

### 3.2.1.2.27 By-Products and Other Revenues

#### Definition

Revenues resulting from the sale of products and services incidental to the main products sold. Also included are revenues from selling spare parts and revenues from support processes, as long as these revenues with third parties do not comply with the [20% and USD 1 Million rule](#).

'By-Products and Other Revenues' includes:

- Batching<sup>1)</sup>
- Inert fill in product sub-segment clinker and cement
- Kiln dust sales
- Own truck transportation to other parties (including other LafargeHolcim Group companies)
- Workshop and garage recoveries
- Rail cars used by other parties (including other LafargeHolcim Group companies)
- Canteen revenues
- Scrap sales
- Selling long-distance heat
- Electricity co-generation
- Board of directors fees earned
- Revenue received for the service of transporting ready-mix concrete produced by a third party
- Management fees received (from Group companies, associates, joint ventures and third party companies)
- Insurance recovery

#### Compulsory Sub-Type of Cost

- Waste Management Services - AFR Activities

This includes revenues for waste management services provided by AFR Activities (Geocycle) which are not dependent on volume, for example:

- Clean storage
- Label waste
- Consultancy

- Laboratory services
- etc.

Note - this type of cost/revenue is only applicable to CLC.

## Example

<sup>1)</sup>Where a Group Reporting Unit RMX plant batches concrete for a third party, and the cement is supplied by the third party, revenue received for batching services is always booked to by-products and other revenues, even if the Group Reporting Unit supplies the other raw materials (e.g. additives, slag, etc.). In this case the revenue received for the raw materials (if clearly identifiable from the batching revenue) must be treated as a negative cost within raw materials.