

Investing in the future



GOODMAN FIELDER ANNUAL REVIEW 2013



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This Annual Review is also available online. Visit www.goodmanfielder.com.au or use your QR code scanner to take you directly to the Annual Review.

GOODMAN FIELDER LIMITED ABN 51 116 399 430

Goodman Fielder is Australasia's leading listed food company with a significant presence in Asia Pacific. The company has an excellent portfolio of some of the most well known and trusted food brands across the region's major grocery categories.

Our strategy to achieve sustainable earnings growth continues to progress. During the year ended 30 June 2013, we refocused our portfolio, strengthened our financial position and commenced the necessary reinvestment in our brands, our businesses and our people to reach our strategic goals.



How we report



About this Annual Review

This Annual Review includes financial summaries and information from the company's 2013 Annual Report and 2013 Full Year Results Announcement and Investor Presentation. The Review also includes information on the organisation's environmental and social activities and performance (previously provided in the company's Sustainability Report).

This Review is not a concise report prepared under section 314(2) of the Corporations Act 2001 (Cth). The company has not prepared a concise report for the 2013 financial year.

All figures quoted are in Australian dollars unless otherwise stated.

Normalised EBIT and Normalised NPAT are non-IFRS measures that reflect, in the opinion of the Directors, the ongoing operating activities of Goodman Fielder in a way that appropriately presents its underlying performance. The non-IFRS underlying profit measures exclude restructuring expenses, profits or losses from sale of businesses and assets, asset write-downs and impairments and realised foreign exchange losses. The non-IFRS financial information has not been audited or reviewed.

Net free cash flow represents receipts from customers less payments to suppliers and employees.

Net debt excludes an unrealised FX gain of \$23.9m (FY12: gain of \$52.5m) relating to the revaluation of the company's US dollar private placement debt hedge.

Unless otherwise stated, data in this report refers to Continuing Operations.

Continuing Operations exclude the Integro business sold on 2 October 2012 and the New Zealand Milling business sold on 22 February 2013 which are classified as Discontinued Operations.

REPORT BOUNDARIES

To the extent practical, the information provided covers the company's operations in Australia, New Zealand and Asia Pacific. The only significant changes from previous reporting periods in the scope, boundary or measurement methods used for the sections previously covered in the Sustainability Report relate to the presentation of data about Continuing Operations (to address significant divestment activity during the reporting period).

GRI INFORMATION

This document applies the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines to Application Level C+. A GRI Content summary is provided below and a more detailed GRI Content Index is available in the assurance statement provided by Net Balance.

REPORT SECTION	GRI DISCLOSURES AND INDICATORS
How we report	2.5, 2.9, 3.1-3.3, 3.5-3.8, 3.11, 3.12, 4.4, 4.14, 4.15
Year in Review	EC1, EC8, EN16, LA7
About Goodman Fielder	2.2, 2.3, 2.6, 4.1-4.3
Our Strategy	3.5, 3.8, 3.11, PR5
Operational Review	2.7
Financial Summary	2.8, EC1
Our People	2.8, 3.10, EC1, LA1, LA4, LA7, LA8, HR5
Environment	EC2, EN3, EN5, EN6-EN8, EN14, EN16, EN22, EN27, EN29
Products	EN26, PR1, PR3
Community	EC1, EC8, EC9, SO1

STAKEHOLDER INCLUSIVENESS

Goodman Fielder's stakeholders include our employees, customers, consumers, shareholders, regulators, non-government organisations, suppliers, neighbours and the general community. The process of identifying the material sustainability issues covered in this report included assessing our key stakeholder groups' views and opinions, which were obtained from a number of sources, including employee engagement surveys, customer meetings, shareholder meetings, investment analyst questionnaires, supplier workshops, market research and participation in industry forums and committees. Our Consumer Advisory Centre collects data on consumer product feedback and complaints. We also welcome comments from all our stakeholders on our sustainability performance via the interactive link in the sustainability section on our website.

MATERIALITY

Based on internal discussions and feedback from our stakeholders, we consider that our key sustainability issues are (in no specific order): employee health and safety, injury management, career development and leadership, equal opportunity employment, corporate governance, economic performance, revenue distribution, climate change, energy efficiency, water usage, waste minimisation, sustainable consumer packaging, community donations and development, minimising community disruptions, consumer communications, sustainable palm oil supplies, genetically modified food ingredients and product nutrition.

EXTERNAL ASSURANCE

Goodman Fielder engaged Net Balance Management Group (an independent assurance provider) to verify the data presented in the 'Our People', 'Environment', 'Products', and 'Community' sections of this report. More details on the sustainability data verification process and outcomes are available in the assurance statement prepared by Net Balance.

ANNUAL REPORT

The Group's audited financial statements, prepared in accordance with the Corporations Act 2001 (Cth) and Australian Accounting Standards, are published in our 2013 Annual Report, which is available in hard copy on request and can be viewed at www.goodmanfielder.com.au

Year in review



Our continued progress in strengthening the business resulted in the company returning to profit growth with normalised net profit after tax from continuing operations increasing by 5 per cent on the prior year.

Highlights

Reported net profit after tax of \$102.5m – vs loss of \$146.9m in prior year

- Reported net profit includes net gain on business divestments, insurance proceeds and lower significant items (restructure costs, asset impairments) compared to prior year
- Reported Basic EPS of 5.3 cents per share vs Basic EPS loss of 8.3 cents per share in prior year

Normalised net profit after tax from continuing operations \$75.7m – up 5 per cent

- Despite lower normalised EBIT, the increase in normalised NPAT reflects lower net interest expense from strengthened balance sheet
- Normalised EPS from continuing operations of 3.9 cents per share compared to 4.1 cents per share in prior year is after the increase in number of shares on issue in FY13

REPORTED NET PROFIT (\$ MILLION)

2013	102.5
2012	(146.9)

REPORTED BASIC EARNINGS PER SHARE (CENTS)

2013	5.3
2012	(8.3)

NORMALISED NET PROFIT FROM CONTINUING OPERATIONS (\$ MILLION)

2013	75.7
2012	72.1

NORMALISED EBIT FROM CONTINUING OPERATIONS (\$ MILLION)

2013	185.6
2012	202.0

NET DEBT (\$ MILLION)

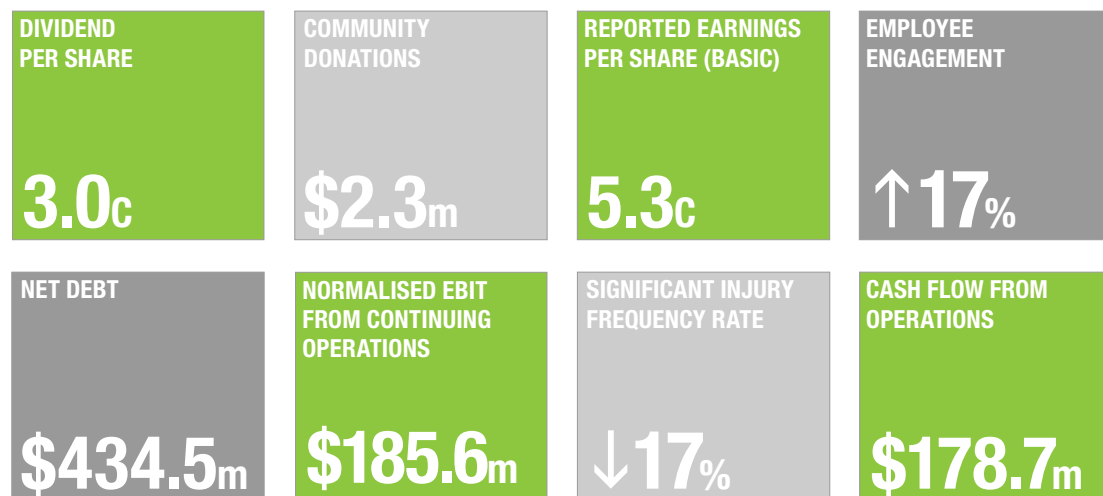
2013	434.5
2012	728.0

SAFETY (SIGNIFICANT INJURY FREQUENCY RATE) (per million work hours)

2013	17.5
2012	21.0

SCOPE 1 & 2 GREENHOUSE GAS EMISSIONS (tonnes CO₂-e)

2013	120,805
2012	131,733



Highlights continued

Improved second half result creates stronger earnings platform in FY14

- Normalised EBIT from continuing and discontinued operations \$200.2m – slightly ahead of guidance
- Normalised EBIT from continuing operations down 8% on prior year, impacted by challenging retail markets and volume declines as a result of the company leading on price (Australia) and also from disappointing result in Fiji Poultry business from operational issue (Asia Pacific)
- Normalised EBIT from continuing operations up 21% in second half on first half from continued turnaround in Baking performance and improved performance in NZ Dairy business
- Normalised NPAT from continuing operations up 29% in second half on first half

Group financial position strengthened further

- Net debt reduced by 40% from FY12 to \$434.5m
- Continued strong cash flow generation – operating cash flow up 39% to \$178.7 million – equates to 9.1 cents per share

Dividend payment to shareholders resumed – 3 cents per share

- Strengthened financial position and achievements being delivered under strategic plan to restore sustainable earnings enables Board to reintroduce dividend to shareholders

Operational improvements across the company

- Safety performance improved with 17% decline in Significant Injury Frequency Rate
- Staff engagement improved by 17 per cent

About Goodman Fielder



About Goodman Fielder

Goodman Fielder is Australasia's leading listed food company with a portfolio of some of the most trusted and well recognised consumer food brands across major grocery categories.

Our key brands

BAKERY

Our vision is to be the leading and most innovative local baking company. As one of the largest bakers in the Australasian region, our key brands include Wonder White, Nature's Fresh, Helga's and Vogel's (under licence).



DAIRY

Our vision is to be the preferred dairy brand in New Zealand, the preferred partner of our customers and support our dairy expansion in other geographies. Our leading brands, Meadow Fresh, Puhoi Valley and Taranua are already family favourites across New Zealand.



FLOUR AND CAKE MIX

Our vision is to lead the baking revival in everyday homes across Australia, New Zealand and the Pacific by developing and innovating our three core brands, Flame, White Wings and Edmonds, in each market.



SPREADS

Our vision is to re-ignite excitement in spreads by leading the way in 'healthy', 'guilt-free' innovation in our core brands in each market. Our trusted brands, MeadowLea and Olive Grove are included in this category.



DRESSINGS AND MAYONNAISE

Our vision is to innovate our leading brands, to provide flavour variety to make fresh food a part of every home, every day.



Our Vision, Purpose and Values

OUR VISION

Our vision is to be the leading and most innovative local food company. We recognise that a safe workplace and quality food products are prerequisites to our business success. Our values underpin the way we operate and guide our aspirations to create the company we want to be. Each of the values help build our strategies for leadership and our culture; our recipe for success.

OUR PURPOSE

Create food that people love.

OUR VALUES

Our six ingredients.



Our values

					
<u>WE ARE 'WE NOT ME'</u>	<u>WE LOVE FOOD, ESPECIALLY OUR FOOD</u>	<u>WE DREAM BIG. AND WE WILL MAKE IT HAPPEN</u>	<u>WE GET BETTER – ALL THE TIME</u>	<u>WE STAND BY OUR WORDS AND ACTIONS</u>	<u>WE LOOK AFTER OUR OWN – IN THE COMPANY AND THE COMMUNITY</u>
We work with passion and generate positive energy to inspire our team members and our partners	We are dedicated to creating high quality food our consumers love	We inspire our people to expand ideas and deliver results through a high performance culture	Our people never stop learning and continuously improve the way we work and do business	We work in a high performance culture where people deliver what they promise	We care for our people, our customers, our consumers and our community

Our Board and Management

Board of directors



STEVEN GREGG

Chairman of the Board and Independent Non-executive Director

BCom
Age 52

Experience and Special Responsibilities

Director since 26 February 2010 and Chairman of the Board and of the Nomination Committee since 1 October 2012. Chairman of the Corporate Risk Committee from 26 February 2010 to 25 October 2012 and Member of the Audit Committee from 26 February 2010 to 25 October 2012.

Mr Gregg is an experienced investment and commercial banker with extensive Australian and international executive experience with ABN Amro (as Senior Executive Vice President and Global Head of Investment Banking), Chase Manhattan, Lehman Brothers and AMP Morgan Grenfell. His most recent executive role was as Expert Partner at McKinsey & Company in Australia and the US.

Mr Gregg is a member of the Grant Samuel non-executive Advisory Board and is a non-executive Director of Tabcorp Holdings Limited (appointed 18 July 2012), Challenger Limited and Challenger Life Limited (appointed 8 October 2012) and William Inglis & Son Limited. He is the Chairman of The Lorna Hodgkinson Sunshine Home and also served as Chairman of Austock Group Limited between November 2009 and May 2012.

Former directorships of other listed companies during the past three years:

Austock Group Limited, November 2007 to May 2012



CHRIS DELANEY

Managing Director and Chief Executive Officer

BA
Age 51

Experience and Special Responsibilities

Managing Director and Chief Executive Officer, appointed 4 July 2011. Mr Delaney is an experienced FMCG executive whose international career includes senior executive positions in the US, Australia, Asia, Europe and the Middle East. He initially served at Procter & Gamble for 20 years in a variety of management roles before joining the Campbell Soup Company in 2004 as Vice President of Sales. He was subsequently appointed President of Emerging Markets and then President (Asia Pacific) in 2009. In his most recent role, he was responsible for leading and growing Campbell's fastest growing region, with revenue of more than \$1 billion and operations in Australia, New Zealand and Asia.

Mr Delaney is currently Deputy Chairman of the Australian Food and Grocery Council.

Former directorships of other listed companies during the past three years: None



CHRIS FROGGATT

Independent Non-executive Director

BA Hons, FCIPD, MAICD
Age 54

Experience and Special Responsibilities

Director since 27 August 2009. Member of the Corporate Risk Committee (appointed 27 August 2009) and the Nomination Committee (appointed 24 March 2010) and Chairman of the Human Resources and Remuneration Committee (appointed a Member on 27 August 2009 and Chairman on 1 January 2011).

