

Corporate Governance Report

Chairman's Overview

The Corporate Governance report contains details of CRH's governance structures and highlights the main areas of focus for the Board during 2017. Details of CRH's general governance practices, which are largely unchanged from prior years, are available in the governance appendix on CRH's website, www.crh.com (the "Governance Appendix").

CRH implemented the 2016 UK Corporate Governance Code (the '2016 Code') and complied with its provisions in 2017. A copy of the 2016 Code can be obtained from the Financial Reporting Council's website, www.frc.org.uk.

Shareholder Engagement

During the course of 2017, we again saw an increased level of dialogue with institutional shareholders in relation to corporate governance and board effectiveness. As part of our governance engagement process, in the first half of 2017 I met with shareholders together with Don McGovern, Senior Independent Director, and Neil Colgan, Company Secretary. I also had further

meetings later in the year with shareholders who expressed an interest in continuing our dialogue. The broad areas of discussion during these meetings were the resolutions to be considered at the 2017 AGM, auditor independence, succession planning for the Board and the policy for non-executive Director appointments, the Board's role in the area of talent management, CRH's focus on diversity, both in terms of Board appointments and across the Group generally, the timing of the Board's input in relation to acquisition projects, risk management and the Group's remuneration policy. We also noted an increased focus on environmental and social issues and I was pleased to facilitate a meeting between our sustainability team and a shareholder who wished to gain an in-depth understanding of our processes and policies.

During the course of 2018, the Audit Committee will be conducting a tender process for the appointment of a new external auditor to replace Ernst & Young (EY), who must rotate off the CRH audit by 2021 in accordance with European Union rules. Further details on this process are included in the Audit Committee section of this report (on page 64). The governance meetings scheduled for 2018 will provide a forum for discussion of this process with those shareholders who have a particular interest in this issue.

The Directors' Remuneration Report (on page 72) provides further detail in relation to shareholders' perspectives on CRH's remuneration structures.

Board Focus Areas and Priorities

During the course of 2017, the Board continued to focus on risk management, IT and cyber security, talent management, succession planning and strategy. In relation to talent management, in particular, the Board receives regular updates from the Chief Executive and a committee of a small group of non-executive Directors works closely with him in relation to key senior executive appointments. The Board also continues to monitor developments in relation to negotiations regarding the UK ceasing to be a member of the European Union.

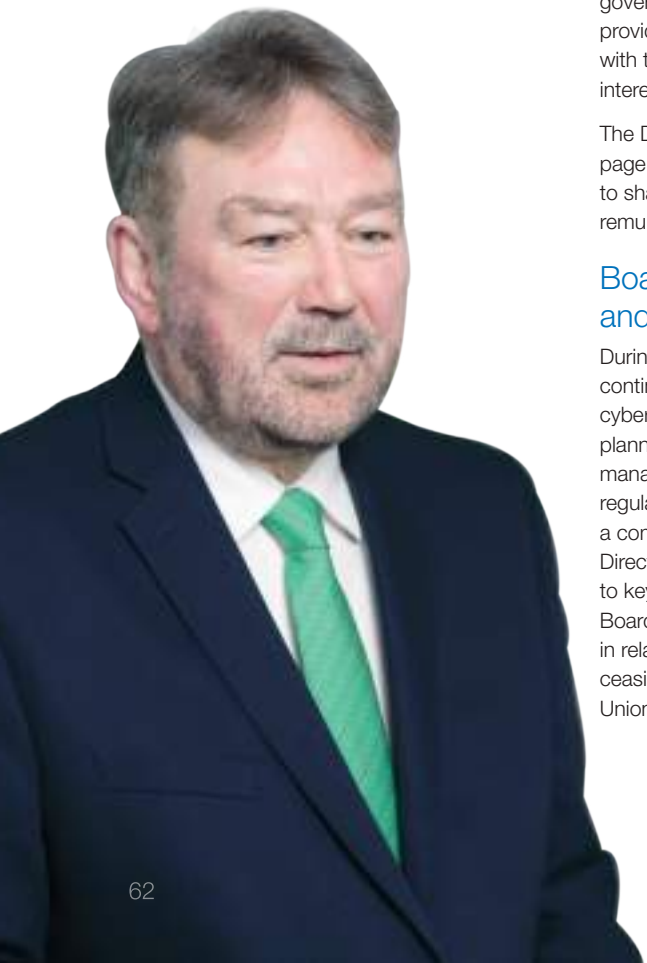
Safety continues to be a key area of focus for the Board. In addition to regular updates throughout the year, during Board visits to our operations in France and Canada in 2017 we had an opportunity to obtain a detailed understanding of various projects, safety initiatives and investment priorities in this critical area. We also had an in-depth review of safety across the Group with the senior management team during the year, with a particular focus on safety strategy and fatality elimination.

