

“Appropriate human resource strategies and policies are fundamental to the effective implementation of CRH’s worldwide development strategy.”

## Human resources

Our ‘performance and growth’ commitment to our shareholders applies equally to all stakeholders in our business. Our human resource policies provide a framework within which employees can contribute effectively to deliver on this commitment for the business, its customers, the communities in which we operate and for themselves through job satisfaction and personal career development.

### Human resource principles and policies

CRH is a rapidly expanding organisation and takes the associated responsibilities very seriously. Our policy is to acquire only businesses that are operated professionally and which provide a platform for further growth by ethical means. We are strongly aware of the need to respect the rights of employees and to manage our business interests in a fair and honourable manner. In addition to being the only acceptable way to operate, this makes sound commercial sense. CRH recognises its obligations as an

international business and aims to meet them in all areas of our activity. Our employment policies demand a respect for Human Rights and full compliance with the laws of each country within which we operate. In many locations, our practices exceed local requirements. We provide a work environment free of any form of discrimination, where equality of opportunity is fostered, diversity valued and where merit is the sole basis on which selection decisions are made.

We value the benefits provided by our geographical spread, cultural diversity and decentralised structure and profit from them in meeting the day-to-day challenges of our business.

### Linking performance objectives to our people

The competitive advantage that flows from our decentralised structure is released through the empowerment of skilled business leaders in each business unit across

the Group. It is the application of their energy and commitment that achieves our business targets. Consequently, our management practices, remuneration structures and operating philosophies are designed with this in mind. We continue to maintain only a small, lean, central organisation that provides specialist input as required and facilitates effective best practice sharing.

### Leadership development and training

The rapidly evolving business environment demands that people at all levels in our organisation are trained and developed to meet the changing business conditions.

We approach training and development from three distinct perspectives:

- Each business unit provides a range of programmes focused on ‘performance now’ and building competence for the future. Programmes include operational excellence, health and safety, technical mastery and

*Participants attending the European Works Council Meeting 2002 in Helsinki, Finland.*



Human resources – *continued*

management development. The objective is to ensure that each business unit satisfies its own needs while identifying talent with potential for further development.

- At Divisional level, the primary focus is on Leadership Development. Internally designed Leadership Development Programmes delivered by a combination of the Group's senior management and lecturers from world-class institutions form the core of development of high potential talent. These programmes are supported through mentoring, on-the-job coaching, project work and traditional classroom training.

- At Group level, programmes attended by selected senior leaders from across all regions focus on our business strategy, operating philosophy and organisational culture. The aim is to ensure that CRH philosophy and approach to business is developed, understood and applied throughout our increasing range of business units and markets.

Our robust succession planning process identifies key talent upon whom the continued success of the Group will be based. These people are prioritised for inclusion in our Leadership Development initiatives.

In 2002, we piloted new and innovative approaches to Leadership Development and extended the number, range and scope of our programmes. We plan to increase these further in 2003.

**Communication and employee involvement**

To achieve success, CRH depends on the commitment of its staff at all levels and in all locations. One element of our approach to building commitment is communication. A range of communication tools and forums are employed to aid communication. Regular internal newsletters feature in many of our business units ensuring that employees understand the plans, successes

and challenges of their business. The Group annually produces a bulletin for employees that details developments and changes in the Group throughout the previous 12 months. This is produced in six languages and is available to all employees.

Our intranet continues to develop and eases communication and sharing of information amongst those with ready computer access. We actively promote its use throughout the Group and envisage its further advancement in the coming years.

In Europe, the CRH Euroforum provides an annual platform for employee representatives to consult with CRH on a range of issues of mutual interest. Works Councils

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*Left: Lynn McWatters of Farrans discusses a career in construction with local school girls.*

*Below: Participants attending a CRH Leadership Development Programme in Noordwijkerhout, Netherlands.*



exist in many of our businesses where consultation on local matters takes place.

### **CRH and the community**

CRH is deeply involved with the communities in which we are located throughout Europe and the Americas.

Our involvement varies widely and its focus is driven by the leadership of our business in each location. As a minimum, we ensure that the needs and views of the community are taken into consideration where our daily operations impact on those immediately in the vicinity of our businesses. In very many cases, our involvement extends far further.

*Below: In the US, Tilcon employees raised funds to help replace the Salvation Army's Canteen truck.*

*Right: Safety awards being presented at Oldcastle Glass Group's annual management meeting.*

We support and sponsor many local worthy initiatives, provide support in a variety of forms to a wide range of schools and colleges as well as contributing to selected charities working in the communities in which we operate. We are committed to continuing with this approach and being a welcome corporate neighbour.

### **Health and safety**

We provide a safe working environment. Responsibility for safety lies with each and every person working in all of our locations. We recognise the risks inherent in our different businesses and provide extensive risk awareness and risk avoidance training. Where incidents occur they are rigorously investigated to ensure there can be no repetition. Lessons learned are shared across the Group through a network of safety specialists and operations experts. Safety performance is diligently measured and reported at every location. There is no

acceptable level of accidents and we maintain a constant drive to achieve the safest possible operating methods. Senior management and the CRH Board regularly review our performance in this crucial area and take action wherever necessary.

### **Business ethics**

Financial scandals in many major businesses rocked confidence in world markets throughout 2002. We believe our adherence to the strong, straightforward ethical principles contained in our code of conduct for employees, the open and forthright philosophy of our business leadership wherever we trade, and a fundamental conservatism in our approach to business, has stood us in good stead. By balancing entrepreneurial drive with prudent operating practices we aim to perform and grow at levels to satisfy the most demanding stakeholder.