Ms Froggatt has over 20 years' senior executive experience as a human resources specialist in leading international companies including Brambles Industries plc and Brambles Industries Limited, Whitbread Group plc, Diageo plc, Mars Inc and Unilever NV.

More recently she has served on the Boards of Britvic plc and Sports Direct International plc and as an independent trustee director of Berkeley Square Pension Trustee Company Limited. She is currently a non-executive director on the Boards of Myer Holdings Limited and the Australian Chamber Orchestra.

Ms Froggatt has a broad industry background, particularly in consumer branded products, covering industries such as beverages, food and confectionery through her appointments at Britvic, Whitbread, Diageo and Mars. She also has a breadth of experience in other industries such as retailing, hotels, leisure and logistics.

Former directorships of other listed companies during the past three years: None



PETER HEARL

Independent Non-executive Director

BCom, MAIM, GAICD,
Member – AMA
Age 62

Experience and Special Responsibilities

Director since 26 February 2010. Member of the Human Resources and Remuneration Committee (appointed 26 February 2010) and the Audit Committee (appointed 26 February 2010) and Chairman of the Corporate Risk Committee (appointed 25 October 2012). Member of the Nomination Committee from 25 March 2011 to 25 October 2012.

Mr Hearl is an experienced senior executive with international experience and expertise in the FMCG sector. His previous roles included executive appointments with Yum Brands, the world's largest (by number of outlets) restaurant company (where he was Chief Operating and Development Officer), Pepsico and Exxon (Esso). He has also been a non-executive Director of Amrest Inc, Westport Resources Inc and KFC Japan Inc.

He has a wealth of knowledge and experience in the Asia Pacific region and has also worked extensively in Europe, the USA and Australia.

He is currently a Director of Treasury Wine Estates Limited (appointed February 2012) and a number of private companies and is Chairman of the US-based board of the University of New South Wales' Study Abroad – Friends and US Alumni Inc.

Former directorships of other listed companies during the past three years: None



IAN JOHNSTON
Independent Non-executive
Director

BCom, CPA
Age 66

**Experience and Special
Responsibilities**

Director since 26 May 2008. Member of the Audit Committee (appointed 26 May 2008), the Human Resources and Remuneration Committee (appointed 26 May 2008) and the Nomination Committee (appointed 25 October 2012). Mr Johnston has over 30 years' experience with a number of leading companies in the international food and beverage industry. He initially spent 13 years with Unilever in a range of domestic and overseas marketing roles and then joined Cadbury Schweppes as Marketing and Sales Director, Australia/New Zealand. Mr Johnston was subsequently appointed Managing Director of Cadbury's UK business before becoming Managing Director, Global Confectionery of Cadbury Schweppes plc from 1996 until 2000.

He then served from 2001 to 2004 as President and Chief Operating Officer of The Olayan Group, a privately-owned Saudi Arabian conglomerate.

He most recently held the position of Chief Executive Officer of Foster's Group Limited⁽¹⁾ between September 2008 and the demerger of its wine business in May 2011.

Former directorships of other listed companies during the past three years:

*Foster's Group Limited⁽¹⁾,
September 2007 to May 2011*

(1) Foster's Group Limited was removed from the official list of ASX Limited on 20 December 2011 following completion of its acquisition by SABMiller Beverage Investments, a subsidiary of SABMiller plc.



JAN DAWSON
Independent Non-executive
Director

BCom, FCA, MInstD, F Fin
Age 59

**Experience and Special
Responsibilities**

Director since 1 October 2012. Member of the Corporate Risk Committee (appointed 1 October 2012) and the Audit Committee (appointed 1 January 2013).

Ms Dawson, who is based in New Zealand, was formerly the Chair and Chief Executive of KPMG New Zealand where she had extensive experience encompassing audit and accounting advice, due diligence, capital transactions, risk management, governance and litigation support for a wide range of companies across manufacturing, property and infrastructure.

Ms Dawson is currently a Non-executive Director of Air New Zealand Limited, Westpac New Zealand Limited, Meridian Energy Limited and AIG Insurance New Zealand Limited. She is also the Deputy Chair of Counties Manukau District Health Board, a member of the Capital Investment Committee of the National Health Board, a Councillor of the University of Auckland, President and a member of Yachting New Zealand, a member of the Council and Chair of the Audit Committee of the International Sailing Federation, a member of the Disciplinary Tribunal of the New Zealand Institute of Chartered Accountants and a Trustee of the Voyager New Zealand Maritime Museum.

Former directorships of other listed companies during the past three years: None



CLIVE HOOKE
Independent Non-executive
Director

F CPA, FAICD
Age 67

**Experience and Special
Responsibilities**

Director since 19 April 2007. Chairman of the Audit Committee (appointed 21 June 2007) and Member of the Corporate Risk Committee (appointed 21 June 2007). Mr Hooke is an experienced senior executive and business and financial consultant. He was the Chief Financial Officer of National Foods Limited from 1997 until his retirement in 2004, prior to which he served as Chief Executive of Totalizator Agency Board of Victoria from 1993 until its acquisition by TABCORP in 1994, and as Director of Strategy and Finance of Elders Agribusiness Group (part of Foster's Brewing Group Limited) between 1982 and 1991.

Mr Hooke is a former Chairman of Astra Capital Limited⁽²⁾ and Big Brothers – Big Sisters Australia Limited and also served as a Director of Tassal Group Limited between November 2010 and March 2012.

Former directorships of other listed companies during the past three years:

Astra Capital Limited⁽²⁾, November 2007 to March 2011

Tassal Group Limited, November 2010 to March 2012

(2) Formerly FCPB Investments Limited. Astra Capital Limited was removed from the official list of ASX Limited on 21 February 2011 following completion of compulsory acquisition by Taverners No. 12 Pty Ltd (in its capacity as trustee for the Taverners No. 12 Unit Trust) and Taverners AKR Pty Ltd (in its capacity as trustee for the Taverners (Australia) Trust No.2).

Senior management team



AARON CANNING
Category Managing
Director, Grocery



PETER FOYSTON
Managing Director,
Asia Pacific



SHANE GANNON
Chief Financial Officer



ANDREW HIPPERSON
Managing Director,
Australia



NEIL KEARNEY
Chief Strategy
and Corporate
Development Officer



ROSS O'BRIEN
Chief Human
Resources Officer



PETER REIDIE
Managing Director,
New Zealand



ROB ROGERS
Chief Supply Chain
and Operations Officer



PANKAJ TALWAR
Category Managing
Director, Baking



J. ANDRE TEIXEIRA
Chief R&D and Quality
Officer



JONATHON WEST
General Counsel,
Company Secretary

Our strategy



Goodman Fielder has established a long term vision to be the leading and most innovative local food company. This vision captures our desire to restore Goodman Fielder's position in the marketplace and deliver the sustainable revenue and earnings growth a market leader can deliver to its shareholders.

Vision & Goals	To be the leading and most innovative local food company					
	Shareholder Restore acceptable shareholder returns	Organisation Actively engaged employees		Imperatives Safety, Quality, Innovation, Customer Service		
Strategies	One Goodman Fielder					
	Sustainable cost structure	Portfolio optimisation	Bakery turnaround	Core category innovation	Strategic partnerships with key customers	New channels & geographies
Focus Areas	Five Core Categories					
	Bakery, Dairy, Flour & Cake Mix, Spreads, Dressings & Mayo					
	Three Key Markets					
	Australia, New Zealand, Asia Pacific					
	Goodman Fielder Way					
	Safety	Quality	Talent Development	Innovation	Leadership	

OUR STRATEGY INCORPORATES THREE BROAD GOALS:

- Restore acceptable returns to our shareholders;
- Drive employee engagement to enable the work to be done and deliver executional excellence; and
- Deliver on the four imperatives of Safety, Quality, Innovation and Customer Service.

These goals are supported by six strategies and detailed action plans to enable Goodman Fielder to establish a stronger business capable of delivering on the expectations of a market-leading food company.

1. Sustainable cost structure

STRATEGIC OBJECTIVES

- Ensure a low cost, efficient operating model
- Optimise cost of goods sold (COGS) supply chain and overhead expenditure

PROGRESS MADE IN FY13

- Continued progress in Phase 2 of Project Renaissance cost savings
- Achieved \$65m in annualised savings at end FY13
- Remain on schedule to deliver \$100m in annualised savings by FY15

Project Renaissance

Project Renaissance is Goodman Fielder's cost reduction strategy which aims to remove \$100 million in annualised costs by June 2015. The company remains on target to achieve this total with significant progress made in the past year.

The first phase of this project, targeting \$40 million in annualised savings, has been successfully achieved. Goodman Fielder is progressing the second phase of Project Renaissance which is focused primarily on optimising manufacturing and supply chain efficiencies to deliver ongoing cost savings.

During FY13, the company continued to achieve additional cost savings bringing total annualised savings to approximately \$65 million at the end of FY13. This annualised amount is slightly less than originally expected, primarily due to the higher than anticipated impact on volumes from the implementation of price increases related to the cost to serve model in the Australian Baking division. Cost savings achieved through Project Renaissance are being reinvested to strengthen the business through brand and product innovation and productivity improvements to restore earnings.

ANNUALISED SAVINGS
ACHIEVED AT END OF
FY13

\$65m

FY15 TARGET COST
SAVINGS

\$100m

2. Portfolio optimisation

STRATEGIC OBJECTIVES

- Become a more focused food company with best in class innovation
- Divest non-core businesses
- Prioritise marketing and capital expenditure on our core categories

PROGRESS MADE IN FY13

- Successful divestments of Integro, New Zealand Milling – net proceeds of \$192m applied to reduce net debt
- Divested Copperpot and progressing other businesses under review
- Specific project in place to mitigate stranded costs

NET PROCEEDS
FROM BUSINESS
DIVESTMENTS

\$192m

Refocusing the company on core categories

Goodman Fielder has continued to progress its strategic objectives to strengthen the group's financial position and refocus the company on its core categories where it has greatest capacity to succeed.

During the year, the company successfully divested the Integro, New Zealand Milling and Copperpot businesses, using the net proceeds of approximately \$192 million to further strengthen the balance sheet and improve our capacity to reinvest in our core categories. As a result, net debt is 40 per cent lower than the previous year, while the company now has the resources to commence the necessary reinvestment in its core categories and brands to restore sustainable earnings growth across its business.

3. Bakery turnaround

STRATEGIC OBJECTIVES

Restore acceptable earnings in the Bakery division by:

- Transforming the manufacturing footprint
- Optimising the product portfolio
- Improving distribution efficiencies

PROGRESS MADE IN FY13

- Significant turnaround in earnings with strong uplift in 2nd half EBIT
- Private Label agreement successfully negotiated in Australia
- Three bakery closures
- Store Keeping Units (SKUs) rationalised by 30 per cent
- 40 unprofitable distribution routes deleted or restructured

STORE KEEPING UNITS
RATIONALISED IN FY13

200



Reducing the cost base and simplifying the business

Goodman Fielder has continued its restructuring program to create a more sustainable cost base through improved manufacturing and distribution efficiencies and overhead savings.

The consolidation of the company's Baking operations in North Queensland was successfully completed in February 2013 with the closure of bakeries at Cairns and Rockhampton and an upgrade completed at the Townsville facility. The bakery at Whiteside (Melbourne) was closed in October 2012, while production of rolls at Tamworth was outsourced in November 2012.

Goodman Fielder is continuing its project to increase distribution efficiencies by individually reviewing its regional distribution routes. Approximately 100 routes have been reviewed with around 40 routes either eliminated or restructured to improve distribution efficiency.

Meanwhile, the company is further optimising its product range to increase manufacturing efficiency, improve on-shelf availability and increase consumer satisfaction.

During FY13, over 200 individual product items (SKUs) were deleted – a reduction of approximately 30 per cent on the previous year, resulting in a significant reduction in the complexity of the Baking operation.

4. Core category innovation

STRATEGIC OBJECTIVES

- Invest for growth in five core categories – Bakery, Dairy, Flour & Cake Mix, Spreads and Dressings & Mayonnaise
- Create a Research and Development function to drive branded innovation across the portfolio

PROGRESS MADE IN FY13

- Commenced the reinvestment program in core category innovation with Direct Marketing Expenditure (DME) increasing by 19%
- Launch of new products in Spreads, Cake Mix and Dressings in 2nd half
- Launch of new marketing campaigns such as Cool Stuff for Kids and Kiwi Faves to drive brand equity across core categories
- Improved pipeline of new product development opportunities to be progressively launched from FY14

INCREASE IN
DIRECT MARKETING
EXPENDITURE

19%

New products for MeadowLea

MeadowLea is an iconic brand which has been trusted by generations of consumers.

During the year, MeadowLea launched three new products including MeadowLea Buttery, targeting health conscious, spreadable butter consumers, MeadowLea Cook & Bake to leverage the in-home cooking trend with a healthier alternative and MeadowLea Heart Plus targeting consumers looking to lower their cholesterol absorption.



5. Strategic partnerships with key customers

STRATEGIC OBJECTIVES

- Restructure the business model to provide one face to the customer
- Work collaboratively with customers on new product development and consumer insights
- Improve dialogue with customers to restore category profitability

PROGRESS MADE IN FY13

- Successful pricing agreement on cost to serve model in Baking (Australia)
- Customer collaboration on new product development and consumer insights in key categories

New structure improves customer relationships

Goodman Fielder has restructured its businesses in Australia and New Zealand to streamline its operations to simplify and make it easier for customers to do business with the company.

In New Zealand this resulted in the consolidation of three separate business units into one while the company has now developed a matrix structure where its three geographic market teams are supported by dedicated category teams. The new structure is assisting Goodman Fielder to improve its dialogue and responsiveness to its key customers with a focus on more collaboration on new product development to grow core categories and identification of supply chain efficiencies. During the year, Goodman Fielder was recognised as supplier of the year by one of its key New Zealand customers, Progressive Enterprises.

