

Corporate social responsibility in crh plc business essay

[Business](#)



Introduction

Our Social Responsibility influences how we approach problem, and how we participate in groups and communities. When we participate in groups, we are often surprised at how differently people approach their work together. Corporate social responsibility is the obligation of the organisation to behave in ethical ways in the social environment in which it operates. Ethical conduct at the individual level can translate into social responsibility at the organisational level. Social responsible actions are expected of organisations. Current concerns include protecting the environment, promoting worker safety, supporting social issues, and investing in community, among others. Company that are seen as socially responsible have a competitive advantage in attracting applicants. The objective of this group project is to examine Corporate Social Responsibility in general and also specifically the CSR policy for CRH Plc . As CSR grows in importance on a global scale, nationally it is also becoming more important and more evident in Irish business. In highly profitable Irish construction market customers are expecting much more from their construction company. This project has also examine the CRH'S CSR report to determine exactly what CRH Plc are doing to meet these expectations and also how important CSR is to CRH Plc in the running o f their business.

Corporate Social Responsibility in CRH PLC

For CRH Plc, CSR is about operating a business in a manner that meets the ethical, legal commercial and public expectations of business. CRS is seen as a guiding principle for every decision made and in every area of the

company. The company has claims to be committed as ethically manner and responsibly in managing all aspects of its operations relating to employees, customers, neighbours and local communities, shareholders and other stakeholders' and that they are also committed to the highest standards of corporate governance. CRH's own Code of Business Conduct states that The Code should be seen in the context that CRH, while aiming for top financial performance and growth, CRH believes that this can only be achieved by excellence in the way their do business and by adhering to the highest standards of corporate and social responsibility. The Code claims to: Consider human rights implications where applicable in investment decisions Support the principles of the United Nations Declaration of Human Rights Respect the protection of Human Rights within its areas of influence CHR' s commitment to Corporate Social Responsibility is to focussed on four specific areas of business. This part will examine the CSR policy under each of the four main headings

The Environment and Government Regulations

The main important key issues relating to the CRH's corporate social Responsibility as construction material are those environmental laws and regulations relevant to their extractive and production processes. In the European Union, the operations are liable to the national laws and environmental regulations, most of which now emanate from European Union Directives and Regulations. The US it operations are subjected to Federal laws of the state and environmental regulations. Environmental Compliance Policy CRH has developed the following group environmental policy so that it can be comply with the above set of environmental

regulations that affecting its operations and this was approved by the CRH Board and was applied across all group of the company which are to:

Comply, at a minimum, with all applicable environmental legislation and continually improve CRH'S environmental stewardship towards industry best practice

Ensure that CRH's employees and contractors respect their environmental responsibilities;

Proactively address the challenges and opportunities of climate change

Optimise their use of energy and all resources

Promote environmentally-driven product innovation and new business opportunities

Be good neighbours in every community in which we operate

Ref: crh. com/annual report (2011)

CRH believe that by achieving their environmental policy objectives in all of their locations is a management imperative. This line of responsibility has continues right up to CRH Board level. The company ' s Daily responsibility for ensuring that the Group's environmental policy is effectively implemented lies with individual location managers, assisted by a network of Environmental Liaison Officers (ELOs). In the end of each year the ELOs assist the Group Sustainability Manager and it team members in carrying out a detailed assessment of Group environmental performance, and this assessment is reviewed by the CRH Board. Possible Environmental Liabilities

During the year March 2012 there were no material pending legal proceedings relating to environmental regulations which are anticipated to have a material adverse effect on the financial position results of operations or liquidity of the Group, nor have internal reviews revealed any situations of likely material future environmental liability to the Group. Governmental

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PoliciesThe 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.

Legal ProceedingsCRH's groups are parties to various legal proceedings, including some in which claims for damages have been asserted against the companies. Having taken appropriate advice, CRH believe that the aggregate outcome of such proceedings will not have a material effect on the Group's financial condition, in results of operations or liquidity.

