?

RONA is a measure of pre-tax and pre-impairment returns through excellence in operational performance.

How did we do?

The Group achieved a RONA of 12.3% (2020 10.1%) which reflected continued enhancement of operating efficiencies and improved profit margins.

Our focus for 2022

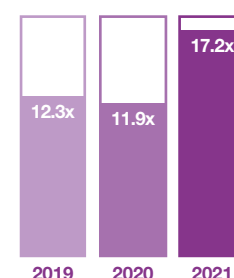
A continued and relentless focus on margin management, operating efficiencies and tight working capital management.

Financial Discipline

17.2x

EBITDA (as defined)* Net Interest Cover¹

EBITDA (as defined)* Net Interest Cover¹



What do we measure?

EBITDA (as defined)* Net Interest Cover is a measure of financial liquidity and capital resources which underpins investment-grade credit ratings and the ability to access finance.

How did we do?

EBITDA (as defined)* Net Interest Cover at 17.2x improved in 2021 due to improved profitability and Net Debt/EBITDA (as defined)* finished at 1.2x (2020: 1.3x) reflecting robust financial discipline.

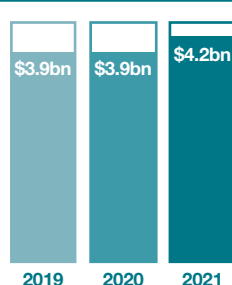
Our focus for 2022

Maintain financial discipline to ensure Net Interest Cover remains strong. We remain committed to protecting our investment-grade credit ratings of BBB+, Baa1, BBB+ from Standard & Poors, Moody's and Fitch respectively.

Cash Generation

\$4.2bn

Operating Cash Flow (OCF)²



What do we measure?

We measure cash flows generated to fund organic and acquisitive growth, dividends to shareholders, share buybacks and debt repayment.

How did we do?

OCF was ahead in 2021 due to strong cash generation, prudent management of working capital and other cash flows.

Our focus for 2022

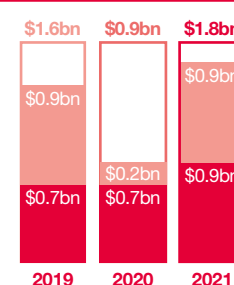
Continued focus on prudent management of working capital and other cash flows to maintain strong operating cash flows in 2022.

Shareholder Returns

\$1.8bn

Cash Paid to Shareholders

Cash Paid to Shareholders



What do we measure?

Cash returned to shareholders each year through dividends and our share buyback programme are among a range of shareholder returns we measure.

How did we do?

We returned a further \$0.9 billion to shareholders through our share buyback programme in addition to dividends of \$0.9 billion paid during the year. Since formation in 1970, CRH has delivered a compound annual total shareholder return of 15.5% (2020: 15.1%).

Our focus for 2022

We will continue our focus on improving performance, growing our business and creating value. A further share buyback tranche of \$0.3 billion is underway and a final dividend of 98.0c was recommended by the Board, a 5% increase on 2020's full year dividend.

■ Shares Re-purchased ■ Dividends Paid

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

1. EBITDA (as defined)* Net Interest Cover is a non-GAAP measure as defined on page 221. The GAAP figures that are most directly comparable to the components of EBITDA (as defined)* Net Interest Cover include: profit after tax: \$2,621 million (2020: \$1,165 million), and finance costs: \$311 million (2020: \$389 million). Details of how non-GAAP measures are calculated are set out on pages 219 to 223.

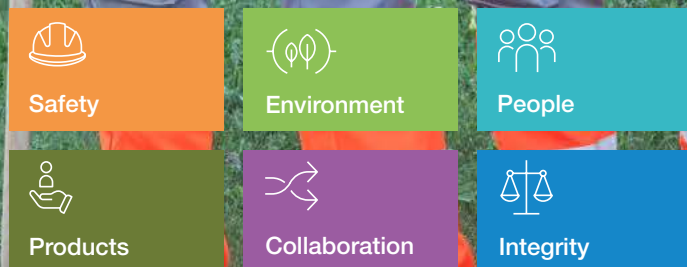
2. Operating cash flow refers to net cash inflow from operating activities as reported in the Consolidated Statement of Cash Flows on page 144.

Sustainability

Creating long-term environmental, social and economic value

By innovating across all areas of sustainability, we aim to create financial and non-financial value for all stakeholders and to have a positive impact on the world around us.

Our Sustainability Priority Areas:



Building a more sustainable future

At CRH, we strive to contribute to a safer, more climate resilient world. We play a leading role in the building materials industry by leveraging our global knowledge and scale to help establish best practices worldwide. By developing value-added sustainable products and integrated building solutions, we contribute positively to society, address negative potential impacts and create long-term value for our stakeholders.

We are reducing the impact of construction on our world. To achieve this, we continue to develop our products to improve the life-cycle performance of buildings, provide innovative solutions for climate-resilient infrastructure and projects, and support our customers to meet the changing needs of modern construction.

Driving our sustainability agenda

Sustainability continues to be at the core of our strategy. CRH is a sustainability leader in our sector, as determined by the major Environmental, Social and Governance (ESG) rating agencies. We are a constituent member of indices including the MSCI Leaders ESG Indexes, FTSE4Good Index, the STOXX® Global ESG Leaders Index and the Dow Jones Sustainability Index. We are also a long-term participant in CDP (formerly Carbon Disclosure Project) and were awarded an A- for both our 2021 climate and water security disclosures.

Partnering for sustainable progress

We advance with intent and contribute to the delivery of global goals, such as the United Nations Sustainable Development Goals (UN SDGs) and the Paris Agreement. We recognise that partnership is key to progress in these areas.

By collaborating across the value chain with a wide range of stakeholders, we are helping to advance our shared priorities. For example we are a member of the World Business Council for Sustainable Development (WBCSD) and the Global Cement and Concrete Association (GCCA).

In responding to ESG trends, we also use our influence and scale to promote sustainability initiatives by collaborating with non-governmental organisations (NGOs) and charitable organisations. In doing so we strengthen local relationships and champion the causes most important to society.

Our contributions have been recognised and many of our operating companies have achieved awards for excellence in sustainability.

Our ambitions and targets



Managing risks and performance

We regularly review our sustainability policies and take a strategic approach in responding to global trends, including climate change, biodiversity impacts, demographic changes and technological advancements.

Risks related to sustainability are recognised and managed in our Enterprise Risk Management (ERM) Framework. Our non-financial due diligence processes are well established in our business and supply chains, and we made no material changes to these in 2021.

Our performance is monitored using KPIs across the areas of health and safety, social and environment. Our most relevant KPIs are provided on pages 18 and 20 to 26. We provide training to our employees to raise awareness of our performance standards and the importance of upholding them across our business. Our training and awareness tools include our non-financial policies and our Code of Business Conduct (CoBC).



For more detail on our sustainability risks see pages 32 to 35, 118 to 119 and 235 to 237

Prioritising sustainability

We address the changing needs of society and the environment by identifying the most important ESG issues through a range of internal and external processes. These include annual sustainability reporting by our businesses to the Group, review of issues raised through ERM processes and regular formal materiality assessment reviews, the outcomes of which guide our strategy and reporting. This helps us respond to our customers' needs and develop the solutions needed to reduce the impact of construction on the environment.

These internal and external processes allow us to monitor opportunities and risks and articulate what matters most to society. They also assist us in identifying the areas in which we can create the most value and mitigate potential negative impacts that our operations may cause.



For more on our stakeholder engagement see pages 26 and 27

Valuing transparency

We are committed to reporting on the breadth of our performance in key sustainability areas. This includes information on environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters.

We comply with the EU Non-Financial Reporting Directive and the EU Taxonomy Regulation and we make disclosures consistent with TCFD. Our Sustainability Report is prepared in line with the Global Reporting Initiative (GRI) standards and the Sustainability Accounting Standards Board (SASB). Our independently-assured 2021 Sustainability Report will be published in March 2022 on www.crh.com.

Additionally, our 'Commitment to human rights' Modern Slavery Statement is published annually and discloses our risks, progress and targets related to preventing modern slavery within our operations.



For more on our disclosures consistent with TCFD see pages 28 to 31

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

** Products with enhanced sustainability attributes are defined as products that incorporate recycled materials, products for which alternative energy/fuel sources are used in production, products which have a lower carbon footprint, and products that address sustainability challenges in the built environment.

Sustainability - continued

Embedding sustainability across our business

Safety

Leading with our commitment to safety

The safety of those working for CRH continues to be our number one priority. We strive to address risks and eliminate accidents to ensure that the wellbeing of all those who interact with our operations is protected.

Key to achieving a culture of safety excellence are our Health and Safety Policy and Life Saving Rules. Our global network of safety officers works closely with our businesses in implementing policy and practice. Our health and wellbeing programmes provide tools, social support and strategies for physical and mental health to support our employees as we move towards a post COVID-19 world.

Targeting zero harm

Achieving our ambition of zero harm is an ongoing challenge. We deeply regret to report that one employee fatality occurred at one of our facilities in 2021. In addition, three road traffic accidents resulted in one contractor and two third-party fatalities. We extend our sincere sympathies to their families. We thoroughly investigate all fatalities and share the lessons learned as we focus on our zero fatality target.

**>\$300
million**

Invested in safety
initiatives in the past
5 years

8%

average annual
reduction in accident
frequency rate over
the last decade*

Our Health and Safety Policy

Our Health and Safety Policy aims to equip everyone at CRH with the training and authority necessary to uphold our culture of health and safety excellence, to comply with applicable legislation and to lead the way in industry best practice.



* Accident frequency rate is the number of accidents per million work-hours

Environment (🌱)

Implementing environmental management systems

For decades we have worked with stakeholders to manage environmental risks, drive improvements in performance and promote emissions reduction and resource efficiency. It is our goal to protect the environment in which we operate.

Strengthening environmental stewardship

We practice and promote responsible waste management and use of resources such as water, energy and land. Our operations have a focus on reducing and recycling waste and water where possible. Additionally, we monitor and control our air emissions in order to preserve air quality to further protect the health of our environment and of society.



For more on our disclosures consistent with TCFD see pages 28 to 31

Investing in biodiversity

Our aim is to protect and conserve biodiversity. We strive to enhance and rehabilitate natural habitats through internal initiatives and through partnerships with environmental NGOs.

We actively manage biodiversity at over 500 locations. Additionally, we ensure that restoration plans are in place at all relevant extractive locations.

Committing to carbon reduction

At CRH, we are striving to achieve carbon neutrality across our value chain by 2050. In working towards this ambition, in 2021 we accelerated our target to decrease the carbon intensity of our cement production, bringing forward our 2030 target for 520kg CO₂/tonne cementitious product to 2025. We also recognised the need for absolute emissions reductions and have recently adopted an SBTi approved target, for a 25% absolute group-wide reduction in Scope 1 and 2 CO₂ emissions by 2030 on a 2020 baseline.

\$207 million

Invested in environmental initiatives in 2021 (2020: \$173 million)

100%

Of our locations have restoration plans in place

Our Environmental Policy

Our Environmental Policy aims to address climate change and work towards a healthier environment by supplying sustainable products, enhancing biodiversity and ensuring environmental protection throughout our business in order to reduce our emissions and comply with all applicable legislation.



We have assessed the detailed targets behind each of the 17 SDGs and identified the four that most closely align to where we, as a building materials business, can have the most impact and influence.



Read more about how we are supporting the UN SDGs on crh.com/sustainability

Sustainability - continued

Embedding sustainability across our business

People

Encouraging inclusion and diversity

We strive to develop a more diverse and inclusive work environment and to build awareness at all levels of the organisation.

Our Global I&D Council, chaired by our Chief Executive, is responsible for driving the strategy and accountability on I&D across CRH. I&D committees have also been established across our three divisions and our corporate offices, and many of our operating companies now have their own I&D plans in place at local level. In addition, Employee Resource Groups (ERGs) have been established to further drive an inclusive culture.

Empowering our employees

Our employee engagement processes help us to understand our employees' needs. We collect information on levels of engagement and findings are actioned by management.

We have an ongoing focus on training to enable employees to acquire the attributes necessary to support performance, growth and success.

During 2021, we conducted an organisational health survey across our business which highlighted our overall good performance and identified priority areas for improvement. We are developing action plans in line with these priority areas, which will be implemented across the business.

Throughout the COVID-19 pandemic, CRH has ensured regular internal communication across the business on regulatory updates, workplace changes and health and wellbeing.

14%

of senior management
were female
(2020: 13%)

15%

Female employees
(2020: 14%)

46%

of clerical and
administrative staff
were female (2020: 45%)

7%

of operational staff
were female
(2020: 7%)

Our Social Policy

Our social policy outlines our goal to respect, empower, and protect our people by supporting freedom of association, valuing merit above all else, and prohibiting modern slavery in all its forms across our entire supply chain.



Products

Developing value-added solutions

We work with our customers in the design, delivery and application of sustainable products and solutions through construction, building materials and technical support. We offer multiple products and building solutions with enhanced sustainability attributes, and many of our products can help customers achieve higher scores in green building rating schemes such as BREEAM®, DGNB, and LEED®. Our ranges of products with enhanced sustainability attributes include concrete products used in water management systems, products containing recycled content and products that deliver sustainability benefits for the built environment.

Creating carbon solutions

Concrete has a role to play in delivering a net-zero built environment. We are collaborating across the construction value chain and

the wider scientific community to provide lower-carbon products, infrastructure and building solutions to shape the path towards carbon neutrality. For example, we are involved in collaborative initiatives and research projects to progress carbon capture, utilisation and storage (CCUS) solutions.

Driving resource efficiency

The circular economy represents a growth opportunity for CRH. We are already a significant contributor to the circular economy. For example, approximately 25% of every mile of road we build is made from recycled materials. We aim to develop building materials to improve resource efficiency, minimise construction waste and progress the circular economy by considering the full life-cycle of our products. It is our goal to deliver more sustainable outcomes for our customers.

39.5 million tonnes

of alternative fuels and raw materials recycled* (2020: 36.5m tonnes)

28%

relevant product revenue from products used in certified building standards** (2020: 25%)

46%

of product revenue is derived from products with enhanced sustainability attributes (2020: 46%)

c. 25%

of our raw materials requirements for our US asphalt business are met by recycled asphalt pavement (RAP) and shingles



* Alternative raw materials and fuels are selected wastes and by-products which can be used to replace natural substances and fossil fuels. This metric demonstrates to investors our focus on the circular economy. We monitor this KPI in order to evaluate our performance in contributing to the circular economy which, as noted above, represents a growth opportunity for CRH.

** External revenue from products that can be used directly in structures certified to BREEAM®, Green Globes®, LEED®, IC-700, etc. Products may qualify for points as a result of certifications such as ISO14001, BES6001, local sourcing, recycle content and other characteristics.

Sustainability - continued

Embedding sustainability across our business

Collaboration

Strengthening our stakeholder engagement

We aim to develop and strengthen positive relationships with our stakeholders through open communication. Our stakeholders include investors, customers, employees, suppliers, NGOs, communities, assessment organisations, advocacy groups and other interested parties. We engage and align suppliers with our core values, driving improvement actions at the point where we have most influence.

Creating positive change

Our policy is to be a good neighbour and we contribute to local communities through employment, educational development and supporting local businesses. Despite COVID-19 constraints, we made donations in 2021 to areas including community relations and development, environment and conservation, education and employment, health and wellness, arts and culture and provision of shelter.

Reinforcing our approach to human rights

We develop our approach to human rights through the identification of salient human rights related to CRH operations. Key human rights risks faced by CRH include the health and safety of those working on our sites, the health of neighbouring communities and the labour rights of workers in our extended supply chain. Risk assessment and management processes play a critical role in driving our human rights performance. Additionally, we apply the UN Guiding Principles on Business and Human Rights to support our human rights approach.

c. 1,100
stakeholder
engagement events
hosted by Group
companies in 2021
(2020: c. 800)

\$7.1 million
Donated to local
organisations
and initiatives
in 2021
(2020: \$8.3 million)

Taking action for human rights

Actions we have taken to protect human rights include improved training and awareness through our Modern Slavery e-module, the updating of our Code of Business Conduct (CoBC) and of our Supplier Code of Conduct (SCoC) and the identification of salient human rights issues. In response to supply chain risks, we increase our assurance and due diligence processes as required. By engaging with industry partnership schemes, we aim to help improve standards across industry sectors.

We monitor our progress regarding human rights using KPIs, which include zero harm measures and increased training and awareness. We publish our CRH Modern Slavery Statement annually, available on www.crh.com.



For more on our stakeholder engagement see page 27

Integrity

Leading with integrity

At CRH, we are committed to conducting business in the right way, complying with the law and working responsibly. A "Speak-up" culture encourages employees, customers, suppliers and other stakeholders to raise good faith concerns through the CRH hotline.

Practicing good business conduct

Our refreshed Code of Business Conduct (CoBC) was launched in 2021. Our CoBC applies to all employees. We take a zero-tolerance approach to bribery, corruption and fraud. Globally our senior management complete an Annual Compliance Certification, confirming their business's compliance with our CoBC and accompanying policies.

Regular training on our CoBC is provided to relevant employees. Certain employees, based on risk profile, undertake annual advanced compliance training (ACT) covering Anti-Bribery, Competition/Antitrust, Anti-Fraud and Anti-Theft.

Following the update of our Supplier Code of Conduct (SCoC), we have further developed our core due diligence processes to increase the visibility and insights we get into our suppliers. These actions are taken with the goal of ensuring that good business practices are upheld throughout our supply chain.

c. 32,600
employees completed
CoBC training in 2021
(2020: c. 32,100)

c. 8,500
employees completed
ACT training in 2021
(2020: c. 9,000)

Complying with applicable legislation

CRH is committed to the highest level of legal, ethical and moral standards. It does not tolerate any illegal behaviour and all CRH companies respect and comply with the laws and obligations in the countries and regions in which they operate.

CRH applies this same approach to political contributions. For example, in the US, CRH supports the rights of employees to participate in the political process through employee-funded Political Action Committees (PACs) and CRH's US operations provide administrative support (consistent with applicable laws) to their affiliated federal and state PACs.

How we engage with our stakeholders

Feedback from stakeholder engagement is reported to, and carefully considered by, the SESR Committee and the Board.

	Employees	Local communities	Investors	Customers	Suppliers	Governments and regulators	Academic and scientific community	Media	NGOs and pressure groups
Key areas of interest 	• Business performance • Health, safety & wellbeing • Inclusion & diversity • Corporate governance • Human rights • Potential local impact	• Community issues • Planning matters • Potential local impact • Sustainability	• Business performance • Strategic growth • Capital allocation • ESG topics • Board and Executive remuneration • Inclusion & diversity	• Building solutions • Customer relations & contracts • Health & safety • Sustainable products • Product innovation • Quality & delivery • Collaboration	• Quality & delivery • Health & safety • Contract performance • Local impacts • Corporate governance • Human rights • Environment & climate	• Health & safety • Environment & climate • Corporate governance • Planning matters • Natural capital • Product standards	• Environment & climate • Product efficiency & innovation • Human rights • Natural capital • Graduates & apprentices • Product innovation • Corporate governance	• Business performance • Health & safety • Inclusion & diversity • Environment & climate • Product innovation • Corporate governance	• Corporate governance • Environment & climate • Human rights • Eco-efficiency
Key methods of engagement 	• Team meetings • Employee newsletters • Performance reviews • Town Hall meetings • Employee surveys • One-to-one meetings/briefings	• One-to-one meetings • Open days • Site tours and virtual events • Participation in local events • Employee engagement processes	• Results presentations • Annual General Meeting • One-to-one meetings & calls • Surveys • Investor & ESG conferences & roadshows	• Customer surveys • Formal market research • Negotiations • Exhibitions • Product information on packaging • Customer relationship development • Company websites & social media	• Supplier surveys and audits • Contractual meetings • Tenders • Information requests • E-tendering platforms • Assessment and due diligence	• Industry associations • Briefings & direct meetings • Audits • Open days • Multi-stakeholder forums	• One-to-one meetings • Seminars & lectures • Round table discussions • Presentations • Intern, graduate & apprenticeship programmes • Interviews	• Media surveys • Media briefings • Press releases • Social media	• One-to-one meetings • Participation in events • Presentations • Open days
2021 Outcomes 	 Improved engagement with employees This helps to attract, develop, retain and motivate our workforce, sustaining our competitive advantage and long-term success. In 2021, it also helped us strengthen our approach to inclusion and diversity across our businesses.  Understood and met customer requirements Engaging with our customers ensures we listen to their needs and help them to meet their sustainability commitments. In 2021, we continued to work with our customers on sustainable product development.  Progress in research and development, innovation and sustainability By engaging with academic and scientific institutions during 2021, we continued to support partnerships and collaborations on research development, championing innovative advances and collaborating on innovative products that contribute to a more sustainable built environment.			 Further improved our community relationships Engaging with our local communities during 2021 ensured that we increased our understanding of their needs and priorities, addressed any concerns and identified areas for value creation.  Engaging with suppliers to drive best practices We engage with suppliers to develop a responsible and sustainable supply chain needed to deliver innovative and sustainable products. During 2021, we worked with our suppliers to drive improvements across sustainability priority areas including health and safety and environment.  Engagement with media We continued to improve our engagement with media to ensure that specific sustainability issues were addressed appropriately and effectively. During 2021, engagement focused on how we are addressing climate change and delivering integrated solutions.			 Continued engagement with investors Engagement with investors helps us understand their expectations of our risk management and our financial and ESG performance. During 2021, investor focus continued around emissions reduction, employee engagement and innovation.  Continued engagement with governments and regulators In 2021, our engagement with local and national regulators, governments and industry associations, ensured that we contributed appropriately to issues relevant to our activities, improved our sustainable performance and compliance and progressed projects for the enhancement of society.  Productive engagement with NGOs Through our memberships and partnerships with NGOs we continue to be involved in developing industry best practices across a range of established sustainability topics and collaborating on integrated solutions across the value chain.		

Transparency on Climate

Task Force on Climate-related Financial Disclosures

We have a long-term commitment to transparency for our investors and stakeholders on how we are managing climate-related risks and opportunities in the transition to a low-carbon economy. In this section, we provide information consistent with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and recommended disclosures*.

Governance

Board oversight

The Board is responsible for promoting the long-term sustainable success of the Group, generating value for shareholders and ensuring that the Group makes a positive contribution to wider society. Its role is to provide leadership; to establish and monitor the Group's purpose, values and strategy; to set the Group's risk appetite; and to ensure that 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 impact of climate change, is embedded in the Group's strategy and business model. The Board recognises the importance of decarbonisation in addressing the challenges of climate change and believes that the Group's integrated strategy of value-added products and innovative solutions have a key role to play in delivering a more resilient and sustainable built environment.

Climate change and sustainability are frequent discussion topics at Board and Committee

meetings, with the Board and its Committees discussing various aspects of the Group's climate strategy, the linkage between the Group's remuneration policies and practices and the Group's sustainability (and climate-related) objectives, stakeholder expectations, the regulatory environment and CRH's carbon reduction targets during 2021. In addition, climate change and sustainability-related matters form an integral part of discussions on the Group's strategy and business model, capital allocation and risk management. The SESR Committee, to which the Board has delegated primary responsibility for monitoring developments related to sustainability, including climate, and providing strategic direction, oversight and support to the Board on these important topics, meets every quarter and provides a detailed report of discussion and recommendations to the Board following the conclusion of each meeting.

Further details in relation to the role and responsibilities of the Board and its five permanent Committees are set out in the Governance Report on pages 60 to 109. This includes details of proposed revisions to

the Group's Remuneration Policy to include sustainability metrics, including a climate-related metric, in the Group's long-term performance share plan.

Management responsibility

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

The Chief Executive is supported by the Group Leadership Team, which is responsible for implementing strategy, pursuing performance delivery and progressing the Group's sustainability and climate-related agenda. Responsibility for formulating and executing our climate strategy sits with the Chief Operating Officer (COO). As detailed in the table below, the Group Leadership Team receives support from various executive-level committees and other working groups and functions on sustainability and climate-related issues.

Board oversight of climate-related risks and opportunities

Board				
Safety, Environment & Social Responsibility Committee (SESR):	Audit Committee:	Remuneration Committee:	Nomination & Corporate Governance Committee:	Acquisitions, Divestments & Finance Committee:
Monitoring developments related to sustainability, including climate, and providing strategic direction, oversight and support to the Board.	Monitoring and assessing the Group's risk management processes (including climate risk) and internal control systems across the Group.	Designing incentive structures which support the achievement of the key strategic priorities such as our climate and sustainability objectives.	Monitoring the Board's structure, size, composition and balance of skills to ensure that the Board can meet its strategic objectives and regulatory responsibilities.	Reviewing the strategic rationale and impact of proposed acquisitions, disposals and large capital expenditure projects.

Management's role in assessing and managing climate-related risks and opportunities

Chief Executive			
Group Leadership Team			
Risk Committee: sets the Group's risk strategy and oversees the Group's risk governance model and how the Group identifies, assesses and manages the principal and emerging risks the Group encounters in pursuit of its strategic objectives.	Climate Change Committee: is chaired by the COO, and is responsible for considering and developing climate strategies for consideration by the Group Leadership Team and Board and for ensuring that they are fully embedded in the Group's corporate priorities.	Capital Markets & ESG Team: co-ordinating stakeholder engagement on climate-related matters and monitoring climate targets and KPIs through the Annual Sustainability Review process.	Strategy, Sustainability & Innovation Team: focusing on our longer-term group strategy, with a particular emphasis on the sustainability and climate change agenda, and to drive value creation through the development of sustainable products, processes and building solutions.

Group Divisions & Operating Companies: participate in and support central initiatives by considering and developing strategy proposals, reporting progress on sustainability and climate-related metrics, identifying and managing risks, and ensuring that risk management frameworks are operating effectively and that the control environment is robust.

* As required by the FCA Listing Rule 9.8.6R(8) which applies to issuers with a premium listing on the London Stock Exchange.

Strategy

How climate change impacts our strategy

CRH is a global leader in sustainable building materials and addressing climate change is a cornerstone of our approach to sustainability. We strive to be a leader in the production of high-performing, climate-friendly materials and products aimed at climate adaptation and mitigation. By developing value-added products and services for sustainable building solutions, we aim to contribute to a better built environment, address potentially negative impacts of climate change and ensure the creation of long-term financial and societal value.

We have provided two illustrative examples of how climate-related issues impact our businesses, strategy and financial planning on the right of this page.

Strategic management of risks

Potential strategic risks to CRH, including climate, are identified, assessed and managed in line with our defined ERM to determine materiality and the potential timelines over which the strategic impact may materialise. In considering the impact, we utilise our strategic planning horizon (and split these internally into short-term (<1 year), medium-term (1 - 3 years) and long-term exposures (3 - 5 years)).

Risks may be evaluated as emerging (e.g. expected to occur over materially longer periods or exposures where the impact cannot yet be fully understood) informing, for example, the management of risks related to climate change and our associated 2050 ambition as well as our 2030 targets.

Using the risk identification process outlined in 'Risk Management' on page 32, we have identified several climate-related risks and opportunities within our strategic planning horizon. A selection of these can be seen in our climate scenario analysis disclosure on page 30. Additional strategic climate impacts, which may occur over the short-, medium- and long-term, including, acute, chronic, technology, legal, regulatory, market and reputation can be seen as part of our Form 20-F disclosure on page 235.

The process used to determine which risks and opportunities could have a material financial impact can be seen in our Risk Management disclosure on this page.

Further information is included as part of our Risk Governance reporting on page 32.

Risk Management

Identifying climate-related risks and opportunities

Risks are identified through a number of different forums such as risk workshops, risk champion forums and engagement with senior leaders and other stakeholders. During 2021, as part of our continued commitment to understanding the potential climate-related risks and opportunities that CRH faces, we undertook a number of risk workshops focused on where climate-related risks could adversely impact the Group, and where we see potential opportunities for CRH to create value and contribute to the development of a more resilient built environment and a more sustainable future. The outputs of our workshops are included as part of our climate scenario analysis disclosure on page 30.

A robust risk catalogue is used to inform our bottom-up risk identification processes and ensure our businesses consider the full breadth of climate-related risks and opportunities.

Assessing climate-related risks and opportunities

Climate-related risks and opportunities are considered over our short-, medium- and long-term horizons. The Group operates a bottom-up and top-down risk assessment process, thereby allowing risk information flows from our Operating Companies to inform our Group-wide assessment and allowing key risk topics from a Group perspective to filter down and inform local risk identification and assessment. Common risk criteria and topic hierarchies are used to assess and consistently categorise risks and opportunities which helps identify and manage aggregate exposures that may be more effectively managed centrally.

The size and significance of each risk is determined according to the product of its assessed impact on the organisation and its likelihood of occurrence, with consideration of factors such as impact velocity, for example, informing the prioritisation of risks for subsequent management to within agreed acceptable levels. Our disclosure of climate-related risks (see page 235) distinguishes between transitional and physical risks and associated risks within each category.

While climate-related risks and opportunities are a specific focus for CRH, they form part of a range of interconnected risks that the Group manages through our ERM framework. To understand more about our processes for identifying, assessing and managing risk, please see our Risk Governance section on page 32.



Future-proofing our business

Throughout our business there is a constant focus on making our business more resilient and sustainable. This includes reducing emissions, increasing the use of alternative materials, accelerating sustainable product innovation and anticipating the evolving needs of our customers in response to the changing climate and weather patterns. Evidence of our on-going commitment to deliver a more resilient built environment was the strategic acquisition of NPP, Inc. during the year. This transaction strengthens CRH's ability to provide fully integrated solutions that connect and protect critical utility infrastructure and enhance the built environment.



Integration in our processes

We prioritise resource efficiency, the use of recycled materials and the recyclability of products at end-of-life. For example, we support the circular economy through investment in our asphalt plants and processes to deliver higher levels of recycled asphalt pavement (RAP) into asphalt mixes.

In addition, we use an internal carbon price in relevant capital expenditure approval and strategic planning processes, with the aim of directing investments towards efficiency, optimisation and lower-carbon solutions.

Transparency on Climate - continued

Task Force on Climate-related Financial Disclosures

Climate scenario analysis

In line with the recommendations of TCFD, we undertook a qualitative assessment to identify climate risks and opportunities, potential impacts on our financial position and consider how our business strategy may perform. In line with TCFD guidance, we used the following two warming scenarios (with time-horizons between 2020 and 2100) which

are sufficiently diverse to capture key impacts and uncertainties:

- **A well below 2°C world** – where transition impacts are likely to be most impactful as society acts rapidly to limit greenhouse gas emissions. Based on the IPCC's SSP1¹-RCP2.6² with reference to the IEA ETP20³.

- **4°C world** – where physical impacts are likely to be most impactful as climate policy is less ambitious. Based on the IPCC's SSP3⁴-RCP8.5⁵.

Below is an illustration of certain impacts that could arise under each warming scenario together with their relevant potential impact on our financial position and business strategy.

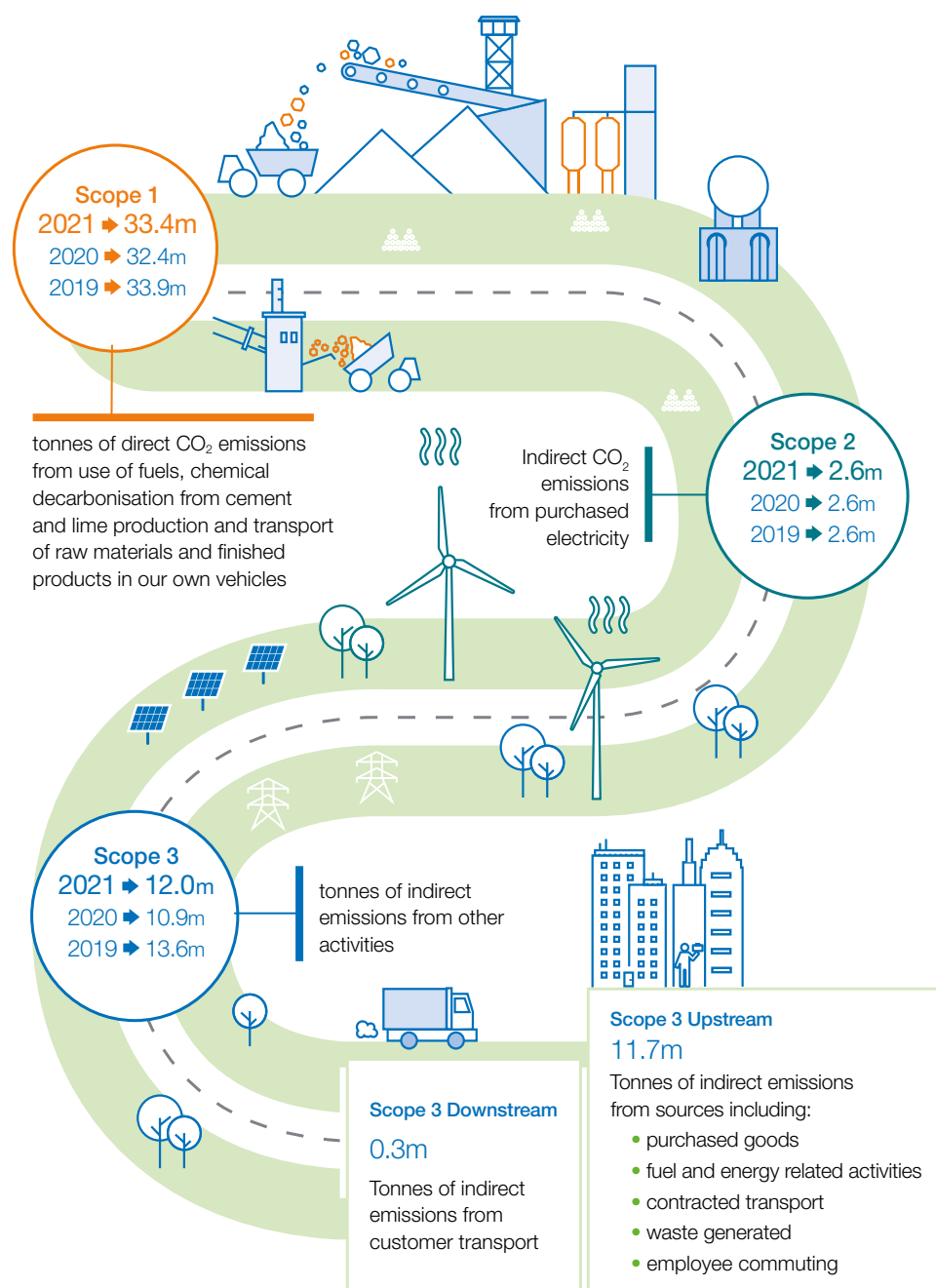
As part of our analysis, we looked at climate-related risks and opportunities associated with these categories:	Transition				Physical			
								
	Market	Reputational	Policy	Technological	Changing Weather Patterns	Extreme Weather Events	Drought	Rising Sea Levels
Examples	Risk		Opportunity		Risk		Opportunity	
	 Carbon Pricing		 Innovation		 Extreme Acute and Chronic Weather Events		 Resilient Building Materials	
	Which may lead to:	Increased carbon pricing regulation	Which may lead to:	Increased demand for circular products	Which may lead to:	Greater chance of disruption due to acute and chronic weather events (e.g. storms and hurricanes)	Which may lead to:	Increased customer demand for sustainable products
How this may impact:	Increased cost of purchasing allowances or credits to meet carbon emission caps		Reduced direct costs as a result of resource efficiency, and the emphasis on recycling in our products		Increased indirect costs for clean-up and mitigation activities		Increased revenues from products which deliver climate adaptation	
How we are managing:	We are committed to reducing our emissions through transitioning to low carbon energy technologies and reducing the carbon footprint of our products		We are committed to advancing circularity in our businesses. For example, we plan to use 100 million tonnes of RAP by 2030		Our balanced portfolio provides some natural mitigation and through an annual assessment of our key locations		We will continue to bring sustainable products to the market and advance research through our Innovation Centre for Sustainable Construction	

This initial assessment identified a number of transition and physical risks and opportunities which may adversely or positively impact the operational and financial performance of the Group, without considering any mitigation or adaptation actions CRH may take. CRH continually assesses its strategy, business model and ongoing business performance to make sure that they are driving sustainable growth and value creation for its stakeholders. As CRH continues to assess and re-assess its strategy and associated risks and opportunities, new risks and opportunities may become apparent attributable to climate, sustainability, or other topics that the Group considers as part of its strategic planning. Should such risks and opportunities be identified, CRH's approach enables the Group to refresh elements of its strategy. Based on this initial assessment of the risks and opportunities that need to be managed, the Group do not believe that its business model would need to materially change. For more information on the Group's financial resilience, including its viability statement, see page 35. For more information on climate-related risks and opportunities, see pages 118 and 235.

1. Intergovernmental Panel on Climate Change's (IPCC) Shared Socioeconomic Pathway 1 scenario expects net-zero after 2050 with temperatures stabilising around 1.8°C higher by the end of the century.
 2. Representative Concentration Pathway 2.6 is a "very stringent" pathway which expects carbon dioxide (CO₂) emissions to start declining by 2020 and go to zero by 2100.
 3. International Energy Agency's Energy Technology Perspectives 2020 scenario expects the global energy system to achieve net-zero emissions by 2070.
 4. Intergovernmental Panel on Climate Change's Shared Socioeconomic Pathway 5 scenario expects low international priority for addressing environmental concerns.
 5. Representative Concentration Pathway 8.5 expects emissions to continue to rise throughout the 21st century. Since the IPCC's 5th Assessment Report was published, this has been thought to be very unlikely, but still possible as feedbacks are not well understood.

Metrics and Targets

As a leader in our industry, we strive to address the climate-related risks and opportunities that arise as we transition to a low-carbon economy. In line with our continuous improvement philosophy, we will continue to develop our disclosure practices to better measure and improve our performance across the value chain. We provide reliable, verifiable and objective climate-related metrics to effectively measure our progress against climate-related targets.



Alternative fuels

2.1 million tonnes

of carbon neutral biomass and non-fossil fuels used in our cement plants (2020: 2.1 million tonnes), providing 33% of fuel requirements for cement on a Group level, 50% in the EU alone.

Recycled materials

8.0 million tonnes

of waste materials and by-products used to replace virgin materials and clinker in our cement manufacturing (2020: 8.5 million tonnes).

Physical climate risk

<1%

of our active locations are identified as being in areas under "High" or "Extremely High" risk of drought severity.

Research and innovation

>60

research projects ongoing across the Group in partnership with the industry and academic institutions to develop new and innovative technologies.

Climate-related targets

25%

reduction in absolute group-wide Scope 1 and Scope 2 CO₂ emissions by 2030 (from a 2020 baseline).

520kg CO₂

per tonne cementitious product is our target for our cement plants, accelerated from 2030 and expected to be achieved by 2025.

50%

product revenue from products with enhanced sustainability attributes by 2025.

For more information on our targets including progress, see pages 21 to 26.

For reporting CO₂ 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'. In this methodology, CO₂ from biomass fuels is considered climate neutral. We calculate CO₂ emissions from other activities using appropriate emission factors and in line with the World Resources Institute Greenhouse Gas Protocol (Revised Edition). We calculate Scope 2 emissions from electricity in line with the location-based method of the World Resources Institute Greenhouse Gas Protocol Scope 2 Guidance (2015), using 'International Energy Agency (2021) Emissions Factors' (published in 2021) and eGRID2019 'Summary Table' for emissions factors (published in 2020). We calculate Scope 3 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 UK Government 'GHG conversion factors for company reporting 2021'. Reported Scope 3 emissions include the most relevant emissions categories for CRH operating company activities.

Risk Management

Integrated and effective risk management supports the realisation of our strategic objectives and the continued success of our business. Like all businesses, CRH faces a level of uncertainty in executing on our strategic objectives, inherently creating risks and opportunities. Our Enterprise Risk Management (ERM) framework is a critical tool in managing the uncertainties our business faces in our relentless focus on value-creation, protecting our people and generating long-term, sustainable growth.

Making Better Decisions

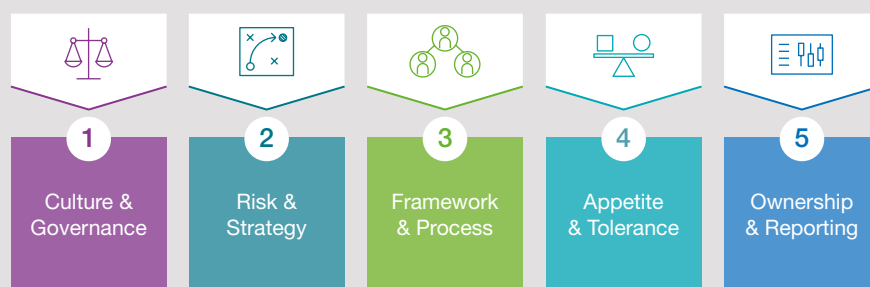
ERM is a process embedded throughout the Group which provides a structured and consistent global approach to identifying, assessing and managing our most material threats and opportunities. Ultimately, the purpose of ERM is to assist our people in making better decisions by focusing decision-makers on taking the right risk for the right reward, encouraging the effective and informed interaction with risk to protect and grow our business.

Our framework, which is aligned to the Committee of Sponsoring Organisations of the Treadway Commission (COSO) principles, is embedded across the Group and is a key element in our decision-making practices.

Our risk intelligent culture is key to embedding ERM into decision-making, and whilst accountability for the effective management of risk sits with leadership throughout the Group, all employees are encouraged to be risk managers and proactively manage risk.

We believe that the key to ensuring risk is managed effectively is to integrate ERM into our businesses' day-to-day decision-making activities. While formally considered as part of our strategic planning and budgeting processes, regular discussion on risk at management meetings drives day-to-day operational decision-making and enables our risk framework to be truly value-adding.

Key elements of our Framework



Risk workshops, facilitated by Group Risk, bring together leaders from across the Group to identify risks and opportunities, and define mitigation. Uncertainties that present themselves as downside risks are assessed in line with the Group's risk appetite and those which present themselves as opportunities are sufficiently explored and captured, where possible.

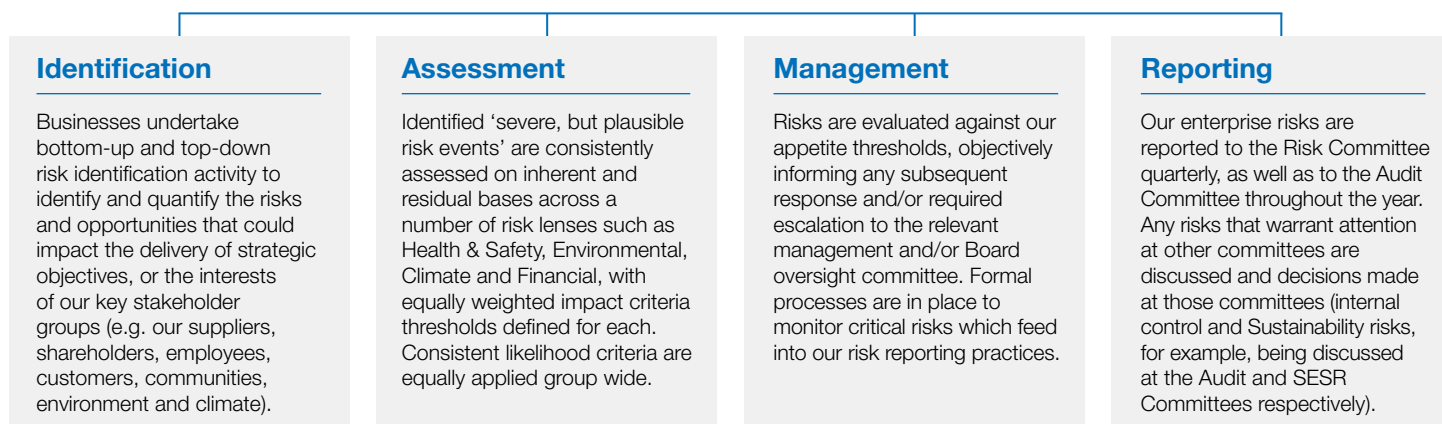
Our risk appetite and tolerance framework is a critical element of our overall ERM framework, defining key risk parameters within which strategic decision-making takes place and assisting with our objectives of disciplined and focused growth. The Board determines our risk appetite against our strategic objectives and approves the framework on an annual basis in line with good corporate governance practice.

ERM in Action

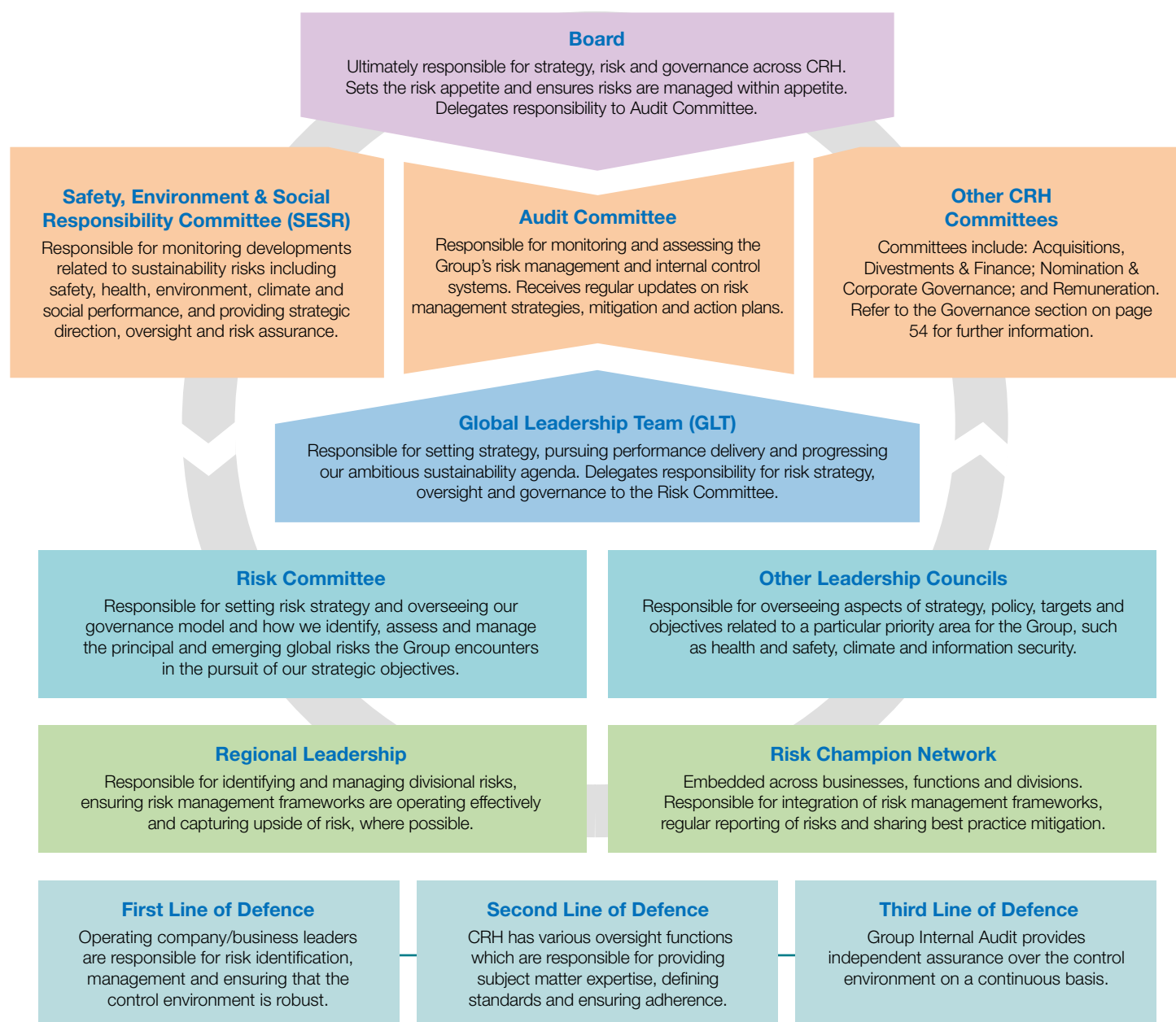
ERM is applied to strengthen our portfolio management processes to further enhance our confidence to undertake investments and step into new markets, such as our purchase of Pebble Technology International which represented strategic entry into a new adjacent outdoor category for our Architectural Products Group.

Our framework allows us to add depth to our understanding of our customers and markets and generate new ways to meet their needs, and despite ongoing challenges, such as the ongoing COVID-19 pandemic, our performance continues to highlight the resilience and agility of our people, our business model and our proven record of delivery through uncertainty.

Enterprise Risk Process



Risk Governance Structure



Emerging Risks

A dynamic threat watchlist is maintained to enable early recognition of threats which could impact the long-term performance of many areas of our business. The watchlist is consolidated using data received from our businesses, subject matter experts, risk champion network and external providers of thought leadership. Whilst the watchlist is primarily utilised as a mechanism to monitor emerging risks, the Group understands that associated opportunities may arise from developing a deep understanding of our emerging risks.

We define an emerging risk to be a potentially significant threat where the impact can't yet be fully understood, restricting our ability to confidently define a strategy and build capabilities to significantly influence the materiality of the risk. While considered as part of our identification processes, the assessment of such risks can be difficult to quantify due to a lack of data or longer time horizons. While emerging risks are generally new and unknown, they can be known risks that have evolved to present new challenges to the Group.

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 Risk and Audit Committees.

Key emerging risks in this category include extreme weather events, which can present physical barriers to work onsite, dampen demand and hinder performance, and labour model disruption, where tightening labour pools materialise within our industry due to a negative convergence of demographic, educational and economic trends.

Risk Management - continued

Principal Risks and Uncertainties

Our principal risks and uncertainties, presented below and defined in more detail on pages 116 to 121 and 232 to 240, are reviewed regularly and represent the key risks faced by the Group at the time of publication. The Risk Committee helps ensure the risks highlighted in this report reflect those risks which could have the most material impact on the Group achieving its strategic objectives. These risks form the basis of Board and Audit Committee communications and discussions.

	Link between Principal Risks and Strategic Objectives	Continuous Improvement	Focused Growth	Benefits of Scale and Integration	Developing Future Leaders
Strategic	Industry Cyclicity and Economic Conditions				
	People Management				
	Commodity Products and Substitution				
	Portfolio Management				
	Public Policy & Geopolitics				
	Strategic Mineral Reserves				
Operational	Climate Change and Policy				
	Information Technology and/or Cyber Security				
	Health and Safety Performance				
	Sustainability and Corporate Social Responsibility				
	COVID-19 Pandemic				
Compliance	Laws, Regulations and Business Conduct				
Financial and Reporting	Taxation Charge and Balance Sheet Provisioning				
	Financial Instruments				
	Goodwill Impairment				
	Foreign Currency Translation				
Changes	Brexit was removed as a principal risk as the effects of the United Kingdom's decision to leave the European Union became clearer, along with the improvement in performance for our United Kingdom businesses during the course of 2021. Our Defined Benefit and Pension Schemes risk has been downgraded as an enterprise risk as mitigation brings the risk under Group materiality thresholds.				

Activities of the Risk Committee

Over the course of 2021, the Risk Committee continued to play a pivotal role in risk strategy, performance and oversight. The activities that the committee focused on included:

First Line of Defence

The committee undertook risk challenge sessions with our key Divisions to ensure that the risks being faced within our businesses are being effectively managed within the Group's risk appetite.

Second Line of Defence

The committee received regular updates from our second line functions, including Group Sustainability, Legal & Compliance, Information Security, Tax, Treasury and Security, to name a few.

Third Line of Defence

Updates were provided by the Group Head of Internal Audit, including an independent assessment of the risk environment and the Internal Audit plans which were designed on a risk-based methodology.

Framework Enhancements

The committee received regular updates on risk projects including our updated Risk Appetite framework, Risk Ownership, Risk Charter and other corporate governance items that fall under committee remit.

Longer Term Viability Statement

Our Viability Statement, which does not form part of the Annual Report and Form 20-F as filed with the SEC, has been prepared in accordance with the UK Corporate Governance Code 2018.

Assessment of Prospects

The Board has carried out a robust assessment of our current position and the principal risks facing the Group, including those which would threaten its strategy, business model, future performance, solvency or liquidity. Each of the above is dealt with in the following sections of this Annual Report and Form 20-F:

Current Position

- > Why Invest in CRH, page 8
- > Market Backdrop, page 12

Strategy & Business Model

- > Our Strategy, page 14
- > Business Model, page 16

Principal Risks

- > Key Performance Indicators, page 18
- > Principal Risks & Uncertainties, page 116

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

Viability Assessment: Period

The Board has reviewed the length of time to be covered by the Viability Statement, particularly given its primary purpose of providing investors with a view of financial viability that goes beyond the period of the Going Concern Statement.

Using the Group Strategic Plan (the 'Plan'), which is prepared annually on a bottom-up basis and is approved by the Board, the viability of the Group has been assessed over a three-year period from 1 January 2022 to 31 December 2024 inclusive.

The Board believes that a three-year viability statement is appropriate for the following reasons:

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

Overall, a three-year period is deemed to achieve a suitable balance between long and short-term influence.

Viability Assessment: Approach

The viability of the Group is assessed against the Plan and projections considering the Group's cash flows, committed funding and liquidity positions, forecast future funding requirements, other key financial ratios, including those relevant to maintaining the Group's investment grade credit ratings and the Group's 2025 climate targets.

In conducting the viability assessment, the Board has considered our strong balance sheet and cash flow generation, our dynamic capital allocation model underpinned by comprehensive portfolio reviews and capital appraisals, and our philosophy of continuous improvement.

Appropriate stress testing of certain key performance, solvency and liquidity assumptions, such as EBITDA (as defined)* margins and Net Debt/EBITDA (as defined)*, underlying the Plan has been conducted taking account of the principal risks and uncertainties faced and possible severe but plausible combinations of those risks and uncertainties. For more detail on our principal risks and uncertainties, how they could impact the Group and how the Group manages these risks, see pages 116 to 121 of the Governance report.

Conclusion

While the Board acknowledges that the potential severity, complexity and velocity of the risks assessed may change, based on their assessment of viability as described, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the aforementioned three-year period to 31 December 2024.

In assessing the viability of the Group, three separate severe but plausible scenarios were modeled taking account of the principal risks and uncertainties faced by the Group.

The scenarios were designed to reflect a material reduction in growth, the impact of a potential one-off expense and a scenario where both overlap.

Scenario Modelled

Scenario 1: Recessionary environment

Economic slowdown/recession resulting in revenue reductions and margin compression

Scenario 2: One-Off Expense

Impact of a potential large event, fine and/or penalty

Scenario 3: Combination (1 and 2)

Combination of prior scenarios overlapping or occurring simultaneously

Relevant Principal Risks

- Industry Cyclicity and Economic Conditions
- Portfolio Management
- Public Policy and Geopolitics
- COVID-19 Pandemic
- Laws, Regulations and Business Conduct
- Public Policy and Geopolitics
- Information Technology and/or Cyber Security
- Combination of relevant risks from prior scenarios

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



The performance of our business is enabled by the skills and talent of our 77,400 employees in 28 countries. We strive to create a collaborative, diverse and inclusive working environment to stimulate our global workforce to deliver our strategy.

Business Performance and Segmental Reviews

➔ 36-53

Finance Director's Review	38
Americas Materials	42
Europe Materials	46
Building Products	50

An operator at a TexasBit asphalt plant. Part of CRH's America's Materials Division, TexasBit provides asphalt and paving solutions to a variety of contractors, businesses, municipalities, and government agencies in the growing Dallas-Fort Worth and Tyler areas of Texas, United States.



Finance Director's Review 2021

2021 was another year of growth for CRH driven by our integrated solutions strategy and positive underlying momentum in North America and Europe.

Group sales of \$31.0 billion (2020: \$27.6 billion) were 12% ahead of 2020 reflecting improved pricing and volume growth. Year end net debt of \$6.3 billion (2020: \$5.9 billion) was reflective of our continued strong cash generation, disciplined capital expenditure and value focused investments. Net acquisition spend totaled \$1.5 billion (2020: \$0.4 billion) and total distributions to shareholders of \$1.8 billion (2020: \$0.9 billion). Net Debt/EBITDA (as defined)* was 1.2x (2020: 1.3x).

Segmental reviews

The sections on pages 42 to 53 outline the scale of CRH's operations in 2021 and provide a more detailed review of performance in each of CRH's reporting segments.

Key Components of 2021 Performance

Americas Materials benefited from increased construction activity in 2021 due to strong residential demand in North America. Underlying good operating performance offset the impacts of higher input costs and inclement weather. Like-for-like sales in 2021 increased by 6% against 2020, due to positive volume growth and pricing progression.

Europe Materials saw like-for-like sales 11% ahead of 2020 reflecting good volume growth, and pricing progress against a prior year comparative which was heavily impacted by pandemic restrictions. Positive pricing actions and strong fixed cost control offset cost inflation headwinds.

Building Products delivered like-for-like sales 5% ahead of 2020 driven by strong demand for residential construction and a moderate recovery in the non-residential sector.

EBITDA (as defined)* of \$5.35 billion was 16% ahead (2020: \$4.6 billion) reflecting the benefits of our integrated solutions strategy with strong demand growth and continued commercial discipline. Profit after tax was significantly ahead of 2020 at \$2.6 billion (2020: \$1.2 billion) driven by a strong trading performance and the non-recurrence of non-cash impairment charges and one-off restructuring costs in the prior year.

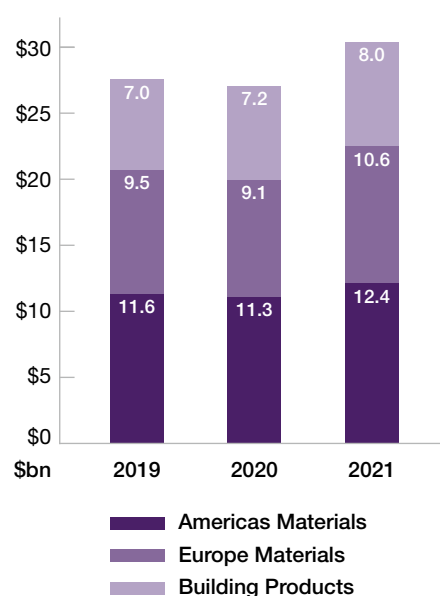
The US Dollar strengthened against most major currencies by the end of 2021. However, during 2021 the US Dollar weakened against most major currencies resulting in the average US Dollar/Euro rate weakening from 0.8771 in 2020

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

1. See cautionary statement regarding forward-looking statements on page 111.

to 0.8460 in 2021 and likewise the US Dollar/ Pound Sterling weakening from an average 0.7798 in 2020 to 0.7270 in 2021. Overall currency movements resulted in a favourable net foreign currency translation impact on our results as shown in the table above. The average and year end 2021 exchange rates of the major currencies impacting on the Group are set out on page 154.

Sales revenue



Liquidity and Capital Resources - 2021 compared with 2020

The comments that follow refer to the major components of the Group's cash flows for 2021 and 2020 as shown in the Consolidated Statement of Cash Flows on page 144.

Despite significantly increased trading activity compared to 2020, the Group remained focused on cash management. Management delivered a net working capital outflow of \$228 million (2020: \$196 million inflow) and the Group's operating cash flow increased to \$4.2 billion (2020: \$3.9 billion).

Working capital was \$2.5 billion at year end (2020: \$2.4 billion) representing 8.0% of sales (2020: 8.7%). CRH believes that its current working capital is sufficient for the Group's present requirements.

Focused investment in property, plant and equipment in markets and businesses with increased demand and efficiency requirements, resulted in higher cash outflows of \$1.6 billion (2020: \$1.0 billion), with spend in 2021 representing 110% of depreciation on owned assets (2020: 74%).

Reflective of the ongoing strategy of active portfolio management, the Group invested \$1.5 billion in bolt-on acquisitions (2020: \$0.4 billion) which was partly financed by divestment and disposal proceeds¹ of \$0.5 billion (2020: \$0.3 billion).

Reflecting our strong financial position and commitment to returning cash to shareholders, the Group continued its share buyback programme in 2021 repurchasing 17.8 million (2020: 6.0 million) ordinary shares for a total consideration of \$0.9 billion (2020: \$0.2 billion). The Group announced a further \$0.3 billion tranche of the ongoing share buyback programme on 24 December 2021 to be completed no later than 30 March 2022.

These buybacks, together with cash dividend payments of \$0.9 billion (2020: \$0.7 billion), reflect the Group's continued commitment to returning cash to shareholders.

Year end interest-bearing loans and borrowings were \$10.5 billion (2020: \$12.2 billion) and year-end net debt of \$6.3 billion (\$5.9 billion) reflects strong inflows from operations and an increase in disciplined capital expenditure and value-focused investments. The Group is in a good financial position. It is well funded and EBITDA (as defined)* Net Interest Cover is 17.2x (2020: 11.9x).

The Group ended 2021 with total liquidity of \$9.8 billion, comprising \$5.8 billion of cash and cash equivalents on hand and \$4.0 billion of undrawn committed facilities which are available until 2026. At year end, the Group had sufficient cash balances to meet all maturing debt obligations (including leases) for the next five years and the weighted average maturity of the remaining term debt was 11.9 years.

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

1. Net of cash disposed and including deferred consideration proceeds in respect of prior year divestments

Finance Director's Review 2021 - continued

A \$400 million US dollar denominated bond was repaid on maturity in January 2021 and a €0.6 billion euro denominated bond due to mature in July was repaid early in April after exercising a three month par-call option.

The Group also has a \$2.0 billion US Dollar Commercial Paper Programme and a €1.5 billion Euro Commercial Paper Programme of which there were no outstanding issued notes at year end. The purpose of these programmes is to provide short-term liquidity at attractive terms.

Contractual obligations and Off-Balance Sheet arrangements are disclosed on page 244 of this Annual Report and Form 20-F.

Jim Mintern
Finance Director

Development Review

2021

The Group invested \$1.5 billion in 20 bolt-on acquisitions in 2021 (including deferred and contingent consideration in respect of prior year acquisitions).

The largest of these in 2021 was the acquisition of Angel Brother Enterprises, an asphalt paving and infrastructure solutions business in Texas. In addition, the Americas Materials Division completed a further seven bolt-on acquisitions across the US and Canada for a total spend of \$0.7 billion.

The Building Products Division completed eight acquisitions amounting to a total spend of c. \$0.8 billion including NPP a water and energy infrastructure solutions business in the eastern region of the US. This acquisition will further enhance our end-to-end solutions offering to our customers.

The Europe Materials Division completed four acquisitions, with a total spend of c. \$17 million. The Group also paid \$33 million of deferred and contingent consideration related to prior year acquisitions.

On the divestment front, the Group completed 11 transactions and realised total business and asset disposal cash proceeds of \$0.5 billion, inclusive of \$0.1 billion relating to the receipt of deferred proceeds from prior year divestments, the majority of which related to the divestment of the Group's equity interest in My Home Industries (MHIL), in India. The sale of the Brazil cement operations by the Americas Materials Division represented the largest divestment during the year, with a further 10 other divestments completed across the Group.

In addition to these business divestments, the Group realised proceeds of \$0.1 billion from the disposal of surplus property, plant and equipment and other non-current assets.

2020

The Americas Materials Division completed seven bolt-on acquisitions across the US and Canada for a total spend of \$163 million. The Building Products Division completed six bolt-on acquisitions amounting to a total spend of c. \$180 million including the acquisition of Martin Enterprises. Europe Materials completed four acquisitions, with a total spend of c. \$8 million for the Division. The Group also paid \$54 million of deferred and contingent consideration related to prior year acquisitions.

On the divestment front, the Group completed 12 transactions and realised total business and asset disposal cash proceeds of \$307 million, inclusive of \$123 million relating to the receipt of deferred proceeds from prior year divestments. The sale of precast concrete production assets located in Spokane, Washington represented the largest divestment in 2020 and was completed by our Building Products Division. The divestment of the building materials business in La Réunion was the second largest divestment, completed by our Europe Materials Division, with 10 other divestments completed across the Divisions. In addition to these business divestments, the Group realised proceeds of \$128 million from the disposal of surplus property, plant and equipment and other non-current assets. Cash proceeds of \$123 million were received relating to prior year divestments, of which \$95 million related to the divestment of the Group's equity interest in MHIL.



Americas Materials

Our Americas Materials Division comprises vertically integrated businesses which produce and supply building materials and services for use in construction projects throughout the US and Canada.

What we do

CRH's Americas Materials Division is the largest building materials business in North America, serving customers in attractive local construction markets across 46 US states and six Canadian provinces.

Our businesses utilise an extensive network of reserve backed quarry locations, to produce and supply a range of materials including cement, aggregates, readymixed concrete and asphalt. These materials are used widely in a variety of construction projects including public infrastructure, homes and commercial buildings.

Over several decades CRH has built up market leading positions throughout North America in aggregates and readymixed concrete while currently being the largest producer of asphalt. CRH is a leading producer of cement in North America. CRH is also the leading supplier of products for road construction and repair and maintenance in the US. Approximately 50% of the Division's business relates to the construction of infrastructure, a significant proportion of which is awarded by public tender for federal, provincial, state and local government authority road and infrastructure projects.

Through innovation, recycling, and the use of alternative materials, many of our materials have enhanced sustainability attributes

which help address the changing needs of construction, including the need for a more resilient and sustainable built environment.

How we create value

CRH's vertically integrated business model enables us to create value throughout the supply chain. Materials produced by our aggregates and cement businesses can be supplied to our downstream materials businesses for use in products such as readymixed concrete and asphalt.

By integrating our operations we can also provide customers with more complete end-to-end solutions which bundle different materials, value-added products and services to provide customers with a value enhancing one-stop-shop. This helps to reduce logistical complexity and save the customer time and money, while allowing CRH to deepen its relationships and increase the spend from each customer.

This approach is fundamental to our development strategy and sets CRH apart within its industry.

In recent years we have grown our presence in higher growth southern states in the US to increase CRH's exposure to the favourable demand fundamentals of higher population growth and positive migration trends, which underpin good demand for our materials.

The largely unconsolidated US building materials market presents further opportunities for value creation by allowing us to identify businesses that can be integrated efficiently into our existing network.

How we are structured

CRH combines the flexibility, speed, close customer relationships and in-depth market knowledge of local businesses with the strength, shared expertise and operational excellence of a national network. This focus on operational excellence and local knowledge is supported by a strong strategic centre which enables CRH to leverage talent, procurement synergies and efficiencies across the Division.

During 2021 our Americas Materials Division was re-organised from three to four geographical regions (Great Lakes, Northeast, South and West). We also have a cement platform which spans North America. The Great Lakes division comprises operations in seven states and two Canadian provinces, the Northeast division comprises operations in 11 states, the South division operates across 17 states, while the West division has operations in 19 states. The cement platform operates across 20 states and six Canadian provinces. In total, the Division has a network of 1,600 operating locations and employs approximately 28,300 people.

Our integrated materials, products and services

Reserves and Resources

Reserves comprise mineral deposits found within our extensive network of quarry locations in attractive local markets throughout North America. For additional information on the Group's mineral reserves and resources see page 226.

Cement

Cement is the primary binding agent in the production of concrete products for the construction industry.

Readymixed Concrete

Readymixed concrete is a highly versatile building material comprised of aggregates bound together with cement and water.

Paving & Construction Services

CRH is the leading supplier of product for road construction and repair/maintenance demand in North America. Annually, our crews complete approximately \$4.7 billion in paving and construction projects.

Aggregates

Aggregates refers to crushed stone produced from naturally occurring mineral deposits. Our businesses process these materials for sale to customers.

Asphalt

Asphalt is an aggregates based product, used primarily in roads, airfields and other transport infrastructure including airport runways.

Where we are located

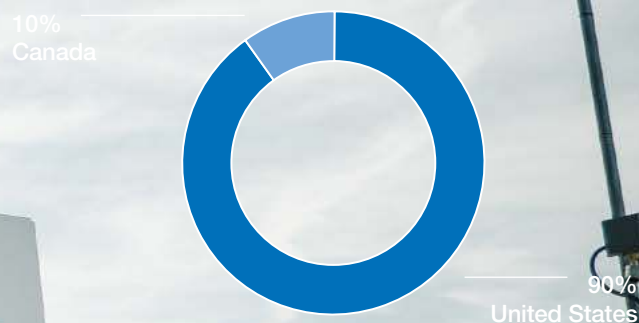


2021 Performance Highlights

	\$ million	% of Group
Sales	12,407	40%
EBITDA (as defined)*	2,588	49%
Operating Profit	1,788	50%
Net Assets ¹	14,153	48%

SALES BY END-USE²

New Build	Repair, Maintenance and Improvement (RMI)
50%	50%

SALES BY GEOGRAPHY²SALES BY SECTOR²

Residential	20%	
Non-Residential	30%	
Infrastructure	50%	

Annualised Sales Volumes³

			
Aggregates: 200.7m tonnes	Cement: 13.0m tonnes	Ready-mixed Concrete: 13.3m m ³	Asphalt: 47.9m tonnes

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

1. Net Assets at 31 December 2021 comprise segment assets less segment liabilities excluding lease liabilities as defined on page 222.

2. Geography, sector exposure and end-use balance are based on sales.

3. Throughout this document annualised volumes have been used which reflect the full-year impact of development activity during this year and may vary from actual volumes sold.

Operations Review - Americas Materials

Prior Year 2020

Results		Analysis of change						
\$ million	2019	Exchange	Acquisitions	Divestments	Impairment/ One-offs ¹	Organic	2020	% change
Sales revenue	11,626	-37	+43	-39	-	-320	11,273	-3%
EBITDA (as defined)*	2,194	-2	+8	+2	-24	+227	2,405	10%
Operating profit	1,423	+1	+5	+5	-25	+222	1,631	15%
EBITDA (as defined)*/sales	18.9%						21.3%	
Operating profit/sales	12.2%						14.5%	

¹One-offs primarily due to COVID-19 related restructuring costs

Americas Materials generated EBITDA (as defined)* of \$2.4 billion, 10% ahead of 2019 and operating profit of \$1.6 billion, 15% ahead of 2019 despite lower sales which were 3% behind. COVID-19 restrictions negatively impacted sales volumes in the second quarter, particularly in the Northeast and Great Lakes divisions, with sales in the South division impacted by project delays in key states. Solid price progression, operational efficiencies, focused cost containment and lower energy costs drove margin expansion across all regions and product lines. Strong demand in the central and western parts of the US resulted in like-for-like sales growth across all lines of business in the West region.

Overall economic and construction activity across our markets was impacted by the global pandemic; however, government stimulus to help support the US economy was implemented, while infrastructure investment was underpinned by a one-year extension of the US FAST Act.

During 2020 Americas Materials completed seven acquisitions in the US and Canada including aggregates, asphalt, readymixed concrete, paving and construction operations at a total cost of \$163 million. These acquisitions in addition to several mineral reserve purchases in the US will continue to support future growth in key markets.

Materials

On a like-for-like basis, aggregates volumes were 2% lower but margins improved as prices were 4% higher compared to 2019. Volumes in the Northeast and Great Lakes divisions were predominantly impacted by COVID-19 restrictions in the second quarter of the year while the South division experienced lower demand primarily due to unfavourable weather in the first half of the year. Solid underlying business activity in the West division generated sales growth during the year. Prices were favourable across all divisions with the strongest contributions from the Northeast and South divisions.

Asphalt volumes were 6% lower on a like-for-like basis due to the impact of COVID-19 restrictions in the Northeast and Great Lakes divisions and slower project bidding in key states in the South. Volumes in the West division were ahead of 2019 with a strong order book of business supported by more favourable weather. Asphalt margins improved, benefiting from good commercial management, lower input costs, operational efficiencies and strong cost control.

Readymixed concrete volumes were 4% behind 2019 levels on both a total and like-for-like basis as higher volumes in the South division during the second half of the year did not fully offset lower volumes in the Northeast, Great Lakes and West. Strong commercial discipline delivered total and like-for-like prices up 6%, more than offsetting lower sales volumes, resulting in improved margins.

Paving and construction revenues were 6% behind 2019 levels on a total and like-for-like basis. COVID-19 impacted the Northeast and Great Lakes divisions through government mandated restrictions, while the South experienced delayed bidding on projects in key markets due to uncertainty in state and local funding sources. The West division experienced significant growth in revenues driven by strong demand in the Central West and Mountain West regions. Overall construction margins finished ahead of 2019.

Regional Performance

Like-for-like sales for the Northeast division were 8% lower than 2019 as COVID-19 restrictions impacted volumes across the business. Operating profit for the Northeast division was negatively impacted by lower volumes, partly offset by strong prices and lower input costs.

Great Lakes sales were 8% behind 2019, as a result of lower volumes due to rising prices, which was offset by lower input costs and savings initiatives.

The South division's total sales were 3% behind 2019 driven by lower asphalt and construction volumes in key states as projects were delayed. Like-for-like readymixed concrete volumes were higher than 2019 levels as growth in our core Florida and Texas markets continued. Commercial and operational excellence across all product lines supported strong operating profit performance.

The West division increased total sales by 3% by executing on strong backlogs with support from favourable weather in comparison to the first half of 2019. Good incremental volumes coupled with strong price discipline and cost control resulted in operating profit improvements.

Cement

Our cement business delivered operating profit growth in 2020, driven primarily by strong price realisation, performance improvement initiatives and cost saving measures. Sales volumes in the US operations were 2% ahead of 2019 on a total and like-for-like basis as strong demand in the west more than offset COVID-19 related impacts in other regions. Volumes in Canada were behind 2019 due to the impact of COVID-19 restrictions, particularly during the first half of the year.

Cement consumption in Southeast Brazil increased in 2020 enabling CRH to achieve volume growth combined with increased prices which resulted in operating profit improvement.

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

Current Year 2021

Results		Analysis of change							
\$ million	2020	Exchange	Acquisitions	Divestments	Impairment/ One-offs ¹	Organic	2021	% change	
Sales revenue	11,273	+73	+468	-96	-	+689	12,407	10%	
EBITDA (as defined)*	2,405	+5	+30	-48	+24	+172	2,588	8%	
Operating profit	1,631	-2	+3	-45	+28	+173	1,788	10%	
EBITDA (as defined)*/sales	21.3%						20.9%		
Operating profit/sales	14.5%						14.4%		

¹One-offs primarily due to 2020 COVID-19 related restructuring costs

Americas Materials generated sales of \$12.4 billion and EBITDA (as defined)* of \$2.6 billion, 10% and 8% ahead of prior year respectively. Operating profit was 10% ahead of 2020. Solid volume and pricing progression across all lines of business coupled with operating efficiencies offset the inflationary input cost environment. Like-for-like sales were 6% ahead of 2020, while like-for-like EBITDA (as defined)* increased by 7%.

US construction activity recovered in 2021 with increased residential demand along with a moderate recovery in non-residential markets. Infrastructure funding levels were maintained at similar levels to prior year ahead of the recently approved multi-year federal infrastructure package. Canada experienced continued strong demand within its residential sector.

During 2021 Americas Materials completed eight acquisitions in the US and Canada for a total spend of \$0.7 billion, the largest of which was the acquisition of Angel Brothers Enterprises, an asphalt paving and infrastructure solutions business in Texas. The divestment of the Brazil cement operations was completed in the first half of 2021 for consideration of \$0.2 billion.

Materials

Aggregates volumes were 3% ahead of 2020 on a like-for-like basis driven by good demand in our Northeast, Great Lakes and West divisions. The South division was negatively impacted by adverse weather particularly in the first half of 2021. Our selling prices improved 4% on a mix-adjusted basis, resulting in good margin expansion overall.

Like-for-like asphalt volumes were 2% ahead of 2020, while like-for-like average prices also increased. Good market conditions in the Northeast, Great Lakes and West offset unfavourable weather conditions in the South.

Readymixed concrete volumes were 4% ahead on a total and like-for-like basis as residential demand remained strong; good commercial discipline delivered price increases of 5%.

Paving and construction revenues were 7% ahead of 2020, and 1% behind on a like-for-like basis, due to unfavourable weather in the South and a slower start to the season in both Great Lakes and Northeast. Revenues were higher in the West driven by an early start to the construction season and solid underlying demand. Construction margins were ahead of 2020.