6. New channels and geographies

STRATEGIC OBJECTIVES

- Diversify earnings beyond supermarket channels and leverage our Asia Pacific presence
- Develop a strategy to build the company's presence in the artisan and in-store bakery categories
- Implement scoping studies targeting Dairy and Bakery opportunities in Asia

PROGRESS MADE IN FY13

- Dairy expansion plans being developed to access new markets
- Artisan – continuing to grow chilled bread category; volume increased at Erskine Park to service new customers

Artisan bread winning hearts

Goodman Fielder launched its new stone baked range of chilled artisan bread to drive dinner and casual entertaining occasions.

Using artisan bread produced from its new state of the art bakery at Erskine Park, the company launched a premium range of chilled bread under the La Famiglia brand to redefine the garlic bread category. As a result Goodman Fielder is continuing to grow market share in chilled bread in Australia with 59 per cent market share; up 6 points during the year, driving chilled bread category growth over 2 per cent.



Chairman's review



It was a transformational year for your company as we continued to progress our strategy to restore acceptable returns to shareholders and pursue our vision to be the leading and most innovative local food company.

STEVEN GREGG
Chairman

The year ended 30 June 2013 was a significant period in the continued turnaround of Goodman Fielder.

In many ways, it was a transformational year for your company as we continued to progress our strategy to restore acceptable returns to shareholders and pursue our vision to be the leading and most innovative local food company.

While we still have much work to do to achieve that vision, I am encouraged by our progress to create a more sustainable earnings base for the company.

FINANCIAL RESULTS

Goodman Fielder made substantial progress last year.

Reported net profit after tax was \$102.5 million compared to a loss of \$146.9 million in the prior year. Reported net profit includes the net gain on business divestments, insurance proceeds and, importantly, lower significant items (restructure costs, asset impairments) compared to the previous year.

Normalised net profit from continuing operations – which excludes the Integro and New Zealand Milling businesses we divested during the year – increased by 5 per cent to \$75.7 million. This increase in normalised net profit reflects lower net interest expense from our strengthened balance sheet.

I am pleased to report that given this progress in strengthening the group's financial position, together with the achievements being delivered in the strategic plan, your Board was able to restore dividends to shareholders last year.

A final dividend of 3 cents per share was payable on 1 November 2013. As there was no interim dividend, this represents a full-year dividend payout ratio of 68 per cent of normalised net profit after tax which was within the range of 50-80 per cent the company had previously indicated to the market.

FOCUS ON STRATEGY

The management team has continued to progress the strategic agenda to create a platform for future earnings growth. The achievement of these strategic imperatives is an important step in rebuilding trust with our key stakeholders; our customers, shareholders, consumers and employees.

Over the past year, the company has made significant progress in developing a clear and focused strategy to restore acceptable earnings growth across the business.

We are now well advanced on our first two strategies; delivering a sustainable cost structure and portfolio optimisation.

Through Project Renaissance, we remain on schedule to meet our goal to achieve \$100 million in annualised cost savings by FY15.

In terms of portfolio optimisation, we have refocused our business on our core categories through the successful divestments of the Integro, New Zealand Milling and Copperpot businesses and used the net proceeds to reduce net debt by 40 per cent on the prior year.

At the end of June 2011, Goodman Fielder had net debt of \$955 million which has now been reduced to \$434 million. This is a significant decrease in the company's gearing which positions Goodman Fielder with a strong platform for sustainable growth.

REPORTED NET PROFIT (\$ MILLION)

2013	102.5
2012 (146.9)	

NORMALISED NET PROFIT FROM CONTINUING OPERATIONS (\$ MILLION)

2013	75.7
2012	72.1

We continue the strategy to turn around our Baking business which was reflected in an improved result in second half earnings. We are continuing to address supply chain and optimisation efficiencies across our manufacturing and distribution network, which will be a focus for the current year.

Meanwhile, we are improving the level and quality of dialogue between the company and our retail partners on key issues such as more collaborative work on new product development to promote category growth and supply chain solutions. This was also reflected in the implementation of meaningful price increases to recover input cost inflation and the costs incurred by the company to provide a daily fresh delivery service.

Over the past year we have also commenced the necessary reinvestment in our core categories and brands with Direct Marketing Expenditure (DME) increasing by 19 per cent on the prior year.

Finally, we are assessing opportunities to pursue growth options outside of the traditional supermarket channels, specifically leveraging our Asia Pacific presence and also targeting opportunities to leverage the growing artisan bread category.

GOODMAN FIELDER PEOPLE

Over the past 12 months, we have continued to strengthen the management team with the appointments of highly experienced executives in key roles, including Research & Development and Quality, Supply Chain and Operations and our Asia Pacific business.

We have also continued our focus on improving the core capabilities of the company, with a particular emphasis on improving our safety performance and staff engagement. Safety, as measured by the Significant Injury Frequency Rate (SIFR), improved by 17 per cent while staff engagement improved by over 17 per cent.

While these are welcome improvements, we recognise that the company needs to continue to focus on these key operational imperatives and this will be an ongoing priority for the company to address over the current year.

As we have worked to restructure the company over the past two years, I recognise this has been a challenging time for our people and I would like to thank all staff at Goodman Fielder for their hard work and commitment in delivering our results.

LOOKING AHEAD

Goodman Fielder is now in a significantly more competitive position than 12 months ago. Our financial position is stronger, our strategic focus is clear and the business is much better equipped to deal with the challenging trading environment we continue to face.

We are still working through our strategy to turn around the performance of the company but I am encouraged by our progress over the past year and by the plans we have to achieve our strategic goals.

We expect to continue that progress this year and remain absolutely focused on returning the business to sustainable earnings growth.

I would like to thank Chris Delaney, his management team and our staff for their commitment.

I would also like to thank shareholders for your ongoing support of the company and assure you of the Board and management's commitment to deliver on our strategy.



STEVEN GREGG
Chairman



CEO's review



While we returned the company to profitability and made progress on a number of financial metrics, I am also proud of some of our other initiatives, particularly from an operational perspective.

CHRIS DELANEY

Managing Director and Chief Executive Officer

WHAT IS YOUR OVERALL IMPRESSION OF THE COMPANY'S PERFORMANCE LAST YEAR?

In an overall sense, I am pleased with our performance last year. In a year where we faced the challenges of rising input costs, intense retail competition and some specific operational issues, I believe the company delivered a solid result.

We returned to profitable growth – both on a reported net profit basis and also on a normalised net profit basis from our continuing businesses. Our financial position continues to improve and that enabled the Board to resume paying dividends to shareholders.

We have also continued to make progress on our strategy, particularly in the continuing turnaround of the Baking division, cost reduction through Project Renaissance and reinvestment in our core categories and brands.

We had the disappointment of a capacity issue in our Poultry business in Fiji, which impacted earnings in our Asia Pacific business. However, I am encouraged by the lead indicators in terms of how we're addressing that issue for improved performance in this current financial year.

WHAT WERE THE SPECIFIC HIGHLIGHTS OF THE YEAR?

While we returned the company to profitability and made progress on a number of financial metrics, I am also proud of some of our other initiatives, particularly from an operational perspective.

For example, we continue to improve our safety performance with the Significant Injury Frequency Rate (SIFR) down by 17 per cent from June 2012.

We completed the SAP platform upgrade which creates a more streamlined and automated reporting and financial analysis capability throughout the business.

We also implemented a revised Vision, Values and Purpose for the organisation, as a catalyst for cultural change which has helped to drive a critical improvement in staff engagement by around 17 per cent across the company.

In line with our value of looking after our own in the company and the community, we announced improvements to our sustainable sourcing of Palm Oil. We've made a commitment to sourcing Certified Sustainable Palm Oil (CSPO) for all Goodman Fielder branded products in Australia and New Zealand using the mass balance supply chain model in 2014.

HOW HAS THE FINANCIAL POSITION OF THE COMPANY IMPROVED ON THE PRIOR YEAR?

We continued to make good progress in strengthening the company's financial position. This was one of our earliest priorities in the strategic plan.

Net debt was 40 per cent lower than the prior year with a significant improvement in our credit metrics. Indeed, our metrics are now generally in line with investment grade which is where we think Goodman Fielder should be operating.

As a result, our net interest expense was 25 per cent lower than the prior year which assisted in the increase in net profit after tax.

We also had a significant improvement in operating cash flow which increased by 39 per cent compared to last year. This was assisted by our continuing focus on working capital management and the improvements we made to our shared services function.

CAN YOU GIVE AN UPDATE ON THE PROJECT TO TURN AROUND THE BAKING DIVISION'S PERFORMANCE?

Baking remains a challenging market and that was reflected in the full year result with volumes, revenue and earnings down on the prior year.

However, we made significant progress in the second half which resulted in Baking earnings doubling on the first half.

Part of that increase was achieved through improved pricing, recognising the costs involved in providing a daily fresh delivery service in Australia and also relating to the recovery of input cost inflation in Australia and New Zealand.

The effect on volumes, particularly in Australia from pricing, was slightly higher than we had anticipated which was also impacted by more frequent and deeper competitor promotional pricing in the third quarter.

We have responded to protect our market share in the fresh loaf category and have also launched new campaigns in our core brands of Wonder White and Helga's.

We also continued the restructuring program in Baking to create a more sustainable cost base through improved manufacturing and distribution efficiencies and overhead savings. As a result, we made the difficult decision to close three bakeries during the year and consolidate our manufacturing operations.

We restructured 40 regional distribution routes to improve efficiency while also optimised our product range by deleting approximately 200 individual product items – a reduction of approximately 30 per cent on the previous year. This has resulted in a significant reduction in the complexity of the Baking operation.

WHAT IS THE NEXT PHASE OF THE COMPANY'S STRATEGY?

The initial focus of our strategy was to reduce the cost base and refocus the portfolio on our core categories. We have seen the results of that reflected in an improved operational cost structure, together with a more focused capital and marketing spend.

However, in order to deliver sustainable earnings improvement for the medium term, we are now making the necessary reinvestments in marketing, branding and innovation in these core categories to grow top line revenue.

Therefore, the next key component in our strategy will be to reinvest further in our core categories and brands through new product development, increased direct marketing expenditure and greater collaboration with our customers on growing core categories.

At the same time, we need to continue the good work we are doing to drive improved quality and reliability, together with an ongoing focus on achieving manufacturing and distribution efficiencies across our networks.

WHAT ARE YOUR PRIORITIES FOR THE YEAR ENDED 30 JUNE 2014?

We expect that retail trading conditions, particularly in Australia and New Zealand, will remain challenging and that will continue to put pressure on product volumes and pricing.

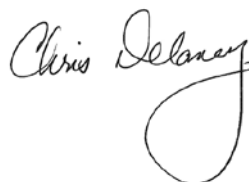
It's critical therefore that we remain focused on operational cost control and disciplined capital management. That discipline provides us with the financial flexibility to continue the necessary reinvestment across the company's core categories to drive top line growth.

We expect to continue to strengthen our financial position which should result in a further reduction in net debt and improved credit metrics at the full year.

Another key priority for the current year is our focus on increased innovation and strengthened brand equity through innovation and increased investment in research and development and DME.

To support these initiatives, we will also continue to leverage our market and category structure to better harness strategic partnerships with our retail partners in the key areas of new product development and consumer insights.

The achievements we made last year have given the company a stronger platform to deliver on our strategic priorities and I remain confident that we will continue to make further progress this financial year.



CHRIS DELANEY
Managing Director
and Chief Executive Officer

IMPROVEMENT IN OPERATING CASH FLOW

39%

DECLINE IN NET DEBT

40%



Operational review

Baking⁽¹⁾



The initial focus of the company's strategy has been to reduce the cost base and refocus the portfolio on its core categories. That is being reflected in an improved operational cost structure and a more focused capital and marketing spend.

To deliver sustainable earnings improvement over the medium term, the company is making the necessary investments in marketing, branding and innovation across its core categories.

KEY HIGHLIGHTS

- The baking category, particularly in Australia, remains challenging from the continued impact of private label, competitor and in-store baking competition on proprietary brands, however, Goodman Fielder made progress in the second half of the year on its strategy to turn around the Baking division to deliver more acceptable earnings performance.
- Normalised EBIT declined by 9% to \$49.5 million compared to the previous year. However, second half earnings doubled on the first half, creating positive earnings momentum into the current financial year.
- Revenue for FY13 declined by 3% to \$897.8 million, reflecting lower volumes, particularly in the Australian market in the first half of the year.
- Goodman Fielder implemented price increases for its proprietary baking products in December 2012, recognising the costs involved in providing a daily fresh delivery service in Australia and also relating to the recovery of input cost inflation (ex commodities) in Australia and New Zealand.
- The effect on volumes in Australia from price increases was slightly higher than anticipated and also impacted by more frequent and deeper competitor promotional pricing in the third quarter.
- The company has continued its restructuring program to create a more sustainable cost base through improved manufacturing and distribution efficiencies and overhead savings. As a result, total fixed overhead in the Baking division was 9% lower than the prior year.
- Goodman Fielder is continuing its project to increase distribution efficiencies by individually reviewing its regional distribution routes. Approximately 100 routes have been reviewed with around 40 routes either eliminated or restructured to improve distribution efficiency.

(1) Excludes NZ Milling.

REVENUE

\$897.8m

NORMALISED EBIT

\$49.5m





Leveraging artisan opportunity

Goodman Fielder launched its new stone baked range of chilled artisan bread to drive dinner and casual entertaining occasions.

Using artisan bread produced from its new state of the art bakery at Erskine Park, the company launched a premium range of chilled bread under its La Famiglia brand to redefine the garlic bread category. As a result Goodman Fielder is continuing to grow market share in chilled bread in Australia with 59 per cent market share; up 6 points during the year, driving chilled bread category growth over 2 per cent.