Climate Change

CRH recognises that climate change is a major challenge facing humanity and is committed to playing its part in developing practical solutions. CRH is a core member of the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development (WBCSD). The CSI is a voluntary initiative by 22 of the world's major cement producers, promoting greater sustainability in the cement industry. In 2007, CRH has committed to a 15% reduction in its specific CO₂ cement plant emissions by 2015 compared with the 1990 specific emissions for the same portfolio of plants. This reduction is still on track, and is being achieved through major capital investment programmes in its cement activities. CRH is operating successfully within the National Allocation Plans under the European Emissions Trading Scheme through actively implementing carbon reduction

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strategies. Through relevant trade associations and the CSI of the WBCSD, CRH has actively engaged in industry initiatives to develop appropriate carbon mitigation strategies and it was post in 2012. CRH has implemented capital expenditure programmes in its cement operations in Europe to reduce carbon emissions in the context of the European Union commitment to reduce Greenhouse Gas emissions by 20% by 2020. The European Union is committed to increasing this target to 30% should an international agreement be concluded. Achieving such reductions would represent a significant extra constraint on cement operations in Europe. United States Federal and State laws are developing proactively to address carbon emissions. The Group will incur costs in monitoring and reporting emissions. Ultimately a cap and trade scheme may be implemented and may impact on the Group's current cement operation in the US and depending on the scope of the legislation, could significantly impact asphalt operations in the US. On the March 2012, the Group were not aware of any schemes that would materially affect its US operations.

Ref: [crh.com/annual report](http://crh.com/annual-report) (2011)

Depth of analysis overall

CRH is subject to stringent and evolving laws, regulations, standards and best practices in the area of Corporate Social Responsibility (comprising corporate governance, environmental management and climate change, health and safety management and social performance) which may give rise to increased ongoing remediation and/or other compliance costs and may adversely affect the Group's reported results and financial condition. CRH is subject to a broad and increasingly stringent range of existing and evolving

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governance, environmental, health and safety and other laws, regulations, standards and best practices in each of the jurisdictions in which the Group operates giving rise to significant compliance costs, potential legal liability exposure and potential limitations on the development of the Group's 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. Given the above, the risk of increased environmental and other compliance costs and unplanned capital expenditure is inherent in CRH's business and the impact of future developments in these respects on the Group's activities, products, operations, profitability and cash flow cannot be estimated; there can therefore be no assurance that material liabilities and costs will not be incurred in the future. Environmental and health and safety and other laws, regulations and standards may expose CRH to the risk of substantial costs and liabilities, including liabilities associated with assets that have been sold and activities that have been discontinued. In addition, many of CRH's manufacturing sites have a history of industrial use and, while CRH applies strict environmental operating standards and undertakes extensive environmental due diligence in relation to acquisitions, some soil and groundwater contamination has occurred in the past at a limited number of sites; the associated remediation costs incurred to date have not been material. Despite CRH's policy and efforts to comply with all applicable environmental laws, CRH may face remediation liabilities and legal proceedings concerning environmental matters. Based on information currently available, CRH has budgeted capital and revenue expenditures for

environmental improvement projects and has established reserves for known environmental remediation liabilities that are probable and reasonably capable of estimation. These figures are not material in the context of CRH. However, CRH cannot predict environmental matters with certainty, and budgeted amounts and established reserves may not be adequate for all purposes. In addition, the development or discovery of new facts, events, circumstances or conditions, including future decisions to close plants, which may trigger remediation liabilities, and other developments such as changes in law or increasingly strict enforcement by governmental authorities, could result in increased costs and liabilities or prevent or restrict some of the Group's operations, which in turn could have a material adverse effect on CRH's reputation, business, results of operations and overall financial condition