Diversity and Board Renewal

Diversity at Board level has been a focus for the Nomination & Corporate Governance Committee and the Board for a number of years and is a key factor when considering Board renewal. The diversity policy for Board appointments is set out on page 68, together with a summary of the number of female Directors on the Board since 2014. Building diversity below Board level has been slower. To some degree this is related to the nature of CRH's industry. Nevertheless, diversity is one of the main areas of focus for the executive leadership team. The Group is in the process of appointing diversity officers. In addition, in 2018 there will be a number of initiatives focused on improving diversity.

“ Diversity at Board level has been a focus for the Nomination & Corporate Governance Committee and the Board for a number of years and is a key factor when considering Board renewal ”

Nicky Hartery



Details on Board changes during 2017 and to date in 2018, and the Board renewal process generally, are set out in the Nomination & Corporate Governance section of this report. This section also contains an update on the process to identify my successor as Chairman.

Independence and Re-election of Directors

The Nomination & Corporate Governance Committee has reviewed the interests of each Director and the Board has determined that each non-executive Director remains independent. In addition, I have evaluated the performance of each Director and I recommend that shareholders vote in favour of the re-appointment of each Director at the 2018 AGM.

Conclusion

In an ever changing world, it is vital to have a clear insight into the perspectives of our shareholders regarding corporate governance matters. I very much appreciate the time many of you have given to discuss CRH's governance structures and procedures with us over the course of the last year. Our usual process of engagement will continue in 2018.

Nicky Hartery
Chairman

February 2018

** 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 pages 20, 21 and 102 to 107 form part of, and are incorporated by reference into, this Corporate Governance Report.*

The primary (premium) listing of CRH plc is on the London Stock Exchange (LSE), with the listing on the Irish Stock Exchange (ISE) 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 the ISE. 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 70.

Oldcastle BuildingEnvelope®, part of CRH's Americas Products Division, provided custom-engineered signature unitised curtain wall and skylights to the Inter-disciplinary Research Building at Howard University in Washington, D.C. The 7,600 square metre mixed-use academic building, which was designed as an energy-efficient Leadership in Energy and Environmental Design (LEED®) facility, incorporates cutting-edge technology and the latest educational, environmental and research standards.



Corporate Governance Report - continued

Audit Committee Report

Chairman's Overview

The Board has appointed me as Chairman of the Audit Committee to replace Ernst Bärtschi, who recently resigned from the Board. I would like to thank Ernst for his significant contribution to the work of the Committee during his tenure.

On behalf of the Committee, I am pleased to introduce the Audit Committee Report for the year ended 31 December 2017. The purpose of this report is to provide shareholders with an insight into the workings of, and principal matters considered by, the Committee in 2017. General details in relation to the roles and responsibilities of the Committee, its operation and the policies applied by it can be found in the Governance Appendix.

Table 1 on page 65 outlines the key areas that the Committee focused on in 2017.

Audit Committee Membership

The Committee currently consists of three non-executive Directors considered by the Board to be independent*. The biographical details of each member are set out on pages 60 and 61. 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.



External Auditors

Tender/Rotation of Audit

As outlined in last year's Audit Committee Report, the Committee has recommended to the Board that a tender process for the external audit be conducted during 2018. During 2017, the Committee considered the proposed format of the tender process and an assessment was carried out to identify suitable candidates to participate in the process. A detailed Request for Proposal will be issued in 2018.