Regional Performance

Sales in the Northeast were ahead of 2020 as volumes improved following a prior year which was impacted by COVID-19 restrictions. Higher volumes and pricing across all lines of business were offset by higher input costs resulting in operating profit in line with 2020.

Great Lakes sales were ahead of 2020 driven by solid residential and commercial demand. Operating profit growth was led by good commercial and operational performance offsetting higher input costs.

South sales were ahead of 2020 driven primarily by positive pricing and continued growth in readymixed concrete volumes in our Florida and Texas markets. Operating profit marginally declined as an improved commercial and operational performance was offset by the impacts of unfavourable weather and higher input costs.

Sales in the West were well ahead of 2020, driven by robust demand and positive pricing across all lines of business. Operating profit improved as higher volumes and prices coupled with cost saving initiatives offset higher input costs.

Cement

Our cement business delivered a strong performance driven by a growth in sales which were 12% and 11% ahead of prior year on a total and like-for-like basis respectively. Operating profit was ahead of 2020 driven by a 5% increase in volume, strong price realisation and cost saving measures which offset increases in input costs. Both US and Canada volumes were ahead of 2020 due to good market demand and strong backlog execution.

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

Europe Materials

Our Europe Materials Division manufactures and supplies a broad range of materials for use in construction projects in Europe and parts of Asia.

What we do

Our Europe Materials Division is the leading building materials business in Europe, serving customers in construction markets across 18 countries in Europe and two countries in Asia.

Our materials, including aggregates, cement, lime, readymixed concrete, concrete products and asphalt are used extensively in a wide range of construction applications, from major public road and infrastructure projects, to the development and refurbishment of homes and commercial buildings.

Utilising an extensive network of resource backed assets including our quarry and pit locations, the Division has regional leadership positions in aggregates and readymixed concrete and is a leading producer of cement and lime in Europe. Within Asia, it is the largest producer of cement in the Philippines and has a regional leadership position in northeastern China.

Our businesses leverage their valuable market insights and long-term relationships to service the evolving needs of customers including national, regional and local governments, building contractors and other construction product and service providers. Our businesses

work closely with their customers to understand and adapt to emerging market needs including the increasing requirement for innovative products which contribute to a more resilient and sustainable built environment.

We are continually improving the environmental performance of our operations through actions including extending our use of alternative fuels, alternative raw materials and other technologies to produce and deliver more sustainable building materials for our customers.

How we create value

Our businesses are vertically integrated which allows us to use materials produced at our quarry locations to self-supply to our own downstream operations as well as in sales to our customers. This enables us to create value throughout the supply chain and also allows us to develop end-to-end solutions for our customers which increase the overall volume of materials supplied to individual construction projects. This approach enables our businesses to leverage the benefits of scale and best practice, while differentiating themselves in local markets by understanding and meeting the unique needs of local customers.

We seek out opportunities to extend and strengthen our positions in regional markets through identifying bolt-on and new acquisition opportunities which can be efficiently integrated with existing operations. This enables us to capitalise on growth opportunities and further expand our offering to local customers. Our strong track record in acquiring businesses that provide vertical integration opportunities helps ensure that we are competitive in all product lines and well positioned to deliver a strong return on our assets.

We place a great emphasis on commercial and operational excellence across our extensive network leveraging talent, synergies for procurement, cost and logistics management.

How we are structured

Our Europe Materials Division operates in 18 countries in Europe and two in Asia and during 2021 was re-organised across five operational clusters (UK & Ireland, Europe North, Europe West, Europe East and Asia). The Division employs approximately 25,600 people at 1,120 locations. A further 5,810 people are employed in our equity accounted investment in China.

Where our products are used

Aggregates

Aggregates are typically used in building foundations, underpinning road and rail infrastructure and in the production of products including concrete and asphalt.

Cement

Cement is a binding agent used in concrete products including readymixed concrete, precast concrete and mortars which are used extensively throughout the built environment.

Readymixed Concrete

Concrete is the most used man-made material on earth. It forms the foundations of buildings and homes, roads, tunnels and bridges, clean water systems and clean energy structures.

Paving & Construction Services

In certain markets we provide installation services including crews, equipment and specialist expertise needed for preparation, paving and maintenance on projects including roads, roundabouts and interchanges, car parks and airport runways.

Lime

In addition to its use in building materials, lime is used in multiple industries including iron and steel, sugar, agriculture and forestry.

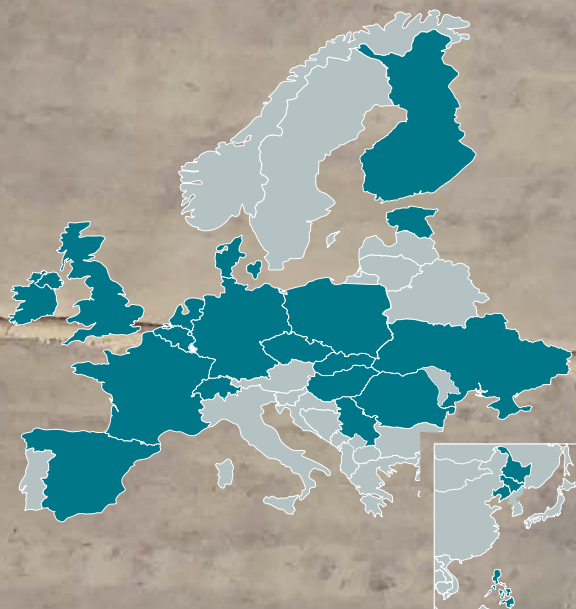
Asphalt

Asphalt is widely used as a surface material in transport infrastructure including, roads, bridges, runways, footpaths along with amenities such as racetracks, tennis courts and playgrounds.

Infrastructural Concrete

Infrastructural Concrete includes 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 we are located



2021 Performance Highlights

	\$ million	% of Group
Sales	10,581	34%
EBITDA (as defined)*	1,410	26%
Operating Profit	814	23%
Net Assets ¹	8,784	30%

SALES BY END-USE²

New Build	RMI
70%	30%

SALES BY GEOGRAPHY²



SALES BY SECTOR²

Residential	35%	
Non-Residential	30%	
Infrastructure	35%	

Annualised Sales Volumes³

Aggregates: 108.8m tonnes	Cement: 35.8m tonnes	Readymixed Concrete: 16.9m m³	Asphalt: 10.8m tonnes	Lime: 7.7m tonnes	Concrete Products: 7.9m tonnes

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

1. Net Assets at 31 December 2021 comprise segment assets less segment liabilities excluding lease liabilities as defined on page 222.

2. Geography, sector exposure and end-use balance are based on sales.

3. Throughout this document annualised volumes have been used which reflect the full-year impact of development activity during the year and may vary from actual volumes sold.

Operations Review - Europe Materials

Prior Year 2020

Results		Analysis of change							
\$ million	2019	Exchange	Acquisitions	Divestments	Impairment/ One-offs ¹	Organic	2020	% change	
Sales revenue	9,509	+105	+63	-27	-	-509	9,141	-4%	
EBITDA (as defined)*	1,208	+14	+7	-3	-83	-88	1,055	-13%	
Operating profit/(loss)	622	+5	+1	-2	-743	-73	-190	-131%	
EBITDA (as defined)*/sales	12.7%						11.5%		
Operating profit/(loss)/sales	6.5%						-2.1%		

¹One-offs primarily due to COVID-19 related restructuring costs

Europe Materials experienced a challenging year as the recovery in the second half of the year could not fully mitigate the significant impact of COVID-19 related restrictions in the second quarter. Overall sales, EBITDA (as defined)* and operating performance finished below 2019 levels as strong performances in our Eastern European businesses were offset by a more challenging backdrop in a number of countries across Western Europe. A combination of volume growth, progress in pricing, good cost control and performance improvement initiatives drove some recovery in the second half of the year.

Arising from the Group's impairment testing process and as a result of the combined economic impacts of COVID-19 and Brexit, total non-cash impairment charges of \$0.8 billion were recognised in 2020. Europe Materials recorded impairment charges of \$0.7 billion in its operating profit, primarily related to its UK business. A further \$0.15 billion impairment charge was recorded on the Group's associate investment in China.

UK & Ireland

In our UK & Ireland businesses, strict COVID-19 restrictions resulted in widespread plant shutdowns during the second quarter which significantly impacted volumes during this period. Trading recovered as the year progressed, with strong cement volumes and increased paving activity in the second half of the year supporting improved aggregates and asphalt volumes; however, readymixed concrete volumes were slower to recover due to market uncertainty. Operating profit, impacted by the lower volumes, impairment charges and restructuring costs, finished below 2019 levels.

Europe North

Europe North (Finland, Germany and Switzerland) businesses did not experience significant COVID-19 related shutdowns and overall sales in Europe North ended ahead of 2019 levels supported by some larger aggregates projects. However, operating profit fell below 2019 due to a less favourable product mix and higher input and restructuring costs. Despite a good level of pricing progress and cost saving initiatives they were not enough to offset the lower cement, lime and readymixed concrete volumes and increased costs.

Europe West

Despite a good recovery in the second half of the year and a robust performance throughout the year in our Precast businesses, Europe West (France, Benelux, Denmark and Spain) sales ended the year down on 2019 as trading was significantly impacted by COVID-19 restrictions in the first half of the year. Volumes in France were severely impacted by the COVID-19 restrictions in the second quarter of 2020 as cement, aggregates and readymixed concrete volumes were significantly below 2019 levels. Price increases and cost saving actions were implemented to improve trading performance, but overall operating profit ended the year below 2019.

Europe East

Europe East (Poland, Ukraine, Romania, Hungary, Slovakia and Serbia) trading continued robustly in 2020 with cement volumes and sales ahead of 2019. Strong cost control, lower fuel costs and positive pricing all contributed to operating profit finishing strongly ahead of 2019 levels. Romania, in particular, experienced a very positive trading performance in 2020 with sales and operating profit both significantly ahead of 2019, as a continuation of infrastructure projects, the positive impact of local and national elections and increased residential repair works contributed to growing cement demand with pricing above 2019 levels. Overall, with minimal COVID-19 restrictions, positive underlying trading conditions combined with business improvement initiatives, Europe East saw a continuation of growth in sales and operating profit performance in 2020.

Asia

Domestic demand for cement in the Philippines was severely impacted between mid-March and May as COVID-19 restrictions resulted in plant shutdowns. Despite this challenging backdrop and lower pricing, operating profit finished well ahead of 2019 due to cost savings, performance improvement initiatives and improved volumes in the second half of the year.

CRH's operations include a 26% stake in Yatai Building Materials in China where, despite a severe COVID-19 impact in the first quarter, full year cement volumes ended ahead of 2019. Pricing remained challenging in the region which, in addition to the non-cash impairment charge resulted in operating profit below 2019 levels.

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

Current Year 2021

Results		Analysis of change						
\$ million	2020	Exchange	Acquisitions	Divestments	Impairment ¹ / One-offs ²	Organic	2021	% change
Sales revenue	9,141	+403	+8	-57	-	+1,086	10,581	16%
EBITDA (as defined)*	1,055	+34	-	-5	+83	+243	1,410	34%
Operating (loss)/profit	-190	+7	-	-2	+748	+251	814	528%
EBITDA (as defined)*/sales	11.5%						13.3%	
Operating (loss)/profit/sales	-2.1%						7.7%	

¹Includes \$0.7 billion 2020 impairment charge

²One-offs primarily due to 2020 COVID-19 related restructuring costs

Europe Materials benefited from continued growth in Eastern Europe and strong market recovery following the easing of COVID-19 restrictions in many of our key markets. Europe Materials generated sales of \$10.6 billion and EBITDA (as defined)* of \$1.4 billion, 16% and 34% ahead of prior year respectively with an operating profit of \$0.8 billion. Like-for-like sales were 11% ahead of 2020, while EBITDA (as defined)* increased by 22%. Energy market volatility resulted in increased cost inflation but positive pricing actions and a continued focus on cost savings and performance initiatives delivered margin expansion.

UK & Ireland

UK & Ireland sales were well ahead of prior year reflecting an improved trading environment following significant COVID-19 disruption in 2020. Operating profit was also significantly ahead due to improved volumes across all product lines but also assisted by cost saving and restructuring initiatives which commenced in 2020. Significant pricing actions were undertaken in the second half of the year to offset input cost inflation, which also contributed to the strong 2021 performance.

Europe North

Despite prolonged winter weather, demand in Europe North (Finland, Germany and Switzerland) improved as the year progressed. Cement and lime volumes were ahead of prior year which, combined with strong price increases, resulted in increased sales. Europe North experienced significant energy cost inflation, particularly in the second half, but additional pricing actions and a continued focus on cost saving initiatives resulted in operating profit well ahead of 2020 levels.

Europe West

Europe West (France, Benelux, Denmark and Spain) delivered a good trading performance with higher cement volumes combined with continued pricing progress across all markets. France in particular experienced a strong recovery as a result of improved underlying trading conditions which, together with significant cost saving actions implemented in 2020, have resulted in like-for-like operating profit well ahead of 2020. Our precast operations also delivered sales and operating profit ahead of 2020 despite experiencing significant raw material and energy cost inflation. Overall, continued cost saving actions and commercial initiatives resulted in operating profit well ahead of prior year.

Europe East

Europe East (Poland, Ukraine, Romania, Hungary, Slovakia and Serbia) experienced mild weather in the fourth quarter and robust demand throughout the year, which resulted in cement volumes ahead of 2020 and continued growth in downstream products. Operating profit in Poland was significantly ahead of prior year due to good volume and price increases combined with strong cost control. Despite rising energy cost inflation in the second half of the year, overall operating profit was well ahead of 2020 with good cost control and strong price increases across all markets.

Asia

Sales and operating profit in the Philippines were significantly ahead of 2020, which was severely impacted by COVID-19 restrictions. Cement volumes were well ahead in 2021 as the market recovered. Despite a competitive pricing environment and rising input costs, operational improvements and cost containment initiatives resulted in operating profit ahead of 2020.

CRH's operations include a 26% stake in Yatai Building Materials in China, where strong price increases offset lower volumes to deliver significantly improved operating profit in 2021.

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

Building Products

Our Building Products Division comprises businesses which manufacture, supply and deliver a wide range of high quality, value-added, innovative products and integrated solutions globally.

What we do

CRH's Building Products Division is a leading manufacturer and supplier of high value-added building products for use primarily in both residential and non-residential construction projects globally.

Our diverse range of products includes brickwork supports that keep walls standing, glazing systems that hold glass in place, products that collect, connect and protect vital utility infrastructure and pavers, blocks and patio products used to pave our city centres and create unique outdoor living spaces.

The Division operates across 19 countries and is comprised of four strategic product platforms: Architectural Products, Building Envelope, Infrastructure Products and Construction Accessories (operating under the Levia brand). The Division has leading positions, across multiple markets, in all four product areas.

Our businesses combine deep customer understanding with an innovation focused mindset to deliver solutions that are tailored to meet current market demand while also working with customers to innovate and develop new solutions that address longer-term opportunities presented by economic development, changing demographics, sustainable development and other evolving global construction trends.

How we create value

Our global division, balanced across geographies and end-use sectors allows us to leverage scale, talent, brands, customer relationships and technical expertise, to create value and deliver superior performance.

An innovation-led approach to the development of integrated building products and solutions is a key characteristic of our business, while our ability to customise and create bespoke products and end-to-end solutions creates competitive advantage

and helps to drive sustainable growth.

Our strategy is to build and grow scalable businesses and to adapt and grow as our markets evolve.

Our development focus aims to deepen our position in existing business platforms and to broaden our differentiated product portfolio.

We assess development opportunities through the lens of providing access to growth markets that are favourably exposed to global megatrends including increasing urbanisation, the growth of cities and the demand for more sustainable forms of construction.

How we are structured

Our Building Products Division is structured around four core product groups: Architectural Products, Building Envelope, Infrastructure Products and Construction Accessories (operating under the Levia brand). The Division employs approximately 23,500 people at close to 100 locations across 19 countries.

Our products

Architectural Products

Our Architectural Products include pavers, blocks and kerbs, retaining walls and slabs, patio products and decking, lawn and garden products as well as bagged dry-mix cements for both private and public use.

Building Envelope

Our Building Envelope products include architectural glass, storefront systems, custom engineered curtain and window wall, architectural glazing systems and related hardware.

Infrastructure Products

CRH's Infrastructure Products' range of precast concrete, PVC and polymer-based products include stormwater products, underground vaults, drainage pipe and structures, utility enclosures and modular precast structures.

Construction Accessories

Our Construction Accessories products include a broad range of engineered anchoring, fixing and connection solutions as well as lifting systems, formwork accessories and general accessories for construction applications.

Where we are located



2021 Performance Highlights

	\$ million	% of Group
Sales	7,993	26%
EBITDA (as defined)*	1,352	25%
Operating Profit	983	27%
Net Assets ¹	6,698	22%

SALES BY END-USE²

New Build	RMI
55%	45%

SALES BY PRODUCT GROUP²



SALES BY SECTOR²

Residential	50%	
Non-Residential	40%	
Infrastructure	10%	

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

1. Net Assets at 31 December 2021 comprise segment assets less segment liabilities excluding lease liabilities as defined on page 222.

2. Products, sector exposure and end-use balance are based on sales.

Operations Review - Building Products

Prior Year 2020

Results		Analysis of change						
\$ million	2019	Exchange	Acquisitions	Divestments	Impairment/ One-offs ¹	Organic	2020	% change
Sales revenue	6,997	+14	+262	-347	-	+247	7,173	3%
EBITDA (as defined)*	1,076	-	+50	-32	-15	+91	1,170	9%
Operating profit	748	-1	+26	-17	-19	+85	822	10%
EBITDA (as defined)* / sales	15.4%						16.3%	
Operating profit / sales	10.7%						11.5%	

¹One-offs primarily due to COVID-19 related restructuring costs

In 2020, Building Products recorded like-for-like sales growth of 4% due to strong residential RMI demand, especially in North America, which more than offset the effect of a more subdued non-residential sector. Ongoing business improvement initiatives and COVID-19 mitigating actions delivered higher margins through production efficiencies, commercial excellence, procurement savings and overhead cost control. On a like-for-like basis EBITDA (as defined)* increased by 8% and operating profit by 11%, as a result of the improved sales growth and continued progress with cost reductions.

Following a strong start to the year, economic conditions in North America and Europe were significantly impacted by COVID-19. The pandemic particularly affected non-residential construction activity while the residential sector was bolstered by increased home improvement activity.

Activity levels in North America were impacted by COVID-19 restrictions from the first quarter of 2020, mostly affecting the West Coast, Northeastern US, and Canada. In Europe, construction markets showed resilience in Central and Eastern European countries, while much of Western Europe, notably the UK, France, and Belgium, saw more severe volume impacts from lockdown restrictions, particularly in the first half of the year.

Two divestments and six bolt-on acquisitions were completed in 2020. Building Products' largest acquisitions were two manufacturers of underground enclosures in Tennessee and Texas, both within Infrastructure Products.

Architectural Products

Architectural Products in North America delivered strong sales growth in 2020, reflecting positive market demand across all product groups and regions. With North America seeing heightened residential RMI demand, sales through both our retail and professional channels increased. The businesses delivered significant margin expansion from the continued focus on operational excellence, as well as modest price growth and tight overhead cost control. Sales in our European businesses were ahead mainly due to volume growth in Germany and Poland.

Building Envelope

Building Envelope's sales were lower than 2019, with COVID-19 restrictions unfavourably impacting volumes across key products and geographies, particularly at C.R. Laurence. Volumes were impacted by the softening of non-residential markets, with a number of projects being delayed or cancelled, while the selling price environment remained competitive. As restrictions eased, the rate of sales decline lessened over the course of the second half. Operating profit was behind 2019 as a result of lower volumes, partly offset by cost management initiatives.

Infrastructure Products

Like-for-like sales were lower than 2019 because of reduced demand as a number of non-residential and public infrastructure projects were delayed or cancelled due to COVID-19. However, sales of key products to the communications sector and electric utilities proved to be resilient as demand for IT infrastructure was strong. The business recorded increased like-for-like operating profit due to continued performance improvement measures and focused cost control. Europe recorded lower like-for-like sales in 2020 because of COVID-19 restrictions in key markets, particularly the UK. In Australia, like-for-like sales were below 2019 due to continued challenges in the telecom sector in the country.

Construction Accessories

Like-for-like sales were lower than 2019 because of COVID-19 shutdowns affecting project activity particularly in the first half. In Europe, sales were worst affected in Western Europe, with Central and Eastern European markets experiencing more resilient demand. Sales in Australia benefited from several large infrastructure projects, while North America recorded lower like-for-like sales due to increased competition, further compounded by COVID-19. Operating profit was lower in 2020, as the unfavourable volume impact was only partly offset by overhead cost savings and benefits from ongoing procurement, commercial and operational initiatives.

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

Current Year 2021

Results		Analysis of change						
\$ million	2020	Exchange	Acquisitions	Divestments	Impairment/ One-offs ¹	Organic	2021	% change
Sales revenue	7,173	+87	+380	-29	-	+382	7,993	11%
EBITDA (as defined)*	1,170	+11	+71	-5	+15	+90	1,352	16%
Operating profit	822	+6	+49	-4	+19	+91	983	20%
EBITDA (as defined)*/sales	16.3%						16.9%	
Operating profit/sales	11.5%						12.3%	

¹One-offs primarily due to 2020 COVID-19 related restructuring costs

Building Products delivered sales growth of 11% due to strong demand for residential construction, particularly in North America, along with a good recovery in certain parts of the non-residential sector. Ongoing business improvement initiatives delivered higher margins through production efficiencies, good commercial management, procurement savings and overhead cost control. EBITDA (as defined)* increased by 16% while operating profit was 20% ahead. Like-for-like sales were 5% ahead of 2020, while like-for-like EBITDA (as defined)* increased by 8%.

During 2021 Building Products completed eight bolt-on acquisitions, primarily in the US and across all product platforms, at a total spend of \$0.8 billion. The largest acquisition was Infrastructure Products' purchase of NPP, a water, energy and infrastructure solutions business.

Architectural Products

Architectural Products in North America delivered strong sales growth in 2021, reflecting positive market demand and robust residential RMI activity. Operating profit increased due to improved pricing and volume growth, a continued focus on operational improvements and strong overhead cost control. Sales in our European businesses were slightly ahead, with operating profit growth driven by operational and commercial excellence initiatives and improved product mix.

Building Envelope

Building Envelope's sales increased driven by strong pricing and early signs of recovery in the non-residential market. Operating profit was ahead of prior year driven by improved pricing, operational excellence initiatives and other cost savings, partly offset by input cost inflation.

Infrastructure Products

Infrastructure Products experienced strong sales growth in 2021. Sales to the communications and utilities sectors were resilient and demand for IT infrastructure was strong. The business delivered increased operating profit due to continued performance improvement measures and good cost control. Total sales and operating profit also benefited from the acquisition of NPP in the third quarter. Our European businesses contributed to the strong sales growth and operating profit was ahead. Our Australian business experienced lower sales due to COVID-19 restrictions which hindered production and limited deliveries.

Construction Accessories

Like-for-like sales in Construction Accessories were ahead of 2020 driven by strong volumes as the business benefited from higher residential demand and project activity. Sales growth was primarily led by North America, the UK and France. Increased sales and continued cost saving initiatives more than offset input cost inflation, resulting in like-for-like operating profit ahead of prior year.

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



Through a values-driven culture we strive to maintain the highest standards of corporate governance and responsible leadership. At CRH, our culture of ethical behaviour allows us to build trust with our stakeholders and create long-term sustainable value.

Governance

⇒ 54-121

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Heembeton, part of CRH's Europe Materials Division based in the Netherlands, is a leading producer of prefab building systems and solutions including prefab concrete walls and facades which enable quicker and more efficient construction of both commercial and residential structures.

Board of Directors



Richie Boucher

Chairman

Appointed to the Board: March 2018

Nationality: Irish **Age:** 63

Committee membership:

ADF N R S

Skills and experience:

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

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

External appointments:

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

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



Albert Manifold

Chief Executive

Appointed to the Board: January 2009

Nationality: Irish **Age:** 59

Committee membership:

ADF S

Skills and experience:

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

Qualifications: FCPA, MBA, MBS.

External appointments:

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

Non-listed: Not applicable.



Jim Mintern

Group Finance Director

Appointed to the Board: June 2021

Nationality: Irish **Age:** 54

Committee membership:

ADF

Skills and experience:

Jim has over 30 years' experience in the building materials industry, nearly 20 years of which have been with CRH. Jim joined CRH as Finance Director for Roadstone and since then has held several senior positions across the Group, including Country Manager for Ireland, Managing Director of each of the Western and Eastern regions of our Europe Materials Division and most recently Chief of Staff to the Chief Executive, where he worked closely with divisional and operational leadership and had oversight of the Group's Performance, Safety and Special Projects activities and led a number of Performance Improvement initiatives in recent years. He was appointed to the Board and became Group Finance Director with effect from 1 June 2021.

Qualifications: Fellow of Chartered Accountants Ireland. Jim also holds a Bachelor of Commerce from University College Dublin.

External appointments:

Listed: Not applicable.

Non-listed: Not applicable.

Board Committees

A Audit

ADF Acquisitions, Divestments & Finance

N Nomination & Corporate Governance

R Remuneration

S Safety, Environment & Social Responsibility

Committee Chairman



Gillian L. Platt
Senior Independent Director

Appointed to the Board: January 2017

Nationality: Canadian **Age:** 68

Committee membership:



Skills and experience:

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

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

External appointments:

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

Non-listed: Not applicable.



Caroline Dowling
Non-executive Director

Appointed to the Board: March 2021

Nationality: Irish **Age:** 54

Committee membership:



Skills and experience:

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

External appointments:

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

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



Richard Fearon
Non-executive Director

Appointed to the Board: December 2020

Nationality: United States **Age:** 65

Committee membership:



Skills and experience:

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

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

External appointments:

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

Non-listed: Not applicable.

Board of Directors - continued



Johan Karlström
Non-executive Director

Appointed to the Board: September 2019

Nationality: Swedish **Age:** 65

Committee membership:

ADF R S

Skills and experience:

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

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

External appointments:

Listed: Not applicable.

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



Shaun Kelly
Non-executive Director

Appointed to the Board: December 2019

Nationality: Dual United States & Irish

Age: 62 **Committee membership:**

A ADF R

Skills and experience:

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

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

External appointments:

Listed: Not applicable.

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



Badar Khan
Non-executive Director

Appointed to the Board: October 2021

Nationality: Dual British & United States

Age: 50 **Committee membership:**

A S

Skills and experience:

Badar is currently President of National Grid US, a major business segment of the leading energy transmission and distribution company, National Grid plc. Prior to this, he held a variety of roles in National Grid, including responsibility for strategy and innovation. Before joining National Grid he worked at Centrica plc (2003 to 2017), a leading international energy services and solutions company, where he held a variety of senior executive positions in the UK and US, and has prior experience in marketing, consulting and project management.

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

External appointments:

Listed: Not applicable.

Non-listed: Non-executive Director of the American Gas Board.

Audit Committee Financial Expert as determined by the Board

Board Committees

A

Audit

N

Nomination &
Corporate Governance

S

Safety, Environment
& Social Responsibility

ADF

Acquisitions,
Divestments & Finance

R

Remuneration

Committee Chairman



Lamar McKay

Non-executive Director

Appointed to the Board: December 2020

Nationality: United States **Age:** 63

Committee membership:

A ADF N R S

Skills and experience:

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

Qualifications: Bachelor of Science from Mississippi State University.

External appointments:

Listed: Non-executive Director of APA Corporation.

Non-listed: Not applicable.



Mary K. Rhinehart

Non-executive Director

Appointed to the Board: October 2018

Nationality: United States **Age:** 63

Committee membership:

N R S

Skills and experience:

Mary became non-executive Chairman of Johns Manville Corporation in September 2020, prior to which she held the role of Chairman, Chief Executive Officer and President. Johns Manville is a Berkshire Hathaway company, which is a leading global manufacturer of premium quality building products and engineered specialty materials. Over nearly 40 years with Johns Manville she has held a wide range of global leadership roles, encompassing responsibility for business management and strategic business development and was also Chief Financial Officer. Mary was until recently a non-executive Director of Ply Gem Holdings Inc., a leader in exterior building products in North America and Lead Director of CoBiz Financial Inc.

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

External appointments:

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

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

Siobhán Talbot

Non-executive Director

Appointed to the Board: December 2018

Nationality: Irish **Age:** 58

Committee membership:

A ADF N

Skills and experience:

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

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

External appointments:

Listed: Group Managing Director of Glanbia plc.

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

Corporate Governance Report

The Corporate Governance Report contains details of CRH's governance structures and highlights areas of focus for the Board over the last year. In keeping with prior years, details of CRH's general governance practices are available in the governance appendix on CRH's website, www.crh.com (the 'Governance Appendix')¹. CRH implemented the 2018 UK Corporate Governance Code (the '2018 Code') and this Report explains how the principles of the 2018 Code have been applied.

Operation of the Board

Following the onset of COVID-19, the Board met virtually for a period of 18 months up to mid-2021. Whilst this worked well, and did not hinder the Board in fulfilling its responsibilities and duties, I am pleased to report that we recommenced in-person meetings with suitable safety protocols in place in the second half of the year. This has enhanced the richness of discussion at Board and Committee meetings, and non-executive Director sessions. It has also helped forge relationships between the four directors appointed since March 2020 and existing Board members, and has led to increased and more in-depth interactions with the senior management team. During the course of 2022, we intend to recommence our twice-yearly site visits to operations in Europe and the US.

Senior Executive Succession

Senior executive succession planning continued to be an area of focus for the Board and Nomination & Corporate Governance Committee. Details on activity in this area during 2021 are set out on page 71.

The Board also received regular updates on the bench strength and diversity of the senior management team, together with detailed plans for development generally and by individual role.

Board Committees

Detailed reports on the areas of focus for the Audit, Nomination & Corporate Governance, Remuneration and Safety, Environment and Social Responsibility (SESR) Committees are included on pages 64 to 109.

The performance of the Board's Committees was assessed as part of the external Board evaluation process referred to below.

During 2021, the Board approved minor changes to the Terms of Reference of the Audit, Nomination & Corporate Governance, Remuneration and SESR Committees. The changes were primarily to align the Terms of Reference with current Board practices and terminology and to ensure they remain aligned with evolving best practice, where relevant. The updated Terms of Reference are available on the CRH website, www.crh.com.

1. The Governance Appendix is published in conjunction with the Directors' Report in compliance with Section 1373 of the Companies Act 2014. For the purposes of Section 1373(2) of the Companies Act 2014, the Governance Appendix and the risk management disclosures on pages 32 to 35 and 116 to 121 form part of, and are incorporated by reference into, this Corporate Governance Report.

The primary (premium) listing of CRH plc is on the LSE, with the listing on Euronext Dublin characterised as secondary. For this reason, CRH plc is not subject to the same ongoing listing requirements as would apply to an Irish company with a primary listing on Euronext Dublin. For further information, shareholders should consult their financial adviser. Further details on the Group's listing arrangements, including its premium listing on the LSE, are set out on page 74.



In line with prior years, there was regular and extensive engagement on governance matters during the past year with more than 20 meetings with shareholders representing just over 35% of the issued share capital."

Richie Boucher
Chairman

Board Evaluation

During 2021, the Board engaged Christopher Saul Associates to undertake an external board performance evaluation. The report presented to the Board (the '2021 Report') concluded that the Board is operating effectively. It is collegiate and well-led, it operates to high standards of professionalism and benefits from quality support. The Committees observed work diligently and effectively and are well-integrated into Board processes. The relationship between the Board and management is respectful and constructive. It also contained recommendations to further enhance our effectiveness including in relation to:

- Board paper content and circulation;
- Giving consideration to whether the Nomination & Corporate Governance Committee could broaden and deepen its activities, for example, in relation to human capital management without undue overlap with the SESR Committee and separately undertaking a review of the breadth of the SESR Committee's responsibilities; and
- Enhancing Board interaction further, leveraging on the experience of the non-executive Directors and looking at increasing the regularity of non-executive Director sessions

2018 Code – Compliance Statement

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



1. Board Leadership and Corporate Purpose
2. Division of Responsibilities
3. Composition, Succession and Evaluation
4. Audit, Risk and Internal Controls
5. Remuneration

As demonstrated by the disclosures in this Report and the details of CRH's general governance practices in the Governance Appendix, CRH applied the principles and complied with the provisions of the 2018 Code in 2021, with the exception of the following provision:

- **Provision 38:** alignment of pension contribution rates with wider workforce – see page 101 for more details.

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

Whilst no particular skill or diversity gaps were identified, the 2021 Report included considerations to take into account to developing Board composition priorities.

The internal and external board performance evaluation processes are one element in the process for identifying strategic themes for discussion by the Board. The 2021 Report highlighted topics that were currently front of mind for the non-executive Directors. The process used for the evaluation is set out on page 72 in the Nomination & Corporate Governance Committee Report.

External Board Appointments

The external directorships of each Director are detailed in their biographies on pages 56 to 59.

Richard Fearon and Johan Karlström sought and received approval to take up additional Board roles during 2021. The Board was satisfied that these new commitments do not impinge on their non-executive duties on the CRH Board.

Corporate Purpose

As reported last year, a project has been underway to more fully articulate CRH's purpose - a purpose which captures our aspirations beyond financial returns, inspires our people and guides our day-to-day operations, our culture, and our strategy.

The framework used during the project utilised insights from CRH's Values, work on CRH brands, historical documents, focus groups and test panels of employees across the geographies and Divisions of CRH, along with insights from a range of external experts from a number of specialist fields.

This work is now complete and will be launched with our employees during 2022.

As part of the purpose project, our Values have been refined, to align and further support the organisation in living our purpose.

Stakeholder Engagement

The Board has delegated responsibility for workforce engagement to the SESR Committee. Given the footprint of CRH with c.77,400 employees in 28 countries, we believe this is the best and most effective way of ensuring that the views of employees are understood and are taken into consideration in the Board's decision-making processes. The Board receives regular updates and recommendations from the SESR Committee, the work of which is described in detail on pages 76 to 79.

Board members also attended a seminar of management from across the Group held during the year with appropriate social restrictions and safety protocols, which focused on key issues facing the Group, including, sustainability challenges and opportunities, the work of exploration groups made up of high potential talented employees who were focused on horizon scanning in relation to the future of the construction industry, the work ongoing to embed customer perspectives in our approach to business and the project to articulate CRH's purpose referred to above.

In line with prior years, there was regular and extensive engagement on governance matters during the past year with more than 20 meetings with shareholders representing just over 35% of the issued share capital. Typically the meetings covered topics such as the safety of our employees, particularly in the context of COVID-19, Board renewal priorities, executive succession planning, strategy, capital allocation, the oversight of the Board in relation to business improvement initiatives, the areas of focus for the Board in relation to sustainability and remuneration arrangements. Shareholder

Corporate Governance Report - continued

engagement is a regular topic on Board agendas and feedback from these meetings is circulated with Board papers in order that all Directors have a comprehensive understanding of shareholder perspectives on these topics when making Board decisions.

In a separate consultation process, we sought feedback from shareholders representing just over 50% of the issued share capital in relation to proposals for the updated remuneration policy to be considered at the 2022 AGM. I am pleased to report that c.60% of the shareholders contacted provided us with their considered perspectives on the Remuneration Committee's proposals. Full details of the consultation process and the final remuneration policy proposals are set out in the Directors' Remuneration Report on pages 80 to 97.

Following engagement with investor groups, during the year we undertook a review of climate change lobbying practices to ensure there is an alignment between those practices and the expectations of the Board and our stakeholders. Further detail is set out on page 79 in the SESR Committee Report. We also published the CRH Group Tax Strategy, which sets out the tax objectives, strategy and governance framework of the Group due to the increasing importance for tax transparency across a number of different stakeholders including Governments, sustainability analysts and investors.

The full range of ways in which we engage with our stakeholders are set out on page 27, which also includes a summary of each stakeholder's main areas of interest and the outcomes of the various engagement processes in 2021.

Litigation and Compliance

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

Dematerialisation of Share Certificates

Under the EU Central Securities Depositories Regulation (EU) 909/2014 (CSDR), there is a requirement for all shares in Irish issuers to be held in book-entry form. The period by which this transition must happen is between January 2023 and January 2025. Book-entry form means an electronic record of ownership such as an entry in an electronic register, without any further or other document such as a share certificate. The Irish market is intending to dispense with share certificates with effect from 1 January 2023. Therefore, from that date all CRH share certificates in issue will be cancelled. However, this will be the only change as these holdings are currently recorded in electronic form on the CRH register of members.

The removal of share certificates will bring benefits to shareholders by reducing the paperwork associated with share transactions such as sales or share transfers and by removing the need for expensive insurance cover in the event that share certificates have been lost or mislaid. Industry participants, such as brokers and registrars, are currently updating their systems to ensure there is no impact on shareholders who currently hold share certificates.

We understand that the Irish government is planning to introduce legislation to update Irish company law in a way that will override references in the Articles of Association of all Irish issuers to share certificates. Once this legislation is in place, we will seek shareholder approval to align the Articles of Association with the new legislation.

Re-election of Directors

Table 6 on page 72 provides a summary of competencies, important to the long-term success of the Group, that each Director seeking re-election at the 2022 AGM brings to the Board.

I have evaluated the performance of each Director and am satisfied that each Director is committed to their role, provides constructive challenge and devotes sufficient time and energy to contribute effectively to the performance of the Board.

I strongly recommend that shareholders vote in favour of the re-appointment of each Director going forward for re-election at the 2022 AGM.

Conclusion

The CRH Board and its Committees continued to perform effectively in the past year and I very much appreciate the individual and collective efforts of my executive and non-executive colleagues. I am satisfied that we have made good progress on our key governance priorities in the areas of succession planning, board renewal, more comprehensively articulating CRH's purpose, sustainability and ensuring we understand the views and perspectives of our stakeholders when making decisions. Your Board is also committed to ensuring that CRH continues to be a leader in managing the challenges and opportunities arising from the impact of climate change and to transparently reporting on our progress in this important area.

Richie Boucher
Chairman
2 March 2022



Oldcastle Infrastructure, part of CRH's Building Products Division, is one of North America's largest manufacturers of infrastructure products for the telecommunications, energy, transportation, and water markets, including solutions for stormwater management and drainage, wastewater, irrigation, marine and potable water.



Introduction

The responsibilities of the Committee are set out in full in its Terms of Reference, which is available on our website, www.crh.com. General details in relation to the role and responsibilities of the Committee, its operation and the policies applied by it, can be found in the Governance Appendix, which is also available on our website.

While the Committee continued to focus on monitoring the effectiveness of the Group's financial reporting and Enterprise Risk Management framework and the integrity of the Group's internal and external audit processes during 2021, we also spent time considering and discussing with management CRH's reporting on climate-related risks, including the impact on the Group's accounting judgements, disclosures and financial statements and their alignment with CRH's carbon reduction targets, and its approach with regard to compliance with the recommendations of various regulatory bodies (International Accounting Standards Board, International Audit and Assurance Standards Board, Financial Reporting Council, European Securities and Markets Authority), the Task Force on Climate-related Financial Disclosures (TCFD) and the emerging EU Taxonomy requirements. The Committee, and indeed the wider Board and management team, take the issue of climate change very seriously and, as we work towards our ambition of carbon neutrality by 2050, we understand the importance of ensuring transparency for all stakeholders on our plans and progress. Further details on the impact of climate change on CRH can be found on pages 28 to 31.

Table 1 on pages 66 and 67 outlines the principal areas that the Committee focused on in 2021.

Audit Committee Membership

The Committee currently consists of five non-executive Directors considered by the Board to be independent. The biographical details of each member are set out on pages 57 to 59. Together, the members of the Committee bring a broad range of relevant experience and expertise from a variety of industries which is vital in supporting effective governance and enabling the Committee to discharge its responsibilities. Richard Fearon, Siobhán Talbot and I have been designated by the Board as the Committee's financial experts and meet the specific requirements for recent and relevant financial experience, as set out in the 2018 Code.

Audit Committee Meetings

During 2021, the Committee held eight meetings in order to discharge its duties and responsibilities. Meetings of the Committee are generally scheduled around the financial



The Committee spent time considering and discussing with management the Group's reporting on climate-related risks, including the impact on the Group's accounting judgements, disclosures and financial statements..."

Shaun Kelly
Chairman of Audit Committee

reporting cycle to allow the Committee to discharge its duties in relation to the Group's financial statements and generally take place in advance of Board meetings to enable me to provide the Board with a detailed update on the key items discussed at each Committee meeting. The Board also receives copies of the minutes of all Committee meetings.

The Finance Director, Head of Internal Audit and representatives of the Group's external auditors, Deloitte, typically attend Committee meetings. Other senior finance personnel attend Committee meetings to provide updates on certain key areas of the business, as appropriate. As Chairman of the Committee, I am available to all Board members to discuss any audit or risk related issues they may have. I meet with Deloitte and the Head of Internal Audit on a regular basis, in order to discuss any issues which may have arisen.

External Auditor

Deloitte was appointed as the Group's external auditor with effect from 1 January 2020 following the completion of a competitive tender process in 2018. Richard Muschamp is the Group's lead audit engagement partner.

Effectiveness

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

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

In June 2021, the Committee met with Deloitte to agree the 2021 external audit plan. Table 2 on page 68 outlines the key areas identified as being potentially significant and how these were addressed during the year. The Committee met regularly with Deloitte during 2021 to monitor progress in relation to the 2021 plan. In February 2022, the Committee received and considered a report from Deloitte on its key audit findings, including the key risks and significant areas of judgement, prior to making a recommendation to the Board in relation to the approval of this 2021 Annual Report and Form 20-F.

Further details in relation to the external auditor, including information on how auditor objectivity and independence are maintained, are included in Section 2 of the Governance Appendix.

Following consideration of the above processes, the Committee is satisfied with the services provided by Deloitte to CRH during 2021.

Non-audit Fees

In order to ensure auditor independence and objectivity, the Committee has a policy governing the provision of audit and non-audit services by the external auditor. In 2021, Deloitte provided a number of audit services, including Sarbanes-Oxley Section 404 attestation¹. Deloitte was also engaged during 2021 on a limited number of non-audit services mainly in relation to potential divestments, as well as to provide help with local tax compliance, advice on taxation laws and other related matters, assignments which typically involve relatively low fees. The Committee is satisfied that the external auditors' knowledge of the Group was an important factor in choosing them to provide these services. The Committee

is also satisfied that the fees paid to Deloitte for non-audit work in 2021, which amounted to \$1.8 million and represented less than 9% of the total fees for the year, did not compromise their independence or objectivity. Details of the amounts paid to the external auditor during the year for audit and other services are set out in note 5 to the Consolidated Financial Statements on page 161 (see also Table 3 on page 68). Further details in relation to the Group's policy regarding non-audit fees are set out in Section 2 of the Governance Appendix.

Internal Audit Effectiveness

In December 2020, the Committee received and considered the Internal Audit Charter and audit plan for 2021. During the year, the Committee was updated regularly by the Head of Internal Audit on the delivery of the 2021 plan and on the principal findings from the work of Internal Audit and management's responses thereto.

External Quality Assessments of Internal Audit are conducted periodically to ensure that the Internal Audit function continues to work efficiently and effectively and in compliance with good practice standards, with the latest assessment being conducted during 2021 by KPMG. The assessment included interviews with key stakeholders across the Group (including the members of the Committee) and the examination of the information provided to the Committee. The results identified some areas where the effectiveness of the function could continue to be enhanced. A detailed action plan to address the recommendations has been agreed and will be implemented in 2022.

Audit Committee Effectiveness and Priorities for 2022

During 2021, the Board undertook an externally facilitated Board effectiveness review, which assessed our performance as a Committee. I am happy to confirm that the evaluation concluded that the Committee continues to operate effectively. I would like to thank my fellow Committee members, the management team, Internal Audit and Deloitte for their commitment and input to the work of the Committee during 2021. Looking ahead to 2022, the Committee will continue to focus on the key ongoing areas outlined in Table 1 on pages 66 and 67, and will also continue to monitor and assess the potential impact of the principal and emerging risks and uncertainties (including climate change) on the Group's Consolidated Financial Statements.

Shaun Kelly
Chairman of Audit Committee
2 March 2022

1. A copy of Section 404 of the Sarbanes Oxley Act 2002 can be obtained from the SEC's website, www.sec.gov.

Audit Committee Report - continued

Key Areas of Focus in 2021

Table 1

In addition to the Committee's responsibilities under section 167(7) of the Companies Act 2014, the key areas of focus for the Committee in 2021 included the following:

External Auditor



Deloitte has been the Group's external auditors since 2020. Richard Muschamp has been the Group's lead audit engagement partner since Deloitte's appointment as external auditor. Following an assessment of Deloitte's continued independence, objectivity and performance, and having received confirmation of their willingness to continue in office, the Committee has recommended to the Board their continuance in office for the 2022 financial year. Their continuance in office will be subject to a non-binding advisory vote at the 2022 AGM.

We also considered and approved the remuneration of Deloitte. Further details of the remuneration received by Deloitte in 2021 are set out in note 5 of the Consolidated Financial Statements on page 161.

Financial Reporting & External Audit



We reviewed the 2021 Annual Report and Form 20-F and the appropriateness of the Group's accounting principles, practices and policies, including the key estimates, judgements and disclosures made by management, together with the annual and half-year financial statements, and recommended them to Board for approval.

In June 2021, we met with Deloitte to agree the 2021 external audit plan. This included robust discussion and challenge with both Deloitte and management on the scope, materiality thresholds and structure of the 2021 external audit plan. Table 2 on page 68 outlines the key areas identified as being potentially significant and how we addressed these during the year. We met with Deloitte in February 2022 to discuss Deloitte's findings, observations and recommendations arising from the 2021 external audit.

Climate Change



A particular area of focus for the Committee in its review of the 2021 Annual Report and Form 20-F was the Group's reporting on climate-related risks, including the impact on the Group's accounting judgements, disclosures and financial statements, including their alignment with CRH's carbon reduction targets, and its approach with regard to compliance with the recommendations of various regulatory bodies (International Accounting Standards Board, International Audit and Assurance Standards Board, Financial Reporting Council, European Securities and Markets Authority), the Task Force on Climate-related Financial Disclosures (TCFD) and the emerging EU Taxonomy requirements. In conjunction with the SESR Committee, which took a lead role in analysing the TCFD recommendations and EU Taxonomy regulations and the Company's response thereto, the Committee reviewed the climate disclosures including the TCFD disclosures on pages 28 to 31 and agreed that these are appropriate and that the assumptions used in the financial statements were consistent with these disclosures.

Accounting & Regulatory Developments



We considered and discussed with management and Deloitte various accounting and reporting changes that impacted on the 2021 Annual Report and Form 20-F and/or future financial periods, including:

- The new SEC mining property reporting requirements effective for the year ended 31 December 2021 (see pages 226 to 231 for more details); and
- The new requirements under the EU Transparency Directive and European Single Electronic Format (ESEF) Regulation effective for 2021 in relation to the preparation and publication of annual reports in a single, structured, electronic format that are 'machine-readable'

Impairment Testing



Through discussions with both management and Deloitte, we reviewed management's impairment testing methodology and processes, including key judgement areas, assumptions and alignment with our 2025 carbon reduction targets, as well as the relevant accounting and disclosure requirements. We found the methodology to be robust and the results of the testing process appropriate. Further details in relation to the impairment outcome for 2021 are outlined in Table 2 on page 68.

Key Areas of Focus in 2021 - continued

Table 1

Risk Management & Internal Control



We continued to monitor and assess the Group's Enterprise Risk Management framework and the principal and emerging risks and uncertainties facing the Group, including those that could threaten its business model, future performance, solvency or liquidity. This included discussion on the impact of climate-related risks on the Group's accounting judgements, disclosures, processes and financial statements.

We also considered an assessment of the Group's risk management and internal control systems. This had regard to risk management strategies and all material controls, including financial, operational and compliance controls that could affect the Group's business. Following this review, we concluded that the Company's systems of risk management and internal control were effective and appropriate in the context of the Group.

IT Governance and Cyber Security



We continued to monitor and discuss with management the Group's IT governance and information security programme and the Group's ability to address evolving cyber security threats.

Internal Audit



During the year, we received regular updates from the Head of Internal Audit on delivery of the 2021 Internal Audit Plan and on the principal findings from the work of Internal Audit and management's responses thereto. In December 2021, the Committee considered and approved the proposed Internal Audit plan and approach for 2022, together with the Internal Audit Charter.

We also considered the results of an independent external assessment of the Internal Audit function which was conducted by KPMG during 2021. The assessment included interviews with key stakeholders across the Group (including the members of the Committee) and the examination of the information provided to the Committee. The results, which were generally very positive, identified some areas where the effectiveness of the function could be enhanced. A detailed action plan to address the recommendations has been agreed and will be implemented in 2022.

Going Concern & Viability Statements



We reviewed the Going Concern Statement (see page 112), including the underlying assumptions (including alignment with the Group's 2025 carbon reduction targets) and analysis to support the Going Concern Statement, and recommended to the Board that it approve the Going Concern Statement.

We also reviewed and discussed with management the methodology and processes underlying the Viability Statement, including the alignment with the Group's 2025 carbon reduction targets, as set out on page 35. We found the methodology and processes to be robust and recommended to the Board that it approve the Viability Statement.

Directors' Compliance Statements



We considered the requirements of the Irish Companies Act 2014 in relation to the Directors' Compliance Statement and received a report from management on the review undertaken during the financial year of the compliance structures and arrangements in place to ensure the Company's material compliance with its relevant obligations. On the basis of this review, we confirmed to the Board that the Company, in our opinion, is in material compliance with its relevant obligations.

Audit Committee Report - continued

Areas Identified for Focus During the 2021 External Audit Process

Table 2

Impairment of Goodwill



For the purposes of its annual impairment testing process, the Group assesses the recoverable amount of each of CRH's cash-generating units (CGUs—see details in note 14 to the Consolidated Financial Statements) based on a value-in-use computation. The annual goodwill impairment testing was conducted by management, and papers outlining the methodology and assumptions used in, and the results of, that assessment were presented to the Committee. This included review of key judgement areas and assumptions such as CGU determination, discount rates, growth rates and alignment with the Group's 2025 carbon reduction targets. Following its deliberations, the Committee was satisfied that the methodology used by management (which was consistent with prior years) and the results of the assessment, together with the disclosures in note 14, were appropriate.

As outlined in note 14, no impairment charge was recorded in 2021 (2020: \$0.4 billion).

Contract Revenue Recognition

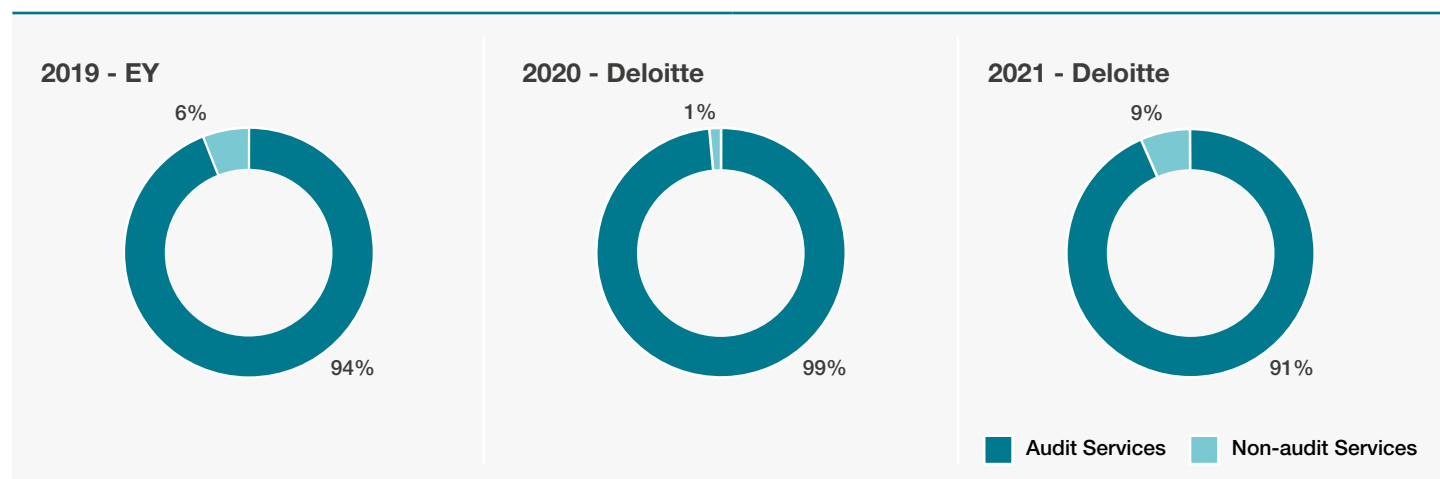


IFRS 15 *Revenue from Contracts with Customers* requires revenue and expenses to be recognised on uncompleted contracts, with the underlying principle that, once the outcome of a long-term construction contract can be reliably estimated, revenue and expenses associated with that contract should be recognised by reference to the percentage of completion. If it is anticipated that the contract will be onerous (i.e. its unavoidable cost exceeds the economic benefit of the contract), a provision is created.

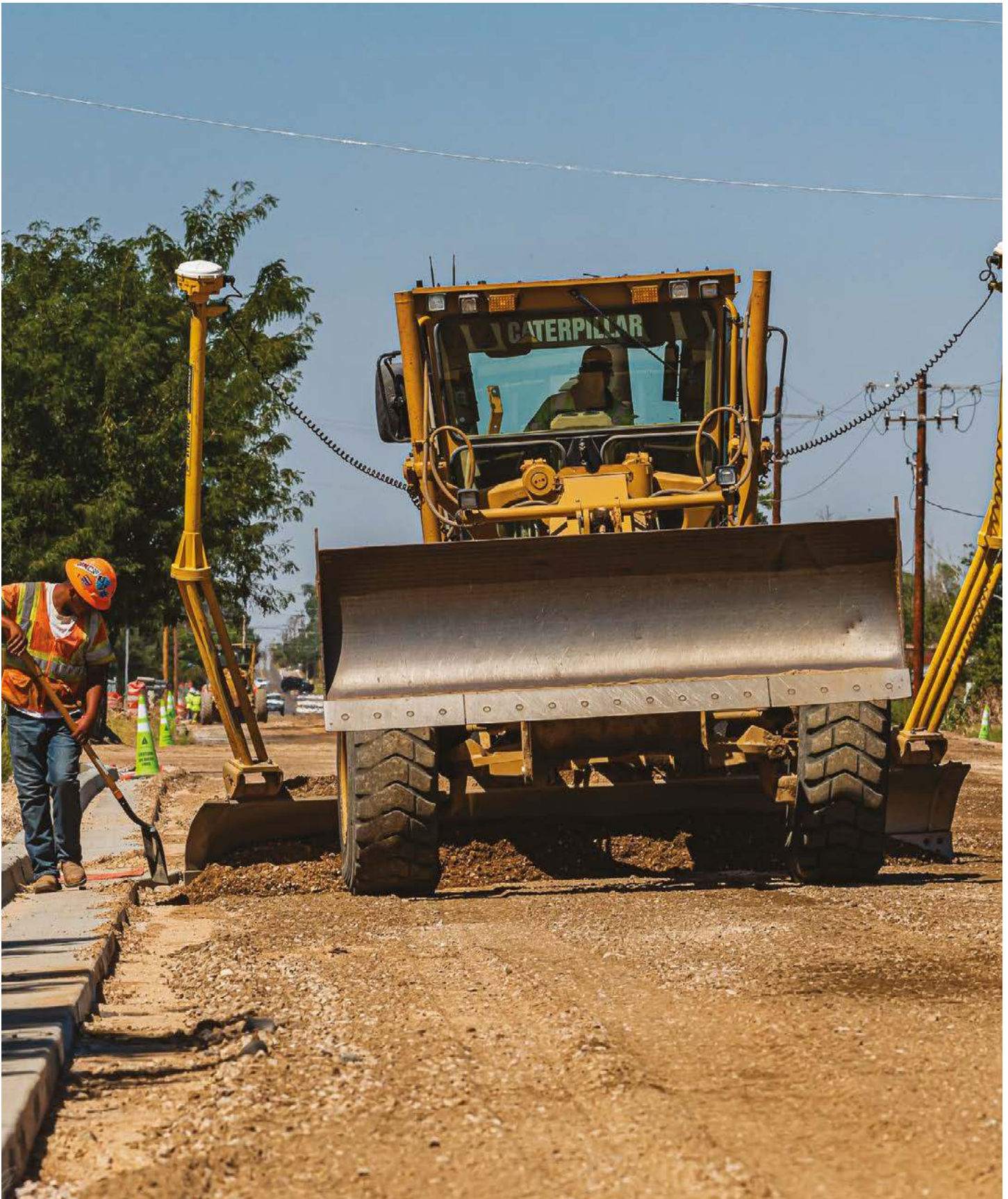
Following discussion with management, recognising that the majority of contracts were completed within one year, the Committee was satisfied that the recognition of contract revenue (including the associated disclosures) was appropriate for the Group in 2021.

Percentage of Audit and Non-audit Fees⁽ⁱ⁾

Table 3



(i) Following a formal and extensive audit tender process, Deloitte replaced EY as the Group's external auditor with effect from the financial year commencing 1 January 2020.



A road grader working with aggregates in preparation for surfacing works and paving. Staker Parson Materials & Construction, part of CRH's Americas Materials Division, is a leading producer of quality sand, rock, landscape products, readymixed concrete and asphalt serving customers in Utah, Idaho, Nevada, and Arizona, United States. The company is also a leading general contractor specialising in road and highway construction, site development, excavating and demolition.



Committee Membership and Operation

The Committee currently consists of five non-executive Directors, considered by the Board to be independent. The biographical details of each member are set out on pages 56 to 59. The Chief Executive normally attends meetings of the Committee. The Chief Human Resources Officer attends meetings, as required.

Detailed reports of Committee discussions and recommendations are provided to the Board following the conclusion of each meeting. The Committee's papers and the minutes of its meetings are available to all Board Directors.

Board Renewal

In March 2021 and October 2021 respectively, Caroline Dowling and Badar Khan joined the Board following recommendations from the Committee. They have extensive operational experience as senior executives in global businesses, knowledge of US markets and enhance the Board's skills in the areas of technology, capital-intensive industries and in providing solutions for climate change. Their detailed biographies are set out on pages 57 and 58 respectively.

These non-executive recruitment processes were supported by Egon Zehnder¹. Potential candidate lists are collated based on specifications agreed following Committee input and reviews of a skills matrix maintained to identify particular skills that would enhance the Board or which might need to be replaced following planned Board retirements. The Committee reviews candidate lists and selects individuals for interview. Once a preferred candidate is identified other members of the Board are invited to meet with them prior to formal consideration of their appointment to the Board.

During 2021, the Committee also recommended to the Board that Mary Rhinehart and Siobhán Talbot, both of whom had completed their initial three-year term as a non-executive Director, be appointed for a second three-year term.

Following the AGM in April 2021, Heather Ann McSharry and Lucinda Riches retired from the Board after nine and six years respectively.

Senan Murphy also retired as a Director after the conclusion of the 2021 AGM. Following an extensive process, supported by Spencer Stuart, which considered both internal and external candidates, the Committee recommended to the Board that Jim Minter succeed Senan as Finance Director. Jim, who has over 30 years of experience in the building materials industry, nearly 20 years of which have been with CRH, was appointed Finance Director and joined the Board with effect from 1 June 2021. His detailed biography is set out on page 56.

Details of the remuneration arrangements put in place for Jim Minter as Finance Director are set out in the Directors' Remuneration Report on page 83.

Executive Director Succession Planning

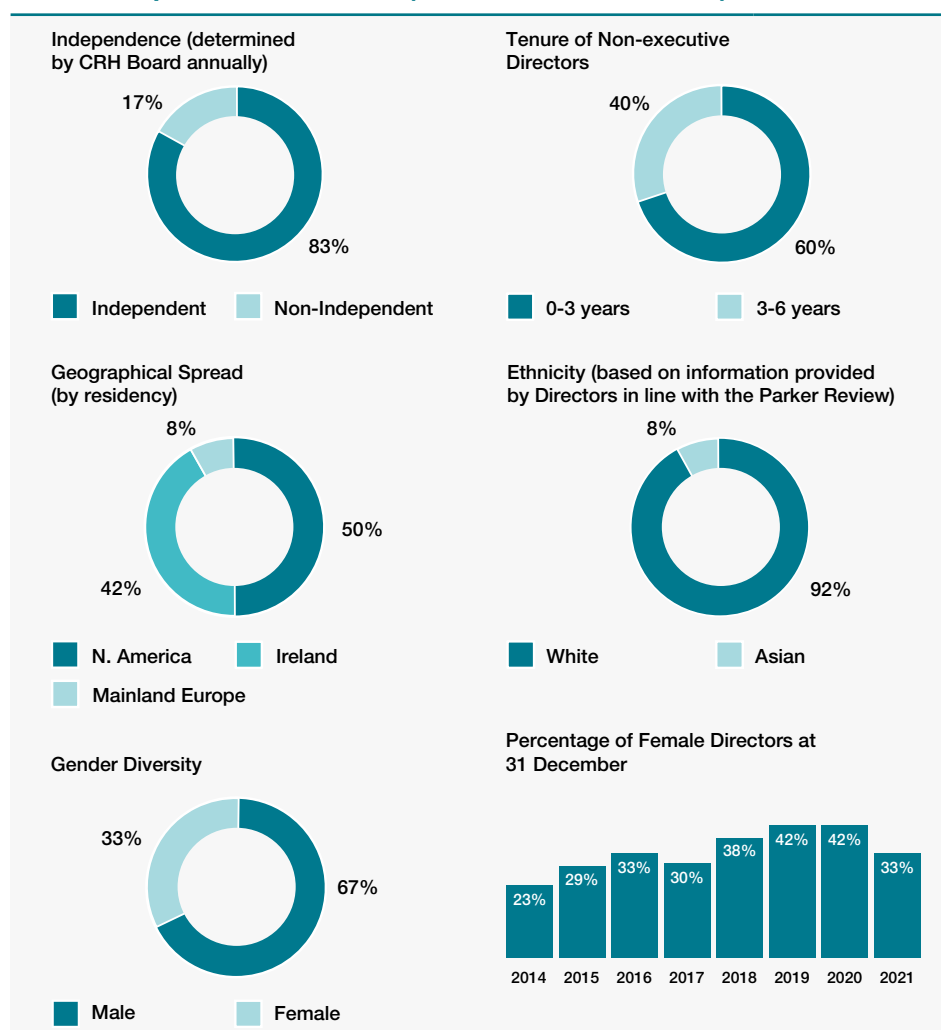
Enhancing our long-term succession planning has been an area of particular focus in recent years.

During the past year the Committee managed the Finance Director succession process noted above.

Although our Chief Executive, Albert Manifold, has a contract of employment currently until age 62, the Committee also continued to support the Board during the year in relation to the long-term process of planning for Chief Executive succession. We have worked with Egon Zehnder, which was selected for this purpose following a tender process, on the development of deliverables for the Board's consideration in relation to role specification, development plans for potential internal candidates, external

Membership of the CRH Board (as at 31 December 2021)

Table 4



candidate pools and the identification of key attributes and traits for a successful transition.

Whilst the Committee and the Board have developed a number of planning scenarios, including emergency arrangements for unexpected events, no decisions have been taken in relation to timing or potential candidates. Succession planning is typically an agenda item at each meeting of the Committee and most Board meetings.

Board Committee Structure and Composition

As part of a planned succession for the Remuneration Committee Chairman role, Lamar McKay joined the Committee in August 2021 and was appointed Committee Chairman with effect from February 2022. Lamar's non-executive experience as a member of CRH's Remuneration Committee and the Management Development and Compensation Committee of APA Corporation, coupled with his experience

on the CRH Board and as Deputy Group Chief Executive Officer and Chief Transition Officer at BP, provide him with very extensive knowledge of remuneration matters and, in particular, EU and UK legislative requirements, UK Code provisions and stakeholder perspectives. As part of the transition process, Gillian Platt, an experienced Remuneration Committee member, was asked to serve as an interim Chair and provide leadership in supporting the work of the Remuneration Committee in preparing an updated remuneration policy for consideration by shareholders at the 2022 AGM. Details of the proposed updated remuneration policy are set out in the Directors' Remuneration Report on page 80 to 97.

A summary of Committee composition changes for current Board members in the past 12 months is set out in Table 5 on page 72.

In 2018, the Board constituted a new Committee to focus on important initiatives in the areas of safety, the environment and social responsibility

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

Nomination Committee Report - continued

Summary of Committee composition changes

Table 5

Name	Joined	Ceased
C. Dowling	ADF, Remuneration and SESR	
J. Karlström		Audit
S. Kelly	Remuneration	
B. Khan	Audit and SESR	
L. McKay	Remuneration and Nomination	
J. Mintern	ADF	
M. K. Rhinehart		Audit
S. Talbot	Nomination	

– the SESR Committee. Since then, the work of this Committee has become embedded as a key component of the Board's structures. The Committee has recommended to the Board that it would be appropriate for Mary Rhinehart to succeed me as Chair of the SESR Committee after the conclusion of the 2022 AGM.

Senior Independent Director

Gillian Platt is the Board appointed Senior Independent Director. The responsibilities of the Senior Independent Director are set out in the Governance Appendix.

Diversity

Board renewal and senior management succession are a constant process. As such, the priorities for renewal and succession evolve over time. Diversity is a core criteria of the Board's renewal policy, which is set out on page 74, and work in overseeing senior management

succession. Accordingly, diversity, including but not limited to gender and ethnicity, is an integral part of developing short lists of internal and external candidates and is part of the search specification agreed with external agents. In particular, diversity was a core component for the executive and non-executive search processes conducted by or overseen by the Committee in the past 12 months.

The Committee and the SESR Committee collectively work with management on the Inclusion & Diversity agenda at below Board level across CRH and monitor progress against agreed Group objectives and targets such as the Board's target of having a minimum of 33% of senior leaders being women by 2030.

Details of Board gender and ethnicity are set out in Table 4 on page 71.

Details of the current gender balance across the group, including of the senior leadership team and their direct reports is set out on page 18.

External Board Evaluation

The Committee recommended to the Board that Christopher Saul Associates² be engaged to conduct an evaluation of the effectiveness of the Board and its Committees in 2021. Christopher Saul, who led the evaluation, was Senior Partner at Slaughter and May from 2008 to 2016 and has extensive experience as a business leader, board adviser, practitioner in corporate transactions and in governance best practice. The outcome of the evaluation, which involved in-person interviews with each Director and members of the senior management team, reviews of Board papers and observing Board and Committee meetings, is summarised on page 61.

Corporate Governance

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

Richie Boucher

Chairman of the Nomination & Corporate Governance Committee
2 March 2022

Summary of Director Competencies

Table 6

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

2. Christopher Saul Associates does not have any connection with CRH or individual Directors.

Board of Directors

Membership Structure of the Board

We consider the current size and composition of the Board to be within a range which is appropriate. The spread of nationalities of the Directors reflects the geographical reach of the Group and we consider that the Board as a whole has the appropriate blend of skills, knowledge and experience, from a wide range of industries, regions and backgrounds, necessary to lead the Group. Section 1 of the Governance Appendix on the CRH website (www.crh.com) contains further details on the Board's structures and the Board's policies with regard to the appointment and retirement of Directors.

Role and Responsibilities

The Board is responsible for the leadership, oversight, control, development and long-term success of the Group. It is also responsible for instilling the appropriate culture, values and behaviour throughout the organisation. There is a formal schedule of matters reserved to the Board for consideration and decision. This includes the matters set out in Table 7.

The Group's strategy, which is regularly reviewed by the Board, and business model are summarised on pages 14 to 17. The Board has delegated some of its responsibilities to Committees of the Board. While responsibility for monitoring the effectiveness of the Group's risk management and internal control systems has been delegated to the Audit Committee³, the Board retains ultimate responsibility for determining the Group's risk appetite and tolerance, and annually considers a report in relation to the monitoring, controlling and reporting of identified risks and uncertainties. In addition, the Board receives regular reports from the Chairman of the Audit Committee in relation to the work of that Committee in the area of risk management. Individual Directors may seek independent professional advice, at the expense of the Company, in the furtherance of their duties as a Director. The Group has a Directors' and Officers' Liability insurance policy in place. Directors are provided with access to all Board and Committee papers in advance of each meeting. If any Director cannot attend a meeting, they can communicate their opinions and comments on the matters to be considered via the Chairman or the relevant Committee Chairman prior to the relevant meeting.

Matters Reserved to the Board

Table 7

- Appointment of Directors
- Strategic plans for the Group
- Annual budget
- Major acquisitions and disposals
- Significant capital expenditure
- Approval of full-year results and the Annual Report and Form 20-F
- Approval of the interim results

Independence of Directors

The Board has determined that each non-executive Director remains independent.

Chairman

Richie Boucher was appointed Chairman of the Group with effect from 1 January 2020. On his appointment as Chairman, he met the independence criteria set out in the 2018 Code. Although he holds other directorships, the Board has satisfied itself that these do not adversely impact on his role as Chairman.

Attendance at Scheduled Meetings during the year ended 31 December 2021

Table 8

Name	Board		ADF		Audit		Nomination (i)		Remuneration		SESR (ii)	
	Total	Attended	Total	Attended	Total	Attended	Total	Attended	Total	Attended	Total	Attended
R. Boucher	5	5	5	5	-	-	8	8	8	8	4	4
C. Dowling (iii)	4	4	3	3	-	-	-	-	5	5	2	2
R. Fearon	5	5	4	4	5	5	-	-	-	-	-	-
J. Karlström (vi)	5	5	4	4	3	2	-	-	8	7	4	4
S. Kelly	5	5	5	5	8	8	-	-	6	6	-	-
B. Khan (iv)	1	1	-	-	-	-	-	-	-	-	-	-
A. Manifold	5	5	5	5	-	-	-	-	-	-	4	4
J. Minter	3	3	3	3	-	-	-	-	-	-	-	-
S. Murphy (v)	1	1	1	1	-	-	-	-	-	-	-	-
L. McKay	5	5	4	4	5	5	-	-	2	2	3	3
H.A. McSharry (v)	1	1	-	-	3	2	2	2	2	2	-	-
G. Platt	5	5	-	-	-	-	8	8	8	8	4	4
M.K. Rhinehart (vi)	5	5	-	-	3	3	8	8	6	5	4	4
L.J. Riches (v)	1	1	1	1	3	3	-	-	-	-	-	-
S. Talbot (vi)	5	5	5	4	8	5	6	6	-	-	-	-

(i) Nomination & Corporate Governance Committee.

(ii) Safety, Environment & Social Responsibility Committee.

(iii) Appointed March 2021.

(iv) Appointed October 2021.

(v) Retired April 2021.

(vi) Johan Karlström, Mary Rhinehart and Siobhán Talbot were unable to attend some meetings during the course of 2021 due to diary conflicts.

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

Policy on Diversity

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

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

During the ongoing process of Board renewal, each, or a combination, of these factors can take priority. To date, the Board has not set any policy regarding age. The ages of the Directors range from 50 to 68, which the Nomination & Corporate Governance Committee believes is appropriate at the current time.

Committees

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

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

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

Each of the permanent Committees has Terms of Reference¹, under which authority is delegated to them by the Board. The Chairman of each Committee reports to the Board on its deliberations and minutes of all Committee meetings are circulated to all Directors. The Chairmen of the Committees attend the AGM and are available to answer questions from shareholders.

Each of the Committees reviewed their respective Terms of Reference during 2021 and minor changes were made to the Terms of Reference of the Audit, Nomination & Corporate Governance, Remuneration and SESR Committees in order to align these with current Board practices and terminology and to ensure that they remain aligned to evolving best practice. The Terms of Reference of each Committee are available on the CRH website, www.crh.com.

Substantial Holdings

The Company is not owned or controlled directly or indirectly by any government or by any corporation or by any other natural or legal person severally or jointly. The major shareholders do not have any special voting rights. Details of the substantial holdings as at 31 December 2021 are provided in Table 9.

Stock Exchange Listings

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

Legal and Compliance

CRH's Legal and Compliance function supports the Group in operating consistently with its values, providing advice, guidance and support to executive and operational management and working closely with them to provide compliance

training to our employees. Legal and Compliance provides support on a range of matters including establishing policies and procedures, providing compliance training and communications, providing legal advice on compliance and business issues, monitoring and investigating Hotline calls, competition/antitrust law, and ensuring the Group is informed of any changes to regulation and/or reporting requirements.

Code of Business Conduct

Our culture as a company is built on our commitment to upholding the CRH Values and in particular, doing what we say and leading with integrity. This means we do the right things in the right way, comply with the law and work responsibly. The foundation of the Legal and Compliance programme is the Code of Business Conduct (CoBC) and supporting policies, which set out our standards of legal, honest and ethical behaviour. The CoBC complies with the applicable code of ethics regulations of the SEC arising from the Sarbanes-Oxley Act. The CoBC is applicable to all employees of the CRH Group, including the Chief Executive, our Global Leadership Team and senior financial officers. A refreshed CoBC was launched during 2021.

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

Awareness and Training

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

Substantial Holdings

Table 9

Name	31 December 2021		31 December 2020		31 December 2019	
	Holding/ Voting Rights	% at year end	Holding/ Voting Rights	% at year end	Holding/ Voting Rights	% at year end
BlackRock, Inc. (i)	56,891,415	7.38	59,047,330	7.52	53,813,273	6.82
Cevian Capital II GP Limited	27,534,705	3.57	27,534,705	3.51	-	-
UBS AG	26,380,604	3.34	26,380,604	3.34	26,380,604	3.34

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

1. The Terms of Reference of these Committees comply fully with the 2018 Code.

CRH Hotline

CRH engages an external service provider to administer an independent 24/7 multi-lingual confidential "Hotline" facility. The CRH Hotline allows employees, customers, suppliers and/or other external stakeholders to raise good faith concerns that may be relevant to the CoBC, inappropriate or illegal behaviour or violations of any CRH policies or local laws. All concerns are handled discreetly and are professionally investigated with appropriate actions taken based on investigation findings. CRH is committed to creating an atmosphere where employees feel empowered to speak up when they have good faith concerns. Retaliation or reprisals are not tolerated at CRH.

Communications with Shareholders

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

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

During 2021, the Chairman, Remuneration Committee Chair and Company Secretary again participated in a number of meetings with some of the Group's major shareholders in advance of the 2021 AGM and as part of the Group's ongoing engagement processes. Also, as outlined in the Remuneration Committee Chairman's introduction to the Directors' Remuneration Report on pages 81 and 82, there was extensive engagement with the Group's major shareholders in 2021 on the Remuneration Committee's proposals regarding the 2022 Directors' Remuneration Policy.

We respond throughout the year to correspondence from shareholders on a wide range of issues.

US Listing - Additional Information

Table 10

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

Section 1 - Frequently Asked Questions

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

Section 2 - Operation of the Board's Committees

- **Page 5:** Audit Committee: Role and Responsibilities
- **Page 5:** Audit Committee: Meetings
- **Page 6:** Audit Committee: Non-audit Fees

Details of the executive Directors' service contracts and the policy for loss of office are set out in the section entitled 'Service Contracts' on page 95.

Investor Relations Activities

Table 11

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

The following are available on www.crh.com

Table 12

Governance

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

Investors

- Annual and Interim Reports, the Annual Report and Form 20-F (separate documents up to 2015) and the annual Sustainability Report
- News releases
- Webcast recordings of results briefings
- General Meeting dates, notices, shareholder circulars, presentations and poll results
- Answers to Frequently Asked Questions, including questions regarding dividends and shareholder rights in respect of general meetings

Safety, Environment & Social Responsibility Committee Report

I am pleased to introduce the Safety, Environment & Social Responsibility (SESR) Committee Report to shareholders. The report sets out the primary focus areas for the Committee in the areas of safety, climate change and sustainability, Inclusion & Diversity and workforce matters.