VOLUMES (M UNITS)

2013	467.0
2012	504.0

REVENUE (\$ MILLION)

2013	897.8
2012	927.2

NORMALISED EBIT (\$ MILLION)

2013	49.5
2012	54.5

CAPITAL EXPENDITURE (\$ MILLION)

2013	35.8
2012	38.0

Grocery



REVENUE	NORMALISED EBIT
\$502.8m	\$63.4m

VOLUMES (M UNITS)	
2013	251.9
2012	278.9

NORMALISED EBIT (\$ MILLION)	
2013	63.4
2012	72.4

REVENUE (\$ MILLION)	
2013	502.8
2012	540.6

CAPITAL EXPENDITURE (\$ MILLION)	
2013	7.7
2012	4.7

KEY HIGHLIGHTS

- Retail trading conditions in Grocery remained difficult during the year, particularly in Australia, as a result of subdued consumer sentiment and increased competition from proprietary brands and private label which continued to put pressure on volumes and price.
- Grocery revenue declined by 7%, to \$502.8 million, impacted by lower volumes which required further investment in price and promotional strategy in an effort to mitigate volume declines.
- Despite lower revenue, gross margin as a percentage of sales improved on the previous year from a continued focus on cost discipline across the business.
- Volumes reduced from supermarket range reductions in specific product categories in Australia and from increased mix pressure from private label and competitors, in the core categories of Spreads and Dressings & Mayonnaise in Australia.
- Normalised EBIT declined by 12% on the prior year, impacted by lower volumes, particularly in specific non-core categories within the portfolio and also by an additional tolling margin payable for commercial oils as a result of the divestment of the Integro business.
- As part of the sale, Goodman Fielder has agreed a long term supply agreement for the supply of oil and finished goods which is expected to deliver a more efficient manufacturing supply chain over the medium term.
- However, earnings improved by 10% in the second half compared to the first half, as the company stabilised its core categories and repositioned its master brands for growth, including an increase in DME of 46 per cent.



White Wings takes flight

Goodman Fielder launched new products and marketing to support its market leading White Wings brand.

This included a new black label range of cake mixes, targeting a new premium dessert usage occasion. White Wings also launched its new Hi Fibre flour, attracting new users to the flour category – specialist flour to meet health and baking performance needs. These product launches were supported by White Wings' sponsorship of the Great Australian Bake-off – the new, successful television programme which reached over one million viewers nationally in Australia per week.

Dairy

KEY HIGHLIGHTS

- The Dairy division in New Zealand continued to perform well in the second half of the year, building on the improved earnings performance in the first half.
- Earnings increased from improved product mix, enhanced price architecture and ongoing disciplined cost management.
- Revenue declined by 4% to \$395.3 million, reflecting declining commodity prices in milk and cheese and lower net average selling prices in meats.
- Volumes were 1.5% lower than the prior year, reflecting lower sales in milk and cheese during the year. However, volumes in yoghurt increased, partially in response to the Meadow Fresh “cool stuff for kids” marketing initiative.
- Despite lower revenue, normalised EBIT increased by 18% to \$37.7 million on gross margin improvement from a more profitable product mix and ongoing effective cost management.
- The increased EBIT also included an increase in DME of 31%, primarily to support the Meadow Fresh brand in New Zealand.
- Free cash flow increased by 30% to \$50.2 million, reflecting improved earnings and lower restructuring costs.
- In April 2013, Goodman Fielder successfully extended its private label contract with a major retail partner while towards the end of the year, the Dairy business secured additional milk volumes through a supermarket chain in the North Island. More recently, the Route Food Service division was awarded two contracts from customers.



Meadow Fresh is Cool

The Meadow Fresh Cool stuff for kids marketing campaign proved to be one of the most successful brand building programmes in New Zealand.

This was New Zealand’s largest school promotion in prizes with more than 1,200 schools participating to receive sports and arts equipment for their school. Over 5.5 million stickers were collected. The programme drove higher brand equity for Meadow Fresh and increased volumes in yoghurt with 6 pack sales up 14 per cent during the campaign. Given the success of the programme, Meadow Fresh has launched a new campaign, ‘Cool our Schools’ in FY14.



Asia Pacific



REVENUE	NORMALISED EBIT
\$331.8m	\$56.4m

VOLUMES (M UNITS)	
2013	229.9
2012	233.2

NORMALISED EBIT (\$ MILLION)	
2013	56.4
2012	62.2

REVENUE (\$ MILLION)	
2013	331.8
2012	333.5

CAPITAL EXPENDITURE (\$ MILLION)	
2013	10.0
2012	7.7

KEY HIGHLIGHTS

- The Asia Pacific division reported a disappointing result, primarily as a result of a one-off capacity issue in the company's poultry business in Fiji.
- A higher than expected livestock mortality rate reduced the company's ability to supply poultry to the Fiji market. Resulting lower volumes, together with higher costs associated with remediating the issue, impacted performance in the second half of the year.
- Revenue for the Asia Pacific division declined by 1% to \$331.8 million as a result of the lower volumes and unfavourable product mix in Fiji and lower stockfeed volumes in Papua New Guinea, partially offset by improved flour volumes in Papua New Guinea and Dairy.
- Increased manufacturing costs, primarily related to alleviating the capacity constraints in Fiji, impacted earnings with normalised EBIT declining by 9% to \$56.4 million.
- Lower earnings also impacted net free cash flow which was \$56.1 million, 7% lower than the previous year.
- Capital expenditure, which included key projects such as the relocation of the company's snacks plant in Lae, Papua New Guinea and further investment in safety initiatives across the region, was higher than the prior year.



Crest supports Fiji fashion

Goodman Fielder's continued support of local communities across Asia Pacific is demonstrated by the company's sponsorship of the Fiji fashion week.

The Crest chicken sponsorship of Fiji's premier event honours the cultural art and talent of Fiji's creative people.

The sponsorship also encourages and supports small and medium-sized enterprises to provide local people with a platform to showcase their creative designs, together with the opportunity to expand into successful business ventures.

Crest has been a major supporter of fashion events in Fiji for the past 6 years.

Consolidated Income Statement

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 \$m	2012 \$m
Continuing operations			
Revenue		2,127.6	2,212.5
Other income	5	34.0	9.0
Cost of sales		(1,342.3)	(1,412.1)
Warehousing and distribution expenses		(314.1)	(316.2)
Selling and marketing expenses		(174.2)	(170.2)
General and administration expenses		(140.3)	(195.4)
Other ⁽¹⁾		-	(145.3)
Expenses, excluding finance costs		(1,970.9)	(2,239.2)
Net finance costs	6	(67.2)	(90.1)
Profit/(loss) before income tax from continuing operations		123.5	(107.8)
Income tax expense	7	(32.7)	(9.0)
Profit/(loss) for the year from continuing operations		90.8	(116.8)
Discontinued operations			
Profit/(loss) from discontinued operations, net of income tax ⁽²⁾	8	19.0	(23.1)
Profit/(loss) for the year		109.8	(139.9)
Attributable to:			
Owners of Goodman Fielder Limited		102.5	(146.9)
Non-controlling interest		7.3	7.0
Profit/(loss) for the year		109.8	(139.9)
		Cents	Cents
Earnings per share for profit/(loss) attributable to the owners of Goodman Fielder Limited from continuing operations:			
Basic earnings per share	43	4.3	(7.0)
Diluted earnings per share	43	4.2	(7.0)
		Cents	Cents
Earnings per share for profit/(loss) attributable to the owners of Goodman Fielder Limited from continuing and discontinued operations:			
Basic earnings per share	43	5.3	(8.3)
Diluted earnings per share	43	5.2	(8.3)

(1) The comparatives include an impairment charge on Baking goodwill of \$101.0m and Grocery goodwill and intangibles of \$44.3m. Refer to notes 6 and 18 for more details.

(2) Included in the prior year loss from discontinued operations is an impairment charge on NZ Milling goodwill of \$42.5m. For further details refer to notes 8 and 18.

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2013

	Notes	2013 \$m	2012 \$m
Assets			
Current assets			
Cash and cash equivalents	9	403.1	161.7
Trade and other receivables	10	162.9	227.6
Inventories	11	128.9	128.0
Derivative financial instruments	12	0.1	1.7
Current tax receivable		9.1	13.7
Other current assets	13	14.6	9.0
Assets classified as held for sale	8	1.7	177.1
Total current assets		720.4	718.8
Non-current assets			
Receivables	14	0.8	2.4
Investments in jointly controlled entities	15	5.5	4.1
Property, plant and equipment	16	511.5	498.1
Deferred tax assets	17	47.1	57.7
Intangible assets	18	1,490.5	1,411.6
Other non-current assets	19	1.0	1.1
Total non-current assets		2,056.4	1,975.0
Total assets		2,776.8	2,693.8
Liabilities			
Current liabilities			
Trade and other payables	21	235.7	275.2
Borrowings	22	52.8	51.0
Derivative financial instruments	12	17.0	23.7
Current tax liabilities		16.4	15.0
Provisions	24	60.9	61.6
Liabilities classified as held for sale	8	–	7.6
Total current liabilities		382.8	434.1
Non-current liabilities			
Borrowings	25	760.8	786.2
Deferred tax liabilities	26	28.2	20.5
Provisions	27	20.5	15.2
Derivative financial instruments	12	32.2	62.7
Total non-current liabilities		841.7	884.6
Total liabilities		1,224.5	1,318.7
Net assets		1,552.3	1,375.1
Equity			
Contributed equity	28	2,065.0	2,063.7
Reserves	29(a)	(177.6)	(252.9)
Accumulated losses	29(b)	(339.2)	(441.7)
Capital and reserves attributable to owners of Goodman Fielder Limited		1,548.2	1,369.1
Non-controlling interest		4.1	6.0
Total equity		1,552.3	1,375.1

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Our people



At Goodman Fielder, safety is an imperative across the organisation and is one of the key focus areas in our business strategy.

Put simply, we look after our own – in the company and in the community.

Health and Safety

KEY HIGHLIGHTS

- Reduction in the Significant Injury Frequency Rate by 17 per cent.
- All Goodman Fielder sites are now using Incontrol to report and track their investigation for all incidents. This centralised system allows transparency and analysis of incidents across the business and for each level of management to review and track the status of investigations and corrective actions.
- One Goodman Fielder induction process is being rolled out across the entire business. This ensures that employees, contractors and visitors understand Goodman Fielder’s expectations and are provided with information to ensure their safety before arriving on site.
- Finalisation and launch of a new 3 year SHE Plan outlining priority risk areas, projects to address them and the strategy to ensure our people have the critical skills to drive safety.
- Introduction of a new One-Goodman Fielder SHE Scorecard ensuring all sites are measuring their performance using lead and lag indicators and each level of management has clear information about the performance of their operations.
- SHE Community Session – bringing Goodman Fielder’s global SHE community together to share knowledge, develop alignment and create networking opportunities.

REDUCTION IN SIGNIFICANT INJURY FREQUENCY RATE (SIFR)

17%



SIGNIFICANT INJURY FREQUENCY RATE (SIFR) (per million work hours)



LOST TIME INJURY FREQUENCY RATE (LTIFR) (per million work hours)



Significant Injuries (SI) are defined as a work-related injury or illness that results in either a: Lost Time Injury (LTI), Medical Treatment Injury (MTI) or a Restricted Work Injury (RWI). A LTI is defined as a work-related injury or illness resulting in an employee being unable to work for a full scheduled shift, other than the shift on which the injury occurred.

FY11 and FY12 safety statistic data has been updated since previous reports to account for claims that were rejected and injuries that were either upgraded or reclassified during FY13 (as at 30 June 2013).

FY13 safety statistic data is as at 30 June 2013 and is subject to change in the future to account for any claims that may be rejected and injuries that may be upgraded or reclassified.

Health and Safety (continued)

2013 TARGET	PROGRESS	ACHIEVEMENT
Improve the management of safety incident and hazard reporting data by rolling out the 'InControl' database across Goodman Fielder's business.	InControl has been successfully implemented at all sites in Australia, New Zealand, Fiji, PNG, New Caledonia, Indonesia and is used to report and manage all incidents.	✓
Conduct at least 25 SMS audits at manufacturing sites in Australia, New Zealand and the Pacific Islands.	SMS audits or pulse assessments were conducted at over 30 sites during the reporting period. Priority procedures within the SMS have been identified and compliance against those procedures is reported in the monthly "One-Goodman Fielder SHE Scorecard".	✓
Run at least four employee health education campaigns across the business, tailored to prevalent health issues for each region in which we operate.	Three Group wide campaigns and two Asia Pacific specific campaigns were conducted during the reporting period.	✓

2014 GOALS
Roll out a revised Lock Out Tag Out procedure and training program across all Goodman Fielder manufacturing operations.
Develop and roll out programs to ensure improved machine guarding is in place and maintained and traffic management and manual handling risks are eliminated or reduced across Goodman Fielder sites.
Drive active safety leadership by ensuring all leaders complete planned monthly WALKs.
Engage the entire workforce in actively identifying and reporting safety hazards and near misses and taking appropriate actions to prevent injuries.

OUR APPROACH TO HEALTH AND SAFETY

Goodman Fielder's operations involve exposure to hazards that, without effective controls, may result in serious injury or fatality. Goodman Fielder's safety strategy ensures the right systems, plant and equipment, behaviours and leadership are in place to drive a strong safety culture within the Group and eliminate or minimise the risk of harm to employees, contractors and visitors.

Our goal is zero significant injuries. We recognise that to achieve our goal we need to develop clear strategies and measure our progress on each strategy. This is why we have introduced two group lead indicators of safety. The first is the percentage of the leadership team who have completed "WALKs" each month as per plan. WALKs involve leaders engaging in conversations with site staff about their safety to reinforce positive behaviours and to address unsafe behaviours and conditions. The second indicator is the ratio of near misses reported over a 12 month period to the total number of employees. Our goal is that every employee reports at least one near miss per year. This measure will engage all staff in our drive for proactive identification of risks that will be addressed before an injury occurs.

