

### 3.2.1.2.03 Fuels - Thermal Energy (Kiln)

#### Definition

Costs (including inbound freight) and revenues (net of inbound freight) relating to the consumption of fuel acquired from other parties (including other LafargeHolcim Group companies) for use in the kiln during the production of clinker, or for use by own power plants for power generation.

At a cement plant, fuel costs related to cost centers other than clinker production (or power generation - where applicable) are to be charged to [Production and Distribution Material](#).

At an AFR unit, the cost of alternative fuels are to be charged to the type of cost 'Fuels / Thermal Energy (Kiln)' within the pre-process cost center 'Alternative Fuels Preparation and Handling'. Purchase price paid to (or revenue received from) waste producers by either the AFR unit or directly by a cement plant, should be recorded in this type of cost.

At an AFR unit, the transfer price paid / received to or from the cement plant is also recorded in this type of cost. This ensures the correct elimination of the transfer.

#### Compulsory sub-types of cost

- Traditional fuels

This is the total cost of coal, pet coke, natural gas and other traditional fuels.

- Coal

Costs (including e.g. inbound freight, insurance costs, custom duties) relating to the consumption of coal purchased from other parties (including other Group companies) for use in the clinker and electrical energy production processes.

This is referring to regular coal inclusive of lower grades of coal and lignite. Coal residues (e.g. sludge's, secondary products, dusts) resulting from the fuel's production have to be considered alternative fuels; they are disclosed in the compulsory sub-type of cost 'Alternative fuels' indicated below.

- Pet coke

Costs ( including e.g. inbound freight, insurance costs, custom duties ) relating to the consumption of pet coke purchased from other parties (including other Group companies) for use in the clinker and electrical energy production processes.

- Natural gas

Costs ( including e.g. inbound freight, insurance costs, custom duties ) relating to the consumption of natural gas purchased from other parties (including other Group companies) for use in the clinker and electrical energy production processes.

- Other traditional fuels

Costs ( including e.g. inbound freight, insurance costs, custom duties ) relating to the consumption of other traditional fuels (other than coal, pet coke and natural gas) purchased from other parties (including other Group companies) for use in the clinker and electrical energy production processes.

- Alternative fuels

Fuels that are derived from waste streams, either non-hazardous or hazardous, and are used as substitute materials for thermal energy recovery. Costs ( including e.g. inbound freight, insurance costs, custom duties ) and revenues (net of inbound freight) relating to the consumption of alternative fuels acquired from other parties (including other Group companies) for use in the sub-segment clinker and cement. Revenue received from waste producers for the consumption of alternative fuels is recorded as cost reduction within this compulsory sub-type of cost.