

S03.02-IS-01-R112-I.6

I - Cost of Sales: General principles

7. Miscellaneous production (R27900)

Insurance:

- For all entities:
 - Transport insurance (Marine Cargo): This insurance covers damages to goods and equipment during transportation. Though the coverage is not limited to the transport of finished goods, 100% of the premium is shown under this heading R27900.
- For legal entities not having manufacturing plant & only for sites not being 100% administrative:
 - Property damage, Business Interruption insurance & Political Violence insurance (incl. Broker fees and commissions)
 - Liabilities insurance (incl. Broker fees and commissions)
 - Crime and other insurance.

Read global note on [insurance premiums](#).

Low volume production or shutdown (only for PF1 entities)

If production is lower than a given percentage fixed by the GBU, the related fixed costs can't / shouldn't flow to inventory and to cost of sales but are reported in [R27900 - Miscellaneous production](#), since we cannot consider that situation as "normal condition of operations".

Read global note on [shutdowns](#).

Physical inventory count adjustments and other inventory write offs (ex: scrap, etc)