For Goodman Fielder, safety starts at the top. In relaunching Infielder, our company newsletter sent to all employees, our CEO Chris Delaney opened his message with the heading "Safety First". Chris also introduced a new *Safety Matters* section updating all our staff, and their families, about "not just our safety performance data, but also some practical information about what we are doing across the company to make our environment a safer place to work."

HEALTH TOPICS

Goodman Fielder also continued our proactive health promotions via topics on *Work-Life: finding the right balance*, *Will you recognise your heart attack?* and *The importance of regular health checks* across Asia Pacific, Australia and New Zealand. These topics were chosen through a combination of staff feedback and data on health risks.

Additional disease prevention information on Dengue Fever and Malaria was developed for our sites in the Asia Pacific region. Material was made available in English, French, Mandarin and Bahasa to ensure the information was accessible across our employee base.

Health and Safety (continued)

EMPLOYEE ASSISTANCE PROGRAM

The Employee Assistance Program (EAP) is a free, confidential, off-site counselling service available to all Goodman Fielder employees and their immediate families. The EAP offers to assist our people deal with difficult personal or work-related problems, which can include family and relationship problems, depression, anxiety, stress, conflict, violence, abuse, mid-life issues and substance abuse (including tobacco).

INJURY MANAGEMENT

We remain committed to supporting staff who have sustained work related injuries or illnesses so that they can return to health and gainful employment as quickly as possible. Our corporate injury management program (CARE) involves proactive, best practice injury management and is based on the principles of early intervention, “at work” rehabilitation, consultation and collaboration.

InsideOut magazine

InsideOut is Goodman Fielder’s health newsletter for employees and their families.

It offers regular, ongoing support and information in the area of health and wellbeing including, health and lifestyle articles, interesting facts and figures, questions and answers and healthy recipe ideas.

The publication is distributed quarterly as an insert to the *Infielder*.



THIS PHOTO SHOWS SOME OF THE OUTCOMES FROM THIS PROJECT INCLUDING IMPROVED GUARDING ALONG THE SIDE OF A CONVEYOR, AN UPGRADED SWITCHBOARD (NOW STANDARD AT THE SITE) AND MESH GUARDING AROUND AN EXTRUDING MACHINE. WHEN THE DOORS ON THE MESH GUARDING ARE OPENED THE EXTRUDER IS AUTOMATICALLY ISOLATED (SWITCHED OFF).

Goodman Fielder New Zealand

Improved machine guarding was identified by Goodman Fielder, and particularly the New Zealand Engineering team, as a priority for protecting our people. Guarding ‘audits’ were conducted at all of our New Zealand manufacturing sites, identifying some of the high priority plant and equipment that needed changes. At our Ernest Adams site, the Machine Guarding Action Team (MGAT) continues to meet weekly, ensuring the site takes a methodical and comprehensive approach to this issue.

The three key components of their action plan are to:

1. use the existing detailed Machinery Risk Reviews as a basis for developing a plan which prioritises and targets all machinery hazards within the plant with timelines for implementation
2. develop in-house capability to assess machinery risk effectively and according to appropriate standards such as AS4024:2006.
3. develop sound business processes for the effective management of machinery hazard projects. This includes all aspects covered under AS4024, plus the Standard Operating Procedures and staff training processes required to run a functional and safe manufacturing plant.

‘In-house’ risk assessments of plant and equipment have been a real success with involvement from the project lead, SHE Manager, production team leader and operators, as well as engineering. The group considers all phases of the equipment’s use including pre-operation, operation, shut down, maintenance and cleaning. A key feature of the approach is a focus on ‘engineering out’ risk where possible rather than just placing a guard over the issue.

Site staff are now actively involved in identifying potential hazards and the in-house risk assessments allow the hazards to be evaluated and prioritised.

Culture, Leadership and Engagement

The continued drive to build on our high performance culture across our company is about Goodman Fielder being a great place to work.

We understand that our people are the key to our future success and we are building a culture and leadership framework that supports engaged employees who are motivated to achieve.

INCREASE IN STAFF ENGAGEMENT SCORE

17%



2013 TARGET	PROGRESS	ACHIEVEMENT
Roll out Goodman Fielder's new vision and values across the organisation.	Our December 2012 employee engagement survey showed that the positive perception score of our values increased from 45 per cent to 64 per cent as a result of the excellence in execution of our vision and values rollout.	✓
Continue to focus on our leadership cultural development program to help our leaders understand their management styles and engage their staff more effectively.	During the year we developed the Goodman Fielder Way for Leadership. The leadership framework has also been integrated into our performance system, Perform and Grow, and our talent assessment and development program, with training programs for all our salaried population to support this.	✓
Cascade our talent development program further down the organisation.	This initiative is now part of the Goodman Fielder Way for Leadership rollout with "building organisational vitality" one of the key pillars of this program.	✓

GOODMAN FIELDER WAY FOR LEADERSHIP



To support the successful cascade of the Vision, Values and Strategy through our company, we developed the Goodman Fielder Way for Leadership – our model for successful leadership. This framework supports all our people leaders by transforming our values into behavioural competencies and demonstrating ways of working that enhance engagement and support our high performance culture.

The Goodman Fielder Way for Leadership is centred on inspiring a culture of trust and high performance through championing and living the company's values, building a culture that drives business growth, efficiency and effectiveness.

All our people leaders will be expected to demonstrate progress across six key areas:

- **Bringing our values to life** – Inspiring a culture of trust and high performance through championing and living our values
- **Creating direction** – Creating and communicating long-term organisation and team direction to build excitement and engender commitment
- **Building organisational vitality** – Selecting, growing and retaining talented people to drive current and future organisational success
- **Embedding the Goodman Fielder Way** – Consistently deploying the Goodman Fielder Ways of working to create efficiency and ensure alignment
- **Executing with excellence** – Setting clear objectives and providing support to maximise team performance, individual excellence and the achievement of great results
- **Celebrating success and learning from mistakes** – Recognising achievement and constructively reviewing mistakes to encourage high performance, risk taking and learning.

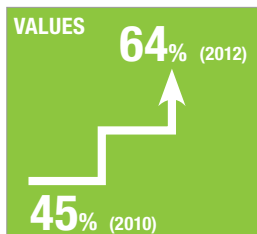
Throughout FY14 we will continue to embed the Goodman Fielder Way for Leadership training and we expect to have covered all salaried staff by December 2013.

Culture, Leadership and Engagement (continued)

ENGAGEMENT

Goodman Fielder measures engagement by surveying our people each year (with support from Aon Hewitt). In December 2012, 76 per cent of employees participated in the survey. The results showed that Goodman Fielder had increased our engagement score by 17 per cent placing the company in the top 12 per cent of improvers according to Aon Hewitt. While this is an encouraging result we are targeting even higher levels of engagement to help unlock unfulfilled potential within our company.

We are pleased that the excellence in execution of the rollout of our inspiring Vision and Values meant that the values became the top drivers of engagement for the company.



The new Vision and Values were launched less than 4 months before the 2012 engagement survey and yet the results show an increase in positive perception for this driver from 45 per cent in 2010 to 64 per cent in 2012.

Our People and Culture strategy for the next financial year continues to enhance our values and integrate them into our people programs.

HIGH PERFORMANCE CULTURE

Our High Performance Organisation Strategy links to all activities driving our Vision, Values, Leadership and Engagement. During FY13 we refreshed our performance system, known as "Perform and Grow", to include the company's values and the Goodman Fielder Way for Leadership behavioural competencies. We are currently rolling out training for the salaried population to ensure consistency in application and to drive a High Performance ethic across the company.

Training includes coaching for all our people leaders in how to provide feedback not just on **what** work has been done but **how** the results have been delivered. The rollout of our Goodman Fielder Way for Leadership not only embeds our coaching and feedback methodology but also links to our Safety, Quality and Good Manufacturing Practice initiatives so that all models for coaching and feedback are integrated.



2014 GOALS
Embed the Goodman Fielder Way for Leadership framework across the organisation so that leaders are clear about their role in driving a strong culture and business success.
Embed the improved performance system bringing our Values to life through <i>Perform and Grow</i>.
Focus on the engagement and development of our most senior leaders as change agents for business growth, efficiency and effectiveness.

Fairness, Respect and Diversity

Our vision and values are the ingredients that set the standards for leadership and culture at Goodman Fielder.

They are designed to support the development of a diverse workplace, based on fairness and respect. We value the diversity of our communities and strive to mirror that diversity in our company with a current focus on initiatives to support gender diversity.

PROPORTION OF
KEY TALENT IN
THE EXECUTIVE
LEADERSHIP TEAM
WHO ARE WOMEN

46%

2013 TARGET	PROGRESS	ACHIEVEMENT
Maintain a Roundtable comprised of a group of the most senior women in the organisation, to discuss and promote diversity initiatives.	The Roundtable was formed and met twice during the reporting period.	✓

2014 GOALS
<p>Continue to support the Roundtable of senior women in the organisation and encourage engagement from other female people leaders within the organisation.</p> <p>The diversity section of the Corporate Governance section of the 2013 Annual Report provides full details of the initiatives planned for FY14.</p>

WOMEN IN THE WORKFORCE

Our current focus remains gender diversity and associated workplace flexibility initiatives. During the last financial year, significant progress was made towards gender diversity at the executive level. Specifically, the percentage of women who are key talent in the Executive Leadership Team increased from 4 per cent to 46 per cent within the twelve month reporting period, due to planned internal succession movements and targeted external recruitment.

Our values specifically state the importance of diversity and the role our Group Executive members play to model inclusive behaviours.

Other diversity initiatives of particular note are listed below.

Roundtable – Gender Diversity Forum:

The Roundtable meetings involve a group of the most senior women in the organisation, who discuss and promote diversity initiatives, with the support of the CEO and Board. Two meetings were held last financial year, which were focused on the engagement of women in the company.

Senior Executive Role Modelling and Communications:

Goodman Fielder has successfully launched the Vision, Values and Core Purpose program via all our senior leaders. In the future we will continue our progress on gender diversity at Goodman Fielder. The diversity section of the Corporate Governance section of the 2013 Annual Report provides full details of the initiatives planned for FY14.

Recruitment:

Goodman Fielder has continued appropriate gender representation in candidate pools for senior roles. This initiative has proved to be very successful with a number of Executive Leadership Team member appointments being female in FY13.

Flexible Work Practices:

Throughout the year a review of our application of Flexible Work Practices policies was completed and as a result technology enhancements were made to make it more effective for people to participate in flexible working arrangements.

EMPLOYEES

Goodman Fielder employed approximately 6,100 people (including labour hire) across Australia, New Zealand and Asia Pacific at the end of June 2013. The reduction from the 6,900 reported last year was primarily due to company restructuring, divestments and consolidation of manufacturing facilities.

COLLECTIVE BARGAINING

Our employees are free to choose whether or not they wish to become members of industrial associations. Approximately 60 per cent of our employees were covered by collective bargaining agreements during the year.

Fairness, Respect and Diversity (continued)

National Association of Women in Operations



During the reporting period Goodman Fielder became a corporate Partner to the National Association of Women in Operations (NAWO), an Australian body that has been established to support women who work in R&D, supply chain and operations and also increase the participation of women in operations professions for the future.

Through our membership our employees, both women and men, have the opportunity to attend a variety of NAWO events throughout the year. A popular addition to the event calendar is the NAWO Quick Bite series which assembles interested groups of up to 30 NAWO members to:

- deliver a short skills building workshop or thought leadership briefing;
- enable participants to meet and exchange thinking with their peers – to stimulate thinking, encourage innovation, improve networks and collaboration;
- inform participants of new and ongoing NAWO initiatives to meet our primary objective.

Morag Booth, our Regional Operations Manager for Victoria, Australia, was one of the first to take advantage of the NAWO membership and said the NAWO Quick Bite in Melbourne “was a great forum to network and share ideas about the opportunities and challenges for women in operational roles within the manufacturing industry.”

<http://www.nawo.org.au>



Environment



Healthy soil, fresh water and clean air are critical ingredients in creating food that people love. At Goodman Fielder we are committed to using our raw materials responsibly and protecting and caring for the local environments in which we operate. During the reporting period Goodman Fielder rolled out our new Environment Management System (EMS) to drive an integrated and holistic approach to improving our environmental performance. The new EMS is based on the ISO 14001:2004 standard for environmental management systems and covers all of Goodman Fielder’s manufacturing activities.

2013 TARGET	PROGRESS	ACHIEVEMENT
Implement Energy Efficiency Opportunities (EEO) assessments in line with regulatory requirements at a minimum of two manufacturing sites.	EEO assessments have been completed at our Moorebank and Burleigh Heads Bakeries. Goodman Fielder’s second five year Assessment Plan has been approved by the Commonwealth Government.	✓
Minimise and manage the costs associated with the Australian Government’s carbon pricing mechanism.	Project Diamond was formed with representatives from Environment, Engineering, Procurement, Sales, Supply Chain, Operations and Finance. The project focused on modelling and assessing cost increases, identifying and implementing efficiency opportunities and supporting price pass through negotiations.	✓
Roll out the updated ISO14001 aligned corporate Environment Management System across the business.	Implementation of the EMS has continued throughout FY13 with EMS training conducted in Australia, New Zealand and Papua New Guinea. A baseline EMS audit was conducted in each market (Australia, New Zealand and Asia Pacific).	✓
Support the production of certified sustainable palm oil by purchasing GreenPalm certificates to cover the branded retail products produced by Goodman Fielder Australia in 2012.	Goodman Fielder Australia purchased 3,902 GreenPalm certificates in 2012 which covered all retail branded grocery products in Australia. A further 1,176 certificates were purchased to cover retail branded products in New Zealand.	✓

2014 GOALS
In FY14 Goodman Fielder will review and update our Environment Policy to reflect our environmental priorities and increased focus on sustainable sourcing.
Goodman Fielder will drive resource efficiency and greenhouse gas emission reductions through setting of site based targets.
Improve the identification and management of environment contamination risks at our manufacturing sites.
Investigate opportunities for renewable energy generation across our operations.

