

introducing

SILUBISI

it's about milk. it's about life.

DAIRY GROUP'S NEWSLETTER



Message from our CEO and Chairman

There is no doubt about it: 2020 has been a tough year. The COVID-19 pandemic affected all of us personally, financially and emotionally.

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Nevertheless, within struggle we find new strength – as we always have.



Drikus Lubbe

Chief Executive Officer



Llewellyn Collett

Chairman

When our communities prosper, the Dairy Group prospers, and when the Dairy Group prospers, South Africa prospers.

When the economy gets hit like this and consumer demand slumps, low margin businesses can be massively affected. Moreover, whilst the pandemic has been in the middle of everything, it was not the only challenge. There were weather driven factors such as the drought in the Eastern Cape, as well as general market forces and international competition. Our local communities were adversely affected with many people in South Africa losing their jobs - a future of financial uncertainty lies ahead for many families.

Nevertheless, within struggle we find new strength – as we always have. Resilience is one of the most palpable features of the South African dairy community. Together, we have been very successful in ensuring South Africa's food security during the lockdown, even growing our share of the consumption – a very fortunate position indeed. Strength, however, isn't just a matter of defending the industry against shocks such as pandemics; it's also about building a better business for the future using our collective resources and experience. We didn't only survive, we made vital strides to position our business suitably for the year ahead.

This year's merger between Dairy Farmers of South Africa [DFSA] and Coega Dairy is set to unlock more employment opportunities, improving job security and laying strong foundations for a profitable business with higher profit margins in the future. Co-creating efficiencies in a low margin industry is crucial and collective action is often the dairy farmer's best weapon. We will not only be expected to perform with excellence, together with a sustainable approach of special care for people, nature and animals, but also to exhibit the ability to identify growth opportunities for the Dairy Group and taking active advantage of them.

This is what the Dairy Group will do in 2021.

We're a Southern African business, with a future aspiration into the African market. We will grow a better, more profitable operation that is able to strengthen the local value chain – for everyone's benefit.

Meet Dairy Group's Executive Team

Our executive team pledges to work diligently, together with our employees, producers and suppliers, to nurture and grow a world-class dairy industry.



Carl Otte

Llewellyn Collett

Amber Anderson

Karel Koen

Drikus Lubbe

Jaco Hooghiemstra

Ian Keen

Johann Coetzer

Ilana de la Rey

Carl Otte

Commercial Executive

Carl started his professional career at Edward Snell & Co. as a Brand Manager for Wellington VO Brandy. He subsequently worked at various large FMCG companies, including Reckitt Benckiser and AVI. His recent role before joining DFSA was Group Manager: Key Accounts and Trade Marketing for Clover S.A. Carl holds a BCom degree.

Llewellyn Collett

Chairman

Llewellyn grew up on a dairy farm which was a primary milk distributor to local Karoo towns. From the time that Llewellyn recalls being "useful", he was involved in everything from milking the cows, to processing and delivering milk and doing the accounting for it. He believes he has learnt more from these practical experiences than at any educational institution. Llewellyn is a qualified Chartered Accountant.

Amber Anderson

Human Resources Executive

Amber has held executive leadership roles in Kellogg's, Coca-Cola Sabco and Fortune and transformational leadership in Aspen Pharmacare. She has held various academic and non-academic roles at Nelson Mandela University and is the worthy recipient of local and international awards for her contributions to business and society. Amber holds a Doctorate in Human Resource Development, MA (Sociology), BA Hons (Group Dynamics) and an HDE IV (Secondary).

Karel Koen

Logistics Manager

Karel is a stalwart in logistics and has a career spanning many decades in the dairy industry. Karel reports to Johann Coetzer, Dairy Group's Supply Chain and Procurement Executive. The logistics leg of our business is a critical cog in the operational wheel and Karel continues to provide his unwavering and incredible support to this important part of the business.