Effectiveness

The Committee, on behalf of the Board, is responsible for the relationship with EY and for monitoring the effectiveness and quality of the external audit process. The Committee's primary means of assessing the effectiveness of the external audit process is by monitoring performance against the agreed audit plan. Each year the Committee considers the experience and knowledge of the EY 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 EY. All of the above initiatives have indicated a high level of satisfaction with EY and the services provided by them to CRH. Further details in relation to the external auditors, including information on how auditor objectivity and independence are maintained, are included in Section 2 of the Governance Appendix.

Non-audit Fees

In order to ensure auditor independence and objectivity, the Committee has a policy on the provision of audit and non-audit services by the external auditor. Following the adoption of the European Union Audit Reform Regulation in June 2016, the Committee approved a number of amendments to the policy in 2017 to ensure compliance with the new requirements.

In 2017, the external auditors provided a number of audit-related services, including Sarbanes-Oxley Section 404 attestation**, and non-audit services, including due diligence

services associated with proposed acquisitions and disposals. EY were also engaged during 2017 in a number of jurisdictions in which the Group operates to provide help with local tax compliance, advice on taxation laws and other related matters; assignments which typically involve relatively small 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 EY for non-audit work in 2017, which amounted to €2 million and represented 11% of the total fees for the year, did not compromise their independence or integrity. Details of the amounts paid to the external auditors during the year for audit and other services are set out in note 4 to the Consolidated Financial Statements on page 141 (see also table 2 on page 65). 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 2016, the Committee received and approved the Internal Audit plan for 2017. During the year, the Committee received regular updates from the Head of Internal Audit outlining the principal findings from the work of Internal Audit and management's responses thereto.

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

Audit Committee Effectiveness and Priorities for 2018

During 2017, the Committee and the Board reviewed the operation, performance and effectiveness of the Committee and I am pleased to confirm that the Committee continues to operate effectively. As outlined in the Nomination & Corporate Governance Committee section, an external evaluation of the effectiveness of the Board and its Committees, will be carried out in 2018.

William J. Teuber, Jr.

Chairman of Audit Committee
Audit Committee Financial Expert (as determined by the Board)

* 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 rules of the SEC.

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

I would like to thank my fellow Committee members for their commitment and input to the work of the Committee during 2017.

audit planning, IT governance and cyber security and enterprise risk management.

While the external audit tender process will obviously be an important issue for the Committee in 2018, the Committee will also continue to focus on internal control, external