Sustainability has been deeply embedded in all aspects of our strategy and business model for many years."

Richie Boucher
Chairman

Committee Membership and Operation

The Committee currently consists of seven non-executive Directors and the Chief Executive. Typically, new Board members join this Committee in order that they can gain an understanding of the important issues as they relate to CRH and its industry. This approach also enables the Board to quickly leverage their expertise in these key matters, and particularly in relation to climate change. The biographical details of each member of the Committee are set out on pages 56 to 59.

The Committee meets every quarter and provides a detailed report of discussion and recommendations to the Board following the conclusion of each meeting. The Committee's papers and the minutes of its meetings are available to all Board Directors.

Climate Change and Sustainability

Sustainability has been deeply embedded in all aspects of our strategy and business model for many years. We recognise the importance of decarbonisation in addressing the challenges of climate change and believe that our integrated strategy of value-added products and innovative solutions has an important part to play in the delivery of a more resilient built environment and a more sustainable future.

In 2021, we announced that we expect to achieve our 2030 carbon emissions reduction target by 2025. The Committee has, therefore, worked with management to put in place updated stretching targets for 2030 as part of our stated ambition to achieve carbon neutrality by 2050 in accordance with the Paris Agreement. Those updated stretch targets are set out on page 21.

Key Areas of Focus in 2021

Table 13

Sustainability
/Environment

We worked with management to put in place updated stretching targets for 2030 as part of our stated ambition to achieve carbon neutrality by 2050 in accordance with the Paris Agreement. The updated targets are set out on page 21.

In the context of the importance of concrete as a sustainable building material, we also considered and discussed CRH's energy usage, including the plans and initiatives in place to reduce CRH's CO₂ emissions.

We continued to review and consider reports on the outcomes of operational sustainability audits.

We also worked with the Remuneration Committee in relation to the incorporation of Sustainability and Inclusion & Diversity metrics into the Group's Performance Share Plan (see Table 40 on page 105 for more details).

Safety



We received and discussed with management regular updates covering the Group's safety performance, policies, action plans, and the background, impact and required remediation actions in relation to any serious incidents.

Social
Responsibility

Employee Engagement: In line with the authority delegated to the Committee by the Board, we undertook a series of employee engagement exercises and considered and reported to the Board on the feedback received from employees.

Inclusion & Diversity: We received and considered updates from management on the status of the ongoing work in the area of Inclusion & Diversity.

Corporate Purpose: We continued to monitor and review progress in relation to the ongoing project to more fully define and articulate the Group's corporate purpose (see page 61 for more details).

Climate Lobbying: We undertook a review of CRH's climate-related lobbying practices to ensure that there is alignment between those practices and the expectations of the Board and our stakeholders.

Reporting



We considered and approved the Group's 2020 Sustainability Report, which was released in March 2021, and the various non-financial disclosures included in this Report on pages 20 to 31. We also reviewed and considered the proposed structure and format of the 2021 Sustainability Report, which will be published in March 2022.

We also considered and discussed with management the work undertaken to ensure CRH's compliance with the new TCFD and EU taxonomy requirements applicable for 2021 (see pages 26 to 31 and 243 for more details).

The Group continues to review carbon roadmaps in the context of technical, regulatory, environmental and other developments, as carbon reduction is an important near-term component of the Group's carbon neutrality ambition by 2050. In this regard, the Group is active with a broad range of stakeholders such as the Global Cement and Concrete Association (GCCA), Science Based Target initiative (SBTi) and others to develop resources and innovations that will ultimately support cement manufacturing transition to a lower carbon production process. For example, CRH is a member of the SBTi's expert working group to develop the necessary resources to help companies producing cement to align with the goals of the Paris agreement.

There is also significant participation by the Group in initiatives aimed at further developing the circular economy, supporting and benefiting from sustainable growth and climate neutrality. This presents significant opportunities for CRH, as we focus on producing a new generation of

low-carbon, sustainable building solutions for the built environment. By considering the full lifecycle of products and innovating to drive more sustainable outcomes - such as using waste materials and alternative fuels and renewable energy in providing products and solutions for our customers' needs - we can both meet changing customer demands and protect the environment.

While CRH's continuous improvement processes will continue to deliver improvements for sustainability, new technologies will be required to reach our net zero aim, which do not currently exist in commercial form. To support this, the Board will be putting in place an innovation fund of \$250 million to support this work within CRH.

Through the GCCA, the Group is taking a leading role at industry level in setting the cement and concrete industry roadmap for net zero concrete. Public policy is central to these efforts and there is a need for a comprehensive policy framework to make low-carbon cement manufacturing

investable, to stimulate demand for low-carbon products and to create a circular infrastructure and net zero manufacturing environment. The GCCA is actively working in partnership with policymakers, investors, researchers and customers.

Oversight and Assurance

The Committee receives reports on the outcomes of operational sustainability audits, which includes reports from Group Sustainability as well as from Internal Audit on any safety and environmental observations when completing an audit programme. In addition, DNV, one of the world's leading certification bodies, reviews management systems, interviews management, engages with external stakeholders and identifies opportunities for improvement as part of the independent assurance of the CRH Sustainability Report.

SESR Committee - continued

Incorporating ESG Metrics in CRH's Remuneration Incentive Structures

The Remuneration Committee has consulted with shareholders on the incorporation of Sustainability and Inclusion & Diversity metrics, into the long-term Performance Share Plan. The targets proposed for the first cycle of awards in 2022 using these measures were reviewed and recommended by the SESR Committee. Details of the proposed targets are set out in the Directors' Remuneration Report on page 82.

Employee Welfare and Engagement

In 2021, the Board and management continued to focus attention on the adherence to health guidelines, and the needs of employees, customers and suppliers in relation to COVID-19 and our organisational health index. The Board is satisfied that CRH's experience during the pandemic is reflective of the experience in wider society in the jurisdictions and geographies in which we operate.

The Committee and the Board receive regular updates in relation to fatalities of employees and colleagues with confirmed cases of COVID-19 and on cases across the Group.

In relation to safety generally, the Committee receives regular reports on lagging safety indicators, such as frequency and severity ratios, and on leading indicators, such as high potential learning events, safety audits and safety culture assessments.

We very much regret that there were four reportable fatalities in 2021 involving one employee, one contractor and two third-parties. The Committee received and considered detailed reports on each incident and discussed with the Divisional Presidents responsible for each business safety training and work processes and safety culture in the operations concerned. The Committee reports the findings of its reviews to the Board. Learnings from accidents and "near misses" are shared across the organisation. The Committee advised the Remuneration Committee that it did not consider that there were any issues arising from its safety reviews that would require an override of remuneration incentive outcomes in 2021.

During the year management undertook an extensive employee survey. Just under 38,000 employees were invited to participate, with a very strong response rate of 65%. The findings, which were consistent across the organisation, showed a strong organisation health score. Areas for potential improvement have been identified and action plans have been put in place. However, the Committee and the Board noted that no fundamental or critical issues had been identified.

The Board also undertook an employee engagement exercise, led by the Committee and supported by the Human Resources team, whereby we engaged with employees from Europe and the US in a number of two-way sessions. Due to COVID-19 restrictions, these sessions were held virtually. We discussed a range of topics under the broad themes of safety & compliance, performance (including remuneration policies) & development and people & culture. The sessions provided valuable insights into the lived experiences, perceptions and opinions of the Group's employees. The consolidated feedback, which was considered by the Committee and shared with the Board, was closely aligned to the outcome of the employee survey referred to above. A majority of the members of the Remuneration Committee was involved in the sessions and, as outlined on page 82, our employees' views of remuneration matters was considered by that Committee.

Common areas identified in both the employee survey and engagement sessions were that:

- Professional standards and values are homogenously understood and practiced across the Group;
- Employees feel a strong sense of connection to the Group but would welcome a defined organisational purpose (see also the section on corporate purpose on page 61);
- There is an opportunity to strengthen employees' understanding of the link between their performance and organisational performance;
- Employees believe that the organisation is making progress on Inclusion & Diversity, and noted many positive steps so far, but understand that this is an area where continued focus must remain

Overall, the Committee and the Board believes the outcome of both exercises provide positive support for its view that there is good alignment between CRH's values, strategy and culture and that this will further benefit from the current project to more comprehensively articulate CRH's corporate purpose.

The Committee also continued to review and consider reports arising from the Group's 'Hotline' facility, including trends by category of hotline reports, the status of investigations into those reports, outcomes and actions taken.

Regulatory environment

CRH has a long-established commitment to transparency on sustainability and the Committee monitors regulatory and other requirements in relation to climate-based disclosures. During 2021, we noted further developments in this area, including the establishment of the International Sustainability Standards Board by the IFRS Foundation Trustees, the EU's proposed Corporate Sustainability Reporting Directive as well as further development in relation to the Securities and Exchange Commission's potential climate-related disclosure rules.

In respect of new requirements for 2021 Reporting, the Committee reviewed reports on work completed in relation to both the Task Force on Climate-related Financial Disclosures (TCFD) and the EU Taxonomy Regulation. The TCFD standards require disclosure on climate-related governance, strategy, risk management as well as metrics and targets. CRH previously used TCFD standards on a voluntary basis, and in line with our commitment to transparency, our disclosures are now consistent with TCFD recommendations and recommended disclosures.

EU Taxonomy, which is an EU regulatory classification system that defines environmentally sustainable activities by providing "technical screening criteria" thresholds for activities to be reported as 'sustainable', requires CRH to disclose the percentage of activities that are taxonomy-eligible in 2021.

TCFD and EU Taxonomy related disclosures have been reviewed by the Committee and are set out on pages 28 to 31 and 243 respectively.

Climate Lobbying

We recognise that a supportive climate policy environment is essential for the Group to deliver its 2050 ambition and ensure its business activities align with the Paris Agreement. The CRH Board and management are committed to transparency on climate lobbying activities, both in respect of direct advocacy and indirect representation via our trade associations and firmly believe that lobbying must be consistent with the highest professional and legal standards. Public policy is central to efforts to deliver a net zero built environment and there is a need for a comprehensive policy framework to make low-carbon cement manufacturing investable, to stimulate demand for low-carbon products and to create a circular infrastructure and net zero manufacturing environment. The GCCA is actively working in partnership with policymakers, investors, researchers and customers.

During 2021, we undertook a review of CRH's climate-related lobbying practices. The purpose was to ensure there is an alignment between those practices and the expectations of the Board and our stakeholders. The Group will publish a report on the outcome of this review in conjunction with the publication of the 2021 Sustainability Report. The review did not identify material direct climate-related lobbying or any inconsistencies between our climate positions and those of our main trade associations.

Inclusion & Diversity

The Board and management are committed to building an inclusive and diverse organisation in which talented people of all backgrounds are welcome and can work in an environment which supports them in performing at their best. This is supported by a specific target of having a minimum of 33% of senior leaders being women by 2030. The Committee uses a dashboard to track progress against this target and diversity generally in relation to executive roles.

Inclusion & Diversity is also a standing item on SESR Committee agendas, with the Committee receiving regular updates in relation to initiatives to build an inclusive culture in each Division and global function, and progress in the areas of learning and development such as mentorship programmes and I&D modules in training programmes. Following significant progress in 2021 around 5,000 leaders and managers have participated in I&D awareness training. In addition, a video series designed for all employees has been piloted and modules have been developed for our Frontline Leadership Programme.

Richie Boucher

*Chairman of the Safety, Environment
& Social Responsibility Committee*
2 March 2022

Directors' Remuneration Report

On behalf of the Remuneration Committee, I am pleased to introduce the Directors' Remuneration Report (the 'Report') for the financial year ended 31 December 2021.



“

2021 was another year of record delivery for the Group, with full-year EBITDA (as defined)* of \$5.35bn.”

Lamar McKay
Chairman of the Remuneration Committee

Chairman's Overview

Similar to prior years, this Report is split into three sections:

- this introductory Overview (pages 80 to 86), which sets out the key issues dealt with by the Committee in the last year and summarises the way in which the Committee implemented CRH's remuneration policy in respect of 2021, the consultation process undertaken in respect of proposed updates to CRH's remuneration policy and how we intend to implement the policy in 2022;
- the proposed updated 2022 remuneration policy, which will be submitted to shareholders for approval at the 2022 AGM (pages 88 to 97); and
- the Annual Report on Remuneration (pages 98 to 109), which contains details of CRH's remuneration arrangements and includes various legislative, regulatory and best practices disclosures

Context and Performance in 2021

2021 was another year of record delivery for the Group, with full-year EBITDA (as defined)* of \$5.35 billion. Our uniquely integrated solutions strategy supported further margin expansion across our businesses, while our strong cash generation and disciplined approach to capital allocation provides further opportunities to create value for all of our stakeholders.

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

2021 Performance Highlights

Table 14

 OPERATING CASH FLOW 7% \$4.2bn (2020: \$3.9bn) (2019: \$3.9bn) 	 RETURN ON NET ASSETS 220 bps 12.3% (2020: 10.1%) (2019: 10.0%) 	 EARNINGS PER SHARE** 35% 328.8 c (2020: 243.3c) (2019: 203.8c) 
 SALES 12% \$31.0bn (2020: \$27.6bn) (2019: \$28.1bn) 	 EBITDA (AS DEFINED)* 16% \$5.35bn (2020: \$4.6bn) (2019: \$4.5bn) 	 DIVIDEND PER SHARE 5% 121.0c (2020: 115.0c) (2019: 92.0c) 

The key outcomes of CRH's performance in 2021 are summarised in Table 14. This is a tribute to all of our people and the leadership of our senior management team. Reflecting its continued confidence in CRH's financial position, business performance and future prospects, the Board has proposed an increase of 5% in the dividend for the full year of 2021.

Remuneration Policy Review and Shareholder Consultation

Shareholders approved the current remuneration policy at the 2019 AGM, with 87% of the votes cast in favour of the resolution. This policy expires at the conclusion of the 2022 AGM. Therefore, an updated policy will be put forward to shareholders for consideration at the 2022 AGM. It is intended that the updated policy will apply for a period of up to three years from that date.

In developing proposals for the updated policy, the Committee conducted a review of the current policy to ensure it remains fit-for-purpose, and continues to deliver against its stated purpose to:

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

Summary of Key Decisions/Activities

Table 15

Remuneration Review /Stakeholder Engagement	We consulted with stakeholders on the renewal of the Group's remuneration policy and proposals to incorporate sustainability and diversity measures into our incentive plans (see Table 40 on page 105 for more details). The 2022 Policy will be submitted to shareholders for approval at the 2022 AGM (see pages 88 to 97).
Salary	We approved a 2.75% increase in salary for executive Directors in 2022. The approved increase is in line with the general workforce increase in Ireland and the UK.
Annual Bonus Plan	We reviewed performance against the 2021 Annual Bonus Plan targets and approved the 2021 bonus payments (see Table 32 on page 98 for more details). We also reviewed and approved the 2022 Annual Bonus Plan structure, which is similar to the structure of the 2021 Annual Bonus Plan (see page 104 for more details).
Performance Share Plan (PSP)	We reviewed the performance of the Performance Share Plan award granted in 2019 against the applicable performance conditions and approved the vesting outcome (see Table 33 on page 99 for more details). We also reviewed and approved the metrics and targets for the PSP awards granted in 2021 and to be granted in 2022.
Finance Director Remuneration Arrangements	We considered and approved the remuneration arrangements for Jim Mintern, who was appointed to the Board and as Finance Director with effect from 1 June 2021 (see Table 17 on page 83 for more details).

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

** Comparative amounts are Earnings per Share pre-impairment which is a non-GAAP measure as calculated on page 222. Earnings per Share as reported in the Consolidated Income Statement on page 140 are 2020: 142.9 cent and 2019: 203.0 cent.

Chairman's Overview - continued

In line with the commitment made in the Directors' Remuneration Report submitted to the 2021 AGM, the Committee also reviewed CRH's incentive structures to ensure they are appropriately aligned with the Board's strategic ESG priorities and ambitions, including those related to sustainability and diversity.

Having reflected on feedback from shareholders during the Board's on-going and regular shareholder engagement process, considered the evolving external environment (including the perspectives of wider stakeholder groups), and reviewed the current policy in the context of CRH's overall strategy and the priorities and ambitions mentioned above, the Committee concluded that the core elements of the current policy continue to be appropriate for CRH at this time. We, therefore, invited feedback from shareholders on a proposal to submit for approval a largely unchanged policy, with the exception of a proposed reduction in the minimum weighting for any measure in the Performance Share Plan (PSP) scorecard to 15% of the award opportunity (currently 25%). This proposed change provides greater flexibility around measure selection for future award cycles and allows for the inclusion of sustainability and diversity measures for the 2022 award as outlined below. All other aspects of the current policy (and our approach to its implementation) will remain unchanged.

Proposed 2022 PSP scorecard

Following the review referred to above, the proposed change to our policy will enable the Committee to incorporate sustainability and diversity metrics into the PSP for 2022, with a weighting of 15% of the total award opportunity. This would supplement the current financial metrics which we propose to reweight as set out in Table 16.

For 2022, it is proposed that the Sustainability & Diversity component would comprise three subcategories of 5% each:

- Driving towards carbon neutrality;
- Revenue from Products with Enhanced Sustainability Attributes; and
- Inclusion & Diversity

The PSP is viewed as being the most effective vehicle for incentivising progress towards our sustainability ambition, recognising the long-term nature of our targets. The PSP is cascaded to c. 775 participants across the organisation on consistent terms, reinforcing collective behaviours to deliver our goals.

The Committee considered alternative approaches to accommodating this additional performance category to the PSP scorecard, but concluded that the proposed weightings strike an appropriate balance between ensuring a meaningful focus on sustainability and broadly maintaining the existing relative weighting of our financial metrics. The Committee also considered including safety performance as a PSP measure. However, the Committee believes that safety should remain an override consideration when assessing outcomes under the short-term annual bonus plan.

The targets for these Sustainability & Diversity measures for the 2022 cycle, which were developed by the SESR Committee in conjunction with management, are set out on in Table 40 on page 105.

Shareholder Consultation

In November 2021, we shared details of the proposed policy update with shareholders, requesting their feedback on this. In total we contacted investors holding just over 50% of CRH's share capital, with responses received representing in excess of 30% of our share capital. Overall, the proposals were positively received.

The Committee and the Board was appreciative of shareholders' engagement through the consultation, and the feedback received. The Committee considered specific comments from two shareholders about the relative weighting of TSR compared to the other financial measures and whether this was at the right level, and whether the sustainability measures could be upweighted by incentivising the I&D measure in the annual bonus plan rather than the PSP. In weighing up this feedback, the Committee particularly noted the strong level of support for the proposals which formed the basis of the consultation. Therefore, while noting the small number of suggestions regarding reweighting

various measures, the Committee has concluded that the structure outlined above remains appropriate for the 2022 award cycle. This position will continue to be kept under review for future awards under the PSP, to ensure the scorecard continues to align closely with our strategic priorities.

Workforce Engagement

As outlined in the SESR Committee report on page 78, the SESR Committee, whose members include the majority of the members of the Remuneration Committee, undertook an employee engagement exercise, supported by the Group's Human Resources team, with employees from Europe and the US in a number of sessions promoting two-way dialogue. From a remuneration perspective, we explained the Group's approach to remuneration, which for roles with greater levels of responsibility has a higher emphasis on performance related pay (and, in particular, long-term performance), and the way in which incentive structures are cascaded through the organisation generally. The broad feedback from employees was that our remuneration structures support a focus on long-term sustainable success and there was an appreciation that the significant level of variable pay, a significant proportion of which is payable in CRH shares and subject to deferral periods and potential clawback, incentivises long-term value creation and a strong alignment with the interests of shareholders and other stakeholders. Employees also told us that there was strong support for the proposals to incorporate Sustainability & Diversity measures into the remuneration policy, given the importance of those initiatives to the workforce and wider society more generally.

Group Finance Director

The Board appointed a new Finance Director, Jim Minter, on 1 June 2021. Jim was previously Chief of Staff in the Office of the Chief Executive and has held various senior operational and financial roles in CRH since he joined the Group in 2002. Details of the remuneration package agreed by the Committee for Jim with effect from his date of appointment are set out in Table 17 on page 83.

The Committee was mindful of ensuring that this package is in keeping with our principles (as set out earlier) of being motivational, fair and providing an appropriate blend of fixed remuneration, short and long-term incentives, that aligns closely with shareholder interests. To inform this decision, the Committee reviewed the internal equity of the package and, with the support of our external adviser benchmarked it relative to other FTSE50 companies (excluding financial services, and on

Proposed 2022 PSP scorecard

Table 16

Measure	2021 PSP	2022 PSP (proposed)
Cash Flow	50%	45%
RONA	25%	20%
Relative TSR	25%	20%
Sustainability & Diversity	-	15%

which basis the package is broadly median). Taking into account these additional reference points, the Committee believes that the package is appropriate.

Senan Murphy retired from the Board following the 2021 AGM and as Finance Director on 1 June 2021. He continued as an executive in order to support the successful transition of the Finance Director role and will remain for a time as an employee to facilitate the completion of a number of ongoing projects/initiatives. He is expected to retire from CRH in 2022 and relevant remuneration details will be disclosed at the appropriate time.

2021 Remuneration

The Committee's approach to remuneration, and the way in which the metrics selected by the Committee incentivise management are aligned with CRH's strategy and support the long-term performance of the Group, are summarised in Tables 19 and 21 on pages 85 and 86 respectively. A summary of 2021 remuneration is set out in Table 18 on page 85.

Fixed Pay

As reported in the 2020 Directors' Remuneration Report, salary increases of 2.75% were awarded to the executive Directors in January 2021, in line with the average increase awarded to the general workforce.

The planned phased reduction of the Chief Executive's payment in lieu of pension contributions continued to be implemented in 2021, with a further 10% reduction in the amount that would otherwise have been paid. It has been reduced further from 1 January 2022 to below 25% of his 2022 salary, reducing to zero in August 2022 in line with his contractual arrangements.

Incentive Targets in 2021

As was noted in the 2020 Directors' Remuneration Report, the targets for the 2021 annual bonus plan and the 2021 PSP awards were set in early 2021 in the context of unprecedented uncertainty presented by the COVID-19 pandemic. Therefore, we noted that, in the event that certain assumptions underlying the process of setting those targets did not transpire, revised targets might be required to appropriately assess the underlying performance of the Group.

2021 Annual Bonus Plan

As visibility improved on the impact of COVID-19 on the economies and construction markets in which CRH operates, mid-way through the year the Committee reviewed and revised upwards the financial targets for the 2021 annual bonus plan. Performance against these revised targets determined the outcome of the financial element of the bonus, which represents 80% of the potential bonus opportunity.

As a result of the record financial performance of the Group in 2021 and highest ever EBITDA (as defined)* outturn of \$5.35 billion, the maximum target under each of the financial metrics was exceeded, resulting in a calculated payout level of 100%. Details of the revised targets for 2021 for each of the EPS, operating cash flow and RONA metrics, and the very strong performance against those targets, are set out in Table 32 on page 98. The remaining 20% of the annual bonus plan related to personal and strategic objectives. These are outlined on page 99.

Notwithstanding the outperformance during the year, both management and the Committee recognise the ongoing economic and social impact of the pandemic, and in that context judged that it would be appropriate to cap the bonus outcome in respect of the 2021 Annual Bonus Plan at 85% of maximum.

In line with CRH's remuneration policy, 33% of the earned bonus payments will be deferred into shares for a period of three years. For Jim Mintern, a deferral of 25% applied for the period up to his appointment as Finance Director in June 2021.

Jim Mintern - Remuneration Arrangements (i)

Table 17

Component	Level	Context
2021 Salary	€838,000 p.a. (pro-rated)	In line with previous Finance Director, and reflective of 20+ years' senior operational and finance experience in CRH
Pension	10% of salary	Aligned to the wider workforce in Ireland and the UK
Annual Bonus	Maximum opportunity: 200% of salary	Within policy limits; 33% of payout will be satisfied by share awards deferred for three years
PSP opportunity (2022 onwards)	Award opportunity: 250% of salary	Within policy limits; vested awards are subject to a two-year holding period
Holding Requirements	<i>In post:</i> 250% of salary, to be achieved by 1 June 2024	In line with policy
	<i>Post-employment:</i> 150% of salary for a period of two years post-employment	In line with policy

(i) Mr. Mintern was appointed Finance Director and to the Board with effect from 1 June 2021.

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

Chairman's Overview - continued

2021 PSP Award

The Committee also reviewed the targets for the 2021 PSP awards mid-way through the year and revised upwards the targets for the RONA and cash flow metrics (see Table 36 on page 100 for more details).

2019 PSP Award

The vesting of the 2019 PSP award, which covered the three financial years from 2019 to 2021 inclusive, has been assessed by the Committee against the cash flow, TSR and RONA targets which were set in early 2019. CRH's strong performance against these measures resulted in the vesting of 100% of these awards (see Table 33 on page 99 for more details).

Overall incentive outcome

The Committee is satisfied that there is a very strong alignment between the incentive outcomes outlined above for 2021 and the performance of the Company. The Committee also took into account a number of factors, including, feedback from other Committees in relation to matters such as safety performance, whether any extraneous factors outside the control of management had unduly influenced the outcome and considered progress in relation to strategic objectives not captured by the financial measures used for remuneration purposes, and the experience of key stakeholder groups (including employees). The Committee concluded that there was no requirement to use its discretion to adjust incentive outcomes in respect of any of these matters.

Implementation of Remuneration Policy in 2022

Fixed Pay

The Committee has reviewed the executive Directors' base salaries and concluded that salary increases of 2.75% should also be awarded to Albert Manifold and Jim Minter in 2022 in recognition of their continued strong performance, contribution and leadership of CRH. The approved increase is in line with the general workforce increase in Ireland and the UK.

Incentives

The 2022 annual bonus plan will continue to reflect the structure, weightings and metrics used in prior years: EPS, operating cash flow, RONA and personal/strategic objectives. The targets attaching to the 2022 bonus will be disclosed in the 2022 Directors' Remuneration Report.

As outlined previously, the metrics for the PSP awards in 2022 will comprise cash flow, TSR, RONA and Sustainability & Diversity measures. The targets are set out in Table 40 on page 105.

Non-executive Directors

A Committee of the Chairman and the executive Directors recommended that the fees of the non-executive Directors be increased with effect from 1 January 2022 by reference to the wider workforce increase of 2.75% in Ireland and the UK. The non-executive Director fee structure to apply under the 2022 Policy is set out in Table 41 on page 105.

Group Chairman

The Committee has reviewed the fee level for the Group Chairman, taking into account the performance of the Chairman since his appointment in 2020 and the nature and extent of his time commitment to fulfil his responsibilities. We also reviewed CRH's fee level relative to other FTSE50 companies (excluding financial services). The Committee has increased the Chairman's fee from €630,000, the amount set for the role when the current policy was approved by Shareholders in 2019, to €647,250 with effect from 1 January 2022 by reference to the increase for the wider workforce in Ireland and the UK of 2.75%.

2022 AGM

At the 2022 AGM, shareholder approval will be sought in respect of three separate remuneration related resolutions:

- the Directors' Remuneration Report, which is an advisory vote on the way in which our remuneration policy was implemented in 2021, and the Committee's proposed approach to its implementation in 2022;
- the updated 2022 remuneration policy, which includes the policy changes outlined above; and
- a resolution to increase the limit on Directors' fees. In accordance with the Articles of Association of the Company and Irish company law, shareholders set the maximum aggregate amount of the fees (basic salary) payable to non-executive Directors. The current limit of €1,000,000 was set by shareholders at the 2019 AGM. Approval will be sought at the 2022 AGM to increase the limit to €1,200,000. This change is required as a result of an increased number of non-executive Directors on the Board and to provide flexibility for fee increases over time.

Conclusion

As set out above, 2021 was another year of strong performance and value creation for shareholders due to the efforts of our employees and the leadership of the senior executive team. The Committee strongly believes there is a very close alignment between this performance and the remuneration outcomes for the executive Directors. We also believe that the enhancements to the remuneration policy will support and incentivise the achievement of our strategic priorities and the long-term sustainable success of the Group, and are in line with the expectations of our shareholders and wider stakeholders. We look forward to your support for the remuneration-related resolutions on the agenda of the 2022 AGM.

Lamar McKay

Chairman of the Remuneration Committee
2 March 2022

2021 Remuneration Snapshot (full details of 2021 remuneration are set out in Table 22 on page 87)

Table 18

Director	Fixed	Performance-related Variable Remuneration	
	Salary	Annual Bonus (iii) (% of Max)	2019 PSP Award (iv) (% of Max)
Albert Manifold	€1,607,430	85%	100%
Jim Mintern (i)	€488,833	85%	100%
Senan Murphy (ii)	€279,600	85%	100%

- (i) Appointed as Finance Director and to the Board with effect from 1 June 2021. Accordingly, the salary in the Table above covers the period from 1 June 2021 to 31 December 2021. Details of Mr. Mintern's remuneration arrangements as Finance Director are set out in Table 17 on page 83.
- (ii) Retired from the Board on 29 April 2021. Accordingly, the salary in the Table above is pro-rated for service from 1 January 2021 to 29 April 2021. The equivalent salary for 12 months would be €838,800. Mr. Murphy remains a current executive to facilitate the completion of some outstanding projects/initiatives. He is expected to retire from CRH during 2022 and details of his remuneration arrangements on retirement will be disclosed in due course.
- (iii) For the reasons outlined on page 83, the Committee and the executive Directors judged that the payout under the 2021 annual bonus plan should be capped at 85% of maximum.
- (iv) The awards, for which performance was measured over the three-year period to end 2021, will vest at 100%. The award for Mr. Mintern, which was granted before his appointment to the Board, is not subject to an additional holding period and will vest in April 2022. The awards for Mr. Manifold and Mr. Murphy are subject to an additional two-year holding period and, therefore, will vest in 2024. Further details in relation to the estimated value of the awards, split between the value created for performance and the value created through share price growth, are included in Table 22 on page 87. The market value per share on the date of award (in March 2019) was €29.86.

Alignment of Executive Remuneration with Strategy

Table 19

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

- (i) Please see the footnotes to Tables 32 and 33 on pages 98 and 99 respectively for further information on the operation of the financial metrics for the purposes of the Group's incentive schemes.

Most Recent Remuneration Related Votes

Table 20

	Year of AGM	% in Favour	% Against	No. of Votes Withheld	Total No. of Votes Cast (incl. Votes Withheld)	% of Issued Share Capital Voted
Directors' Remuneration Report ("Say on Pay")	2021	91.46%	8.54%	655,868	530,703,797	67.61%
Directors' Remuneration Policy Report	2019	86.73%	13.27%	4,846,043	496,827,532	61.43%

Chairman's Overview - continued

Committee's Approach to Remuneration

Table 21

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

Is fair and balanced

Is market competitive, enabling the Company to recruit and retain talented executives

Incentivises executives in a way that focuses on delivering the Company's strategic objectives

Aligns the interests of the executive team with those of shareholders

The Committee also seeks to ensure that updates to the Policy take into account the views of stakeholders and evolving best practice. The Board and the Committee are regularly updated on the perspectives of our employees and take these perspectives into account when making remuneration decisions. Further details in relation to workforce engagement on remuneration matters are set out on page 82.

The Committee also has oversight of remuneration policy across the Group and endeavours to keep the principles and structure of remuneration consistent in so far as is possible given CRH's international footprint.

Generally speaking, total remuneration is more variable (and, in particular, weighted towards long-term performance) for roles with greater levels of responsibility and scope.

In setting the remuneration policy and practices for executive Directors, the Committee also takes into consideration the six pillars outlined in the 2018 Code; clarity, simplicity, risk, predictability, proportionality and alignment to culture, and is satisfied that the 2022 Policy addresses each of these areas (see page 88 for further details).

Individual Executive Remuneration for the year ended 31 December 2021 (Audited)

Table 22

	Albert Manifold			Jim Mintern (i)			Senan Murphy (ii)		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
	€000	€000	€000	€000	€000	€000	€000	€000	€000
Fixed Pay									
Basic Salary (iii)	1,607	1,469	1,523	489	-	-	280	768	794
Benefits (iv)	23	27	43	21	-	-	6	13	27
Retirement Benefit Expense (v)	551	612	667	49	-	-	68	204	199
Total Fixed Pay	2,181	2,108	2,233	559	-	-	354	985	1,020
Performance-related Pay									
Annual Bonus (vi):									
Cash Element	2,049	2,018	1,964	554	-	-	238	689	683
Deferred Shares	1,025	1,009	982	277	-	-	119	344	342
Total Annual Bonus	3,074	3,027	2,946	831	-	-	357	1,033	1,025
Long-term Incentives (vii):									
Performance Share Plan									
- value delivered through performance	5,992	5,075	3,834	1,146	-	-	1,928	1,632	1,028
- value delivered through share price growth	2,659	990	298	509	-	-	855	319	80
Total Long-term Incentives	8,651	6,065	4,132	1,655	-	-	2,783	1,951	1,108
Total Performance-related Pay	11,725	9,092	7,078	2,486	-	-	3,140	2,984	2,133
Total Single Figure	13,906	11,200	9,311	3,045	-	-	3,494	3,969	3,153
(fixed and performance-related)									
Total Fixed v. Total Remuneration	16%	19%	24%	18%	-	-	10%	25%	32%
Total Variable v. Total Remuneration	84%	81%	76%	82%	-	-	90%	75%	68%

(i) Mr. Mintern was appointed as Finance Director and to the Board with effect from 1 June 2021. Accordingly, his remuneration reflected in the above Table relates to remuneration for the period 1 June 2021 to 31 December 2021. Full details of Mr. Mintern's remuneration arrangements for this period are in line with the 2019 Remuneration Policy (and the proposed 2022 Remuneration Policy) and are set out in Table 17 on page 83.

(ii) Mr. Murphy retired as Finance Director and from the Board with effect from 29 April 2021. Accordingly, his remuneration reflected in the above Table relates to remuneration for the period 1 January 2021 to 29 April 2021. Mr. Murphy remains employed by CRH and is anticipated to retire from CRH during 2022. Full details of Mr. Murphy's remuneration arrangements on retirement will be disclosed in due course.

(iii) Basic Salary: As outlined on page 74 of the 2020 Annual Report and Form 20-F, the executive Directors voluntarily waived 25% of their salaries for a period of three months in 2020.

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

(v) Retirement Benefit Expense: As noted on page 101, Albert Manifold receives a supplementary taxable non-pensionable cash allowance, in lieu of prospective pension benefits foregone. This allowance is similar in value to the reduction in the Company's liability represented by the pension benefit foregone. It is calculated based on actuarial advice as the equivalent of the reduction in the Company's liability to Mr. Manifold and spread over the term to retirement as annual compensation allowances. The phased reduction of Mr. Manifold's allowance, details of which were outlined in the 2019 Directors' Remuneration Report, continued to be implemented in 2021, with a 10% reduction in the amount that would otherwise have been paid. Senan Murphy received a supplementary taxable non-pensionable cash supplement equivalent to 25% of his 2020 base salary in lieu of a pension contribution (see page 101 for more details). Mr. Mintern receives a supplementary taxable non-pensionable cash supplement equivalent to 10% of his annual base salary in lieu of a pension contribution, in line with that available to the Irish and UK workforce.

(vi) Annual Bonus Plan: Under the executive Directors' Annual Bonus Plan for 2021, a bonus was payable for meeting clearly defined and stretch targets and strategic goals. The structure of the 2021 Plan, together with details of the performance against targets and payouts in respect of 2021, are set out on pages 98 and 99. In the case of Mr. Mintern and Mr. Murphy, the bonuses disclosed in the above Table reflect the portion attributable to their tenure as an executive Director. A third of the 2021 bonuses to be paid to executive Directors will be deferred into shares for a period of three years, with no additional performance conditions. For Mr. Mintern, for the period up to his appointment as Finance Director on 1 June 2021 a deferral of 25% applies. For 2019 and 2020 bonuses, a third of executive Directors' bonuses respectively were paid in Deferred Shares, vesting after three years, with no additional performance conditions.

(vii) Long-term Incentives: In February 2022, the Remuneration Committee determined that 100% of the maximum PSP awards made in 2019 will vest, based on performance. The awards for Mr. Manifold and Mr. Murphy are subject to a further two-year holding period and will vest in 2024. The award for Mr. Mintern, which was granted prior to his appointment as Finance Director, is not subject to an additional holding period and will vest in April 2022. For the purposes of this Table, the value of these has been estimated using a share price of €43.11, being the three-month average share price to 31 December 2021. Amounts in the long-term incentive column for 2020 for Mr. Manifold and Mr. Murphy reflect the value of long-term incentive awards with a performance period ending in 2020 (i.e. the PSP awards granted in 2018), which the Remuneration Committee determined in February 2021 had met the applicable performance targets. The awards are scheduled to vest in 2023 following the completion of a two-year holding period. For the purposes of this Table, the value of these awards has been estimated using a share price of €33.01, being the three-month average share price to 31 December 2020. Amounts in the long-term incentive column for 2019 reflect the value of long-term incentive awards with a performance period ending in 2019 (i.e. the PSP awards granted in 2017), which the Remuneration Committee determined in February 2020 had met the applicable performance targets. The awards are scheduled to vest in 2022 following the completion of a two-year holding period. For the purposes of this Table, the value of these awards has been estimated using a share price of €33.38, being the three-month average share price to 31 December 2019.

Directors' Remuneration Report

Proposed 2022 Directors' Remuneration Policy

As outlined in the Committee Chairman's Statement on page 81, the Committee carried out a detailed review of the Group's remuneration arrangements during 2021. In doing so, the Committee took into account the strong support from shareholders for the 2019 Policy and our approach to its implementation over its life, as well as feedback from shareholders during the year. The Committee also noted the support from employees in various engagement sessions during 2021 for the introduction of ESG targets in the long-term performance share plan. The principal proposed changes to the 2019 Policy, which was approved by shareholders at the 2019 AGM, are set out on page 82. The following sets out the full updated 2022 Policy (the "2022 Policy").

The 2022 Policy, if approved, will provide the framework for remuneration decisions made by the Remuneration Committee. It is the Company's intention that the 2022 Policy will apply until the 2025 AGM, unless the Remuneration Committee seeks shareholder approval for a renewed policy at an earlier date.

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

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

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

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

CRH's Approach to Remuneration

The purpose of the 2022 Policy is to:



Reward and **motivate** executives to perform in the long-term interests of the shareholders



Attract and **retain** executives of the highest calibre



Foster entrepreneurship within the Group by rewarding the creation of shareholder value through organic and acquisitive growth



Provide an appropriate **blend of fixed and variable** remuneration and **short and long-term** incentives



Reflect the spread of the Group's operations so that remuneration packages in each geography are appropriate and competitive for that area



Reflect the **risk** policies and appetite of the Group

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

Clarity

The 2022 Policy is designed to be sustainable and simple. The policy updates in 2022 are few in number and focused on enabling alignment with clearly defined and communicated strategic priorities

Simplicity

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

Risk

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

Predictability

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

Proportionality

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

Alignment to Culture

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

Regulatory Backdrop

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

Future Policy Table

Further details regarding the operation of the 2022 Policy for the 2022 financial year can be found on pages 98 to 109 of the Directors' Remuneration Report.

Policy Table

Table 23

Element	Fixed Base Salary	Fixed Pension
Purpose and link to strategy	Competitive salaries help to attract and retain staff with the experience and knowledge required to enable the Group to compete effectively in its markets	- Pension arrangements provide competitive and appropriate retirement plans - Given the long-term nature of the business, pension is an important part of the remuneration package to support creation of value and succession planning
Operation	- Base salaries are set by the Committee taking into account: - the size and scope of the executive Director's role and responsibilities; - the individual's skills, experience and performance; - salary levels at FTSE listed companies of a similar size and complexity to CRH and other international construction and building materials companies; and - pay and conditions elsewhere in the Group - Base salary is normally reviewed annually with changes generally effective on 1 January, although the Committee may make an out-of-cycle increase if it considers it to be appropriate	- Irish-based executive Directors may participate in a contributory defined benefit scheme or, if they joined the Group after 1 January 2012, in a defined contribution scheme as the defined benefit scheme which the Directors participate in is closed to new entrants - For new appointments to the Board the Committee may determine that alternative pension provisions will operate (for example a cash contribution). When determining pension arrangements for new appointments the Committee will give regard to existing entitlements, the cost of the arrangements, market practice and the pension arrangements received elsewhere in the Group. Pension contribution rates for any newly appointed executive Directors will not exceed the norm for pension related contributions/allowances for new recruits, across the general workforce, in the individual's home jurisdiction or, if applicable, the jurisdiction in which the individual is to be based in their executive Director role
Maximum opportunity	- Base salaries are set at a level which the Committee considers to be appropriate taking into consideration the factors outlined in the "operation" section above - While there is no maximum base salary, normally increases will be in line with the typical level of increase awarded to other employees in the Group but may be higher in certain circumstances. These circumstances may include: - Where a new executive Director has been appointed at a lower salary, higher increases may be awarded over an initial period as the executive Director gains in experience and the salary is moved to what the Committee considers is an appropriate positioning; - Where there has been a significant increase in the scope or responsibility of an executive Director's role or where an individual has been internally promoted, higher salary increases may be awarded; and - Where a larger increase is considered necessary to reflect significant changes in market practice	- The entitlement of individuals participating in defined contribution schemes reflects the accumulated individual and matching company contributions paid into the schemes. At present no Ireland-based executive Directors are members of a defined contribution scheme - In relation to Mr. Manifold, who joined the Group prior to 31 December 2011, the defined benefit pension is provided through an Irish-revenue approved retirement benefit scheme (the 'Scheme'). Accrued benefits for service to 31 December 2011 are based on pensionable salary and years of service as at that date (annual accrual of 1/60th), with this tranche being revalued annually at the Consumer Price Index subject to a 5% ceiling. For service subsequent to that date a career-average revalued earnings system was introduced with each year of service being subject to annual revaluation on the same basis as outlined above. Mr. Manifold has elected to cease accruing pension benefits and to receive a supplementary taxable non-pensionable cash allowance in lieu of pension benefits foregone as a result of the pension cap (see page 101 for more details). This allowance is similar in value to the reduction in the Company's liability represented by the pension benefit foregone. Whilst there is no absolute maximum to the quantum of these payments they are calculated based on actuarial advice as the equivalent of the reduction in the liability the Company would otherwise have had under the Scheme in respect of Mr. Manifold's benefits and spread over the term to retirement as annual compensation allowances. Mr. Manifold has voluntarily reduced the monetary value of the pension contribution/allowance so that it is below 25% of his base salary as at 1 January 2022. His contractual entitlement to compensation in lieu of pension payments will cease in August 2022 when he reaches age 60
Performance measure	Not applicable	Not applicable

Directors' Remuneration Report - continued

Policy Table | continued

Element	Fixed Benefits
Purpose and link to strategy	To provide a market competitive level of benefits for executive Directors
Operation	- The Committee's policy is to set benefit provision at an appropriate market competitive level taking into account market practice, the level of benefits provided for other employees in the Group, the individual's home jurisdiction and the jurisdiction in which the individual is based - Employment-related benefits include the use of company cars (or a car allowance), medical insurance for the executive Director and his/her family and life assurance - In the event that the Chief Executive falls ill or is injured in such a way as which would constitute ill-health or disablement so that the Chief Executive could not work for a period of more than six months, in lieu of the early ill-health retirement provisions in the pension scheme which would otherwise operate in such cases, he shall be entitled to receive a disability salary of €1,000,000 per annum. Such payment would cease when the Chief Executive reaches age 60, returns to work or if the service agreement is terminated - Benefits may also be provided in relation to legal fees incurred in respect of agreeing service contracts, or similar agreements (for which the Company may settle any tax incurred by the executive Director) and a gift on retirement - The Committee may remove benefits that executive Directors receive or introduce other benefits if it is considered appropriate to do so. The Company may also pay the tax due on benefits if it considers that it is appropriate to do so - All-employee share schemes - executive Directors are eligible to participate in the Company's all-employee share schemes on the same terms as other employees. Executive Directors may also receive other benefits which are available to employees generally - Re-location policy - where executive Directors are required to re-locate to take up their role, the Committee may determine that they should receive appropriate re-location and ongoing expatriate benefits. The level of such benefits would be determined based on individual circumstances taking into account typical market practice
Maximum opportunity	The level of benefit provided will depend on the cost of providing individual items and the individual's circumstances, and therefore the Committee has not set a maximum level of benefits
Performance measure	Not applicable

Policy Table | continued

Performance-related pay - Annual Bonus	Performance-related pay - 2014 Performance Share Plan
- The Annual Performance-related Incentive Plan is designed to reward the creation of shareholder value through operational excellence and organic and acquisitive growth. The Plan incentivises executive Directors to deliver Group and individual goals that support long-term value creation - A Deferred Annual Performance-related Incentive Plan element links the value of executive Directors' reward with the long-term performance of the CRH share price and aligns the interests of executive Directors with those of shareholders "Malus" and clawback provisions enable the Company to mitigate risk - The Annual Performance-related Incentive Plan rewards executive Directors for meeting Company performance goals over a financial year of the Company. Targets are set annually by the Committee - The annual bonus is paid in a mix of cash and shares (structured as a deferred share award) - For 2022: 66.7% of the bonus will be paid in cash; and 33.3% will be paid in shares - In future years, the Committee may determine that a different balance between cash and shares is appropriate and adjust the relevant payments accordingly - When assessing performance and determining bonus payouts the Committee also considers the underlying financial performance of the business to ensure it is consistent with the overall award level - The deferred element of the bonus will be structured as a conditional share award or nil-cost option and will normally vest after three years from grant (or a different period determined by the Committee). Deferred share awards may be settled in cash in exceptional circumstances - Dividend equivalents may be paid on deferred share awards in respect of dividends paid during the vesting period. These payments may be made in cash or shares and may assume the reinvestment of dividends on a cumulative basis - For deferred awards, "malus" provisions apply. Cash bonus payments are subject to clawback of the net amount paid for a period of three years from payment	- The purpose of the 2014 Performance Share Plan is to align the interest of key management across different regions and nationalities with those of shareholders through an interest in CRH shares and by incentivising the achievement of long-term performance goals "Malus" and clawback provisions enable the Company to mitigate risk - Awards (in the form of conditional share awards or nil-cost options) normally vest based on performance over a period of not less than three years. Awards may also be settled in cash in exceptional circumstances - Awards are normally subject to an additional holding period ending on the fifth anniversary of the grant date (or another date determined by the Committee) - Dividend equivalents may be paid on PSP awards that vest in respect of dividends paid during the vesting period until the end of the holding period. These payments may be made in cash or shares and may assume reinvestment on a cumulative basis "Malus" and clawback provisions (as set out in the rules of the 2014 Plan) will apply to awards
- Maximum annual opportunity of 225% of base salary - For 2022, the intended maximum award levels are: 225% of base salary for Chief Executive; and 200% of base salary for the Finance Director	- Maximum annual opportunity of up to 365% of base salary - For 2022, the intended award levels are: 365% of base salary for Chief Executive; and 250% of base salary for Finance Director
- The performance-related incentive plan is based on achieving clearly defined and stretching annual targets and strategic goals set by the Committee each year based on key business priorities - The performance metrics used are a mix of financial targets including return goals and personal/strategic objectives generally. Currently 80% of the bonus is based on financial performance measures - The Committee may vary the weightings of measures but no less than 50% shall be based on financial performance measures - A portion of the bonus metrics for any Director may be linked to his/her specific area of responsibility - Up to 50% of the maximum bonus will be paid for achieving target levels of performance	- Awards to be granted in 2022 will vest based on cumulative cash flow (45%), a relative TSR test compared to a tailored group of key peers (20%), RONA (20%) and a number of Sustainability & Diversity measures (15%) - For threshold levels of performance, 25% of the award vests - Where applicable, when determining vesting under the PSP the Committee reviews whether the TSR performance has been impacted by unusual events and whether it therefore, reflects the underlying performance of the business - The Committee may adjust the weightings of the measures at the start of each cycle, with no measure's weighting falling below 15% - The Committee may amend the performance conditions if an event occurs that causes it to consider that an amended performance condition would be more appropriate and would not be materially less difficult to satisfy

Directors' Remuneration Report - continued

Notes to Policy Table

Changes to 2019 Remuneration Policy

Proposed changes to the 2019 Policy are outlined in the Remuneration Committee Chairman's Overview on pages 80 to 84.

Plan Rules

The 2014 Deferred Share Bonus Plan and the 2014 Performance Share Plan form part of the 2022 Policy and shall be operated in accordance with the relevant plan rules. Awards may be (i) adjusted in accordance with the rules in the event of a variation of the Company's share capital, merger, de-merger, special dividend or other event that, in the opinion of the Committee, materially affects the price of shares; and (ii) amended in accordance with the plan rules.

Clawback/Malus

For Deferred Annual Performance-related Incentive plan awards and Performance Share Plan awards, the Committee has the discretion to reduce or impose further conditions on awards prior to vesting in certain circumstances, including but not limited to:

- a material misstatement of the Group's audited financial results;
- a material failure of risk management; or
- serious reputational damage to the Group or one of its businesses as a result of a participant's misconduct or otherwise

Cash bonus payments are subject to clawback of the net amount paid for a period of three years from payment in the circumstances outlined. Vested PSP awards are subject to clawback for a period of three years from the date of vesting.

Other elements of remuneration are not subject to clawback or malus provisions.

General

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out above where the terms of the payment were agreed (i) before 7 May 2014 (the

date the Company's first shareholder-approved Directors' Remuneration Policy came into effect); (ii) before the policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; (iii) at a time when the relevant individual was not a director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a director of the Company; or (iv) in settlement of statutory employment rights. For these purposes "payments" includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted.

Minor Amendments

The Committee may make minor changes to the 2022 Policy for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation without seeking shareholder approval for that amendment.

Information Supporting the Policy Table

Selection of Performance Measures and Targets

(i) Annual bonus

Annual incentive plan targets are selected each year to incentivise executive Directors to achieve annual financial, operational, strategic and personal goals across a range of metrics which are considered important for delivering long-term performance excellence.

(ii) Performance share plan

The ultimate goal of our strategy is to provide growth and long-term sustainable value for all of our shareholders. Performance measures are selected each year. For PSP awards to be granted in 2022, the measures are, therefore, focused on generating cash in the business, achieving relative outperformance of TSR against our key peers, generating a return on net assets and promoting the achievement of the Group's key sustainability and diversity objectives.

Targets and measures for the annual bonus and PSP are set each cycle by the Committee taking into account internal plans and external expectations. Targets are calibrated to be stretching but motivational to management and to be aligned with the long-term creation of shareholder value.

Remuneration Arrangements Throughout the Group

CRH operates significant operations in c. 3,235 locations in 28 countries with approximately 77,400 employees across the globe.

Remuneration arrangements throughout the organisation, therefore, differ depending on the specific role being undertaken, the level of seniority and responsibilities, the location of the role and local market practice. However, remuneration arrangements are designed based on a common set of principles: that reward should be set at a level which is appropriate to retain and motivate individuals of the necessary calibre to fulfil the roles without paying more than is considered necessary. The reward framework is designed to incentivise employees to deliver the requirements of their roles and add value for shareholders.

The Group operates share participation plans and savings-related share option schemes for eligible employees, including executive Directors, in all regions where the regulations permit the operation of such plans.

Remuneration Policy for New Hires

CRH has a strong history of succession planning and developing internal executive talent.

The Committee's key principle when determining appropriate remuneration arrangements for a new executive Director (appointed from within the organisation or externally) is that arrangements are in the best interests of both CRH and its shareholders without paying more than is considered necessary by the Committee to recruit an executive of the required calibre to develop and deliver the business strategy.

The Committee would generally seek to align the remuneration package offered with our remuneration policy outlined in Table 23 on pages 89 to 91. When determining appropriate remuneration arrangements the Committee will take into account all relevant factors including (among others) the level of opportunity, the type of remuneration opportunity being forfeited and the jurisdiction the candidate was recruited from. Any remuneration offered would be within the limit on variable pay outlined in this 2022 Policy.

Variable remuneration in respect of an executive Director's appointment shall be limited to 590% of base salary measured at the time of award. This limit is in line with the plan maximum outlined in Table 23 on pages 89 to 91. This limit excludes any awards made to compensate the Director for awards forfeited from his or her previous employer.

The Committee may make awards on appointing an executive Director to "buy-out" remuneration terms forfeited on leaving a previous employer. In doing so the Committee will take account of relevant factors including any performance conditions attached to these awards, the form in which they were granted (e.g. cash or shares) and the time over which they would have vested. The Committee's key principle is that generally buy-out awards will be made on a comparable basis to those forfeited.

To facilitate awards outlined above, the Committee may grant awards under Company incentive schemes or under UK Listing Rule 9.4.2 which allows for the granting of awards, to facilitate, in unusual circumstances, the recruitment of an executive Director, without seeking prior shareholder approval or under other relevant company incentive plans. The use of Listing Rule 9.4.2 shall be limited to buy-out awards.

In the event that an internal candidate is promoted to the Board, legacy terms and conditions will normally be honoured, including any outstanding incentive awards.

In the event of the appointment of a new Chairman or non-executive Director, remuneration arrangements will normally reflect the policy outlined in Table 24. Other remuneration arrangements may be provided to a new Chairman or non-executive Director if these arrangements are considered appropriate in accordance with the principles set out in Table 24.

Remuneration Policy for Non-Executive Directors

Table 24

Approach to Setting Fees	Basis of Fees	Other Items
- The remuneration of non-executive Directors is determined by a Board committee of the Chairman and the executive Directors - The Remuneration Committee determines the remuneration of the Chairman within the framework or broad policy agreed with the Board - Remuneration is set at a level which will attract individuals with the necessary experience and ability to make a substantial contribution to the Company's affairs and reflect the time and travel demands of Board duties - Fees are set taking into account typical practice at other companies of a similar size and complexity to CRH - Fees are reviewed annually	- Fees are paid in cash - Non-executive Director fees policy is to pay: - a basic fee for membership of the Board; - an additional fee for chairing a Committee; - an additional fee for the role of Senior Independent Director; - an additional fee to reflect committee work (combined fee for all committee roles); and - an additional fee based on the location of the Director to reflect time spent travelling to Board meetings - Other fees may also be paid to reflect other Board roles or responsibilities - In accordance with the Articles of Association, shareholders set the maximum aggregate amount of the fees payable to non-executive Directors. The current limit of €1,000,000 was set by shareholders at the Annual General Meeting held in 2019. Approval will be sought at the 2022 AGM to increase the limit to €1,200,000.	- The non-executive Directors do not participate in any of the Company's performance-related incentive plans or share schemes - Non-executive Directors do not receive pensions - Where relevant, the Group Chairman may be reimbursed for expenses incurred in travelling from his residence to his CRH office on a gross up basis so that he is not at a net loss after deduction of tax - Benefits including retirement gifts (provided they do not exceed the de minimis threshold outlined on page 104) may be provided if, in the view of the Board (for non-executive Directors or for the Chairman), this is considered appropriate. The Company may gross up any expenses so that the non-executive Directors are not at a net loss after deduction of tax. Details regarding any benefit provided will be disclosed in the relevant year of receipt

Directors' Remuneration Report - continued

Remuneration Outcomes in different Performance Scenarios

Remuneration at CRH consists of fixed pay (salary, pension and benefits), short-term variable pay and long-term variable pay. A significant portion of executive Directors' remuneration is linked to the delivery of key business goals over the short and long-term and the creation of shareholder value.

Table 27 shows hypothetical values of the remuneration package for executive Directors under four assumed performance scenarios (based on 2022 proposals).

No share price growth or the payment of dividend equivalents has been assumed in these scenarios (other than where specified). Potential benefits under all-employee share schemes have not been included.

Remuneration Outcomes in different Performance Scenarios

Table 25

Performance Scenario	Payout Level
Minimum	- Fixed pay (see Table 26 for each executive Director) - No bonus payout - No vesting under the Performance Share Plan
On-target performance	- Fixed pay (see Table 26 for each executive Director) 50% annual bonus payout (112.5% of salary for the Chief Executive and 100% for the Finance Director) 25% vesting under the Performance Share Plan (91.25% of salary for the Chief Executive and 62.5% for the Finance Director)
Maximum performance (at constant share prices and assuming a 50% increase in share price)	- Fixed pay (see Table 26 for each executive Director) 100% annual bonus payout (225% of salary for the Chief Executive and 200% of salary for the Finance Director) 100% Performance Share Plan vesting (365% of salary for the Chief Executive and 250% for the Finance Director)

Hypothetical Remuneration Values

Table 26

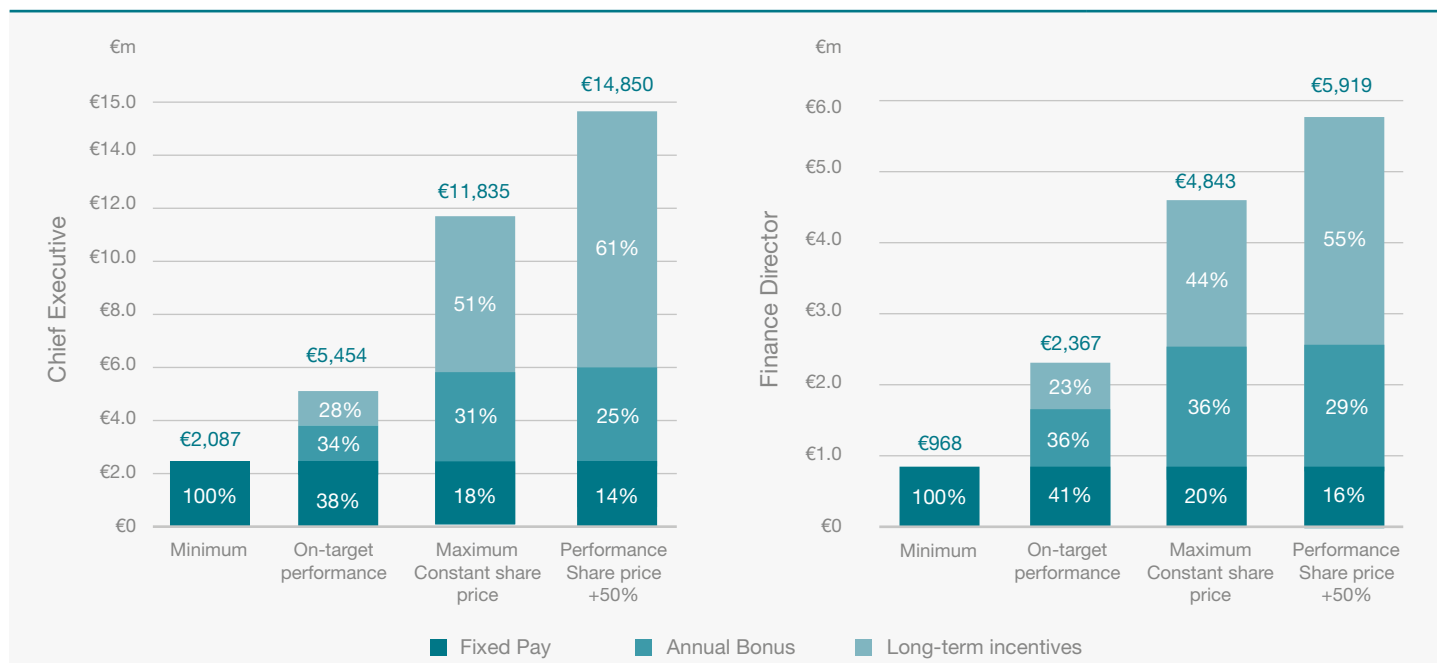
	Salary With effect from 1 January 2022	Benefits Level paid in 2021 (i)	Estimated Pension (ii)	Total Fixed Pay
Chief Executive (Albert Manifold)	€1,651,635	€23,000	€412,500	€2,087,135
Finance Director (Jim Mintern)	€861,045	€21,000	€86,105	€968,150

(i) Based on 2021 expenses.

(ii) See page 101 for details in relation to retirement benefit arrangements.

Performance-related Remuneration Outcomes

Table 27



Executive Director Service Contracts and Policy on Payment for Loss of Office

When determining leaving arrangements for an executive Director the Committee takes into account any contractual agreements (including any incentive arrangements) and the performance and conduct of the individual.

Service Contracts

The Chief Executive and Finance Director have entered into service contracts with the Company. The summaries in Tables 28 and 29 set out the key remuneration terms of those contracts. All incentive arrangements remain at the discretion of the Committee.

The Committee reserves the right to make any other payments in connection with a director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of a compromise or settlement of any claim arising in connection with the cessation of a director's office or employment.

Under Irish company law, CRH is not required to make service contracts available for inspection as the notice period is not more than 12 months. Service contracts will only be available with the executive Director's consent due to data protection reasons.

Annual Cash Bonus

Executive Directors may, at the discretion of the Committee, remain eligible to receive an annual bonus award for the financial year in which they leave employment. Such awards will be determined by the Committee taking into account time in employment and performance.

Share Plan Rules – Leaver Provisions

The treatment of outstanding share awards in the event that an executive Director leaves is governed by the relevant share plan rules. Table 30 on page 96 summarises leaver provisions under the executive share plans.

"Good leaver" circumstances are defined in the 2014 Performance Share Plan and deferred annual performance-related incentive plans as ill-health, injury, disability, the participant's employing company or business being sold out of the Group or any other reason at the Committee's absolute discretion (except where a participant is summarily dismissed).

Chief Executive Service Contract

Table 28

Notice period	12 months' notice by the Company or the executive
Expiry date	- Indefinite duration - Terms of contract will automatically terminate on the executive's 62nd birthday
Termination payments	- On lawful termination of employment, the Committee may, at its absolute discretion, make a termination payment in lieu of 12 months' notice based on base salary, benefits and pension contribution due during that period - Where the Company terminates the contract lawfully without notice then no payment in lieu of notice shall be due - If, in the event of a change of control, there is a diminution in the role and responsibilities of the Chief Executive he may terminate the contract; on such termination a payment equal to one year's remuneration (being salary, pension, other benefits and vested incentive awards) will be made to the executive
Disability	In the event that the Chief Executive falls ill or is injured in such a way as which would constitute ill-health or disablement so that the Chief Executive could not work for a period of more than six months, in lieu of the early ill-health retirement provisions in the pension scheme which would otherwise operate in such cases, he shall be entitled to receive a disability salary of €1,000,000 per annum. Such payment would cease when the Chief Executive reaches age 60, returns to work or if the service agreement is terminated
Other information	The Company retains the ability to suspend the executive from employment on full salary and to require the executive to observe a period of "garden leave" of up to 12 months on full salary, contractual benefits and pension contribution

Group Finance Director Service Contract

Table 29

Notice period	12 months' notice by the Company or the executive
Expiry date	- Indefinite duration - Terms of contract will automatically terminate on the executive's 65th birthday
Termination payments	- On lawful termination of employment, the Committee may, at its absolute discretion, make a termination payment in lieu of 12 months' notice based on base salary, benefits and pension contribution due during that period - Where the Company terminates the contract lawfully without notice then no payment in lieu of notice shall be due
Disability	In the event that the Finance Director falls ill or is injured in such a way as which would constitute ill-health or disablement so that the Finance Director could not work for a period of more than six months, in lieu of the early ill-health retirement provisions in the pension scheme which would otherwise operate in such cases, he shall be entitled to receive a disability salary equivalent to two-thirds of basic salary per annum. Such payment would cease when the Finance Director reaches age 65, returns to work or if the service agreement is terminated
Other information	The Company retains the ability to suspend the executive from employment on full salary and to require the executive to observe a period of "garden leave" of up to 12 months on full salary, contractual benefits and pension contribution

Where an individual leaves by mutual agreement the Committee has discretion to determine the treatment of outstanding share awards.

Individuals who are dismissed for gross misconduct would not be treated as "good leavers".

Awards under the Savings-related Share Option Scheme are treated in accordance with the rules. The rules provide that awards may be exercised

by a participant's executor within 12 months of the date of death, and six months from the date of termination of employment in other circumstances where options automatically become exercisable, for example in the case of retirement.

Where an executive ceases employment on his own volition or as a result of summary dismissal they will normally forfeit outstanding share incentive awards.

Directors' Remuneration Report - continued

The Committee may allow awards to vest early at its discretion in the event an executive Director is to be transferred to a jurisdiction where he would suffer a tax disadvantage or he would be subject to restrictions in connection with his award, the underlying shares or the sales proceeds.

Change of Control

In the event of a change in control of the Company, the Committee will consider whether it would be appropriate for awards to be exchanged for equivalent awards in the purchaser's shares.

Unless the Committee determines otherwise, in the event of a change in control of the Company:

- awards granted under the 2014 Plan will vest taking into account the extent to which any performance condition has been satisfied and, unless the Committee determines otherwise the period of time that has elapsed since grant and the relevant event (or if the event occurs during an applicable holding period, to the beginning of the holding period); and

- awards granted under the 2014 Deferred Annual Performance-related Incentive Plan may, at the discretion of the Committee, vest in full

If the Company is wound up or there is a de-merger, de-listing, special dividend or other similar event which the Committee considers may affect the price of the Company's shares:

- awards granted under the 2014 Plan may, at the Committee's discretion, vest taking into account the extent to which any performance condition has been satisfied and, unless the Committee determines otherwise, the period of time that has elapsed since the date of grant and the relevant event (or if the event occurs during an applicable holding period, to the beginning of the holding period); and
- awards granted under the 2014 Deferred Annual Performance-related Incentive Plan will vest to the extent the Committee determines

Shareholding Guideline for Executive Directors

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

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

Leaver Provisions

Table 30

	Death	"Good Leavers" as determined by the Committee in accordance with the plan rules	Leavers in other circumstances
Deferred Annual Performance Incentive Plan 2014	- Unvested awards vest, unless the Committee determines otherwise, to the extent determined by the Committee - Awards in the form of nil-cost options may be exercised for 12 months from death (or another period determined by the Committee)	- Awards shall normally vest in full at the normal vesting date. Alternatively, the Committee may determine that awards should vest at the time the individual leaves, subject to the Committee determining that the individual has a shareholding sufficient to meet the post-employment shareholding requirement - Where awards vesting in such circumstances are granted in the form of nil-cost options participants shall have six months from vesting to exercise their award - Where awards have already vested at cessation of employment, participants shall have six months from cessation of employment to exercise their option	Unvested Awards will lapse on the individual's cessation of office or employment
Performance Share Plan 2014	- Unvested awards shall vest as soon as practicable following death unless the Committee determines otherwise. The number of shares vesting shall be determined by the Committee taking into account the extent to which the performance condition has been met and, if the Committee determines, the length of time that has elapsed since the award was granted until the date of death (or if death occurs during an applicable holding period, to the beginning of the holding period) - Awards in the form of nil-cost options may be exercised for 12 months from death (or another period determined by the Committee)	- Awards shall normally vest at the normal vesting date. Alternatively the Committee may determine that awards should vest at the time the individual leaves, subject to the Committee determining that the individual has a shareholding sufficient to meet the shareholding requirement post-cessation - The level of vesting shall be determined by the Committee taking into account the extent to which the performance condition has been met and, unless the Committee determines otherwise, the period of time that has elapsed since the date of grant until the date of cessation (or if cessation occurs during an applicable holding period, to the beginning of the holding period) - Awards vesting in such circumstances in the form of nil-cost options may be exercised for six months from vesting (or another period determined by the Committee). Where a nil-cost option was already vested at cessation of employment, participants may exercise such options for six months from cessation (or another period determined by the Committee)	Unvested Awards will lapse on the individual's cessation of office or employment

In the event that the shareholding guidelines are not met by the applicable deadlines, the Remuneration Committee will consider what action to take at that time.

Post-employment Holding Requirements

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

External Board Appointments

Executive Directors may accept external non-executive directorships with the prior approval of the Board. The Board recognises the benefits that such appointments can bring both

to the Company and to the Director in terms of broadening their knowledge and experience. Whether any related fees are retained by the individual or remitted to the Group is considered on a case-by-case basis.

Non-executive Director – Letters of Appointment

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

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

Considering Employee Views

The Board is regularly kept abreast of employees' perspectives and takes them into account when making decisions. In particular, the Remuneration Committee has

oversight of remuneration policy across the Group and endeavours to keep the structure of remuneration consistent as far as possible. Further details of how the Committee seeks and takes into account employee views when setting remuneration for the executive Directors is set out on page 82.

Consulting with Shareholders

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

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

Executive Director Shareholdings as a % of 2022 Base Salary (i)

Table 31

	Guideline (% of Salary)	To be achieved by	Holdings as of 2 March 2022	Total Interests (% of Salary)
A. Manifold	350%	2023	Value of shares (% of salary)	748%
J. Mintern	250%	2024	Value of shares (% of salary)	189%

■ Beneficially Owned Shares (as at 2 March 2022).
■ Estimated after tax value of Deferred Share Awards made in 2019, 2020 and 2021, as appropriate.
■ Estimated after tax value of PSP awards subject to a two-year hold period only.

(i) For the purposes of this table, the interests have been valued using the three-month average share price to 31 December 2021 (€43.11).

Annual Report on Remuneration

The Remuneration Committee

The Remuneration Committee consists of seven non-executive Directors considered by the Board to be independent. They bring the range of experience of large organisations and public companies, including experience in the area of senior executive remuneration, to enable the Committee to fulfil its role. Their biographical details are set out on pages 56 to 59.

A schedule of attendance at Committee meetings is set out in Table 8 on page 73.

The main focus of the Committee is to:

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

In addition, the Committee:

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

In considering remuneration levels for executive Directors particularly, the Committee takes into account remuneration trends across the CRH Group, which has a diverse range of operations in 28 countries, in geographic regions which are often at different stages in the economic cycle.

The Committee also engages regularly with shareholders and (via the SESR Committee - see page 78 for more details) employees on the structure of the remuneration policy and executive incentives.

Remuneration Received by Executive Directors in Respect of 2021

Details of individual remuneration for executive Directors for the year ended 31 December 2021, including explanatory notes, are given in Table 22 on page 87. Details of Directors' remuneration charged against profit in the year are given in Table 49 on page 109.

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

2021 Annual Bonus Plan

CRH's Annual Bonus Plan for 2021 was based on a combination of financial targets and personal/strategic goals. The metrics for target payout, which is up to a maximum of 50% of the total annual bonus opportunity, are based on achieving the budget set by the Board in respect of each metric. The threshold level for bonus payouts in 2021 was for the achievement of 92.5% of budget, whereas maximum payout is achieved for stretch performance of 107.5% of budget. The relative weighting of the components of the 2021 plan are set out in Table 32.

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

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

2021 Annual Bonus Plan - Achievement

Table 32

Measure	Weighting (% of total bonus)	2021 Targets - Performance needed for payout at (i) (ii)			2021 Performance Achieved (iii)	Percentage of Maximum Awarded (iv)
		Threshold	Target	Maximum		
CRH EPS (iii)	25%	247.2c	267.3c	287.3c	320.8c	21.25%
CRH Cash Flow (iii)	30%	\$3,000m	\$3,244m	\$3,487m	\$3,874m	25.50%
CRH RONA (iii)	25%	9.9%	10.7%	11.5%	12.4%	21.25%
Personal/Strategic	20%				See page 99	17.00%
Total	100%					85.00%

(i) 0% of each element is earned at threshold, 50% at target and 100% at maximum, with a straight-line payout schedule between these points. For the reasons outlined on page 83, the financial targets which were originally set in early 2021 were reviewed and revised upwards mid-way through the year. The revised targets are set out in the Table above.

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

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

(iv) For the reasons outlined on page 83, the Committee and the executive Directors judged that the payout under the 2021 annual bonus plan should be capped at 85%.

As outlined in the Remuneration Committee Chairman's overview on page 83, the targets for the 2021 Annual Bonus Plan were set in early 2021 in the context of unprecedented uncertainty presented by the COVID-19 pandemic. As visibility improved on the impact of COVID-19 on the economies and construction markets in which CRH operates, mid-way through the year the Committee reviewed and revised upwards the financial targets for the 2021 annual bonus plan. Performance against these revised targets determined the outcome of the financial element of the bonus, which represents 80% of the potential bonus opportunity. As a result of the record financial performance of the Group in 2021 and highest ever EBITDA (as defined)* outturn of \$5.35 billion, the maximum target under each of the financial metrics was exceeded, resulting in a calculated payout level of 100%. Details of the revised targets for 2021 for each of the EPS, operating cash flow and RONA metrics, and the very strong performance against those targets, are set out in Table 32 on page 98.

The remaining 20% of the 2021 Annual Bonus Plan was linked to performance against key personal and strategic objectives, including inclusion & diversity, organisational change management and management succession and strategy.

Achievements in relation to these objectives included:

- advancing the I&D agenda, driving "tone from the top" actions and supporting inclusive behaviours across the senior leadership team, communicating CRH's vision and aspirations in this area, ensuring capability training was delivered and that the proper structures and supports are in place to drive towards CRH's 2030 targets in this area;
- providing leadership together with the senior leadership team to drive organisational change programmes across the Group and working closely with the Board in relation to designing the process for the long-term CEO succession process and senior management succession generally; and
- the continued assessment of strategic alternatives for the Group and working closely with the senior leadership team to align the organisational structure of CRH with its evolving strategy

Notwithstanding the outperformance during the year, both management and the Committee recognise the ongoing economic and social impact of the pandemic, and in that context judged that it would be appropriate to cap the bonus outcome in respect of the financial metrics and personal strategic measures at 85% of maximum. Further details are set out in Table 32 on page 98.

In line with CRH's remuneration policy, 33% of the earned bonus payments will be deferred into shares for a period of three years. For Mr. Mintern, for the period up to his appointment as Finance Director on 1 June 2021 a deferral of 25% applies.

Long-term Incentives

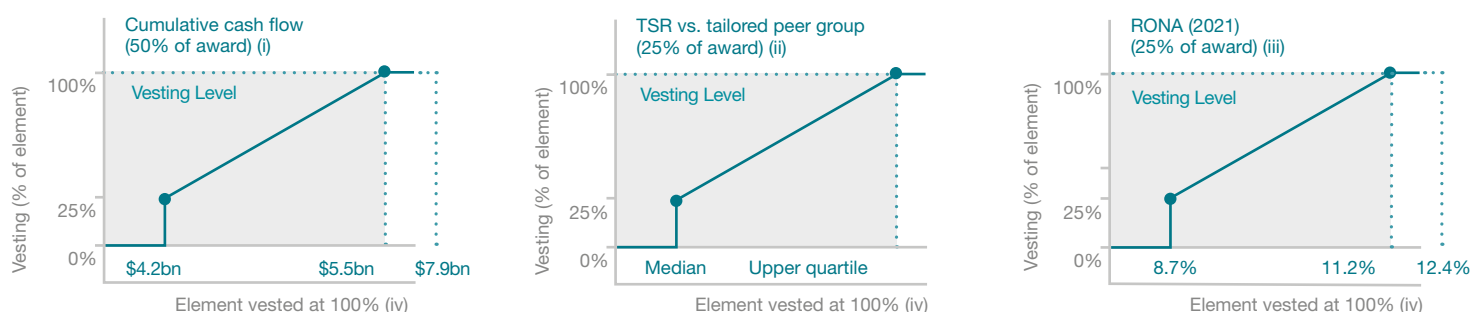
Performance Share Plan — 2019 awards

In 2019, the executive Directors were granted conditional awards under the 2014 Performance Share Plan. The awards were based on TSR (25% of the award) against a tailored group of key peers (see Table 37 on page 100, Cumulative Cash Flow (50% of the award) and RONA (25% of the award), and performance was measured over the three-year period 1 January 2019 to 31 December 2021. In respect of the TSR element, CRH's TSR over the period is ranked in the top quartile of the tailored peer group weighted by market capitalisation and warrants 100% vesting for the TSR element. In respect of the cumulative cash flow element, the actual outturn over the period was \$7.9 billion, which exceeded the stretch target of \$5.5 billion, resulting in 100% vesting for the cash flow element. In respect of the RONA element, the RONA outturn was 12.4%, resulting in 100% vesting for the RONA element.