Drikus Lubbe

Chief Executive Officer

Drikus was the first logistics bursary student at National Cooperative Dairies, which later became Clover S.A. He served on Clover's Board of Directors and was Head of Supply Chain and IT with around 4000 people reporting into this structure. He became DFSA's CEO in 2018, serving at the same time on the MILK SA and SAMPRO boards. He holds an MCom in Transport Economics, together with an MBA.

Jaco Hooghiemstra

Chief Financial Officer

Jaco is a qualified Chartered Accountant with experience in the agricultural and FMCG sectors. He has a passion for investments and enjoys analysing businesses and benchmarking them against peers for efficiency. During Jaco's tenure at DFSA and Clover, he gained experience in a diverse field of finance and management, including performing valuations, integrating newly acquired business and implementing budget systems.

Ian Keen

Producer Services Executive

Ian has 25 years of work experience in the dairy industry. He is particularly seasoned in producer value chain practices and processes and he looks forward to working closely with Dairy Group's milk procurement team in assisting our producers in achieving their own and the company's long-term goals. Ian holds a BTech degree in Agricultural Management.

Johann Coetzer

Supply Chain and Procurement Executive

Johann has extensive management experience in complex FMCG supply chain planning. He worked in the steel industry before finding his passion in dairy. He also worked for two years in retail logistics at Pick n Pay. Johann undertook six study visits to Europe and the USA in the last 12 years to benchmark international best practices in the logistics and supply chain environment, with specific focus on the FMCG sector. Johann holds an Industrial Engineering degree, as well as an MBA.

Ilana de la Rey

Operations and Quality Executive

Ilana is seasoned across the quality value chain, technical management in production and co-packaging, as well as plant management - all obtained within Clover S.A. Ilana holds an MBA, together with a BTech and National Diploma in Food Technology. She has a passion for developing human potential, as well as driving continuous improvement through new system technology implementation.

Dairy Group's Brand

A Story of Origination and Volume



Dairy Group's strikingly bold logo and visual language tells a story. It is a story of earth's origination and man's production.

The **green colour** represents all of earth's living beings, including its resources such as air, water, soil, minerals, fuels, plants and animals. It is our privilege and mandate to grow, sustain and care for these resources.

How do we do it? These are our ways:

- We are a farmer-centric organisation.
- We strive to find maximum benefits for all our stakeholders and employees.
- Consumer health is top-of-mind when we develop our products.
- We maintain excellent environmental standards.
- We aim to reduce our carbon footprint with every initiative we take.
- Supporting emerging black-owned farmers is central to our future growth plans.
- We care deeply for the health of our animals.
- We care deeply for the livelihoods of our communities.
- We promote and endorse an inclusive culture at work by respecting diversity.

The **deep blue colour** represents human innovation, including manufacturing, economics and technological advancement. We are South Africa's largest UHT supplier, aiming to expand our footprint into Africa.

Our focus areas are:

- To advance leadership in the procurement of raw milk in South Africa.
- To become the leading UHT supplier to consumers in Africa.
- To further an optimised value chain for our members' raw milk produce.
- To manage our logistics processes effectively and efficiently.
- To expand our highly nutritional UHT and other dairy products.
- To endorse the latest technology on our producers' farms.
- To maintain and grow strong relationships with the retail industry.
- To participate meaningfully in dairy industry groups.
- To comply with food safety and quality legislation.