William J. Teuber, Jr.
Chairman of Audit Committee

February 2018

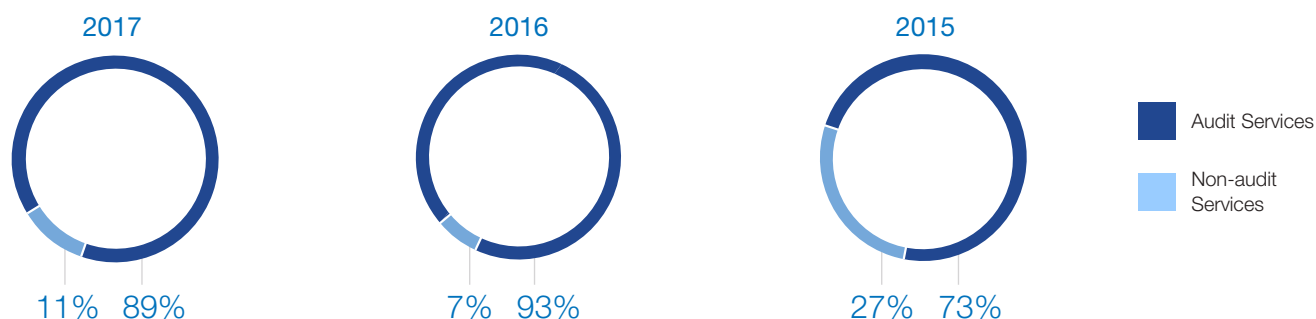
Key Areas of Focus in 2017

Table 1

Issue	Description
Financial Reporting and External Audit	We reviewed the 2017 Annual Report and Form 20-F, together with the annual, half-year and trading statements for recommendation to the Board. In July, we met with EY to agree the 2017 external audit plan. Table 3 on page 66 outlines the key areas identified as being potentially significant and how we addressed these during the year.
Impairment Testing	Through discussion with both management and EY, we reviewed management's impairment testing methodology and processes. We found the methodology to be robust and the results of the testing process appropriate. There were no impairments in 2017.
New Accounting Standards	In conjunction with management, the Committee considered the proposed timeframes for the Group to implement new accounting standards in relation to <i>Revenue from Contracts with Customers</i> (IFRS 15), <i>Financial Instruments</i> (IFRS 9) and <i>Leases</i> (IFRS 16). Please see pages 125 and 126 for further information on the implementation of these new standards.
Enterprise Risk Management	The Committee continued to monitor and review the Group's Enterprise Risk Management framework and the methodology and process underlying the Viability Statement included on page 98 of the Directors' Report (further details in relation to CRH's risk governance are outlined on pages 20 and 21). We also considered an assessment of the Group's risk management and internal control systems. This had regard to all material controls, including financial, operational and compliance controls that could affect the Group's business.
IT Governance and Cyber Security	We continued to monitor progress in refining the Group's IT governance and information security programme and cyber security capabilities.
External Auditors	EY have been the Group's external auditors since 1988. Following an assessment of EY'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 2018 financial year. As in prior years, their continuance in office will be subject to a non-binding advisory vote at the 2018 AGM. Pat O'Neill has been the Group's lead audit engagement partner with effect from the financial year beginning 1 January 2016. As outlined above, the Committee will conduct an external audit tender during 2018.

Percentage of audit and non-audit fees

Table 2



Corporate Governance Report - continued

Audit Committee Report - continued

Areas identified for focus during the 2017 External Audit Planning Process

Table 3

Area of Focus	Audit Committee Action
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 15 to the Consolidated Financial Statements) based on a value-in-use computation or fair value less costs to sell. 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 Audit Committee. Following its deliberations, the Audit Committee was satisfied that the methodology used by management (including the growth rates) and the results of the assessment, together with the disclosures in note 15, were appropriate.
Impairment of Property, Plant and Equipment, and Financial Assets	In addition to the goodwill impairment testing process discussed above, the Group also undertook its annual assessment of the need for impairment of other non-current assets (property, plant and equipment and financial assets) as and when indicators of impairment exist. The Audit Committee considered the methodology used by management in that process and was satisfied that it was appropriate.
Contract Revenue Recognition	IAS 11 <i>Construction Contracts</i> 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 stage of completion of the contract activity at the balance sheet date. If it is anticipated that the contract will be loss-making, the expected loss must be recognised immediately. Following discussions with management and EY, the Audit Committee was satisfied that contract revenue recognition was not a material issue for the Group in 2017 as the majority of contracts were completed within the financial year.
Accounting for Acquisitions and Divestments - appropriate application of IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	During 2017, the Group completed 34 acquisitions and investments at a total cost of €1.9 billion. Following discussion with management and EY, the Committee was satisfied that the accounting treatment applied to acquisitions during 2017 was appropriate. During 2017, the Group also announced its decision to divest its Americas Distribution business for US\$2.6 billion. As at 31 December 2017, Americas Distribution met the Held for Sale and Discontinued Operations criteria and has been classified as such in the Consolidated Financial Statements (see note 2 for more details). Following discussion with management and EY, the Committee was satisfied that the treatment applied to Americas Distribution was correct.

Nomination & Corporate Governance Committee Report

Chairman's Overview

During 2017, the Nomination & Corporate Governance Committee has focused on the renewal and refreshment of the Board, particularly in the context of Chairman succession, and the role and composition of the Board's Committees.

Board Renewal/Chairman Succession

As part of the Board renewal process, the Committee uses a skills matrix to map the current skills of the Board. This facilitates the identification of skills gaps, areas of expertise and knowledge which may be lost to the Board due to retirements. This also provides a framework when establishing priorities for appointments and developing role specifications.

As a result of recent Board changes in 2017 and to date in 2018, the number of female directors will reduce from 33% to 27%. This is intended to be short term in nature. CRH's policy on diversity in respect of Board appointments and the percentage of female Directors on the Board since 2014 is set out on pages 68 and 69. During the year the Committee noted the Parker Review initiative to improve ethnic diversity on Boards and will consider this as the renewal policy evolves.

In August 2017, Maeve Carton retired from the Board and as an executive. In December 2017, Ernst Bärtschi also left the Board.

