

“The Public Eye Awards”

Nominations form

Nominated company (name):

Cement Roadstone Holdings (CRH)

Short description of the company

Cement Roadstone Holdings (CRH), the international building materials group, is the third largest publicly quoted company in the Republic of Ireland. In 2003, the Group reported annual turnover exceeding €10 billion and pre-tax profits of €864 million (an increase of 1% on the previous year). CRH currently employs over 47,600 people in operations spread across Europe, the Americas and the Middle East.

Describing itself as “a responsible neighbour”, “committed to managing its businesses in a fair and ethical manner”, 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”. Indeed two key objectives for CRH are:

- “to conduct business with integrity as socially and environmentally responsible neighbours”, and
- “to contribute to the enrichment of the local communities in which we operate”.

The Ireland-Palestine Solidarity Campaign (IPSC) disputes these claims. It is our view that CRH, through its investment in Israeli companies Mashav and Neshet, is contributing to widespread human rights abuses in occupied Palestine.

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 Neshet 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 the International Court of Justice has ruled is illegal. It is because of this unethical investment that the IPSC wishes to nominate CRH for a Special Prize Public Eye award.

Nominated for the following award categories:

- environment
- human rights
- labour rights
- taxes
- special prize: Unethical Investment
(name a award category in the style of the above)

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More than one category can be chosen, if a company has acted irresponsibly in all these areas or if it cannot be assigned to just one category. In this case the organising committee will decide the final category.

Reasons for nomination:

Under this heading there should be presented as much information as possible on the irresponsible behaviour of the nominated company – ideally covering each of the points below, including references or sources. Please use a separate page for each case example of the company. Additional supporting material such as reports or newspaper articles, and also film material, is welcomed.

General information on the case and date or time period

Time period:

August 2001 (date of investment) to date

General Information:

The Ireland-Palestine Solidarity Campaign contends that CRH, through its investment in Mashav and Nesher Cement, is contributing directly to the negation of human rights and environmental protection in Palestine. Furthermore, the company's reluctance to divest from Mashav is in direct contravention of the recent *International Court of Justice* advisory opinion on the wall released on July 9th, 2004 and endorsed by the UN General Assembly ten days later, as well as *UN Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights*, the *OECD Guidelines for multinational enterprises* and the company's own *Code of Business Conduct*.

Special Prize: Unethical Investment

As stated above, the IPSC wishes to nominate CRH for a special prize in recognition of its role in the construction by Israel of its Apartheid Wall. As CRH has admitted that "in all probability" cement produced by Nesher is being used in the Wall's construction, we contend that even though CRH itself is not building the Wall, as a supplier of the main raw material in the project the company must take responsibility for any environmental degradation or human rights abuses caused by its choice of investment.

Characteristics of the company's irresponsible behaviour

CRH's behaviour regarding its choice of investment 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.

In 2001, CRH evidently saw an opportunity for investment and grabbed it, without considering the impact of its investment upon local communities. When construction of the Separation Wall began in June 2002, the company at no stage questioned the morality or legality of its involvement or sought to divest. Again, when the

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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.

In its 2003 Annual Report, CRH states that cement demand in Israel had reduced, but that the market in the West Bank and Gaza had improved. With rising unemployment, a crumbling economy and a confined Palestinian Authority there can be no doubt that the market increase is solely attributable to the construction of the Apartheid Wall and illegal Israeli settlements inside the West Bank and Gaza Strip.

This opportunism and lack of respect for human rights is further compounded by CRH's blatant disregard for international law. According to the International Court of Justice legal opinion the construction of the wall is in breach of international law and must be dismantled. Indeed, even the Israeli Supreme Court has found sections of the wall to be illegal. Yet, still CRH continues to invest in this illegal barrier.

In its *Code of Business Conduct*, CRH maintains that "No one can justify an unethical or illegal act by saying that it was directed by someone in a superior position". Surely, it would therefore follow that no one can justify an unethical or illegal act by saying that they were only 'indirectly' involved in the act. CRH may not be building the illegal Wall, but as it has admitted "in all probability" cement from its subsidiaries is being used in the Wall's construction.