Energy and Climate Change

REDUCTION IN SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS ON PRIOR YEAR (TONNES CO₂-e)
8%

Goodman Fielder recognises the importance to our business of minimising the impacts of climate change and we support sensible government

action to limit human induced climate change. Climate variability, including drought and severe weather events, can influence the price and availability of raw materials. As a result Goodman Fielder's emissions related activities focus on both mitigation and adaptation opportunities.

OUR APPROACH

Energy use is the primary source of emissions from the activities within Goodman Fielder's operational control. As such, our energy efficiency strategy and carbon mitigation activities are closely linked. Over the last year we have been looking to utilise the organisational structure to maximise the benefits to our business from energy efficiency initiatives at each of our manufacturing sites. By leveraging our size into scale we can identify the best energy reduction opportunities and implement them across our organisation. This will deliver many times the benefit to our business and the environment.

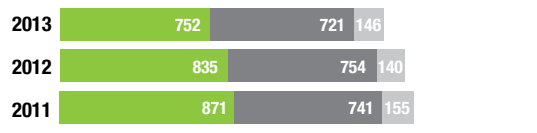
Goodman Fielder's Corporate Risk Committee (a sub-committee of the Board) receives periodic reports on the risks and opportunities posed by climate change and government carbon policy. During FY13 a cross functional team, called Project Diamond, was formed to coordinate Goodman Fielder's response to the carbon pricing mechanism in Australia. The work undertaken through Project Diamond will help Goodman Fielder adjust quickly to any changes in energy and/or carbon pricing.

Goodman Fielder also recognises the contribution of emissions from our supply chain and project teams have been set up, in both Australia and New Zealand, to drive supply chain efficiency improvements. We expect these projects to deliver significant reductions in diesel consumption by contractors servicing Goodman Fielder.

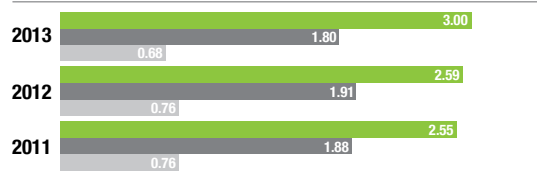
We have partnered with other businesses to investigate the lifecycle carbon and water impacts of grains products, including fresh bread and rolls. While the initial study will be specific to the Australian context, it is expected the methodology will be able to be applied to other products and geographies.

Goodman Fiedler's manufacturing operations achieved an overall reduction in energy consumption and greenhouse gas emissions in FY13. Energy efficiency improved in the New Zealand and Asia Pacific operations while trials and commissioning work done for the bakery rationalisation program, combined with a reduction in production, led to a temporary decline in the energy efficiency of our Australian operations.

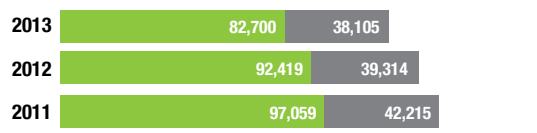
MANUFACTURING ENERGY CONSUMPTION (TJ)



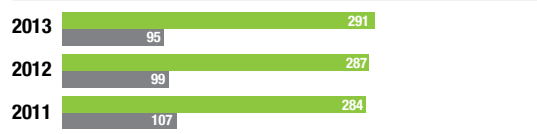
ENERGY EFFICIENCY (GJ / tonne of production)



SCOPE 1 & 2 GREENHOUSE GAS EMISSIONS (tonnes CO₂-e)



EMISSIONS INTENSITY (kg CO₂-e / tonne of production)



Australia **New Zealand** **Asia Pacific**

Energy consumption, greenhouse gas emissions and efficiency information in the charts above relate to continuing operations only. Overall energy use and scope 1 and 2 greenhouse gas emissions for Goodman Fielder's manufacturing operations during FY13 was 1,823 TJ and 137 kt CO₂-e respectively. In FY13 the greenhouse gas emissions from our Asia Pacific operations were tracked internally. During FY14, Goodman Fielder will seek independent verification of the methodologies used to calculate these emissions allowing this information to be included in future public reports.

Energy and Climate Change (continued)

KEY HIGHLIGHTS

- Introduction of Project Diamond to manage the impact of the Clean Energy Package on Goodman Fielder's Australian business.
- Implementation of compressed air leak reduction initiative in Australia and New Zealand is projected to deliver over 2,000MWh in electricity savings each year.
- Successful application for funding for a metal halide light replacement program in New Zealand (to be rolled out in FY14).
- Installation of induction lighting at Carina Bakery.
- Insulation upgrades at our Malaga, Clayton and Forestville bakeries.
- Energy Audits conducted at three sites in the Pacific identified 900 TJ per year in potential energy savings from cost effective opportunities. These opportunities are being investigated for inclusion in capital improvement plans for Fiji and Papua New Guinea.

COMPRESSED AIR
LEAK REDUCTION
INITIATIVE
PROJECTED SAVINGS

2,000MWh

Compressed air leak reduction program

Compressed air, while essential for many processes within our manufacturing plants, is a very expensive form of energy.

Over the reporting period we expanded our ultrasonic leak detection program in New Zealand and conducted surveys of two sites in Australia. During the surveys, colour coded tags are attached to all leaks and energy and cost savings are calculated. The information is then uploaded to an online tool that allows site maintenance teams to track the savings achieved from fixing each leak. Leaks identified and fixed during the reporting period will prevent sites wasting over 2000MWh of electricity each year.

Water

Access to a readily available source of clean water is critical to our ability to create food that people love. We understand the importance of protecting our waterways and minimising our water use as much as practical.

OUR APPROACH

Goodman Fielder's manufacturing facilities span a wide range of climates and products. The "millennium drought" provided a sharp focus on water use for our Australian operations and the associated culture shift continues to drive ongoing water reductions. During the reporting period many parts of New Zealand experienced drier than normal conditions which has continued to reinforce the importance of water conservation activities across all of our operations irrespective of the local availability of water.

Our Environment Management System provides tools for sites to improve water management. The corporate team provides guidance to sites with specific challenges and facilitates sharing of lessons learnt across the business. With a very low monetary value placed on water in many areas, our efficiency programs are often linked to wastewater management or energy reductions (in the case of hot or chilled water savings). Goodman Fielder is working with our local site teams to help calculate the true cost of water to the site and the additional benefits from water conservation measures.

REDUCTION IN WATER USED PER KILOGRAM OF PRODUCT AT OAMARU

20%

Wastewater management is an important aspect of our manufacturing operations. Our approach to wastewater improvement starts with identifying and reducing the sources of wastewater (i.e. water use) and contaminants.

While our overall water consumption in both Australia and New Zealand

decreased in FY13, Australia experienced a small decline in water efficiency due to reduced production levels and water used during trials and commissioning for bakery rationalisation projects. FY13 water use data for Asia Pacific includes manufacturing activities not previously reported (representing 20% of the increase in water consumption). Changes to quality regimes have also impacted water consumption.

A focused water efficiency program to be rolled out in Fiji during FY14 is expected to reverse the increases experienced in FY13.



WATER CONSUMPTION (ML)

Year	Australia	New Zealand	Asia Pacific
2013	392	1,300	432
2012	399	1,312	382
2011	431	1,357	340

WATER EFFICIENCY (kL / tonne of production)

Year	Australia	New Zealand	Asia Pacific
2013	1.37	2.01	3.24
2012	1.24	1.72	3.32
2011	1.26	1.66	3.44

Legend: Australia (Green), New Zealand (Grey), Asia Pacific (Light Grey)

Water consumption and efficiency information in charts above relates to continuing operations only. Overall water consumption for Goodman Fielder's manufacturing operations during FY13 was 2,231 ML.

Water (continued)

KEY HIGHLIGHTS

- Updated Environmental Training for site staff. Focused on their roles and practical examples of what can be done on the factory floor to reduce water consumption.
- Our Erskine Park factory is saving over 11 million litres per year (enough to fill five Olympic swimming pools) from installing low cost technical solutions.
- Wastewater improvement projects have resulted in a reduction in water used for cleaning at five manufacturing sites.
- Substantial reduction in top-up water required for Moorebank Bakery by eliminating leaks and improving controls.

CALCULATED
REDUCTION IN WATER
USE AT ERSKINE PARK
(IN KILOLITRES)

11,000

Quality Bakers Oamaru

The team at Quality Bakers Oamaru has delivered a 19.6 per cent reduction in water use per kilogram of product by eliminating overflow from the mince cooker.

Our Oamaru Bakery makes a delicious range of pies and pastry products. Early in FY13 the team identified a sharp increase in organic material in their wastewater discharge. The site has three tanks to catch any fats and solids in the wastewater but the team wanted to find out where the fat was coming from. A short investigation led the team to the batch cooker for the mince meat. The mince meat used on site contains fat, so the cooking process involved only putting in a portion of the water, cooking the meat and scooping off any excess fat.

By then adding the remainder of the water, as per the recipe, and bringing the mince back to the boil, the meat level was at the top of the cooker creating a boil over which created a potential wastewater problem and waste of water and product.

In October 2012 the site trialled a reduced cook / batch size and monitored the fat build up in the wastewater tanks. The difference was clearly visible and the biochemical oxygen demand (a measure of the organic content) of the wastewater dropped by nearly 22 per cent. This project also delivered a reduction in water used per kilogram of product of 20 per cent.



Waste

For Goodman Fielder, materials leaving our sites as solid waste represent a lost opportunity. We love food – especially our food so we want to see all of our high quality ingredients being utilised to make products that delight our consumers.

OUR APPROACH

At Goodman Fielder our waste strategy is closely aligned to the waste hierarchy. We aim to identify and eliminate the causes of waste, reduce waste where it can't be eliminated and then identify reuse or recycling opportunities for waste that cannot be avoided.

Working more closely with waste service providers was a key focus in FY13. By rationalising services and reducing the frequency of waste collections three Australian sites were able to save a combined \$100,000.

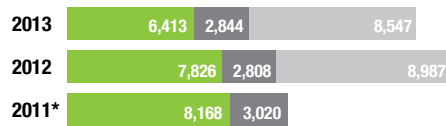
Many solid waste reduction initiatives rely on changing work practices and behaviours rather than equipment. By helping employees understand the real cost of waste and involving them in identifying solutions many of our manufacturing plants were able to make significant improvements in FY13.

Goodman Fielder's Environment Awareness training was updated and relaunched in FY13. All employees are required to undertake this training which is now broken into separate modules for operators and managers. At an operator level the training focuses on why we need to improve our environmental performance and practical examples of what employees can do in their day to day work environment.

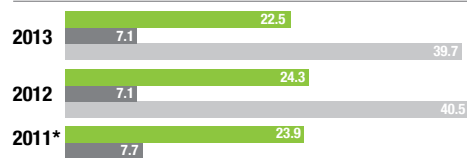
Our continued focus on reducing waste to landfill delivered significant improvements across all parts of the business. The 5 per cent improvement in landfill waste efficiency achieved in FY13 provides a benchmark for site based improvement initiatives in FY14.



LANDFILL WASTE (tonnes)



LANDFILL WASTE EFFICIENCY (kg / tonne of production)



■ Australia ■ New Zealand ■ Asia Pacific

Landfill waste generation and efficiency information in charts above relates to continuing operations only. Overall landfill waste generated by Goodman Fielder's manufacturing operations during FY13 was 18,000 tonnes.

* Asia Pacific landfill waste figures unavailable for FY11.

Waste (continued)

KEY HIGHLIGHTS

- The Malaga Bakery in Perth successfully secured a partner to take all bread and dough waste for stockfeed ending the previous practice of sending dough waste to landfill.
- Our Wellington (NZ) bakery worked with a local school, petfood manufacturer and horticulture company to successfully find reuse options for ingredients packaging.
- The efforts of the site team at Moorebank Bakery (Sydney) in ensuring recyclable materials were kept out of the general waste bins led to a halving of the collection frequency for their waste bins.
- The completion of the NexGen Project (SAP upgrade) allows more accurate and timely production information to be used in calculating waste efficiency.
- The company conducted an Australia wide waste service review to understand waste costs and areas to target for savings.
- The Baking business achieved a 95% diversion of waste from landfill at Melbourne metropolitan bakeries.

RECYCLING RATE
FOR MELBOURNE
METROPOLITAN
BAKERIES

95%



MEMBERS OF THE PAMPAS ENVIRONMENT COMMITTEE

Pampas Pastry

The Pampas site in West Footscray, Victoria, established an Environment Committee in March 2012. The team includes employees representing all functions on site and together they've been focusing on reducing the environmental impacts of their factory.

Specifically, the Environment Committee looks at ways to stop wasting water and energy and to reduce the volume of waste sent to landfill.

One of the reasons behind the success of the site has been the collaborative approach to the generation and actioning of ideas. All levels of employees are involved and rather than focus on one big project on the site, they have implemented smaller changes which have led to some tangible financial and environmental benefits.

Some of the initiatives implemented by the committee include:

- changing their hot water system to more efficient technology
- investigating when hot water was actually required and turning off units when not in use
- recycling the majority of the plastics on site, from the wrappings for pallets to the bulk of their plastic containers
- recycling the aluminium foil trays
- fine tuning the production process throughout the run based on volumes of non formed shells being placed in the recycling container
- changing light switches in freezer units to make them accessible by the staff working in them

All of these various efforts have resulted in the site sending 12 less skip bins per week to landfill. This is in addition to the thousands of dollars in energy costs that have been saved.

Packaging

Packaging plays a critical role in protecting, preserving, promoting and providing information about our products. Delivering these key functions, while reducing the environmental impacts of our packaging, continues to be a key focus for Goodman Fielder.

OUR APPROACH

Packaging is an important element of Goodman Fielder's drive for innovation. Our dedicated team of packaging experts continues to deliver high quality packaging solutions for our business.

FY13 saw Goodman Fielder driving a major internal project focused on our grocery packaging in addition to partnering with the REDGroup to deliver an innovative solution for our Australian consumers to recycle flexible packaging. We also conducted three Sustainable Packaging Guideline (SPG) assessments of our packaging categories: corrugated cardboard; 'flow wrap' flexible, and PET.