Transcript of Interview with Pat mc leery, CEO of CRH Plc

Ireland
Wednesday 17th April 2013 at
Good Morning Pat, firstly can we thank you very much for taking the time for the interview. We would like to ask you a few questions on Corporate Social Responsibility for the project we are working on as student at Institution Technology Blanchardstown (ITB)
How important do you think it is to CRH to be a good corporate citizen and to yourself as CEO of CHR Plc? Do you think that CRH has grown rapidly because of its ethical and socially responsible activities or because it provides products/service and environment that customer want? Do you think CRH has been so concerned with social responsibility in its overall corporate strategy? How important is it to CRH that your customers be social responsible too? What is the relationship between the group and the stakeholders, shareholders and the local community? Have you tried to

reduce your Company's environmental impact in terms of: Pollution prevention (e. g. emissions to air and water, effluent discharges, noise)? Do you consider the potential environmental impacts when developing new products and services (e. g. assessing energy usage, recyclability or pollution generation)? Can you think of ways in which your Company could use the sustainability of its products and services to gain an advantage over competitors (e. g. recyclability of product, energy efficiency)? Do you think having CSR programme(s) gives your Company any competitive advantage over other company in your industry? What challenges encountered by CRH by implementing the health and safety in the group or in the company. Does your Company have suitable arrangements for health, safety and welfare that provide sufficient protection for your employees? Does your company offer training opportunities to people from the local community(e. g. apprenticeships or work experience for the young or for disadvantaged groups?)

Social and Community

CRH group has delivers several works for more than 3600 working places around the world. CRH trusts that corporate achievement is rooted in unceasing good worker, client, provider and neighborly affairs and this is particularly correct in a decentralized business, where management obligation is substitute as much as possible locally. CRH enthusiastically supports local community social activities in operation. In addition, the plant open days deliver occasions for neighbor to see immediate the sustainability of production processes and products CRH.

Communication

CRH continues an open door procedure on announcement with key stakeholder groups. At the CRH Group reviews its business social responsibility routine with the agencies of social responsibility venture community score and parties of interest. At the enterprise level and plants CRH is in regular dialogue with the local communities and regulators, which supports its promise to operate a good neighbor. CRH encourages open statement with all stakeholders CRH assigns great reputation to its communications with all stakeholders. The corporation welcomes solicitations from individuals, rating agencies and other interested groups to increase their knowledge of CRH and its activities. A number of communication events through numerous operations of CRH in the world are described in this section. CRH is committed to the highest standards of environmental management in all its activities and proactively face the challenges of climate change. This section describes the Group's environmental policy and its implementation. It also describes how environmental performance is systematically reviewed and reported annually. CRH responses to the challenges of climate change in the cement and other activities are discussed and detailed information on the environmental performance of the Group is presented and discussed.

Ref: CRH, (2010), CRH Annual Report, Performance and Growth, Dublin, Ireland

Internal and External Communications

Communications / Corporate Social Responsibility CRH communicate regularly with all key stakeholder groups on a wide range of issues, including

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its CSR commitments and performance. Stakeholders include employees, shareholders, investors, rating agencies, the legislative and regulatory authorities, subcontractors, customers and suppliers, as well as neighboring local NGOs and community groups. At Group level, CRH engages with shareholders and the financial community, third surveys and assessment bodies and other interested parties. In 2009 the main topics were the following: the performance of CRH in the context of the global economic environment, acquisition and programs to reduce costs and implementation of CSR policies. At the enterprise level, CRH is a regular dialogue with customers, suppliers, neighbors and local communities. Communications with legislative and regulatory authorities are to be treated Level of the company, or group of products or regional level, as appropriate. In addition, representatives of the companies to maintain a series of contacts with educational institutions, particularly universities of the country in which CRH does business.

Employees

Internal communications make a valuable contribution to the success of CRH in the competitive environment of the industry of construction materials.

Divisions, regions and product groups have strong traditions of regular and open communication. The voice of workers in CRH is heard directly through a variety of representative structures depending on the company or country.