When reviewing performance against the metrics, the Committee considered a number of adjustments, for example, to neutralise the impact of significant acquisitions and divestments, to reflect the Group's change in reporting currency from euro to US Dollar with effect from 1 January 2020, the impact of the implementation of IFRS 16 Leases and the impairment of subsidiaries in 2020.

2019 Performance Share Plan Award Metrics

Table 33



(i) Further information on how cash flow is calculated for PSP awards is set out on page 101.

(ii) The methodology for calculating TSR assumes all dividends are reinvested on the ex-dividend date at the closing share price on that day; the open and close price is based on the three-month average closing price on the last day before the start of the performance period and the final day of the performance period respectively. For the 2019 awards, TSR performance is assessed on a weighted market capitalisation basis.

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

(iv) For the purposes of the 2019 Award, TSR performance was in the top quartile against the tailored peer group (see Table 37 on page 100). The cumulative cash flow for the three years to end 31 December 2021 was \$7.9 billion. RONA at 31 December 2021 was 12.4%.

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

Annual Report on Remuneration - continued

Pension Entitlements - Defined Benefit (Audited)

Table 34

Executive Director	Increase in accrued personal pension during 2021 (i) €000	Transfer value of increase in dependants pension (i) €000	Total accrued personal pension at year end (ii) €000
Albert Manifold	-	167	273

(i) As noted above, the pension of Albert Manifold has been capped in line with the provisions of the Irish Finance Acts. However, dependants' pensions continue to accrue resulting in Greenbury transfer values which have been calculated on the basis of actuarial advice. These amounts do not represent sums paid out or due in 2021 in the event of Mr. Manifold leaving service.

(ii) The accrued pensions shown are those which would be payable annually from normal retirement date.

2019 Performance Share Plan Award Vesting Details

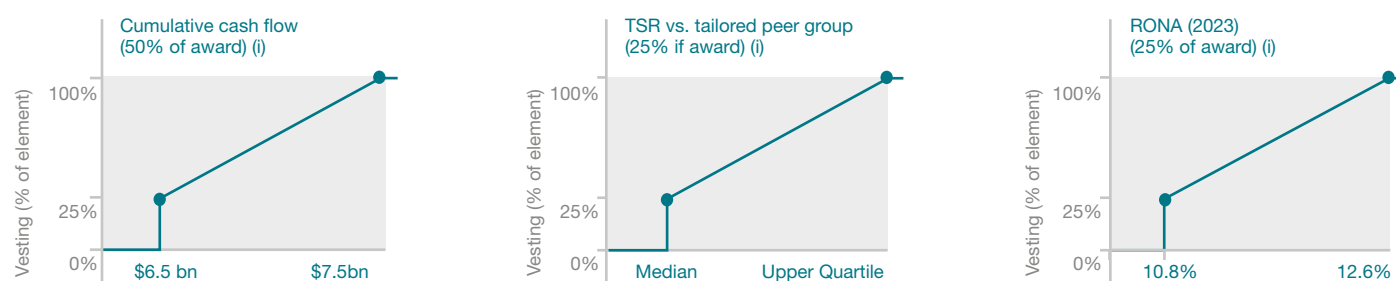
Table 35

Executive Director	Interests Held	Vesting Outcome (% of max)	Interests Due to Vest	Date of Vesting	Assumed Share Price (i)	Estimated Value
Albert Manifold	200,671	100%	200,671	March 2024	€43.11	€8,650,927
Jim Mintern	38,399	100%	38,399	April 2022	€43.11	€1,655,381
Senan Murphy	64,552	100%	64,552	March 2024	€43.11	€2,782,837

(i) As the share price on the date of vesting is not yet known, for the purposes of this Table, the value of these awards, which were subject to a three-year performance period ending in 2021, has been estimated using a share price of €43.11, being the three-month average share price to 31 December 2021.

2021 Performance Share Plan Award Metrics

Table 36



(i) See footnotes to Table 33 on page 99.

Peer Group for Performance Share Plan Awards

Table 37

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

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

2021 Performance Share Plan Award - Grant Details

Table 38

Executive Director	Date of Grant	Number of Shares	Market Price on which Award was Based	Face Value at Date of Award	Face Value on which Award was Based (% of salary)
Albert Manifold	9 March 2021	158,785	€36.95	€5,867,106	365%
Jim Mintern (i)	9 March 2021	30,280	€36.95	€1,118,846	n/a
Senan Murphy	9 March 2021	51,080	€36.95	€1,887,406	225%

(i) Award granted in early 2021 prior to Mr. Mintern's appointment as Finance Director and not in relation to his appointment.

The Committee considers that the vesting outcome is reflective of the Company's underlying performance over the performance period. In accordance with the Policy, the 2019 awards to Albert Manifold and Senan Murphy will vest in 2024 on completion of an additional two-year holding period. The 2019 award for Jim Mintern was granted prior to his appointment as Group Finance Director and, under the terms of the award, is not subject to an additional holding period. Accordingly, the award will vest in April 2022. Vested awards will be adjusted to accrue dividend equivalents based on dividends in the period from grant to the applicable date of vesting. Table 33 on page 99 sets out details of the relevant targets. Table 35 sets out details of the awards.

Performance Share Plan — 2021 awards

During 2021, awards under the 2014 Performance Share Plan were made to the executive Directors, details of which are summarised in Table 38. 50% of each award granted in 2021 is subject to a cumulative cash flow metric. The definition of cash flow, which applies to the cash metric for all PSP awards, is the net increase/decrease in cash and cash equivalents adjusted to exclude:

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

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

25% of each award is subject to a TSR metric, with performance being measured against a tailored peer group and on a market capitalisation weighted basis (see Table 37). The remaining 25% of each award is subject to a RONA metric, a key measure used by management to assess investment opportunities and to run the business.

Performance for the awards made in 2021 will be assessed over the three-year period to 31 December 2023.

As explained in last year's Report, the 2021 PSP targets were set in the context of unprecedented and ongoing uncertainty currently presented by the COVID-19 pandemic. Therefore, the Committee retained the discretion to revise the financial targets (the TSR targets not being impacted) in the event that it subsequently transpired that using these targets would be inappropriate for assessing the underlying performance of the Group. Mid-way through the year (see page 83 for more details), the Committee concluded that the cash flow and RONA targets attaching to the 2021 PSP should be revised upwards in light of improved visibility primarily on trading expectations. These revised targets are considered to represent significant stretch compared to the Board's strategic plan and prevailing macroeconomic conditions. Vesting will remain subject to the Committee's discretionary assessment of the formulaic outcome in the context of underlying Group performance. Details of the performance targets are set out in Table 36 on page 100.

Awards, to the extent that they vest, will be adjusted for dividend equivalents based on dividends in the period from grant to the date of vesting in 2025. "Malus" and clawback provisions apply to the awards.

Other Employee Share Plans

The executive Directors are eligible to participate in Irish Revenue approved Savings-related Option Schemes (the 'SAYE Scheme') and Share Participation Schemes (the 'Participation Scheme') on consistent terms with all other employees. The SAYE Scheme is open to all Irish and UK employees, although at present there is currently no financial services provider supporting new awards under Irish SAYE schemes following the exit from the market of the current provider in 2021. Participants may save up to €500/£500 a month from their net salaries for a fixed term of three or five years and at the end of the savings period they have the option to buy CRH shares at a discount of up to 15% of the market price on the date of invitation of each savings contract. Details of the outstanding awards of executive Directors under the 2010 SAYE Scheme are set out in Table 39 on page 102.

The Participation Scheme is an Irish Revenue approved plan and is open to all employees in Ireland. Grants can be made to participants up to a maximum of €12,700 annually in CRH shares. Albert Manifold, Jim Mintern and Senan Murphy participated in the Participation Scheme in 2021.

Retirement Benefit Expense

Albert Manifold is a participant in a contributory defined benefit plan which is based on an accrual rate of 1/60th of salary¹ for each year of pensionable service and is designed to provide two-thirds of career average salary at retirement for full service. Albert Manifold will become entitled to a deferred pension, payable from Normal Retirement Age, if he leaves service prior to Normal Retirement Age. The Finance Act 2006 established a cap on pension provisions by introducing a penalty tax charge on pension assets in excess of the higher of €5.4 million (in the Finance Act 2011, this threshold was reduced to €2.3 million and reduced further to €2 million by the Finance (No. 2) Act 2013) or the value of individual accrued pension entitlements as at 7 December 2005.

As a result of these legislative changes, the Remuneration Committee decided that executive Directors should have the option of continuing to accrue pension benefits as previously, or of choosing an alternative arrangement—by accepting pension benefits limited by the cap—with a similar overall cost to the Group. Albert Manifold has opted for an arrangement whereby his pension is capped in line with the provisions of the Finance Act 2006 and receives a supplementary taxable non-pensionable cash supplement in lieu of pension benefits foregone. There was, therefore, no additional accrual in 2021. The cash pension supplement for 2021 is detailed in Table 22 on page 87. This supplement is similar in value to the reduction in the Company's liability represented by the pension benefits foregone. It is calculated based on actuarial advice as the equivalent of the reduction in the Company's liability to Mr. Manifold and spread over the term to retirement as annual compensation allowances. In 2020, Mr. Manifold agreed to a voluntary reduction of 10% of the amount that would otherwise have been due to him. This was reduced by a further 10% in 2021 and will be below 25% of salary from 1 January 2022, reducing to zero in August 2022. The contributory defined benefit plan in which Albert Manifold participates closed to new entrants at the end of 2011. Details regarding the pension entitlements of Albert Manifold are set out in Table 34 on page 100.

Senan Murphy receives a taxable non-pensionable cash payment in lieu of a pension contribution, which, for the reasons set out in the previous year's report, is capped at 25% of his 2020 base salary. As outlined on page 83, Jim Mintern receives a taxable non-pensionable cash payment of 10% of salary in lieu of a pension contribution in line with that available to the wider UK and Irish workforce.

1. Salary is defined as basic annual salary and excludes any fluctuating emoluments.

Annual Report on Remuneration - continued

Summary of Outstanding Share Incentive Awards (Audited)

	Year of Award	Performance Period	Release Date	Market Value at Date of Award	Exercise Price	Balance at 31 December 2020
Albert Manifold						
Annual Bonus Plan (Deferred Share Awards) (i)	2018	01/01/17-31/12/2017	2021	€30.42	n/a	25,619
	2019	01/01/18-31/12/2018	2022	€24.90	n/a	27,337
	2020	01/01/19-31/12/2019	2023	€33.38	n/a	29,419
	2021	01/01/20-31/12/2020	2024	€33.01	n/a	-
2014 Performance Share Plan (ii)	2016	01/01/16-31/12/2018	2021	€24.56	n/a	123,052
	2017	01/01/17-31/12/2019	2022	€32.24	n/a	115,380
	2018	01/01/18-31/12/2020	2023	€27.62	n/a	196,278
	2019	01/01/19-31/12/2021	2024	€29.86	n/a	186,106
	2020	01/01/20-31/12/2022	2025	€33.10	n/a	172,509
2010 Savings-Related Share Option Scheme	2021	01/01/21-31/12/2023	2026	€36.95	n/a	-
	2018	n/a	2023	n/a	€23.39	1,293
Jim Mintern (iii)						
Annual Bonus Plan (Deferred Share Awards) (i)	2020	01/01/19-31/12/2019	2022	€33.38	n/a	4,206
	2021	01/01/20-31/12/2020	2023	€33.01	n/a	-
2014 Performance Share Plan (ii)	2019	01/01/19-31/12/2021	2022	€29.86	n/a	35,612
	2020	01/01/20-31/12/2022	2023	€33.10	n/a	32,860
	2021	01/01/21-31/12/2023	2024	€36.95	n/a	-
2010 Savings-Related Share Option Scheme	2019	n/a	2024	n/a	€24.24	1,247
Senan Murphy						
Annual Bonus Plan (Deferred Share Awards) (i)	2018	01/01/17-31/12/2017	2021	€30.42	n/a	8,352
	2019	01/01/18-31/12/2018	2022	€24.90	n/a	9,510
	2020	01/01/19-31/12/2019	2023	€33.38	n/a	10,235
	2021	01/01/20-31/12/2020	2024	€33.01	n/a	-
2014 Performance Share Plan (ii)	2016	01/01/16-31/12/2018	2021	€24.56	n/a	30,101
	2017	01/01/17-31/12/2019	2022	€32.24	n/a	30,941
	2018	01/01/18-31/12/2020	2023	€27.62	n/a	63,134
	2019	01/01/19-31/12/2021	2024	€29.86	n/a	59,867
	2020	01/01/20-31/12/2022	2025	€33.10	n/a	55,492
	2021	01/01/21-31/12/2023	2026	€36.95	n/a	-

The market price of the Company's shares at 31 December 2021 was €46.52 and the range during 2021 was €34.38 and €46.96.

- (i) The Remuneration Committee has determined that dividend equivalents should accrue on awards under the Annual Bonus Plan. Such dividend equivalents will be released to participants on the date of release of the Deferred Shares.
- (ii) The Remuneration Committee has determined that dividend equivalents should accrue on awards under the 2014 Performance Share Plan. Subject to satisfaction of the applicable performance criteria, such dividend equivalents will be released to participants in the form of additional shares on vesting.
- (iii) The awards for Mr. Mintern shown in the Table above were granted to him in connection with his former roles within CRH.

Table 39

	Granted in 2021	Released in 2021	Exercised in 2021	Lapsed in 2021	Balance at 31 December 2021	Dividends Awarded & Released	Market Value on Date of Exercise/Released
	-	25,619	-	-	-	2,010	€39.58
	-	-	-	-	27,337	-	-
	-	-	-	-	29,419	-	-
	30,568	-	-	-	30,568	-	-
	-	123,052	-	-	-	15,670	€39.58
	-	-	-	-	115,380	-	-
	-	-	-	25,957	170,321	-	-
	-	-	-	-	186,106	-	-
	-	-	-	-	172,509	-	-
	158,785	-	-	-	158,785	-	-
	-	-	-	-	1,293	-	-
	-	-	-	-	4,206	-	-
	4,393	-	-	-	4,393	-	-
	-	-	-	-	35,612	-	-
	-	-	-	-	32,860	-	-
	30,280	-	-	-	30,280	-	-
	-	-	-	-	1,247	-	-
	-	8,352	-	-	-	655	€39.58
	-	-	-	-	9,510	-	-
	-	-	-	-	10,235	-	-
	10,428	-	-	-	10,428	-	-
	-	30,101	-	-	-	3,831	€39.58
	-	-	-	-	30,941	-	-
	-	-	-	8,349	54,785	-	-
	-	-	-	-	59,867	-	-
	-	-	-	-	55,492	-	-
	51,080	-	-	-	51,080	-	-

Annual Report on Remuneration - continued

Shareholding Guideline for Executive Directors

The shareholding guideline for the executive Directors is set out on page pages 96 and 97, together with a table showing the current shareholdings of the executive Directors as a multiple of base salary.

Proposed Implementation of Remuneration in 2022

Basic Salary and Benefits

Details of the executive Directors' salaries for 2022 compared with 2021 are set out in the Committee Chairman's Overview on page 83. The Committee has reviewed the executive Directors' base salaries and concluded that salary increases of 2.75% should also be awarded to the executive Directors in 2022 in recognition of their continued strong performance, contribution and leadership of CRH. The approved increase is in line with the general workforce increase in Ireland and the UK. Executive Directors will receive benefits in line with the 2022 Policy in 2022. The level of benefits provided will depend on the cost of providing individual items and the individual circumstances.

Retirement Benefit Expense

As outlined in the Remuneration Committee Chairman's overview on page 83, the monetary value of the pension contribution/allowance for Mr. Manifold has been reduced to below 25% of his salary for 2022 and will expire in August 2022. The annual pension contribution/allowance for Jim Minter remains at 10% of his base salary.

2022 Annual Bonus Plan

The Remuneration Committee has determined that the 2022 Annual Bonus Plan will be operated broadly in line with the 2021 Annual Bonus Plan. 80% of the bonus will be based on financial targets and the remaining 20% on individual objectives aligned to key strategic areas for each executive Director. The targets attaching to the 2022 bonus will be disclosed in the 2022 Annual Report and Form 20-F.

2022 Performance Share Plan Awards

For the 2022 PSP awards, awards will be assessed over the three-year period to 31 December 2024. The metrics, weightings and opportunity for the 2022 PSP awards are summarised in Table 40 on page 105.

Fees Paid to Former Directors

The 2013 Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment Regulations) Regulations in the UK, require disclosure of payments to former Directors in certain circumstances. No payments have been made to individual former Directors in those circumstances which exceed the de minimis threshold of €20,000 per annum set by the Remuneration Committee. For the purposes of Section 1110N of the Companies Act 2014, details of the payments made to former Directors are included in Table 49 on page 109.

Executives' External Appointments

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

Non-executive Directors

The remuneration of non-executive Directors is determined by the Board of Directors. The fees were last increased in 2019. As outlined in the Remuneration Committee Chairman's overview on page 84, a Committee of the Chairman and the executive Directors recommended that the fees of the non-executive Directors be increased with effect from 1 January 2022 by reference to the wider workforce increase of 2.75% in Ireland and the UK. The fee structure for non-executive Directors to apply under the 2022 Policy is set out in Table 41 on page 105. Taking into account the performance of the Chairman since his appointment in 2020 and the nature and extent of his time commitment to fulfil his responsibilities, the Committee reviewed CRH's fee levels relative to other FTSE50 companies (excluding financial services) and recommended that the Chairman's fee be increased from €630,000, the amount set for the role when the current policy was approved by Shareholders in 2019, to €647,250, with effect from 1 January 2022, by reference to the increase for the wider workforce of 2.75%. Details of the remuneration paid to non-executive Directors in 2021 are set out in Table 42 on page 106.

Total Shareholder Return

The value at 31 December of €100 invested in CRH in 2011, compared with the value of €100 invested in the Eurofirst 300 Index and the FTSE100 Index (which CRH joined in December 2011) is shown in Table 45 on page 107.

TSR performance has been compared against the FTSE100 and the Eurofirst 300 as these are broad general market indices of which CRH is a constituent. The Committee, therefore, considers that they offer a reasonable comparison for performance. Compound annual TSR since the formation of the Group in 1970 (assuming the reinvestment of dividends) is 15.5% (2020: 15.1%).

Workforce Engagement

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

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

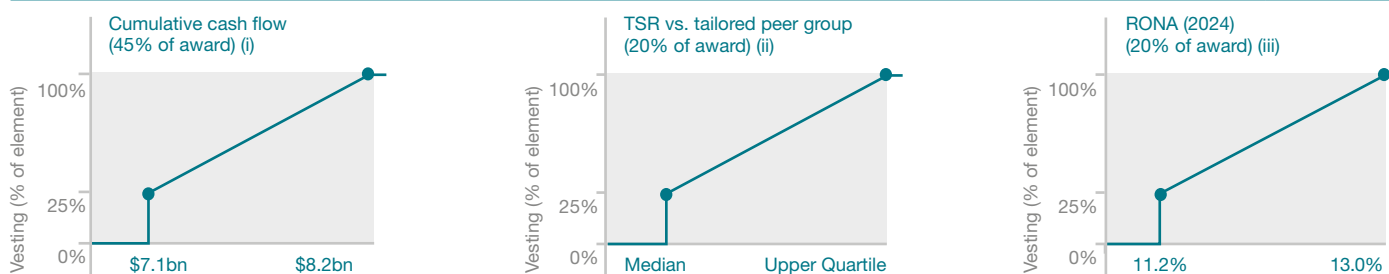
The SESR Committee has taken formal responsibility for workforce engagement. Remuneration Committee members are kept up-to-date on the workings of the SESR Committee and the feedback it receives from employees on all matters including remuneration. Further details in relation to the engagement with employees on remuneration matters during 2021 is included on page 82.

Changes in the remuneration of the Directors

Table 48 on page 109 shows the percentage change in the executive and non-executive Directors' salary/fees, benefits and bonus between 2020 and 2021 compared to the change in total average employment costs in respect of employees in the Group as a whole between 2020 and 2021.

Performance Share Plan Metrics - 2022 Awards

Table 40



Sustainability scorecard (15% of award)

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

(i), (ii) and (iii) see Table 33 on page 99.

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

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

Non-executive Director Fee Structure

Table 41

Role	2022	2021
Group Chairman (including non-executive Director salary and fees for Committee work)	€647,250	€630,000
Basic non-executive Director fee	€90,250	€88,000
Committee fee	€32,750	€32,000
Additional fees		
Senior Independent Director	€25,500	€25,000
Remuneration Committee Chairman	€30,750	€30,000
Audit Committee Chairman	€40,000	€39,000
Combined Senior Independent Director and Committee Chairman	€40,000	€39,000
SESR Committee Chairman	€30,750	-
Fee for Europe-based non-executive Directors	€15,000	€15,000
Fee for US-based non-executive Directors	€30,000	€30,000

Annual Report on Remuneration - continued

Remuneration Paid to Chief Executive 2012 – 2021

Table 43 on page 107 shows the total remuneration paid to the Chief Executive in the period 2012 to 2021 inclusive and shows bonuses and vested long-term incentive awards as a percentage of the maximum bonus and award that could have been received in respect of each year. Albert Manifold succeeded Myles Lee as Chief Executive in January 2014.

Chief Executive Pay Ratio compared to UK-based employees

As required by the reporting regulations with which CRH complies, Table 44 on page 107 summarises the ratio of the Chief Executive's remuneration compared with the UK workforce (which represents only 13% of the Group's c.77,400 employees). In last year's Report, the Committee noted an expectation for year-on-year variations in the reported pay ratio to be driven by performance-based pay outcomes which, in line with our remuneration policy, comprise a significant proportion of the total remuneration

for the Chief Executive. While the majority of employees across CRH also participate in performance-related incentives, these typically comprise a lower proportion of the package (in line with competitive market practices for these roles and levels). Consistent with our philosophy across the Group that incentives should be linked to performance that an individual can influence, these more commonly reflect an individual's own (and own business unit) performance, compared with a linkage to Group performance for the Chief Executive and other senior executives.

In keeping with our remuneration philosophy and policy, a significant proportion of the total remuneration for Executive Directors is derived from variable, performance-based remuneration. Total remuneration for the Chief Executive—and therefore the pay ratio—is likely to vary year-on-year based on the Group's performance, as illustrated in the scenario charts on page 94. Noting that the total remuneration pay ratio will be volatile over time, the Committee has elected to continue also disclosing the pay ratio for base salary. In line with the Committee's policy that Executive Directors' base salaries will normally

increase in line with the typical level of increase awarded to other employees in the Group, it is anticipated that this ratio will be more stable - and representative of relative changes in fixed pay - over time.

The median total remuneration pay ratio for 2021 of 289:1 demonstrates continued alignment of the Chief Executive's remuneration with the performance of CRH over the longer-term. A significant proportion (62%) of the Chief Executive's total remuneration for 2021 is derived from the vesting of the 2019 PSP award, which was based on the delivery of sustained financial performance and above-market shareholder returns over the last three years. Through the denomination of this award in CRH shares, its value also reflects directly CRH's share price performance over this period; 31% of the PSP value reported in the Single Figure of Total Remuneration table derives from share price appreciation. These shares cannot be sold for a further two years, further aligning the Chief Executive's interests with those of shareholders over the longer-term.

Individual Remuneration for Non-executive Directors for the year ended 31 December 2021 (Audited)

Table 42

	Basic fees (i) €000		Benefits (ii) €000		Other fees (iii) €000		Total €000		
	2021	2020	2021	2020	2021	2020	2021	2020	2019
Non-executive Directors									
R. Boucher	88	83	5	-	557	522	650	605	165
C. Dowling (iv)	69	-	3	-	37	-	109	-	-
R. Fearon (v)	88	7	-	-	62	3	150	10	-
J. Karlström (vi)	88	83	-	-	47	44	135	127	36
S. Kelly (vii)	88	83	-	-	101	95	189	178	15
B. Khan (viii)	4	-	-	-	10	-	14	-	-
L. McKay (v)	88	7	-	-	62	3	150	10	-
H.A. McSharry (ix)	29	83	-	-	25	72	54	155	151
G.L. Platt	88	83	-	-	92	82	180	165	175
M.K. Rhinehart	88	83	-	-	62	58	150	141	150
L.J. Riches (ix)	29	83	-	-	16	44	45	127	135
S. Talbot	88	83	3	-	47	44	138	127	137
	835	678	11	-	1,118	967	1,964	1,645	964

(i) Further information in relation to the non-executive Director fee structure are set out in Table 41 on page 105.

(ii) Benefits: Includes the cost of hotel accommodation for Irish based non-executive Directors in respect of meetings held in Ireland which have been grossed up for Irish tax purposes.

(iii) Other Remuneration: Includes remuneration for Chairman, Board Committee work and allowances for non-executive Directors based outside of Ireland.

(iv) Caroline Dowling became a Director on 22 March 2021

(v) Rick Fearon and Lamar McKay became Directors on 3 December 2020

(vi) Johan Karlström became a Director on 26 September 2019

(vii) Shaun Kelly became a Director on 3 December 2019

(viii) Badar Khan became on Director on 27 October 2021

(ix) Heather Ann McSharry and Lucinda Riches retired as Directors on 29 April 2021

Remuneration paid to Chief Executive (2012-2021)

Table 43

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Single figure Remuneration (€m) (i)	€2.5m	€4.2m	€4.3m	€5.4m	€9.9m	€8.7m	€8.2m	€9.3m	€11.2m	€13.9m
Annual Bonus (% of max)	28%	30%	100%	100%	98%	96%	81%	86%	86%	85%
Long-term incentive award vesting (% of max)	0%	PSP: 49% LTIP: 34%	PSP: 0% Options: 75%	PSP: 78% Options: 37%	100%	79%	59%	71%	87%	100%

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

Chief Executive Pay Ratios**Total Remuneration Pay Ratios compared to UK-based employees**

Table 44

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

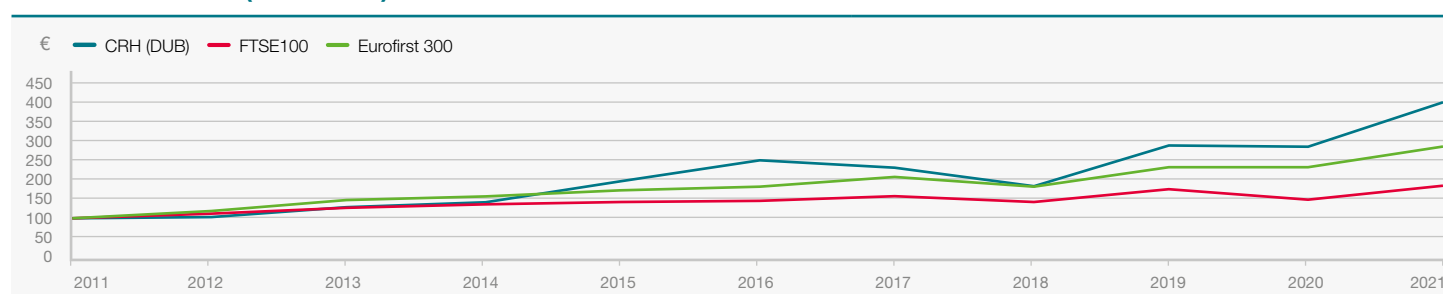
Salary Pay Ratios compared to UK-based employees

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

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

TSR Performance (2011-2021)

Table 45



Annual Report on Remuneration - continued

Relative Importance of Spend on Pay

Table 46 sets out the amount paid by the Group in remuneration to employees compared to the amount returned to shareholders as part of the share buyback programme and dividend distributions made to shareholders in 2020 and 2021. We have also shown the change in EBITDA (as defined)* performance year-on-year to provide an indication of the change in profit performance.

Advisers to the Remuneration Committee

During 2021, the Committee completed a formal tender process for the appointment of its advisor. Following the conclusion of this process, the Committee selected Ellason as its independent remuneration consultants and they succeeded Mercer Kepler with effect from June 2021. The Committee has satisfied itself that the advice provided by Ellason is robust and independent and that the Ellason engagement partner and team that provide remuneration advice to the Committee do not have connections with CRH plc that may impair their independence.

Ellason are signatories to the Voluntary Code of Conduct in relation to executive remuneration consulting in the UK. During 2021, Ellason provided the following remuneration services:

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

In 2021, the total fees paid to Ellason were £52,376. The total fees paid to Mercer Kepler in 2021 were £20,230.

2021 Annual General Meeting

The voting outcome in respect of the remuneration-related votes at the 2021 AGM is set out in Table 20 on page 85.

Lamar McKay

Chair of Remuneration Committee
2 March 2022

Relative Importance of Spend on Pay

Table 46

Share Buyback/ Dividends	2021	\$0.9bn	\$0.9bn	Total: \$1.8 billion
	2020	\$0.2bn	\$0.7bn	Total: \$0.9 billion
■ Shares Repurchased □ Dividends Paid				
Remuneration received by all employees	2021	\$6.52bn		
	2020	\$6.21bn		
EBITDA (as defined)*	2021	\$5.35bn		
	2020	\$4.6bn		

Shareholdings of Directors and Company Secretary

Table 47

Name	Beneficially Owned (i)	
	31 December 2021	31 December 2020
Executive Directors		
A. Manifold (ii)	89,727	47,061
J. Minter (ii) (iii)	33,603	33,603
S. Murphy (iv)	n/a	6,068
Non-executive Directors		
R. Boucher	23,300	23,300
C. Dowling (v)	1,000	Nil
R. Fearon (vi)	5,000	1,000
J. Karlström	2,000	2,000
S. Kelly (vi)	1,000	1,000
B. Khan (vii)	1,000	Nil
L. McKay (vi)	4,000	4,000
H.A. McSharry (iv)	n/a	4,170
G.L. Platt	1,082	1,064
M.K. Rhinehart (vi)	1,000	1,000
L.J. Riches (iv)	n/a	5,000
S. Talbot	1,550	1,550
Company Secretary		
N. Colgan	5,087	4,769
Total	169,349	135,585

(i) Excludes awards of Deferred Shares, details of which are disclosed on pages 102 and 103. The Directors and Company Secretary do not have any special voting rights.

(ii) The total interests of the executive Directors, using the methodology set out in the Shareholding Guidelines section on page 96, are illustrated in Table 31 on page 97.

(iii) Appointed with effect from 1 June 2021. Holdings shown in the 2020 column are those as at the date of appointment to the Board.

(iv) Retired from the Board with effect from 29 April 2021.

(v) Appointed with effect from 22 March 2021. Holdings shown in the 2020 column are those as at the date of appointment.

(vi) Holdings in the form of American Depositary Receipts (ADRs).

(vii) Appointed with effect from 26 October 2021. Holdings shown in the 2020 column are those at the date of appointment.

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

Changes in the remuneration of the Directors

Table 48

	Percentage change from prior year					
	Salary/Fees		Benefits		Bonus	
	2021	2020	2021	2020	2021	2020
Executive Directors						
A. Manifold	+9%	-4%	-15%	-37%	+2%	+3%
S. Murphy (i)	+9%	-4%	-54%	-52%	-65%	+1%
J. Mintern	n/a	n/a	n/a	n/a	n/a	n/a
Non-executive Directors						
R. Boucher (ii)	+6%	-6%	n/a	n/a	n/a	n/a
C. Dowling (iii)	n/a	n/a	n/a	n/a	n/a	n/a
R. Fearon (iv)	+6%	n/a	n/a	n/a	n/a	n/a
J. Karlström (v)	+6%	-6%	n/a	n/a	n/a	n/a
S. Kelly (vi)	+6%	-6%	n/a	n/a	n/a	n/a
B. Khan	n/a	n/a	n/a	n/a	n/a	n/a
L. McKay (iv)	+6%	n/a	n/a	n/a	n/a	n/a
H.A. McSharry (i)	+6%	-6%	n/a	n/a	n/a	n/a
G.L. Platt	+6%	-6%	n/a	n/a	n/a	n/a
M.K. Rhinehart	+6%	-6%	n/a	n/a	n/a	n/a
L.J. Riches (i)	+6%	-6%	n/a	n/a	n/a	n/a
S. Talbot	+6%	-6%	n/a	n/a	n/a	n/a
Average Workforce Costs (v)	+4.9%	+1%				

(i) Retired from the Board with effect from 29 April 2021.

(ii) Appointed Chairman with effect from 1 January 2020.

(iii) Appointed with effect from 22 March 2021.

(iv) Appointed with effect from 3 December 2020.

(v) Appointed with effect from 25 September 2019.

(vi) Appointed with effect from 3 December 2019.

(vii) For the purposes of Section 1110N(e)(ii), CRH plc had no employees in each of the financial years from 2017 to 2021.

Details of Remuneration Charged against Profit in 2021 (i) (Audited)

Table 49

	2021	2020	2019
	€000	€000	€000
Executive Directors			
Basic Salary	2,376	2,237	2,317
Performance-related Incentive Plan			
- cash element	2,841	2,707	2,647
- deferred shares element	1,421	1,353	1,324
Retirement Benefits Expense	668	816	866
Benefits	50	40	70
Total executive Directors' remuneration	7,356	7,153	7,224
Average number of executive Directors	1.92	2.00	2.00
Non-executive Directors			
Fees	835	730	894
Other remuneration	1,118	995	1,124
Benefits	11		9
Total non-executive Directors' remuneration	1,964	1,725	2,027
Average number of non-executive Directors	9.58	8.83	10.16
Payments to former Directors (ii)	9	40	9
Total Directors' remuneration	9,329	8,918	9,260

(i) See analysis of 2021 remuneration by individual in Tables 22 and 42 on pages 87 and 106 respectively.

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

For the purposes of Section 305 of the Companies Act 2014, the total aggregate of "emoluments" paid or received by Directors in respect of qualifying services was €9.33 million. Details of share-based payments charges through P&L can be found in note 8 on page 164.

Directors' Report

The Directors submit their report and the audited Consolidated Financial Statements for the year ended 31 December 2021.

Principal Activity, Results for the Year and Review of Business

CRH is the leading building materials business in the world, employing c. 77,400 people at over 3,200 locations in 28 countries. CRH manufactures and supplies a range of building materials, products and innovative solutions for the construction industry. From primary materials, to products that are highly engineered and high-value-added, to integrated building solutions that enable faster, more sustainable construction, CRH is uniquely positioned to address evolving trends in global construction markets. Our products can be found throughout the built environment in a wide range of construction projects from major public infrastructure to commercial buildings and residential homes. The Group has c.900 subsidiary, joint venture and associate undertakings; the principal ones as at 31 December 2021 are listed on pages 260 to 264.

The Group's strategy, business model and development activity are summarised on pages 6 to 53 and are deemed to be incorporated in this part of the Directors' Report. As set out in the Consolidated Income Statement on page 140, the Group reported a profit before tax for the year of \$3.3 billion from continuing operations. Comprehensive reviews of the financial and operating performance of the Group during 2021 are set out in the Business Performance section on pages 36 to 53; key financial performance indicators are set out on pages 18 to 19.

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

During the year ended 31 December 2021, 17,829,602 ordinary shares were repurchased on the Euronext Dublin for a total of \$0.9 billion, at an average price of \$49.30 per share. Further details in relation to the buyback programme and the Company's profits available for distribution are set on pages 113 and 205 respectively.

Dividend

CRH's capital allocation policy reflects the Group's strategy of generating industry leading returns through value-accretive allocation of capital while delivering long-term dividend growth for shareholders. The Board continues to believe that a progressive dividend policy is appropriate for the Group and further to the 25% dividend increase in 2020, an interim dividend of 23.0c (2020: 22.0c) per share was paid in October 2021. The Board is recommending a final dividend of 98.0c per share. This would give a total dividend of 121.0c for the year (2020: 115.0c), an increase of 5% over last year. The earnings per share for the year were 328.8c, representing a cover of 2.7x the proposed dividend for the year. It is proposed to pay the final dividend on 5 May 2022 to shareholders registered at the close of business on 11 March 2022. In connection with the share buyback programme, CRH announced the suspension of the scrip dividend scheme on 2 May 2018. Therefore, the final dividend will be paid wholly in cash. Reflecting the resilience of our business model and continued strong cash generation the Board believes that a through-the-cycle dividend cover of 2.0 to 2.5 times is appropriate for the Group going forward.

2022 Outlook

The 2022 outlook set out in the Chief Executive's Review on page 11 is deemed to be incorporated in this part of the Directors' Report.

Principal Risks and Uncertainties

Pursuant to Section 327(1)(b) of the Companies Act 2014, Regulation 5(4)(c)(ii) of the Transparency (Directive 2004/109/EC) Regulations 2007 (the 'Transparency Regulations') and the Central Bank (Investment Market Conduct) Rules 2019, the principal risks and uncertainties that could affect the Group's business are set out on pages 116 to 121 and are deemed to be incorporated in this part of the Directors' Report. These risks and uncertainties reflect the international scope of the Group's operations and its decentralised structure. If any of these risks occur, the Group's business, financial condition, results of operations, liquidity and/or prospects could be materially adversely affected.

Non-Financial Reporting

The European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (the 'Non-Financial Regulations') requires CRH to provide certain non-financial information to investors and other stakeholders necessary to provide them with an understanding of the Company's development, performance, position and impact of its activity. Table 50 provides more details on the information required to be provided by the Non-Financial Regulations and where this information has been provided in this Annual Report and Form 20-F.

Non-Financial Reporting

Table 50

Reporting Requirement	Relevant Policies (i)	Location of Information (ii)	Pages
Environmental and Climate-Related Matters	Environmental Policy	Sustainability, Transparency on Climate, Risk, Governance and The Environment and Government Regulations	20 to 31 and 242
Social & Employee Matters	Health & Safety Policy, Social Policy	Sustainability, SESR Committee Report and Risk Factors	20 to 31, 76 to 79 and 232 to 240
Human Rights	Social Policy, Code of Business Conduct	Sustainability	20 to 27 and 74
Anti-bribery & Corruption	Code of Business Conduct	Sustainability and Risk Factors	20 to 27 and 238
Business Model	–	Business Model	16 to 17
Non-financial KPIs	–	Key Performance Indicators	18 to 19
Principal Risks	–	Risk Management	32 to 35
		Principal Risks and Uncertainties	116 to 121

(i) Policies are available on CRH's website, www.crh.com.

(ii) The referenced sections are deemed to be incorporated within this Directors' Report.

Regulatory Information¹

Table 51

Companies Act 2014	For the purpose of Section 1373, the Corporate Governance Report on pages 55 to 109, together with the Governance Appendix located on the CRH website (www.crh.com), which contains the information required by Section 1373(2) of the Companies Act 2014 and the risk management disclosures on pages 32 to 35 and 116 to 121, are deemed to be incorporated in the Directors' Report and form part of the corporate governance statement required by Section 1373 of the Companies Act. Details of the Company's employee share schemes and capital structure can be found in notes 8 and 29 to the Consolidated Financial Statements on pages 164 to 166 and 203 to 205 respectively.
2006 Takeover Regulations	For the purpose of Regulation 21 of Statutory Instrument 255/2006 European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006, the rules relating to the appointment and replacement of Directors are summarised in the Governance Appendix. The Chief Executive and the Finance Director have entered into service contracts, the principal terms of which are summarised in the 2022 Directors' Remuneration Policy on page 95 are deemed to be incorporated in this part of the Directors' Report. The Company's Memorandum and Articles of Association, which are available on the CRH website, are also deemed to be incorporated in this part of the Directors' Report. The Group has certain banking facilities and bond issues outstanding which may require repayment in the event that a change in control occurs with respect to the Company. In addition, the Company's Share Option Schemes and Performance Share Plan contain change of control provisions which can allow for the acceleration of the exercisability of share options and the vesting of share awards in the event that a change of control occurs with respect to the Company.
2007 Transparency Regulations	For the purpose of Statutory Instrument 277/2007 Transparency (Directive 2004/109/EC) Regulations 2007, the following sections of this Annual Report and Form 20-F are deemed to be incorporated into this part of the Directors' Report ² : the Chairman's Introduction on pages 4 and 5, the Strategy Review section on pages 8 to 35, the Principal Risks and Uncertainties section on pages 116 to 121, the Business Performance section on pages 37 to 53, the information on inclusion and diversity on pages 72 and 74, the details of earnings per Ordinary Share in note 12 to the Consolidated Financial Statements, the details of derivative financial instruments in note 27, the details of the reissue of Treasury Shares in note 29 and the details of employees in note 7.
Disclaimer/ Forward-Looking Statements	In order to utilise the "Safe Harbor" provisions of the US Private Securities Litigation Reform Act of 1995, CRH plc (the 'Company'), and its subsidiaries (collectively, 'CRH' or the 'Group') is providing the following cautionary statement. This document contains certain statements that are, or may be deemed to be, forward-looking statements with respect to the financial condition, results of operations, business, viability and future performance of CRH and certain of the plans and objectives of CRH including, but not limited to, the statements under: "Chairman's Introduction," "Strategy Review - Chief Executive's Review," "Governance - Directors' Report" and "Strategy Review - Our Strategy," in each case regarding the Group's strategy, plans and expectations for future growth and delivery; "Strategy Review - Key Performance Indicators" with regard to our focus for 2022; "Strategy Review - Sustainability" with regard to our strategies for our sustainability priorities, our ambitions and targets, and climate-related risks and opportunities; "Business Performance and Segmental Reviews - Finance Director's Review" with respect to our belief that the Group has sufficient resources to meet its debt obligations and capital and other expenditure requirements in the short and long terms; "Business Performance and Segmental Reviews" with respect to our expectations regarding economic activity and fiscal developments in our operating regions, our expectations for the residential, non-residential and infrastructure markets, and our strategies for individual segments and business lines; "Governance - Safety, Environmental & Social Responsibility Committee Report" with regard to our environment, social, and governance strategies and priorities; "Governance - Directors' Remuneration Report" with regard to growth forecasts for the coming years; "Governance - Principal Risks and Uncertainties," "Strategy Review - Risk Management" and "Supplemental 20-F and Other Disclosures - Risk Factors" with respect to the potential impact and evolving nature of risk as well as the direction risk may be trending; and "Supplemental 20-F and Other Disclosures - The Environment and Government Regulations" regarding policy, legal and regulatory developments that may affect CRH. These forward-looking statements may generally, but not always, be identified by the use of words such as "will", "anticipates", "should", "could", "would", "targets", "aims", "may", "continues", "expects", "is expected to", "estimates", "believes", "intends" or similar expressions. These forward-looking statements include all matters that are not historical facts or matters of fact at the time of this document. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future and reflect the Company's current expectations and assumptions as to such future events and circumstances that may not prove accurate. A number of material factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, certain of which are beyond our control and which include, among other things: the ongoing COVID-19 pandemic; economic and financial conditions generally in various countries and regions where we operate; the pace of growth in the overall construction and building materials sector; demand for infrastructure, residential and non-residential construction in our geographic markets; increased competition and its impact on prices; increases in energy and/or raw materials costs; adverse changes to laws and regulations; approval or allocation of funding for infrastructure programmes; adverse political developments in various countries and regions; failure to complete or successfully integrate acquisitions; the effects of climate change and related regulations on our business political stability and economic growth in relevant areas of the world; wars and acts of terrorism; cyber-attacks or sabotage; and the specific factors identified in the discussions accompanying such forward-looking statements and in the Principal Risks and Uncertainties included on pages 116 to 121 of the Directors' Report and in the Risk Factors included on pages 232 to 240 of this Annual Report and Form 20-F. You are cautioned not to place undue reliance on any forward-looking statements. These forward-looking statements are made as of the date of this Directors' Report. The Company expressly disclaims any obligation or undertaking to publicly update or revise these forward-looking statements other than as required by applicable law. The forward-looking statements in this Annual Report and Form 20-F do not constitute reports or statements published in compliance with any of Regulations 4 to 8 and 26 of the Transparency (Directive 2004/109/EC) Regulations 2007.

Location of Information required pursuant to Listing Rule 9.8.4C

Table 52

Listing Rule	Information to be included (i):
LR 9.8.4 (12) and (13)	Waivers of Dividends Disclosure: The Trustees of the Employee Benefit Trust have elected to waive dividends in respect of certain holdings of CRH shares. See page 205 to the Consolidated Financial Statements.

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

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

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

Directors' Report - continued

Going Concern

The time period that the Directors have considered in evaluating the appropriateness of the going concern basis in preparing the 2021 Consolidated Financial Statements is a period of at least twelve months from the date of approval of these financial statements (the 'period of assessment').

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategy Review and in this report on pages 6 to 35 and pages 116 to 121. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Business Performance Review on pages 36 to 53. In addition, notes 21 to 25 to the Consolidated Financial Statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit, currency and liquidity risks. The Group has considerable financial resources and a large number of customers and suppliers across different geographic areas and industries and the local nature of building materials means that the Group's products are not usually shipped cross-border. The level of cash and liquidity available to the Group including our ongoing ability to access the debt markets, the quantum of our liquidity facilities, the absence of financial covenants associated with our debt obligations and the continuing maintenance of strong investment grade credit ratings demonstrate the significant financial strength and resilience of the Group. No concerns or material uncertainties have been identified as part of our assessment.

Having assessed the relevant business risks, including the climate change risk on page 118, the Directors believe that the Group is well placed to manage these risks successfully and they have a reasonable expectation that CRH plc, and the Group as a whole, has adequate financial and other resources to continue in operational existence for the period of assessment with no material uncertainties. For this reason, the Directors continue to adopt the going concern basis in preparing the Consolidated Financial Statements.

Viability Statement

The viability statement set out on page 35 is deemed to be incorporated in this section of the Directors' Report.

Risk Management and Internal Control¹

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

Directors' Compliance Statement

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

Directors' Remuneration Report

Resolution 3 to be proposed at the 2022 AGM deals with the 2021 Directors' Remuneration Report (excluding the Remuneration Policy Report), as set out on pages 80 to 109, which is being presented to shareholders for the purposes of a non-binding advisory vote in line with the requirements of Section 1110N(6) of the Companies Act, 2014.

Resolution 4 to be proposed at the 2022 AGM deals with the Remuneration Policy, as set out on pages 88 to 97. The 2022 Directors' Remuneration Policy will, if approved, provide the framework for remuneration decisions made by the Remuneration Committee. It is the Company's intention that this will apply until the 2025 AGM, unless the Remuneration Committee seeks shareholder approval for a renewed policy at an earlier date.

Directors' Fees

An ordinary resolution (resolution 5) will be proposed at the 2022 AGM to increase the limit of the aggregate fees for non-executive Directors to €1,200,000. The current limit, approved at the 2019 AGM, is €1,000,000. The proposed increase is required as a result of an increase in the number of non-executive Directors.

Changes to the Board of Directors

- Ms. C. Dowling was appointed to the Board with effect from 22 March 2021;
- Ms. H.A. McSharry, Mr. S. Murphy and Ms. L.J. Riches retired from the Board with effect from 29 April 2021; and
- Mr. B. Khan was appointed to the Board with effect from 27 October 2021

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

Auditor

As required under Section 381(1)(b) of the Companies Act 2014, the AGM agenda includes a resolution authorising the Directors to fix the remuneration of the auditor.

Section 383 of the Companies Act 2014 provides for the automatic re-appointment of the auditor of an Irish company at a company's AGM, unless the auditor has given notice in writing of his unwillingness to be re-appointed or a resolution has been passed at that meeting appointing someone else or providing expressly that the incumbent auditor shall not be re-appointed. The auditor, Deloitte Ireland LLP, is willing to continue in office.

Notwithstanding the provisions of Irish company law, the Board has decided to provide shareholders with an opportunity to have a say on the continuance in office of Deloitte Ireland LLP and a non-binding resolution has been included on the agenda for the 2022 AGM for this purpose.

1. For more information in relation to the Group's risk management and internal control systems, please see the Risk Management and Internal Control section in the Supplemental 20-F and Other Disclosures section on page 240.

Authority to Allot Shares

The Directors require the authority of the shareholders to allot any unissued Ordinary Share capital of the Company. Accordingly, an ordinary resolution will be proposed at the 2022 AGM (resolution 9) to renew the annual authority for that purpose. The authority will be for an amount which represents just under 50% of the issued Ordinary Share capital as at 2 March 2022. Any allotment exceeding 33% of the issued Ordinary Share capital will only be made pursuant to a pre-emptive issue and no issue of shares will be made which could effectively alter control of the Company without prior approval of the Company in General Meeting.

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

If approved, this authority will expire on the earlier of the date of the AGM in 2023 or 27 July 2023.

Disapplication of Pre-emption Rights

Resolutions 10 and 11 are special resolutions which, if approved by shareholders, will renew the annual authorities of the Directors to disapply statutory pre-emption rights in relation to allotments of Ordinary Shares for cash in certain circumstances.

Resolution 10 will, if approved, authorise the Directors to allot Ordinary Shares on a non-pre-emptive basis and for cash (otherwise than in connection with a rights issue or similar pre-emptive issue) up to a maximum nominal value of €12,386,000. This amount represents approximately 5% of the issued Ordinary Share capital as at 2 March 2022, being the latest practicable date prior to publication of this document. This resolution will also allow the Directors to disapply pre-emption rights in order to accommodate any regulatory restrictions in certain jurisdictions where the Company might otherwise wish to undertake a pre-emptive issue.

Resolution 11 will, if approved, afford the Directors with an additional power to allot Ordinary Shares on a non-pre-emptive basis and for cash up to a further 5% of the issued share capital as at 2 March 2022. The power conferred by this resolution can be used only in connection with an acquisition or a specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

The 5% limits in the disapplication resolutions include any Treasury Shares reissued by the Company during the same period.

The Directors confirm that in respect of these resolutions, they intend to follow the Statement of Principles updated by the Pre-Emption Group in that allotments of shares for cash and the reissue of Treasury Shares on a non-pre-emptive basis (other than for an open offer or rights issue to Ordinary Shareholders, the operation of CRH's employee share schemes or in connection with an acquisition or specified capital investment) will not exceed 7.5% of the issued Ordinary Share capital within a rolling three-year period without prior consultation with shareholders.

Transactions in Own Shares

Under the share buyback programme, a total of 17,829,602 Ordinary Shares, equivalent to 2.2% of the Company's issued share capital, were repurchased during 2021, at an average price of \$49.30 per share. 21,000,000 Ordinary Shares, equivalent to 2.6% of the Company's issued share capital were cancelled on 29 December 2021 as part of the Group's management of its Treasury Share requirements. As at 2 March 2022, 8,240,813 shares were held as Treasury Shares, equivalent to 1.06% of the Ordinary Shares in issue (excluding Treasury Shares). The Treasury Share balance at 31 December 2021 was 3,476,859, equivalent to 0.5% of the Ordinary Shares in issue (2020: 10,087,161 (1.28%)).

During 2021, 3,439,904 (2020: 1,375,338) Treasury Shares were reissued under the Group's employees' share schemes.

A special resolution will be proposed at the 2022 AGM (resolution 12) to renew the authority of the Company, or any of its subsidiaries, to purchase up to 10% of the Company's Ordinary Shares in issue at the date of the AGM.

If approved, the minimum price which may be paid for shares purchased by the Company shall not be less than the nominal value of the shares and the maximum price will be 105% of the higher of the last independent trade in the Company's shares (or current independent bid, if higher) and the average market price of such shares over the preceding five days. A special resolution will also be proposed for the purpose of renewing the authority to set the maximum and minimum prices at which Treasury Shares (effectively shares purchased and not cancelled) may be reissued off-market by the Company. If granted, both of these authorities will expire on the earlier of the date of the AGM in 2023 or 27 July 2023. As at 2 March 2022, options

to subscribe for a total of 1,217,351 Ordinary Shares are outstanding, representing 0.16% of the issued Ordinary Share capital (excluding Treasury Shares). If the authority to purchase Ordinary Shares was used in full, the options would represent 0.17% of the remaining shares in issue.

As outlined on page 19, during 2021 the Group returned a further \$0.9 billion of cash to shareholders under its share buyback programme. A further buyback tranche of \$0.3 billion is underway and is scheduled to complete by 30 March 2022.

While no decision has been made to extend the programme beyond this, 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.

Annual General Meeting

The Notice of Meeting for the 2022 AGM will be published in March on the CRH website (www.crh.com) and is expected to be posted to shareholders on 30 March 2022.

Statement of Directors' Responsibilities

The Directors as at the date of this report, whose names are listed on pages 56 to 59, are responsible for preparing the Annual Report and Form 20-F and Consolidated Financial Statements in accordance with applicable laws and regulations.

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

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

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

Directors' Report - continued

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

The Directors confirm that to the best of their knowledge they have complied with the above requirements in preparing the 2021 Annual Report and Form 20-F and Consolidated Financial Statements.

The considerations set out above for the Group are also required to be addressed by the Directors in preparing the financial statements of the Parent Company (which are set out on pages 211 to 215), in respect of which the applicable accounting standards are those which are generally accepted in Ireland.

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

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

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

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

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

- the Consolidated Financial Statements, prepared in accordance with IFRS and the Parent Company Financial Statements prepared in accordance with FRS 101, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group for the financial year ended 31 December 2021; and
- the Directors' Report contained on page 110 to 114 of this Annual Report and Form 20-F includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face

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

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

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

On behalf of the Board,

R. Boucher, A. Manifold

Directors

2 March 2022



Cold feed bins at a Gulf Coast plant in Houston, Texas, United States. Gulf Coast is part of the Texas Region in CRH's Americas Materials Division and provides asphalt/paving, construction services, industrial and builder's products to the Southeast Texas region's growing economy.

Principal Risks and Uncertainties

Under Section 327(1)(b) of the Companies Act 2014 and Regulation 5(4)(c)(ii) of the Transparency (Directive 2004/109/EC) Regulations 2007, the Group is required to give a description of the principal risks and uncertainties which it faces. These risks and uncertainties reflect the international scope of the Group's operations and the Group's decentralised structure. The risks and uncertainties presented below (a broader discussion of which is set out on pages 232 to 240) are reviewed on an annual basis and represent the principal risks and uncertainties faced by the Group at the time of compilation of the 2021 Annual Report and Form 20-F. During the course of 2022, new risks and uncertainties may materialise attributable to changes in markets, regulatory environments and other factors and existing risks and uncertainties may become less relevant.

Link to strategic objective



Continuous Improvement



Focused Growth



Benefits of Scale and Integration



Developing Future Leaders



Risk considered as part of scenarios modeled in Viability Statement assessment

Principal Strategic Risks and Uncertainties

Industry Cyclical and Economic Conditions



Description	Impact	How we Manage the Risk
Construction activity, and therefore demand for the Group's products, is inherently cyclical as it is influenced by global and national economic circumstances, monetary policies, consumer sentiment and weather conditions. The Group may also be negatively impacted by unfavourable swings in fuel and other input costs. Risk trend: 	Failure to predict and plan for cyclical events or adverse economic conditions could negatively impact financial performance.	- Market diversification strategies, in addition to the Group's multiple end-use sectors - Constant focus on cash control, strong cash generation and disciplined financial management - Disciplined and focused approach to capital allocation and reallocation to ensure our capital is deployed to where we see optimum opportunity for growth

People Management



Description	Impact	How we Manage the Risk
Existing processes around people management, such as attracting, retaining and developing people, leadership succession planning, developing a diverse and inclusive workforce as well as dealing with collective representation groups, may not deliver, inhibiting the Group achieving its strategy. Risk trend: 	Failure to effectively manage talent and plan for leadership succession could impede the realisation of strategic objectives.	- Talent management, succession planning and inclusion & diversity programmes are in place within operating companies with oversight and support from Group Human Resources and Talent Development - Development interventions are in place including enterprise-wide leadership development training, skill building training, coaching & mentoring programmes, and our Front Line Leadership Program - Positive employee and trade/labour union relations are maintained

Commodity Products and Substitution



Description	Impact	How we Manage the Risk
Many of the Group's products are commodities, which face strong volume and price competition, and may be replaced by substitute products which the Group does not produce. Further, the Group must maintain strong customer relationships to ensure changing consumer preferences and approaches to construction are addressed. Risk trend:	Failure to differentiate and innovate could lead to market share decline, thus adversely impacting financial performance.	• Our integrated building solutions focused business model and a strong focus on customer service ensures differentiation from competitors • Business-led innovation and Research and Development services aimed at ensuring the Group aligns its products and services to the demands of customers • Robust cost management practices and innovation in production processes ensure competitively priced products

Portfolio Management



Description	Impact	How we Manage the Risk
The Group may engage in acquisition and divestment activity during the year as part of active portfolio management which presents risks around due diligence, execution and integration of assets. Additionally, the Group may be liable for liabilities of companies it has acquired or divested. Risk trend:	Failure to identify and execute deals in an efficient manner may limit the Group's growth potential and impact financial performance.	• Expertise in identifying and evaluating targets, conducting due diligence and executing integration • Many core markets are fragmented and continue to offer growth opportunities • The Group's detailed due diligence programmes are supported by external specialists when necessary

Public Policy and Geopolitics



Description	Impact	How we Manage the Risk
Adverse public policy, economic, social and political situations in any country in which the Group operates could lead to a fall in demand for the Group's products, business interruption, restrictions on repatriation of earnings or a loss of plant access. The ongoing geopolitical conflict in Ukraine has contributed to heightened uncertainty. Risk trend:	Changes in these conditions may adversely affect the Group's people, business, results of operations, financial condition or prospects.	• Mitigation strategies to protect CRH's people and assets are in place in high-risk areas • Senior management and Board monitoring of economic indicators and commentaries • Two-phase budgeting process with prevailing economic and market forecasts factored in

Strategic Mineral Reserves



Description	Impact	How we Manage the Risk
Appropriate reserves are an increasingly scarce commodity and licences and/or permits required to enable operation are becoming harder to secure. There are numerous uncertainties inherent in reserves estimation and in projecting future rates of production. Risk trend:	Failure by the Group to plan for reserve depletion, or to secure permits, may result in operation stoppages, adversely impacting financial performance.	• Planning for reserves enlargement and security of permits is a key point of focus for materials businesses • Robust mine planning for permitted reserves under the Group's control ensures that the lifetime of the mineral reserves is maximised • The implementation of operational best practice techniques ensures that the extraction of minerals is in line with permit requirements, while minimising the impact of our operations on local environments

Principal Operational Risks and Uncertainties

Climate Change and Policy



Description	Impact	How we Manage the Risk
The impact of climate change may over time affect the operations and cost base of the Group and the markets in which the Group operates. This could include physical risks, such as acute and chronic changes in weather and/or transitional risks such as technological development, policy and regulation change and market and economic responses. Risk trend:	Should the Group not reduce its greenhouse gases (GHGs) emissions by its identified targets, the Group may be subject to increased costs, adverse financial performance and reputational damage.	- The Group is working towards delivery of its ambition for carbon neutrality along the cement and concrete value chain by 2050, and has set further carbon reduction targets, details of which are set out on page 23 of this Annual Report and Form 20-F - Operational improvements at plants are focused on reducing the CO₂ footprint of the Group's businesses - For more information please refer to the Sustainability section on page 20 in this Annual Report and Form 20-F or to the Group's independently assured Sustainability Report, which is available on www.crh.com

Information Technology and/or Cyber Security



Description	Impact	How we Manage the Risk
The Group is dependent on information and operational technology systems to support its business activities. Any significant operational event, whether caused by external attack, insider threat or error, could lead to loss of access to systems or data, adversely impacting business operations. Risk trend:	Security breaches, IT interruptions or data loss could result in significant business disruption, loss of production, reputational damage and/or regulatory penalties. Significant financial costs in remediation are also likely in a major cyber security incident.	- Ongoing strategic and tactical efforts to address the evolving nature of cyber threats and the challenges posed, including enhancement of existing information and cyber security practices towards best practices for organisational assets, which include people, processes and technology - Ongoing investment and development of risk management and governance associated with cyber security and information technology - Global Information Security Council oversees cyber risk and strategic matters related to the implementation and ongoing monitoring of information security across the Group, focused on high-impact cyber risks

Health and Safety Performance



Description	Impact	How we Manage the Risk
The Group's businesses operate in an industry where health and safety risks are inherently prominent. Further, the Group is subject to stringent regulations from a health and safety perspective in the various jurisdictions in which it operates. Risk trend:	A serious health and safety incident could have a significant impact on the Group's operational and financial performance, as well as the Group's reputation.	- A robust health and safety framework is implemented throughout the Group's operations requiring all employees to complete formal health and safety training on a regular basis - The Group monitors the performance of its health and safety framework, and takes immediate and decisive action where non-adherence is identified - The development of a strong safety culture is driven by management and employees at every level and is a core part of doing business with integrity. The ambition is to have a culture of safety and wellness working towards zero harm across the Group

Sustainability and Corporate Social Responsibility



Description	Impact	How we Manage the Risk
The nature of the Group's activities poses inherent environmental, social and governance (ESG) risks, which are also subject to an evolving regulatory framework and changing societal expectations. Risk trend: 	Failure to embed sustainability principles within the Group's businesses and strategy may result in non-compliance with relevant regulations, standards and best practices and lead to adverse stakeholder sentiment and reduced financial performance.	- CRH's strategy and business model are built around sustainable, responsible and ethical performance. CRH aims to positively contribute to society through the delivery of materials and products that enhance the sustainability of structures and consider the needs of our communities. CRH offers multiple products and integrated building solutions that enhance the environmental performance of the built environment - Sustainability performance continues to be subject to rigorous external evaluation. The Group's achievements have been recognised through its inclusion in a variety of leading global sustainability indices

COVID-19 Pandemic



Description	Impact	How we Manage the Risk
Public health emergencies, epidemics or pandemics, such as the emergence and spread of the COVID-19 pandemic, have the potential to significantly impact the Group's operations through a fall in demand for the Group's products, a reduction in staff availability and business interruption. Risk trend: 	The emergence and spread of the COVID-19 pandemic has had a material impact across the construction markets in which the Group operates. The continued uncertainty around the global pandemic could have an adverse effect on the Group's operating results, cash flows, financial condition and/or prospects.	- Global crisis management structures and protocols are in place to enable swift decision-making at times of crisis - Business continuity management structures and plans enacted with new working protocols implemented to safeguard our people and business - Consistent contact is maintained with various government organisations

Principal Compliance Risks and Uncertainties

Laws, Regulations and Business Conduct



Description	Impact	How we Manage the Risk
The Group is subject to a wide variety of local and international laws and regulations (to include those applicable to it as a listed company) across the many jurisdictions in which it operates, which vary in complexity, application and frequency of change. Further discussion on this risk can be found on page 238. Risk trend: 	Potential breaches of local and international laws and regulations could result in litigation or investigations, the imposition of significant fines, sanctions, adverse operational impact and reputational damage.	- Robust governance including oversight by Global Legal and Compliance function and other relevant Group functions who report to the Board, Audit Committee and/or SESR - CRH's Code of Business Conduct, which is in effect mandatorily across the Group, and is available on www.crh.com - Proactive engagement throughout the Group, to include, an extensive training programme, a global speak up programme with a dedicated whistleblowing hotline (the results of which are reported to the Audit and SESR Committees), risk assessments, increased data analytics and ongoing development of policies and procedures

Principal Financial and Reporting Risks and Uncertainties

Taxation Charge and Balance Sheet Provisioning

Description	Impact	How we Manage the Risk
The Group is exposed to uncertainties stemming from governmental actions in respect of taxes paid or payable in the future in all jurisdictions of operation. In addition, various assumptions are made in the computation of the overall tax charge and in balance sheet provisions which may need to be adjusted over time. Risk trend: 	Changes in tax regimes or assessment of additional tax liabilities in future tax audits could result in incremental tax liabilities which could have a material adverse effect on cash flows and the financial results of operations.	- The Group Tax Policy, supporting Tax Guidelines and SOX controls provide a tax governance framework operable throughout the Group - Group Tax is managed by a team of in-house specialists with significant experience. The in-house expertise is supplemented by the assistance of external advisors where required

Financial Instruments



Description	Impact	How we Manage the Risk
The Group uses financial instruments throughout its businesses giving rise to interest rate and leverage, foreign currency, counterparty, credit rating and liquidity risks. Risk trend: 	A downgrade of the Group's credit ratings may give rise to increases in future funding costs and may impair the Group's ability to raise funds on acceptable terms. In addition, insolvency of the financial institutions with which the Group conducts business may adversely impact the Group's financial position.	- The Group seeks to ensure that sufficient resources are available to meet the Group's liabilities as they fall due through a combination of cash and cash equivalents, cash flows and undrawn committed bank facilities. Systems are in place to monitor and control the Group's liquidity risks, which are reported to the Board on a monthly basis. Cash flow forecasting is provided to executive management on a weekly basis - All of the Group's financial institution counterparties are leading financial institutions of international scope with a strong investment grade credit rating with S&P and/or Moody's - Please see note 22 to the Consolidated Financial Statements for further detail

Goodwill Impairment



Description	Impact	How we Manage the Risk
Significant under-performance in any of the Group's major cash-generating units or the divestment of businesses in the future may give rise to a material write-down of goodwill. Risk trend: 	While a non-cash item, a material write-down of goodwill could have a substantial impact on the Group's income and equity.	- Economic indicators of goodwill impairment are monitored closely through the monthly reporting process. Detailed impairment testing is undertaken prior to year end - The goodwill impairment assessment is subject to regular review by the Audit Committee - For further information on how the Group manages the risk posed by goodwill impairment and the results of the 2021 impairment testing process, please refer to note 14 to the Consolidated Financial Statements on pages 174 to 176

Foreign Currency Translation



Description	Impact	How we Manage the Risk
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. Risk trend: 	Adverse changes in the exchange rates will continue to negatively affect retained earnings. The annual impact is reported in the Consolidated Statement of Comprehensive Income.	- The Group changed to US Dollar reporting currency effective 1 January 2020, in consideration of the current portfolio and business mix which has now significantly higher US Dollar exposure - The Group's established policy is to spread its net worth across the currencies of the various operations with the objective of limiting its exposure to individual currencies and thus promoting consistency with the geographical balance of its operation - The Group's activities are conducted primarily in the local currency of operation resulting in low levels of foreign currency transactional risk



The circular economy and demand for more sustainable forms of construction are presenting new value creation opportunities for CRH as a producer of high-performing, climate-resilient materials and products for use throughout the built environment.

Financials

➔ 122-215

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In 2021 CRH's business in Slovakia, Hungary and Austria rebranded to Danücem, A CRH Company, as part of CRH's brand endorsement strategy which leverages the strengths of local market brands supported by the endorsement of a leading international parent company. Danücem is part of CRH's Europe Materials Division and a leading supplier of cement, concrete, aggregates and precast elements.

Independent Auditor's Irish Report

to the members of CRH plc

Report on the audit of the European Single Electronic Format financial statements (the 'financial statements')

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

In our opinion the Group and Company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 December 2021 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 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

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 a summary of significant accounting policies as set out at the beginning of the notes.

the Company financial statements:

- the Company Balance Sheet;
- the Company Statement of Changes in Equity; and
- the related notes 1 to 13, including a summary of significant accounting policies 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 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 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 public interest 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

The key audit matters that we identified in the current year were:

- *Intangible assets—assessment of the carrying value of goodwill associated with selected cash generating units; and*
- *Revenue recognition for long-term contracts*
- *Within this report, any new key audit matters are identified with  and any key audit matters which are the same as the prior year identified with .*

Materiality

- The Group materiality that we used in the current year was \$140 million, which was determined on the basis of profit before tax as the primary benchmark.

Scoping

- We structured our approach to the audit to reflect how the Group is organised as well as ensuring our audit was both effective and risk focused.
- Our scope covered 48 components. Of these, 5 were full-scope audits, covering 82% of Group revenue, 23 were subject to specific procedures on certain account balances by component audit teams or the Group audit team, and the remaining 20 were subject to substantive analytical procedures performed centrally by the Group audit team.

Significant changes in our approach

- The key audit matter presented in the prior year relating to the 'Assessment of the carrying value of property, plant and equipment (PP&E)' has been removed based on our audit risk assessment, which included consideration of the fact that the assessment of the carrying value of PP&E is no longer identified as a significant risk and of the more stable macroeconomic outlook and business performance in comparison to the prior year.
- We adopted a different basis to determine materiality in the current year. In the prior year, materiality was determined on the basis of a composite benchmark approach considering revenue as the primary benchmark with EBITDA (as defined)*, cash flows from operations and total equity/net assets used as supporting benchmarks. This year we used profit before tax, which is a focus area of investors and analysts and is the benchmark traditionally considered for listed entities. Given the future economic outlook, the reduction in uncertainty arising from COVID-19 and the stability in the performance of the Group, we consider profit before tax to be an appropriate benchmark in the current year.

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

Independent Auditor's Irish Report - continued

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 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 of the consistency of the models used to prepare the forecasts in line 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 Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Group's reporting on how they have applied the UK Corporate Governance Code and the Irish Corporate Governance Annex, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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 judgement, 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.

The key audit matter presented in the prior year relating to the 'Assessment of the carrying value of PP&E' has been removed based on our audit risk assessment.

Intangible assets – assessment of the carrying value of goodwill associated with selected cash generating units

Key audit matter description



As described in the accounting policies and note 14, the goodwill balance was \$9.5 billion as at 31 December 2021 (2020: \$9.0 billion). The Group did not record an impairment charge during the year.

The Group's evaluation of the carrying value of goodwill for impairment involves the comparison of the recoverable amount of goodwill of each cash generating unit (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 related to discount rates, short-term forecasts of revenues and margins, and long-term growth rates which drive net cash flows. Changes in these assumptions could have a significant impact on the recoverable amount, the amount of any goodwill impairment charge, or both.

We focused on CGUs where the recoverable amount exceeded its carrying value by an insignificant amount and on CGUs which had a significant change in cash flow forecasts compared to the prior year. Based on these procedures we identified certain CGUs of interest and performed sensitivities on key management estimates and assumptions, with the assistance of our valuation specialists. We determined that the assessment of the carrying value of goodwill of one selected CGU was a key audit matter because it required a high degree of auditor judgement and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to short-term forecasts of revenues and long-term growth rates.

The Audit Committee discussion of this key audit matter is set out on page 68.

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



Our audit procedures related to the short-term forecasts of revenues and long-term growth rates of one CGU, as described above, used by management to estimate the recoverable amount of the selected CGU included the following, among others:

- We tested the operating effectiveness of controls over management's determination of the short-term forecasts of revenues and long-term growth rates used to determine the recoverable amount of the selected CGU.
- We agreed the underlying cash flow forecasts to the Board approved projections and we evaluated management's ability to accurately forecast future revenues 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;
 - benchmarking 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 long-term growth rates, used by management to grow cash flows from year 5 to year 10 in order to calculate a terminal value at that point, to independent external sources and developed our own range to assess the reasonableness of these rates.
- We compared the actual results for the year ended 31 December 2021 to management's forecasts at the date of the annual impairment test to determine if any indicators of impairment existed.

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 selected CGUs to be reasonable.

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

Independent Auditor's Irish Report - continued

Revenue recognition for long-term contracts »

Key audit matter description



As described in the accounting policies and note 1, the Group's revenues derived from long-term contracts accounted for 22% (\$6.9 billion) of the total revenue in 2021 (2020: \$6.2 billion).

The Group recognises 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. The percentage-of-completion method is used to recognise revenue and is calculated based on the proportion of the contract costs incurred at the balance sheet date relative to the total estimated costs of the contract. The accounting for these contracts involves judgement, particularly as it relates to the process of estimating total costs.

We identified revenue recognition for long-term contracts as a key audit matter because of the judgements made by management to estimate total costs for the performance obligations used to recognise revenue for certain long-term contracts in certain components. This required extensive audit effort due to the complexity of long-term contracts and required a high degree of auditor judgement when performing audit procedures to audit management's estimates of total costs and evaluating the results of those procedures.

The Audit Committee discussion of this key audit matter is set out on page 68.

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



Our audit procedures related to management's estimates of total costs for the performance obligations used to recognise revenue for certain long-term contracts in selected components included the following, among others:

- We tested the operating effectiveness of controls over long-term contract revenue, including management's controls over the estimates of total costs for performance obligations.
- We selected a sample of long-term contracts and:
 - evaluated 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 the estimates of total cost for the performance obligation 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 engineers, 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.
 - tested the mathematical accuracy of management's calculation of revenue for the performance obligation.
- We evaluated management's ability to estimate total costs accurately by comparing actual costs to management's historical estimates for performance obligations that have been fulfilled.

Key observations



Based on the procedures performed, we are satisfied that management's estimated percentage-of-completion at the balance sheet date 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

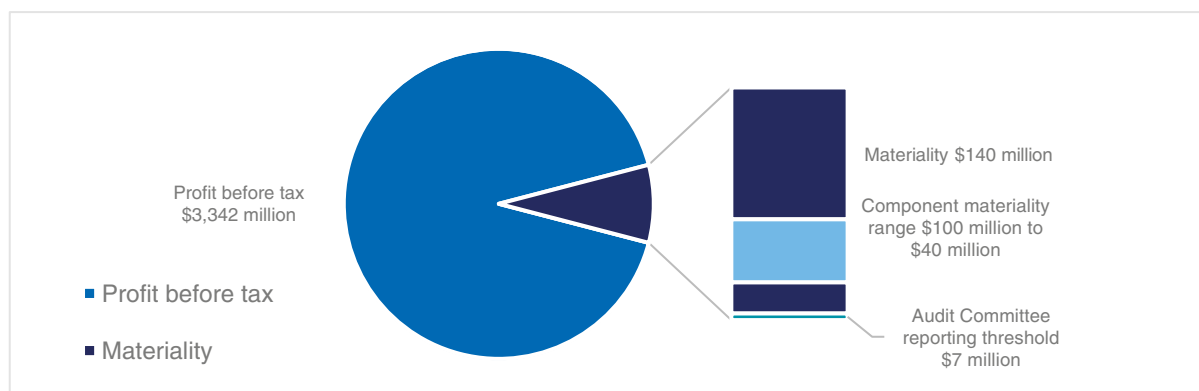
We define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results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

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

	Group financial statements	Company financial statements								
Materiality	\$140 million (2020: \$110 million)	\$103 million (2020: \$94 million)								
Basis for determining materiality	The materiality that we used for the Group financial statements was determined on the basis of profit before tax and represents 4.19% of that metric. We adopted a different basis to determine materiality in the current year. In the prior year materiality was determined on the basis of a composite benchmark approach considering revenue as the primary benchmark with EBITDA (as defined)*, cash flows from operations and total equity/net assets used as supporting benchmarks. Given the future economic outlook, the reduction in uncertainty arising from COVID-19 and the stability in the performance of the Group, we consider profit before tax to be an appropriate benchmark in the current year.	The materiality that we used for the 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	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 as the most appropriate benchmark. Moreover, profit before tax is traditionally considered the most appropriate benchmark for listed entities. Group materiality represents: <table><tr><td>Metric</td><td>%</td></tr><tr><td>PBT</td><td>4.19%</td></tr><tr><td>EBITDA (as defined*)</td><td>2.62%</td></tr><tr><td>Revenue</td><td>0.45%</td></tr></table>	Metric	%	PBT	4.19%	EBITDA (as defined*)	2.62%	Revenue	0.45%	The 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 Company is the payment of dividends. Using a benchmark of equity/net assets is therefore the appropriate metric.
Metric	%									
PBT	4.19%									
EBITDA (as defined*)	2.62%									
Revenue	0.45%									

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

Independent Auditor's Irish Report - continued



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 Company materiality for the 2021 audit (2020: 75%). In the prior year, a lower level of performance materiality was set due to the fact that it was the first year of our audit tenure and due to the effects of the COVID-19 pandemic. In determining the current year performance materiality, we considered the following factors:

- our risk assessment, including our assessment of the Group's overall control environment and that we consider it appropriate to rely on controls over a number of business processes;
- our experience from the prior year audit; and
- the level of corrected and uncorrected misstatements identified in the prior period.