The Committee recommended to the Board that Pat Kennedy and Lucinda Riches who had both completed their initial three year term as non-executive Directors each be appointed for a second three year term. The Committee has also recommended that Heather Ann McSharry be appointed for a third term of three years.

In 2017, the Committee engaged Irish and international recruitment agencies to identify candidates for the role of non-executive Director. As a result of that process, Richard Boucher will be appointed to the Board with effect from 1 March 2018. We also identified some candidates who were not available to join the Board at the present time but who will remain part of our longer term pipeline of prospective candidates. Amongst the factors reflected in the terms of reference agreed with the agencies for the recruitment process were the blend of skills required by the Board, both now and in the next few years, the need to ensure appropriate levels of gender diversity on the Board and the

desire of the Board to have a strong pool of candidates for key non-executive positions.

Last year I reported that the Committee had commenced a process to consider the requirements for the appointment of my successor as Chairman. Led by the Senior Independent Director, Don McGovern, the Committee put in place a detailed job specification for the role. A thorough and robust process to identify my successor is ongoing. In order to aid the transition in due course, the Board has asked me to extend my term as Chairman, which was due to expire in April this year. I have acceded to this request to act as a bridge until my successor has been identified and a timeline for induction and appointment has been agreed.

External agents (Korn Ferry and Leaders Mores) were used to identify candidates during the course of 2017 and to date in 2018. Korn Ferry provide other services to the Group in the area of human resources.

Safety, Environmental & Social Responsibility Committee

In CRH, safety and sustainability issues are important to our employees, the management team and the Board. To reflect this, and to ensure that the Board gives an appropriate level of focus to monitoring and supporting various initiatives, the Board has decided to put in place a dedicated Safety, Environmental & Social Responsibility Committee during 2018.

Committee Composition

Following Ernst Bärtschi's resignation from the Board, the Committee recommended that Bill Teuber be appointed as Chairman of the Audit Committee. Bill has been a member of the Audit Committee since 2016 and has previously been designated as the Audit Committee's financial expert.

During the course of 2018, the Committee will consider the composition of the Board's Committees, including the new Safety, Environmental & Social Responsibility Committee.

Time Commitment

With effect from 1 January 2018, I have taken over the role of non-executive Chairman of Musgraves, a non-listed food retailing company which I have been a director of for a number of years. I am satisfied that the incremental

responsibilities resulting from this new position will not impact on my time commitment to CRH. Prior to accepting the role, I discussed the nature of, and the time requirement associated with, the position with the Nomination & Corporate Governance Committee.

Board Effectiveness

In accordance with the Board's procedures, the Senior Independent Director has interviewed all Directors to evaluate the effectiveness of the operation of the Board and its Committees. Action points and recommendations arising from the resulting report will be addressed during the course of 2018. In addition, each of the Committees reviewed its own performance during the course of the year. An externally facilitated Board evaluation in relation to the effectiveness of the Board and its Committees will be carried out later this year.

Nicky Hartery

Chairman of Nomination & Corporate Governance Committee

February 2018



Corporate Governance Report - continued

Nomination & Corporate Governance Committee Membership

The Nomination & Corporate Governance Committee consists of five non-executive Directors, considered by the Board to be independent. The biographical details of each member are set out on pages 59 to 61. The Chief Executive normally attends meetings of the Committee.

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 of the Board

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 4.

The Group's strategy, which is regularly reviewed by the Board, and business model are summarised on pages 10 to 13.

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 Committee*, 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.

Chairman

Nicky Hartery was appointed Chairman of the Group in 2012. On his appointment as Chairman, he met the independence criteria set out in the 2016 Code. Although he holds a number of other directorships, the Board has satisfied itself that these do not impact on his role as Chairman. Changes in Mr. Hartery's time commitments in the past 12 months are outlined in the Nomination & Corporation Governance Committee section on page 67.

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, the Nomination & Corporate Governance Committee looks at the following four criteria when considering non-executive Director candidates:

- 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, including nationality and gender; 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.

In 2014, the Board set itself a goal of increasing the number of female Directors to 25%. The progress made since is shown in table 6.