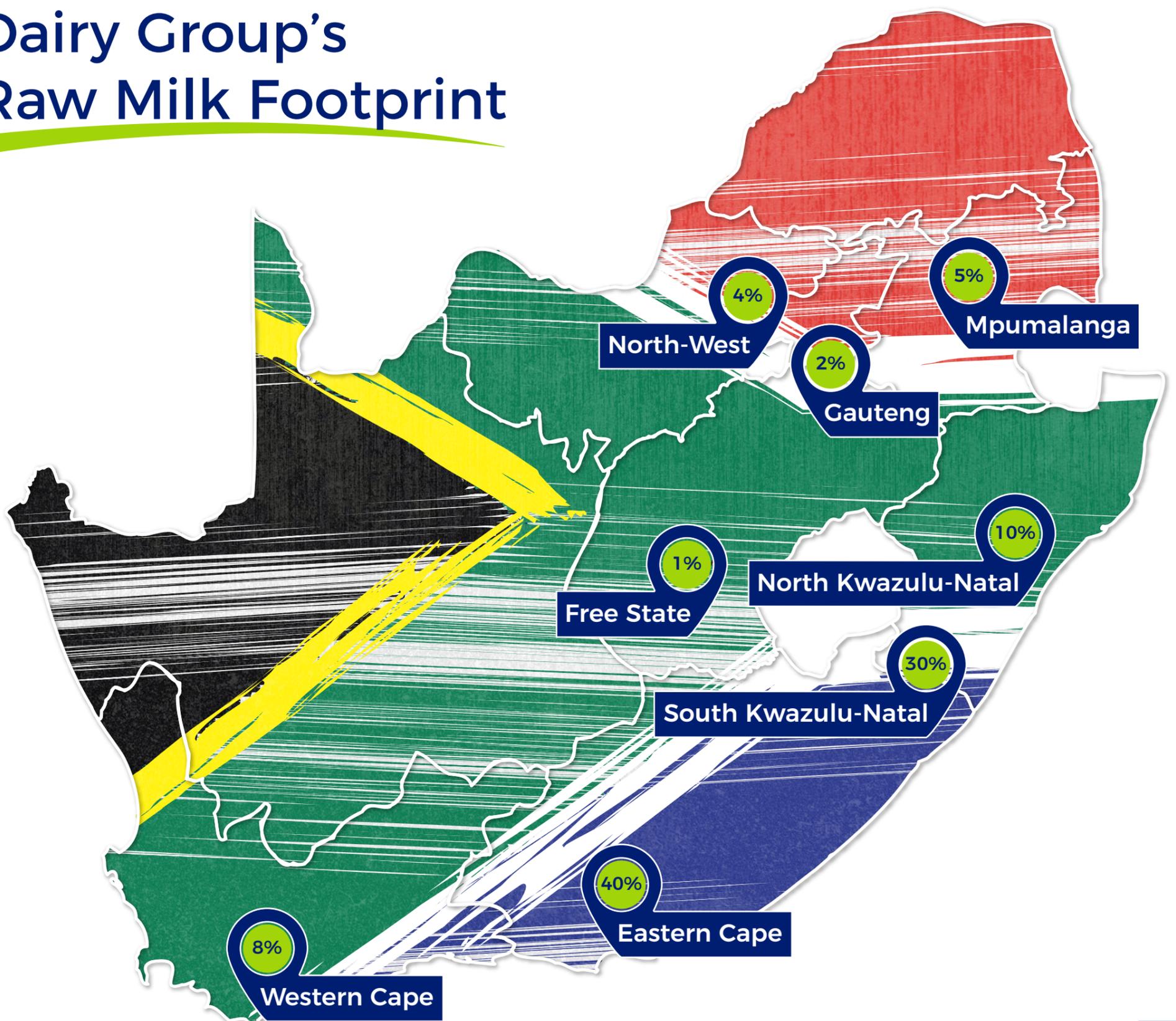


Our **visual language** tells the story of a journey. For us, resources (origination) and production (value) are equally important and we oscillate between these two ecosystems, every day in our business lives.

“ We invite you to join us on this trailblazing dairy adventure.



Dairy Group's Raw Milk Footprint





OUR LAUNCH EVENTS

In celebration of Dairy Group's formation, lively launch events were held during November 2020 at all of the new company's offices and factories. There was laughter, food, music, beautifully branded corporate gifts and the obligatory speeches. There were also fresh acquaintances made, partnerships shaped, and intentions set to work diligently together in the cultivation of a world-class dairy industry. Our photos tell the story.

In his address, **Drikus Lubbe** (CEO) mentioned that Dairy Group is now 100 percent farmer-owned and it is up to each one to work together to make it flourish. To illustrate this, he referred to the inspirational Inch-speech Al Pacino made in the football movie, Any Given Sunday.



