

SUPPLY-CHAIN

for the year ended 31 March 2016

DAWN contracts with suppliers locally and internationally, with approximately 10% of products being imported, as DAWN's strategy is vested in procuring from local manufacturers in support of local communities and the group has a defensive import approach. DAWN currently sources its products through more than 2 700 suppliers and procured goods to the value of R5,7 billion (F2015: R3,1 billion) during the financial year.

DAWN's supply-chain refers to its ownership and influence to bring its products to market and ultimately to its end of life. The supply-chain is interconnected in a multiple of ways, not unlike an ecosystem or a web. The connections in this chain drive the group's decision-making. The quality of the group's planning, coupled with an analysis of market demand, shape the manufacturing choices DAWN makes. Efficient manufacturers create little to no scrap and turn what remains back into material inputs for new products. Insights gained from its customers, impact how the group designs its products. Ownership of or minority stakes in manufacturing companies as well as a well-established supplier network mean better quality control and assessment of environmental and social impacts. Through DAWN Logistics, the group's ability to gather and track data on transportation emissions is enhanced and also ensures products get to where they need to be at the right time at the right price. Each choice has financial, environmental and social impacts that are intertwined and mutually dependent.

Solutions

A centralised business system, marketing and design, human resources, packaging, merchandising, financial and projects solutions are offered to DAWN group companies, as well as to external customers. The benefits of a shared services strategy are cost containment through pooling of resources and elimination of duplication as well as optimised efficiencies through adopting and driving best practice.