The worthy sentiment of the CRH *Code of Business Conduct* rings hollow when one examines the reality of how Neshor cement is used. The IPSC calls on CRH to prove that it holds human rights in high regard and that it is capable of abiding by its own *Code of Business Conduct* by immediately divesting from Mashav and Neshor.

Consequences

In June 2002, Israeli military forces began the construction of a Separation Wall inside the Occupied West Bank. 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. For about 12 km (surrounding large population centres, such as East Jerusalem, Tulkarem, Qalqiliya and Bethlehem) the barrier takes the form of a solid concrete Wall 25 feet high. If construction continues according to plan, the finished Wall will divert up to 22 km from the Green Line (1949 Armistice Line) encircling illegal settlements deep inside the West Bank.

As a consequence, thousands of Palestinian farmers will be isolated from their lands and sources of livelihood and a further 14% of West Bank will have been annexed to Israel. 189,000 Palestinians will be trapped between the Wall and the Green Line. Another 400,000 Palestinians will see their daily access to their farms, jobs and services entirely at the discretion of Israeli security forces. Separation from their lands will mean that the majority of the population will lose their main and only source of income. In effect, the construction of the Separation Wall marks a unilateral demarcation of a new border and therefore, the annexation of occupied land which is illegal under international law.

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Under Article 53 of the Fourth Geneva Convention and the 1907 Hague Regulations property located in an occupied territory is accorded legal protection. Despite this fact, the construction of the Wall has already entailed the destruction of vast amounts of property, notably private agricultural land and olive trees, wells, citrus groves and hothouses.

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. The Israeli Occupation Forces (IOF) have already confiscated at least 14,680 dunums of land (1 dunum = 1000 m²). The first phase alone will result in the confiscation of over 120,000 dunums, representing some 2% of the West Bank, and will cause the destruction of 102,320 olive trees. Olive trees, though they live and bear fruit for hundreds of years, are slow to mature and hence, are a major investment for farmers who must wait five to ten years for their first significant crop.

Evidently, the immediate impact upon Palestinian farmers and their families will be ruinous. However, the wholesale destruction of agricultural resources, and the resulting loss of employment, will also pose serious difficulties for any future Palestinian State.

Settlements:

Today there are more than 400,000 illegal Israeli settlers, living in 144 settlements built on Palestinian land. Despite Ariel Sharon's Gaza 'disengagement' plan, all evidence points to an ever-increasing number of illegal settlements inside the West Bank and around East Jerusalem. Settlements and their associated infrastructure of military watchtowers and 'security zones' have a major impact on Palestinians. Land is confiscated from Palestinians to build settlements and a network of 'by-pass' roads and superhighways which Palestinians are prevented from using. In the process, Palestinian agricultural land and infrastructure is destroyed.

Settlements are also designed to allow privileged access to natural water resources to illegal settlers. Water consumption by settlers is now five times that of Palestinian villagers. Settlement building threatens Palestinian territorial contiguity in the West Bank. For instance, the Ma'ale Adumim settlement with its population of 26,500 is so large that it cuts the West Bank in half, blocking the north/south route between Bethlehem and Ramallah.

As a consequence of the building of settlements and the Wall, 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.

During the 1980s, the international community stood up to the Apartheid policies of the South African State. The refusal of many companies to invest in South Africa and of ordinary people to buy South African produce played a large part in the

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downfall of Apartheid. Today, it is imperative that the international community supports the right of the Palestinian people to live free from occupation.

Demands made to the company

The Ireland-Palestine Solidarity Campaign has called on CRH to divest fully from any subsidiary involved directly or indirectly in the construction of the Separation Wall.

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. However, the release did not deny that Neshor supplied the necessary cement, nor did it clarify what was meant by the term "involved". Later, when Amnesty International's Irish section met with executives from CRH twice during the Summer of 2004, CRH accepted that "in all probability" their cement is being used in the construction of the wall.

The IPSC will continue to call on CRH to divest from this unethical and apartheid project. We are 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.

Sources / references

Further information on the campaign is available at www.ipsc.org
CRH 2003 Annual Report, CRH Code of Business Conduct, available at www.crh.com

"Facts on the Ground", Christian Aid, available at www.christian-aid.org.uk/indepth/410israelopt/

The Palestinian Environmental NGOs Network (PENGON): "Stop the Wall in Palestine", Jerusalem, 2003

Nomination submitted by

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