Our grocery packaging includes a wide variety of bottles and jars. As part of efforts to ensure "we get better – all the time" this packaging was assessed by a cross functional team to see what, if any, improvements could be made. After substantial investigations and an SPG review, the decision was made to move from glass to PET for our bottles and jars. This new packaging will begin appearing on shelves throughout FY14 and will result in an annual reduction in packaging of up to 4,000 tonnes. This weight reduction has flow on benefits throughout the supply chain and is expected to also deliver transport related greenhouse gas emission reductions.

In partnership with several other major food manufacturers and the REDGroup, we are providing a solution to the challenges of recycling flexible plastic packaging. Flexible plastic packaging is one of the fastest growing packaging sectors and despite it being recyclable, most kerbside collection services do not accept this material. The REDCycle solution provides in-store containers at retail outlets across the country meaning most Australian consumers now have a practical option to recycle our bread bags and other flexible plastic packaging. The recovered material is then processed in Australia and transformed into a wide variety of products ranging from speed humps to benches and tables.

Goodman Fielder remains committed to the Australian Packaging Covenant (APC) and is embedding the tools and procedure of the APC throughout our business. We have set up regular APC progress meetings to make sure that we are delivering on the objectives of the covenant. During the year key staff attended training courses and workshops on packaging innovation, designing for recycling, and packaging in the supply chain.



GOODMAN FIELDER'S VERY OWN BENCH MADE FROM MATERIAL RECOVERED THROUGH THE REDGROUP INITIATIVE

Bread bag recycling

The ongoing success of the REDCycle flexible plastic recycling program relies on there being a market for the recovered material.

Recycled plastics manufacturer, Replas, are able to transform the recovered material into a wide range of useful products and Goodman Fielder has been working closely with Replas to identify opportunities to use their products within our operations.

Erskine Park had recently erected pedestrian barriers at their site and needed to install something to prevent forklifts and pallets from damaging the new barriers. The team found that Replas' recycled plastic "wheel stops" would be perfect for this task and have the added benefit of being yellow all the way through (eliminating the need for repainting). The 32 wheel stops installed represent 352 kilograms of recycled plastic that would otherwise have gone to landfill (which is the weight of nearly 60,000 bread bags).

From 1 January to 30 June 2013, over 434,000 Goodman Fielder branded bread bags were returned by our consumers for recycling through the REDCycle program.

ITEMS OF GOODMAN
FIELDER PACKAGING
COLLECTED THROUGH
REDCYCLE INITIATIVE

434,000

EXPECTED ANNUAL
REDUCTION IN
PACKAGING BY MOVING
FROM GLASS TO PET
(TONNES)

4,000

Ingredients

At Goodman Fielder we create food that people love and we understand that this means more than just a great taste. Goodman Fielder strives to identify and minimise the potential for negative impacts from our ingredients on communities and the environment.

OUR APPROACH

Goodman Fielder consults with internal and external stakeholders, seeks feedback from customers and consumers and conducts research to identify priority ingredients for developing and implementing coordinated management strategies.

As a member of the Australian Chapter of the Sustainable Agriculture Initiative, Goodman Fielder actively supports our primary producers to improve the sustainability of their agricultural activities. We understand that the ingredients we source and how we source them can have a positive impact on local communities and environments and we seek to find opportunities to deliver these.

NUMBER OF
GREENPALM
CERTIFICATES
PURCHASED IN 2012

5,078

YEAR GOODMAN FIELDER
WILL SWITCH TO CSPO
FOR ALL BRANDED
PRODUCTS IN AUSTRALIA
AND NEW ZEALAND

2014



Genetically Modified Food Ingredients

Goodman Fielder values feedback from our consumers on the use of genetically modified raw materials in our foods.

During the reporting period we maintained our policy of using raw materials that are not genetically modified for our retail branded products wherever possible. To achieve this we work closely with our suppliers of canola oil to ensure that our non-genetically modified canola crops are segregated at harvest and that appropriate controls are implemented to prevent contact with genetically modified oil products in the supply chain.

Palm Oil

Goodman Fielder shares community concerns about the impacts of deforestation and we strive to identify and eliminate deforestation in our supply chain, including from the sourcing of palm oil derived ingredients.

Goodman Fielder has committed to sourcing Certified Sustainable Palm Oil (CSPO) for all Goodman Fielder branded products in Australia and New Zealand (including spreads exported to the Asia Pacific region) using the mass balance supply chain model.

Our intention is to commence sourcing mass balance CSPO from January 2014. Goodman Fielder will continue to support the production of sustainable palm oil through the purchase of GreenPalm certificates in 2013 in line with previous commitments.

We support the Roundtable for Sustainable Palm Oil (RSPO) and encourage others in our supply chain to honour their obligations under the RSPO. We welcome the RSPO's commitment to ensuring the integrity of the certification system (as demonstrated by their investigation of the recent fires in Indonesia). Focusing on improving the quality and integrity of the RSPO certification system (including robust principles and criteria for plantations) allows end users of palm derived ingredients, such as Goodman Fielder, to more transparently ensure the sustainability and traceability of their supply chain.

Goodman Fielder's continuing operations used approximately 12,700 tonnes of palm oil in calendar year 2012. We purchased 5,078 Green Palm certificates over the same period which covered all retail branded Grocery products in Australia and New Zealand. In addition to these, some of our private label and business to business customers purchase GreenPalm certificates for their own products.

Integro Foods, acquired by GrainCorp in October 2012, is our primary supplier of palm derived ingredients and finished products. Integro Foods has confirmed that, to the best of their knowledge, they source palm oil from "Peninsula Malaysia where plantations were established decades ago on the site of old rubber plantations". We will continue to work with Integro and our other suppliers of palm derived ingredients as part of our CSPO certification to improve the traceability of their palm oil purchasing.



PALM OIL FRUITS IN THE PALM TREE

Products



At Goodman Fielder our purpose is to create food that people love. This means creating high quality products and delighting our consumers with our brands of choice. We believe innovation is a key ingredient for our future success and that we can have a positive impact on the health and wellbeing of our consumers and their communities.

Quality

Goodman Fielder is committed to ensuring our consumers have the best experience possible with our products. We are committed to delivering safe, quality products every day to our customers and consumers.

We have five strategic imperatives in Quality which together create "Quality the Goodman Fielder Way":

- Building a Proud and Engaged Team
- Consolidating the Supplier Quality Program
- Developing Excellence in GMP
- Strengthening the Quality Systems
- Building Quality Leadership in Goodman Fielder

Each strategy has key activities planned in FY14 – FY16 to drive improvement.

IMPROVEMENT IN THE ENGAGEMENT SCORE FOR THE QUALITY TEAM BETWEEN 2011 AND 2013

23%

REDUCTION IN COMPLAINTS FROM MOOREBANK BAKERY ON PRIOR YEAR

20%



Quality (continued)

GOODMAN FIELDER'S DEDICATED QUALITY TEAM

Goodman Fielder's dedicated Quality Team covers all our manufacturing sites. This team is there to help and to champion the quality cause but they are not the owners of quality because at Goodman Fielder "we all own quality". When adding to our quality capacity in FY13 we ensured new QA team members had strong interpersonal and leadership skills to allow us to have the right conversations at all levels of the business.

The Operations Team are also developing their leadership capabilities to ensure all Managers are prioritising the imperatives of Safety and Quality at all sites.

Our sites have built Annual Quality Plans, Annual Quality Capital Plans and Monthly Reviews of Quality Performance Indicators to drive the focus... and it is paying off. Moorebank the largest bakery in the Goodman Fielder network, drove a decrease in overall quality complaints of 20 per cent.

EMPLOYEE ENGAGEMENT

Our quality team aims to be "experts in quality and food safety, leaders of change, resourceful team players and passionate legacy builders".

This year we invested in additional Quality resources to support the Quality program across the region. We created a corporate structure with Regional Quality Managers to support the sites. This team are also responsible for ensuring we identify where we are excelling and sharing this knowledge across the business as we build the One Goodman Fielder Way for Quality.

In FY13 the engagement score for the Quality Team increased by 23 per cent; the highest across all of Goodman Fielder.



Moorebank bakery leading the way

The Moorebank site's Operations Manager, Site Quality Manager, NSW Quality team and the greater Moorebank team have led a huge improvement in quality performance at the site.

By reinforcing the Goodman Fielder value 'we are we – not me' there has been a focus on building a quality culture and involving operators, who work on the production line every day, in all quality projects. The site has also introduced a Daily Team Quality Review – bringing the focus back to the bread.

The site has undertaken metal detector and rejection upgrades as well as introducing the 5 Why review of Root Cause. Led by a site champion, these reviews allow action to be taken to fix underlying causes of quality issues. For example, the site has started to redesign plant and equipment layouts to improve access for cleaning.

By working together the Moorebank team has achieved a 20 per cent reduction in quality related complaints compared to the previous year and have an action plan to achieve further improvements.

Health and Wellbeing

Health and wellbeing is more than just eating a balanced diet and getting enough exercise, it's also about how you feel and embrace the world around you. At Goodman Fielder this means creating great food and supporting healthy lifestyles.

OUR APPROACH

THE NUMBER OF 120 LITRE WHEELIE BINS OF SALT REMOVED FROM THE WONDER WHITE RANGE PER YEAR

500

PRODUCTS APPROVED AS HEALTHIER CHOICES BY THE TICK PROGRAMS

193

Goodman Fielder's approach to health and wellness is one of creating high quality foods, choosing to do the right thing for our consumers and helping create a better future. We love food, especially our food and we look after our own – in the company and the community; we know the health and wellbeing of our consumers is a key ingredient to our success. This year our focus has been uncovering the nutritional benefits of our current range, establishing benchmarks and developing innovative insights for the foods of tomorrow.

We provide a range of great tasting foods that support healthy lifestyles and meet taste and nutrition needs of a wide array of consumers across Australia, New Zealand, the Pacific and into Asia. From the everyday foods and staples like bread, milk, yoghurt, flour and spreads to those that make those special occasions that extra bit special, like cakes, biscuits, pastry, speciality cheeses and deli meats our R&D teams are driving innovation that can support the health and wellness aspirations of our company and consumers.

KEY HIGHLIGHTS

During the reporting period Goodman Fielder:

- simplified the ingredients used in the White Wings and Edmonds range of baking mixes and our Ernest Adams Christmas cakes to reflect home style ingredients (including removal of artificial preservatives, flavours and colours).
- introduced a buttery flavour to our plant sterol spread "HeartPlus", making it an even tastier way to lower cholesterol absorption.
- completed our sodium reduction work with the MeadowLea range of spreads and achieved the Heart Foundation Tick for our MeadowLea Original range.
- made lunchbox treats better for kids by introducing the White Wings Lunchbox Heroes range – an Anzac cookie, apple slice and banana choc muffin all with 25% less sugar than regular varieties.
- encouraged New Zealand children and families to build stronger bones by consuming more milk and yoghurt to win sporting and art equipment for their schools in the Meadow Fresh Cool stuff for kids promotion.
- supported digestive health in New Zealand by packing more fibre into our Nature's Fresh Simply Fibre range (which now contains at least 4 grams of fibre per 100 grams) and finely milling the wholegrains in Molenberg's Hidden Grains.
- helped those with Coeliac disease (and others following gluten free diets) in Australia to enjoy eating sandwiches again by improving the taste and texture of our Country Life Gluten Free range of breads.
- provided a healthier option in the Australian wraps market with a range of Helga's and Wonder White wraps that have 50% less sodium than market leading brands. The Wonder Hi Fibre wraps also have 25% more fibre.

Supporting active lifestyles in Papua New Guinea

The Flame brand has long been a part of life in PNG, providing not only a range of flours but also supporting community health and wellbeing under the "strength and energy" banner.



In the past year Flame has continued to encourage active lifestyles through ongoing support of the Port Moresby Corporate netball competition and rugby league 9s Challenge as well as sponsoring the Eki Vaki Primary School to participate in the annual Transparency International (PNG) walk against corruption (a group from Goodman Fielder also participated).

One of the biggest contributions has been the makeover to the Ela Beach basketball court in Port Moresby. Our local dedicated marketing team joined forces with the Maintenance Department to converge on the court over four weeks doing everything from painting to general maintenance and repair of the community facility. The whole court was painted in the iconic Flame colours and logo and since completion has been affectionately dubbed "The Flame Basketball Club" and has proven to be a great community recreation venue for the young (and young at heart).



Health and Wellbeing (continued)



Salt reduction success

In 2012 Wonder White reduced the sodium content of bread by up to 20 per cent as part of our ambitious sodium reduction health program.

The move saw 70 tonnes of salt – the equivalent of over 500 household wheelie bins – removed from one of Australia’s most popular breads, providing a healthier option for families looking to reduce their salt intake.

This move demonstrates Goodman Fielder’s commitment to the Federal Government’s Food and Health Dialogue, a joint Government and industry initiative to make healthier food accessible to all Australians. Excess salt consumption is a key problem globally. Many Australians eat more salt than the government’s suggested target of 4 grams per day, with potential adverse health consequences for their health. Wonder White is a family staple bread throughout Australia and our objective is to offer our consumers a healthier choice while still maintaining the taste they’ve come to expect.

The hard work of our product development team saw the whole Wonder White range earn the Heart Foundation’s Tick of approval for meeting its strict standards for saturated fat, trans fat, sodium and fibre. By reducing the salt content to 400mg per 100g serve, Wonder White is not only a good choice for the family but also for school canteens, with the range meeting ‘Green Food’ canteen guidelines.

