

Cement Roadstone Holdings (CRH)

Headquarters:	Belgard Castle, Belard Estate near Dublin (Ireland)
Turnover / Net profit:	€ 10 billion (turnover 2003), € 864 million (pre-tax profit 2003)
Branch of trade:	international building materials group
No. of employees:	2003: 54,239
CEO:	Liam O'Mahony
Member to the WEF:	NO (in January 2004)

Outline

CRH's Code of Business Conduct stipulates that "CRH plc and its subsidiary and associated companies ("the Group") are committed to being ethical and responsible members of the business communities in which they operate". In spite of the code, through its investments in the Israeli group Mashav, CRH supports the building of the Separation Wall inside the West Bank, a project deemed illegal by the International Court of Justice. The Ireland-Palestine Solidarity Campaign demands that CRH immediately divests from its investments in the Mashav group.

General Information on the Case

In August 2001, CRH's Europe Materials Division acquired a 25% stake in the Israeli group Mashav Initiating and Development Limited, with a call option to purchase a further 25%. Mashav is the holding company for Nesher Cement, the sole producer of cement in Israel. CRH has admitted that "in all probability" its cement is being used in the construction of the Separation Wall inside the West Bank which in an advisory opinion the International Court of Justice has ruled illegal. In June 2002, Israeli military forces started to construct the Separation Wall. Consisting of alternate stretches of walls, fences, trenches, watchtowers and military paths, the final route of the Wall is intended to divide the entire West Bank from Israel.

Characteristics of irresponsible corporate behaviour

- CRH investment in the Mashav group can be characterised as opportunistic and duplicitous. With the publicity generated by the International Court of Justice ruling on the Wall and repeated demands made to the company by several advocacy groups, CRH cannot claim to be ignorant of the consequences of its investment. When the construction of the Separation Wall began, the company at no stage questioned the morality or legality of its involvement or sought to divest from its investment in the Mashav group. Again, when the International Court of

Justice ruled that the construction of the wall is in breach of international law, and must be dismantled, CRH did not withdraw its financial support for the project.

- Even though CRH itself is not building the Wall, as a supplier of the main raw material for the project the company is responsible for human rights abuses and environmental damage caused by its choice of investment.

Consequences

The Separation Wall marks a unilateral demarcation of a new border and therefore, the annexation of occupied land what is illegal under international law. According to the UN, an estimated 280,000 Palestinians in 122 towns and villages will be directly affected by the wall through loss of their farmland and orchards and through the strangling of the local economies.

Another consequence of the building of settlements and the Wall is that the prospects for peace in the region have greatly diminished. Under the Oslo Accords, the construction of settlements within the West Bank and Gaza Strip was to be halted. This did not happen and each day Palestinians witness that their rights under international law are worthless as the international community refuses to force Israel to respect human rights.

Current status and demands to the corporate group

Following public calls from the IPSC, Amnesty International (Irish Section) and others, a CRH press release claimed that Neshor Cement is not involved in the construction of the wall. Later, when Amnesty International met with executives from CRH twice during summer 2004, CRH accepted that "in all probability" Neshor cement is being used in the construction of the wall.

The IPSC will continue to call on CRH to divest from this unethical project. The IPSC contends that even though CRH itself is not building the Wall, as a supplier of the main raw material for the project the company must take responsibility for any human rights abuses or environmental degradation caused by its choice of investment.

The IPSC is also appealing to the Irish Government and the European Union to evoke Article 2 of the Euro-Mediterranean Association Agreement between the EU and Israel, which provides for suspension of preferential trading terms if either party does not respect human rights.

Link to the details of the nomination: www.evb/nominations.htm

Further information and links:

www.ipsc.org