Error reporting threshold

We agreed with the Audit Committee that we would report to them any audit differences in excess of \$7 million (2020: \$5.5 million), as well as differences below that threshold which, 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 three operating and reporting segments and is highly decentralised in nature, with a presence across 28 countries and over 3,200 operating entities. 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.
- We focused our Group audit scope primarily on the audit of 5 components which were subject to a full audit and 43 components which were subject to specified audit procedures where the extent of our testing was based on our assessment of the associated risks of material misstatement and of the materiality of the components operations to the Group. 23 components were subject to specific procedures on certain account balances by component audit teams or the Group audit team, and the remaining 20 were subject to substantive analytical procedures performed centrally by the Group audit team.
- Data analytics were performed centrally and used extensively in selecting the components and addressing the residual entities which were not in-scope based on the considerations listed. In addition, we analysed 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 were executed at levels of materiality applicable to each individual component which were lower than Group materiality and ranged from \$40 million to \$100 million.

Working with other auditors

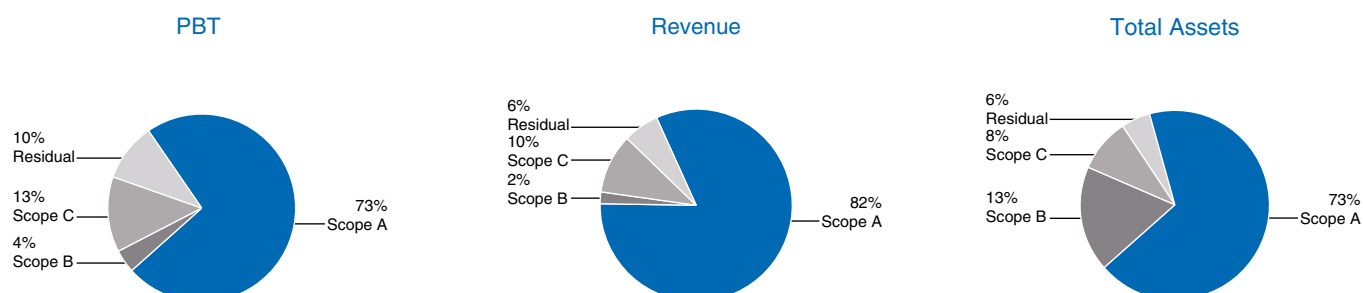
The Group audit team planned its site visits to component auditors based on a variety of factors including size of entity and number of significant risks. Oversight and guidance is provided to the component auditors through a combination of:

- issuance of Group referral instructions;
- upfront team briefings to all component teams;
- site visits (physically, where possible and if not virtually); 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, where possible, 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 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 2025 carbon reduction targets in their sustainability review on page 21. The Group have also identified climate change and policy as part of their principal operational risks and uncertainties on page 118. They have set out the potential impacts of their physical risks and transitional risks on their business on page 118 and their Taxonomy eligible economic activities on page 243.

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 2025 carbon reduction targets 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 2025 carbon reduction climate targets outlined by the Group and how they may affect judgements 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 climate-related capital expenditure required to meet the 2025 carbon reduction targets. 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 and viability.

We assessed if the assumptions used by management in the financial statements were consistent with their 2025 carbon reduction targets and as set out in their accounting policies, on pages 145 to 154. In early 2022, the Group adopted a new target of a 25% reduction in CO₂ emissions (Scope 1 and Scope 2) by 2030 compared to 2020 levels and we considered management's disclosure as set out on page 145.

We have also read the Group's disclosure of climate-related information in the front half of the annual report, including the TCFD disclosures listed on pages 28 to 31.

Other information

The other information comprises the information included in the Annual Report and Form 20-F, 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.

Independent Auditor's Irish Report - continued

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 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 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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the Group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the consolidated financial statements. The Group auditor is responsible for the direction, supervision and performance of the Group audit. The Group auditor remains solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

For listed entities and public interest entities, the auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, including the Ethical Standard for Auditors (Ireland), and communicates with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards.

Where the auditor is required to report on key audit matters, from the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Company were sufficient to permit the financial statements to be readily and properly audited.
- The 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.

Corporate Governance Statement required by the Companies Act 2014

We report, in relation to information given in the Corporate Governance Statement on pages 60 to 79 that:

- In our opinion, based on the work undertaken during the course of the audit, the information given in the Corporate Governance Statement pursuant to subsections 2(c) and (d) of section 1373 of the Companies Act 2014 is consistent with the Group's statutory financial statements in respect of the financial year concerned and such information has been prepared in accordance with the Companies Act 2014. Based on our knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.
- In our opinion, based on the work undertaken during the course of the audit, the Corporate Governance Statement contains the information required by Regulation 6(2) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017; and
- In our opinion, based on the work undertaken during the course of the audit, the information required pursuant to section 1373(2)(a),(b),(e) and (f) of the Companies Act 2014 is contained in the Corporate Governance Statement.

Corporate Governance Statement

The Listing Rules and ISAs (Ireland) require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code and Irish Corporate Governance Annex specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 112;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 112;
- the directors' statement on fair, balanced and understandable set out on page 114;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and an explanation of how they are being managed or mitigated set out on pages 116 to 121.
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 112;
- the section describing the work of the Audit Committee set out on pages 64 to 69.

Independent Auditor's Irish Report - continued

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 also requires us to report to you if, in our opinion, the Company has not provided the information required by Regulation 5(2) to 5(7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (as amended) for the 31 December 2021 financial year. We have nothing to report in this regard.

The Companies Act 2014 also requires us to report to you if, in our opinion, the Company has not provided the information required by Section 1110N in relation to its remuneration report. We have nothing to report in this regard.

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.

The Listing Rules of the Euronext Dublin require us to review six specified elements of disclosures in the report to shareholders by the Board of Directors' remuneration committee. We have nothing to report in this regard.

Other matters which we are required to address

We were appointed by the shareholders of CRH plc on 23 April 2020 to audit the financial statements for the financial year ended 31 December 2020 and subsequent financial years. The period of total uninterrupted engagement of the firm is 2 years, covering the financial years ending 31 December 2020 and 31 December 2021.

The non-audit services prohibited by IAASA's Ethical Standard were not provided and we remained independent of the Group in conducting the audit.

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISA (Ireland) 260.

Use of our report

This report is made solely to the 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 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 Company and the 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

2 March 2022

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.

Independent Auditor's US Reports

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of CRH public limited company (CRH plc)

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of CRH plc and subsidiaries (the 'Company') as at 31 December 2021 and 2020, the related consolidated income statements and consolidated statements of comprehensive income, changes in equity and cash flows, for each of the two years in the period ended 31 December 2021, and the related notes (collectively referred to as the 'financial statements'). In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2021 and 2020, and the consolidated results of its operations and its cash flows for each of the two years in the period ended 31 December 2021, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as at 31 December 2021, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated 2 March 2022, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the Audit Committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgements. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Independent Auditor's US Reports - continued

Intangible Assets – Assessment of the carrying value of goodwill associated with selected cash generating units – Refer to accounting policies and note 14 to the financial statements

Critical Audit Matter Description

The goodwill balance was \$9.5 billion as at 31 December 2021. The Company did not record an impairment charge during the year.

The Company's evaluation of the carrying value of goodwill for impairment involves the comparison of the recoverable amount of goodwill of each cash generating unit (CGU) to its carrying value. The Company 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 related to discount rates, short-term forecasts of revenues and margins, and long-term growth rates which drive net cash flows. Changes in these assumptions could have a significant impact on the recoverable amount, the amount of any goodwill impairment charge, or both.

We focused on CGUs where the recoverable amount exceeded its carrying value by an insignificant amount and on CGUs which had a significant change in cash flow forecasts compared to the prior year. Based on these procedures we identified certain CGUs of interest and performed sensitivities on key management estimates and assumptions, which included the assistance of our valuation specialists.

We determined that the assessment of the carrying value of goodwill of one selected CGU was a critical audit matter because it required a high degree of auditor judgement and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to short-term forecasts of revenues and long-term growth rates.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the short-term forecasts of revenues and long-term growth rates of one CGU, as described above, used by management to estimate the recoverable amount of the selected CGU included the following, among others:

- We tested the operating effectiveness of controls over management's determination of the short-term forecasts of revenues and long-term growth rates used to determine the recoverable amount of the selected CGU.
- We agreed the underlying cash flow forecasts to the Board approved projections and we evaluated management's ability to accurately forecast future revenues 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;
 - benchmarking management's forecasts against independent third-party economic and industry projections; and
 - comparing internal Company communications to management and the Board against the cash flow forecasts to evaluate for consistency.
- We compared the long-term growth rates, used by management to grow cash flows from year 5 to year 10 in order to calculate a terminal value at that point, to independent external sources and developed our own range to assess the reasonableness of these rates.
- We compared the actual results for the year ended 31 December 2021 to management's forecasts at the date of the annual impairment test to determine if any indicators of impairment existed.

Revenue recognition for long-term contracts – Refer to accounting policies and note 1 to the financial statements

Critical Audit Matter Description

The Company's revenues derived from long-term contracts accounted for 22% (\$6.9 billion) of the total revenue in 2021.

The Company recognises 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. The percentage-of-completion method is used to recognise revenue and is calculated based on the proportion of the contract costs incurred at the balance sheet date relative to the total estimated costs of the contract. The accounting for these contracts involves judgement, particularly as it relates to the process of estimating total costs.

We identified revenue recognition for long-term contracts as a critical audit matter because of the judgements made by management to estimate total costs for the performance obligations used to recognise revenue for certain long-term contracts in certain components. This required extensive audit effort due to the complexity of long-term contracts and required a high degree of auditor judgement when performing audit procedures to audit management's estimates of total costs and evaluating the results of those procedures.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management's estimates of total costs for the performance obligations used to recognise revenue for certain long-term contracts in selected components included the following, among others:

- We tested the operating effectiveness of controls over long-term contract revenue, including management's controls over the estimates of total costs for performance obligations.
- We selected a sample of long-term contracts and:
 - evaluated 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 the estimates of total cost for the performance obligation 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 Company's project managers and engineers, 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.
 - tested the mathematical accuracy of management's calculation of revenue for the performance obligation.
- We evaluated management's ability to estimate total costs accurately by comparing actual costs to management's historical estimates for performance obligations that have been fulfilled.

/s/ Deloitte Ireland LLP

Dublin, Ireland

2 March 2022

The first accounting period we audited was 31 December 2020. In 2019, we began preparing for audit firm transition.

Independent Auditor's US Reports - continued

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of CRH public limited company (CRH plc).

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of CRH plc and subsidiaries (the 'Company') as at 31 December 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at 31 December 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of CRH plc as at 31 December 2021 and 2020, the related consolidated income statements and consolidated statements of comprehensive income, changes in equity and cash flows for each of the two years in the period ended 31 December 2021, and the related notes (collectively referred to as the 'financial statements') of the Company and our report dated 2 March 2022, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's report on internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte Ireland LLP

Dublin, Ireland

2 March 2022

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of CRH public limited company (CRH plc).

Opinion on the Financial Statements

We have audited the accompanying Consolidated Income Statement and Consolidated Statement of Comprehensive Income, Changes in Equity and Cash Flows of CRH plc (the 'Company') for the year ended 31 December 2019, and related notes (collectively referred to as the 'financial statements'). In our opinion, the financial statements present fairly, in all material aspects, the consolidated results of its operations and its cash flows for the year ended 31 December 2019, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Change in Presentation Currency

As discussed in the Accounting Policies to the consolidated financial statements, the Company has elected to change its presentation currency from euro to US Dollar as of 1 January 2020.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the US federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Ernst & Young Chartered Accountants

We served as the Company's auditor from 1988 to 2019.

Dublin, Ireland

27 February 2020, except for the effects of the change in presentation currency discussed in the Accounting Policies to the consolidated financial statements, as to which the date is 3 March 2021

Note that the report set out above is included for the purposes of CRH plc's Annual Report on Form 20-F for 2021 only and does not form part of CRH plc's Annual Report and Form 20-F for 2019.

Consolidated Income Statement

for the financial year ended 31 December 2021

		2021 \$m	2020 \$m	2019 \$m
Notes				
1,2	Revenue	30,981	27,587	28,132
4	Cost of sales	(20,493)	(18,425)	(18,859)
	Gross profit	10,488	9,162	9,273
4	Operating costs	(6,903)	(6,899)	(6,480)
2,5,7	Group operating profit	3,585	2,263	2,793
2,6	Profit/(loss) on disposals	119	9	(189)
	Profit before finance costs	3,704	2,272	2,604
9	Finance costs	(311)	(389)	(387)
9	Finance income	-	-	22
9	Other financial expense	(106)	(101)	(125)
2	Share of equity accounted investments' profit/(loss)	55	(118)	67
2	Profit before tax from continuing operations	3,342	1,664	2,181
10	Income tax expense	(721)	(499)	(534)
	Group profit for the financial year from continuing operations	2,621	1,165	1,647
3	Profit after tax for the financial year from discontinued operations	-	-	91
	Group profit for the financial year	2,621	1,165	1,738
<i>Profit attributable to:</i>				
Equity holders of the Company				
	From continuing operations	2,565	1,122	1,627
	From discontinued operations	-	-	90
Non-controlling interests				
	From continuing operations	56	43	20
	From discontinued operations	-	-	1
	Group profit for the financial year	2,621	1,165	1,738
12	Basic earnings per Ordinary Share	328.8c	142.9c	214.3c
12	Diluted earnings per Ordinary Share	326.0c	141.8c	212.6c
12	Basic earnings per Ordinary Share from continuing operations	328.8c	142.9c	203.0c
12	Diluted earnings per Ordinary Share from continuing operations	326.0c	141.8c	201.4c

Consolidated Statement of Comprehensive Income

for the financial year ended 31 December 2021

		2021 \$m	2020 \$m	2019 \$m
Notes				
	Group profit for the financial year	2,621	1,165	1,738
	Other comprehensive income			
	<i>Items that may be reclassified to profit or loss in subsequent years:</i>			
	Currency translation effects	(338)	440	472
25	Gains relating to cash flow hedges	34	7	27
10	Tax relating to cash flow hedges	(8)	-	(4)
		(312)	447	495
	<i>Items that will not be reclassified to profit or loss in subsequent years:</i>			
28	Remeasurement of retirement benefit obligations	264	(33)	(19)
10	Tax relating to retirement benefit obligations	(36)	11	(4)
		228	(22)	(23)
	Total other comprehensive income for the financial year	(84)	425	472
	Total comprehensive income for the financial year	2,537	1,590	2,210
	<i>Attributable to:</i>			
	Equity holders of the Company	2,516	1,515	2,174
	Non-controlling interests	21	75	36
	Total comprehensive income for the financial year	2,537	1,590	2,210

Consolidated Balance Sheet

as at 31 December 2021

		2021 \$m	2020 \$m
Notes			
	ASSETS		
	Non-current assets		
13	Property, plant and equipment	19,502	19,317
14	Intangible assets	9,848	9,373
15	Investments accounted for using the equity method	653	626
15	Other financial assets	12	13
17	Other receivables	239	325
28	Retirement benefit assets	166	-
25	Derivative financial instruments	97	184
27	Deferred income tax assets	109	129
	Total non-current assets	30,626	29,967
	Current assets		
16	Inventories	3,611	3,117
17	Trade and other receivables	4,569	4,086
	Current income tax recoverable	42	36
25	Derivative financial instruments	39	17
23	Cash and cash equivalents	5,783	7,721
	Total current assets	14,044	14,977
	Total assets	44,670	44,944
	EQUITY		
	Capital and reserves attributable to the Company's equity holders		
29	Equity share capital	309	333
29	Preference share capital	1	1
29	Share premium account	-	7,493
29	Treasury Shares and own shares	(195)	(386)
	Other reserves	445	444
	Foreign currency translation reserve	(97)	206
	Retained income	19,770	11,565
	Capital and reserves attributable to the Company's equity holders	20,233	19,656
31	Non-controlling interests	681	692
	Total equity	20,914	20,348
	LIABILITIES		
	Non-current liabilities		
20	Lease liabilities	1,374	1,339
24	Interest-bearing loans and borrowings	9,938	10,958
25	Derivative financial instruments	-	1
27	Deferred income tax liabilities	2,734	2,613
18	Other payables	717	711
28	Retirement benefit obligations	475	556
26	Provisions for liabilities	937	953
	Total non-current liabilities	16,175	17,131
	Current liabilities		
20	Lease liabilities	297	296
18	Trade and other payables	5,692	4,792
	Current income tax liabilities	550	619
24	Interest-bearing loans and borrowings	549	1,257
25	Derivative financial instruments	14	12
26	Provisions for liabilities	479	489
	Total current liabilities	7,581	7,465
	Total liabilities	23,756	24,596
	Total equity and liabilities	44,670	44,944

R. Boucher, A. Manifold, Directors

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2021

	Attributable to the equity holders of the Company						Non-controlling interests	Total equity
	Issued share capital	Share premium account	Treasury Shares/own shares	Other reserves	Foreign currency translation reserve	Retained income		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Notes								
At 1 January 2021	334	7,493	(386)	444	206	11,565	692	20,348
Group profit for the financial year	-	-	-	-	-	2,565	56	2,621
Other comprehensive income	-	-	-	-	(303)	254	(35)	(84)
Total comprehensive income	-	-	-	-	(303)	2,819	21	2,537
8 Share-based payment expense	-	-	-	110	-	-	-	110
29 Shares acquired by CRH plc (Treasury Shares)	-	-	(880)	-	-	(281)	-	(1,161)
29 Treasury Shares/own shares reissued	-	-	19	-	-	(19)	-	-
29 Shares acquired by Employee Benefit Trust (own shares)	-	-	(16)	-	-	-	-	(16)
29 Shares distributed under the Performance Share Plan Awards	-	-	117	(117)	-	-	-	-
29 Reduction in Share Premium	-	(7,493)	-	-	-	7,493	-	-
29 Cancellation of Income Shares	(16)	-	-	-	-	16	-	-
29 Cancellation of Treasury Shares	(8)	-	951	8	-	(951)	-	-
10 Tax relating to share-based payment expense	-	-	-	-	-	24	-	24
Share option exercises	-	-	-	-	-	13	-	13
11 Dividends	-	-	-	-	-	(909)	(32)	(941)
At 31 December 2021	310	-	(195)	445	(97)	19,770	681	20,914
<i>for the financial year ended 31 December 2020</i>								
At 1 January 2020	336	7,493	(360)	411	(202)	11,350	607	19,635
Group profit for the financial year	-	-	-	-	-	1,122	43	1,165
Other comprehensive income	-	-	-	-	408	(15)	32	425
Total comprehensive income	-	-	-	-	408	1,107	75	1,590
8 Share-based payment expense	-	-	-	96	-	-	-	96
29 Shares acquired by CRH plc (Treasury Shares)	-	-	(220)	-	-	-	-	(220)
29 Treasury Shares/own shares reissued	-	-	8	-	-	(8)	-	-
29 Shares acquired by Employee Benefit Trust (own shares)	-	-	(29)	-	-	-	-	(29)
29 Shares distributed under the Performance Share Plan Awards	-	-	65	(65)	-	-	-	-
29 Cancellation of Treasury Shares	(2)	-	150	2	-	(150)	-	-
10 Tax relating to share-based payment expense	-	-	-	-	-	1	-	1
Share option exercises	-	-	-	-	-	6	-	6
11 Dividends	-	-	-	-	-	(710)	(15)	(725)
6 Disposal of non-controlling interests	-	-	-	-	-	-	(6)	(6)
Transactions involving non-controlling interests	-	-	-	-	-	(31)	31	-
At 31 December 2020	334	7,493	(386)	444	206	11,565	692	20,348
<i>for the financial year ended 31 December 2019</i>								
At 1 January 2019	353	7,493	(920)	378	(659)	11,705	602	18,952
Group profit for the financial year	-	-	-	-	-	1,717	21	1,738
Other comprehensive income	-	-	-	-	457	-	15	472
Total comprehensive income	-	-	-	-	457	1,717	36	2,210
8 Share-based payment expense	-	-	-	86	-	-	-	86
Shares acquired by CRH plc (Treasury Shares)	-	-	(886)	-	-	-	-	(886)
Treasury Shares/own shares reissued	-	-	42	-	-	(42)	-	-
Shares acquired by Employee Benefit Trust (own shares)	-	-	(68)	-	-	-	-	(68)
Shares distributed under the Performance Share Plan Awards	-	-	70	(70)	-	-	-	-
Cancellation of Treasury Shares	(17)	-	1,402	17	-	(1,402)	-	-
10 Tax relating to share-based payment expense	-	-	-	-	-	11	-	11
Share option exercises	-	-	-	-	-	22	-	22
11 Dividends	-	-	-	-	-	(652)	(11)	(663)
Disposal of non-controlling interests	-	-	-	-	-	-	(9)	(9)
30 Non-controlling interests arising on acquisition of subsidiaries	-	-	-	-	-	-	1	1
Transactions involving non-controlling interests	-	-	-	-	-	(9)	(12)	(21)
At 31 December 2019	336	7,493	(360)	411	(202)	11,350	607	19,635

Consolidated Statement of Cash Flows

for the financial year ended 31 December 2021

		2021	2020	2019
		\$m	\$m	\$m
Notes				
	Cash flows from operating activities			
	Profit before tax from continuing operations	3,342	1,664	2,181
3	Profit before tax from discontinued operations	-	-	117
	Profit before tax including discontinued operations	3,342	1,664	2,298
9	Finance costs (net)	417	490	498
	Share of equity accounted investments' (profit)/loss	(55)	118	(81)
6	(Profit)/loss on disposals	(119)	(9)	191
	Group operating profit	3,585	2,263	2,906
13,20	Depreciation charge	1,691	1,624	1,721
14	Amortisation of intangible assets	74	70	66
13,14,20	Impairment charge	-	673	9
8	Share-based payment expense	110	96	86
	Other	21	6	(3)
19	Net movement on working capital and provisions	(228)	196	(71)
	Cash generated from operations	5,253	4,928	4,714
	Interest paid (including leases)	(401)	(432)	(469)
	Corporation tax paid	(642)	(558)	(364)
	Net cash inflow from operating activities	4,210	3,938	3,881
	Cash flows from investing activities			
6	Proceeds from disposals (net of cash disposed and deferred proceeds)	387	184	2,343
	Interest received	-	-	22
15	Dividends received from equity accounted investments	32	35	39
13	Purchase of property, plant and equipment	(1,554)	(996)	(1,374)
30	Acquisition of subsidiaries (net of cash acquired)	(1,494)	(351)	(727)
15	Other investments and advances	(4)	(1)	(32)
19	Deferred and contingent acquisition consideration paid	(33)	(54)	(54)
19	Deferred divestment consideration received	120	123	-
	Net cash (outflow)/inflow from investing activities	(2,546)	(1,060)	217
	Cash flows from financing activities			
	Proceeds from exercise of share options	13	6	22
	Transactions involving non-controlling interests	-	-	(21)
21	Increase in interest-bearing loans and borrowings	-	6,427	106
21	Net cash flow arising from derivative financial instruments	(37)	26	(40)
21	Repayment of interest-bearing loans and borrowings	(1,183)	(4,943)	(640)
20	Repayment of lease liabilities (i)	(264)	(258)	(356)
29	Treasury Shares/own shares purchased	(896)	(249)	(954)
11	Dividends paid to equity holders of the Company	(906)	(707)	(652)
11	Dividends paid to non-controlling interests	(32)	(15)	(11)
	Net cash (outflow)/inflow from financing activities	(3,305)	287	(2,546)
	(Decrease)/increase in cash and cash equivalents	(1,641)	3,165	1,552
	Reconciliation of opening to closing cash and cash equivalents			
	Cash and cash equivalents at 1 January	7,721	4,218	2,686
	Translation adjustment	(297)	338	(20)
	(Decrease)/increase in cash and cash equivalents	(1,641)	3,165	1,552
23	Cash and cash equivalents at 31 December	5,783	7,721	4,218

(i) Repayment of lease liabilities amounted to \$328 million (2020: \$326 million; 2019: \$433 million), of which \$64 million (2020: \$68 million; 2019: \$77 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, and the Annual Report on Form 20-F in accordance with the US Securities Exchange Act of 1934.

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

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 standard amendments became effective for the Group as of 1 January 2021:

- Amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and measurement*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 4 *Insurance Contracts* and IFRS 16 *Leases* – Interest Rate Benchmark Reform – Phase 2. The amendments did not result in a material impact on the Group's results

The following standard amendment was issued in March 2021 effective for annual reporting periods

beginning on or after 1 April 2021 with earlier application permitted:

- Amendments to IFRS 16 – COVID-19-Related Rent Concessions beyond 30 June 2021. The amendment was adopted effective 1 January 2021 and did not result in a material impact on the Group's results

IFRS and IFRIC interpretations being adopted in subsequent years

IFRS 17 *Insurance Contracts*

In May 2017, the IASB issued IFRS 17 which will be effective for reporting periods beginning on or after 1 January 2023, with presentation of comparative figures required. The Group is currently evaluating the impact of this standard on future periods which is not expected to be material.

There are no other IFRS or IFRIC interpretations that are effective subsequent to the CRH 2021 financial year-end that are expected to have a material impact on the results or financial position of the Group.

Climate Change and Carbon Reduction Targets

In August 2021, the Group announced that its carbon emissions reduction target of 520kg of CO₂ per tonne of cementitious material was being brought forward from 2030 to 2025. Climate change risks including the impact of achieving this target have been considered and assessed in the preparation of the Consolidated Financial Statements for the year ended 31 December 2021. The table below provides details of where further information has been provided in these Consolidated Financial Statements.

Climate Change and 2025 Carbon Reduction Target References

	Pages
Impairment testing of goodwill and property, plant and equipment	150 and 175
Provisions for liabilities	147
Inventories	152
Retirement Benefit Obligations	198

In early 2022, the Group adopted a new target of a 25% reduction in CO₂ emissions (Scope 1 and Scope 2) by 2030 compared to 2020 levels. The Science Based Targets initiative (SBTi) has approved our science-based emissions reduction target. The Group's assessment is that the impact of the adoption of this target will be consistent with the impact of the 2025 targets on the estimates, judgements and assumptions set out in the relevant disclosures referenced above.

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 the 2030 targets.

Change in presentation currency

As outlined in our 2020 Annual Report and Form 20-F, on 28 February 2020, the Group announced that with effect from 1 January 2020 it would be changing the currency in which it presents its financial results from euro to US Dollar. Within our current portfolio of businesses, our euro denominated earnings, while sizeable, are a relatively lower proportion of overall earnings. To reduce the potential for foreign exchange volatility in our future reported earnings, the Board determined that, with effect from 1 January 2020, CRH will present its results in US Dollar. Given the current composition of the Group's activities, this change is expected to reduce the impact of currency movements on reported results.

Key Accounting Policies which involve Estimates, Assumptions and Judgements

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

Management considers that their use of estimates, assumptions and judgements in the application of the Group's accounting policies are inter-related and therefore discuss them together below with the major sources of estimation uncertainty and significant judgements separately identified.

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.

Accounting Policies - continued

The critical accounting policies, which involve significant estimates, assumptions or judgements, the actual outcome of which could have a material impact on the Group'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 recognised by writing down goodwill to its recoverable amount.

Major sources of estimation uncertainty: Projected EBITDA (as defined)* margin, long-term growth and pre-tax discount rates

The impairment testing process requires management to make significant judgements and estimates regarding the future cash flows expected to be generated by CGUs to which goodwill has been allocated. In assessing value-in-use, the net cash flow forecasts (reflecting revenue forecasts, **projected EBITDA (as defined)* margin** and other cash flow movements) are extrapolated using **long-term growth rates** to determine the basis for an annuity-based terminal value. 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. Future cash flows relating to the eventual disposal of these CGUs and other factors may also be relevant to determine the recoverable amount of goodwill. 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 Group 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 recognised.

Goodwill relating to associates and joint ventures is included in the carrying amount of the investment and is neither amortised 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 rationalisation programmes.

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 recognised 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 Group's defined contribution pension schemes are charged to the Consolidated Income Statement in the period in which they are incurred. The Group 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 Group's defined benefit pension schemes (both funded and unfunded) are assessed either on the basis of the attained age, the projected unit credit, the current unit credit or the aggregate cost methods 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 recognised 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 rate**, changes in the rates of return on high-quality corporate bonds; (ii) for future compensation levels, future labour 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 recognised 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.

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

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 Group'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 and the return on plan assets (excluding net interest), are recognised 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.

The Group'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.

Provisions for liabilities – Note 26

A provision is recognised when the Group 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.

Significant judgement:

Judgement is required in determining whether the Group has a present obligation and whether it is probable that an outflow of economic benefits will be required to settle this obligation. This judgement is applied to information available at the time of

determining the liability including but not limited to judgements around interpretations of legislation, regulations, case law and insurance contracts depending on the nature of the provision.

Where the Group anticipates that a provision will be reimbursed, the reimbursement is recognised 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 recognised as an interest expense. Contingent liabilities arising on business combinations are recognised as provisions if the contingent liability can be reliably measured at its acquisition date fair value. Provisions are not recognised 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 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 judgement 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 pages 118 and 235 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 Group's 2025 carbon emissions target of 520kg of CO₂ per tonne of cementitious

material is also considered in these judgements. 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 Group is involved is reviewed by management on a periodic basis and the Group'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 recognised 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 judgements and estimates of the potential liabilities could have an impact on the results of operations and financial position of the Group 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 Group through recognition of additional, or release of, provisions in future accounting periods.

Accounting Policies - continued

Other Significant Accounting Policies

Basis of consolidation

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

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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 Group. 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 Group holds less than the majority of voting rights, other facts and circumstances including contractual arrangements that give the Group power over the investee may result in the Group controlling the investee. The Group 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 recognised as a result of such transactions. On an acquisition by acquisition basis, the Group recognises 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.

Investments in associates and joint ventures – Note 15

An associate is an entity over which the Group 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 Group'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 Group's share of result after tax of the related associates and joint ventures. Investments in associates and joint ventures are carried in the Consolidated Balance Sheet at cost adjusted in respect of post-acquisition changes in the Group'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 on the Consolidated Balance Sheet. The Group applies IFRS 9, 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 Group's share of equity accounted investments' results in the Consolidated Income Statement. If the Group'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 Group 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 Group's investments in its joint operations are accounted for by recognising 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 Group recognises 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 Group manufactures and supplies a diverse range of building materials and products. Whilst there are a number of different activities across the Group; recognition of revenue from the sale of goods is similar; being at the point in time when control is deemed to pass to the customer upon leaving a CRH premises or upon 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 Group, goods are often sold with discounts or rebates based on cumulative sales over a period. This variable consideration is only recognised when it is highly probable that it will not be subsequently reversed and is recognised using the most likely amount or expected value methods, depending on the individual contract terms. In the application of appropriate revenue recognition, judgement is exercised by management in the determination of the likelihood and quantum of such items based on experience and historical trading patterns.

The Group is deemed to be a principal to an arrangement when it controls a promised good or service before transferring them to a customer and accordingly recognises revenue on a gross basis. Where the Group is determined to be an agent to a transaction, based on the principle of control; the net amount retained after the deduction of any costs to the principal is recognised as revenue.

Within the non-construction contract businesses no element of financing is deemed present as transactions are all made with average credit terms (usually 90 days), consistent with market practice.

Revenue derived from construction contracts

The Group 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.

The Group typically recognises 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 recognise 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 Group has an enforceable right to payment for work and performance obligations completed to date.

Some of the Group'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 recognised will not occur.

In some instances revenue is recognised 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 this is recognised as a contract asset (unbilled revenue) 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 recognised 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 Group 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 Group 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 recognised on the contract; this is recognised as a contract liability within Trade and Other Payables (note 18); and the revenue is generally recognised in the subsequent period when the right to recognise 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 Group's contract activities based on normal operating capacity. The Group's contracts generally are for a duration of less than one year and therefore the Group does not capitalise 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 Group recognises a provision for assurance-type (standard) warranties offered across the Group under its terms and conditions in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The Group 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 organisational 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 amortised once classified as held for sale. The Group 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 Group, that represents a separate major line of business or geographical area of operation, has been disposed 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 Group and is classified as held for sale or has been disposed of. The Group classifies a non-current asset or disposal group as held for sale if its carrying value will be recovered through a sales 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 Group 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 Group 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

25% 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; 50% are subject to a cumulative cash flow target and 25% are subject to a RONA metric. The fair value of the awards is calculated as the market price of the shares at the date of grant. No expense is recognised 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 recognised in the Consolidated Income Statement.

Accounting Policies - continued

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 are recognised 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 recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group'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 recognised 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 recognised for the award is recognised 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 recognised either in other comprehensive income or directly in equity as appropriate.

Deferred tax is recognised 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 recognised 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. For the most part, no provision has been made for temporary differences applicable to investments in subsidiaries and joint ventures as the Group 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 recognised 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 recognised 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 realised or the deferred income tax liability is settled. Deferred tax assets and liabilities are not subject to discounting. Deferred tax assets are recognised 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 utilised. 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 utilised.

The Group's income tax charge is based on reported profit and enacted statutory tax rates, which reflect various allowances and reliefs available to the Group in the multiple tax jurisdictions in which it operates. The determination of the Group's provision for income tax requires certain judgements and estimates in relation to matters where the ultimate tax outcome may not be certain. The recognition or non-recognition of deferred tax assets as appropriate also requires judgement as it involves an assessment of the future recoverability of those assets. In addition, the Group is subject to tax audits which can involve complex issues that could require extended periods to conclude, the resolution of which is often not within the control of the Group. 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 than that which is reflected in the Group's historical income tax provisions and accruals. Whilst it is possible, the Group 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 Group'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 \$17,938 million at 31 December 2021 represents 40% 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 (1 January 2004).

Repair and maintenance expenditure is included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group 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 period in which it is incurred.

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

In the application of the Group's accounting policy, judgement 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 pages 118 and 235 when determining the useful lives of assets. The determination of useful lives also considers the Group's 2025 carbon

emissions target of 520kg of CO₂ per tonne of cementitious material. 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.

Future developments in technology may also result in a risk of obsolescence for the Group's current portfolio of plant and machinery assets, however the expected time-frame for these developments is not currently anticipated to impact their remaining useful lives as the majority of the Group'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 Group 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 Group 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 recognised 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 recognised 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 recognised 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 recognised. 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 recognised 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 financial assets) in the Consolidated Balance Sheet.

Where a subsidiary is disposed 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 disposal/termination.

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

An intangible asset is capitalised 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 amortisation and any accumulated impairment losses. The carrying values of definite-lived intangible assets (the Group 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 amortised 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 fifteen years and the useful lives for marketing related intangible assets range from ten to twenty years.

Amortisation 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 amortisation period or method as appropriate on a prospective basis.

Leases – Notes 13 and 20

The Group 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 Group also leases plant and machinery, vehicles and equipment. The terms and conditions of these leases do not impose significant financial restrictions on the Group.

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 recognised 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 Group.

Accounting Policies - continued

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 Group 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 recognised as an expense in the period in which they are incurred. Management applies judgement 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 amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments or when the Group 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 realisable value. Cost is based on the first-in/first-out principle (and weighted average, where appropriate) 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 labour and attributable overheads based on normal operating capacity and excludes borrowing costs.

Net realisable 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 realisable 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 Group's products) and the purpose for which the inventory is held.

Climate change and policy risks and uncertainties as set out on pages 118 and 235 may also result in additional costs, changes to selling prices or product obsolescence impacting the valuation of inventories in future years. 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 Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group's principal financial assets are its trade and other receivables (including contract assets). Trade and other receivables are recognised when the Group 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 amortised cost, less an expected credit loss provision. Further details on the approach the Group applies to providing for expected credit losses is outlined 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 amortised 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 amortised cost includes any issue costs and any discount or premium materialising on settlement. Subsequent to initial recognition, current and non-current interest-bearing loans and borrowings are, in general, measured at amortised 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 amortised 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 recognised as an expense in the period in which they are incurred (unless capitalised 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 realise the desired currency profile of borrowings, the Group employs derivative financial instruments (principally interest rate swaps, currency forwards and currency swaps). Derivative financial instruments are recognised 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 floating rate cash flows are estimated based on future interest rates (from observable yield curves at the end of the reporting period). 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 Group 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 Group 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 fulfil 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 Group 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 recognised asset or liability or an unrecognised 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 recognised 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 amortised to the Consolidated Income Statement with the objective of achieving full amortisation by maturity.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised 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 recognised 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 recognised as other comprehensive income are transferred to the Consolidated Income Statement contemporaneously with the materialisation of the hedged transaction.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative

gain or loss on the hedging instrument recognised 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 recognised 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 recognised 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 programme (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 recognised 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 recognised 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.

Other Reserves

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

Foreign currency translation

Items included in the financial statements of each of the Group'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 US Dollar, which is the presentation currency of the Group. The functional currency of the Parent Company is euro.

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 recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the Consolidated Income Statement.

Results and cash flows of subsidiaries, joint ventures and associates with non-US Dollar functional currencies have been translated into US Dollar at average exchange rates for the year, 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-US Dollar subsidiaries, joint ventures, associates and joint operations are recognised 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.

Accounting Policies - continued

The principal exchange rates used for the translation of results, cash flows and balance sheets into US Dollar were as follows:

US Dollar 1 =	Average			Year-end	
	2021	2020	2019	2021	2020
Brazilian Real	5.3968	5.1568	3.9423	5.5716	5.1941
Canadian Dollar	1.2538	1.3412	1.3269	1.2716	1.2751
Chinese Renminbi	6.4493	6.9010	6.9098	6.3513	6.5404
Danish Krone	6.2919	6.5388	6.6691	6.5652	6.0650
Euro	0.8460	0.8771	0.8933	0.8829	0.8151
Hungarian Forint	303.3739	307.9331	290.5732	325.9300	296.8600
Indian Rupee	73.9391	74.1177	70.4208	74.3009	73.0706
Philippine Peso	49.2983	49.6071	51.7955	50.9800	48.0300
Polish Zloty	3.8633	3.8971	3.8389	4.0579	3.7166
Pound Sterling	0.7270	0.7798	0.7841	0.7417	0.7320
Romanian Leu	4.1641	4.2432	4.2388	4.3692	3.9683
Serbian Dinar	99.4732	103.1510	105.2592	103.7590	95.8751
Swiss Franc	0.9145	0.9387	0.9937	0.9119	0.8806
Ukrainian Hryvnia	27.2588	26.9857	25.8045	27.2850	28.3242

Notes on Consolidated Financial Statements

1. Revenue

CRH is the leading building materials business in the world. It manufactures and supplies a range of integrated building materials, products and innovative solutions which can be found throughout the built environment, from major public infrastructure projects to commercial buildings and homes.

The Group has three operating segments (as identified under IFRS 8 *Operating Segments*) generating revenue through the following activities:

Americas Materials businesses in the US and Canada utilise an extensive network of reserve backed quarry locations, to provide asphalt paving services and to produce and supply a range of materials including cement, aggregates, readymixed concrete and asphalt. These materials are used widely in a variety of construction projects including public infrastructure, commercial buildings and homes. This segment also includes the Group's cement operations in Brazil, which were divested in April 2021.

Europe Materials businesses are predominantly engaged in the manufacture and supply of cement, lime, aggregates, asphalt, readymixed

concrete and concrete products, as well as paving and construction services. Our materials are used extensively in a wide range of construction applications, from major public road and infrastructure projects, to the development and refurbishment of commercial buildings and homes. This segment comprises businesses operating in 20 countries across Western, Central and Eastern Europe as well as the Philippines in Asia.

Our *Building Products* segment includes businesses operating across a portfolio of building product related platforms including architectural products, infrastructure products, construction accessories and building envelope. Our businesses offer a diverse range of products including brickwork supports that keep walls standing, glazing systems that hold glass in place, products that collect, connect and protect vital utility infrastructure and pavers, blocks and patio products used to pave our city centres and create unique outdoor living spaces. This segment comprises businesses operating in 19 countries primarily in the US, Canada and Western Europe. It also included up to their disposal in 2019, our perimeter protection and shutters & awnings businesses.

The divestment of our *Europe Distribution* business (excluding DIY Benelux), formerly part of the Building Products segment, was completed in 2019. As a result, it was classified as discontinued operations in 2019.

A. Disaggregated revenue

In the following tables, revenue is disaggregated by primary geographic market and by principal activities and products. Due to the diversified nature of the Group, the basis on which management reviews its businesses varies across the Group. Geography is the primary basis for the Americas Materials and Europe Materials businesses; while activities and products are used for the Building Products businesses.

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 31 December

Primary geographic markets

Continuing operations

	Americas Materials 2021 \$m	Europe Materials 2021 \$m	Building Products 2021 \$m	Total 2021 \$m	Americas Materials 2020 \$m	Europe Materials 2020 \$m	Building Products 2020 \$m	Total 2020 \$m	Americas Materials 2019 \$m	Europe Materials 2019 \$m	Building Products 2019 \$m	Total 2019 \$m
Republic of Ireland (country of domicile)	-	706	-	706	-	632	-	632	-	655	-	655
United Kingdom	-	3,979	244	4,223	-	3,157	180	3,337	-	3,478	243	3,721
Rest of Europe (i)	-	5,243	1,085	6,328	-	4,841	992	5,833	-	4,845	1,162	6,007
United States	11,172	-	6,021	17,193	9,984	-	5,479	15,463	10,307	-	5,086	15,393
Rest of World (ii)	1,235	653	643	2,531	1,289	511	522	2,322	1,319	531	506	2,356
Total Group from continuing operations	12,407	10,581	7,993	30,981	11,273	9,141	7,173	27,587	11,626	9,509	6,997	28,132
Discontinued operations												
Rest of Europe (i) - Europe Distribution				-				-				3,557
Total Group				30,981				27,587				31,689

(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, Brazil, Canada and the Philippines.

1. Revenue - continued

Year ended 31 December

	Americas Materials (iii)	Europe Materials (iii)	Building Products	Total	Americas Materials (iii)	Europe Materials (iii)	Building Products	Total	Americas Materials (iii)	Europe Materials (iii)	Building Products	Total
	2021	2021	2021	2021	2020	2020	2020	2020	2019	2019	2019	2019
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<i>Principal activities and products</i>												
<i>Continuing operations</i>												
Cement, lime and cement products	1,483	3,463	-	4,946	1,403	2,974	-	4,377	1,368	2,962	-	4,330
Aggregates, asphalt and readymixed products	6,262	3,606	-	9,868	5,604	3,100	-	8,704	5,649	3,427	-	9,076
Construction contract activities*	4,662	2,065	175	6,902	4,266	1,732	168	6,166	4,609	1,801	185	6,595
Architectural products	-	1,264	3,790	5,054	-	1,166	3,439	4,605	-	1,069	2,983	4,052
Infrastructure products	-	183	1,605	1,788	-	169	1,278	1,447	-	250	1,387	1,637
Construction accessories	-	-	731	731	-	-	626	626	-	-	660	660
Architectural glass and glazing systems and related hardware	-	-	1,692	1,692	-	-	1,662	1,662	-	-	1,782	1,782
Total Group from continuing operations	12,407	10,581	7,993	30,981	11,273	9,141	7,173	27,587	11,626	9,509	6,997	28,132
<i>Discontinued operations</i>												
General Builders Merchants, DIY Germany and Sanitary, Heating & Plumbing - Europe Distribution			-	-			-	-				3,557
Total Group			30,981				27,587				31,689	

(iii) Americas Materials and Europe Materials both operate vertically integrated businesses, which are founded in resource-backed cement and aggregates assets and which support the manufacture and supply of aggregates, asphalt, cement, readymixed and precast concrete and landscaping products. Accordingly, for the purpose of disaggregation of revenue we have included certain products together, as this is how management reviews and evaluates this business line.

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

Revenue derived through the supply of services and intersegment revenue are not material to the Group. The transfer pricing policy implemented by the Group between operating segments and across its constituent entities is described in note 32. In addition, due to the nature of building materials, which have a low value-to-weight ratio, the Group's revenue streams include a low level of cross-border transactions.

B. Contract balances

For information on the Group's construction contract balances, including movements during the year, refer to notes 16, 17 and 18. Movements in our net contract balances are not considered significant and are primarily driven by the timing of billing work-in-progress within our construction contract businesses.

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

Revenue yet to be recognised from fixed-price long-term construction contracts, primarily within our Americas Materials and Europe Materials businesses, amounted to \$3,177 million at

31 December 2021 (2020: \$2,604 million; 2019: \$2,097 million). The Group has applied the practical expedient of IFRS 15 whereby revenue yet to be recognised on contracts that had an original expected duration of less than one year is not disclosed. The majority of open contracts at 31 December 2021 will close and revenue will be recognised within 12 months of the balance sheet date.

* Revenue principally recognised over time. Construction contracts are generally completed within the same financial reporting year.

2. Segment Information

As outlined in note 1, the Group has three operating segments. The segments reflect the Group's organisational structure and the nature of the financial information reported to and assessed by the Group Chief Executive and Finance Director, who are together determined to fulfil the role of Chief Operating Decision Maker (as defined in IFRS 8). No operating segments have been aggregated to form these reportable segments.

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

- the Group's organisational structure in 2021 (during 2021 each 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);
- the structure of internal reporting documentation such as management accounts and budgets; and
- the degree of homogeneity of products and services within each of the segments from which revenue is derived

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 EBITDA (as defined)*. Given that net finance costs and income tax are managed on a centralised 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 31 December					
	Revenue			EBITDA (as defined)*		
	2021 \$m	2020 \$m	2019 \$m	2021 \$m	2020 \$m	2019 \$m
<i>Continuing operations</i>						
Americas Materials	12,407	11,273	11,626	2,588	2,405	2,194
Europe Materials	10,581	9,141	9,509	1,410	1,055	1,208
Building Products	7,993	7,173	6,997	1,352	1,170	1,076
Total Group from continuing operations	30,981	27,587	28,132	5,350	4,630	4,478
<i>Discontinued operations</i>						
Europe Distribution	-	-	3,557	-	-	224
Total Group	30,981	27,587	31,689	5,350	4,630	4,702

<i>Continuing operations</i>						
EBITDA (as defined)*				5,350	4,630	4,478
Depreciation, amortisation and impairment (i)				(1,765)	(2,367)	(1,685)
Group operating profit				3,585	2,263	2,793
Profit/(loss) on disposals (ii)				119	9	(189)
Finance costs less income				(311)	(389)	(365)
Other financial expense				(106)	(101)	(125)
Share of equity accounted investments' profit/(loss) (iii)				55	(118)	67
Profit before tax from continuing operations				3,342	1,664	2,181

	(i) Depreciation, amortisation and impairment			(ii) Profit/(loss) on disposals (note 6)			(iii) Share of equity accounted investments' profit/(loss)		
	2021 \$m	2020 \$m	2019 \$m	2021 \$m	2020 \$m	2019 \$m	2021 \$m	2020 \$m	2019 \$m
Americas Materials	(800)	(774)	(771)	126	8	(2)	17	34	43
Europe Materials	(596)	(1,245)	(586)	17	(12)	(283)	21	(148)	14
Building Products	(369)	(348)	(328)	(24)	13	96	17	(4)	10
Total Group from continuing operations	(1,765)	(2,367)	(1,685)	119	9	(189)	55	(118)	67

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

2. Segment Information - continued

B. Operating segments disclosures - Consolidated Balance Sheet data

	As at 31 December			
	Total assets		Total liabilities	
	2021	2020	2021	2020
	\$m	\$m	\$m	\$m
Americas Materials	17,064	16,172	3,292	2,897
Europe Materials	12,367	12,730	4,100	3,971
Building Products	8,504	7,316	2,579	2,268
Total Group	37,935	36,218	9,971	9,136

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

Investments accounted for using the equity method	653	626
Other financial assets	12	13
Derivative financial instruments (current and non-current)	136	201
Income tax assets (current and deferred)	151	165
Cash and cash equivalents	5,783	7,721
Total assets as reported in the Consolidated Balance Sheet	44,670	44,944

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

Interest-bearing loans and borrowings (current and non-current)	10,487	12,215
Derivative financial instruments (current and non-current)	14	13
Income tax liabilities (current and deferred)	3,284	3,232
Total liabilities as reported in the Consolidated Balance Sheet	23,756	24,596

C. Operating segments disclosures - other items

Additions to non-current assets

	Year ended 31 December								
	Property, plant and equipment (i) (note 13, 20)			Financial assets (note 15)			Total Group		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<i>Continuing operations</i>									
Americas Materials	750	527	750	4	1	30	754	528	780
Europe Materials	607	384	549	-	-	1	607	384	550
Building Products	417	265	353	-	-	-	417	265	353
Total Group from continuing operations	1,774	1,176	1,652	4	1	31	1,778	1,177	1,683
<i>Discontinued operations</i>									
Europe Distribution	-	-	-	-	-	1	-	-	1
Total Group	1,774	1,176	1,652	4	1	32	1,778	1,177	1,684

(i) Additions to property, plant and equipment include \$10 million (2020: \$14 million; 2019: \$96 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 Group revenue, are set out below.

	As at 31 December	
	Non-current assets*	
	2021	2020
	\$m	\$m
Republic of Ireland (country of domicile)	544	603
United Kingdom	2,595	2,594
United States	17,304	15,990
Other	9,560	10,129
Total Group	30,003	29,316

3. Assets Held for Sale and Discontinued Operations

No businesses divested in 2021 or 2020 are considered to be either separate major lines of business or geographical areas of operation and therefore do not constitute discontinued operations.

No businesses met the IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* held for sale criteria at 31 December 2021.

In February 2022, the Group reached agreement to divest of its Building Envelope business for an enterprise value of \$3.8 billion. Building Envelope which forms part of our Building Products segment provides architectural glass, storefront systems, architectural glazing systems and related hardware to customers primarily in North America.

The transaction which is subject to customary conditions and regulatory approvals is expected to close in the first half of 2022.

A. Loss on disposal of discontinued operations

In October 2019, the Group completed the divestment of its Europe Distribution business, formerly part of our Building Products segment. This was considered to be a discontinued operation as defined in IFRS 5 and was classified accordingly in 2019.

The table below sets out the proceeds and related loss recognised on divestment which were included in profit after tax for the financial year 2019 from discontinued operations.

	2019 \$m
Assets/(liabilities) disposed of at net carrying amount:	
- non-current assets	1,462
- cash and cash equivalents	112
- working capital and provisions	665
- current tax	2
- lease liabilities	(410)
- deferred tax	(32)
- retirement benefit obligations	(47)
- non-controlling interests	(9)
Net assets disposed	1,743
Reclassification of currency translation effects on disposal	117
Total	1,860
Proceeds from disposal (net of disposal costs)	1,855
Loss on disposal from discontinued operations	(5)
 Net cash inflow arising on disposal	
Proceeds from disposal from discontinued operations	1,855
Less: cash and cash equivalents disposed	(112)
Total	1,743

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

3. Assets Held for Sale and Discontinued Operations - continued

B. Results of discontinued operations

The results of the discontinued operations included in the Group profit for the financial year 2019 are set out as follows:

	2019 \$m
Revenue	3,557
EBITDA (as defined)*	224
Depreciation	(108)
Amortisation	(2)
Impairment	(1)
Operating profit	113
Loss on disposals	(2)
Profit before finance costs	111
Finance costs	(8)
Share of equity accounted investments' profit	14
Profit before tax	117
Attributable income tax expense	(26)
Profit after tax for the financial year from discontinued operations	91
Profit attributable to:	
Equity holders of the Company	90
Non-controlling interests	1
Profit for the financial year from discontinued operations	91
Basic earnings per Ordinary Share from discontinued operations	11.3c
Diluted earnings per Ordinary Share from discontinued operations	11.2c
Cash flows from discontinued operations	
Net cash inflow from operating activities	36
Net cash inflow from investing activities	1,722
Net cash outflow from financing activities	(80)
Net cash inflow	1,678

4. Cost Analysis

Continuing operations

	2021 \$m	2020 \$m	2019 \$m
Cost of sales analysis			
Raw materials and goods for resale	6,942	5,757	5,840
Employment costs (note 7)	4,089	3,871	3,880
Energy conversion costs	1,540	1,268	1,464
Repairs and maintenance	1,183	1,103	1,097
Depreciation, amortisation and impairment (i)	1,427	1,621	1,370
Change in inventory	(439)	63	(70)
Other production expenses (primarily sub-contractor costs)	5,751	4,742	5,278
Total	20,493	18,425	18,859
Operating costs analysis			
Selling and distribution costs	4,849	4,454	4,547
Administrative expenses	2,054	2,445	1,933
Total	6,903	6,899	6,480

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

(i) Depreciation, amortisation and impairment analysis

	Cost of sales			Operating costs			Total		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Depreciation and depletion (note 13, 20)	1,427	1,367	1,364	264	257	249	1,691	1,624	1,613
Amortisation of intangible assets (note 14)	-	-	-	74	70	64	74	70	64
Impairment of property, plant and equipment (note 13, 20) (ii)	-	254	6	-	9	2	-	263	8
Impairment of intangible assets (note 14) (ii)	-	-	-	-	410	-	-	410	-
Total	1,427	1,621	1,370	338	746	315	1,765	2,367	1,685

(ii) Total impairment charges for the year ended 31 December 2021 amounted to \$nil million (2020: \$827 million, including a charge of \$154 million related to equity accounted investments as detailed in note 15; 2019: \$8 million).

5. Auditor's Remuneration

Continuing operations

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

	Statutory auditor (Ireland)			Network firms			Total		
	Deloitte		EY (i)	Deloitte		EY (i)	Deloitte		EY (i)
	2021	2020	2019	2021	2020	2019	2021	2020	2019
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Audit fees (ii) (iii)	7	6	4	14	12	16	21	18	20
Other audit-related assurance fees (iii)	-	-	-	1	-	-	1	-	-
Tax advisory services (iii)	-	-	-	-	-	1	-	-	1
Total	7	6	4	15	12	17	22	18	21

(i) With effect from 2020, following a competitive tender process, Deloitte Ireland LLP (Deloitte) was appointed as auditor of the Group, replacing Ernst & Young (EY). In the table above, auditor's remuneration for services provided during the years ended 31 December 2021 and 2020 thus relates to Deloitte and for the year ended 31 December 2019 to EY.

(ii) Audit of the Group accounts includes the audit of internal control over financial reporting and parent and subsidiary statutory audit fees, but excludes \$3 million (2020: \$3 million; 2019: \$3 million) paid to auditors other than Deloitte (2021 and 2020) and EY (2019).

(iii) Audit fees in 2019, including discontinued operations, amounted to \$20 million. Other audit-related assurance fees in 2019, including discontinued operations, amounted to \$nil million and tax advisory services in 2019, including discontinued operations, amounted to \$1 million.

There were no other fees for services provided by the Group's independent auditor (2020: \$nil million; 2019: \$nil million).

6. Business and Non-Current Asset Disposals

	Business disposals			Disposal of other non-current assets			Total		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<i>Continuing operations</i>									
Assets/(liabilities) disposed of at net carrying amount:									
- non-current assets	135	74	669	100	127	157	235	201	826
- cash and cash equivalents	31	7	50	-	-	-	31	7	50
- working capital and provisions	25	29	93	-	-	-	25	29	93
- current tax	-	-	(1)	-	-	-	-	-	(1)
- lease liabilities	(3)	(12)	(53)	(17)	(32)	(33)	(20)	(44)	(86)
- deferred tax	1	(3)	(3)	-	-	-	1	(3)	(3)
- retirement benefit obligations	(1)	(1)	(2)	-	-	-	(1)	(1)	(2)
- non-controlling interests	-	(6)	-	-	-	-	-	(6)	-
Net assets disposed	188	88	753	83	95	124	271	183	877
Reclassification of currency translation effects on disposal	29	13	263	-	-	-	29	13	263
Total	217	101	1,016	83	95	124	300	196	1,140
Proceeds from disposals (net of disposal costs)	295	77	787	124	128	164	419	205	951
Profit/(loss) on disposals from continuing operations	78	(24)	(229)	41	33	40	119	9	(189)
<i>Discontinued operations</i>									
(Loss)/profit on disposals from discontinued operations (note 3)	-	-	(5)	-	-	3	-	-	(2)
Total Group profit/(loss) on disposals	78	(24)	(234)	41	33	43	119	9	(191)
Net cash inflow arising on disposal									
<i>Continuing operations</i>									
Proceeds from disposals from continuing operations	295	77	787	124	128	164	419	205	951
Less: cash and cash equivalents disposed	(31)	(7)	(50)	-	-	-	(31)	(7)	(50)
Less: deferred proceeds arising on disposal (note 19) (i)	(1)	(14)	(302)	-	-	-	(1)	(14)	(302)
Net cash inflow arising on disposal from continuing operations	263	56	435	124	128	164	387	184	599
<i>Discontinued operations</i>									
Net cash inflow arising on disposal from discontinued operations	-	-	1,743	-	-	1	-	-	1,744
Total Group net cash inflow arising on disposal	263	56	2,178	124	128	165	387	184	2,343

(i) On 31 December 2019, CRH completed the sale of the Group's 50% stake in its joint venture in India, My Home Industries Limited (MHIL), for deferred proceeds of \$0.3 billion which will be received in several agreed tranches.

7. Employment

Continuing operations

The average number of employees is as follows:

	Year ended 31 December		
	2021	2020	2019
Americas Materials	28,272	27,412	28,576
Europe Materials	25,636	26,785	27,238
Building Products	23,538	22,902	24,437
Total Group	77,446	77,099	80,251

The average number of employees in 2019, including discontinued operations, was 86,951.

Employment costs charged in the Consolidated Income Statement for continuing operations are analysed as follows:

	2021 \$m	2020 \$m	2019 \$m
Wages and salaries	4,873	4,573	4,604
Social welfare costs	495	461	473
Redundancy, healthcare and other employment benefit costs	656	723	653
Share-based payment expense (note 8)	110	96	83
Total retirement benefits expense (note 28)	381	359	341
Total (i) (ii)	6,515	6,212	6,154

Total charge analysed between:

Cost of sales	4,089	3,871	3,880
Operating costs	2,416	2,330	2,259
Finance costs (net) - applicable to retirement benefit obligations (note 9)	10	11	15
Total	6,515	6,212	6,154

(i) Directors' emoluments (which are included in administrative expenses in note 4) are presented in note 32.

(ii) Employment costs in 2019, including discontinued operations, are analysed as follows:

Wages and salaries	4,988
Social welfare costs	544
Redundancy, healthcare and other employment benefit costs	676
Share-based payment expense (note 8)	86
Total retirement benefits expense (note 28)	369
Total	6,663

8. Share-based Payment Expense

Continuing operations

	2021 \$m	2020 \$m	2019 \$m
Performance Share Plans and Restricted Share Plan expense	108	93	79
Share option expense	2	3	4
Total share-based payment expense (i)	110	96	83

(i) The total share-based payment expense in 2019, including discontinued operations, amounted to \$86 million.

Share-based payment expense relates primarily to awards granted under the 2014 Performance Share Plan and the Group's Savings-related Share Option Schemes. The expense, which in 2019 also includes charges in relation to the 2013 Restricted Share Plan, 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 summarised below. An expense of \$108 million was recognised in 2021 (2020: \$93 million; 2019: \$78 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 31 December 2021
Granted in 2021	€39.79	3 years	3,261,885	3,154,225
Granted in 2020	€31.50	3 years	3,428,021	3,232,561
Granted in 2019	€29.44	3 years	3,688,027	3,352,346

(i) Numbers represent the initial awards including those granted to employees of Europe Distribution in 2019. The Remuneration 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.

25% of each award made is subject to TSR performance measured against a tailored peer group; 25% is subject to a RONA metric; with the remaining 50% subject to a cumulative cashflow

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 €22.23 (2020: €18.52; 2019: €18.59). 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:

	2021	2020	2019
Risk-free interest rate (%)	(0.56)	(0.61)	(0.37)
Expected volatility (%)	35.1	22.1	23.2

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 and (ii) the portion of awards subject to a RONA metric 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 2021	Weighted average exercise price	Number of options 2020	Weighted average exercise price	Number of options 2019
Outstanding at beginning of year	€16.19	197,253	€16.19	278,349	€16.48	800,770
Exercised (i)	€16.19	(51,522)	€16.19	(77,748)	€16.65	(520,115)
Lapsed	-	-	€16.19	(3,348)	€16.19	(2,306)
Outstanding at end of year (ii)	€16.19	145,731	€16.19	197,253	€16.19	278,349
Exercisable at end of year	€16.19	145,731	€16.19	197,253	€16.19	278,349

(i) The weighted average share price at the date of exercise of these options was €42.10 (2020: €31.70; 2019: €29.10).

(ii) All options granted have a life of ten years. All outstanding options are denominated in euro and have an exercise price of €16.19 (2020: €16.19; 2019: €16.19).

	2021	2020	2019
Weighted average remaining contractual life for the share options outstanding at 31 December (years)	1.30	2.30	3.30

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 2021	Weighted average exercise price	Number of options 2020	Weighted average exercise price	Number of options 2019
Outstanding at beginning of year	€23.83/Stg£19.69	1,173,507	€23.67/Stg£20.17	1,508,862	€22.15/Stg£18.74	1,686,176
Exercised (i)	€22.77/Stg£18.69	(470,001)	€23.21/Stg£22.37	(178,773)	€19.09/Stg£16.20	(627,034)
Lapsed	€24.75/Stg£21.49	(73,411)	€23.25/Stg£21.54	(156,582)	€23.49/Stg£20.85	(207,070)
Granted (ii)	Stg£31.04	455,068	-	-	€24.24/Stg£20.11	656,790
Outstanding at end of year	€24.28/Stg£25.42	1,085,163	€23.83/Stg£19.69	1,173,507	€23.67/Stg£20.17	1,508,862
Exercisable at end of year	€23.27/Stg£20.56	14,197	€24.66/Stg£24.51	16,528	€18.88/Stg£15.89	13,065

(i) The weighted average share price at the date of exercise of these options was €42.53 (2020: €31.70; 2019: €28.52).

(ii) Pursuant to the 2010 and 2021 Savings-related Share Option Schemes operated by the Group, employees were granted options over 455,068 of CRH plc's Ordinary Shares in October 2021 (2020: nil; 2019: 556,493 share options in April 2019 and 100,297 share options in May 2019). This figure comprises options over 346,237 (2020: nil; 2019: 518,944) shares and 108,831 (2020: nil; 2019: 137,846) 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.

8. Share-based Payment Expense - continued

Continuing operations

	2021	2020	2019
Weighted average remaining contractual life for the share options outstanding at 31 December (years)	1.81	1.14	1.87
euro-denominated options outstanding at end of year (number)	132,769	214,826	290,627
Range of exercise prices (€)	20.83-27.86	20.83-27.86	17.67-27.86
Pound Sterling-denominated options outstanding at end of year (number)	952,394	958,681	1,218,235
Range of exercise prices (Stg£)	16.16-31.04	16.16-24.51	14.94-24.51

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 2021 (October)	€6.78	€7.05
Granted in 2019 (April)	€7.55	€7.98
Granted in 2019 (May)	€6.67	€7.19

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

	2021		2019			
	3-year	5-year	3-year		5-year	
	October		April	May	April	May
Weighted average exercise price (€)	36.83	36.83	23.30	24.24	23.30	24.24
Risk free interest rate (%)	(0.61)	(0.43)	(0.56)	(0.58)	(0.40)	(0.41)
Expected dividend payments over the expected life (€)	3.25	5.65	2.34	2.34	4.06	4.06
Expected volatility (%)	23.5	21.2	19.6	20.0	21.1	21.3
Expected life in years	3	5	3	3	5	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 materialise.

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

	2021 \$m	2020 \$m	2019 \$m
Finance costs			
Interest payable on borrowings	344	381	374
Net (income)/cost on interest rate and currency swaps	(31)	2	15
<i>Mark-to-market of derivatives and related fixed rate debt:</i>			
- interest rate swaps (i)	85	(97)	(72)
- currency forwards and currency swaps	1	2	2
- fixed rate debt (i)	(90)	80	68
Net (gain)/loss on non-derivative financial instruments	(4)	21	-
Interest payable on cash and cash equivalents and other	6	-	-
Net finance cost on gross debt including related derivatives	311	389	387
Finance income			
Interest receivable on loans to joint ventures and associates	-	-	(5)
Interest receivable on cash and cash equivalents and other	-	-	(17)
Finance income	-	-	(22)
Finance costs less income	311	389	365
Other financial expense			
Unwinding of discount element of lease liabilities (note 20)	64	68	69
Unwinding of discount element of provisions for liabilities (note 26)	18	21	25
Unwinding of discount applicable to deferred and contingent acquisition consideration (note 18)	20	21	16
Unwinding of discount applicable to deferred divestment proceeds	(12)	(24)	-
Unwinding of discount applicable to leased mineral reserves	6	4	-
Pension-related finance cost (net) (note 28)	10	11	15
Net other financial expense	106	101	125
Total net finance costs (ii)	417	490	490

(i) The Group uses interest rate swaps to convert fixed rate debt to floating rate. Fixed rate debt, which has been converted to floating rate through the use of interest rate swaps, 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 2019, including discontinued operations, amounted to \$498 million.

10. Income Tax Expense

Recognised within the Consolidated Income Statement

Continuing operations

<i>(a) Current tax</i>			
Republic of Ireland	15	23	20
Overseas	603	571	385
Total current tax expense	618	594	405

(b) *Deferred tax*

Origination and reversal of temporary differences:

Retirement benefit obligations	2	(9)	(1)
Share-based payment expense	(6)	(3)	(6)
Derivative financial instruments	2	-	2
Other items	105	(83)	134
Total deferred tax expense/(income)	103	(95)	129

Income tax reported in the Consolidated Income Statement

Income tax reported in the Consolidated Income Statement	721	499	534
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Recognised outside the Consolidated Income Statement

(a) Within the Consolidated Statement of Comprehensive Income:

Deferred tax - retirement benefit obligations	(36)	11	(4)
Deferred tax - cash flow hedges	(8)	-	(4)
	<u>(44)</u>	<u>11</u>	<u>(8)</u>

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

Current tax

Current tax - share option exercises	14	2	5
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Deferred tax

Deferred tax - share-based payment expense	10	(1)	6
	<u>24</u>	<u>1</u>	<u>11</u>

Income tax recognised outside the Consolidated Income Statement	(20)	12	3
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	2021	2020	2019
Reconciliation of applicable tax rate to effective tax rate			
<i>Continuing operations</i>			
Profit before tax (\$m)	3,342	1,664	2,181
<i>Tax charge expressed as a percentage of profit before tax (effective tax rate):</i>			
- current tax expense only	18.5%	35.7%	18.6%
- total income tax expense (current and deferred)	21.6%	30.0%	24.5%

The following table reconciles the applicable Republic of Ireland statutory tax rate to the effective tax rate (current and deferred) of the Group:

	% of profit before tax		
Irish corporation tax rate	12.5	12.5	12.5
Higher tax rates on overseas earnings	9.8	10.6	12.8
Other items			
- arising from 2020 impairment	-	8.4	-
- other items (primarily comprising items not chargeable to tax/expenses not deductible for tax)	(0.7)	(1.5)	(0.8)
Total effective tax rate	21.6	30.0	24.5

Other disclosures

Effective tax rate

The 2021 effective tax rate is 21.6% (2020: 30.0%; 2019: 24.5%).

The tax charge associated with discontinued operations in 2019 is recognised separately in "Profit after tax for the financial year from discontinued operations". See note 3 for further details.

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 recognised.

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 Group operates.

11. Dividends

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

	2021 \$m	2020 \$m	2019 \$m
Dividends to shareholders (i)			
<i>Equity</i>			
Final - paid 93.00c per Ordinary Share (2020: 70.00c; 2019: 59.20c) (ii)	730	537	477
Interim - paid 23.00c per Ordinary Share (2020: 22.00c; 2019: 22.00c) (ii)	179	173	175
Total	909	710	652

Reconciliation to Consolidated Statement of Cash Flows

Dividends to shareholders	909	710	652
Translation adjustment (iii)	(3)	(3)	-
Dividends paid to equity holders of the Company	906	707	652
Dividends paid by subsidiaries to non-controlling interests	32	15	11
Total dividends paid	938	722	663

Dividends proposed (memorandum disclosure)

<i>Equity</i>			
Final 2021 - proposed 98.00c per Ordinary Share (2020: 93.00c; 2019: 70.00c) (ii)	751	730	550

- (i) In 2021 the 5% Cumulative Preference Shares paid a dividend of €3,175 (2020: €3,175; 2019: €3,175) and the 7% 'A' Cumulative Preference Shares paid a dividend of €77,521 (2020: €77,521; 2019: €77,521).
- (ii) Interim and final dividends per share declared previously in euro have been translated to US Dollar using the dividend record date exchange rate.
- (iii) Translation adjustment arising from US Dollar declared dividends paid in non-US Dollar currencies.

12. Earnings per Ordinary Share

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

	2021 \$m	2020 \$m	2019 \$m
Numerator computations			
Group profit for the financial year	2,621	1,165	1,738
Profit attributable to non-controlling interests	(56)	(43)	(21)
Profit attributable to equity holders of the Company	2,565	1,122	1,717
Preference dividends	-	-	-
Profit attributable to ordinary equity holders of the Company - numerator for basic/diluted earnings per Ordinary Share	2,565	1,122	1,717
Profit after tax for the financial year from discontinued operations - attributable to equity holders of the Company	-	-	90
Profit attributable to ordinary equity holders of the Company - numerator for basic/diluted earnings per Ordinary Share from continuing operations	2,565	1,122	1,627
Denominator computations			
Weighted average number of Ordinary Shares (millions) outstanding for the year (i)	780.2	785.1	801.3
Effect of dilutive potential Ordinary Shares (employee share awards) (millions) (i) (ii)	6.6	6.0	6.4
Denominator for diluted earnings per Ordinary Share	786.8	791.1	807.7
Basic earnings per Ordinary Share	328.8c	142.9c	214.3c
Diluted earnings per Ordinary Share	326.0c	141.8c	212.6c
Basic earnings per Ordinary Share from continuing operations	328.8c	142.9c	203.0c
Diluted earnings per Ordinary Share from continuing operations	326.0c	141.8c	201.4c

- (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 (totalling 3,630,633 at 31 December 2021, 4,053,377 at 31 December 2020 and 3,618,278 at 31 December 2019) 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 31 December 2021					
<i>Owned</i>					
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
At 1 January 2021, net carrying amount	3,698	4,081	9,416	572	17,767
Translation adjustment	(59)	(111)	(146)	(22)	(338)
Reclassifications	28	20	449	(501)	(4)
Transfer from leased assets (note 20)	-	-	10	-	10
Additions at cost	13	94	564	883	1,554
Additions to leased mineral reserves (note 19) (i)	10	-	-	-	10
Arising on acquisition (note 30)	81	86	346	8	521
Disposals at net carrying amount	(11)	(63)	(92)	(3)	(169)
Depreciation charge for year	(114)	(146)	(1,153)	-	(1,413)
At 31 December 2021, net carrying amount	3,646	3,961	9,394	937	17,938

	Land and buildings \$m	Plant and machinery \$m	Other \$m	
<i>Leased right-of-use assets (ii)</i>				
At 31 December 2021, net carrying amount (note 20)	1,195	313	56	1,564
Total property, plant and equipment				19,502

The equivalent disclosure for the prior year is as follows:

	Mineral-bearing land \$m	Land and buildings \$m	Plant and machinery \$m	Assets in course of construction \$m	Total \$m
At 31 December 2020					
<i>Owned</i>					
Cost/deemed cost	4,874	5,928	19,400	612	30,814
Accumulated depreciation (and impairment charges)	(1,176)	(1,847)	(9,984)	(40)	(13,047)
Net carrying amount	3,698	4,081	9,416	572	17,767
At 1 January 2020, net carrying amount	3,687	4,027	9,490	718	17,922
Translation adjustment	82	109	232	13	436
Reclassifications	52	76	440	(572)	(4)
Transfer from leased assets (note 20)	-	5	2	-	7
Additions at cost	28	42	512	414	996
Additions to leased mineral reserves (note 19) (i)	14	-	-	-	14
Arising on acquisition (note 30)	7	42	72	1	122
Disposals at net carrying amount	(8)	(57)	(60)	(2)	(127)
Depreciation charge for year	(108)	(155)	(1,082)	-	(1,345)
Impairment charge for year (iii)	(56)	(8)	(190)	-	(254)
At 31 December 2020, net carrying amount	3,698	4,081	9,416	572	17,767

	Land and buildings \$m	Plant and machinery \$m	Other \$m	
<i>Leased right-of-use assets (ii)</i>				
At 31 December 2020, net carrying amount (note 20)	1,151	342	57	1,550
Total property, plant and equipment				19,317

	Mineral- bearing land \$m	Land and buildings \$m	Plant and machinery \$m	Assets in course of construction \$m	Total \$m
<i>Owned</i>					
At 1 January 2020					
Cost/deemed cost	4,670	5,653	18,292	757	29,372
Accumulated depreciation (and impairment charges)	(983)	(1,626)	(8,802)	(39)	(11,450)
Net carrying amount	3,687	4,027	9,490	718	17,922

- (i) Additions relating to leased mineral reserves which fall outside the scope of IFRS 16.
- (ii) See note 20 for more detailed information on right-of-use assets and lease liabilities of the Group.
- (iii) No impairment charge was recognised in 2021 (2020: \$263 million including \$9 million related to leased right-of-use assets (note 20); 2019: \$9 million). The charge in 2020 principally relates to the write-down of specific assets relating to our UK business within our Europe Materials segment following a strategic review of its operational footprint, together with impairments booked in respect of two CGUs in the same segment. An extended period of lower than anticipated demand and reduced price growth resulting from the combined economic impacts of Brexit and COVID-19 were the primary drivers of the impairment charge. The recoverable amount of these assets is their value-in-use of \$185 million and is calculated using real pre-tax discount rates ranging from 7.3% to 7.7%.

Future purchase commitments for property, plant and equipment	2021 \$m	2020 \$m
Contracted for but not provided in the financial statements	628	423
Authorised by the Directors but not contracted for	417	307

14. Intangible Assets

	Other intangible assets				Total \$m
	Goodwill \$m	Marketing- related \$m	Customer- related (i) \$m	Contract- based \$m	
At 31 December 2021					
Cost/deemed cost	10,251	202	705	77	11,235
Accumulated amortisation (and impairment charges)	(800)	(98)	(423)	(66)	(1,387)
Net carrying amount	9,451	104	282	11	9,848
At 1 January 2021, net carrying amount	9,032	87	240	14	9,373
Translation adjustment	(221)	(1)	-	1	(221)
Arising on acquisition (note 30)	679	32	99	-	810
Disposals	(39)	-	(1)	-	(40)
Amortisation charge for year (ii)	-	(14)	(56)	(4)	(74)
At 31 December 2021, net carrying amount	9,451	104	282	11	9,848
<i>The equivalent disclosure for the prior year is as follows:</i>					
At 31 December 2020					
Cost/deemed cost	9,790	172	601	75	10,638
Accumulated amortisation (and impairment charges)	(758)	(85)	(361)	(61)	(1,265)
Net carrying amount	9,032	87	240	14	9,373
At 1 January 2020, net carrying amount	9,093	95	265	22	9,475
Translation adjustment	198	1	2	-	201
Reclassifications	-	-	-	(5)	(5)
Arising on acquisition (note 30)	157	2	29	-	188
Disposals	(6)	-	-	-	(6)
Amortisation charge for year (ii)	-	(11)	(56)	(3)	(70)
Impairment charge for year (iii)	(410)	-	-	-	(410)
At 31 December 2020, net carrying amount	9,032	87	240	14	9,373
At 1 January 2020					
Cost/deemed cost	9,413	167	575	87	10,242
Accumulated amortisation (and impairment charges)	(320)	(72)	(310)	(65)	(767)
Net carrying amount	9,093	95	265	22	9,475

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

(ii) The amortisation charge primarily relates to customer-related intangible assets.

(iii) Further details on note (iii) are set out overleaf.

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 Group 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. A total of 22 (2020: 22) CGUs have been identified and these are analysed between the three business segments below. 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	
	2021	2020	2021 \$m	2020 \$m
Americas Materials	5	5	4,292	4,057
Europe Materials	16	16	2,195	2,402
Building Products	1	1	2,964	2,573
Total Group	22	22	9,451	9,032

Impairment testing methodology and results

Goodwill is subject to impairment testing on an annual basis. The recoverable amount of 22 CGUs is determined based on a value-in-use computation, using Level 3 inputs in accordance with the fair value hierarchy.

