

## RE: Matt / Chris (Unilever) CPI Follow Up

**From:** Michelle Jin <REDACTED@coles.com.au>  
**To:** Matthew Hankin <REDACTED - @coles.com.au>  
**Cc:** Aleksandra Drazic <REDACTED - PII @coles.com.au>  
**Date:** Tue, 29 Mar 2022 20:27:23 +1100  
**Attachments:** RE\_ [External] - Unilever List Price Notification Response \_ Unilever\_20220104 HBB (All Categories).eml.msg.msg (1.68 MB); Summary-Unilever\_20220104 R3 supplier's cost % Deos only.xlsx (268.04 kB)

Hi Matt,

Hope you have been well.

I have reviewed Chris's feedback, and it appears that he is not using the most recent files that we have shared with you and the team, please refer to attached email with the updated files. We did a scenario using supplier's cost breakdown with no adjustment at all.

**[Aleksandra Drazic]** Chris is only talking about Deos in the email, I have run the files for only Deos category, and attached it for your review.

1. Composition – In the attached analysis, I have used supplier's cost breakdown with no adjustment on the cost composition %. However, there are 5 SKUs (listed below) are body wash SKUs but listed under Deos category, I have aligned the cost composition % to the body wash category provided by the supplier. Please let me know if you want me to align the cost composition % to Deos for these SKUs.

3363383	LYNX BODY WASH AFRICA:1 LITRE
3363260	LYNX BODY WASH ICE CHILL:400 ML
4346030	LYNX BODY WASH WASABI & FRESH LINEN 400ML:400 ML
5103995	LYNX SHOWER GEL AFRICA 400ML:AFRICA::400 ML
2225249	LYNX SHOWER GEL BLACK 400ML:400 ML

2. Last CPI timing for the Rexona 220 ml range - we updated the baseline to Sep 2021 in the 2<sup>nd</sup> version shared with the team already. Last time (Sep 2021) when we did the analysis for these SKUs, we have captured data up until Sep 2021. Therefore this time we have used Sep 2021 as the baseline.
3. We capped the analysis, in the previous discussions, we agreed to share the capped version of analysis with the supplier, if we don't cap the analysis, the validation moves up to **5.4%** (\$3.64m in COGs) with a gap of \$4.53m in COGS p.a.

Chris gets his validation to 7.0% with a gap of \$3.4m, the difference between his result and our analysis is driven by

- Cost composition % different on the 5 body wash SKUs
- The baseline different on the 13 Rexona 220ml SKUs (we used Sep 2021 vs Chris' used July 2021).

We can discuss further in our catch up tomorrow if required.

Thanks  
Michelle

**From:** Aleksandra Drazic <REDACTED - PII @coles.com.au>  
**Sent:** Monday, 28 March 2022 4:48 PM  
**To:** Michelle Jin <REDACTED@coles.com.au>  
**Subject:** FW: Matt / Chris (Unilever) CPI Follow Up

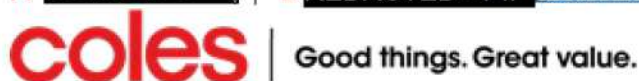
Lets discuss Michelle, have a look at attached and below.

### Aleksandra Drazic

Senior Analyst | Commercial Cost Management

L2 M10 800 Toorak Road Hawthorn East Victoria 3123 Australia

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**From:** Matthew Hankin <REDACTED - PII@coles.com.au>

**Sent:** Monday, 28 March 2022 3:59 PM

**To:** Aleksandra Drazic <REDACTED - PII@coles.com.au>

**Subject:** FW: Matt / Chris (Unilever) CPI Follow Up

Afternoon,

Per Chris's comments on points 1 and 3, is he actually correct?

Matt

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**From:** Charlton, Chris <REDACTED - PII@unilever.com>

**Sent:** Tuesday, 8 March 2022 10:17 PM

**To:** Matthew Hankin <REDACTED - PII@coles.com.au>

**Subject:** RE: Matt / Chris (Unilever) CPI Follow Up

Hi Matt

Further to discussion this morning I wanted to share my builds on the deos/mens VMO position – please see the attached. I have added columns in gold in the summary tab and made some amends as below in the workings tab

In summary my analysis sees the gap move to \$3.4m (vs \$4.9m in your workings). There are 3 key assumptions different in your working and mine.

1. Composition – in the original file Coles have made amendments to submitted composition – this composition already reflected a blended average of the category format composition so the changes are not valid. I have reverted these to submission and are highlighted in blue on the workings tab
2. November timings for most recent CPI – where we took cost on Rexona 220ml in November these decisions were taken in July 21 (letter sent 2/8/21) and as such the previous cost date should reflect that (I appreciate in longer gaps between CPI's this is blurred but in this example those lost months are critical in correctly reflecting the incremental costs seen.) These are captured in green in the workings tab
3. SKU capping removed – you'll see in column L of the summary the approved value is in excess of the requested amount for some SKU's

I'm happy to talk through this with VMO if it will help align on the gap. Please let me know if you have any builds.

Thanks  
Chris

Chris Charlton

Head of Coles - HBPC

Unilever Australia & New Zealand

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-----Original Appointment-----

**From:** Charlton, Chris

**Sent:** 04 March 2022 14:18

**To:** Charlton, Chris; Matthew Hankin

**Subject:** Matt / Chris (Unilever) CPI Follow Up

**When:** 08 March 2022 09:30-10:00 (UTC+10:00) Canberra, Melbourne, Sydney.

**Where:** Microsoft Teams Meeting

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