Dairy Group is now 100 percent farmer-owned

Dairy Group will prosper as a united dairy team

He said that in football, as in the game of life, the margin for error is so small - one half step too late or one too early and you don't quite make it. One half second too slow or one too fast and you don't quite catch it. The inches we need are everywhere around us.

At Dairy Group we will fight for that inch, because we know that if we add all of those inches together, Dairy Group will prosper as a united dairy team.



Above
Heilbron
From left: Karel Koen;
Alfred Bocibo;
Isaac Roestoff



Above
CLAYVILLE
Front row from left: Kaele Mofokeng;
Willie Thibela; April Mashishi
Back row from left: Paulos Zondo;
Mthetho Dlomo; Sabelo Ngwenya;
Geelbooi Tsotetsi



Above
Ixopo
 Our teams of executives;
 directors; managers; producers
 and Ixopo personnel



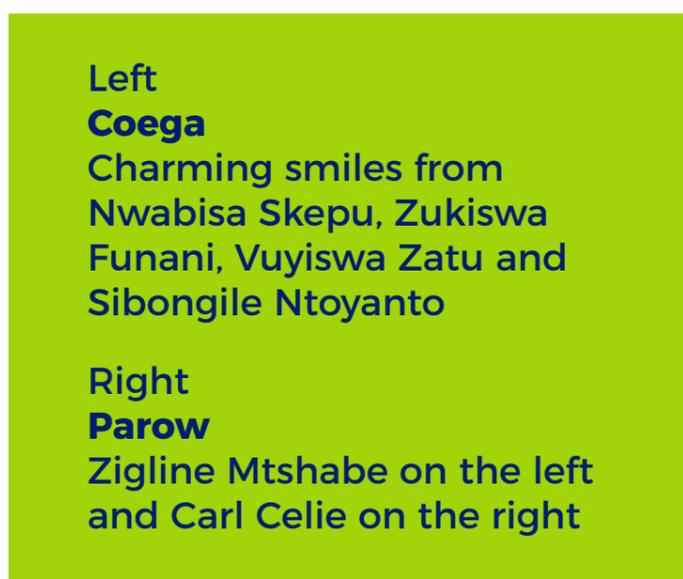
Left
Queensborough
 Another happy
 team in
 KwaZulu-Natal



Above
Lichtenburg
 Some proud Dairy Groupers!



Left
Coega
 Back left to right: Lesley-Ann Coetzee; Ray Dawson; Luvuyo Ndzenene; Siyabulela Samana; Goodman Mshumpela; Olwethu Mbozi; Drikus Lubbe; Wilson Nyokong; Calvin Mazondwa
 Front left to right: Leon van Rooyen; Elliot Mkhiwane; Nosimphiwe Dyumana; Anelisa Mbozi; Olwethu Stiti; Bongani Nyongo



Left
Coega
 Charming smiles from
 Nwabisa Skepu, Zukiswa
 Funani, Vuyiswa Zatu and
 Sibongile Ntoyanto
 Right
Parow
 Zigline Mtshabe on the left
 and Carl Celie on the right



Left
Coega

From the left: Nomaxhosa Unathi Magwa; Thandolwethu Ngwalangwala; Anita Cakwebe; Vuyolwethu Mnyimba

Right
Our festivities included some hearty food.



Left
Coega

Joyous celebrations with Olwethu Stiti, Goodman Mshumpela, Nosimphiwe Dyumana, Anelisa Mbozi and Luvuyo Ndzenene



Left
Coega

Heart-warming smiles from Nosimphiwe Dyumana, Anelisa Mbozi, Goodman Mshumpela and Olwethu Stiti

Right
Coega

Left to right: Drikus Lubbe; Peter Dawson; Louise Dawson; Ray Dawson; Llewellyn Collett



Right
COEGA

Hilton Collett and Murray Howarth. Shareholders in and Directors of Coega Dairy Milk Producers Organisation and suppliers of milk to Coega Dairy.

Far Right
Mawethu Daweti and Dave Naidoo both work in maintenance, keeping our systems up and running



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season's greetings
AND GOOD WISHES