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. To align with the Group's acquisition modelling methodology, these cash flows are projected forward for an additional five years to determine the basis for an annuity-based terminal value. As in prior years, the terminal value is based on a 20-year annuity, with the exception of certain long-lived 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 1.8% in the Americas, 0.8% to 2.1% in Europe and 3.1% in Asia. Such real growth rates do not exceed the long-term average growth rates for the countries in which each CGU operates. The value-in-use 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 rates used range from 6.5% to 8.6% (2020: 6.5% to 8.6%). These rates are in line with the Group's estimated weighted average cost of capital, arrived at using the Capital Asset Pricing Model. Net cash flows incorporate estimated capital expenditure required to achieve the Group's 2025 carbon emissions target of 520kg of CO₂ per tonne of cementitious material.

The 2021 annual goodwill impairment testing process has resulted in no intangible asset impairments. The 2020 annual impairment testing process resulted in an impairment of \$410 million being recorded in respect of our UK CGU in Europe Materials due to a sustained period of economic disruption following the Brexit referendum in 2016, the impact of the COVID-19 pandemic and the political uncertainty that presented in the second half of 2020 prior to the end of the Brexit transition period between the UK and the European Union. The assumptions underlying the 2020 value-in-use model projections resulted in a present value (using a real pre-tax discount rate of 7.6%) of \$1,782 million and a related goodwill impairment being recorded of \$410 million.

Key sources of estimation uncertainty

The cash flows have been arrived at taking into account the Group's strong financial position, its established history of earnings and cash flow generation and the nature of the building materials industry, where product obsolescence is very low. 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 EBITDA (as defined)* margins, long-term growth and discount rates used and the duration of the discounted cash flow model.

Significant under-performance in any of CRH's major CGUs may give rise to a material write-down of goodwill which would have a substantial impact on the Group's income and equity, however given the excess headroom on the models the likelihood of this happening is not considered reasonably possible.

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

14. Intangible Assets - continued

Significant goodwill amounts

The goodwill allocated to the Americas Cement, AMAT South (Americas Materials segment) and the Building Products (Building Products segment) CGUs account for between 10% and 31% of the

total carrying amount shown on page 174. 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 three CGUs with significant goodwill are as follows:

	Americas Cement		AMAT South		Building Products	
	2021	2020	2021	2020	2021	2020
Goodwill allocated to the cash-generating unit at balance sheet date	\$2,157m	\$2,155m	\$944m	\$998m	\$2,964m	\$2,573m
Discount rate applied to the cash flow projections (real pre-tax)	7.5%	7.7%	8.3%	8.0%	8.3%	8.0%
Average EBITDA (as defined)* margin over the initial 5-year period	53.8%	48.5%	17.9%	17.8%	19.1%	18.3%
Value-in-use (present value of future cash flows)	\$10,749m	\$8,103m	\$5,041m	\$5,140m	\$14,831m	\$12,977m
Excess of value-in-use over carrying amount	\$5,953m	\$3,238m	\$2,749m	\$2,492m	\$9,191m	\$7,653m
Long-term growth rates	1.8%	1.6%	1.8%	1.6%	1.8%	1.6%

The key assumptions and methodology used in respect of these three CGUs are consistent with those described above. 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 and Building Products CGUs are not included in the 'Sensitivity analysis' section below. Given the magnitude of the excess of value-in-use 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 value-in-use. Consequently no further disclosures relating to sensitivity of the value-in-use computations for the Americas Cement, AMAT South or Building Products CGUs are considered to be warranted.

Sensitivity analysis

A qualitative and quantitative assessment has been performed and results in additional sensitivity disclosures for one of the total 22 CGUs. 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). The CGU

had goodwill of \$565 million at the date of testing. The table below identifies the amounts by which each of the following assumptions may either decline or increase to arrive at a zero excess of the present value of future cash flows over the book value of net assets in the CGU selected for sensitivity analysis disclosures:

	One cash-generating unit
Reduction in EBITDA (as defined)* margin	5.3 percentage points
Reduction in long-term growth rate	3.2 percentage points
Increase in pre-tax discount rate	2.7 percentage points

The average EBITDA (as defined)* margin for this CGU over the initial five-year period was 21.5%. The value-in-use (being the present value of the future net cash flows) was \$2,172 million and the

carrying amount was \$1,538 million, resulting in an excess of value-in-use over carrying amount of \$634 million.

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

15. Financial Assets

	Investments accounted for using the equity method (i.e. joint ventures and associates)			
	Share of net assets \$m	Loans \$m	Total \$m	Other \$m
At 1 January 2021	609	17	626	13
Translation adjustment	10	(1)	9	-
Investments and advances	-	4	4	-
Disposals and repayments	-	(7)	(7)	(1)
Return of share capital	(2)	-	(2)	-
Share of profit after tax (i)	55	-	55	-
Dividends received	(32)	-	(32)	-
At 31 December 2021	640	13	653	12

The equivalent disclosure for the prior year is as follows:

At 1 January 2020	747	28	775	13
Translation adjustment	31	1	32	-
Investments and advances	-	1	1	-
Disposals and repayments	(10)	(13)	(23)	-
Return of share capital	(6)	-	(6)	-
Share of loss after tax (i) (ii)	(118)	-	(118)	-
Dividends received	(35)	-	(35)	-
At 31 December 2020	609	17	626	13

- (i) The Group's share of joint ventures and associates profit/(loss) after tax is equity accounted and is presented as a single line item in the Consolidated Income Statement. It is analysed as follows; profit after tax from joint ventures: \$11 million (2020: \$22 million; 2019: \$46 million), profit after tax from associates: \$44 million (2020: loss after tax of \$140 million; 2019: profit after tax of \$21 million).
- (ii) In 2020 an impairment charge of \$154 million was recorded within the loss after tax from associates which principally relates to the write-down of our equity accounted investment in China which forms part of Europe Materials. Challenging market conditions in Northeast China affecting pricing, combined with an increase in the discount rate and the economic impact of COVID-19, were the primary drivers of the impairment charge. In 2020, the recoverable amount of this financial asset was its value-in-use calculated using a real pre-tax discount rate of 9.2%.

A listing of the principal equity accounted investments is contained on page 264.

16. Inventories

	2021 \$m	2020 \$m
Raw materials	1,737	1,403
Work-in-progress (i)	136	144
Finished goods	1,738	1,570
Total inventories at the lower of cost and net realisable value	3,611	3,117

- (i) Work-in-progress includes \$9 million (2020: \$9 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 Group's cost of sales expense is provided in note 4 to the financial statements.

Write-downs of inventories recognised as an expense within cost of sales amounted to \$2 million (2020: \$9 million; 2019: \$9 million).

17. Trade and Other Receivables

	2021 \$m	2020 \$m
Current		
Trade receivables	3,586	3,209
Construction contract assets (i)	565	499
Total trade receivables and construction contract assets, gross	4,151	3,708
Loss allowance	(131)	(140)
Total trade receivables and construction contract assets, net	4,020	3,568
Amounts receivable from equity accounted investments	31	32
Prepayments	251	221
Other receivables	267	265
Total	4,569	4,086
Non-current		
Other receivables	239	325

(i) Includes unbilled revenue and retentions held by customers in respect of construction contracts at the balance sheet date amounting to \$361 million and \$204 million respectively (2020: \$297 million and \$202 million respectively). The movements in these balances during the year was as follows:

	Unbilled revenue		Retentions	
	2021 \$m	2020 \$m	2021 \$m	2020 \$m
At 1 January	297	278	202	206
Translation adjustment	(4)	7	(1)	3
Additional contract balances recognised	318	238	130	130
Invoiced in the period	(239)	(226)	-	-
Received from customers	-	-	(125)	(137)
Written off during the year	(11)	-	-	-
Disposals	-	-	(2)	-
At 31 December	361	297	204	202

Trade receivables, construction contract assets and deferred divestment consideration are measured at amortised cost (less any expected credit loss allowance) as the Group'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 divestment consideration closely approximate their fair value.

Valuation and qualifying accounts (expected credit loss allowance)

The movements in the expected credit loss allowance for receivables during the financial year were as follows:

	2021 \$m	2020 \$m	2019 \$m
At 1 January	140	133	153
Translation adjustment	(5)	5	(1)
Disposed of during year	(1)	(4)	(34)
Written off during year	(14)	(23)	(29)
Arising on acquisition (note 30)	1	-	1
Net remeasurement of expected credit loss allowance	10	29	43
At 31 December	131	140	133

Given the common profile of CRH's customers, how customer credit risk is managed at appropriate Group 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		
	2021 \$m	2020 \$m	2019 \$m	2021 \$m	2020 \$m	2019 \$m
Americas Materials	1,735	1,475	1,520	27	34	31
Europe Materials	1,427	1,403	1,379	79	83	78
Building Products (i)	989	830	810	25	23	24
Total Group	4,151	3,708	3,709	131	140	133

(i) Analysis of Building Products segment by geographic location:

Americas	821	676	662	19	17	18
Europe	168	154	148	6	6	6
Total	989	830	810	25	23	24

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 Group's receivables is not significant and the total expected credit loss allowance for impairment of trade receivables and construction contract assets amounts to 3.2% of the Group's gross trade receivables and construction contract assets (2020: 3.8%). The Group considers the ageing 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 Group's activities and geographies with balances classified as "not past due" representing 68% of the total gross trade receivables and construction contract assets balance at the balance sheet date (2020: 66%). There have been no significant changes to the Group's credit risk parameters or to the composition of the Group's trade receivables and construction contract assets portfolio during the financial year.

The Group applies the simplified approach to providing for expected credit losses (ECL) permitted by IFRS 9 which requires expected lifetime losses to be recognised 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. Given the positive economic outlook (e.g. forecast Gross Domestic Product) for the next 12 months in the majority of the economies in which we operate we consider that our ECL adequately represents the risk of default on our receivable 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 recognised 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 2021 \$m	Europe Materials 2021 \$m	Building Products 2021 \$m	Total 2021 \$m	Americas Materials 2020 \$m	Europe Materials 2020 \$m	Building Products 2020 \$m	Total 2020 \$m
Not past due	1,139	1,050	626	2,815	956	958	523	2,437
Past due:								
- less than 60 days	469	223	227	919	396	310	198	904
- 60 days or greater but less than 120 days	74	44	74	192	65	32	59	156
- 120 days or greater	26	31	37	94	24	20	27	71
Total trade receivables, net	1,708	1,348	964	4,020	1,441	1,320	807	3,568

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

18. Trade and Other Payables

	2021 \$m	2020 \$m
Current		
Trade payables	2,727	2,164
Construction contract-related payables (i)	336	318
Deferred and contingent acquisition consideration (ii)	33	34
Accruals	2,184	2,077
Other payables	410	196
Amounts payable to equity accounted investments	2	3
Total	5,692	4,792

Non-current		
Other payables	389	381
Deferred and contingent acquisition consideration (ii)	328	330
Total	717	711

- (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. \$288 million was recognised in the Consolidated Income Statement during 2021 which was included in the contract-related payables balance at 31 December 2020. The movements in these balances during the year was as follows:

	Advances received		Billings in excess of revenue	
	2021 \$m	2020 \$m	2021 \$m	2020 \$m
At 1 January	31	12	283	239
Translation adjustment	(3)	2	(5)	6
Additional contract balances recognised	58	29	255	254
Opening balances recognised as revenue	(30)	(12)	(258)	(216)
Disposals	-	-	(1)	-
At 31 December	56	31	274	283

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 \$317 million (2020: \$301 million) (Level 3 in the fair value hierarchy), and deferred consideration is \$44 million (2020: \$63 million). On an undiscounted basis, the corresponding future payments relating to contingent consideration, for which the Group may be liable, ranges from \$296 million to \$449 million. This is based on a range of estimated potential outcomes of the expected payment amounts primarily dependent on 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 \$249 million to \$380 million on a discounted basis. The movement in deferred and contingent consideration during the financial year was as follows:

	2021 \$m	2020 \$m
At 1 January	364	376
Translation adjustment	(1)	1
Arising on acquisitions and investments during year (note 30)	1	7
Changes in estimate	10	13
Paid during year	(33)	(54)
Discount unwinding	20	21
At 31 December	361	364

19. Movement in Working Capital and Provisions for Liabilities

	Working Capital			Provisions for liabilities	Total
	Inventories \$m	Trade and other receivables \$m	Trade and other payables \$m	\$m	\$m
At 1 January 2021	3,117	4,411	(5,503)	(1,442)	583
Translation adjustment	(84)	(102)	147	37	(2)
Arising on acquisition (note 30)	157	191	(143)	(1)	204
Disposals	(22)	(20)	11	6	(25)
<i>Deferred and contingent acquisition consideration:</i>					
- arising on acquisitions during year (note 30)	-	-	(1)	-	(1)
- paid during year	-	-	33	-	33
<i>Deferred divestment consideration:</i>					
- arising on disposals during year	-	1	-	-	1
- received during year	-	(120)	-	-	(120)
Shares to be acquired by CRH plc (Treasury Shares) (note 29)	-	-	(281)	-	(281)
Interest accruals and discount unwinding	-	11	(7)	(18)	(14)
Reclassification	4	-	(6)	-	(2)
Additions to leased mineral reserves	-	-	(10)	-	(10)
Increase/(decrease) in working capital and provisions for liabilities	439	436	(649)	2	228
At 31 December 2021	3,611	4,808	(6,409)	(1,416)	594

The equivalent disclosure for the prior years is as follows:

At 1 January 2020	3,080	4,587	(5,461)	(1,302)	904
Translation adjustment	71	107	(150)	(43)	(15)
Arising on acquisition (note 30)	23	47	(21)	-	49
Disposals	(14)	(37)	17	5	(29)
<i>Deferred and contingent acquisition consideration:</i>					
- arising on acquisitions during year (note 30)	-	-	(7)	-	(7)
- paid during year	-	-	54	-	54
<i>Deferred divestment consideration:</i>					
- arising on disposals during year	-	14	-	-	14
- received during year	-	(123)	-	-	(123)
Interest accruals and discount unwinding	-	4	(24)	(21)	(41)
Reclassification	20	(11)	(22)	-	(13)
Additions to leased mineral reserves	-	-	(14)	-	(14)
(Decrease)/increase in working capital and provisions for liabilities	(63)	(177)	125	(81)	(196)
At 31 December 2020	3,117	4,411	(5,503)	(1,442)	583
At 1 January 2019	3,505	4,872	(5,817)	(1,244)	1,316
Effect of adopting IFRS 16	-	3	13	1	17
Translation adjustment	2	9	(8)	4	7
Arising on acquisition (note 30)	65	73	(82)	(7)	49
Disposals	(581)	(747)	570	-	(758)
<i>Deferred and contingent acquisition consideration:</i>					
- arising on acquisitions during year (note 30)	-	-	(20)	-	(20)
- paid during year	-	-	54	-	54
Deferred proceeds arising on disposals during year	-	302	-	-	302
Interest accruals and discount unwinding	-	(12)	(1)	(25)	(38)
Additions to leased mineral reserves	-	-	(96)	-	(96)
Increase/(decrease) in working capital and provisions for liabilities	89	87	(74)	(31)	71
At 31 December 2019	3,080	4,587	(5,461)	(1,302)	904

20. Leases

Leased right-of-use assets	Land and buildings \$m	Plant and machinery \$m	Other \$m	Total \$m
At 31 December 2021				
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
At 1 January 2021, net carrying amount	1,151	342	57	1,550
Translation adjustment	(24)	(9)	(1)	(34)
Transfer to owned assets	-	(10)	-	(10)
Additions at cost	96	92	22	210
Arising on acquisition (note 30)	77	11	-	88
Disposals at net carrying amount	(12)	(5)	(1)	(18)
Adjustment as a result of remeasurement of lease liability	45	9	2	56
Depreciation charge for year	(138)	(117)	(23)	(278)
At 31 December 2021, net carrying amount	1,195	313	56	1,564
<i>The equivalent disclosure for the prior year is as follows:</i>				
At 31 December 2020				
Cost	1,419	553	97	2,069
Accumulated depreciation (and impairment charges)	(268)	(211)	(40)	(519)
Net carrying amount	1,151	342	57	1,550
At 1 January 2020, net carrying amount	1,221	378	53	1,652
Translation adjustment	28	11	2	41
Transfer to owned assets	(5)	(2)	-	(7)
Additions at cost	59	82	25	166
Arising on acquisition (note 30)	12	-	-	12
Disposals at net carrying amount	(32)	(11)	(2)	(45)
Adjustment as a result of remeasurement of lease liability	9	7	3	19
Depreciation charge for year	(132)	(123)	(24)	(279)
Impairment charge for year	(9)	-	-	(9)
At 31 December 2020, net carrying amount	1,151	342	57	1,550
At 1 January 2020				
Cost	1,354	508	75	1,937
Accumulated depreciation	(133)	(130)	(22)	(285)
Net carrying amount	1,221	378	53	1,652

	Land and buildings \$m	Plant and machinery \$m	Other \$m	Total \$m
Lease liabilities				
At 1 January 2021	1,228	350	57	1,635
Translation adjustment	(24)	(9)	(1)	(34)
Addition of right-of-use assets	96	92	22	210
Arising on acquisition (note 30)	77	11	-	88
Disposals	(14)	(5)	(1)	(20)
Remeasurements	45	9	2	56
Payments	(164)	(139)	(25)	(328)
Discount unwinding	52	10	2	64
At 31 December 2021	1,296	319	56	1,671

The equivalent disclosure for the prior year is as follows:

At 1 January 2020	1,263	382	52	1,697
Translation adjustment	30	12	1	43
Reclassifications	(6)	5	1	-
Addition of right-of-use assets	59	82	25	166
Arising on acquisition (note 30)	12	-	-	12
Disposals	(31)	(11)	(2)	(44)
Remeasurements	9	7	3	19
Payments	(162)	(139)	(25)	(326)
Discount unwinding	54	12	2	68
At 31 December 2020	1,228	350	57	1,635

The table below shows a maturity analysis of the discounted and undiscounted lease liability arising from the Group'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 31 December 2021		As at 31 December 2020	
	Discounted \$m	Undiscounted \$m	Discounted \$m	Undiscounted \$m
Within one year	297	302	296	301
Between one and two years	241	254	241	255
Between two and three years	190	208	189	208
Between three and four years	154	175	154	177
Between four and five years	126	150	125	150
After five years	663	1,099	630	1,085
Total	1,671	2,188	1,635	2,176

20. Leases - continued

The Group avails of the exemption from capitalising 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:

	2021 \$m	2020 \$m
<i>Continuing operations</i>		
Short-term leases	241	210
Lease of low-value assets	8	7
Variable lease payments not included in the lease liability	97	86
Total	346	303
 Total cash outflow for lease payments	 674	 629

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 Group. 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 31 December 2021 \$m	As at 31 December 2020 \$m
Within one year	4	2
Between one and two years	5	5
Between two and three years	6	9
Between three and four years	8	9
Between four and five years	8	10
After five years	568	576
Total	599	611

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

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 Group). Net debt is commonly used in computations such as net debt as a % of total equity and net debt as a % of market capitalisation.

	As at 31 December 2021		As at 31 December 2020	
	Book value \$m	Fair value \$m	Book value \$m	Fair value \$m
Cash and cash equivalents (note 23)	5,783	5,783	7,721	7,721
Interest-bearing loans and borrowings (note 24)*	(10,487)	(11,340)	(12,215)	(13,407)
Lease liabilities (note 20)	(1,671)	(1,671)	(1,635)	(1,635)
Derivative financial instruments (net) (note 25)	122	122	188	188
Group net debt	(6,253)	(7,106)	(5,941)	(7,133)

Reconciliation of opening to closing net debt

	2021 \$m	2020 \$m	2019 \$m
At 1 January	(5,941)	(7,532)	(7,998)
<i>Movement in year</i>			
Increase in interest-bearing loans and borrowings	-	(6,427)	(106)
Repayment of interest-bearing loans and borrowings (i)	1,183	4,943	640
Debt, including lease liabilities, in acquired companies (note 30)	(91)	(12)	(81)
Debt, including lease liabilities, in disposed companies	3	12	463
Effect of adopting IFRS 16	-	-	(2,237)
Net increase in lease liabilities	(249)	(153)	(184)
Repayment of lease liabilities	264	258	356
Net cash flow arising from derivative financial instruments	37	(26)	40
Mark-to-market and other non-cash adjustments	38	22	28
Translation adjustment on financing activities	441	(529)	15
Decrease/(increase) in liabilities from financing activities	1,626	(1,912)	(1,066)
Translation adjustment on cash and cash equivalents	(297)	338	(20)
(Decrease)/increase in cash and cash equivalents	(1,641)	3,165	1,552
At 31 December	(6,253)	(5,941)	(7,532)

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

21. Analysis of Net Debt - continued

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

	As at 31 December 2021			As at 31 December 2020		
	\$m	Interest rate	Weighted average fixed period Years	\$m	Interest rate	Weighted average fixed period Years
Interest-bearing loans and borrowings nominal - fixed rate (ii)	(10,052)			(11,822)		
Derivative financial instruments - fixed rate	1,800			1,835		
Net fixed rate debt including derivatives	(8,252)	2.9%	8.6	(9,987)	2.9%	8.4
Interest-bearing loans and borrowings nominal - floating rate (iii)	(317)			(184)		
Cumulative fair value hedge adjustment (ii)	(118)			(209)		
Derivative financial instruments - floating rate (ii)	(1,800)			(1,835)		
Derivative financial instruments (net) - fair value	122			188		
Gross debt including derivative financial instruments, excluding lease liabilities	(10,365)	2.8%		(12,027)	2.7%	
Lease liabilities - fixed rate	(1,671)			(1,635)		
Gross debt including derivative financial instruments, including lease liabilities	(12,036)			(13,662)		
Cash and cash equivalents - floating rate (note 23)	5,783			7,721		
Group net debt	(6,253)			(5,941)		

- (i) In January 2021 the Group repaid a \$400 million bond upon maturity and in April 2021 a €600 million bond was repaid early when a 3-month par-call option was exercised.
- (ii) Of the Group's nominal fixed rate debt at 31 December 2021, \$1,800 million (2020: \$1,835 million) is hedged to a mix of USD LIBOR and EURIBOR floating rates using interest rate swaps.
- (iii) Floating rate debt comprises 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 Group's net debt and net worth (capital and reserves attributable to the Company's equity holders) as at 31 December 2021 and 31 December 2020 is as follows:

	US Dollar \$m	euro \$m	Pound Sterling \$m	Canadian Dollar \$m	Philippine Peso \$m	Polish Zloty \$m	Swiss Franc \$m	Other (i) \$m	Total \$m
Cash and cash equivalents (note 23)	2,266	2,386	365	274	19	166	103	204	5,783
Interest-bearing loans and borrowings (note 24)	(4,665)	(4,479)	(537)	(3)	(431)	-	(361)	(11)	(10,487)
Lease liabilities (note 20)	(856)	(250)	(255)	(150)	(8)	(54)	(47)	(51)	(1,671)
Derivative financial instruments (net) (note 25)	189	1,463	(339)	(606)	(91)	(184)	-	(310)	122
Net debt by major currency including derivative financial instruments	(3,066)	(880)	(766)	(485)	(511)	(72)	(305)	(168)	(6,253)
<i>Non-debt assets and liabilities analysed as follows:</i>									
Non-current assets	17,661	4,204	2,614	1,844	1,621	371	608	1,606	30,529
Current assets	4,369	1,498	993	564	176	161	84	377	8,222
Non-current liabilities	(3,115)	(714)	(431)	(213)	(132)	(19)	(168)	(71)	(4,863)
Current liabilities	(2,866)	(1,593)	(1,156)	(348)	(153)	(178)	(83)	(344)	(6,721)
Non-controlling interests	(105)	(45)	-	-	(498)	-	(8)	(25)	(681)
Capital and reserves attributable to the Company's equity holders	12,878	2,470	1,254	1,362	503	263	128	1,375	20,233

The equivalent disclosure for the prior year is as follows:

Cash and cash equivalents (note 23)	1,886	4,586	319	319	62	149	125	275	7,721
Interest-bearing loans and borrowings (note 24)	(5,134)	(5,589)	(543)	(6)	(546)	-	(374)	(23)	(12,215)
Lease liabilities (note 20)	(797)	(282)	(247)	(156)	(10)	(31)	(54)	(58)	(1,635)
Derivative financial instruments (net) (note 25)	937	736	(344)	(774)	(25)	(111)	-	(231)	188
Net debt by major currency including derivative financial instruments	(3,108)	(549)	(815)	(617)	(519)	7	(303)	(37)	(5,941)
<i>Non-debt assets and liabilities analysed as follows:</i>									
Non-current assets	16,199	4,614	2,598	1,905	1,759	368	553	1,787	29,783
Current assets	3,586	1,465	871	519	171	155	85	387	7,239
Non-current liabilities	(3,094)	(678)	(391)	(229)	(177)	(22)	(145)	(97)	(4,833)
Current liabilities	(2,160)	(1,654)	(980)	(338)	(165)	(175)	(91)	(337)	(5,900)
Non-controlling interests	(103)	(54)	-	-	(501)	-	(8)	(26)	(692)
Capital and reserves attributable to the Company's equity holders	11,320	3,144	1,283	1,240	568	333	91	1,677	19,656

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

21. Analysis of Net Debt - continued

Liquidity and capital resources

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

	2021 \$m	2020 \$m	2019 \$m
Net cash inflow from operating activities	4,210	3,938	3,881
Net cash (outflow)/inflow from investing activities	(2,546)	(1,060)	217
Net cash (outflow)/inflow from financing activities	(3,305)	287	(2,546)
(Decrease)/increase in cash and cash equivalents	(1,641)	3,165	1,552
Cash and cash equivalents at beginning of year (note 23)	7,721	4,218	2,686
Effect of exchange rate changes	(297)	338	(20)
Cash and cash equivalents at end of year (note 23)	5,783	7,721	4,218
Lease liabilities	(1,671)	(1,635)	(1,697)
Bank overdrafts (excluding those in notional cash pooling arrangements)	(111)	(120)	(46)
Borrowings	(10,376)	(12,095)	(10,081)
Derivative financial instruments	122	188	74
Total liabilities from financing activities	(12,036)	(13,662)	(11,750)
Net debt at end of year	(6,253)	(5,941)	(7,532)

The Group believes that its financial resources (operating cash together with cash and cash equivalents of \$5.8 billion and undrawn committed loan facilities of \$4.0 billion) is sufficient to cover the Group's cash requirements.

At 31 December 2021, US Dollar and euro denominated cash and cash equivalents represented 39% (2020: 24%) and 41% (2020: 59%) of total cash and cash equivalents respectively.

Significant borrowings

The main sources of Group debt funding are public bond markets in Europe and North America. The following external bonds were outstanding as at 31 December 2021:

	Annual coupons	Outstanding (millions)	Final maturity	Hedged to floating rate (millions)
Swiss Franc bonds	1.375%	CHF330	2022	-
euro bonds	3.125%	€750	2023	€375
euro bonds	0.875%	€500	2023	-
euro bonds	1.875%	€600	2024	-
US Dollar bonds	3.875%	\$1,250	2025	\$875
euro bonds	1.250%	€750	2026	-
US Dollar bonds	3.400%	\$600	2027	-
US 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	-
US Dollar bonds (i)	6.400%	\$213	2033	-
US Dollar bonds	5.125%	\$500	2045	-
US Dollar bonds	4.400%	\$400	2047	-
US Dollar bonds	4.500%	\$600	2048	-

- (i) 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 31 December 2021, the remaining fair value hedge adjustment on the hedged item on the Consolidated Balance Sheet was \$35 million (2020: \$38 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 Group 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 Group is committed to optimising 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 Group, which comprises net debt and capital and reserves attributable to the Company's equity holders, may be summarised as follows:

	2021 \$m	2020 \$m
Capital and reserves attributable to the Company's equity holders	20,233	19,656
Net debt	6,253	5,941
Capital and net debt	26,486	25,597

The Board periodically reviews the capital structure of the Group, including the cost of capital and the risks associated with each class of capital. The Group manages and, if necessary, adjusts its capital structure taking account of underlying economic conditions; any material adjustments to the Group'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 Group may issue new shares, dispose of assets, amend investment plans, alter dividend policy or return capital to shareholders.

Dividend cover for the year ended 31 December 2021 amounted to 2.7x (2020: 1.2x).

No changes were made in the objectives or policies during 2021.

Financial risk management objectives and policies

The Group uses financial instruments throughout its businesses: interest-bearing loans and borrowings, cash and cash equivalents and leases are used to finance the Group'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 UK Financial Conduct Authority's announcement on 5 March 2021, LIBOR benchmark rates were discontinued after 31 December 2021 except for the majority of the US dollar settings which will be discontinued after 30 June 2023. Those rates that were discontinued were replaced by alternative risk-free rates (ARR) as part of the inter-bank offer rate (IBOR) reform.

The Group prepared an action plan, encompassing treasury, legal, accounting and IT functions, to enable a smooth transition to the alternative benchmark rates. The review identified a range of contracts that reference IBORs, including credit facilities, derivative instruments, money market deposits, lease agreements, and supply contract agreements. Action plans were developed for each of these arrangements to ensure a smooth transition to ARR. None of the changes had an impact on the Group's financing or interest rate hedging strategies, nor did they have a material financial impact.

At 31 December 2021, the notional value of hedging instruments that reference 3-month US LIBOR is \$1.4 billion. While the Secured Overnight Financing Rate (SOFR) benchmark rate has been widely adopted by market participants and effectively replaced US LIBOR in new contracts since 31 December 2021, a number of US LIBOR settings, including 3-month and 6-month US LIBOR, will continue to be published until 30 June 2023. Accordingly, absent any agreement with counterparties to transition to an ARR before this date, the Group's existing USD denominated interest rate swaps with maturity dates beyond 30 June 2023 will only transition to ARR once US LIBOR publication ceases. As at 31 December 2021, the Group has not transitioned any of its existing USD denominated interest rate swaps to ARRs. The Group's other interest rate swaps reference EURIBOR rates and thus are not impacted by the IBOR reforms.

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

The Group's corporate treasury function provides services to the business units, co-ordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group. The Group Treasurer reports to the Director 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 Group's liquidity risks. The Group's net debt position forms part of the monthly documentation presented to the Board.

The Group'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 Group establishes relationships between a hedge item and hedge 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 hedge item and hedge instrument are of the same type

and currency. The hedges employed mitigate identified risks and have consistently demonstrated close economic relationships. Ineffectiveness between the hedge item and hedge instrument are immaterial in the overall context of the Group.

The main risks attaching to the Group'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 Group'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 Group enters into interest rate swaps, under which the Group 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 Group 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 Group 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 Group 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.

22. Capital and Financial Risk Management - continued

The following table demonstrates the impact on profit before tax of a range of possible changes in the interest rates applicable to net floating rate borrowings, with all other variables held constant. These impacts are calculated based on the closing balance sheet floating rate net debt for a full year and assume that all floating interest rates change by the same amount.

Percentage change in cost of borrowings (i)	+/- 1%	
Impact on profit before tax	2021	+/- \$38m
	2020	+/- \$59m
	2019	+/- \$23m

- (i) Sensitivity analysis for cost of borrowing 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 Group'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 Group's presence in 28 countries worldwide, the principal foreign exchange risk arises from fluctuations in the US Dollar value of the Group's net investment in a wide basket of currencies other than the US Dollar; such changes are reported separately within the Consolidated Statement of Comprehensive Income. A currency profile of the Group's net debt and net worth is presented in note 21. The Group'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 Group 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 Group'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

impacts the translation of the Group's non-euro net assets (euro being the functional currency of the ultimate parent company). The economic relationship, being the translation impact of the Group's net investment in non-euro subsidiaries (hedge item) is hedged against a foreign currency swap (hedge instrument) to counterbalance movements in foreign currency rates. The Group 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 31 December 2021, the notional amount of hedged net investments was \$726 million (2020: \$1,028 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 hedge instruments are inverse to the impact of the translation of the hedged net assets because the critical terms match. This reduces the Group's exposure to fluctuations on the translation of the Group'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 hedge instruments are set out in note 25. Undesignated financial instruments are termed "not designated as hedges".

The following table demonstrates the sensitivity of profit before tax and equity to selected movements in the relevant US Dollar/euro exchange rate (with all other variables held constant); the euro has been selected as the appropriate currency for this analysis given the materiality of the Group's activities in euro. The impact on profit before tax is based on changing the US 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 US Dollar/euro exchange rate used in measuring the closing balance sheet.

Percentage change in relevant \$/€ exchange rate (i)	+/- 5%	
Impact on profit before tax	2021	-/+ \$22m
	2020	-/+ \$19m
	2019	+/- \$4m
Impact on total equity*	2021	+/- \$123m
	2020	+/- \$157m
	2019	+/- \$177m
* Includes the impact on financial instruments which is as follows:	2021	-/+ \$44m
	2020	-/+ \$27m
	2019	-/+ \$11m

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

Financial instruments include deposits, money market funds, commercial papers, 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 Group minimises the impact of movements in foreign exchange rates on the Group'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 Group 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- 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 31 December 2021		As at 31 December 2020	
	\$m	%	\$m	%
Aaa/AAA/AAA	2,021	35%	916	12%
Aa/AA/AA	2,394	41%	3,074	40%
A/A/A	1,216	21%	3,536	46%
Baa/BBB/BBB or lower	152	3%	195	2%
	5,783	100%	7,721	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 Group 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 Group has a number of managed investment funds that hold fixed income euro securities with an average credit quality of Aaa/AAA. As at 31 December 2021, 65% (2020: 88%) of cash and cash equivalents was held with higher investment grade bank counterparties, and 35% (2020: 12%) with the money market funds.

Credit risk arising in the context of the Group's operations is not significant with the total loss allowance at the balance sheet date amounting to 3.2% of gross trade receivables and construction contract assets (2020: 3.8%). Information in relation to the Group'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 Group's operations where deemed to be of benefit by operational management and are deemed immaterial.

In its worldwide insurance programme, the Group 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 Group could be

impacted by losses where recovery from such counterparties is not possible.

Liquidity risk

The principal liquidity risks faced by the Group 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 Group's ability to raise funds on acceptable terms. The Group'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 Group'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 Group as at the balance sheet date are quantified in note 24; these facilities span a wide number of highly-rated financial institutions thus minimising any potential exposure arising from concentrations in borrowing sources. The repayment schedule (analysed by maturity date) applicable to the Group's outstanding interest-bearing loans and borrowings as at the balance sheet date is also presented in note 24.

The Group's €1.5 billion Euro Commercial Paper Programme and \$2.0 billion US Dollar Commercial Paper Programme means we have framework programmes in the money markets in place that allow the Group 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 US Dollar) for a specific period. Programmes 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 programmes is to neutralise the variability in the Consolidated Income Statement as a result of changes in associated commodity indices over a timeframe of approximately four years (2020: five 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 31 December 2021 and 31 December 2020 were as follows:

Profile of commodity products

	As at 31 December 2021		As at 31 December 2020	
	Notional value \$m	Fair value \$m	Notional value \$m	Fair value \$m
Commodity swaps	86	-	85	-
Derivative asset/(liability)	-	32	-	(2)

22. Capital and Financial Risk Management - continued

The tables below show the projected contractual undiscounted total cash outflows (principal and interest) arising from the Group'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 31 December 2021							
<i>Financial liabilities - cash outflows</i>							
Trade and other payables	5,697	196	44	202	170	288	6,597
Lease liabilities	302	254	208	175	150	1,099	2,188
Other interest-bearing loans and borrowings	559	1,420	683	1,254	853	5,666	10,435
Interest payments on other interest-bearing loans and borrowings (i)	315	286	264	238	214	1,715	3,032
Currency forwards and currency swaps - gross cash outflows	1,567	-	-	-	-	-	1,567
Other derivative financial instruments	1	-	-	-	-	-	1
Gross projected cash outflows	8,441	2,156	1,199	1,869	1,387	8,768	23,820

<i>Derivative financial instruments - cash inflows</i>							
Interest rate swaps - net cash inflows (ii)	(41)	(34)	(32)	(22)	(13)	(20)	(162)
Currency forwards and currency swaps - gross cash inflows	(1,559)	-	-	-	-	-	(1,559)
Other derivative financial instruments	(32)	(1)	-	-	-	-	(33)
Gross projected cash inflows	(1,632)	(35)	(32)	(22)	(13)	(20)	(1,754)

The equivalent disclosure for the prior year is as follows:

At 31 December 2020							
<i>Financial liabilities - cash outflows</i>							
Trade and other payables	4,797	171	49	209	181	371	5,778
Lease liabilities	301	255	208	177	150	1,085	2,176
Other interest-bearing loans and borrowings	1,270	479	1,538	741	1,255	6,805	12,088
Interest payments on other interest-bearing loans and borrowings (i)	345	328	296	272	246	1,952	3,439
Currency forwards and currency swaps - gross cash outflows	2,345	-	-	-	-	-	2,345
Other derivative financial instruments	5	1	-	-	-	-	6
Gross projected cash outflows	9,063	1,234	2,091	1,399	1,832	10,213	25,832

<i>Derivative financial instruments - cash inflows</i>							
Interest rate swaps - net cash inflows (ii)	(40)	(40)	(33)	(30)	(22)	(32)	(197)
Currency forwards and currency swaps - gross cash inflows	(2,350)	-	-	-	-	-	(2,350)
Other derivative financial instruments	(4)	(1)	-	-	-	-	(5)
Gross projected cash inflows	(2,394)	(41)	(33)	(30)	(22)	(32)	(2,552)

- (i) At 31 December 2021 and 31 December 2020, a portion of the Group's long-term debt carried variable interest rates. The Group uses the interest rates in effect on 31 December to calculate the interest payments on the long-term debt for the periods indicated.
- (ii) The Group uses interest rate swaps to help manage its interest cost. Under these contracts the Group 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 Group uses the interest rates in effect on 31 December 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 at amortised cost and are analysed as follows:

	2021	2020
	\$m	\$m
Cash at bank and in hand	925	1,482
Investments (short-term deposits)	4,858	6,239
Total	5,783	7,721

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 Group, 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.

24. Interest-bearing Loans and Borrowings

	2021	2020
	\$m	\$m
Bank overdrafts	111	120
Bank loans	430	541
Bonds	9,946	11,554
Interest-bearing loans and borrowings	10,487	12,215

Interest-bearing loans and borrowings include borrowings of \$nil million (2020: \$nil million) secured on specific items of property, plant and equipment.

Maturity profile of loans and borrowings and undrawn committed facilities

	As at 31 December 2021		As at 31 December 2020	
	Loans and borrowings	Undrawn committed facilities	Loans and borrowings	Undrawn committed facilities
	\$m	\$m	\$m	\$m
Within one year	549	19	1,257	10
Between one and two years	1,422	-	467	5
Between two and three years	676	-	1,552	61
Between three and four years	1,277	-	733	-
Between four and five years	845	3,964	1,320	4,294
After five years	5,718	-	6,886	-
Total	10,487	3,983	12,215	4,370

The Group manages its borrowing ability by entering into committed borrowing agreements. Revolving committed bank facilities are generally available to the Group 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 Group at 31 December 2021.

The Group successfully carried out an amendment of its €3.5 billion revolving credit facility in March 2021 whereby the Group extended the maturity date of the facility for a further year to 2026. In January 2021 the Group repaid a \$400 million bond upon maturity and in April 2021 a €600 million bond was repaid early when a 3-month par-call option was exercised.

At the end of 2021 a number of LIBOR settings ceased to be published (including Sterling and

Swiss Franc), while certain US Dollar LIBOR settings will continue to be provided until June 2023. There is no change to the publication of EURIBOR rates. The Group's syndicated revolving credit facility (undrawn as at 31 December 2021) previously referenced USD LIBOR, GBP LIBOR and CHF LIBOR rates. During 2021 the Group negotiated with its Lenders amendments to the facility to include market standard LIBOR replacement language. From 1 January 2022 the agreement will adopt the Secured Overnight Financing Rate (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.

Guarantees

The Company has given letters of guarantee to secure obligations of subsidiary undertakings as

follows: \$10.0 billion in respect of loans and borrowings, bank advances and derivative obligations (2020: \$11.6 billion) and \$0.4 billion in respect of letters of credit (2020: \$0.4 billion).

Any Irish registered wholly-owned subsidiary of the Company may avail of the exemption from filing its statutory financial statements for the year ended 31 December 2021 as permitted by section 357 of the Companies Act 2014 and if an Irish registered wholly-owned subsidiary of the Company elects to avail of this exemption, there will be in force an irrevocable guarantee from the 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 31 December 2021.

25. Derivative Financial Instruments

The fair values of derivative financial instruments are analysed 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 31 December 2021					
Derivative assets					
Within one year - current assets	-	36	1	2	39
Between one and two years	20	1	-	-	21
Between three and four years	32	-	-	-	32
After five years	44	-	-	-	44
Non-current assets	96	1	-	-	97
Total derivative assets	96	37	1	2	136
Derivative liabilities					
Within one year - current liabilities	-	(2)	(10)	(2)	(14)
Total derivative liabilities	-	(2)	(10)	(2)	(14)
Net asset/(liability) arising on derivative financial instruments	96	35	(9)	-	122
<i>The equivalent disclosure for the prior year is as follows:</i>					
At 31 December 2020					
Derivative assets					
Within one year - current assets	-	7	8	2	17
Between one and two years	-	1	-	-	1
Between two and three years	32	-	-	-	32
Between four and five years	74	-	-	-	74
After five years	77	-	-	-	77
Non-current assets	183	1	-	-	184
Total derivative assets	183	8	8	2	201
Derivative liabilities					
Within one year - current liabilities	-	(6)	(2)	(4)	(12)
Between one and two years - non-current liabilities	-	(1)	-	-	(1)
Total derivative liabilities	-	(7)	(2)	(4)	(13)
Net asset/(liability) arising on derivative financial instruments	183	1	6	(2)	188

At 31 December 2021 and 2020, the Group 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 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:

	2021 \$m	2020 \$m	2019 \$m
<i>Fair value hedges and related hedged items</i>			
Movement in cumulative fair value of the hedge adjustment of hedge instruments	(85)	97	72
Movement in cumulative fair value of the hedge adjustment of hedged items	87	(83)	(71)

Components of other comprehensive income - cash flow hedges

Gains/(losses) arising during the year:

- commodity swaps	34	(2)	30
- currency forwards	-	9	(3)
Total	34	7	27

Fair value hierarchy

Assets measured at fair value

	2021 Level 2 \$m	2020 Level 2 \$m
Fair value hedges - interest rate swaps	96	183
Cash flow hedges - currency forwards, currency swaps and commodity swaps	37	8
Net investment hedges - currency forwards and currency swaps	1	8
Not designated as hedges (classified as held for trading) - currency forwards and currency swaps	2	2
Total	136	201

Liabilities measured at fair value

Cash flow hedges - currency forwards, currency swaps and commodity swaps	(2)	(7)
Net investment hedges - currency forwards and currency swaps	(10)	(2)
Not designated as hedges (classified as held for trading) - currency forwards and currency swaps	(2)	(4)
Total	(14)	(13)

At 31 December 2021 and 2020 there were no derivatives valued using Level 1 or Level 3 fair value techniques.

26. Provisions for Liabilities

	At 1 January \$m	Translation adjustment \$m	Arising on acquisition (note 30) \$m	Provided during year \$m	Utilised during year \$m	Disposed during year \$m	Reversed unused \$m	Discount unwinding \$m	At 31 December \$m
31 December 2021									
Insurance (i)	349	(4)	1	137	(76)	-	(17)	5	395
Environment and remediation (ii)	684	(18)	-	49	(26)	(3)	(15)	10	681
Rationalisation and redundancy (iii)	48	(1)	-	29	(36)	-	(19)	-	21
Other (iv)	361	(14)	-	100	(63)	(3)	(65)	3	319
Total	1,442	(37)	1	315	(201)	(6)	(116)	18	1,416
<i>Analysed as:</i>									
Non-current liabilities	953								937
Current liabilities	489								479
Total	1,442								1,416

The equivalent disclosure for the prior year is as follows:

31 December 2020									
Insurance (i)	330	4	-	162	(119)	-	(34)	6	349
Environment and remediation (ii)	585	23	-	103	(15)	(5)	(19)	12	684
Rationalisation and redundancy (iii)	17	2	-	111	(77)	-	(5)	-	48
Other (iv)	370	14	-	125	(59)	-	(92)	3	361
Total	1,302	43	-	501	(270)	(5)	(150)	21	1,442
<i>Analysed as:</i>									
Non-current liabilities	854								953
Current liabilities	448								489
Total	1,302								1,442

- (i) This provision relates to obligations arising under the self-insurance components of the Group's insurance arrangements which comprise employers' liability (workers' compensation in the US), public and products liability (general liability in the US), 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 Group's insurance provisions have an average life of four years (2020: 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 \$96 million (2020: \$106 million), whilst \$310 million (2020: \$301 million) of the total provision will be utilised in the medium-term (two to ten years). The value of legal and constructive obligations applicable to long-lived assets (principally mineral-bearing land) that will unwind over a 30-year timeframe is \$275 million (2020: \$277 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 rationalisation and redundancy programmes, none of which are individually material to the Group. In 2021, \$29 million (2020: \$111 million; 2019: \$32 million) was provided in respect of rationalisation 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 Group expects that these provisions will primarily be utilised within one to two years of the balance sheet date (2020: 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 Group expects the majority of these provisions will be utilised within one to five years of the balance sheet date (2020: 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 Group 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 recognised are as follows:

	2021 \$m	2020 \$m
Reported in balance sheet after offset		
Deferred tax liabilities	2,734	2,613
Deferred tax assets	(109)	(129)
Net deferred income tax liability	2,625	2,484
Deferred income tax assets (deductible temporary differences)		
Deficits on Group retirement benefit schemes	98	128
Revaluation of derivative financial instruments to fair value	4	8
Tax loss carryforwards (primarily income tax losses)	93	176
Share-based payment expense	54	41
Provisions for liabilities and working capital-related items	446	402
Lease liabilities	335	330
Other deductible temporary differences	87	59
Total	1,117	1,144

Deferred income tax assets have been recognised in respect of all deductible temporary differences, with the exception of some tax loss carryforwards. The amount of tax losses where recovery is not probable and is therefore not recognised in the Consolidated Balance Sheet is \$1.2 billion (2020: \$1.4 billion). The vast majority either do not expire based on current tax legislation or they expire post 2026 (2020: 2025). Of the losses not recognised in the Consolidated Balance Sheet, \$0.1 billion (2020: \$0.1 billion) expire within five years, \$0.4 billion (2020: \$0.3 billion) expire post five years and the remainder of losses do not expire.

Deferred income tax liabilities (taxable temporary differences)

Taxable temporary differences principally attributable to accelerated tax depreciation and fair value adjustments arising on acquisition (i)	3,218	3,123
Leased right-of-use assets	314	315
Investment in subsidiaries	164	161
Surpluses on Group retirement benefit schemes	9	-
Revaluation of derivative financial instruments to fair value	15	12
Rolled-over capital gains	22	17
Total	3,742	3,628

Investments in subsidiaries

The aggregate temporary differences in relation to investments in subsidiaries for which deferred tax liabilities have not been recognised is \$12.1 billion (2020: \$10.9 billion) given the Group is in a position to control the timing of reversal and management's intention not to unwind these temporary differences. Participation exemptions and tax credits are available in the majority of jurisdictions in which the Group operates. A deferred tax liability has been recognised 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 1 January	2,484	2,551
Translation adjustment	(34)	41
Net expense/(income) for the year	103	(95)
Arising on acquisition (note 30)	37	-
Disposals	1	(3)
Movement in deferred tax recognised in the Consolidated Statement of Comprehensive Income	44	(11)
Movement in deferred tax recognised in the Consolidated Statement of Changes in Equity	(10)	1
At 31 December	2,625	2,484

(i) Fair value adjustments arising on acquisition principally relate to property, plant and equipment.

28. Retirement Benefit Obligations

The Group 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 Group.

The Group operates defined benefit pension schemes in Belgium, Canada, France, Germany, Italy, the Netherlands, the Philippines, the Republic of Ireland, Romania, Serbia, Slovakia, Switzerland, the UK and the US. The Group also operated a defined benefit pension scheme in Brazil which was divested in April 2021. The Group has a mixture of funded and unfunded defined benefit pension schemes. The net surplus of the funded schemes is \$54 million (2020: net liability of \$154 million net of surpluses of \$111 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 US, totalling a net liability of \$363 million (2020: \$402 million).

Funded defined benefit schemes in the Republic of Ireland, Switzerland and the UK are administered by separate funds that are legally distinct from the Group 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 Group's pension schemes in Switzerland are contribution-based schemes with guarantees to provide further contributions in the event that the plan assets are insufficient to meet the benefit obligations.

Defined benefit pension schemes - principal risks

Through its defined benefit pension and jubilee schemes, long-term service commitments and post-retirement healthcare plans, the Group 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 Group'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 of the Group's 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 Group'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 Group'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 Brazil, the Philippines, Romania, Serbia and the UK have been aggregated into an "Other" category.

Financial assumptions—scheme liabilities

The major long-term assumptions used by the Group's actuaries in the computation of scheme liabilities and post-retirement healthcare obligations are as follows:

	Eurozone			United States and Canada			Switzerland		
	2021 %	2020 %	2019 %	2021 %	2020 %	2019 %	2021 %	2020 %	2019 %
<i>Rate of increase in:</i>									
- salaries	2.92	2.52	3.37	3.03	3.37	3.37	1.25	1.00	1.50
- pensions in payment	1.90	1.45	1.46	-	-	-	-	-	-
Inflation	1.90	1.50	1.50	2.00	2.00	2.00	0.75	0.50	1.00
Discount rate	1.43	1.14	1.43	2.82	2.34	3.14	0.30	0.20	0.30
Medical cost trend rate	n/a	n/a	n/a	5.91	5.97	5.18	n/a	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 UK, the mortality assumptions used are in accordance with the underlying funding valuations. For the Group'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		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
<i>Current retirees</i>									
- male	22.6	22.5	23.0	20.5	20.1	20.2	22.6	22.6	22.6
- female	24.5	24.4	24.5	22.4	22.2	22.3	24.4	24.7	24.7
<i>Future retirees</i>									
- male	24.9	24.8	25.4	22.2	22.0	22.1	25.4	24.8	24.8
- female	26.8	26.7	26.8	24.1	23.9	24.2	26.9	26.8	26.8

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:

	2021 \$m	2020 \$m	2019 \$m
Total defined contribution expense (i)	309	289	290
Total defined benefit expense (i)	72	70	51
Total expense in Consolidated Income Statement	381	359	341

(i) The total defined contribution and defined benefit expense in 2019 including discontinued operations, amounted to \$299 million and \$70 million respectively.

At 31 December 2021, \$92 million (2020: \$105 million) was included in trade and other payables in respect of defined contribution pension liabilities.

Analysis of defined benefit expense

Charged in arriving at Group profit before finance costs:

Current service cost	55	53	48
Administration expenses	4	5	8
Past service (credit)/cost net	(3)	1	(20)
Loss on settlements	6	-	-
Subtotal	62	59	36

Included in finance income and finance costs respectively:

Interest income on scheme assets	(46)	(56)	(72)
Interest cost on scheme liabilities	56	67	87
Net interest expense	10	11	15
Net expense to Consolidated Income Statement	72	70	51

The composition of the net expense to the Consolidated Income Statement is as follows:

Eurozone	29	30	28
United States and Canada	21	16	6
Switzerland	10	12	8
Other	12	12	9
Total	72	70	51

28. Retirement Benefit Obligations - continued

	2021 \$m	2020 \$m
Reconciliation of scheme assets (bid value)		
At 1 January	3,321	3,013
<i>Movement in year</i>		
Interest income on scheme assets	46	56
Remeasurement adjustments		
- return on scheme assets excluding interest income	165	174
Employer contributions paid	43	46
Contributions paid by plan participants	7	7
Benefit and settlement payments	(258)	(158)
Administration expenses	(4)	(5)
Translation adjustment	(146)	188
At 31 December	3,174	3,321

The composition of scheme assets is as follows:

Eurozone	1,563	1,603
United States and Canada	873	1,018
Switzerland	460	444
Other	278	256
Total	3,174	3,321

Reconciliation of actuarial value of liabilities

At 1 January	(3,877)	(3,493)
<i>Movement in year</i>		
Current service cost	(55)	(53)
Past service credit/(cost) net	3	(1)
Loss on settlements	(6)	-
Interest cost on scheme liabilities	(56)	(67)
Disposals	1	1
Remeasurement adjustments		
- experience variations	(7)	32
- actuarial gain/(loss) from changes in financial assumptions	70	(251)
- actuarial gain from changes in demographic assumptions	36	12
Contributions paid by plan participants	(7)	(7)
Benefit and settlement payments	258	158
Translation adjustment	157	(208)
At 31 December	(3,483)	(3,877)

The composition of the actuarial value of liabilities is as follows:

Eurozone	(1,671)	(1,769)
United States and Canada	(1,093)	(1,293)
Switzerland	(394)	(425)
Other	(325)	(390)
Total	(3,483)	(3,877)

Net pension deficit (i)	(309)	(556)
Related deferred income tax asset	89	128
Net pension liability	(220)	(428)

The composition of the net pension liability is as follows:

Eurozone	(87)	(138)
United States and Canada	(164)	(206)
Switzerland	66	22
Other	(35)	(106)
Total	(220)	(428)

(i) Reconciliation to Consolidated Balance Sheet

Retirement benefit assets	166	-
Retirement benefit obligations	(475)	(556)
Net pension deficit	(309)	(556)

A UK High Court ruling in November 2020 relating to the equalisation of guaranteed minimum pensions for men and women did not materially impact the liability associated with the Group's UK defined benefit pension schemes.

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 Group
		2021	2021	2021	2021	2021
		\$m	\$m	\$m	\$m	\$m
Scheme liabilities at 31 December		(1,671)	(1,093)	(394)	(325)	(3,483)
<i>Revised liabilities</i>						
Discount rate	Increase by 0.25%	(1,597)	(1,060)	(378)	(310)	(3,345)
	Decrease by 0.25%	(1,750)	(1,127)	(411)	(341)	(3,629)
Inflation rate	Increase by 0.25%	(1,745)	(1,096)	(395)	(334)	(3,570)
	Decrease by 0.25%	(1,602)	(1,090)	(393)	(319)	(3,404)
Mortality assumption	Increase by 1 year	(1,607)	(1,059)	(380)	(314)	(3,360)
	Decrease by 1 year	(1,736)	(1,127)	(408)	(335)	(3,606)

The above sensitivity analysis are derived through changing the individual assumption while holding all other assumptions constant.

	2021	2020
	\$m	\$m
<i>Split of scheme assets</i>		
<i>Investments quoted in active markets</i>		
Equity instruments (i)	752	862
Debt instruments (ii)	1,874	2,025
Property	128	106
Cash and cash equivalents	40	56
Investment funds	129	166
<i>Unquoted investments</i>		
Equity instruments	2	2
Debt instruments (iii)	14	12
Property	71	69
Cash and cash equivalents	9	6
Assets held by insurance company	155	17
Total assets	3,174	3,321

(i) Equity instruments primarily relate to developed markets.

(ii) Quoted debt instruments are made up of \$1,317 million (2020: \$1,288 million) and \$557 million (2020: \$737 million) of government and non-government instruments respectively.

(iii) Unquoted debt instruments primarily relate to government debt instruments.

28. Retirement Benefit Obligations - continued

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 UK, 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 Group'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 UK, either the attained age or projected unit credit methods are used in the valuations. In Canada, Germany, Switzerland and the US, valuations are performed in accordance with the projected unit credit methodology. The dates of

the funding valuations range from January 2019 to March 2021.

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 Group has contracted payments (presented on a discounted basis) to certain schemes in the UK of \$17 million (2020: \$20 million; 2019: \$21 million).

The maturity profile of the Group's contracted payments (on a discounted basis) is as follows:

	2021 \$m	2020 \$m	2019 \$m
Within one year	2	2	2
Between one and two years	2	2	2
Between two and three years	2	2	2
Between three and four years	2	2	2
Between four and five years	2	2	2
After five years	7	10	11
Total	17	20	21

Employer contributions payable in the 2022 financial year including minimum funding payments (expressed using year-end exchange rates for 2021) are estimated at \$40 million.

Average duration and scheme composition

	Eurozone			United States and Canada			Switzerland		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Average duration of defined benefit obligation (years)	18.3	18.3	18.1	12.3	12.9	12.5	17.0	17.6	17.8

Allocation of defined benefit obligation by participant:

	2021	2020	2019	2021	2020	2019	2021	2020	2019
Active plan participants	69%	70%	74%	49%	43%	44%	74%	74%	74%
Deferred plan participants	10%	10%	8%	15%	12%	12%	-	-	-
Retirees	21%	20%	18%	36%	45%	44%	26%	26%	26%

29. Share Capital and Reserves

Equity share capital

	2021		2020	
	Ordinary Shares of €0.32 each (i)	Income Shares of €0.02 each	Ordinary Shares of €0.32 each (i)	Income Shares of €0.02 each
<i>Authorised</i>				
At 1 January (\$m)	491	28	491	28
Cancellation of Income Shares (ii)	-	(28)	-	-
At 31 December (\$m)	491	-	491	28
Number of Shares at 1 January (millions)	1,250	1,250	1,250	1,250
Cancellation of Income Shares (ii)	-	(1,250)	-	-
Number of Shares at 31 December (millions)	1,250	-	1,250	1,250
<i>Allotted, called-up and fully paid</i>				
At 1 January (\$m)	317	16	319	16
Cancellation of Income Shares (ii)	-	(16)	-	-
Cancellation of Treasury Shares (iii)	(8)	-	(2)	-
At 31 December (\$m)	309	-	317	16

The movement in the number of shares (expressed in millions) during the financial year was as follows:

At 1 January	795	795	799	799
Cancellation of Income Shares (ii)	-	(795)	-	-
Cancellation of Treasury Shares (iii)	(21)	-	(4)	(4)
At 31 December	774	-	795	795

- (i) The Ordinary Shares represent 99.53% of the total issued share capital as at 31 December 2021 (2020: 93.71%).
- (ii) The Income Shares were cancelled with effect from 9 February 2021 pursuant to a resolution approved by the Shareholders at an extraordinary general meeting of the Company held on 9 February 2021 (2020: Income Shares represented 5.86% of the total issued share capital).
- (iii) During 2021, 21,000,000 Ordinary Shares (2020: 4,500,000 Ordinary Shares including Income Shares) were cancelled. The amount paid to repurchase these shares was initially recognised in Treasury Shares/own shares and was transferred to retained income on cancellation.

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. Under these schemes, options over a total of 521,523 Ordinary Shares were exercised during the financial year, which were satisfied by the reissue of Treasury Shares (2020: 256,521; 2019: 1,147,149).

29. Share Capital and Reserves - continued

Share participation schemes

As at 31 December 2021, 8,444,240 (2020: 8,319,280) Ordinary Shares had been appropriated to participation schemes. In 2021, the appropriation was satisfied by the purchase of 124,960 shares (2020: 144,702 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>Authorised</i>				
At 1 January 2021 and 31 December 2021	150	-	872	1
<i>Allotted, called-up and fully paid</i>				
At 1 January 2021 and 31 December 2021	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 15 April and 15 October in each year. The 5% Cumulative Preference Shares represent 0.03% of the total issued share capital as at 31 December 2021 (2020: 0.02%).

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 5 April and 5 October in each year. The 7% 'A' Cumulative Preference Shares represent 0.44% of the total issued share capital as at 31 December 2021 (2020: 0.41%).

Treasury Shares/own shares

	2021 \$m	2020 \$m
<i>At 1 January</i>	(386)	(360)
Own Shares released by the Employee Benefit Trust under the 2014 Performance Share Plan	117	65
Shares acquired by CRH plc (Treasury Shares) (i)	(880)	(220)
Shares acquired by Employee Benefit Trust (own shares)	(16)	(29)
Treasury Shares/own shares reissued (ii)	19	8
Cancellation of Treasury Shares	951	150
<i>At 31 December</i>	(195)	(386)

Notes (i) to (ii) are set out overleaf.

The movement in the number of Treasury Shares/own shares during the financial year is outlined in the table below (2020: includes Income Shares):

	Number of shares	
	2021	2020
At 1 January	10,320,739	10,236,356
Own Shares released by the Employee Benefit Trust under the 2014 Performance Share Plan	(3,254,236)	(2,180,467)
Shares acquired by CRH plc (Treasury Shares) (i)	17,829,602	5,951,146
Shares acquired by Employee Benefit Trust (own shares)	345,981	1,070,225
Treasury Shares/own shares reissued (ii)	(521,523)	(256,521)
Cancellation of Treasury Shares	(21,000,000)	(4,500,000)
At 31 December	3,720,563	10,320,739
Split of Treasury Shares/own shares (iii)		
Treasury Shares	3,476,859	10,087,161
Own shares	243,704	233,578
	3,720,563	10,320,739

- (i) During 2021, CRH repurchased a total of 17,829,602 Ordinary Shares returning a further \$0.9 billion of cash to shareholders. This brings total cash returned to shareholders under the share buyback programme ('the Programme') to \$2.9 billion since its commencement in May 2018.
- (ii) These reissued Treasury Shares were previously purchased at an average price of \$37.15 (2020: \$32.45).
- (iii) As at the balance sheet date, the nominal value of the Treasury Shares and own shares was €1.1 million and €0.1 million respectively (2020: €3.4 million and €0.1 million respectively). Dividends have been waived by the Trustees of the own shares.

	2021		2020	
	Number of Shares	\$m	Number of Shares	\$m
Ordinary Shares repurchased during the period (Treasury Shares)	17,829,602	880	5,951,146	220
Financial liability as at 31 December		281		-
Total		1,161		220

At 31 December 2021 a financial liability of \$281 million (2020: \$nil million) was included in other payables in respect of the latest phase of the Programme which was entered into with Société Générale. This phase will end no later than 30 March 2022.

	2021	2020
	\$m	\$m
At 1 January	7,493	7,493
Reduction of share premium (iv)	(7,493)	-
At 31 December	-	7,493

- (iv) Pursuant to a special resolution approved by shareholders at the Annual General Meeting of the Company held on 29 April 2021 and the subsequent order of the High Court of Ireland made on 3 June 2021, the capital of the Company was reduced by the entire amount standing to the credit of the Company's share premium account as at 31 December 2020, with the reserve resulting from the reduction being treated as profits available for distribution as defined by Section 117 of the Companies Act 2014. A copy of the aforementioned order of the High Court was filed with the Companies Registration Office in Ireland on 3 June 2021.

30. Business Combinations

The acquisitions completed during the year ended 31 December 2021 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:

Colorado: Asphalt Paving Company (8 July);
Florida: Extreme Concrete Services, Inc. and JODH, Inc. (30 April);
Michigan: RSmith & Sons Trucking, Inc. (15 September);
Mississippi: The Blain Companies (2 December);
Ohio: Central Allied Enterprises (19 February);
Tennessee: Patty Construction, Inc. and Greenback Asphalt Co., Inc. (10 September);
Texas: Century Asphalt, Inc. and Angel Brothers Enterprises (30 July); and
Utah: Towers Sand & Gravel (10 June).

Europe Materials:

France: certain assets of Holcim (1 August);
Poland: certain assets in Northern Poland (30 December);
Romania: certain assets of Top Aggregate (9 August); and
Slovakia: certain assets of TBG Slovensko, a.s. (1 April).

Building Products:

Americas

Arizona: Pebble Technology, Inc. (2 November);
California: Piranha Pipe & Concrete (12 August);
Minnesota: Hancock Concrete Products, LLC (12 March);
New Jersey: EP Henry Corporation (21 June) and South Jersey Agricultural Products, Inc. (29 December);
New York: National Pipe & Plastics, Inc. (30 September); and
Pennsylvania: Graham Architectural Products Company (22 February).

Europe

Belgium: Schelde-Handel NV and PAS NV (5 July).

The identifiable net assets acquired, including adjustments to provisional fair values, were as follows:

	2021 \$m	2020 \$m	2019 \$m
ASSETS			
Non-current assets			
Property, plant and equipment	609	134	358
Intangible assets	131	31	103
Total non-current assets	740	165	461
Current assets			
Inventories	157	23	65
Trade and other receivables (i)	191	47	73
Cash and cash equivalents	7	-	11
Total current assets	355	70	149
LIABILITIES			
Trade and other payables	(143)	(21)	(82)
Provisions for liabilities	(1)	-	(7)
Retirement benefit obligations	-	-	(1)
Lease liabilities	(88)	(12)	(71)
Interest-bearing loans and borrowings	(3)	-	(10)
Current income tax liabilities	-	(1)	10
Deferred income tax liabilities	(37)	-	-
Total liabilities	(272)	(34)	(161)
Total identifiable net assets at fair value	823	201	449
Goodwill arising on acquisition (ii)	679	157	310
Non-controlling interests*	-	-	(1)
Total consideration	1,502	358	758
<i>Consideration satisfied by:</i>			
Cash payments	1,501	351	738
Deferred consideration (stated at net present cost)	-	4	12
Contingent consideration	1	3	8
Total consideration	1,502	358	758
Net cash outflow arising on acquisition			
Cash consideration	1,501	351	738
Less: cash and cash equivalents acquired	(7)	-	(11)
Total outflow in the Consolidated Statement of Cash Flows	1,494	351	727

Notes (i) to (ii) are set out overleaf.

* Non-controlling interests are measured at the proportionate share of net assets.

30. Business Combinations - continued

The acquisition balance sheet presented on the previous page reflects the identifiable net assets acquired in respect of acquisitions completed during 2021, together with adjustments to provisional fair values in respect of acquisitions completed during 2020. The measurement period for a number of acquisitions completed in 2020, closed in 2021 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 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 \$192 million (2020: \$47 million; 2019: \$74 million). The fair value of these receivables is \$191 million (all of which is expected to be recoverable) (2020: \$47 million; 2019: \$73 million).
- (ii) The principal factor contributing to the recognition of goodwill on acquisitions entered into by the Group is the realisation of cost savings and other synergies with existing entities in the Group which do not qualify for separate recognition as intangible assets. Due to the asset-intensive nature of operations in the Americas Materials and Europe Materials business segments, no significant separately identifiable intangible assets are recognised on business combinations in these segments. \$284 million of the goodwill recognised in respect of acquisitions completed in 2021 is expected to be deductible for tax purposes (2020: \$148 million; 2019: \$184 million).

Acquisition-related costs for continuing operations, which exclude post-acquisition integration costs, amounting to \$14 million (2020: \$6 million; 2019: \$7 million) have been included in operating costs in the Consolidated Income Statement (note 4).

The following table analyses the 20 acquisitions completed in 2021 (2020: 17 acquisitions; 2019: 58 acquisitions) by reportable segment and provides details of the goodwill and consideration figures arising in each of those segments:

Reportable segments	Number of acquisitions			Goodwill			Consideration		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
				\$m	\$m	\$m	\$m	\$m	\$m
<i>Continuing operations</i>									
Americas Materials	8	7	27	239	53	35	694	163	182
Europe Materials	4	4	15	1	-	4	17	7	71
Building Products	8	6	15	434	90	253	790	182	501
Total Group from continuing operations	20	17	57	674	143	292	1,501	352	754
<i>Discontinued operations</i>									
Europe Distribution	-	-	1	-	-	-	-	-	4
Total Group	20	17	58	674	143	292	1,501	352	758
Adjustments to provisional fair values of prior year acquisitions				5	14	18	1	6	-
Total				679	157	310	1,502	358	758

The post-acquisition impact of acquisitions completed during the year on the Group's profit for the financial year was as follows:

	2021	2020	2019
	\$m	\$m	\$m
<i>Continuing operations</i>			
Revenue	568	103	228
Profit before tax for the financial year	51	9	2

The revenue and profit of the Group 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:

	2021 acquisitions \$m	CRH Group excluding 2021 acquisitions \$m	Consolidated Group including acquisitions \$m
Revenue	1,397	30,413	31,810
Profit before tax for the financial year	94	3,291	3,385

There have been no acquisitions completed subsequent to the balance sheet date which would be individually material to the Group, 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 31 December 2021 is \$681 million (2020: \$692 million) of which \$498 million (2020: \$501 million) relates to Republic Cement & Building Materials (RCBM), Inc. and Republic Cement Land & Resources (RCLR), Inc. The non-controlling interests in respect of the Group'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 summarised 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 Group companies.

Summarised financial information	2021 \$m	2020 \$m
Profit for the year	61	22
Current assets	210	250
Non-current assets	1,618	1,754
Current liabilities	(240)	(181)
Non-current liabilities	(737)	(984)
Net assets	851	839
Cash flows from operating activities	77	38

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-nationalised 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 Group under IAS 24 *Related Party Disclosures* pertain to: the existence of subsidiaries, joint ventures and associates; transactions with these entities entered into by the Group; 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 145 to 154. The Group's principal subsidiaries, joint ventures and associates are disclosed on pages 260 to 264.

Sales to and purchases from joint ventures and associates are as follows:

	Joint ventures			Associates		
	2021	2020	2019	2021	2020	2019
	\$m	\$m	\$m	\$m	\$m	\$m
<i>Continuing operations</i>						
Sales	157	127	132	42	31	41
Purchases	29	24	27	19	15	18

Loans extended by the Group to joint ventures and associates (see note 15) are included in financial assets. Amounts receivable from and payable to equity accounted 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

In general, the transfer pricing policy implemented by the Group across its subsidiaries is market-based. 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 Group 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 which manage the business and affairs of the Company.

Key management remuneration amounted to:

	2021	2020	2019
	\$m	\$m	\$m
Short-term benefits	10	9	9
Post-employment benefits	1	1	1
Share-based payments - calculated in accordance with the principles disclosed in note 8	8	6	6
Total	19	16	16

Other than these compensation entitlements, there were no other transactions involving key management personnel.

Lease arrangements

CRH has a number of lease arrangements in place with related parties across the Group, 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 2021, 2020 and 2019 Consolidated Financial Statements.

33. Board Approval

The Board of Directors approved and authorised for issue the financial statements on pages 140 to 210 in respect of the year ended 31 December 2021 on 2 March 2022.

Company Balance Sheet

as at 31 December 2021

		2021 \$m	2020 \$m
Notes			
	Fixed assets		
3	Financial assets	9,221	9,951
	Current assets		
4	Debtors	822	786
	Cash at bank and in hand	687	623
	Total current assets	1,509	1,409
	Creditors (amounts falling due within one year)		
5	Trade and other creditors	397	121
	Total current liabilities	397	121
	Net current assets	1,112	1,288
	Net assets	10,333	11,239
	Capital and reserves		
8	Called-up share capital	309	333
8	Preference share capital	1	1
8	Share premium account	-	7,499
8	Treasury Shares and own shares	(195)	(386)
9	Revaluation reserve	62	62
	Other reserves	436	435
	Foreign currency translation reserve	(542)	327
9	Profit and loss account (i)	10,262	2,968
	Total equity	10,333	11,239

(i) In accordance with section 304 of the Companies Act 2014, the profit for the financial year of the Company amounted to \$1,926 million (2020: \$651 million).

R. Boucher, A. Manifold, Directors

Company Statement of Changes in Equity

for the financial year ended 31 December 2021

	Issued share capital \$m	Share premium account \$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 1 January 2021	334	7,499	(386)	62	435	327	2,968	11,239
Profit for the financial year	-	-	-	-	-	-	1,926	1,926
Total comprehensive income	-	-	-	-	-	-	1,926	1,926
Share-based payment expense	-	-	-	-	110	-	-	110
Shares acquired by CRH plc (Treasury Shares)	-	-	(880)	-	-	-	(281)	(1,161)
Treasury Shares/own shares reissued	-	-	19	-	-	-	(19)	-
Shares acquired by Employee Benefit Trust (own shares)	-	-	(16)	-	-	-	-	(16)
Shares distributed under the Performance Share Plan Awards	-	-	117	-	(117)	-	-	-
Reduction in Share Premium	-	(7,499)	-	-	-	-	7,499	-
Cancellation of Income Shares	(16)	-	-	-	-	-	16	-
Cancellation of Treasury Shares	(8)	-	951	-	8	-	(951)	-
Share option exercises	-	-	-	-	-	-	13	13
Dividends	-	-	-	-	-	-	(909)	(909)
Translation adjustment	-	-	-	-	-	(869)	-	(869)
At 31 December 2021	310	-	(195)	62	436	(542)	10,262	10,333

for the financial year ended 31 December 2020

At 1 January 2020	336	7,499	(360)	62	402	(568)	3,179	10,550
Profit for the financial year	-	-	-	-	-	-	651	651
Total comprehensive income	-	-	-	-	-	-	651	651
Share-based payment expense	-	-	-	-	96	-	-	96
Shares acquired by CRH plc (Treasury Shares)	-	-	(220)	-	-	-	-	(220)
Treasury Shares/own shares reissued	-	-	8	-	-	-	(8)	-
Shares acquired by Employee Benefit Trust (own shares)	-	-	(29)	-	-	-	-	(29)
Shares distributed under the Performance Share Plan Awards	-	-	65	-	(65)	-	-	-
Cancellation of Treasury Shares	(2)	-	150	-	2	-	(150)	-
Share option exercises	-	-	-	-	-	-	6	6
Dividends	-	-	-	-	-	-	(710)	(710)
Translation adjustment	-	-	-	-	-	895	-	895
At 31 December 2020	334	7,499	(386)	62	435	327	2,968	11,239

Notes to the 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 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 Company and its subsidiaries (together the 'Group') is the leading building materials business in the world. It manufactures and supplies a range of building materials, products and innovative solutions which can be found throughout the built environment in a wide range of construction projects from major public infrastructure to commercial buildings and homes. The Company is a public limited company whose shares are publicly traded. The Company is incorporated and domiciled in the Republic of Ireland. The 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 judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

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 Group's overall impairment assessment.

Loans receivable and payable

Intercompany loans receivable and payable are initially recognised at fair value. These are subsequently measured at amortised cost, less any loss allowance.

Other significant accounting policies

Operating income and expense

Operating income and expense arises from the Company's principal activities as a holding and financing company for the Group and are accounted for on an accruals basis.

Foreign currencies

The functional currency of the Company is euro. 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 Company is the US Dollar.

Share-based payments

The 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 149 of the Consolidated Financial Statements.

Treasury Shares and own shares

Treasury Shares

Own equity instruments (i.e. Ordinary Shares) acquired by the Company are deducted from equity

and presented on the face of the Company Balance Sheet. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the 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 Company under the terms of the Performance Share Plan are recorded as a deduction from equity on the face of the Company Balance Sheet.

Dividends

Dividends on Ordinary Shares are recognised as a liability in the Company's Financial Statements in the period in which they are declared by the Company and approved by shareholders in respect of final dividends.

Dividend income

Dividend income is recognised when the right to receive payment is established.

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 Company Balance Sheet.

Notes to the Company Balance Sheet - continued

3. Financial Assets

The Company's investment in its subsidiaries is as follows:

	Shares \$m	Other \$m	Total \$m
At 1 January 2021 at cost	9,439	512	9,951
Capital contribution in respect of share-based payments	-	36	36
Translation adjustment	(725)	(41)	(766)
At 31 December 2021 at cost	8,714	507	9,221

The equivalent disclosure for the prior year is as follows:

At 1 January 2020 at cost	8,642	425	9,067
Capital contribution in respect of share-based payments	-	45	45
Translation adjustment	797	42	839
At 31 December 2020 at cost	9,439	512	9,951

The Company's principal subsidiaries, joint ventures and associates are disclosed on pages 260 to 264.

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 Company's annual return to be filed in the Companies Registration Office in Ireland.

4. Debtors

	2021 \$m	2020 \$m
Amounts owed by subsidiary undertakings	822	786

Amounts owed by subsidiary undertakings are repayable on demand.