To date, the Board has not set any policy regarding age. The ages of the Directors range from 49 to 67, 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
- Audit
- Finance
- Nomination & Corporate Governance
- Remuneration

In addition, a Safety, Environmental & Social Responsibility Committee will be set up during the course of 2018. Ad-hoc Committees are formed from time to time to deal with specific matters.

Each of the permanent Committees has Terms of Reference**, 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 has reviewed their respective Terms of Reference.

The Terms of Reference of each Committee are available on the CRH website, www.crh.com.

Matters reserved to the Board [Table 4](#)

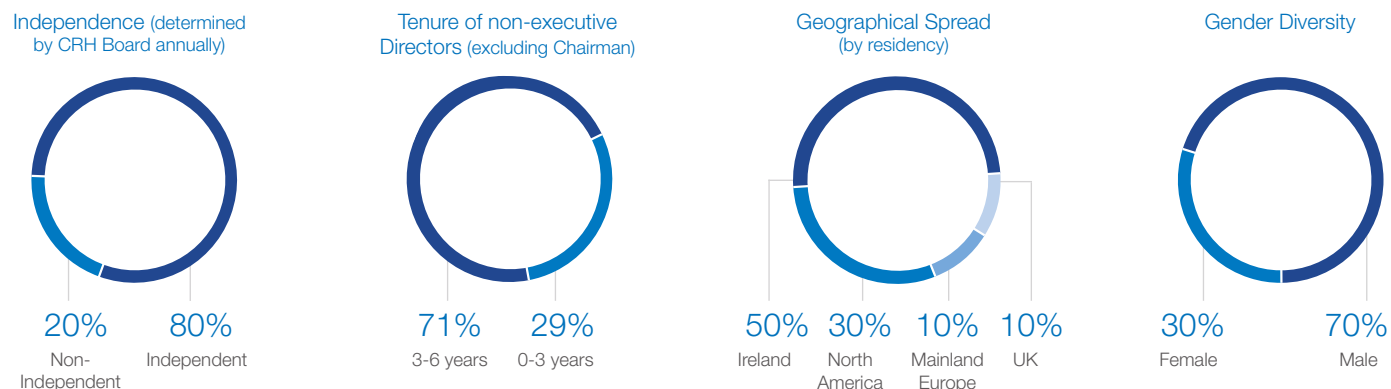
- Appointment of Directors
- Strategic plans for the Group
- Annual budget
- Major acquisitions and disposals
- Significant capital expenditure
- Approval of full-year results and the Annual Report and Form 20-F
- Approval of the interim results

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

** The Terms of Reference of these Committees comply fully with the 2016 Code; CRH considers that the Terms of Reference are generally responsive to the relevant NYSE rules, but may not address all aspects of these rules.

Membership of the CRH Board (as at 28 February 2018)

Table 5



% Female Directors at 31 December

Table 6

2013	2014	2015	2016	2017
15%	23%	29%	33%	30%

Attendance at meetings during the year ended 31 December 2017

Table 7

Name	Board		Acquisitions		Audit		Finance		Nomination & Corporate Governance		Remuneration	
	Total	Attended	Total	Attended	Total	Attended	Total	Attended	Total	Attended	Total	Attended
E.J. Bärtschi (i)	6	6	-	-	7	7	5	5	-	-	-	-
M. Carton (ii)	4	4	4	4	-	-	3	3	-	-	-	-
N. Hartery	6	6	5	5	-	-	5	5	5	5	-	-
P.J. Kennedy	6	6	5	5	-	-	-	-	5	5	9	9
D.A. McGovern, Jr.	6	6	-	-	-	-	-	-	5	5	9	9
H.A. McSharry	6	6	-	-	7	7	-	-	-	-	9	9
A. Manifold	6	6	5	5	-	-	-	-	-	-	-	-
S. Murphy	6	6	5	5	-	-	5	5	-	-	-	-
G.L. Platt (iii)	6	6	-	-	-	-	-	-	4	4	6	6
L.J. Riches	6	6	-	-	-	-	-	-	5	5	9	9
H. Th. Rottinghuis	6	6	5	5	7	7	-	-	-	-	-	-
W.J. Teuber, Jr.	6	6	-	-	7	7	5	5	-	-	-	-

(i) Resigned December 2017

(ii) Retired August 2017

(iii) Appointed January 2017

All Directors attended the 2017 AGM.