There are mechanisms within the Group information and consultation of workers on issues that directly affect them and the companies in which they work. In the European Union, Euroforum CRH (in accordance with the

European Works Council Directive) provides a regular opportunity for staff

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representatives to discuss a wide range of businesses and social issues, including CSR strategy with business management. Comments on the CSR annual review process is given at meetings Euroforum. In 2009, approximately 92% of all Group companies held regular formal employees briefings. In addition, small businesses have provided information on a more informal basis. This reflects the continued open dialogue throughout the organization. CRH internal newsletter "Contact" is produced annually in ten languages articles submitted by individuals and businesses across the Group. In addition, 38% of companies have their own newsletters with many opting for e-newsletters that may be disseminated faster and more efficient. CRH companies are part of the many communities in which they operate. CRH is committed to ensure that the real needs, views and interests of the local community are taken into consideration and is sensitive to the impact of its activities may have on neighboring countries, in particular those close to the operating site. A key element of many local missions is holding preliminary discussions with neighboring countries in terms of development and more Group companies are formalizing their neighborly relations programs. In 2009, 84 Group companies supported important local initiatives, which included the provision of equipment for churches, schools and homes, and support local sports, charity, Conservation and educational activities. Group companies held a total of 402 open days in 2009. Neighbors of all ages, including school children, students, employees, community representatives, customers and local and regional representatives and public officials have been invited to these events. CRH supports a wide variety of worthy charitable activities, both at central and local levels. In 2009, CRH

has contributed approximately € 4. 5 million for civic and community causes, community development initiatives, educational projects and research, arts and culture of local initiatives, as well as other local causes, such as job creation. Approximately 70% of the annual donation budget is administered at the local level where the focus is on supporting community and civic initiatives. Group initiatives tend to focus on education and research, the environment and a range of other issues - many of which are international.

Community and Engagement

CRH companies form an integral part of many communities in which they operate. CRH companies are engaged | insurance to ensure that the real needs, views and interests of local communities take into account and are sensitive to impact operations may have on neighboring countries, especially those in the vicinity immediate location of use. This aspect of the approach is CRH delegated to local management teams and therefore is shared according to the needs of local stakeholders. CRH contributes positively in many ways to the economies and societies in which operate.

Community Initiatives

Many companies CRH develop partnerships with local organizations to integrate their operations based in the communities in which they operate. This enables companies to increase their visibility, build their reputation and ultimately contributes to issues such as recruitment, employee relations and relations with local authorities. Each company operates in the field application of a decision-making process which was developed and is operated by local management teams. In this report Examples of these

activities are presented to demonstrate the approach. Increasingly, the Group companies are formalizing their neighborly relations programs. A key characteristic of many local missions is holding preliminary discussions with neighboring countries in terms of development. Group companies held a total of 402 open days in 2011, which demonstrates the continued commitment to the local community. Neighbors of all ages, including school children, students, employees, community representatives, customers and local and regional representatives and public officials have been invited to these events. Open Days are an opportunity for neighbors to talk with business leaders and employees to see the production process first hand and be assured of the intention of the company to be a good neighbor.

Local and Charitable Initiatives

In 2011, 76 Group companies supported important local initiatives, which included the provision of equipment for churches, schools and homes, and support local sports, charity, conservation and educational activities. CRH supports a wide variety of worthy charitable initiatives at both central and local level. In 2011, CRH has contributed € 3.2 million to civic and community causes community development initiatives, projects and research education, arts and culture of local initiatives, as well as other local causes, such as job creation. Approximately 70% of the annual donation budget is administered at the local level where the emphasis is on supporting the development of community and civic initiatives. Group initiatives tend to focus on education and research, environment and a range of other issues - many of which are international. In many companies,

employees also contribute generously of their time to support local good causes and their contributions are often associated with their business.

Education

CRH sees education as an important social support and education initiatives across its operations. In 2011, 18% of the Group's donations were concentrated on these programs. Group companies are rooted in the communities in which they operate. They are linked in many ways, including employees, local schools and colleges, which are often identified as key stakeholders in the company. Group companies engage with schools and colleges through, for example, schools organizing visits to operations and visit so that students can experience first-hand the various aspects of the industry of construction materials. Visits also provide a valuable learning experience for students and focused on various areas such as biodiversity, science, engineering and business. In addition, several Group companies working to promote commerce, engineering and science as a future career for students, often in collaboration with professional associations and local educational institutions.

Ref: CRH, (2009), CRH Annual Report, Performance and Growth, Dublin, Ireland

CRH (2012), CRH Annual Report, Performance and Growth, Dublin, Ireland

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