5. Creditors

	2021 \$m	2020 \$m
<i>Amounts falling due within one year</i>		
Amounts owed to subsidiary undertakings	116	118
Other creditors	281	-
Corporation tax liability	-	3
	397	121

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 2021 to the statutory auditor Deloitte Ireland LLP (Deloitte) for work engaged by the Parent Company comprised audit fees of \$22,000 (2020: \$22,000) and other assurance services of \$42,000 (2020: \$nil).

The statutory auditor has not provided any tax advisory or other non-audit services to the Parent Company during the financial year (2020: \$nil).

7. Dividends Proposed (Memorandum Disclosure)

Details in respect of dividends proposed of \$751 million (2020: \$730 million) and dividends paid during the year are presented in the dividends note (note 11) on page 170 of the notes to the Consolidated Financial Statements.

8. Called-up Share Capital and Share Premium

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 203 to 205 of the notes to the Consolidated Financial Statements.

Share Premium

Pursuant to a special resolution approved by shareholders at the Annual General Meeting of the Company held on 29 April 2021 and the subsequent order of the High Court of Ireland made on 3 June 2021, the capital of the Company was reduced by the entire amount standing to the credit of the Company's share premium account as at 31 December 2020, with the reserve resulting from the reduction being treated as profits available for distribution as defined by Section 117 of the Companies Act 2014. A copy of the aforementioned order of the High Court was filed with the Companies Registration Office in Ireland on 3 June 2021.

9. Reserves

Revaluation Reserve

The Company's revaluation reserve arose on the revaluation of certain investments prior to the transition to FRS 101.

Other Reserves

The Company's other reserves includes \$27 million (2020: \$19 million) undenominated share capital that arose on the cancellation of the Treasury Shares.

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 AGM and from filing it with the Registrar of Companies.

The reserves of the Company available for distribution are restricted by the amount of the consideration paid for the Treasury Shares and own shares held by the Company, \$195 million as at 31 December 2021 (2020: \$386 million) and the undenominated share capital of \$27 million as at 31 December 2021 (2020: \$19 million).

10. Share-based Payments

The total expense of \$110 million (2020: \$96 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 Company may avail of the exemption from filing its statutory financial statements for the year ended 31 December 2021 as permitted by Section 357 of the Companies Act 2014 and if an Irish registered wholly-owned subsidiary of the Company elects to avail of this exemption, there will be in force an irrevocable guarantee from the 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 31 December 2021.

Details in relation to other guarantees provided by the Company are provided in the interest-bearing loans and borrowings note (note 24) on page 193 of the notes to the Consolidated Financial Statements.

12. Directors' Emoluments

Directors' emoluments and interests are presented in note 32 to the Consolidated Financial Statements and in the Directors' Remuneration Report on pages 80 to 109 of this Annual Report and Form 20-F.

13. Board Approval

The Board of Directors approved and authorised for issue the Company Financial Statements on pages 211 to 215 in respect of the year ended 31 December 2021 on 2 March 2022.



We are committed to accountability and transparency around our sustainability performance and use detailed KPIs to demonstrate progress against a range of ambitious targets each year.



Supplemental 20-F and Other Disclosures

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Oldcastle Infrastructure, part of CRH's Building Products Division installed a stormwater solution capable of capturing, cleaning and infiltrating 24 million gallons of stormwater every 24 hours at Los Angeles International Airport (LAX). The StormCapture® detention system and accompanying products provided an efficient and sustainable on-site solution to facilitate stormwater drainage and treatment.

Key Financial Data

The Consolidated Financial Statements of CRH plc have been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

Key financial data is presented below for the five years ended on 31 December 2021. As at 31 December 2021 and 2020 and for the three years ended 31 December 2021, the selected financial data is qualified in its entirety by reference to, and

should be read in conjunction with, the audited Consolidated Financial Statements, the related Notes and the Business Performance section included elsewhere in this Annual Report and Form 20-F.

Year ended 31 December (amounts in millions, except per share data)

	2021 \$m	2020 \$m	2019 \$m	2018 \$m	2017 \$m
Consolidated Income Statement data					
Revenue	30,981	27,587	28,132	27,449	24,461
Group operating profit	3,585	2,263	2,793	2,446	2,177
Profit attributable to equity holders of the Company	2,565	1,122	1,627	1,497	1,838
Basic earnings per Ordinary Share	328.8c	142.9c	203.0c	179.8c	220.0c
Diluted earnings per Ordinary Share	326.0c	141.8c	201.4c	178.9c	218.6c
Dividends paid during the calendar year per Ordinary Share (i)	116.0c	92.0c	81.2c	82.8c	72.2c
Average number of Ordinary Shares outstanding (ii)	780.2	785.1	801.3	832.4	835.6
<i>All data relates to continuing operations</i>					
Consolidated Balance Sheet data					
Total assets	44,670	44,944	47,612	46,777	42,467
Net assets (iii)	20,914	20,348	19,635	18,952	17,962
Ordinary shareholders' equity	20,232	19,655	19,027	18,349	17,377
Equity share capital	309	333	335	352	350
Number of Ordinary Shares (ii)	774.1	795.1	799.6	843.4	839.0
Number of Treasury Shares and own shares (ii)	3.7	10.3	10.2	27.8	0.4
Number of Ordinary Shares net of Treasury Shares and own shares (ii)	770.4	784.8	789.4	815.6	838.6

(i) Interim and final dividends per share declared previously in euro have been translated to US Dollar using the dividends record date exchange rate.

(ii) All share numbers are shown in millions of shares.

(iii) Net assets is calculated as the sum of the total assets less total liabilities.

Non-GAAP Performance Measures

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 and are measures which are regularly reviewed by CRH management.

These performance measures may not be uniformly defined by all companies and accordingly they 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 summarised below should not be viewed in isolation or as an alternative to the equivalent GAAP measure.

Reconciliation of Revenue, EBITDA (as defined)* and Operating Profit by segment

	Year ended 31 December											
	Revenue			EBITDA (as defined)*			Depreciation, amortisation and impairment			Group operating profit (i)		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Continuing operations												
Americas Materials	12,407	11,273	11,626	2,588	2,405	2,194	800	774	771	1,788	1,631	1,423
Europe Materials	10,581	9,141	9,509	1,410	1,055	1,208	596	1,245	586	814	(190)	622
Building Products	7,993	7,173	6,997	1,352	1,170	1,076	369	348	328	983	822	748
Total Group from continuing operations	30,981	27,587	28,132	5,350	4,630	4,478	1,765	2,367	1,685	3,585	2,263	2,793
Discontinued operations												
Europe Distribution	-	-	3,557	-	-	224	-	-	111	-	-	113
Total Group	30,981	27,587	31,689	5,350	4,630	4,702	1,765	2,367	1,796	3,585	2,263	2,906
Group operating profit from continuing operations										3,585	2,263	2,793
Profit/(loss) on disposals										119	9	(189)
Finance costs less income										(311)	(389)	(365)
Other financial expense										(106)	(101)	(125)
Share of equity accounted investments' profit/(loss)										55	(118)	67
Profit before tax from continuing operations										3,342	1,664	2,181
Income tax expense										(721)	(499)	(534)
Group profit for the financial year from continuing operations										2,621	1,165	1,647
Profit after tax for the financial year from discontinued operations										-	-	91
Group profit for the financial year										2,621	1,165	1,738

(i) Throughout this document, Group operating profit is reported as shown in the Consolidated Income Statement and excludes profit on disposals.

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

Non-GAAP Performance Measures - continued

Return on Net Assets

	2021 \$m	2020 \$m	2019 \$m
Group operating profit from continuing operations	3,585	2,263	2,793
Group operating profit from discontinued operations	-	-	113
Group operating profit	3,585	2,263	2,906
Adjusted for impairment charges (i)	-	673	8
Group operating profit excluding impairment charges (numerator for RONA computation)	3,585	2,936	2,914
<i>Current year</i>			
Segment assets (ii)	37,935	36,218	36,716
Segment liabilities (ii)	(9,971)	(9,136)	(8,940)
Group segment net assets	27,964	27,082	27,776
Lease liabilities (iii)	1,671	1,635	1,697
Group segment net assets excluding lease liabilities	29,635	28,717	29,473
<i>Prior year</i>			
Segment assets (ii)	36,218	36,716	36,079
Segment liabilities (ii)	9,136	(8,940)	(7,547)
Group segment net assets	27,082	27,776	28,532
Lease liabilities (iii)	1,635	1,697	-
Group segment net assets excluding lease liabilities	28,717	29,473	28,532
Average net assets (denominator for RONA computation)	29,176	29,095	29,003
RONA	12.3%	10.1%	10.0%

Reconciliation of Segment Assets and Liabilities to Group Assets and Liabilities

	2021 \$m	2020 \$m	2019 \$m	2018 \$m
Assets				
Segment assets (ii)	37,935	36,218	36,716	36,079
<i>Reconciliation to total assets as reported in the Consolidated Balance Sheet:</i>				
Investments accounted for using the equity method	653	626	775	1,332
Other financial assets	12	13	13	26
Derivative financial instruments (current and non-current)	136	201	92	51
Income tax assets (current and deferred)	151	165	98	98
Cash and cash equivalents	5,783	7,721	9,918	9,191
Total assets as reported in the Consolidated Balance Sheet	44,670	44,944	47,612	46,777
Liabilities				
Segment liabilities (ii)	9,971	9,136	8,940	7,547
<i>Reconciliation to total liabilities as reported in the Consolidated Balance Sheet:</i>				
Interest-bearing loans and borrowings (current and non-current)	10,487	12,215	15,827	17,172
Derivative financial instruments (current and non-current)	14	13	18	68
Income tax liabilities (current and deferred)	3,284	3,232	3,192	3,038
Total liabilities as reported in the Consolidated Balance Sheet	23,756	24,596	27,977	27,825

(i) Operating profit is adjusted for non-cash impairment charges. Please see note 4 to the Consolidated Financial Statements for further detail on such impairment charges.

(ii) Segment assets and liabilities as disclosed in note 2 to the Consolidated Financial Statements.

(iii) Segment liabilities include lease liabilities which are debt in nature and are therefore adjusted for in arriving at the calculation of Group segment net assets for the calculation of RONA. Segment lease liabilities at 31 December 2021 amounted to: Americas Materials \$381 million (2020: \$345 million; 2019: \$408 million), Europe Materials \$517 million (2020: \$547 million; 2019: \$554 million) and Building Products \$773 million (2020: \$743 million; 2019: \$735 million).

Calculation of EBITDA (as defined)* Net Interest Cover

	2021 \$m	2020 \$m	2019 \$m
<i>Interest</i>			
Finance costs (i)	311	389	387
Finance income (i)	-	-	(22)
Net interest	311	389	365
EBITDA (as defined)* from continuing operations	5,350	4,630	4,478
	Times		
EBITDA (as defined)* Net Interest Cover (EBITDA (as defined)* divided by net interest)	17.2	11.9	12.3

(i) These items appear on the Consolidated Income Statement on page 140 and in note 9 to the Consolidated Financial Statements.

Calculation of Net Debt/EBITDA (as defined)*

	2021 \$m	2020 \$m
<i>Net debt</i>		
Cash and cash equivalents (i)	5,783	7,721
Interest-bearing loans and borrowings (i)	(10,487)	(12,215)
Lease liabilities	(1,671)	(1,635)
Derivative financial instruments (net) (i)	122	188
Group net debt (i)	(6,253)	(5,941)
EBITDA (as defined)* from continuing operations	5,350	4,630
	Times	
Net Debt divided by EBITDA (as defined)* from continuing operations	1.2	1.3

(i) These items appear in notes 21 to 25 to the Consolidated Financial Statements.

Total Shareholder Return (TSR)

Total shareholder return represents the total accumulated value delivered to shareholders (via gross dividends reinvested and share appreciation) if €100 was invested in CRH plc shares in 1970.

	2021	2020
Investment in CRH plc shares (1970)	€100	€100
Accumulated CRH plc shares (31 December) - based on reinvestment of dividends	3,548	3,465
Share price (31 December) - Euronext Dublin	€46.52	€34.02
Shareholder value (31 December) - '000	€165	€118
Total shareholder return (i)	15.5%	15.1%

(i) Calculated using Compound Average Growth Rate (CAGR) methodology.

Non-GAAP Performance Measures - continued

Profit after Tax (*Pre-impairment*)

	2021 \$m	2020 \$m	2019 \$m
Group profit for the financial year from continuing operations (i)	2,621	1,165	1,647
<i>Adjusted for:</i>			
Impairment of property, plant and equipment and intangible assets (ii)	-	673	8
Impairment of equity accounted investments (iii)	-	154	-
Tax related to impairment charges	-	(39)	(2)
Group profit pre-impairment for the financial year from continuing operations	2,621	1,953	1,653

Earnings per Share (*Pre-impairment*)

	2021 \$m	2020 \$m	2019 \$m
Profit attributable to ordinary equity holders of the Company from continuing operations (i) (iv)	2,565	1,122	1,627
Impairment of property, plant and equipment and intangible assets (ii)	-	673	8
Impairment of equity accounted investments (iii)	-	154	-
Tax related to impairment charges	-	(39)	(2)
Profit attributable to ordinary equity holders of the Company from continuing operations – pre-impairment	2,565	1,910	1,633
Weighted average number of Ordinary Shares (millions) outstanding for the year (iv)	780.2	785.1	801.3
Basic earnings per Ordinary Share pre-impairment from continuing operations	328.8	243.3	203.8

(i) These items appear on the Consolidated Income Statement on page 140.

(ii) See further details in note 4 to the Consolidated Financial Statements on page 161.

(iii) See further details in note 15 to the Consolidated Financial Statements on page 177.

(iv) These items appear in note 12 to the Consolidated Financial Statements on page 171.

EBITDA (as defined). EBITDA is defined as earnings before interest, taxes, depreciation, amortisation, asset impairment charges, profit on disposals and the Group's share of equity accounted investments' profit after tax and 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 Group and to assist investors in the comparison of the Group's performance with that of other companies. EBITDA (as defined)* by segment is monitored by management in order to allocate resources between segments and to assess performance. Given that net finance costs and income tax are managed on a centralised basis, these items are not allocated between operating segments for the purpose of the information presented to the Chief Operating Decision Maker. EBITDA (as defined)* margin is calculated by expressing EBITDA (as defined)* as a percentage of sales.

Net Debt. Net debt is used by management as it gives a more complete picture of the Group's current debt situation than total interest-bearing loans and borrowings. 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 is a non-GAAP measure and 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).

Net Debt/EBITDA (as defined)* is monitored by management and is useful to investors in assessing the Company's level of indebtedness relative to its profitability. It is the ratio of Net Debt to EBITDA (as defined)* and is calculated on page 221.

EBITDA (as defined)* Net Interest Cover. EBITDA (as defined)* Net Interest Cover is used by management as a measure which matches the earnings and cash generated by the business to the underlying funding costs. EBITDA (as defined)* Net Interest Cover is presented to provide investors with a greater understanding of the impact of CRH's debt and financing arrangements. It is the ratio of EBITDA (as defined)* to Net Interest and is calculated on page 221.

RONA. Return on Net Assets is a key internal pre-tax and pre-non-cash impairment measure of operating performance throughout the CRH Group and can be used by management and investors to measure the relative use of assets between CRH's business segments and to compare to other businesses. The metric measures management's ability to generate profits from the net assets required to support that business, focusing on both profit maximisation and the maintenance of an efficient asset base; it encourages effective fixed asset maintenance programmes, good decisions regarding expenditure on property, plant and equipment and the timely disposal of surplus assets,

and also supports the effective management of the Group's working capital base. RONA is calculated by expressing total Group operating profit excluding non-cash impairment charges¹ as a percentage of average net assets. Net assets comprise total assets by segment (including assets held for sale) less total liabilities by segment (excluding lease liabilities and including liabilities associated with assets classified as held for sale) as shown on page 220 and detailed in note 2 to the Consolidated Financial Statements, and excludes equity accounted investments and other financial assets, net debt (as previously defined) and tax assets & liabilities. The average net assets for the year is the simple average of the opening and closing balance sheet figures.

Organic Revenue, Organic Operating Profit and Organic EBITDA (as defined)*. CRH pursues a strategy of growth through acquisitions and investments, with \$1.5 billion spent on acquisitions and investments in 2021 (2020: \$0.4 billion). Acquisitions completed in 2020 and 2021 contributed incremental sales revenue of \$856 million, operating profit of \$52 million and EBITDA (as defined)* of \$101 million in 2021. Cash proceeds from divestments and non-current asset disposals amounted to \$507 million (net of cash disposed and including deferred consideration proceeds in respect of prior year divestments (2020: \$307 million)). The sales impact of divested activities

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

1. To better align to the measure used internally by management we adjusted our RONA definition in our 2020 Annual Report and Form 20-F to exclude any non-cash impairment charges. We accordingly presented our prior period RONA disclosures on page 220 on a consistent basis; excluding non-cash impairment charges of \$8 million in 2019.

in 2021 was a negative \$182 million and the impact at an operating profit and EBITDA (as defined)* level was a negative \$51 million and \$58 million respectively.

The US Dollar strengthened against most major currencies by the end of 2021. However, during 2021 the US Dollar weakened against most major currencies resulting in the average US Dollar/Euro rate weakening from 0.8771 in 2020 to 0.8460 in 2021, and likewise for US Dollar/Pound Sterling weakening from an average 0.7798 in 2020 to 0.7270 in 2021. Overall currency movements resulted in a favourable net foreign currency translation impact on our results as shown in the table on page 39. The average and year-end 2021 exchange rates of the major currencies impacting on the Group are set out on page 154.

Because of the impact of acquisitions, divestments, exchange translation and other non-recurring items on reported results each year, the Group uses organic revenue, organic operating profit and organic EBITDA (as defined)* 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, organic operating profit and organic EBITDA (as defined)* are arrived at by excluding the incremental revenue, operating profit and EBITDA (as defined)* contributions from current and prior year acquisitions and divestments, the impact of exchange translation and the impact of any non-recurring items. In the Business Performance section on pages 36 to 53, changes in organic revenue, organic operating profit and organic EBITDA (as defined)* are presented as additional measures of revenue, operating profit and EBITDA (as defined)* to provide a greater understanding of the performance of the Group. 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, organic operating profit and organic EBITDA (as defined)* to the changes in total revenue, operating profit and EBITDA (as defined)* for the Group and by segment, is presented with the discussion of each segment's performance in tables contained in the segment discussion commencing on page 36.

Revenue from continuing and discontinued operations, EBITDA (as defined)* from continuing and discontinued operations and Operating Profit from continuing and discontinued operations. As detailed in note 3 to the Consolidated Financial Statements, our Europe Distribution business has been classified as a discontinued operation in accordance with IFRS 5. In certain instances throughout the Annual Report and Form 20-F we refer to revenue, EBITDA (as defined)* and operating profit from continuing and discontinued operations. Information presented on this basis is useful to investors as (i) it provides further understanding of the Group's performance and (ii) assists investors in the comparison of the Group's performance with that of other companies. A reconciliation of each of these measures is detailed on page 219.

Cash paid to Shareholders. Cash paid to shareholders is a measure of cash returned to shareholders representing dividends of \$0.9 billion (2020: \$0.7 billion) paid during the year and excess cash of \$0.9 billion (2020: \$0.2 billion) returned through the share buyback programme. The metric provides information on dividend growth for shareholders and is reflective of CRH's continued commitment to return excess cash to shareholders. CRH monitors the cash paid to shareholders as part of its overall capital allocation strategy.

Total Shareholder Return (TSR). TSR is a measure of shareholder returns delivery through the cycle. It represents the total accumulated value delivered to shareholders since the formation of the Group in 1970 (via gross dividends reinvested and share appreciation) and is calculated on page 221. The metric provides information on total returns for shareholders and is provided to assist investors in the comparison of the Group's performance with that of other companies.

Profit after Tax (Pre-impairment). Profit after Tax pre-impairment as calculated on page 222 is a measure of the Group's profitability from continuing operations excluding any non-cash impairment charges and the related tax impact of such impairments. Profit after Tax presented on a pre-impairment basis is used by management to evaluate the Group's profitability in a given year and is useful to investors as it (i) provides an understanding of the Group's underlying performance and (ii) assists investors in the comparison of the Group's performance with that of other companies.

Earnings per Share (Pre-impairment). Earnings per Share (EPS) pre-impairment is a measure of the Group'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 Group's underlying profitability performance relative to that of other companies and its own past performance. EPS information presented on a pre-impairment basis is useful to investors as it (i) provides an insight into the Group's underlying performance and profitability and (ii) assists investors in the comparison of the Group's performance with that of other companies. EPS pre-impairment is calculated on page 222 as profit attributable to the ordinary equity holders of the Company from continuing operations 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.

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

Supplemental Guarantor Information

Guarantor Financial Information

As of 31 December 2021, CRH plc (the 'Guarantor') has fully and unconditionally guaranteed certain debt securities issued by CRH America, Inc. (the 'Issuer'), including:

- US\$300 million 6.40% Notes due 2033 – listed on Euronext Dublin (i) (the 'Notes')
- (i) Originally issued as a US\$300 million bond in September 2003. Subsequently in August 2009 and December 2010, US\$87 million of the issued Notes were acquired by CRH plc as part of liability management exercises undertaken.

CRH America, Inc. is 100% owned by the Company (CRH plc). The Notes are fully and unconditionally guaranteed by CRH plc as defined in the indentures governing the Notes.

The Notes are unsecured and rank equally with all other present and future unsecured and unsubordinated obligations of CRH America, Inc. and CRH plc, subject to exceptions for obligations preferred by law.

The guarantee is a full, irrevocable and unconditional guarantee of the principal, interest, premium, if any, and any other amounts payable in respect of the Notes given by CRH plc.

CRH plc also fully and unconditionally guarantees securities issued by CRH America Finance, Inc., which is a 100% owned finance subsidiary of CRH plc.

Basis of Presentation

The following summarised financial information reflects, on a combined basis, the Balance Sheet as at 31 December 2021 and the Income Statement for the year ended 31 December 2021 of CRH America, Inc. and CRH plc, which guarantees the registered debt; collectively the 'Obligor Group'.

Intercompany balances and transactions within the Obligor Group have been eliminated in the summarised financial information below. Amounts attributable to the Obligor Group's investment in non-obligor subsidiaries have also been excluded. Intercompany receivables/payables and transactions with non-obligor subsidiaries are separately disclosed as applicable.

This summarised financial information has been prepared and presented pursuant to the Securities and Exchange Commission Regulation S-X Rule 13-01 and is not intended to present the financial position and results of operations of the Obligor Group in accordance with IFRS.

The summarised Income Statement information for the year ended 31 December 2021 is as follows:

	For the year ended 31 December 2021
	\$m
Profit before tax from continuing operations (i)	1,935
- of which relates to transactions with non-obligor subsidiaries	2,016
Profit for the financial year – all of which is attributable to equity holders of the Company	1,933
- of which relates to transactions with non-obligor subsidiaries	2,016

(i) Revenue and Gross Profit for the Obligor Group for the year ended 31 December 2021 amounted to \$nil million.

The summarised Balance Sheet information as at the 31 December 2021 is as follows:

	As at 31 December 2021
	\$m
Current assets	1,979
Current assets – of which is due from non-obligor subsidiaries	822
Non-current assets	3,343
Non-current assets – of which is due from non-obligor subsidiaries	3,311
Current liabilities	408
Current liabilities – of which is due to non-obligor subsidiaries	116
Non-current liabilities	2,040
Non-current liabilities – of which is due to non-obligor subsidiaries	nil

Property, Plants and Equipment

At 18 February 2022, CRH had a total of 3,233 building materials production locations. 1,180 locations are leased, with the remaining 2,053 locations held on a freehold basis.

The significant subsidiary locations as at 31 December 2021 are the cement facilities in the US, Philippines, Poland, Ukraine, the UK, Romania, Slovakia, Canada, Ireland, Germany and France. The clinker (the key intermediate product in the manufacture of cement) capacity for these locations is set out in the table below. Further details on locations and products manufactured are provided on pages 266 and 267. None of CRH's individual properties is of material significance to the Group.

CRH believes that all the facilities are in good condition, adequate for their purpose and suitably utilised according to the individual nature and requirements of the relevant operations. CRH has a

continuing programme of improvements and replacements to properties when considered appropriate to meet the needs of the individual operations. Further information in relation to the Group's accounting policy and process governing any impairment of property, plant and equipment is given on page 146 and in note 13 to the Consolidated Financial Statements on page 172.

Sources and Availability of Raw Materials

CRH generally owns or leases the real estate on which its main raw materials, namely aggregates, are found. CRH is a significant purchaser of certain important materials or resources such as cement, bitumen, steel, gas, fuel and other energy supplies, the cost of which can fluctuate significantly and

consequently have an adverse impact on CRH's business. CRH is not generally dependent on any one source for the supply of these materials or resources, other than in certain jurisdictions with regard to the supply of gas and electricity. Competitive markets generally exist in the jurisdictions in which CRH operates for the supply of cement, bitumen, steel and fuel.

Mine Safety Disclosures

The information concerning mine safety violations and other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act is included in Exhibit 16 to CRH's Annual Report on Form 20-F, as filed with the Securities and Exchange Commission (SEC).

Significant Locations – Clinker Capacity

Subsidiary	Country	Number of plants	Clinker capacity (tonnes per hour)
Ash Grove	United States	10	1,148
Republic Cement	Philippines	5	628
Grupa Ożarów	Poland	1	342
Podilsky Cement PJSC	Ukraine	1	325
Tarmac	United Kingdom	3	306
ROMCIM	Romania	2	305
Danucem	Slovakia	2	290
Ash Grove	Canada	2	288
Irish Cement	Ireland	2	288
Opterra	Germany	2	268
Eqiom	France	3	243

Mineral Reserves and Resources

Mineral Reserves and Resources Background

The Group's mineral reserves (reserves) and mineral resources (resources) for the production of primary building materials (which encompasses aggregates (stone, sand and gravel), cement and lime, asphalt, readymixed concrete and concrete products) fall into a variety of categories spanning a wide number of rock types and geological classifications. These reserves and resources are found within our extensive network of quarry locations in attractive local markets globally. This disclosure of the Group's mining properties has been prepared in accordance with the requirements of subpart 1300 of Regulation S-K ("Subpart 1300"). The Group has 1,230 properties with 91,721 hectares of owned and 37,079 hectares of leased land, respectively, as disclosed in the table on page 229, the locations of which are presented by geographic location in the maps on pages 230 to 231.

None of CRH's mineral-bearing properties are individually material to the Group as at 31 December 2021. A summary disclosure of CRH's mining operations is provided on pages 227 to 231.

As at 31 December 2021, the Group's reserves and resources estimations of 22.8 billion tonnes and 9.7 billion tonnes, respectively, as disclosed on pages 227 to 228, are calculated in accordance with Subpart 1300. The Group's reserves and resources disclosures may not be comparable to similar disclosures disclosed in accordance with the requirements of other countries and should be read in conjunction with the disclosures that follow on pages 227 to 231.

CRH operates predominantly production stage properties, with a limited number of development and exploration stage properties, as such terms are defined in Subpart 1300. Predominantly, CRH's production stage properties provide raw materials for on-site modern cement, lime and aggregates producing facilities. Almost exclusively, CRH utilises surface mining and, with a very limited number of exceptions, CRH and its subsidiaries are the only operators of the properties.

Reserves

Reserves are defined in Subpart 1300 as "an estimate of tonnage and grade or quality of indicated and measured mineral resources that, in the opinion of the qualified person, can be the basis of an economically viable project. More specifically, it is the economically mineable part of a measured or indicated mineral resource, which includes diluting materials and allowances for losses that may occur when the material is mined or extracted". Reserves are classified into two categories, probable and proven reserves, in order of increasing geological confidence.

The Group's estimate of 22.8 billion tonnes of reserves, as disclosed on page 227 analysed by rock type (Hard rock, Sand & Gravel and Other), are of recoverable stone, sand, and gravel of suitable quality for economic extraction, based on drilling and studies by the Group's geologists and engineers. These estimates also consider reasonable economic and operating constraints as to maximum depth of overburden and stone excavation and are subject to permitting or other restrictions.

The disclosed reserves and resources estimations which include diluting materials and allowances for losses that may occur when the mineral is mined, extracted or processed have been estimated by qualified persons, as such term is defined within Subpart 1300.

Not all minerals that may be on CRH's mineral-bearing properties have been assessed and such properties may be assessed for mineral reserves or resources in future years, as required by operational needs.

CRH's properties are subject to a wide variety of permitting procedures and conditions, which vary between jurisdictions. Many of CRH's properties require separate permits from multiple authorities, including but not limited to environmental, mining, regional and national administrative authorities. The periods of validity and the conditions of these permits may be different.

Resources

A mineral resource is defined in Subpart 1300 as "a concentration or occurrence of material of economic interest in or on the Earth's crust in such form, grade or quality, and quantity that there are reasonable prospects for economic extraction. A mineral resource is a reasonable estimate of mineralisation, taking into account relevant factors such as cut-off grade, likely mining dimensions, location or continuity, that, with the assumed and justifiable technical and economic conditions, is likely to, in whole or in part, become economically extractable".

Resources are classified into three categories, inferred, indicated or measured resources, in order of increasing geological confidence. Indicated or measured resources can be converted to reserves by the application of certain modifying factors which include, but are not limited to, consideration of mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental compliance, plans, negotiations, or agreements with local individuals or groups, and governmental factors. There is no certainty that any of the resources disclosed on page 228 will be converted into reserves. Resources have not been fully assessed using modifying factors, however, an initial assessment has been completed in accordance with Subpart 1300.

Internal Controls

CRH has established appropriate governance processes to support the publication of our 2021 reserves and resources disclosures and as outlined on page 66, the Audit Committee, as one of its key areas of focus for 2021, has reviewed and considered the new mining property disclosures. Reserve and resource estimates are subject to annual review by each of the relevant operating companies across the Group in conjunction with the relevant qualified persons. CRH has established and maintains a number of internal controls to address the risks inherent in the mineral reserves and resources reporting process. These internal controls have been embedded into the local control environments and operate across the business, including controls at an Operating Company, Divisional and Group level.

As CRH's reserves and resources are predominantly in production stage properties, features of the internal controls relating to quality assurance and quality control (QA/QC) include:

- Databases and data repositories for exploration and/or production data that contain accurate and precise data from which reserves and resources can be evaluated, and operational plans can be developed;
- Verification sampling and testing of known mineralisation. This is generally required to establish compliance with regulation on product qualities. Verification testing confirms geological maps prepared during earlier exploration programmes; and
- In the case of cement raw materials, facility laboratories participate in an externally managed annual review process with ISO 17025 accredited independent laboratories

When exploration programmes are conducted, QA/QC measures include:

- Ensuring that surface or drill sampling results in the highest quality sample possible. This would include down-hole surveying of drill holes as necessary;
- Obtain pictures of drill sample (e.g. core) for future reference;
- Geological core logging prior to laboratory analysis. Description of sample at various intervals;
- Ensuring the integrity of samples from point of origin to analytical laboratory; and
- Using nationally or regionally accredited laboratories for all analyses and tests for exploration programmes in properties containing aggregates

In addition, to provide further assurance over the Group's mineral reserves and resources reporting process, the Group's Internal Audit function completed a limited scope review across a sample of material reporting entities on the operation of these internal controls as at 31 December 2021.

The table below presents, by segment and geographic location, the tonnes of proven and probable aggregates, cement and lime mineral reserves as at 31 December 2021 and the related percentages by rock type.

	Country	Proven				Reserves				Total Reserves (i) (ii)			
		Grade: % by rock type				Probable				Grade: % by rock type			
		Tonnes (iii)	by rock type			Tonnes (iii)	by rock type			Tonnes (iii)	by rock type		
			Hard Rock	Sand & Gravel	Other		Hard Rock	Sand & Gravel	Other		Hard Rock	Sand & Gravel	Other
Aggregates													
Europe Materials	Finland	149	77%	23%	-	52	82%	18%	-	201	78%	22%	-
	France	202	59%	41%	-	-	-	-	-	202	59%	41%	-
	Ireland	703	90%	10%	-	217	93%	7%	-	920	91%	9%	-
	Philippines	49	100%	-	-	5	100%	-	-	54	100%	-	-
	Poland	123	100%	-	-	-	-	-	-	123	100%	-	-
	Romania	11	88%	12%	-	38	94%	6%	-	49	93%	7%	-
	Spain	68	97%	2%	1%	26	95%	5%	-	94	96%	3%	1%
	UK	606	77%	23%	-	833	93%	7%	-	1,439	86%	14%	-
Americas Materials	Other (iv)	70	43%	57%	-	154	51%	49%	-	224	49%	51%	-
Americas Materials	Canada	526	76%	24%	-	195	81%	19%	-	721	78%	22%	-
	US	6,868	76%	16%	8%	8,403	88%	7%	5%	15,271	83%	11%	6%
Subtotal		9,375	77%	17%	6%	9,923	88%	8%	4%	19,298	83%	12%	5%
Cement													
Europe Materials	France	55	100%	-	-	15	100%	-	-	70	100%	-	-
	Germany	112	100%	-	-	-	-	-	-	112	100%	-	-
	Ireland	166	92%	-	8%	13	71%	-	29%	179	91%	-	9%
	Philippines	298	93%	-	7%	194	100%	-	-	492	96%	-	4%
	Poland	136	93%	6%	1%	48	93%	6%	1%	184	93%	6%	1%
	Romania	40	96%	1%	3%	206	90%	8%	2%	246	91%	7%	2%
	Serbia	104	100%	-	-	-	-	-	-	104	100%	-	-
	Slovakia	79	98%	-	2%	234	92%	-	8%	313	94%	-	6%
	Spain	12	100%	-	-	87	100%	-	-	99	100%	-	-
	Switzerland	85	100%	-	-	-	-	-	-	85	100%	-	-
	Ukraine	69	100%	-	-	25	100%	-	-	94	100%	-	-
Americas Materials	UK	186	98%	-	2%	76	90%	-	10%	262	96%	-	4%
Americas Materials	Canada	212	100%	-	-	22	100%	-	-	234	100%	-	-
	US	529	100%	-	-	97	100%	-	-	626	100%	-	-
Subtotal		2,083	98%	-	2%	1,017	95%	2%	3%	3,100	97%	1%	2%
Lime													
Europe Materials	Germany	189	100%	-	-	63	100%	-	-	252	100%	-	-
	Ireland, Poland, UK, Czech Republic	83	100%	-	-	26	100%	-	-	109	100%	-	-
Subtotal		272	100%	-	-	89	100%	-	-	361	100%	-	-
Total		11,730	81%	14%	5%	11,029	88%	8%	4%	22,759	85%	10%	5%

(i) CRH has no individually material mineral-bearing properties requiring individual property disclosure under Subpart 1300.

(ii) CRH's point of reference for the estimation of the Group's mineral reserves is "in-situ" reserves.

(iii) All reserves quantities are quoted in millions of tonnes.

(iv) Other includes Slovakia and Switzerland.

CRH's mineral reserves and resources are used predominantly for the production and sale of aggregates, cement and lime. The average sales price for the year ended 31 December 2021 for aggregates and cement was \$11.0 and \$92.5 per tonne, respectively, for our Europe Materials businesses and \$13.3 and \$111.4 per tonne, respectively, for our Americas Materials businesses. The average sales price for lime within our Europe Materials businesses was \$113.9 per tonne. These prices, which are used for estimation of both mineral reserves and resources, are impacted by product mix, geographic location and foreign currency.

Mineral Reserves and Resources - continued

The table below presents, by segment and geographic location, the tonnes of measured, indicated, and inferred aggregates, cement and lime resources as at 31 December 2021 and the related percentage of these resources by rock type. CRH's mineral resources in the table below are disclosed exclusive of mineral reserves.

Country		Resources																Total Resources (i) (ii)
		Measured				Indicated				Total Measured & Indicated				Inferred				
		Tonnes (iii)				Tonnes (iii)				Tonnes (iii)				Tonnes (iii)				
		Grade: % by rock type				Grade: % by rock type				Grade: % by rock type				Grade: % by rock type				
	Hard Rock	Sand & Gravel	Other		Hard Rock	Sand & Gravel	Other		Hard Rock	Sand & Gravel	Other		Hard Rock	Sand & Gravel	Other			
Aggregates																		
Europe Materials	Finland	-	-	-	-	1	100%	-	-	1	100%	-	-	-	-	-	-	1
	France	43	50%	50%	-	3	100%	-	-	46	53%	47%	-	-	-	-	-	46
	Ireland	90	13%	87%	-	264	95%	5%	-	354	75%	25%	-	130	94%	6%	-	484
	Philippines	26	100%	-	-	2	100%	-	-	28	100%	-	-	-	-	-	-	28
	Romania	66	97%	3%	-	53	87%	13%	-	119	92%	8%	-	32	88%	12%	-	151
	UK	58	34%	66%	-	412	46%	53%	1%	470	44%	55%	1%	206	85%	15%	-	676
	Other (iv)	174	65%	35%	-	-	-	-	-	174	65%	35%	-	8	-	100%	-	182
Americas Materials	Canada	255	90%	10%	-	46	93%	7%	-	301	90%	10%	-	273	100%	-	-	574
	US	613	88%	12%	-	1,401	86%	12%	2%	2,014	85%	14%	1%	3,660	70%	24%	6%	5,674
Subtotal		1,325	77%	23%	-	2,182	80%	19%	1%	3,507	77%	22%	1%	4,309	74%	21%	5%	7,816
Cement																		
Europe Materials	France	25	100%	-	-	-	100%	-	-	25	100%	-	-	1	100%	-	-	26
	Germany	4	100%	-	-	-	-	-	-	4	100%	-	-	-	-	-	-	4
	Ireland	102	100%	-	-	21	100%	-	-	123	100%	-	-	28	92%	8%	-	151
	Romania	86	93%	-	7%	87	92%	8%	-	173	92%	4%	4%	16	99%	-	1%	189
	Slovakia	131	98%	-	2%	19	-	-	100%	150	86%	-	14%	43	100%	-	-	193
	Switzerland	20	96%	4%	-	-	-	-	-	20	96%	4%	-	-	-	-	-	20
	Ukraine	68	100%	-	-	-	-	-	-	68	100%	-	-	45	100%	-	-	113
	UK	4	100%	-	-	45	86%	-	14%	49	87%	-	13%	45	100%	-	-	94
Americas Materials	Canada	54	91%	-	9%	1	100%	-	-	55	91%	-	9%	2	100%	-	-	57
	US	9	100%	-	-	27	100%	-	-	36	100%	-	-	132	100%	-	-	168
Subtotal		503	97%	-	3%	200	83%	4%	13%	703	93%	1%	6%	312	99%	1%	-	1,015
Lime																		
Europe Materials	Germany	470	100%	-	-	201	100%	-	-	671	100%	-	-	137	100%	-	-	808
	Ireland, Poland, UK, Czech Republic	15	100%	-	-	-	-	-	-	15	100%	-	-	18	100%	-	-	33
Subtotal		485	100%	-	-	201	100%	-	-	686	100%	-	-	155	100%	-	-	841
Total		2,313	85%	14%	1%	2,583	82%	16%	2%	4,896	84%	15%	1%	4,776	76%	19%	5%	9,672

(i) CRH has no individually material mineral-bearing properties requiring individual property disclosure under Subpart 1300.

(ii) CRH's point of reference for the estimation of the Group's mineral resources is "in-situ" resources.

(iii) All resource quantities are quoted in millions of tonnes.

(iv) Other includes Slovakia and Switzerland.

The table below outlines the number of facilities by segment and geographic location along with the annualised extraction (in millions of tonnes) for each of the three years ending 31 December 2021.

	Country	No. of Quarries/ pits	Surface acreage (hectares) (i) (ii)		Annualised extraction (millions of tonnes)			Years to Depletion (iii)
			Owned	Leased	2019	2020	2021	
Aggregates								
	Finland	84	1,235	844	12.5	10.8	10.0	20
	France	41	773	1,174	8.2	5.5	7.0	29
	Ireland	86	5,268	451	18.3	13.7	19.4	48
	Philippines	1	-	178	-	-	-	-
Europe Materials	Poland	2	211	9	3.9	3.3	3.4	36
	Romania	15	425	197	1.4	1.9	2.1	26
	Spain	9	76	110	1.5	0.9	1.2	77
	UK	181	8,572	6,258	39.0	32.4	42.0	34
	Other (iv)	20	427	303	6.5	4.4	4.8	47
	Canada	38	6,067	703	20.9	18.9	17.4	41
Americas Materials	US	678	54,016	24,582	173.0	133.9	177.2	87
Subtotal		1,155	77,070	34,809	285.2	225.7	284.5	
Cement								
	France	3	706	31	3.0	2.5	3.8	18
	Germany	2	323	-	2.7	2.3	2.6	43
	Ireland	3	1,128	-	2.9	3.1	3.3	54
	Philippines	5	999	213	6.7	6.7	8.4	59
	Poland	1	414	-	4.2	4.0	4.3	43
Europe Materials	Romania	6	301	135	4.3	4.2	4.8	51
	Serbia	2	119	41	1.0	1.2	1.2	87
	Slovakia	5	66	309	2.3	2.4	2.8	113
	Spain	2	78	-	0.4	0.8	1.0	101
	Switzerland	3	183	26	1.1	0.9	1.0	83
	Ukraine	9	-	975	3.1	3.2	3.8	25
	UK	10	901	185	4.5	4.4	6.0	44
	Canada	3	766	7	2.9	2.4	2.3	103
Americas Materials	US	9	7,415	325	9.8	8.9	9.8	64
Subtotal		63	13,399	2,247	48.9	47.0	55.1	
Lime								
	Germany	8	780	10	5.9	6.1	5.6	45
Europe Materials	Ireland, Poland, UK, Czech Republic	4	472	13	3.2	3.1	3.5	35
Subtotal		12	1,252	23	9.1	9.2	9.1	
Total		1,230	91,721	37,079	343.2	281.9	348.7	

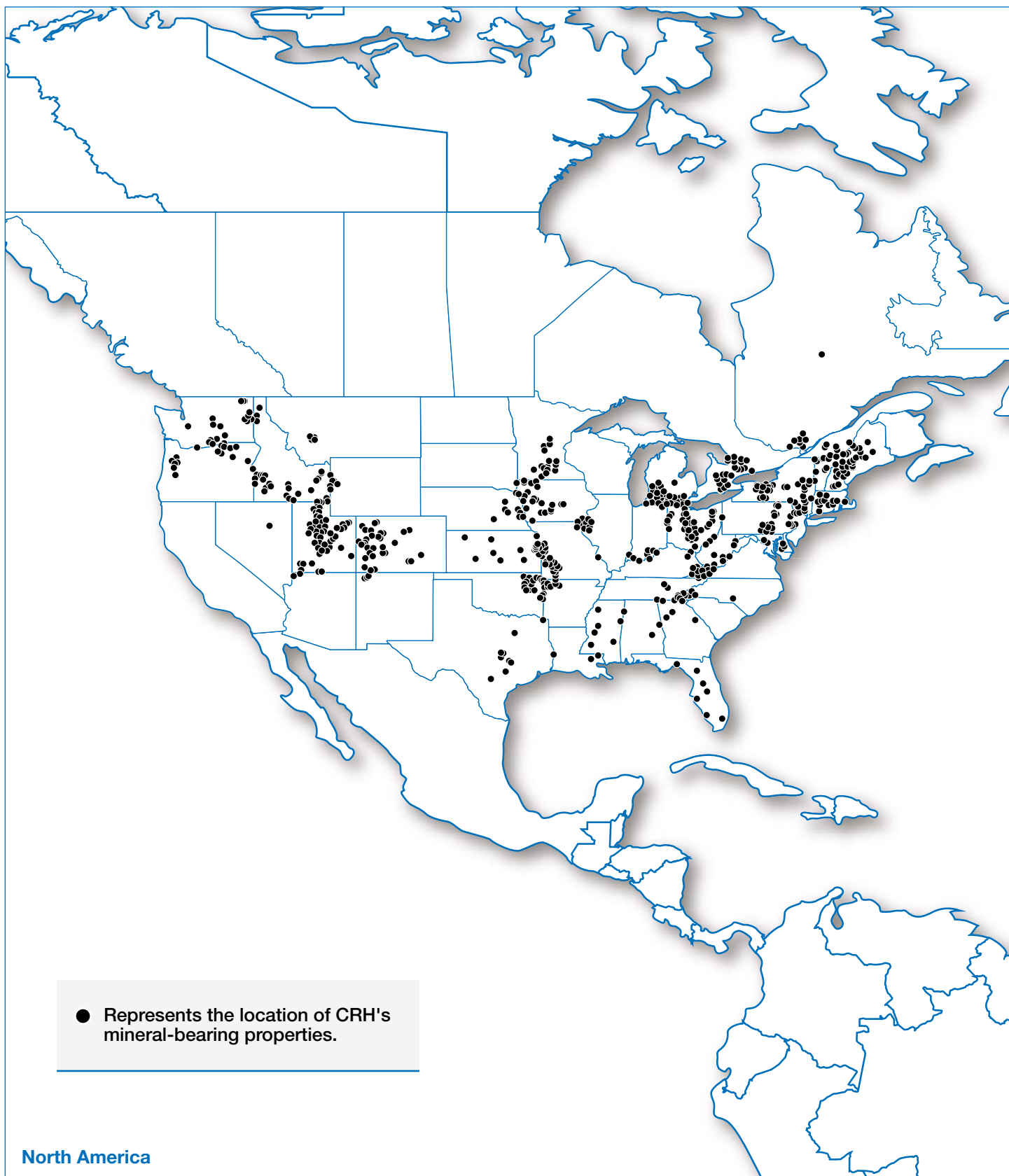
(i) The disclosures in the table above include the surface area of infrastructure, process plants, waste piles, water storage, water treatment plants and boundary areas of CRH's mineral-bearing properties. Remote properties such as offices, distribution facilities and readymixed concrete plants are not included.

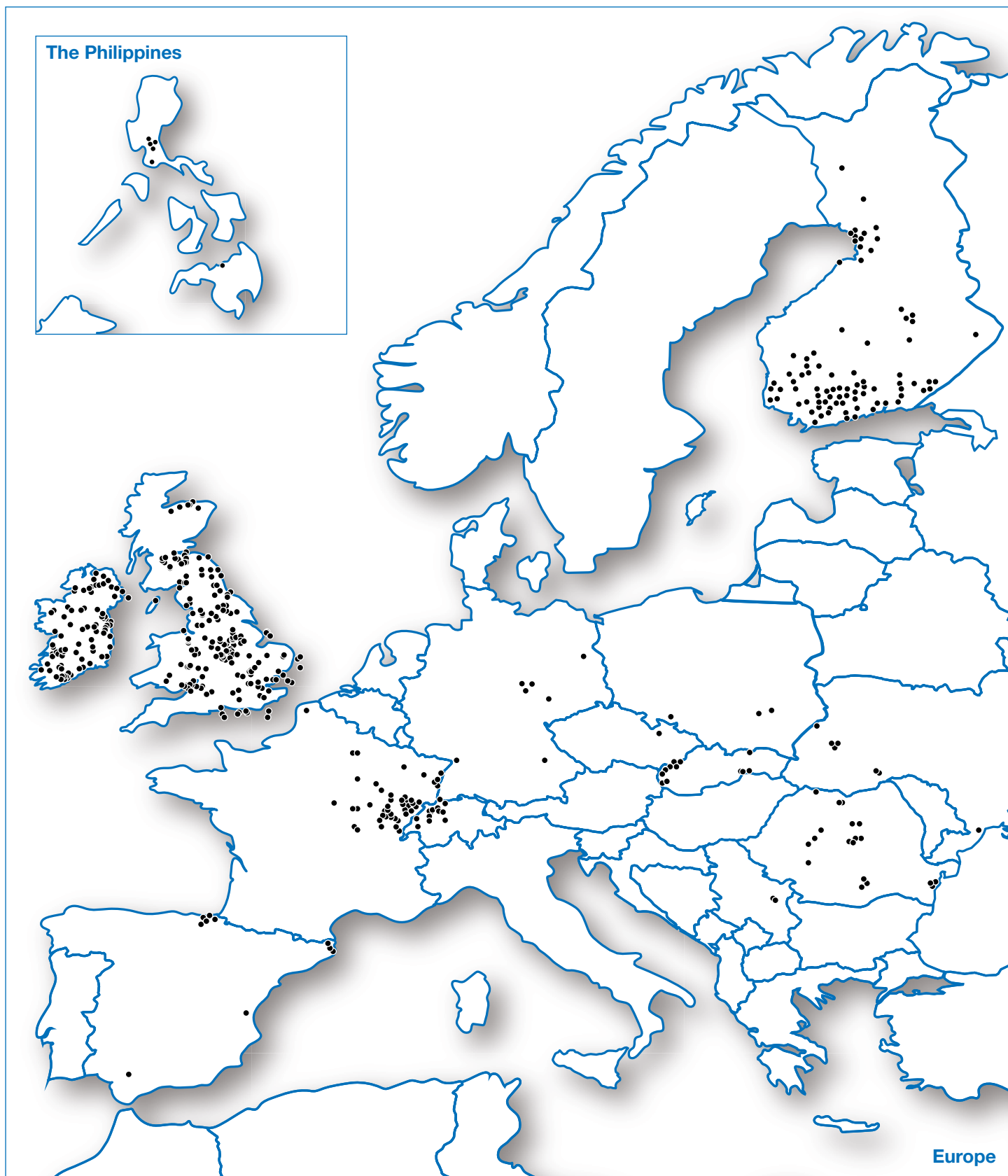
(ii) 1 hectare equals approximately 2.47 acres.

(iii) Years to depletion is based on the average of the three years' 2019 to 2021 annualised extraction.

(iv) Other includes Slovakia and Switzerland.

CRH Mineral Locations





Risk Factors

This section describes the key risk factors that could affect the Group's business. If any of these risks occur, the Group's business, financial condition, results of operations and prospects could be materially adversely affected.

The risk factors listed below should be considered in connection with any forward-looking statements in this Annual Report and Form 20-F and the

cautionary statements contained in Corporate Governance - Disclaimer/Forward-Looking Statements on page 111.

The risk factors presented below are reviewed on an annual basis and represent the key risk factors faced by the Group at the time of compilation of the 2021 Annual Report and Form 20-F. During the course of 2022, new risk factors may materialise

attributable to changes in markets, regulatory environments and other factors and existing risk factors may become less relevant.

The Risk Factors have been grouped to focus on key strategic, operational, compliance and financial and reporting risks.

Key Strategic Risk Factors

Industry Cyclicalty and Economic Conditions

Risk	Discussion
Description: Construction activity, and therefore demand for the Group's products, is inherently cyclical as it is influenced by global and national economic circumstances, monetary policies, consumer sentiment and weather conditions. The Group may also be negatively impacted by unfavourable swings in fuel and other input costs. Impact: Failure to predict and plan for cyclical events or adverse economic conditions could negatively impact financial performance.	The Group's operating and financial performance is influenced by general economic conditions and the state of infrastructure, residential and non-residential sectors in the countries in which it operates. In general, economic uncertainty exacerbates negative trends in construction activity leading to postponement of orders. Construction markets are inherently cyclical and are affected by many factors that are beyond the Group's control, including: • The performance of the national economies in the countries in which the Group operates, across Europe, the Americas and Asia; • Monetary policies in the countries in which the Group operates — for example, an increase in interest rates typically reduces the volume of mortgage borrowings thus adversely impacting residential construction activity; • The level of demand for building materials and services, with sustained adverse weather conditions leading to potential disruptions or curtailments in outdoor construction activity; • The price of fuel and principal energy-related raw materials such as bitumen and steel (which accounted for approximately 10% of annual Group sales revenues in 2021 (9% in 2020)); and • Inflationary pressures leading to higher input costs, such as the cost of labour and transportation The adequacy and timeliness of the actions taken by the Group's management team are of critical importance in maintaining financial performance at appropriate levels. There is no guarantee that any future actions taken by Group management will be effective in managing these risks. Each of the above factors could have a material adverse effect on the Group's operating results and the market price of CRH plc's Ordinary Shares.

People Management

Risk	Discussion
Description: Existing processes around people management, such as attracting, retaining and developing people, leadership succession planning, developing a diverse and inclusive workforce as well as dealing with collective representation groups, may not deliver, inhibiting the Group achieving its strategy. Impact: Failure to effectively manage talent and plan for leadership succession could impede the realisation of strategic objectives.	The identification and subsequent assessment, management, development and deployment of talented individuals is of major importance in continuing to deliver on the Group's strategy and in ensuring that succession planning objectives for key executive roles throughout its international operations are satisfied. As well as ensuring the Group identifies, hires, integrates, develops and promotes talent, the Group must attract and retain a diverse workforce and maintain an inclusive working environment. The Group operates in a labour-intensive industry and must navigate the challenges posed by front-line labour shortages which may impact the Group's ability to produce goods, operate facilities and install products. The maintenance of positive employee and trade/labour union relations is key to the successful operation of the Group. Some of the Group's employees are represented by trade/labour unions under various collective agreements. For unionised employees, the Group may not be able to renegotiate satisfactorily the relevant collective agreements upon expiration and may face tougher negotiations and higher wage demands. In addition, existing labour agreements may not prevent a strike or work stoppage, with any such activity creating reputational risk and potentially having a material adverse effect on the results of operations and financial condition of the Group.

Commodity Products and Substitution

Risk	Discussion
Description: Many of the Group's products are commodities, which face strong volume and price competition, and may be replaced by substitute products which the Group does not produce. Further, the Group must maintain strong customer relationships to ensure changing consumer preferences and approaches to construction are addressed. Impact: Failure to differentiate and innovate could lead to market share decline, thus adversely impacting financial performance.	The competitive environment in which the Group operates can be significantly impacted by general economic conditions in combination with local factors including the number of competitors, the degree of utilisation of production capacity and the specifics of product demand. Many of the Group's products are commodities and competition in such circumstances is driven largely by price. Across the multitude of largely local markets in which the Group conducts business, downward pricing pressure is experienced from time to time, and the Group may not always be in a position to recover increased operating expenses (caused by factors such as increased fuel and raw material prices) through higher sale prices. The cement business, in particular, is capital-intensive resulting in significant fixed and semi-fixed costs. The Group's profits are therefore sensitive to changes in volume, which is driven by highly competitive markets, and impacted by ongoing capital expenditure needs. A number of the products sold by the Group compete with other building products that do not feature in the Group's existing product range. Any significant shift in demand preference from the Group's existing products to substitute products, which the Group does not produce, could adversely impact market share and results of operations.

Portfolio Management

Risk	Discussion
Description: The Group may engage in acquisition and divestment activity during the year as part of active portfolio management which presents risks around due diligence, execution and integration of assets. Additionally, the Group may be liable for liabilities of companies it has acquired or divested. Impact: Failure to identify and execute deals in an efficient manner may limit the Group's growth potential and impact financial performance.	The Group's acquisition strategy focuses on value-enhancing small to mid-sized acquisitions, largely in existing markets, supplemented from time to time by larger strategic acquisitions into new markets or new building products. In addition, as part of its ongoing commitment to active portfolio management, the Group may, from time to time, divest businesses which are evaluated to be non-core or underperforming. The realisation of the Group's acquisition strategy is dependent on the ability to identify and acquire suitable assets at appropriate prices thus satisfying the stringent cash flow and return on investment criteria underpinning such activities. The Group may not be able to identify such companies, and, even if identified, may not be able to acquire them because of a variety of factors including the outcome of due diligence processes, the ability to raise funds (as required) on acceptable terms, the need for competition authority approval in certain instances and competition for transactions from peers and other entities exploring acquisition opportunities in the building materials sector. In addition, situations may arise where the Group may be liable for the past acts, omissions or liabilities of companies acquired, or may remain liable in cases of divestment; for example, the potential environmental liabilities addressed under the Sustainability and Corporate Social Responsibility Risk Factor on page 237. The Group's ability to realise the expected benefits from acquisition activity depends, in large part, on its ability to integrate newly-acquired businesses in a timely and effective manner. Even if the Group is able to acquire suitable companies, it still may not achieve the growth synergies or other financial and operating benefits it expected to achieve, and the Group may incur write-downs, impairment charges or unforeseen liabilities that could negatively affect its operating results or financial position or could otherwise harm the Group's business. Further, integrating an acquired business, product or technology could divert management time and resources from other matters.

Key Strategic Risk Factors - continued

Public Policy and Geopolitics

Risk	Discussion
Description: Adverse public policy, economic, social and political situations in any country in which the Group operates could lead to a fall in demand for the Group's products, business interruption, restrictions on repatriation of earnings or a loss of plant access. The ongoing geopolitical conflict in Ukraine has contributed to heightened uncertainty. Impact: Changes in these conditions may adversely affect the Group's people, business, results of operations, financial condition or prospects.	Our markets and demand for the Group's products are influenced by public policy and the fiscal ability and investment strategy of local and national governments in the jurisdictions in which we operate. The allocation of government funding for public infrastructure programmes is a key driver for our markets, such as the infrastructure and utilities elements of the Build Back America bill in the US. COVID-19 restrictions and lockdowns increase the demand for government social expenditure, while having a dampening effect on the receipt of taxes. Any significant local and national government budget deficits, exacerbated by the effects of the COVID-19 pandemic, might result in a reduction in the investment made by local and national governments in infrastructure spending, thus reducing the demand for the Group's products. Similarly, any significant change in investment strategy by policy makers in any of the Group's key markets could reduce addressable market demand, adversely impacting financial performance. The Group currently operates mainly in Western Europe and North America as well as, to a lesser degree, in developing countries/emerging markets in Eastern Europe, the Philippines and China. The economies of these countries are at varying stages of socioeconomic and macroeconomic development which could give rise to a number of risks, uncertainties and challenges that could include the following: • Changes in political, social or economic conditions; • Trade protection measures and import or export licensing requirements; • Political unrest and currency disintegration; • Activism and civil disturbance, triggered by natural disasters, terrorist events, outbreak of armed conflict, etc.; • Labour and procurement practices which contravene ethical considerations; • Unexpected changes in regulatory and tax requirements; • State-imposed restrictions on repatriation of funds; and • Outbreak of public health emergencies/epidemics/pandemics The ongoing geopolitical conflict in Ukraine has contributed to heightened uncertainty. The Board is actively monitoring the very recent developments in Ukraine with the priority on the safety and security of our people. The economic and financial consequences will be assessed as the situation evolves.

Strategic Mineral Reserves

Risk	Discussion
Description: Appropriate reserves are an increasingly scarce commodity and licences and/or permits required to enable operation are becoming harder to secure. There are numerous uncertainties inherent in reserves estimation and in projecting future rates of production. Impact: Failure by the Group to plan for reserve depletion, or to secure permits, may result in operation stoppages, adversely impacting financial performance.	The Group's reserves for the production of primary building materials (which encompasses cement, lime, aggregates (stone, sand and gravel), asphalt, readymixed concrete and concrete products) fall into a variety of categories spanning a wide number of rock types and geological classifications found within our extensive network of quarry locations in attractive local markets globally. Continuity of the cash flows derived from the production and sale of building materials is dependent on satisfactory reserves planning and on the presence of appropriate long-term arrangements for their replacement. There can be no assurance that the required licences and permits will be forthcoming at the appropriate juncture or that relevant operating entities will continue to satisfy the many terms and conditions under which such licences and permits are granted. The failure to plan adequately for current and future extraction and utilisation or to ensure ongoing compliance with the requirements of issuing authorities could lead to withdrawal of the related licence or permit and consequential disruption to operations. For additional information on the Group's reserve position, see page 226 of this Supplemental 20-F and Other Disclosures section.

Key Operational Risk Factors

Climate Change and Policy

Risk	Discussion
Description: The impact of climate change may over time affect the operations and cost base of the Group and the markets in which the Group operates. This could include physical risks, such as acute and chronic changes in weather and/or transitional risks such as technological development, policy and regulation change and market and economic responses. Impact: Should the Group not reduce its greenhouse gases (GHGs) emissions by its identified targets, the Group may be subject to increased costs, adverse financial performance and reputational damage.	Physical Risks including: • Acute & Chronic: Acute weather events such as hurricanes or flooding and chronic weather events such as sea level rise or higher temperatures may have an adverse effect on the Group's business and operations. Operational productivity and demand for the Group's products may be reduced during these weather events leading to reduced financial performance Transition Risks including: • Technology: The failure to leverage innovation arising from technological advances related to carbon efficiencies in products and processes may increase operational costs, shorten product life cycles or give rise to early product obsolescence, thus impairing financial performance and/or future value creation • Legal & Regulatory: Efforts to address climate change through laws and regulations, for example by requiring reductions in emissions of GHGs such as CO₂, can create economic risks and uncertainties for the Group's businesses. Such risks could include the cost of purchasing allowances or credits to meet GHG emissions caps, the cost of installing equipment to reduce emissions to comply with GHG limits or required technological standards, decreased profits or losses arising from decreased demand for the Group's goods and higher production costs resulting directly or indirectly from the imposition of legislative or regulatory controls. Manifestation of these increased costs may increase the underlying cost of production of the Group's products which may adversely impact the financial performance of the Group • Market & Reputation: Stakeholder expectations in relation to climate change continue to increase. The Group is subject to a broad range of additional environmental product information requests by customers in certain regions and increasing levels of disclosure regarding climate-related environmental performance from financial institutions, investors and other interested stakeholders. The Group includes within its product portfolio products aimed at climate adaptation, including sustainable drainage systems, flood defences and more resilient structures, as well as products that lower the operational carbon footprint of buildings, including high performance glass and glazing products that incorporate innovative thermal break technologies for superior thermal performance, precast concrete flooring and walling elements delivering energy savings, and balcony connector products that reduce thermal bridging, delivering energy savings. If customers' and other stakeholders' sustainability expectations are not satisfied, the Group's product portfolio may be of reduced relevance due to weakened customer demand, the Group's reputation may be harmed through not meeting investor expectations, and the Group could experience a deterioration in financial performance, such as increased cost of capital The Group continues to be exposed to costs related to carbon emissions trading schemes. While these costs do not currently have a material financial impact, there can be no assurances that more extensive carbon cost mechanisms may be introduced that could potentially impact the Group's financial performance. Further, the Group continues to engage with stakeholders to fully understand their expectations in relation to climate change. However, it is recognised that expectations continue to evolve rapidly, and the Group cannot guarantee that all stakeholders' expectations will continue to be met. Please refer to page 242 of this Annual Report and Form 20-F for further details. In addition, the Group publishes an annual independently-assured Sustainability Report, which is available on www.crh.com.

Key Operational Risk Factors - continued

Information Technology and/or Cyber Security

Risk	Discussion
Description: The Group is dependent on information and operational technology systems to support its business activities. Any significant operational event, whether caused by external attack, insider threat or error, could lead to loss of access to systems or data, adversely impacting business operations. Impact: Security breaches, IT interruptions or data loss could result in significant business disruption, loss of production, reputational damage and/or regulatory penalties. Significant financial costs in remediation are also likely in a major cyber security incident.	The Group employs numerous operational technology and information technology systems, networks and services, many of which are managed, hosted, provided and/or used by third parties, to assist in conducting our business. The proper functioning of our technology and systems is critical to the efficient operation and management of our business. The Group's systems for protecting our assets against cyber security risks may not always be sufficient. As part of our business, the Group collects, processes, and retains potentially sensitive and confidential information about our customers, suppliers, employees and business performance. Despite the security measures we have in place, and those of third-party suppliers and vendors with which we do business, the Group may be subject to cyber security attacks. Such attacks may result in interference with production software, corruption or theft of sensitive data, manipulation of financial data accessible through digital infrastructure, or reputational losses as a result of misrepresentation via social media and other websites. Security and cyber incidents are becoming increasingly sophisticated and are continually evolving. As this threat continues to evolve, the Group may be required to expend additional resources to continue to modify or enhance protection measures or to investigate and remediate any vulnerability to cyber incidents. There can be no assurance that future attacks will not be successful due to their increasing sophistication and the difficulties in detecting and defending against them in a timely fashion. While the Group has experienced, and expects to continue to experience, these types of threats and incidents, the Group has not detected any material cyber security events.

Health and Safety Performance

Risk	Discussion
Description: The Group's businesses operate in an industry where health and safety risks are inherently prominent. Further, the Group is subject to stringent regulations from a health and safety perspective in the various jurisdictions in which it operates. Impact: A serious health and safety incident could have a significant impact on the Group's operational and financial performance, as well as the Group's reputation.	The Group's industry involves dangerous work and a failure to maintain the focus on making its workplaces safe for our people could result in a deterioration in the Group's safety performance and ultimately fatalities. Building materials production can be hazardous and particular hazards are associated with heavy vehicles, working at height and using mechanised processes. Additionally, the Group's safety risks are not limited to facility sites but extend to paving and construction sites and regular encounters with stakeholder sites. This presents a complex challenge which requires safe behaviours and engagement from employees that match the Group's robust policies and procedures. The Group is subject to a broad and stringent range of existing and evolving laws, regulations, standards and best practices with respect to health and safety in each of the jurisdictions in which it operates. Should the health and safety frameworks, processes and controls implemented throughout the Group to protect our people fail, the Group would be exposed to significant potential legal liabilities and penalties. Further, high numbers of accidents could pose additional challenges in recruiting new employees, ensuring operational continuity and maintaining licences and permits. The COVID-19 pandemic has presented and continues to present additional health and safety challenges due to potential transmission of the virus and changes to traditional operating norms. There is no guarantee that efforts to mitigate the risk of transmission will be effective in preventing the spread of COVID-19 at our sites and locations. For additional information on the Group's health and safety performance, see page 18 of this Annual Report and Form 20-F or refer to the Group's independently-assured Sustainability Report, which is available on www.crh.com.

Sustainability and Corporate Social Responsibility

Risk	Discussion
Description: The nature of the Group's activities poses inherent environmental, social and governance (ESG) risks, which are also subject to an evolving regulatory framework and changing societal expectations. Impact: Failure to embed sustainability principles within the Group's businesses and strategy may result in non-compliance with relevant regulations, standards and best practices and lead to adverse stakeholder sentiment and reduced financial performance.	The Group recognises that the demand for sustainable products is undoubtedly increasing and seeks opportunities to deliver sustainable products, buildings and infrastructure at reduced environmental cost throughout their lifetime. Customers, from architects and construction companies to public bodies, have an immediate need for sustainable solutions which respond to climate change. In order to be involved in the green agenda, the Group needs to work with customers and vendors to innovate around design, delivery and application of products. If the Group fails to identify and execute on areas for improved sustainable performance, the demand for the Group's products may fall. If customers' and other stakeholders' sustainability expectations are not satisfied, the Group's product portfolio will be of reduced relevance and the Group will experience a deterioration in financial performance. The Group is subject to a broad and increasingly stringent range of existing and evolving laws, regulations, standards and best practices with respect to governance, the environment and social performance in each of the jurisdictions in which it operates giving rise to significant compliance costs, potential legal liability exposure and potential obligations for the development of its operations. These laws, regulations, standards and best practices relate to, amongst other things, climate change, noise, emissions to air, water and soil, the use and handling of hazardous materials and waste disposal practices. Please refer to pages 20 to 27 of this Annual Report and Form 20-F for further details or refer to the Group's independently-assured Sustainability Report, which is available on www.crh.com.

COVID-19 Pandemic

Risk	Discussion
Description: Public health emergencies, epidemics or pandemics, such as the emergence and spread of the COVID-19 pandemic, have the potential to significantly impact the Group's operations through a fall in demand for the Group's products, a reduction in staff availability and business interruption. Impact: The emergence and spread of the COVID-19 pandemic has had a material impact across the construction markets in which the Group operates. The continued uncertainty around the global pandemic could have an adverse effect on the Group's operating results, cash flows, financial condition and/or prospects.	The global spread of COVID-19 and the mitigations and practices implemented by governments, such as restrictions on movement of people, temporary closure of businesses or public works stoppages has led to and may continue to lead to delays or stoppage of key infrastructure or commercial projects resulting in a fall in demand for the Group's products. While governments in the Group's major markets have not extensively used significant site closures and stay at home orders to quell the spread of COVID-19 during 2021, there can be no guarantee that such tools will not be used in the future. The global economy and many of the economies in which the Group operates have been significantly impacted by the COVID-19 pandemic. Any significant fall in economic performance can lead to the postponement of orders and a fall in demand for the Group's products. Further, funding allocated for infrastructure projects may be re-directed to deal with the fallout of the public health emergency. The Group operates in a labour-intensive industry where employees', contractors' and customers' activities can be adversely impacted by the availability of human resources to design, manufacture or install the Group's products. Any significant loss of employee resources for a sustained period of time due to quarantine, self-isolation or sickness as a result of a public health emergency could impact the Group's ability to produce, manufacture and deliver goods. Similarly, the Group's customers' activities, and hence the demand for the Group's products, could be adversely impacted by similar employee availability issues. Responsibility for business continuity planning is vested in operating company management to ensure that the circumstances likely to give rise to material operational disruption are addressed. While business continuity plans exist across the Group's businesses, there can be no guarantees that the implementation of these plans will be successful and that the plans will have the desired effect in minimising the effects of a public health emergency. As the COVID-19 pandemic continues, at this time it is not possible to predict the full extent and duration of any further impacts, including those listed above, and whether the actions taken by our leadership and people in the future will be successful in managing the risks posed by COVID-19.

Key Compliance Risk Factors

Laws, Regulations and Business Conduct

Risk	Discussion
Description: The Group is subject to a wide variety of local and international laws and regulations (to include those applicable to it as a listed company) across the many jurisdictions in which it operates, which vary in complexity, application and frequency of change. Impact: Potential breaches of local and international laws and regulations could result in litigation or investigations, the imposition of significant fines, sanctions, adverse operational impact and reputational damage.	As an Irish incorporated company, with a premium listing on the London Stock Exchange, a secondary listing on Euronext Dublin and an ADR listing on the New York Stock Exchange, CRH must comply with various laws and regulations including the Irish Companies Acts, the UK Listing Rules, the Euronext Dublin Listing Rules, the Market Abuse Regulation, the Irish Transparency Regulation, and reporting obligations under US securities laws. The Group is also subject to various statutes, regulations, and laws applicable to businesses generally in the countries and markets in which it operates. These include statutes, regulations and laws affecting land usage, zoning, labour and employment practices, competition/anti-trust, financial reporting, taxation, anti-fraud and theft, anti-bribery, anti-corruption, international trade compliance, governance, data protection and data privacy and security, environmental, health and safety, and international trade and sanctions laws and other matters. The Group mandates that its employees comply with its Code of Business Conduct which stipulates best practices in relation to legal, compliance and ethical matters amongst other issues. The Code of Business Conduct is available in multiple languages on www.crh.com. The Group cannot guarantee that its employees will at all times successfully comply with all demands of regulatory agencies, and there can be no assurance that the Group's policies and procedures will afford adequate protection against breaches of these demands, fraudulent and/or corrupt activities. Any such activities or breaches of external regulations or internal policies could have a material adverse effect on the Group's business, results of operations, financial condition, or prospects.

Key Financial and Reporting Risk Factors

Taxation Charge and Balance Sheet Provisioning

Risk	Discussion
Description: The Group is exposed to uncertainties stemming from governmental actions in respect of taxes paid or payable in the future in all jurisdictions of operation. In addition, various assumptions are made in the computation of the overall tax charge and in balance sheet provisions which may need to be adjusted over time. Impact: Changes in tax regimes or assessment of additional tax liabilities in future tax audits could result in incremental tax liabilities which could have a material adverse effect on cash flows and the financial results of operations.	The Group's income tax charge is based on reported profits and statutory tax rates, which reflect various allowances and reliefs and tax efficiencies available to the Group in the multiple tax jurisdictions in which it operates. The determination of the Group's provision for income tax requires certain judgements and estimates in relation to matters where the ultimate tax outcome may not be certain. The recognition of deferred tax assets also requires judgement as it involves an assessment of the future recoverability of those assets. In addition, the Group is subject to tax audits which can involve complex issues that could require extended periods to conclude, the resolution of which is often not within its control. Although management believes that the estimates included in the Consolidated Financial Statements and the Group's tax return positions are reasonable, there can be no assurance that the final outcome of these matters will equal the estimates reflected in the Group's historical income tax provisions and accruals. As a multinational corporation, the Group is subject to various taxes in all jurisdictions of operation. Due to economic and political conditions, tax rates and the interpretation of tax rules in these jurisdictions may be subject to significant change, heightened during administration changes or periods of fiscal deficit in these economies. For example, there are potential tax rate increases in the US under the Biden administration tax policy proposals. In addition, the Group's future effective income tax rate could be affected (positively or negatively) by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets or changes in tax laws or their interpretation. Finally, changes to international tax principles, for example at an EU level, could adversely affect the Group's effective tax rate or result in higher cash tax liabilities. If the Group's effective income tax rate was to increase, its cash flows and the financial results of operations could be adversely affected.

Financial Instruments

Risk	Discussion
Description: The Group uses financial instruments throughout its businesses giving rise to interest rate and leverage, foreign currency, counterparty, credit rating and liquidity risks. Impact: A downgrade of the Group's credit ratings may give rise to increases in future funding costs and may impair the Group's ability to raise funds on acceptable terms. In addition, insolvency of the financial institutions with which the Group conducts business may adversely impact the Group's financial position.	• Interest rate and leverage risks: As at 31 December 2021, the Group had outstanding gross indebtedness, including leases, of approximately \$12.0 billion (2020: \$13.7 billion) and cash and cash equivalents of approximately \$5.8 billion (2020: \$7.7 billion). The Group uses interest rate swaps to convert a portion of its fixed rate debt to floating rate. While current leverage is low, acquisition activity could adversely impact its operating and financial flexibility as well as financial position. There can be no assurance that the Group will not be adversely impacted by increases in borrowing costs in the future. Over the course of 2021, the Group transitioned from some IBOR-backed rates linked to its main banking facilities to alternative benchmark rates. These alternative benchmark rates are backward-looking meaning the related interest charges will not be fully known until close to the end of the interest period. At this time, it is not possible to say whether the alternative reference rates will be more or less volatile than IBOR and whether the transition to alternative reference rate linked contracts will impact CRH's borrowing costs and cash flows. Such changes may or may not adversely affect CRH's financial position • Foreign currency risks: If the Group's reporting currency weakens relative to the basket of foreign currencies in which net debt is denominated (including the euro, Canadian Dollar, Swiss Franc, Polish Zloty, Philippine Peso and Pound Sterling), the net debt balance would increase; the converse would apply if the Group's reporting currency was to strengthen. Where economically feasible, net debt is maintained in the same relative ratio as capital employed to act as an economic hedge of the underlying currency assets • Counterparty risks: Insolvency of the financial institutions with which the Group conducts business or a downgrade in their credit ratings may lead to losses in the cash balances that the Group holds with such financial institutions or losses in derivative transactions that the Group has entered into with these parties and may render it more difficult for the Group to utilise existing debt capacity or otherwise obtain financing for operations. The Group holds significant cash and cash equivalents on deposit and derivative transactions with a variety of highly rated financial institutions which at 31 December 2021, totalled \$5.8 billion (2020: \$7.7 billion) and \$122 million (2020: \$188 million) respectively. In addition, certain of the Group's activities give rise to significant amounts receivable from counterparties at the balance sheet date; at 31 December 2021, this balance was \$4.0 billion (2020: \$3.6 billion) • Credit rating risks: A downgrade of the Group's credit ratings may give rise to increases in funding costs in respect of future debt and may, among other concerns, impair its ability to access debt markets or otherwise raise funds or enter into lines of credit, for example, on acceptable terms. Such a downgrade may result from factors specific to the Group, including increased indebtedness stemming from acquisition activity, or from other factors such as general economic or sector specific weakness or sovereign credit rating ceilings • Liquidity risks: The principal liquidity risks stem from the maturation of debt obligations and derivative transactions. The Group aims to achieve flexibility in funding sources through a variety of means including (i) maintaining cash and cash equivalents with a number of highly rated counterparties; (ii) meeting the bulk of debt requirements through debt capital markets or other term financing; (iii) limiting the annual maturity of such balances; and (iv) having surplus committed bank lines of credit. However, market or economic conditions may make it difficult at times to realise this objective For additional information on the above risks see note 22 to the Consolidated Financial Statements on pages 189 to 192.

