

3.2.1.2.07 Production and Distribution Material

Definition

Costs relating to the usage of materials in the production and distribution process.

'Production and Distribution Material' includes:

- Rope and cable
- Costs of providing fuels (traditional and alternative) or thermal energy for heat other than heating of the cement kiln (disclosed as ['Fuel/Thermal Energy \(Kiln\)'](#))
- Explosives
- Kiln gun shells
- Activated carbon
- Drilling rods
- Sulfuric acid for leach
- Discharge of water chemicals
- Contaminated water
- Expenses for water consumption (including water for RMX)
- Chemical materials and products
- Security equipment (protective clothing)
- Ammonia
- Tarpaulins
- Grinding aids (not considered a raw material)
- etc.

Compulsory Sub-Types of Cost

- **Dryer Fuels Traditional**
Costs (including inbound freight) relating to the consumption of traditional fuels as defined in [Fuels - Thermal Energy](#) , purchased from other parties (including other LafargeHolcim Group companies) for drying and heating .
- **Dryer Fuels Alternative**
Costs (including inbound freight) relating to the consumption of alternative fuels as defined in [Fuels - Thermal Energy](#) purchased from other parties (including other LafargeHolcim Group companies) for drying and heating
- **Grinding aids**
Costs (including inbound freight) relating to the consumption of grinding aids

purchased from other parties (including other LafargeHolcim Group companies) used for increasing efficiency of the grinding activity.