Corporate Governance Report - continued

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 2017 are provided in table 8. The Company has not been advised of any changes in holdings since 31 December 2017.

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 the Irish Stock Exchange (ISE) and its American Depositary Shares are listed on the New York Stock Exchange (NYSE).

Regulatory, Compliance & Ethics

CRH's Regulatory, Compliance & Ethics (RCE) programmes support the Group in operating sustainably and consistently to its core values of integrity, honesty and respect for the law.

RCE provides support on a range of matters including compliance risk assessments, export controls and sanctions processes, monitoring of hotline calls, competition/antitrust law as well as preparation for the implementation of the European Union General Data Protection Regulations (GDPR).

Awareness and Training

In line with our commitment to maintain high ethical business standards, the Code of Business Conduct (CoBC) and Advanced

Compliance Training (ACT - including Anti-bribery, Anti-Fraud, Anti-theft and Competition/Antitrust) e-Learning modules were reviewed, redesigned and distributed in 23 languages during the year.

In addition, new GDPR and Data Privacy e-Learning modules were developed for general awareness amongst the CRH businesses and also for specific business functions.

During 2017, RCE has worked with HR, IT, legal and business teams to develop policies, guidance and implementation plans as part of preparations to address the impact of GDPR. A robust communication plan is in place to complement the training programmes and promote awareness among employees.

Hotline

A 24/7 multi-lingual confidential "Hotline" facility called "Speak Up" is available to employees to report issues that concern them, for example issues concerning business ethics or conduct. The "Hotline" is maintained by an independent operator.

All reports received via the Hotline (or through other channels) are investigated with appropriate actions taken based on investigation findings. The collective goal is to ensure that the message is clearly understood that at CRH "there is never a good business reason to do the wrong thing".

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 10 provides a brief outline of the nature of the activities undertaken by our Investor Relations team.

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

During 2017, the Chairman, Senior Independent Director and Company Secretary again participated in a number of meetings with some of the Group's major shareholders, details of which are set out in the Chairman's letter on page 62.

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

Substantial Holdings

Table 8

As at 31 December 2017, the Company had received notification of the following interests in its Ordinary Share capital, which were equal to, or in excess of, 3%:

Name	31 December 2017		31 December 2016		31 December 2015	
	Holding/ Voting Rights	% at year end	Holding/ Voting Rights	% at year end	Holding/ Voting Rights	% at year end
Baillie Gifford Overseas Limited and Baillie Gifford & Co.	Holding below 3%		33,171,299	3.98	41,193,797	5.00
BlackRock, Inc. (i)	75,119,286	8.95	74,809,499	8.98	74,030,167	8.99
Standard Life Aberdeen plc.	25,643,747	3.05	Holding below 3%		Holding below 3%	
UBS AG	26,380,604	3.14	26,380,604	3.16	26,380,604	3.20

(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.

US Listing - Additional Information

Table 9

Additional details in relation to CRH's general corporate governance practices are set out in the Governance Appendix, which has been filed 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 3: For what period are non-executive Directors appointed?
- Page 3: What are the requirements for the retirement and re-election of Directors?

Section 2 - Operation of the Board's Committees

- Page 6: Audit Committee: Role and Responsibilities
- Page 6: Audit Committee: Meetings
- Page 8: Audit Committee: Non-audit Fees

In addition, details of the executive Directors' service contracts and the policy for loss of office are set out in the 2016 Directors' Remuneration Policy, a copy of which has been filed as an exhibit to the Annual Report on Form 20-F as filed with the SEC and is incorporated by reference herein.

Investor Relations Activities

Table 10

- **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 provide an opportunity for investors and analysts to meet with CRH's wider management team.
- **Media Briefings:** each year, the Company provides media briefings on numerous issues.

The following are available on the CRH website (www.crh.com)

Table 11

Corporate Governance

- Governance Appendix
- Directors' Remuneration Policy (2016 - 2019)
- Terms of Reference of the Acquisitions, Audit, Finance, Nomination & Corporate Governance and Remuneration Committees
- Memorandum and Articles of Association of the Company
- Pre-approval policy for non-audit services provided by the auditors
- 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