Goodwill Impairment

Risk	Discussion
Description: Significant under-performance in any of the Group's major cash-generating units or the divestment of businesses in the future may give rise to a material write-down of goodwill. Impact: While a non-cash item, a material write-down of goodwill could have a substantial impact on the Group's income and equity.	An acquisition generates goodwill to the extent that the price paid exceeds the fair value of the net assets acquired. Under IFRS, goodwill and indefinite-lived intangible assets are not amortised but are subject to annual impairment testing. Other intangible assets deemed separable from goodwill arising on acquisitions are amortised. 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 174 to 176. While a goodwill impairment charge does not impact cash flow, a full write-down at 31 December 2021 would have resulted in a charge to income and a reduction in equity of \$9.5 billion (2020: \$9.0 billion).

Key Financial and Reporting Risk Factors - continued

Foreign Currency Translation

Risk	Discussion
Description: The principal foreign exchange risks to which the Consolidated Financial Statements are exposed pertain to (i) adverse movements in reported results when translated into the reporting currency; and (ii) declines in the reporting currency value of net investments which are denominated in a wide basket of currencies other than the reporting currency. Impact: Adverse changes in the exchange rates will continue to negatively affect retained earnings. The annual impact is reported in the Consolidated Statement of Comprehensive Income.	Given the geographic diversity of the Group, a significant proportion of its revenues, expenses, assets and liabilities are denominated in currencies other than the Group's reporting currency, including the euro, Canadian Dollar, Swiss Franc, Polish Zloty, Philippine Peso and Pound Sterling. From year to year, adverse changes in the exchange rates used to translate these and other foreign currencies into the reporting currency have impacted and will continue to impact consolidated results and net worth. For additional information on the impact of foreign exchange movements on the Consolidated Financial Statements for the Group for the year ended 31 December 2021, see the Business Performance and Segmental Reviews section commencing on page 36 and note 22 to the Consolidated Financial Statements on pages 189 to 192.

Corporate Governance Practices

Compliance Statement

Non-US companies such as CRH are exempt from most of the corporate governance rules of the NYSE. In common with companies listed on the LSE and Euronext Dublin, CRH's corporate governance practices reflect, inter alia, compliance with (a) domestic company law; (b) the Listing Rules of the UK Listing Authority and Euronext Dublin; and (c) the 2018 UK Corporate Governance Code, which is appended to the listing rules of the LSE and Euronext Dublin.

The Board of CRH has adopted a robust set of governance principles, which reflect the 2018 Code and its principles-based approach to corporate governance. Accordingly, the way in which CRH makes determinations of Directors' independence differs from the NYSE rules. The Board has determined that, in its judgement, all of the non-executive Directors are independent. In doing so the Board did not explicitly take into consideration the independence requirements outlined in the NYSE's listing standards.

However, the Board has determined that all of the non-executive Directors on the Audit Committee are independent according to the requirements of Rule 10A-3 of the US Securities Exchange Act of 1934. Further, CRH considers that the Terms of Reference for its Audit Committee, Remuneration Committee, Nomination and Corporate Governance Committee are generally responsive to the relevant NYSE rules, but may not address all aspects of such rules.

Shareholder Approval of Equity Compensation Plans

The NYSE rules require that shareholders must be given the opportunity to vote on all equity-compensation plans and material revisions to those plans with certain limited exceptions. CRH complies with Irish requirements, which are similar to the NYSE rules. The Board, however, does not explicitly take into consideration the NYSE's detailed definition on what are considered "material revisions".

Risk Management and Internal Control

The Board has delegated responsibility for monitoring the effectiveness of the Group's risk management and internal control systems to the Audit Committee¹. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and, in the case of internal control systems, can provide only reasonable and not absolute assurance against material misstatement or loss.

The Consolidated Financial Statements are prepared subject to oversight and control of the Finance Director, who seeks to ensure that data is captured from Group locations and all required information for disclosure in the Consolidated Financial Statements is provided. An appropriate control framework has been put in place around the recording of appropriate consolidation journals and other adjustments. The Consolidated Financial Statements are reviewed by the internal CRH Financial Reporting and Disclosure Group prior to

being reviewed by the Finance Director and Audit Committee and approved by the Board of Directors.

Group management has responsibility for major strategic development and financing decisions. Responsibility for operational issues is devolved, subject to limits of authority, to product group and operating company management. Management at all levels is responsible for internal control over the business functions that have been delegated. This embedding of the system of internal control throughout the Group's operations is designed to enable the organisation to respond quickly to evolving business risks, and to ensure that significant internal control issues, should they arise, are reported promptly to appropriate levels of management.

Management's Report on Internal Control over Financial Reporting

In accordance with the requirements of Rule 13a-15 of the US Securities Exchange Act, the following report is provided by management in respect of the Company's internal control over financial reporting. As defined by the SEC, internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, or persons performing similar functions, and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

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

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the US Securities Exchange Act. Our internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our Company's published Consolidated Financial Statements for external purposes under generally accepted accounting principles.

In connection with the preparation of the Company's annual Consolidated Financial Statements, management has undertaken an assessment of the effectiveness of the Company's internal control over

financial reporting as of 31 December 2021, based on criteria established in Internal Control - Integrated Framework (2013), issued by the Committee of Sponsoring Organisations of the Treadway Commission.

Management's assessment included an evaluation of the design of the Company's internal control over financial reporting and testing of the operational effectiveness of those controls. Based on this assessment, management has concluded and hereby reports that as of 31 December 2021, the Company's internal control over financial reporting is effective.

Our auditors, Deloitte, a registered public accounting firm, who have audited the Consolidated Financial Statements for the year ended 31 December 2021, have audited the effectiveness of the Company's internal controls over financial reporting. Their report, on which an unqualified opinion is expressed thereon, is included on page 138.

Changes in Internal Control over Financial Reporting

During 2021, there has been no change in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15 that occurred during the period covered by this Annual Report and Form 20-F that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Acquisitions excluded from the 2020 assessment of internal control over financial reporting were all successfully integrated into the CRH internal control systems in 2021.

Evaluation of Disclosure Controls and Procedures

Management has evaluated the effectiveness of the design and operation of the disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e) as of 31 December 2021. Based on that evaluation, the Chief Executive and the Finance Director have concluded that these disclosure controls and procedures were effective as of such date at the level of providing reasonable assurance.

In designing and evaluating our disclosure controls and procedures, management, including the Chief Executive and the Finance Director, recognised that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgement in evaluating the cost-benefit relationship of possible controls and procedures. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.



In 2021 Oldcastle APG, part of CRH's Building Products Division, opened a new dualbagging-line, dry-mix facility located at Cowpens, South Carolina, United States. The plant's high throughput capability and strategic geographic location between Charlotte and Atlanta, the fastest growing population centers in the southern United States, bolsters APG's end-to-end solutions offerings for customers in the region.

The Environment and Government Regulations

As a building materials company, environmental laws and regulations relevant to extractive and production processes are significant to CRH. In Europe, operations are subject to national environmental laws and regulations, most of which now emanate from European Union Directives and Regulations. In North America, operations may be subject to federal, state, provincial and local environmental laws and regulations. In other jurisdictions, including the United Kingdom, national environmental and local laws apply.

Environmental Compliance Policy

In order to comply with environmental regulations and address environmental risks and opportunities, CRH has developed an environmental policy. The statement of policy, applied across all Group companies, is to:

- address proactively the challenges of climate change, reduce emissions and waste as well as optimise 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 neighbours in every community in which we operate

Environmental Management and Governance

Achieving the Group's environmental policy objectives at all locations is a management imperative. At Board level there is a dedicated Safety, Environment & Social Responsibility (SESR) Committee.

Overseen by the Board, the Chief Executive has overall responsibility for CRH's sustainability performance and for ensuring sustainability policies are implemented in all business lines.

Daily responsibility for ensuring that the Group's environmental policy is effectively implemented lies with individual location managers, assisted by a network of Group environmental specialists.

At each year end, the Group Sustainability function carries out a detailed assessment of Group environmental performance, which is reviewed by the SESR Committee and the Board.

Addressing Climate Change

CRH continues to be a member of the World Business Council for Sustainable Development (WBCSD) and is a founding member of the Global Cement and Concrete Association (GCCA), which is dedicated to developing and strengthening the sector's contribution to sustainable construction. Through its membership of the GCCA, WBCSD and various regional industry associations, CRH is actively involved in global and regional discussions on the climate change agenda.

European Union leaders in 2021 launched the 'Fit for 55' package of legislative proposals and policy initiatives that aim for an emissions reduction target of at least 55% by 2030, compared to 1990. CRH is monitoring forthcoming legislative requirements and planning for continued compliance.

CRH's operations in the US are subject to a number of federal and state laws and regulations addressing climate change. Ultimately more comprehensive "cap and trade" schemes or other emission reduction legislation may be implemented in the US and Canada; depending on the scope of the legislation, this could significantly impact certain operations in North America. CRH continuously monitors developments in regulations and greenhouse gas initiatives involving local, provincial, state or federal governments. As of 18 February 2022, the Group is not aware of any such schemes that would materially affect its US operations.

CRH is committed to proactively addressing the challenges of climate change, which may have a multi-faceted impact on our business strategy. As a provider of building materials and integrated solutions that address the needs of a climate-resilient built environment, there are likely to be strong growth opportunities for CRH. Ongoing public investment will need to create more resilient infrastructure and cities, which require higher safety characteristics and are better suited to extreme weather events like rising water levels and high wind events. CRH includes within its offerings multiple products aimed at climate adaptation and mitigation, including sustainable drainage systems, concrete products used in flood defence systems, products contributing to more resilient structures as well as products with high levels of recycled content, such as recycled asphalt pavement. From a physical risk perspective climate change may have implications on business continuity and mitigating against supply chain disruption.

A management strategy has been put in place to address these risks and opportunities. In 2020, CRH

appointed a dedicated member of our executive leadership team with responsibility for Enterprise Strategy, Sustainability & Innovation, to drive the innovation agenda and enterprise strategy around providing sustainable solutions for customers. In 2021, a specific Climate Change committee was established at executive leadership level, to further drive our climate strategy. In delivering this management strategy, CRH seeks to reduce carbon emissions and energy usage, achieve financial efficiencies, and, in addition, help to address the global challenges of climate change.

CRH has developed an ambition to achieve carbon neutrality along the cement and concrete value chain by 2050. As evidence of progress in relation to its decarbonisation efforts, in 2021 CRH announced the expectation to achieve its 2030 carbon emissions reduction target of 520kg CO₂/tonne of cementitious product by 2025. This target represents a 33% reduction in specific net cement CO₂ compared with 1990 levels. In early 2022, the Group adopted a new SBTi approved target for a 25% reduction in group-wide absolute Scope 1 and Scope 2 CO₂ emissions by 2030 (from a 2020 baseline).

In order to meet its target, CRH has implemented capital expenditure programmes in its cement operations to reduce carbon emissions in the context of international and national commitments to reduce greenhouse gas emissions as well as CRH's own emission reduction programme and targets discussed above. In regions and countries where trading schemes are in operation, facilities that fall within the scope of this legislation comply with CO₂ "cap and trade" schemes, including the European Union Emissions Trading Scheme and other regional schemes.

Possible Environmental Liabilities

At 18 February 2022, there were no pending legal proceedings relating to site remediation which are anticipated to have a material adverse effect on the financial position or results of operations or liquidity of the Group, nor have internal reviews revealed any situations of likely material environmental liability to the Group.

Governmental Policies

The overall level of government capital expenditures and the allocation by state entities of available funds to different projects, as well as interest rate and tax policies, directly affect the overall levels of construction activity. The terms and general availability of government permits required to conduct Group business also has an impact on the scope of Group operations. As a result such governmental decisions and policies can have a significant impact on the operating results of the Group.

EU Taxonomy

Compliance Statement

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 standardised and mandatory classification system to determine which economic activities are considered as 'environmentally sustainable' by the EU.

In June 2021, the European Commission formally adopted the Climate Delegated Act 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 are expected to be published in 2022.

An economic activity which is described in Annex I or Annex II of the Climate Delegated Act is Taxonomy-eligible, irrespective of whether it meets the respective Technical Screening Criteria or not.

For the year ended 31 December 2021, the share of Taxonomy-eligible and Taxonomy non-eligible economic activities in turnover, capital expenditure (CapEx) and operating expenditure (OpEx) are required to be disclosed in line with the published EU Taxonomy regulation.

CRH's assessment of Taxonomy-eligible economic activities

Based on the descriptions of economic activities included in Annex I and Annex II of the Climate Delegated Act, we assessed our activities and identified those which are Taxonomy-eligible.

The Climate Delegated Act prioritised specific sectors responsible for 94% of direct greenhouse gas emissions in the EU. A high proportion of CRH's activities do not fall into these prioritised sectors and are not in scope of the EU Taxonomy regulation.

While the Climate Delegated Act does not cover a high proportion of our economic activities, we have identified the economic activity "3.7 Manufacture of cement" as a Taxonomy-eligible economic activity. Our turnover, CapEx and OpEx exclusively refer to turnover, assets or processes associated with this economic activity.

Taxonomy-eligible Turnover

The share of Taxonomy-eligible turnover is calculated by the proportion of turnover derived from economic activities that are Taxonomy-eligible (numerator) over total turnover (denominator).

Share of Taxonomy-eligible and Taxonomy non-eligible economic activities

	Total \$bn	Share of Taxonomy-eligible economic activities	Share of Taxonomy non-eligible economic activities
Turnover	31.0	14%	86%
Capital Expenditure (CapEx)	2.5	14%	86%
Operating Expenditure (OpEx)	1.5	23%	77%

The total turnover represents the consolidated revenue, and amounts to \$31.0 billion for the financial year ended 31 December 2021 (as disclosed in our Consolidated Income Statement on page 140). The accounting policy applicable for revenue recognition is addressed in detail on page 148 of the Consolidated Financial Statements.

CRH's share of turnover associated with Taxonomy-eligible economic activities for the year ended 31 December 2021 was 14%.

Taxonomy-eligible Capital Expenditure

The share of Taxonomy-eligible CapEx is calculated by the proportion of CapEx associated with economic activities that are Taxonomy-eligible (numerator) over total CapEx (denominator).

Total CapEx includes additions to tangible and intangible assets, considered before depreciation, amortisation and any re-measurements, and excluding fair value changes. It also includes additions as a result of business combinations. Total CapEx involves all additions to Property, Plant and Equipment, Right-of-Use Assets and Intangible Assets. Any acquired goodwill is not considered for this purpose.

For the reconciliation of total CapEx please see note 13, note 14 and note 20 to the Consolidated Financial Statements.

CRH's share of CapEx associated with Taxonomy-eligible economic activities for the year ended 31 December 2021 was 14%.

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 ensure we reach our CO₂ reduction targets.

Taxonomy-eligible Operating Expenditure

The share of Taxonomy-eligible OpEx is calculated by the proportion of OpEx associated with economic activities that are Taxonomy-eligible (numerator) over total OpEx (denominator).

EU Taxonomy regulations define total OpEx as the direct non-capitalised costs of research and

development (R&D), building renovation measures, short-term leases, maintenance and repair and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment.

As the EU Taxonomy regulation has its own definition of OpEx, the reported OpEx only represents a proportion of the total Group cost of sales and operating costs, and mainly includes R&D costs, repairs and maintenance and short-term leases.

CRH's share of OpEx associated with Taxonomy-eligible economic activities for the year ended 31 December 2021 was 23%.

Future Regulatory Developments

From the year ending 31 December 2022 onwards, Taxonomy-alignment will also become part of EU Taxonomy reporting. An economic activity is Taxonomy-aligned if it fulfils all the following requirements:

- Contributes substantially to at least one environmental objective by meeting the defined Technical Screening Criteria;
- Doing no significant harm to any of the other environmental objectives; and
- Is carried out in compliance with 'Minimum Social Safeguards'

In accordance with the published Delegated Acts, CRH will carry out an assessment of Taxonomy-alignment and report on Taxonomy-alignment in the next financial year.

Furthermore, EU taxonomy reporting is expected to be expanded to include the four further environmental objectives, namely:

- 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

Contractual Obligations

An analysis of the maturity profile of debt, leases capitalised, purchase obligations, deferred and contingent acquisition consideration and pension scheme contribution commitments at 31 December 2021 is as follows:

	Total \$m	Less than 1 year \$m	1-3 years \$m	3-5 years \$m	More than 5 years \$m
Payments due by period					
Interest-bearing loans and borrowings (i)	10,435	559	2,103	2,107	5,666
Lease liabilities (ii)	2,188	302	462	325	1,099
Estimated interest payments on contractually-committed debt (iii)	3,032	315	550	452	1,715
Deferred and contingent acquisition consideration	361	33	190	134	4
Purchase obligations (iv)	2,200	1,305	351	194	350
Retirement benefit obligation commitments (v)	17	2	4	4	7
Total (vi)	18,233	2,516	3,660	3,216	8,841

- (i) Of the \$10.4 billion total gross debt, \$0.2 billion is drawn on revolving facilities which may be repaid and redrawn up to the date of maturity. The interest payments are estimated assuming these loans are repaid on facility maturity dates.
- (ii) Lease liabilities are presented on an undiscounted basis as detailed in note 20 and note 22 to the Consolidated Financial Statements.
- (iii) These interest payments have been estimated on the basis of the following assumptions: (a) no change in variable interest rates; (b) no change in exchange rates; (c) that all debt is repaid as if it falls due from future cash generation; and (d) none is refinanced by future debt issuance.
- (iv) Purchase obligations include contracted for capital expenditure. A summary of the Group's future purchase commitments as at 31 December 2021 for capital expenditure is set out in note 13 to the Consolidated Financial Statements. These expenditures for replacement and new projects are in the ordinary course of business and will be financed from internal resources.
- (v) These retirement benefit commitments comprise the contracted payments related to our pension schemes in the UK. See further details in note 28 to the Consolidated Financial Statements.
- (vi) Over the long term, the Group believes that our available cash and cash equivalents, cash from operating activities, along with the access to borrowing facilities will be sufficient to fund our long-term contractual obligations, maturing debt obligations and capital expenditures.

Quantitative and Qualitative Information about Market Risk

CRH addresses the sensitivity of the Group's interest rate swaps and debt obligations to changes in interest rates in a sensitivity analysis technique that measures the estimated impacts on the income statement and on equity of either an increase or decrease in market interest rates or a strengthening or weakening in the euro against all other currencies, from the rates applicable at 31 December 2021, for each class of financial instrument with all other variables remaining constant. The technique used measures the estimated impact on profit before tax

and on total equity arising on net year-end floating rate debt and on year-end equity, based on either an increase/decrease of 1% in floating interest rates or a 5% strengthening/weakening in the US Dollar/euro exchange rate. The US Dollar/euro rate has been selected for this sensitivity analysis given the materiality of the Group's activities in euro. This analysis, set out in note 22 to the Consolidated Financial Statements, is for illustrative purposes only as in practice interest and foreign exchange rates rarely change in isolation.

Quantitative and qualitative information and sensitivity analysis of market risk is contained in notes 21 to 25 to the Consolidated Financial Statements.

Off-Balance Sheet Arrangements

CRH does not have any off-balance sheet arrangements that have, or are reasonably likely to have a current or future effect on CRH's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Other Disclosures

History, Development and Organisational Structure of the Company

CRH is the leading building materials business in the world. Our footprint spans 28 countries, employing c. 77,400 people at over 3,200 operating locations.

CRH is the largest building materials business in North America and in Europe and also has regional positions in Asia.

CRH manufactures and supplies a range of integrated building materials, products and innovative solutions for the construction industry. From primary materials, to products that are highly engineered and high-value-added, to integrated building solutions that enable faster, more sustainable construction, CRH is uniquely positioned to address evolving trends in global construction markets. Our products can be found throughout the built environment in a wide range of construction projects from major public infrastructure to commercial buildings and residential homes.

The Group resulted from the merger in 1970 of two leading Irish public companies, Cement Limited (established in 1936) and Roadstone Limited (incorporated in 1949). Cement Limited manufactured and supplied cement while Roadstone Limited was primarily involved in the manufacture and supply of aggregates, readymixed concrete, mortar, coated macadam, asphalt and contract surfacing to the Irish construction industry.

As a result of planned geographic diversification since the mid-1970s, the Group has expanded by acquisition and organic growth into a leading manufacturer and supplier of building materials, products and integrated solutions with operations in 28 countries around the world.

The Company is incorporated and domiciled in Ireland. CRH is a public limited company operating under the Companies Act of Ireland 2014. The Group's worldwide headquarters is located in Dublin, Ireland. Our principal executive offices are located at Stonemason's Way, Rathfarnham, Dublin 16, Ireland (telephone: +353 1 404 1000). The Company's registered office is located at 42 Fitzwilliam Square, Dublin 2, Ireland and our US agent is CRH Americas, Inc., 900 Ashwood Parkway, Suite 600, Atlanta, Georgia 30338.

The Company is the holding company of the Group, with direct and indirect share and loan interests in subsidiaries, joint ventures and associates.

From Group headquarters, a small team of executives exercise strategic control over our decentralised operations.

In the detailed description of CRH's business on pages 36 to 53, estimates of the Group's various aggregates and stone reserves and resources have been provided by engineers employed by the individual operating companies. Further details are included on pages 226 to 231. Details of product end-use by sector for each reporting segment are based on management estimates.

A listing of the principal subsidiary undertakings and equity accounted investments is contained on pages 260 to 264.

Statements Regarding Competitive Position and Construction Activity

Statements made in the Business Performance section and elsewhere in this document referring to the Group's competitive position are based on the Group's belief, and in some cases rely on a range of sources, including investment analysts' reports, independent market studies and the Group's internal assessment of market share based on publicly available information about the financial results and performance of market participants.

Unless otherwise specified, references to construction activity or other market activity relate to the relevant market as a whole and are based on publicly available information from a range of sources, including independent market studies, construction industry data and economic forecasts for individual jurisdictions.

Exchange Rates

In this Annual Report and Form 20-F, references to "US Dollar", "US\$", "\$", "US cents", "cent" or "c" are, unless otherwise stated, to the United States currency, references to "euro", "euro cent" or "€" are to the euro currency and "Stg£" or "Pound Sterling" are to the currency of the United Kingdom of Great Britain and Northern Ireland (UK). Other currencies referred to in this Annual Report and Form 20-F include Polish Zloty (PLN), Swiss Franc (CHF), Canadian Dollar (CAD), Chinese Renminbi (RMB), Indian Rupee (INR), Ukrainian Hryvnia (UAH), Philippine Peso (PHP), Romanian Leu (RON) and Serbian Dinar (RSD).

For a discussion on the effects of exchange rate fluctuations on the financial condition and results of the operations of the Group, see the Business Performance section beginning on page 36.

Legal Proceedings

Group companies are parties to various legal proceedings, including some in which claims for damages have been asserted against the companies. Having taken appropriate advice, we believe that the aggregate outcome of such proceedings will not have a material effect on the Group's financial condition, results of operations or liquidity.

Research and Development

CRH is engaged in ongoing initiatives that advance its business as part of its relentless focus on continuous improvement. One of these areas is research and development, where such costs are not material in the context of the Consolidated Income Statement. CRH's policy is to expense such costs as they occur.

Employees

The average number of employees for the past three financial years is disclosed in note 7 to the Consolidated Financial Statements on page 163. The Group believes that relations with its employees and labour unions are satisfactory.

Seasonality

Activity in the construction industry is characterised by cyclicity and is dependent to a considerable extent on the seasonal impact of weather in CRH's operating locations, with activity in some markets reduced significantly in winter due to inclement weather. First-half sales accounted for 45% of full-year 2021 (2020: 44%), while EBITDA (as defined)* for the first six months of 2021 represented 37% of the full-year out-turn (2020: 34%).

Significant Changes

Other than as disclosed in note 3 to the Consolidated Financial Statements on page 159 with respect to the divestment of the Group's Building Envelope business, no significant changes have occurred since the balance sheet date.

Latest Practical Information

Where referenced in the Supplemental 20-F and Other Disclosures and Shareholder Information sections, information is provided at the latest practicable date, 18 February 2022.

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



As the leading building business in the world, we want to make a positive difference for people, society and the environment. By engaging with our stakeholders we ensure that we can successfully work together to meet the challenges facing society.

Shareholder Information

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This Bird observation hide at a gravel pit in Rouvres-en-Plaine, France has been developed in cooperation with nature conservation organisations and highlights the important habitats that many of our locations incorporate. The site is owned by Eqiom, part of our Europe Materials Division.

Stock Exchange Listings

CRH has a premium listing on the LSE and a secondary listing on Euronext Dublin represented by the ticker symbols CRH and CRG respectively.

American Depositary Shares (ADSs), each representing one Ordinary Share, are listed on the NYSE. The ADSs are evidenced by ADRs issued by The Bank of New York Mellon (the 'Depositary') as

Depositary under an Amended and Restated Deposit Agreement dated 28 November 2006. The ticker symbol for the ADSs on the NYSE is CRH.

Share price data

	2021			2020		
	LSE	Euronext Dublin	NYSE	LSE	Euronext Dublin	NYSE
Share price at 31 December	£39.00	€46.52	\$52.80	£30.58	€34.02	\$42.58
Market capitalisation	£30.1bn	€35.9bn	\$40.7bn	£24.0bn	€26.7bn	\$33.4bn
Share price movement during year:						
-high	£39.32	€46.96	\$53.76	£31.67	€36.50	\$42.82
-low	£30.22	€34.38	\$41.14	£15.74	€17.43	\$18.64

For further information on CRH shares see note 29 to the Consolidated Financial Statements.

Ownership of Ordinary Shares

Shareholdings as at 31 December 2021

Geographic location (i)	Number of shares held '000s	% of total
United Kingdom	229,920	29.7
North America	229,806	29.7
Europe/Other	155,123	20.0
Retail	132,818	17.2
Ireland	22,996	3.0
Treasury (ii)	3,477	0.4
	774,140	100.0

(i) This represents a best estimate of the number of shares controlled by fund managers resident in the geographic regions indicated. Private shareholders are classified as retail above.

(ii) As detailed in note 29 to the Consolidated Financial Statements.

The Company is not owned or controlled directly or indirectly by any government or by any corporation or by any other natural or legal person severally or jointly. The major shareholders do not have any special voting rights.

As at 2 March 2022, the Company had received notification of certain interests in its Ordinary Share capital that were equal to, or in excess of, 3%. These interests are presented in Corporate Governance – Substantial Holdings on page 74.

Ownership of Ordinary Shares - continued

Purchases of Equity Securities by the Issuer and Affiliated Persons

In April 2018, CRH announced its intention to introduce a share repurchase programme to repurchase Ordinary Shares (the 'Programme').

During 2020, CRH repurchased a total of 5,951,146 Ordinary Shares and returned a further \$0.2 billion to shareholders. In 2021, CRH repurchased a total

of 17,829,602 Ordinary Shares returning a further \$0.9 billion of cash to shareholders. This brings the total cash returned to shareholders under the share buyback programme to \$2.9 billion since its commencement in May 2018.

The tables below sets forth the Ordinary Shares repurchased under this programme together with details of the Ordinary Shares purchased by the Employee Benefit Trust (EBT) during 2020 and 2021.

See note 29 to the Consolidated Financial Statements for further details.

2021				
Month	Total number of share buyback purchases	Total number of EBT purchases	Total number of shares purchased	Average price paid per share - share buyback (i) (ii)
March	1,642,000	307,410	1,949,410	€38.89
April	1,658,731	38,571	1,697,302	€39.81
May	1,042,547	-	1,042,547	€41.25
June	1,502,661	-	1,502,661	€42.77
July	2,095,200	-	2,095,200	€41.66
August	1,535,632	-	1,535,632	€43.65
September	2,358,058	-	2,358,058	€42.87
October	2,267,621	-	2,267,621	€40.46
November	2,366,929	-	2,366,929	€43.64
December	1,360,223	-	1,360,223	€44.98
	17,829,602	345,981	18,175,583	

2020				
Month	Total number of share buyback purchases	Total number of EBT purchases	Total number of shares purchased	Average price paid per share - share buyback (i) (ii)
January	1,850,167	-	1,850,167	€34.72
February	3,210,214	265,820	3,476,034	€33.78
March	890,765	804,405	1,695,170	€30.67
	5,951,146	1,070,225	7,021,371	

(i) Average price paid per share in respect of 2021 EBT purchases; March €38.99 and April €39.84 (2020: February €30.68, March €21.94).

(ii) The average price paid per share in 2021 in respect of the share buyback programme was equal to \$49.30 (2020: \$36.96).

Other than the above, there were no purchases of equity securities by the issuer and/or affiliated persons during the course of 2021.

CREST and Migration to Euroclear Bank

Since 1996, CREST has been the depository for the settlement of Irish issuers' equity securities trading in Dublin and/or London. As a result of Brexit, CREST was no longer available to any Irish incorporated issuers, irrespective of whether they are listed in Ireland, London or both, and all Irish issuers had to migrate from CREST to the market's chosen replacement system, Euroclear Bank Belgium.

An Extraordinary General Meeting was held on 9 February 2021 to seek shareholder approval to the migration of the Company's securities to Euroclear Bank's central securities depository and to approve associated changes to the Articles of Association. All resolutions were passed and the migration took effect on 15 March 2021.

Dividends

The Company has paid dividends on its Ordinary Shares in respect of each fiscal year since the formation of the Group in 1970. Dividends are paid to shareholders on the Register of Members on the record date for the dividend. Record dates are set in accordance with the rules of the LSE and Euronext Dublin. An interim dividend is normally declared by the Board of Directors in August of each year and is generally paid in September/October. A final dividend is normally recommended by the Board of Directors following the end of the fiscal year to which it relates and, if approved by the shareholders at an AGM, is generally paid in April/May of that year.

The payment of future cash dividends will be dependent upon future earnings, the financial condition of the Group and other factors.

The below table sets forth the amounts of interim, final and total dividends declared in US cents (2020 - 2021) and euro cent (2017-2019) per Ordinary Share in respect of each fiscal year indicated. Solely for the convenience of the reader, dividends declared in the years 2017-2019 have been translated into US cents per Ordinary Share at the dividend record date exchange rate. An interim dividend of 23.00 US cents was paid in respect of Ordinary Shares on 8 October 2021. The final dividend, if approved at the forthcoming AGM of shareholders to be held on 28 April 2022, will be paid on 5 May 2022 to shareholders on the Register of Members as at the close of business on 11 March 2022 and will bring the full-year dividend for 2021 to 121.0 US cents.

Dividend Withholding Tax (DWT) must be deducted from dividends paid by an Irish resident company, unless a shareholder is entitled to an exemption and has submitted a properly completed exemption form to the Company's Registrars, Link Registrars Limited (the 'Registrars'). DWT applies to dividends paid by way of cash or by way of shares under a scrip dividend scheme and is deducted at the standard rate of Income Tax (25%). Non-resident shareholders

located in countries with a double tax treaty with Ireland and certain Irish companies, trusts, pension schemes, investment undertakings and charities may be entitled to claim exemption from DWT. Copies of the exemption form may be obtained from the Registrars. Shareholders should note that DWT will be deducted from dividends in cases where a properly completed form has not been received by the specified deadline notified when a dividend is announced. Individuals who are resident in the Republic of Ireland for tax purposes are not entitled to an exemption. If shares are held via Euroclear Bank or CREST, the owners of the shares will need to contact the intermediary through whom the shares are held in order to arrange for their dividends to be exempted.

Shareholders holding Ordinary Shares in certificated form who wish to have their dividend paid direct to their bank account, by electronic funds transfer, can do so by logging on to www.signalshares.com, selecting CRH plc and registering for the share portal (the 'Share Portal'). Shareholders should note that they will need to have their Investor Code (found on their share certificate), and follow the instructions online to register.

Alternatively such shareholders can complete a paper dividend mandate form and submit it to the Registrars. A copy of the form can be obtained on the Registrars's Share Portal or can be requested directly from the Registrars. Tax vouchers will continue to be sent to the shareholder's registered address under this arrangement.

If shares are held via Euroclear Bank or CREST, the dividend will be paid by the Company in accordance with the instructions received from Euroclear Bank.

Section 5 of the Euroclear Terms and Conditions governing use of the Euroclear system provides that income/dividends received by Euroclear Bank will be distributed pro-rata to the holders of the relevant

securities (i.e. the relevant EB Participants). Further details on the process of collection, distribution and payment of dividends are provided for in section 5.3 of the EB Operating Procedures, with reference to the Online Market Guides for market specific operational elements (currently the EB Service Description). All material information regarding the manner in which receipt of dividends and participation in corporate actions is processed is described in section 5 of the EB Services Description- (Version 4) – Custody - Income and Corporate Actions. The owners of the shares held via Euroclear Bank or CREST will need to contact the intermediary through whom the shares are held in order to arrange for the onward payment of the dividend to them.

Following the change in reporting currency from euro to US Dollar with effect from 1 January 2020, all dividends are declared in US Dollar. However, they are generally paid in euro. In order to avoid costs to shareholders, dividends are paid in Pound Sterling and US Dollar to shareholders whose shares are held in certificated form and whose address, according to the Share Register, is in the UK and the US respectively, unless they require otherwise. In respect of the 2021 final dividend, the latest date for receipt of currency elections is 25 March 2022. Where shares are held in the Euroclear Bank system, dividends are automatically paid in euro unless a currency election is made.

Investors holding CREST Depositary Interests ("CDI"s) should refer to the CREST International Service Description for information on currency elections in respect of CDIs.

Dividends in respect of 7% 'A' Cumulative Preference Shares are paid half-yearly on 5 April and 5 October. Dividends in respect of 5% Cumulative Preference Shares are paid half-yearly on 15 April and 15 October.

Year ended 31 December

2021
2020

Years ended 31 December	euro cent per Ordinary Share			US cents per Ordinary Share ⁽ⁱ⁾		
	Interim	Final	Total	Interim	Final	Total
2019	20.00	63.00	83.00	22.00	70.00	92.00
2018	19.60	52.40	72.00	22.80	59.20	82.00
2017	19.20	48.80	68.00	23.20	60.00	83.20

(i) Proposed.

(ii) Interim and final dividends per Ordinary Share declared previously in euro have been translated to US Dollar using the dividend record date exchange rate.

US cents per Ordinary Share		
Interim	Final	Total
23.00	98.00 ⁽ⁱ⁾	121.00
22.00	93.00	115.00

Share Plans

The Group operates share option schemes, performance share plans, share participation schemes and savings-related share option schemes (the 'Schemes') for eligible employees in all regions where the regulations permit the operation of such schemes. A brief description of the Schemes is outlined below. Shares issued (whether by way of the allotment of new shares or the reissue of Treasury Shares) in connection with the Schemes rank *pari passu* in all respects with the existing shares in the Company.

2010 Share Option Schemes

At the AGM held on 5 May 2010, shareholders approved the adoption of new share option schemes to replace the schemes which were approved in May 2000 (2000 share option schemes). Following the approval by shareholders of the 2014 Performance Share Plan (see below), no further awards will be granted under the 2010 Share Option Schemes. Consequently, the last award under the 2010 Share Option Schemes was made in 2013.

The 2010 Share Option Schemes were based on one tier of options with a single vesting test. The performance criteria for the 2010 Share Option Schemes was EPS-based. Vesting only occurred once an initial performance target had been reached and, thereafter, exercise was dependent on continued employment in the Group. In considering the level of vesting based on EPS performance, the Remuneration Committee also considered the overall results of the Group.

Subject to the achievement of the EPS performance criteria, options may be exercised not later than ten years from the date of grant of the option, and not earlier than the expiration of three years from the date of grant. Benefits under the schemes are not pensionable.

2014 Performance Share Plan

The 2014 Performance Share Plan was approved by shareholders at the AGM on 7 May 2014. It replaces the 2010 Share Option Scheme. See page 99 of the 2021 Directors' Remuneration Report for more details.

Restricted Share Plan

In 2013, the Board approved the adoption of the 2013 Restricted Share Plan. Under the rules of the 2013 Restricted Share Plan, certain senior executives (excluding executive Board Directors) can receive conditional awards of shares. As (i) executive Directors are excluded from awards and (ii) no shares are allotted or reissued to satisfy the awards, the listing rules of the LSE and Euronext Dublin do not require shareholder approval for the 2013 Restricted Share Plan.

2010 Savings-related Share Option Schemes

At the AGM held on 5 May 2010, shareholders approved the adoption of savings-related share option schemes for the UK and Ireland (the '2010 Savings-related Share Option Schemes') to replace the 2000 Savings-related Share Option Schemes. These schemes expired in May 2020.

Prior to the expiry of these schemes, all employees of a participating subsidiary in the Republic of Ireland or the UK, who had satisfied a required qualifying period, would be invited to participate in this scheme.

Eligible employees who wished to participate in the scheme would enter into a savings contract with a nominated savings institution, for a three or a five-year period, to save a maximum of €500 or Stg£500, as appropriate, per month.

At the commencement of each contract period employees would have been granted an option to acquire Ordinary Shares in the Company at an option price which is equal to the amount proposed to be saved plus the bonus payable by the nominated savings institution at the end of the savings period. The price payable for each Ordinary Share under an option could not be less than the higher of par or 75% (or in the case of the UK scheme 80%) of the market value of a share on the day the invitation to apply for the option is issued.

On completion of the savings contract, employees may use the amount saved, together with the bonus earned, to exercise the option.

At 2 March 2022, 2,118,642 Ordinary Shares have been issued¹ pursuant to the 2010 Savings-related Share Option Schemes to date.

2021 Savings-related Share Option Schemes

At the AGM held on 29 April 2021, shareholders approved the adoption of savings-related share options schemes for the UK and Ireland (the '2021 Savings-related Share Option Schemes') to replace the 2010 Savings-related Share Option Schemes. These schemes expired in May 2020.

All employees of a participating subsidiary in the Republic of Ireland or the UK, who have satisfied a required qualifying period, are invited to participate in this scheme, although at present there is currently no financial services provider supporting new awards under Irish SAYE schemes following the exit from the market of the current provider in 2021. Eligible employees who wish to participate in the scheme enter into a savings contract with a nominated savings institution, for a three or a five-year period, to save a maximum of €500 or Stg£500, as appropriate, per month.

At the commencement of each contract period employees are granted an option to acquire Ordinary Shares in the Company at an option price which is equal to the amount proposed to be saved plus the bonus payable by the nominated savings institution at the end of the savings period. The price payable for each Ordinary Share under an option will not be less than the higher of par or 85% of the market value of a share on the day the invitation to apply for the option is issued.

On completion of the savings contract, employees may use the amount saved, together with the bonus earned, to exercise the option.

At 2 March 2022, no Ordinary Shares have been issued¹ pursuant to the 2021 Savings-related Share Option Scheme to date.

Share Participation Schemes

At the AGM on 13 May 1987, shareholders approved the establishment of Share Participation Schemes for the Company, its subsidiaries and companies under its control. Directors and employees of the companies who are tax resident in Ireland and have at least one year's service may elect to participate in these Share Participation Schemes.

At 2 March 2022, 8,444,240 Ordinary Shares have been issued¹ pursuant to the Share Participation Schemes.

1. Whether by way of the allotment of new shares, the reissue of Treasury Shares or the purchase of Ordinary Shares.

American Depositary Shares

Fees and charges payable by a holder of ADSs

The Depositary collects fees for delivery and surrender of ADSs directly from investors or from intermediaries acting for them depositing shares or surrendering ADSs for the purpose of withdrawal.

The Depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The Depositary

may generally refuse to provide fee-attracting services until its fees for those services are paid.

Persons depositing or withdrawing shares must pay:

\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)

\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)

(A fee equivalent to the fee that would be payable if securities distributed had been shares and the shares had been deposited for issuance of ADSs)

Applicable Registration or Transfer fees

Applicable Expenses of the Depositary

Applicable Taxes and other governmental charges the Depositary or the custodian have to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes

For:

- Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property
- Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
- Distribution of deposited securities by the Depositary to ADS registered holders
- Transfer and registration of shares on our share register to or from the name of the Depositary or its agent when the holder deposits or withdraws shares
- Cable, telex and facsimile transmissions
- Currency conversion
- As necessary

Fees and direct/indirect payments made by the Depositary to the Company

Category of expense reimbursed to the Company	Amount reimbursed for the year ended 31 December 2021 \$
New York Stock Exchange listing fees	74,000
Investor relations expenses	326,000
Total	400,000

The table below sets forth the types of expenses that the Depositary has paid to third parties and the amounts reimbursed for the year ended 31 December 2021:

Category of expense waived or paid directly to third parties	Amount reimbursed for the year ended 31 December 2021 \$
Printing, distribution and administration costs paid directly to third parties in connection with US shareholder communications and Annual General Meeting related expenses in connection with the American Depositary Share programme	999
Total	999

The Depositary has agreed to reimburse certain Company expenses related to the Company's ADS programme and incurred by the Company in connection with the ADS programme. For the year ended 31 December 2021 the Depositary reimbursed to the Company, or paid amounts on its behalf to third parties, a total sum of \$400,999. This table sets forth the category of expense that the Depositary has agreed to reimburse to the Company and the amounts reimbursed for the year ended 31 December 2021.

The Depositary has also agreed to waive fees for standard costs associated with the administration of the ADS programme and has paid certain expenses directly to third parties on behalf of the Company.

Under certain circumstances, including removal of the Depositary or termination of the ADS programme by the Company, the Company is required to repay the Depositary, up to a maximum of \$250,000, the amounts waived, reimbursed and/or expenses paid by the Depositary to or on behalf of the Company.

Taxation

The following summary outlines the material aspects of US federal income and Republic of Ireland tax law regarding the ownership and disposition of Ordinary Shares or ADSs. Because it is a summary, holders of Ordinary Shares or ADSs are advised to consult their tax advisors with respect to the tax consequences of their ownership or disposition. The discussion regarding US federal income tax only applies to you if you hold your shares or ADSs as capital assets for US federal income tax purposes. This discussion addresses only US federal income and Republic of Ireland taxation and does not discuss all of the tax consequences that may be relevant to you in light of your individual circumstances, including foreign, state or local tax consequences, estate and gift tax consequences, and tax consequences arising under the Medicare contribution tax on net investment income or the alternative minimum tax. This summary does not take into account the specific circumstances of any particular holders (such as tax-exempt entities, certain insurance companies, broker-dealers, traders in securities that elect to mark-to-market, investors liable for alternative minimum tax, investors that actually or constructively own 10% or more of the stock of the Company (by vote or value), investors that hold Ordinary Shares or ADSs as part of a straddle or a hedging or conversion transaction, investors that hold Ordinary Shares or ADSs as part of a wash sale for tax purposes or investors whose functional currency is not the US Dollar), some of which may be subject to special rules. In addition, if a partnership holds the Ordinary Shares or ADSs, the US federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership and may not be described fully below. Holders of Ordinary Shares or ADSs are advised to consult their tax advisors with respect to US federal, state and local, Republic of Ireland and other tax consequences of owning and disposing of Ordinary Shares and ADSs in their particular circumstances, and in particular whether they are eligible for the benefits of the Income Tax Treaty (as defined below) in respect of their investment in the Ordinary Shares or ADSs.

The statements regarding US and Irish laws set forth below are based, in part, on representations of the Depositary and assume that each obligation in the Deposit Agreement and any related agreement will be performed in accordance with their terms.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed US Treasury regulations, published rulings and court decisions, and the laws of the Republic of Ireland all as currently in effect, as well as the Convention between the Government of the United States of America and the Government of Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes

on Income and Capital Gains (the 'Income Tax Treaty'). These laws are subject to change, possibly on a retroactive basis.

In general, holders of ADSs will be treated as the owners of Ordinary Shares represented thereby for the purposes of the Income Tax Treaty and for US federal income tax purposes. Exchanges of Ordinary Shares for ADSs, and ADSs for Ordinary Shares, generally will not be subject to US federal income or Irish tax.

As used herein, the term "US holder" means a beneficial owner of an Ordinary Share or ADS who, for US federal income tax purposes: (i) is a US citizen or resident, a US corporation, an estate whose income is subject to US federal income tax regardless of its source, or a trust if a US court can exercise primary supervision over the trust's administration and one or more US persons are authorised to control all substantial decisions of the trust, and (ii) is not a resident of, or ordinarily resident in, the Republic of Ireland for purposes of Irish taxes.

Taxation of Dividends Paid to US Holders

Under general Irish tax law, US holders are not liable for Irish tax on dividends received from the Company. On the payment of dividends, the Company is obliged to withhold DWT. The statutory rate during 2021 was 25% of the dividend payable. Dividends paid by the Company to a US tax resident individual will be exempt from DWT provided the following conditions are met:

1. the individual (who must be the beneficial owner) is resident for tax purposes in the US (or any country with which Ireland has a double tax treaty) and neither resident nor ordinarily resident in Ireland; and
2. the individual signs a declaration to the Company, which states that he/she is a US tax resident individual at the time of making the declaration and that he/she will notify the Company in writing when he/she no longer meets the condition in (1) above; or
3. the individual provides the Company with a certificate of tax residency from the US tax authorities

Dividends paid by the Company to a US tax resident company (which must be the beneficial owner) will be exempt from DWT, provided the following conditions are met:

1. the recipient company is resident for tax purposes in the US (or any country with which Ireland has a double tax treaty) and not under the control, either directly or indirectly, of Irish resident persons;

2. the recipient company is not tax resident in Ireland; and
3. the recipient company provides a declaration to the Company, which states that it is entitled to an exemption from DWT, on the basis that it meets the condition in (1) above at the time of making the declaration, and that it will notify the Company when it no longer meets the condition in (1) above

For US federal income tax purposes, and subject to the passive foreign investment company (PFIC) rules discussed below, US holders will include in gross income the gross amount of any dividend paid by the Company out of its current or accumulated earnings and profits (as determined for US federal income tax purposes) as ordinary income when the dividend is actually or constructively received by the US holder, in the case of Ordinary Shares, or by the Depositary, in the case of ADSs. Any Irish tax withheld from this dividend payment must be included in this gross amount even though the amount withheld is not in fact received. Dividends paid to non-corporate US holders that constitute qualified dividend income will be taxed at the preferential rates applicable to long-term capital gains provided certain holding period requirements are met. Dividends the Company pays with respect to Ordinary Shares or ADSs generally will be qualified dividend income.

Dividends paid by CRH will not be eligible for the dividends received deduction generally allowed to US corporations in respect of dividends received from other US corporations.

The amount of the dividend distribution includable in income of a US holder will be the US Dollar value of the dividends on the date they are distributed, regardless of whether the US holder elects to receive the payment in a currency other than US Dollars. If the US holder elects to receive the payment in a currency other than US Dollars, generally any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is distributed to the date such payment is received will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. Such gain or loss will generally be income or loss from sources within the US for foreign tax credit limitation purposes.

Taxation - continued

Distributions in excess of current and accumulated earnings and profits, as determined for US federal income tax purposes, will be treated as a non-taxable return of capital to the extent of the US holder's basis in the Ordinary Shares or ADSs and thereafter as capital gain. However, the Company does not calculate earnings and profits in accordance with US federal income tax principles. Accordingly, US holders should expect to generally treat distributions the Company makes as dividends.

For foreign tax credit limitation purposes, dividends the Company pays with respect to Ordinary Shares or ADSs will generally be income from sources outside the US, and will, depending on your circumstances, generally be "passive" income for purposes of computing the foreign tax credit allowable to a US holder.

Subject to certain limitations, the Irish tax withheld in accordance with the Income Tax Treaty and paid over to the Republic of Ireland will be creditable or deductible against your US federal income tax liability. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the preferential tax rates. Any Irish tax withheld from distributions will not be eligible for a foreign tax credit to the extent an exemption from the tax withheld is available to the US holder.

Capital Gains Tax

A US holder will not be liable for Irish tax on gains realised on the sale or other disposition of Ordinary Shares or ADSs unless the Ordinary Shares or ADSs are held in connection with a trade or business carried on by such holder in the Republic of Ireland through a branch or agency. A US holder will be liable for US federal income tax on such gains in the same manner as gains from a sale or other disposition of any other shares in a company.

Subject to the PFIC rules below, US holders who sell or otherwise dispose of Ordinary Shares or ADSs will recognise a capital gain or loss for US federal income tax purposes equal to the difference between the US Dollar value of the amount realised on the sale or disposition and the tax basis, determined in US Dollars, in the Ordinary Shares or ADSs.

Capital gains of a non-corporate US holder are generally taxed at a preferential rate where the holder has a holding period greater than one year, and the capital gain or loss will generally be US source for foreign tax credit limitation purposes.

Capital Acquisitions Tax (Estate/Gift Tax)

Although non-residents may hold Ordinary Shares, the shares are deemed to be situated in the Republic of Ireland, because the Company is required to maintain its Share Register in the Republic of Ireland for Irish Capital Gains Tax purposes.

Accordingly, holders of Ordinary Shares may be subject to Irish gift or inheritance tax, notwithstanding that the parties involved are domiciled and resident outside the Republic of Ireland. Certain exemption thresholds apply to gifts and inheritances depending on the relationship between the donor and donee.

Under the Ireland-US Estate Tax Treaty with respect to taxes on the estates of deceased persons, credit against US federal estate tax is available in respect of any Irish inheritance tax payable in respect of transfers of Ordinary Shares.

Additional US Federal Income Tax Considerations

The Company believes that Ordinary Shares and ADSs should not currently be treated as stock of a PFIC for US federal income tax purposes and does not expect them to become stock of a PFIC in the foreseeable future. However, this conclusion is a factual determination that is made annually and thus may be subject to change. If the Company is treated as a PFIC and you are a US holder that did not make a mark-to-market election, you will be subject to special rules with respect to any gain you realise on the sale or other disposition of your Ordinary Shares or ADSs and any excess distribution that the Company makes to you. Generally, any such gain or excess distribution will be allocated ratably over your holding period for the Ordinary Shares or ADSs, the amount allocated to the taxable year in which you realised the gain or received the excess distribution, or to prior years before the first year in which we were a PFIC with respect to you, will be taxed as ordinary income, the amount allocated to each prior year will be generally taxed as ordinary income at the highest tax rate in effect for each other such year, and an interest charge will be applied to any tax attributable to such

gain or excess distribution for the prior years. With certain exceptions, Ordinary Shares or ADSs will be treated as stock in a PFIC if the company was a PFIC at any time during the investor's holding period in the Ordinary Shares or ADSs. In addition, dividends that you receive from the Company will not constitute qualified dividend income to you if the Company is deemed to be a PFIC either in the taxable year of the distribution or the preceding taxable year, but instead will be taxable at rates applicable to ordinary income.

Stamp Duty

Section 90 Stamp Duties Consolidation Act 1999 exempts from Irish stamp duty transfers of ADSs where the ADSs are dealt in and quoted on a recognised stock exchange in the US and the underlying deposited securities are dealt in and quoted on a recognised stock exchange. The Irish tax authorities regard NASDAQ and the NYSE as recognised stock exchanges. Irish stamp duty will be charged at the rate of 1% of the amount or value of the consideration on any conveyance or transfer on sale of Ordinary Shares (exemption generally available in the case of single transfers with a value of less than €1,000). Exchanges of Ordinary Shares for ADSs, and ADSs for Ordinary Shares may be subject to Irish stamp duty in certain circumstances.

Memorandum and Articles of Association

The Company's Memorandum of Association sets out the objects and powers of the Company. The Articles of Association detail the rights attaching to each share class; the method by which the Company's shares can be purchased or reissued; the provisions which apply to the holding of and voting at general meetings; and the rules relating to the Directors, including their appointment, retirement, re-election, duties and powers.

A copy of the current Memorandum and Articles of Association can be obtained from the Group's website, www.crh.com.

The following summarises certain provisions of CRH's Memorandum and Articles of Association and applicable Irish law.

Objects and Purposes

CRH is incorporated under the name CRH public limited company and is registered in Ireland with registered number 12965. Clause 4 of CRH's Memorandum of Association provides that its objects include the business of an investment holding company. Clause 4 also sets out other objects including the business of quarry masters and proprietors and lessees and workers of quarries, sand and gravel pits, mines and the like generally; the business of road-makers and contractors, building contractors, builders merchants and providers and dealers in road making and building materials, timber merchants; and the carrying on of any other business calculated to benefit CRH. The memorandum grants CRH a range of corporate capabilities to effect these objects.

Directors

The Directors manage the business and affairs of CRH.

Directors who are in any way, whether directly or indirectly, interested in contracts or other arrangements with CRH must declare the nature of their interest at a meeting of the Directors, and, subject to certain exemptions, may not vote in respect of any contract or arrangement or other proposal whatsoever in which they have any material interest other than by virtue of their interest in shares or debentures in the Company. However, in the absence of some other material interest not indicated below, a Director is entitled to vote and to be counted in a quorum for the purpose of any vote relating to a resolution concerning the following matters:

- the giving of security or indemnity with respect to money lent or obligations taken by the Director at the request or for the benefit of the Company;
- the giving of security or indemnity to a third party with respect to a debt or obligation of the Company which the Director has assumed responsibility for under a guarantee, indemnity or the giving of security;



J.H. Rudolph & Co., Inc, part of CRH's America's Materials Division, delivered this runway extension project at Huntingburg Regional Airport in Indiana, United States. The project included increasing the length of the runway by over 500 feet and the construction of Indiana's first traffic tunnel under an airport runway.

Memorandum and Articles of Association - continued

- any proposal in which the Director is interested concerning the underwriting of Company shares, debentures or other securities;
- any other proposal concerning any other company in which the Director is interested, directly or indirectly (whether as an officer, shareholder or otherwise) provided that the Director is not the holder of 1% or more of the voting interest in the shares of such company; and
- proposals concerning the modification of certain retirement benefits under which the Director may benefit and which have been approved or are subject to approval by the Irish Revenue Commissioners

The Directors may exercise all the powers of the Company to borrow money, except that such general power is restricted to the aggregate amount of principal borrowed less cash balances of the Company and its subsidiaries not exceeding an amount twice the aggregate of (i) the share capital of the Company; and (ii) the amount standing to the credit of retained income, foreign currency translation reserve and other reserves, capital grants, deferred taxation and non-controlling interest; less any repayable government grants; less (iii) the aggregate amount of Treasury Shares and own shares held by the Company.

The Company in general meeting from time to time determines the fees payable to the Directors. The Board may grant special remuneration to any of its number who being called upon, shall render any special or extra services to the Company or go or reside abroad in connection with the conduct of any of the affairs of the Company.

The qualification of a Director is the holding alone and not jointly with any other person of 1,000 Ordinary Shares in the capital of the Company.

Voting Rights

The Articles provide that, at shareholders' meetings, holders of Ordinary Shares, either in person or by proxy, are entitled to one vote on a show of hands and one vote per share on a poll. No member is entitled to vote at any general meeting unless all calls or other sums immediately payable in respect of shares in the Company have been paid.

Laws, Decrees or Other Regulations

There are no restrictions under the Memorandum and Articles of Association of the Company or under Irish law that limit the right of non-Irish residents or foreign owners freely to hold their Ordinary Shares or to vote their Ordinary Shares.

Liquidation Rights/Return of Capital

In the event of the Company being wound up, the liquidator may, with the sanction of a shareholders' special resolution, divide among the holders of the Ordinary Shares the whole or any part of the net assets of the Company (after the return of capital and payment of accrued dividends on the preference shares) in cash or in kind, and may set such values as he deems fair upon any property to be so divided and determine how such division will be carried out. The liquidator may, with a like sanction, vest such assets in trust as he thinks fit, but no shareholders will be compelled to accept any shares or other assets upon which there is any liability.

Variation of Rights

Subject to the provisions of the Companies Act 2014, the rights attached to any class of shares may be varied with the consent in writing of the holders of not less than three fourths in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares.

Issue of Shares

Subject to the provisions of the Companies Act 2014 and the Articles of Association, the issue of shares is at the discretion of the Directors.

Dividends

Shareholders may by ordinary resolution declare final dividends and the Directors may declare interim dividends but no final dividend may be declared in excess of the amount recommended by the Directors and no dividend may be paid otherwise than out of income available for that purpose in accordance with the Companies Act 2014. There is provision to offer scrip dividends in lieu of cash. The preference shares rank for fixed rate dividends in priority to the Ordinary and Income Shares for the time being of the Company. Any dividend which has remained unclaimed for 12 years from the date of its declaration shall, if the Directors so decide, be forfeited and cease to remain owing by the Company.

Meetings

Shareholder meetings may be convened by majority vote of the Directors or requisitioned by shareholders holding not less than 5% of the voting rights of the Company. A quorum for a general meeting of the Company is constituted by two or more shareholders present in person and entitled to vote. The passing of resolutions at a meeting of the Company, other than special resolutions, requires a simple majority. A special resolution, in respect of which not less than 21 clear days' notice in writing must be given, requires the affirmative vote of at least 75% of the votes cast.

Disclosure of Shareholders' Interests

A shareholder may lose the right to vote by not complying with any statutory notice or notice pursuant to Article 14 of the Articles of Association given by the Company requiring an indication in writing of: (i) the capacity in which the shares are held or any interest therein; (ii) the persons who have an interest in the shares and the nature of their interest; or (iii) whether any of the voting rights carried by such shares are the subject of any agreement or arrangement under which another person is entitled to control the shareholder's exercise of these rights.

Preference Shares

Details of the 5% and 7% 'A' Cumulative Preference Shares are disclosed in note 29 to the Consolidated Financial Statements.

Use of Electronic Communication

Whenever the Company, a Director, the Secretary, a member or any officer or person is required or permitted by the Articles of Association to give information in writing, such information may be given by electronic means or in electronic form, whether as electronic communication or otherwise, provided that the electronic means or electronic form has been approved by the Directors.

General Information

Electronic Communications

Following the introduction of the 2007 Transparency Regulations, and in order to adopt a more environmentally friendly and cost effective approach, the Company provides shareholders with hard copy notifications that the Annual Report and Form 20-F and other shareholder communications are available electronically via the CRH website, www.crh.com, and only sends a printed copy to those shareholders who specifically request a copy. Shareholders who choose to do so can elect to receive email notifications that the Annual Reports and other Shareholder communications are available electronically. However, shareholders will continue to receive printed proxy forms, dividend documentation and, if the Company deems it appropriate, other documentation by post. Shareholders can alter the method by which they receive communications by contacting the Registrars.

CRH Website

Information on, or accessible through our website, www.crh.com, other than the item identified as the Annual Report and Form 20-F, does not form part of and is not incorporated into the Company's Annual Report on Form 20-F as filed with the SEC (the 'Form 20-F'). References in this document to other documents on the CRH website, such as the CRH Sustainability Report, are included only as an aid to their location and are not incorporated by reference into the Form 20-F. The Group's website provides the full text of the Form 20-F, which is filed annually with the SEC, interim reports, trading updates, copies of presentations to analysts and investors and circulars to shareholders. News releases are made available in the News section of the website, immediately after release to the Stock Exchanges.

Electronic Proxy Voting

Shareholders holding shares in certificated form may lodge a proxy form for the 2022 AGM electronically by accessing the Registrars' website

www.signalshares.com and entering CRH plc in the company name field. Shareholders will need to register for Signal Shares by clicking on "registration section" (if you have not registered previously) and following the registration instructions.

Investors who hold their interests in the Company's shares through either the Euroclear Bank system or as CREST Depository Interests ("CDI"s) should refer to the Euroclear Bank Service Description or the CREST International Manual respectively or to the broker or custodian through whom they hold their shares to give their voting instructions.

Further details on how shareholders holding shares in uncertificated form can vote electronically at the 2022 AGM are available in the notes to the Notice of the AGM.

Registrars

Enquiries concerning shareholdings should be addressed to the Registrars:

Link Asset Services,
P.O. Box 1110
Maynooth,
Co. Kildare,
Ireland.
Telephone: +353 1 553 0050
Fax: +353 1 224 0700
Website: www.linkassetsservices.com

Shareholders with access to the internet may check their accounts by logging onto www.signalshares.com, selecting CRH plc and registering for the share portal. Shareholders should note that they will need to have their Investor Code (found on their share certificate) and follow the instructions online to register. This facility allows shareholders to check their shareholdings and dividend payments, register e-mail addresses, appoint proxies electronically and download standard forms required to initiate changes in details held by the Registrars. Shareholders will need to register for a User ID before using some of the services.

American Depositary Receipts

The ADR programme is administered by the Bank of New York Mellon and enquiries regarding ADRs should be addressed to:

BNY Mellon Shareowner Services,
P.O. Box 505000, Louisville,
KY 40233-5000, U.S.A.
Telephone: Toll Free Number
US residents: 1-888-269-2377
International: +1 201-680-6825
E-mail: shrrelations@cpushareownerservices.com
Website: www.mybnymdr.com

Frequently Asked Questions (FAQs)

The Group's website contains answers to questions frequently asked by shareholders, including questions regarding shareholdings, dividend payments, electronic communications and shareholder rights. The FAQs can be accessed in the Investors section of the website under Shareholder Centre.

Exchange Controls

Certain aspects of CRH's international monetary operations outside the European Union were, prior to 31 December 1992, subject to regulation by the Central Bank of Ireland. These controls have now ceased. There are currently no Irish foreign exchange controls, or other statute or regulations that restrict the export or import of capital, that affect the remittance of dividends, other than dividend withholding tax on the Ordinary Shares, or that affect the conduct of the Company's operations.

Principal Accountant Fees and Services

Details of auditors' fees for Deloitte Ireland LLP, Dublin Ireland, PCAOB ID No. 1193 (in respect of the years ended 31 December 2021 and 31 December 2020) and Ernst & Young, Dublin Ireland, PCAOB ID No. 1411 (in respect of the year ended 31 December 2019) are set out in note 5 to the Consolidated Financial Statements. For details on the audit and non-audit services pre-approval policy see Corporate Governance – External Auditors on page 65.

Documents on Display

The SEC maintains an internet site at <http://www.sec.gov> that contains reports filed electronically with the SEC, including this Form 20-F and documents referred to herein. SEC filings are also available to the public from commercial document retrieval services. This Form 20-F is also available at CRH's website, www.crh.com.

Financial Calendar

Announcement of final results for 2021	3 March 2022
Ex-dividend date	10 March 2022
Record date for dividend	11 March 2022
Latest date for receipt of completed bank mandates	25 March 2022
Latest date for receipt of currency elections	25 March 2022
Latest date for revocation of existing bank mandates	25 March 2022
Annual General Meeting	28 April 2022
Dividend payment date	5 May 2022

Further updates to the calendar can be found on www.crh.com.



Across our businesses an uncompromising approach to workplace safety ensures that our people are protected from potential hazards as they go about their jobs. We continue to invest in initiatives to strengthen our culture of health, safety and wellbeing.



Other Information

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Dycore and Heembeton both part of CRH's Europe Materials Division based in the Netherlands collaborated on a solution involving the on-site assembly of hollow core floors, ribbed floors, prefab concrete walls and the facades for 95 homes in this housing project in Groningen, Netherlands.

Principal Subsidiary Undertakings

as at 31 December 2021

Europe Materials

Incorporated and operating in		% held	Products and services
Belgium	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
	VVM N.V.*	100	Clinker grinding and cement production
Britain & Northern Ireland	Northstone (NI) Limited (including Farrans Construction, Materials and Cubis divisions)	100	Aggregates, readymixed concrete, mortar, coated macadam, rooftiles, building and civil engineering contracting
	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
Denmark	Betongruppen RBR A/S	100	Concrete paving manufacturer
	CRH Concrete A/S	100	Structural concrete products
	RC Beton A/S	100	Manufacturer of concrete paving, concrete blocks and underground products
Finland	Finnsementti Oy	100	Cement
	Rudus Oy	100	Aggregates, readymixed concrete and concrete products
France	Eqiom	99.99	Aggregates, cement and readymixed concrete
	L'industrielle du Béton S.A.	100	Structural concrete products
	Stradal*	100	Utility and infrastructural concrete products
Germany	Fels Holding GmbH	100	Holding company
	Fels Netz GmbH	100	Logistics and owned railway infrastructure operator
	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 and readymixed concrete
Hungary	Danucem Magyarország Kft.	100	Cement and readymixed concrete
	Ferrobeton Dunaújvárosi Beton- és Vasbetonelem-gyártó Zrt	100	Precast concrete structural elements
Ireland	Clogrennane Lime Limited	100	Burnt and hydrated lime
	Irish Cement Limited	100	Cement
	Roadstone Limited	100	Aggregates, readymixed concrete, mortar, coated macadam, concrete blocks and pipes, asphalt, agricultural and chemical limestone and contract surfacing
Netherlands	Calduran B.V.	100	Sand-lime bricks and building elements
	Cementbouw B.V.	100	Cement transport and trading, readymixed concrete and aggregates
	Heembeton B.V.	100	Precast concrete structural elements
	Dycore B.V.	100	Concrete flooring elements
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).

Europe Materials - continued

Incorporated and operating in	% held	Products and services
	Przedsiębiorstwo Produkcji Mas Betonowych	
	Bosta Beton Sp. z o.o.	Readymixed concrete
Poland	Drogomex Sp. z o.o.*	Asphalt and contract surfacing
	Cement Ożarów S.A.	Cement
	Masfalt Sp. z o.o.*	Asphalt and contract surfacing
	Trzuskawica S.A.	Production of lime and lime products
	ROMCIM S.A.	Cement
Romania	Elpreco S.A.	Architectural concrete products
	Ferrobeton Romania SRL	Structural concrete products
Serbia	Moravacem d.o.o. Popovac	Cement
	Danucem (Slovensko) a.s.	Cement and readymixed concrete
Slovakia	Ferrobeton Slovensko s.r.o.	Precast concrete structural elements
	Beton Catalan, S.A.	Readymixed concrete
Spain	Cementos Lemona, S.A.	Cement
Switzerland	JURA-Holding AG	Cement, aggregates and readymixed concrete
	LLC Cement*	Cement and clinker grinding
Ukraine	PJSC Mykolaivcement*	Cement
	Podilsky Cement PJSC*	Cement

Principal Subsidiary Undertakings - continued

as at 31 December 2021

Americas Materials

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, readymixed concrete 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, Inc.	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	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

Building Products

Incorporated and operating in		% held	Products and services
Australia	Ancon Building Products Pty Ltd	100	Construction accessories
	Cubis Systems Australia Pty Ltd*	100	Supplier of access chambers and ducting products
	Plakabeton N.V.	100	Construction accessories
Belgium	Marlux N.V.	100	Concrete paving and landscaping products
	Stradus N.V.	100	Concrete paving and landscaping products
Britain & Northern Ireland	Ancon Limited	100	Construction accessories
Canada	Oldcastle Building Products Canada, Inc. (trading as Groupe Permacon, Expocrete Concrete Products, Techniseal, Oldcastle BuildingEnvelope, C.R. Laurence of Canada, Oldcastle Enclosure Solutions)	100	Specialty masonry, hardscape and patio products, custom fabricated glass, architectural glazing systems and hardware for glass industry, utility boxes and trench systems
	Plaka Group France S.A.S.	100	Construction accessories
France	EHL AG	100	Concrete paving and landscape walling products
Germany	Leviat GmbH	100	Construction accessories
Ireland	Cubis Systems Limited	100	Supplier of access chambers and ducting products
Netherlands	Struyk Verwo Groep B.V.	100	Concrete paving products
Poland	Polbruk S.A.	100	Concrete paving products
Slovakia	Premac, spol. s.r.o.*	100	Concrete paving and floor elements
Switzerland	Leviat AG*	100	Construction accessories
United States	MoistureShield, Inc.	100	Composite building products
	CRH Americas Products, Inc.	100	Holding company
	CRH America, Inc.	100	Holding company
	CRH America Finance, Inc.	100	Holding company
	C.R. Laurence Co., Inc.	100	Fabrication and distribution of custom hardware products for the glass industry
	Meadow Burke, LLC	100	Concrete accessories
	CRH Americas, Inc.	100	Holding company
	Oldcastle APG Northeast, Inc. (trading principally as Anchor Concrete Products)	100	Specialty masonry, hardscape and patio products
	Oldcastle APG South, Inc. (trading principally as Adams Products, Georgia Masonry Supply, Northfield Block Company, Anchor Block, Oldcastle Mid-Atlantic, EP Henry 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, Ash Grove Products, Sierra Building Products, US Mix and Superlite Block)	100	Specialty masonry and stone products, hardscape and patio products
	Oldcastle APG, Inc.	100	Holding company
	APG Mid-Atlantic, Inc.	100	Specialty masonry, hardscape and patio products
	Oldcastle BuildingEnvelope™, Inc.	100	Custom fabricated architectural glass and architectural glazing systems
	Oldcastle Building Products, Inc.	100	Holding company
	Oldcastle Lawn & Garden, Inc.	100	Patio products, bagged stone, mulch and stone
	Oldcastle Infrastructure, Inc.	100	Precast concrete products, concrete pipe, prestressed plank and structural elements
	Pebble Technology International	100	Aggregate pool finishes
	National Pipe & Plastics, Inc.	100	Pipe Products

Principal Equity Accounted Investments

as at 31 December 2021

Europe Materials

Incorporated and operating in		% held	Products and services
China	Yatai Building Materials Group Company Limited*	26	Cement
Ireland	Kemek Limited*	50	Commercial explosives

Americas Materials

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 Ontario infrastructure construction
United States	Mosaic Transit Constructors General Partnership*	33	Construction
	Buckeye Ready-Mix, LLC*	45	Readymixed concrete
	Cadillac Asphalt, LLC*	50	Asphalt
	Piedmont Asphalt, LLC*	50	Asphalt
	Southside Materials, LLC*	50	Aggregates

* Audited by firms other than Deloitte

Pursuant to Sections 314-316 of the Companies Act 2014, a full list of subsidiaries, joint ventures and associated undertakings will be annexed to the Company's Annual Return to be filed in the Companies Registration Office in Ireland.

Executive Leadership Biographies

Albert Manifold

Group Chief Executive

Appointed to the Board January 2009

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

Qualifications: FCPA, MBA, MBS.

Jim Mintern

Group Finance Director

Appointed to the Board June 2021

Jim has over 30 years' experience in the building materials industry, nearly 20 years of which have been with CRH. Jim joined CRH as Finance Director for Roadstone and since then has held a number of positions across the Group, including Country Manager for Ireland, Managing Director of each of the Western and Eastern regions of our Europe Materials Division and most recently Chief of Staff to the Chief Executive, where he worked closely with divisional and operational leadership and had oversight of the Group's Performance, Safety and Special Projects activities and led a number of Performance Improvement initiatives in recent years. He was appointed Finance Director Designate in March 2021 and became Group Finance Director with effect from 1 June 2021.

Qualifications: BComm, FCA.

Randy Lake

Chief Operating Officer

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

Qualifications: BS (Business Administration), MBA.

Nathan Creech

President, Building Products

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

Qualifications: BS (Business), MBA.

Dan Stover

President, Americas Materials

Before joining CRH in the Americas in 1999, Dan held various operating positions in the construction materials sector. At CRH, he has served in a number of roles including President of our Michigan business, President of Americas Materials northeast division and most recently, President of Americas Materials north division. Dan was appointed President of Americas Materials in 2021.

Qualifications: BS (Civil Engineering), MBA.

Onne van der Weijde

President, Europe Materials

Onne joined CRH in January 2018 as Chief Operating Officer for our Europe Materials Division and was appointed Divisional President in July 2018 with responsibility for our cement, lime, asphalt, aggregates and concrete operations in mainland Europe and in Asia. Onne has extensive cement industry experience, having worked across four continents, including roles as the CEO of Dangote Cement in Nigeria and CEO of Ambuja Cements Ltd. in India, prior to joining CRH.

Qualifications: Bachelor of Economics and Accounting, MBA.

Gina Jardine

Chief Human Resources Officer

Gina joined CRH in July 2019 as Senior Vice President, HR for our Building Products division, before being appointed Chief Human Resources Officer (CRHO) in January 2021. Gina has over 25 years' experience in Global Human Resource roles spanning large scale industries including Building Products, Mining, Logistics & Warehousing, Telecommunications and Automotive. Immediately prior to CRH, she served as CHRO at Toronto-based Kinross Gold Corporation.

Qualifications: BA (Social Science), MBA.

Juan Pablo San Agustín

Group Executive, Strategy, Sustainability & Innovation

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

Qualifications: BS, MBA.

Isabel Foley

Group General Counsel

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

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

David Dillon

Executive Vice President, Chief of Staff

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

Qualifications: BComm, FCA.

Our Products and Services Locations

Our Locations	Cement 	Aggregates 	Lime 	Readymixed Concrete 	Asphalt 
Australia					
Austria					
Belgium	○				
Canada	○	○		○	○
China ¹	○			○	
Czech Republic			○		
Denmark					
Estonia		○		○	
Finland	○	○		○	
France	○	○		○	
Germany	○		○	○	
Hungary	○			○	
Ireland	○	○	○	○	○
Italy					
Malaysia					
Netherlands	○	○	○	○	
Norway					
Philippines	○				
Poland	○	○	○	○	○
Romania	○	○	○	○	
Serbia	○			○	
Slovakia	○	○		○	
Spain	○	○		○	
Sweden					
Switzerland	○	○		○	○
Ukraine	○	○		○	
United Kingdom	○	○	○	○	○
United States	○	○		○	○

* Includes Infrastructure Products, Architecture Products and Network Access Products

1. Includes the Group's equity accounted investment

Paving & Construction 	Concrete Products* 	Glass & Glazing Systems 	Custom Glazing Hardware 	Construction Accessories 
	☐		☐	☐
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Exhibits

The following documents are filed in the SEC's EDGAR system, as part of this Annual Report on Form 20-F, and can be viewed on the SEC's website.

1. Memorandum and Articles of Association.*
- 2.1 Amended and Restated Deposit Agreement dated 28 November 2006, between CRH plc and The Bank of New York Mellon.**
- 2.2 Description of securities registered under Section 12 of the Exchange Act.
8. Listing of principal subsidiary undertakings and equity accounted investments (included on pages 260 to 264 of this Annual Report and Form 20-F).
12. Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Public Company Accounting Reform and Investor Protection Act of 2002.
13. Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Public Company Accounting Reform and Investor Protection Act of 2002.***
- 15.1 Consent of Independent Registered Public Accounting Firm - Deloitte.
- 15.2 Consent of Independent Registered Public Accounting Firm - EY.
- 15.3 Governance Appendix.
16. Disclosure of Mine Safety and Health Administration (MSHA) Safety Data.
17. List of Issuers and Guarantors.
101. Inline eXtensible Business Reporting Language (XBRL).

* Incorporated by reference to Annual Report on Form 20-F for the year ended 31 December 2020 that was filed by the company on 12 March 2021.

** Incorporated by reference to Annual Report on Form 20-F for the year ended 31 December 2006 that was filed by the Company on 3 May 2007.

*** Furnished but not filed.

The total amount of long-term debt of the Registrant and its subsidiaries authorised under any one instrument does not exceed 10% of the total assets of CRH plc and its subsidiaries on a consolidated basis.

The Company agrees to furnish copies of any such instrument to the SEC upon request.

Cross Reference to Form 20-F Requirements

This table has been provided as a cross reference from the information included in this Annual Report and Form 20-F to the requirements of this 20-F.

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Signatures

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorised the undersigned to sign this Annual Report on its behalf.

CRH public limited company

(Registrant)

/s/ J. Mintern

By: _____

Jim Mintern
Group Finance Director

Dated: 11 March 2022



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E-mail: crh42@crh.com

CRH® is a registered trade mark
of CRH plc.

Cover image: Oldcastle Infrastructure, part of CRH's Building Products Division installed a new proprietary stormwater management solution MaxCapture™ in Chandler, Arizona, United States. Due to the dry climate, when it rains stormwater runoff cannot infiltrate back into the soil and recharge the aquifers, resulting in surface flooding and a depleted water supply. MaxCapture is a customisable, modular system which integrates two existing Oldcastle Infrastructure systems, StormCapture® and MaxWell® to detain and infiltrate large volumes of stormwater runoff, maximising effectiveness while reducing both the overall footprint and installation cost of the solution.