

CPI Recommendation| Unilever_20220104_Hair Care/Deos/Skin Care

From: Michelle Jin <[REDACTED]@coles.com.au>
To: Matthew Hankin <[REDACTED]@coles.com.au>; Christian Lymbouris <[REDACTED - PII]@coles.com.au>; Nicole Petracca <[REDACTED]@coles.com.au>; Bethanie Chow <[REDACTED]@coles.com.au>; Jack Jessiman <[REDACTED]@coles.com.au>
Cc: Tim Bell <[REDACTED]@coles.com.au>; Richard Zammit <[REDACTED]@coles.com.au>; Cost Price Increase Requests <costpriceincreaserequests@coles.com.au>; Aleksandra Drazic <[REDACTED]@coles.com.au>
Date: Thu, 13 Jan 2022 11:58:44 +1100
Attachments: Summary - Unilever_20220104_Hair.xlsx (135.33 kB); Summary - Unilever_20220104_Soap & Body wash.xlsx (132.08 kB); Summary - Unilever_20220104_Deos.xlsx (200 kB); Summary - Unilever_20220104_Skin Care.xlsx (138.46 kB)

Hi All,

Hope you have been well.

We have completed the analysis on the CPI requests from Unilever in Skin Care, Hair Care, Deodorants and Body wash categories.

Analysis

- The supplier requested an increase of **12.2%** (\$9.4m in COGS) across all the categories, we have found **4.5%** (\$3.5m in COGS) could be validated with **a gap of \$5.9m in COGS p.a.**

Below is a summary at category level, please refer to the attached file for SKU level details.

Category No.	Category	No. of SKUs	Last 12 months COGS \$	Increase request from		CCT Recommendation		GAP
				% Increase Request	Value Request	% Increase Accept	Value Accept \$	
1021	HAIR CARE	14	\$ 3,294,763	18.8%	\$ 618,946	9.4%	\$ 308,062	-\$ 310,884
1038	SOAPS & BODY WASH	9	\$ 3,097,822	10.2%	\$ 317,230	8.2%	\$ 253,729	-\$ 63,501
1045/1069	DEOS & GROOM	94	\$ 67,503,117	12.1%	\$ 8,169,739	4.0%	\$ 2,684,908	-\$ 5,484,831
1120	SKIN CARE	11	\$ 3,493,435	8.8%	\$ 307,672	6.6%	\$ 229,273	-\$ 78,399
	Total	128	\$ 77,389,137	12.2%	\$ 9,413,587	4.5%	\$ 3,475,972	-\$ 5,937,615

Key Callouts

- We have used supplier's cost breakdown in the analysis, with adjustment for supplier's margin and overheads at 18.5%.
- We have also adjusted the cost breakdown on the packaging, applied appropriate packaging material to each SKU – 'Roll on' products Plastic PP and 'Aerosols Can' Aluminium.
- Our analysis is based on the average movement of commodities
- Last CPI dates are taken from our Cost Tool.

Grocery Code Compliance Callouts:

- We will need to send the response to the supplier's request before **2nd Feb 2022** to ensure we are compliant with the Grocery Code
- Please include the CPI mailbox as a CC for your communications with the supplier on this request
- You will receive an outlook reminder on the 21st day of GCC compliance for CPI recommendation to be sent to the supplier. You are welcome to ignore the reminder if the recommendation is already shared with the supplier.

Next Steps:

If the prices seen in our market indices do not correlate to the price trends experienced by the supplier, then if they can provide us with some sort of documentary evidence to support price movements they have quoted (either in the form of contracts or invoices)

Coles is committed to protecting the confidentiality of any data provided by any supplier as part of

the cost price adjustment process. However, to address any concerns they may have about the provision of confidential information the supplier may:

- a. Enter into a confidentiality agreement in relation to the information provided (with Coles CCT) i.e. to share invoices to confirm the cost increases
- b. Engage an independent third party to conduct a confidential review of the information and provide a recommendation to Coles. The identity of the independent third party is to be agreed between the supplier and Coles and the cost of such review will be shared equally by both parties.

Regards

Michelle Jin

CPI Process Lead Analyst | Commercial Cost Management

L2 M10 800 Toorak Road Hawthorn East Victoria 3123 Australia

T REDACTED - | E REDACTE@Coles.com.au

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