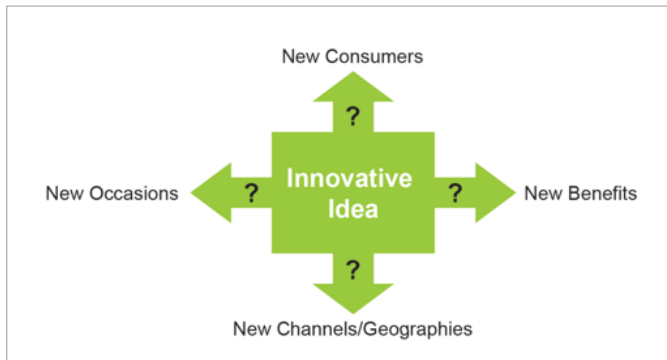
Innovation and Research & Development

At Goodman Fielder “we dream big, and we will make it happen”. Innovation is one of the core focus areas of our business strategy and we place our consumer at the centre of our innovation program. Innovation will help us simultaneously create growth opportunities and meet future sustainability challenges.

OUR APPROACH

Goodman Fielder understands the importance of building a sustainable future for our business. Our innovation program guides our path towards this future. As part of embedding our new business strategy, Goodman Fielder has been building a culture of innovation, taking a multi-disciplinary approach to drive new ideas for our business. Using new ideation tools and techniques, Goodman Fielder has enhanced our ability to work with external stakeholders to enrich ideas and drive co-creation opportunities.

We combine this internal and external creativity with our new business processes to target world leading innovation that creates value. Innovation in FMCG that creates value occurs in four dimensions and our processes help select the innovative ideas that create new consumers, new benefits, new channels/geographies and/or new occasions.



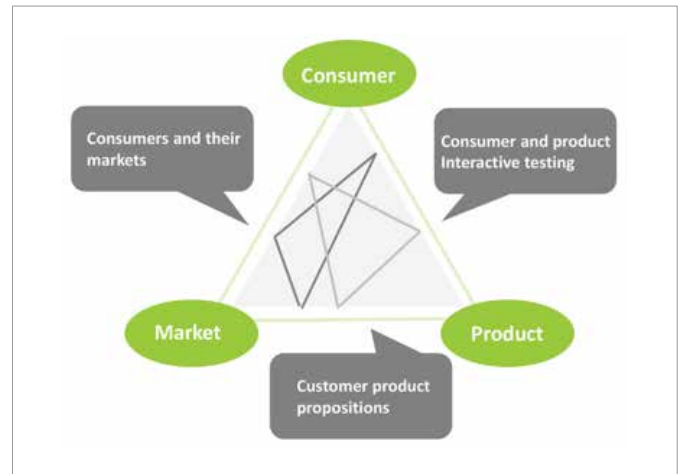
During FY13 we continued our focus on building innovation capabilities in our business and improving the link between our innovation experts and other parts of the business. To underpin our innovation activities we are also investing in enhanced consumer insight studies and sensorial activities. Success requires listening to three voices in combination to balance the consumer, market and product aspects of innovation.

Innovation and R&D doesn't just mean new and improved products but also transformational thinking in value engineering, community partnerships, supply chain optimisation and developing new ways to have a positive impact on the communities in which we operate. Innovation is embedded in how we operate and examples of our innovation achievements in FY13 can be found throughout this report.



KEY HIGHLIGHTS

- Enhanced internal expertise and innovation capability.
- Conducted a series of intense Innovation Pipeline Development programs across our key product categories of Baking, Grocery and Dairy.
- Development of a manifesto of ideas and opportunities for the business.
- Introduction of a new improved stage gate process that allows the business to focus on and accelerate the best ideas.
- Building stronger R&D and Innovation relationships with our key customers, suppliers and co-manufacturers.
- Delivery of innovation to the market place across nutrition, packaging, and reformulating to utilise natural ingredients.



Community



At Goodman Fielder we look after our own, in the company and the community. We have a strong tradition of supporting those in the community at risk and in need. We are a proud supporter of a number of charities and, as a food company, participate in community programs aimed at providing nutrition for those fighting hunger.

Charities

KEY HIGHLIGHTS

- Our New Zealand business launched the Goodman Fielder Cares Trust to help fight poverty and hunger across the country
- The Goodman Fielder bread donation program in New Zealand delivered its one millionth loaf of bread (to Auckland City Mission)
- The Helga's and Wonder White "buy a loaf and we'll donate one" campaign successfully reached the target of 3 million loaves, helping Foodbank feed the hungry of Australia
- The Nutrition, Outreach, Support and Health (NOSH) partnership with Open Family Australia launched a new van in Melbourne providing much needed service to the youth of Wyndham.
- The Fiji business has restarted a partnership with local farmers to donate fruit and vegetables to Fijians in need
- Over 285,000 New Zealand school students received a wide range of sporting equipment and art supplies through the "Cool Stuff for kids" campaign
- We increased employee driven community initiatives such as the Pampas factory monthly fundraising drive for causes nominated by site staff

**FOODBANK CAMPAIGN
WITH HELGA'S AND
WONDER WHITE
TARGET REACHED**

3m loaves

**TOTAL 2013
COMMUNITY
DONATIONS**

\$2.3m



Charities (continued)

2013 TARGET	PROGRESS	ACHIEVEMENT
Roll Out Open Family Australia's (OFA) Nutrition, Outreach, Support and Health (NOSH) program in underprivileged suburbs in outer Melbourne	The NOSH program was officially launched in Wyndham (South West Melbourne) and has already provided food, material aid, nutrition education and/or referral pathways for over 3,500 young people in the area.	✓

2014 GOALS

Review and consolidate Goodman Fielder's community programs to align with our company's vision and values.

COMMUNITY DONATIONS (\$ THOUSAND)	
2013	307
2012	457

PRODUCT DONATIONS (\$ THOUSAND)	
2013	1,998
2012	2,204

Keeping it in the family

Goodman Fielder's support of Open Family Australia (OFA) achieved a significant milestone during the year with the launch of the Melbourne NOSH van.

NOSH (Nutrition, Outreach, Support and Health) has been operating successfully in Sydney and the new van in Melbourne means that underprivileged youth in South West Melbourne can now receive the nutritious meals and outreach support provided by this program.

The NOSH van is increasingly becoming an integral part of the health and wellbeing support services in the area. Werribee Support and Housing requested assistance from the NOSH van to attend their weekly playgroup in order to provide food to at risk young parents. Lauren Perry, Youth Project Worker from Uniting Care, Werribee Support & Housing noted that for "the families that attend the weekly young parents supported playgroup, NOSH means that they can have regular food coming into the house". She added, the NOSH van "gives the parents from our group a chance to access services and speak to workers in a casual and relaxed environment which, due to the vulnerable nature of the clients, is what they require."

Since its commencement in March 2013, NOSH in Melbourne has:

- provided food, material aid, nutrition education and or referral pathways for 3,687 young people in Wyndham
- consulted with 205 community organisations
- engaged with 45 businesses.

Goodman Fielder was represented at the launch of the local program by Andree Pearman, the production planner at the Pampas factory in West Footscray.



ANDREE PEARMAN (GOODMAN FIELDER) AND MARK WATT (OPEN FAMILY AUSTRALIA) WITH THE NOSH VAN AT THE LAUNCH EVENT IN MELBOURNE.

Charities (continued)

THE GOODMAN FIELDER CARES TRUST

In early 2013, Goodman Fielder in New Zealand celebrated the delivery of its one millionth loaf of donated fresh bread – the equivalent of 6.5 million sandwiches for New Zealanders in need – by launching its new charitable trust.



The Goodman Fielder Cares Trust has been set up with the core mandate of fighting hunger and poverty in New Zealand. As a registered trust we can ensure complete transparency with 100 per cent of all donations being distributed to charitable programs (the company covers all the administration costs of the trust).

Fresh loaves of bread will continue to be donated to food banks and City Missions, but this initiative will also give Goodman Fielder employees across New Zealand the chance to get involved in a volunteering program, and to donate some of their earnings to the Trust. “We’re building on our bread donation program to allow our employees to volunteer for certain causes, and to contribute some of their earnings in a “Workplace Giving Programme” that will be matched dollar for dollar by Goodman Fielder” Goodman Fielder Managing Director in New Zealand, Peter Reidie said at the launch.

The Goodman Fielder Cares Trust has three key pillars:

1. GOODMAN FIELDER BREAD DONATION PROGRAM

About 180,000 fresh, purpose baked loaves of bread donated annually through arrangements with City Missions, other social services and Not for Profit organisations throughout New Zealand.

2. GOODMAN FIELDER EMPLOYEE VOLUNTEERING PROGRAM

Goodman Fielder funds half a day per year, giving GFNZ staff the opportunity to complete community service in chosen charities during work time. Our experts are able to provide specialist support to the charity partners with our Supply Chain team, for example, advising Auckland City Mission on some of their logistical challenges. The new STAR network (Site Team Area Representative) encourages our people to get involved in the program including providing out of work hours opportunities.

3. GOODMAN FIELDER EMPLOYEE WORKPLACE GIVING PROGRAM

Goodman Fielder staff can donate through payroll directly to the Goodman Fielder Cares Trust. Donations are matched dollar for dollar by Goodman Fielder with money collected to be awarded to charitable organisations through a grants program.



Dine Aid New Zealand

Goodman Fielder is also a proud supporter of Dine Aid New Zealand – a restaurant led initiative to encourage diners to add \$2 to their bill in support of food banks across New Zealand.

Goodman Fielder is providing \$100 product vouchers for all cafes and restaurants that gather \$500 in \$2 customer donations. Since Dine Aid was launched four years ago, restaurants and cafés have raised and distributed \$392,481.



Other community initiatives

Three Million Loaves to Foodbank

Three million loaves of bread are making their way to Australians in need thanks to a collaboration between Goodman Fielder and Foodbank, the country's largest hunger relief agency.

The donation represents enough bread to make about 20 million sandwiches. Throughout the next year, the bread will be distributed to 2,500 welfare agencies and 640 school breakfast programs that rely on Foodbank's services. The bread will be used in prepared meals, grocery hampers and emergency relief packages.

In the lead up to Christmas 2012, shoppers were given the opportunity to help fellow Australians doing it tough by simply purchasing Helga's or Wonder White for their daily bread. For each loaf of these brands bought in stores across Australia, Goodman Fielder committed to providing a loaf to Foodbank (up to the target of 3 million loaves).

John Webster, CEO of Foodbank Australia said, "We want to thank Australia for getting behind this initiative and helping to ensure the target was reached. Every day, Australia's welfare agencies are faced with the difficult challenge of providing people in need with hearty and nutritious meals. Bread is a key staple for breakfast, lunch and dinner and now we will have enough to meet demand for over a year.

"We also want to thank Goodman Fielder for this wonderfully generous initiative. Foodbank relies heavily on support from our partners in the food and grocery industry – without them, we simply couldn't function and wouldn't be able to support the thousands of Australians who rely on food relief every day".

Goodman Fielder CEO, Chris Delaney, said "The great work of Foodbank inspires us to do whatever we can to help. We're thrilled that, with the help of our customers, we're able to fulfil our commitment to provide bread to people around Australia who are experiencing hardship."



Dine at Mine

Goodman Fielder, through our White Wings brand, sponsored Camp Quality's "Dine at Mine" initiative this year which encourages people to host a dinner party and ask guests to donate the amount they would have spent at a restaurant.

Our White Wings marketing team was so enthused by the sponsorship they decided to host their own "Dine at Mine" BBQ at our head office raising over \$7,000 for the cause. Goodman Fielder also offered to match dollar for dollar any money raised by staff hosting "Dine at Mine" events at home.

Spotlight on Fiji

Our Fiji business is an important part of the local economy and we continued our support of the community through the sponsorship of a range of events during FY13.

The Crest poultry business supported the Crest Agriculture Show and the Agriculture Category at the FDB Small Business Awards helping to promote local agriculture and to develop and encourage local food producers and growers. The Crest Sulu Jaba & Salwar Kameez Competition (part of Fiji Fashion Week) focuses on the traditional wear of the two major ethnicities in Fiji.

Tuckers sponsorships supported secondary school Basketball, Soccer and Sailing competitions as well as the Tuckers Bulwood Dance Competition. The Tuckers Children's Wear Competition (Fiji Fashion Week) was another opportunity to support local designers. The Fiji team have also been working with local farmers to reinvigorate a fresh fruit and vegetable donation program which is expected to deliver up to seven tonnes per week to orphanages, aged care facilities and other community organisations.



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INDEPENDENT ASSURANCE STATEMENT

To the Board of Directors, Management and stakeholders of Goodman Fielder Limited:

Goodman Fielder engaged Net Balance Management Group (Net Balance) to undertake limited assurance over selected strategic sustainability content in this Review using the ASAE3000 Assurance Standard. In addition, Net Balance also conducted a third-party application level check against the Global Reporting Initiative's (GRI) G3.1 Sustainability Reporting Guidelines.

The Goodman Fielder Annual Review 2013 (the Review) and Net Balance's assurance statement will be available on the Goodman Fielder website in November 2013, which can be viewed at www.goodmanfielder.com.au.

Limited Assurance Conclusion

Based on our limited assurance audit procedures, nothing became evident to us to indicate that Goodman Fielder has not, in all material respects, fairly prepared and presented the sustainability content contained in the Review in accordance with the relevant GRI criteria and Goodman Fielder's reporting procedures, and satisfies the requirements of a 'C+' GRI Application Level. Net Balance has provided recommendations to Goodman Fielder to help improve systems and processes for sustainability reporting. The recommendations are available at www.goodmanfielder.com.au.

On behalf of the assurance team
16 October 2013
Melbourne, Australia

Terence Jeyaretnam, FIEAust
Director, Net Balance & Lead CSAP (AccountAbility UK)



Contact us



Visit our Investor Centre for information about Goodman Fielder. Shareholders can access their account details at our Shareholder account access point.

Shareholder inquiries

Share Registry

The share registry for Goodman Fielder is Link Market Services.

AUSTRALIAN INVESTORS

Tel: 1800 178 254 (in Australia only)

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NEW ZEALAND INVESTORS

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<http://www.linkmarketservices.co.nz>

For more information on our achievements and performance throughout the year, please visit www.goodmanfielder.com.au



