

THE **JUST** GROUP

EOWA REPORT

2009-2010

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INTRODUCTION

The Just Group is one of Australasia's leading fashion retailers with a portfolio of seven unique brands - Just Jeans, Jay Jays, Jacqui E, Portmans, Dotti, Peter Alexander and Smiggle. The Group has over 950 retail outlets and 6000 employees throughout Australia, New Zealand and South Africa.

Our goal is to become one of the world's most exciting retailers and to earn a reputation as an envied spectacular employer.

The Just Group believes that the 'what' and the 'how' are both important when it comes to operating. While we want great results, how we go about achieving them is also significant. Our leadership team acknowledges the importance of respecting our stakeholders, including employees, shareholders, customers and supplier's and this is reflected through our culture. We value and respect our spectacular employees.

We recognise our employees come from all walks of life and reflect great diversity and individuality. With a workforce that is 91% female and of whom 87% are under the age of 40, the success of our business requires us to respect that our employees are likely to have significant commitments outside of work and therefore require flexibility coupled with real & tangible opportunities to continue successful career progression with the Just Group.

The EOWA report for the 2009/2010 period will provide some insight into how we value diversity and the strategies in place to make it part of the way we do business. This report outlines and analyses the relevant people issues that have been identified, the actions and outcomes that have been achieved within this time, and the focus areas for the next 12-18 months.

CONSULTATION

The Just Group recognise the importance of sharing information and consulting with all levels of our company on people and employment issues. We have a number of consultation methods in place to assist in gaining information across all functions and levels of our business.

Our consultation methods ensures our employees are informed of what is happening in the business and provides us with valuable insight to our employee's thoughts and opinions across a range of employment issues including diversity, engagement, training & development, promotional opportunities and other equity topics. We then use this insight to identify, design and implement targeted actions, outlined within this report. Our methods of consultation are outlined below:

SENIOR LEADERS

- Senior leaders work with our Executive team to review & plan the strategic direction of the Just Group
- Workshops, focus groups & planning meetings are held to identify and/or discuss business issues such as leadership, people strategies & company culture
- Senior and Middle level leaders hold regular talent reviews to ensure our key talent is constantly discussed & ownership is taken to foster growth & career development

RETAIL CONSULTATION

- Formal talent reviews are regularly held by each state retail team
- Store visits by Retail Senior Leaders
- Regional Managers have regular conference calls with their store teams which allow business updates for store teams as well as the opportunity to identify & discuss people matters & opportunities
- Bi-annual P&L conferences are held which involved State Retail Management teams presenting business results and discussing relevant people issues such as talent management, succession, turnover and employee conditions with senior leaders
- Retail conferences allow Regional and Store Managers to provide feedback to key business members on store performance and factors influencing their regions including any people issues
- Our 2009 Retail EBA renewal enabled discussion between Senior Management, HR, Union Representatives & Retail employees as part of the negotiation process
- Quarterly usage report from our independent harassment and discrimination employee and manager help line (Pink Phone) allows HR to be aware of any related issues within their areas
- HR Metrics dashboard gives information of turnover, working hours & people movements

CORPORATE CONSULTATION

- Monthly HR teleconferences designed to share business information and discuss key people management issues within the HR team across all states
- HR completed exit interviews with employees who are leaving the business
- Annual performance review process provides an opportunity for managers and employees to evaluate their work and their work environment to plan effectively for the year ahead
- Our Annual Salary review process encourages remuneration discussions between management and their employees

THE YEAR IN REVIEW

This section details the specific priorities, actions and outcomes undertaken during the reporting period. Information is presented in the following framework:

SITUATION	The situation at the beginning of the reporting period, including previously identified issues.
CONSULTATION AND ANALYSIS	How we consulted with employees and managers.
ACTION AND OUTCOME	What we did in response to identified issues and the results achieved.

TALENT MANAGEMENT AND DEVELOPMENT

SITUATION AT MARCH 09

- Strong female representation at the Executive level with 5 female Executive leaders (63%)
- 8 out of 18 (44%) senior leaders (level below the Executive Team) were female
- More than 90% (727) of our Store Managers were female
- Bi-annual talent reviews run for Retail & Corporate Head Office
- Recognised need to invest in talent to support future business growth

CONSULTATION & ANALYSIS

Consultation occurred with employees through the existing monthly and annual review processes, feedback from exit interviews, senior leadership workshops and formal talent reviews. Regular analysis of headcount, internal transfers & promotions is performed as well as participation / attendance at training & development sessions.

ACTION & OUTCOME

Areas of focus:

1. *Talent Management process*
2. *Investment in & access to training*

TALENT MANAGEMENT	ACTION
	<p>We continued to hold talent reviews throughout the company during this reporting year. At our corporate head office, HR & Senior Management performed bi-annual talent reviews for our General Management & Merchandising teams across all brands. Several key female managers were identified as 'High Potentials' and targeted for development into Senior Management roles.</p> <p>In our retail stores, talent mapping occurred on a regular basis for our entire 950 store network to identify high potential employees in Assistant Store Manager and Store Manager roles and was linked into the recruitment & reward process.</p> <p>In our state sales teams, we reviewed the structure of our Regional Manager roles and as a result introduced entry level Regional Manager roles enabling a smoother transition and more support for our high potential Store Managers to step into a Regional Manager position.</p>

	<p>OUTCOME</p> <p>At our corporate head office, female employees identified as ‘High Potentials’ were promoted into newly created senior management roles including General Manager Marketing, General Manager Retail Womenswear and General Manager Organisational Development. This movement is reflected in our workplace profile in comparison to the last reporting period, with female representation in senior leader roles increasing from 44% (8 out of 18) to 68% (13 out of 19).</p> <p>In retail, 50% of Store Managers and 45% of Assistant Store Manager roles were filled by internal employees mostly identified through the talent review process. At our state sales offices, 33% of Regional Manager vacancies were internally filled, many being from our high potential female Store Managers.</p>
<p>INVESTMENT IN & ACCESS TO TRAINING</p>	<p>ACTION</p> <p>In corporate head office, we continued to invest in the development of our ‘High Potential’ managers (majority of which are women), through internal mentoring and creating development opportunities. Career conversations with these employees including regular meetings with the CEO & executive team occurred on a regular basis.</p> <p>‘Coaching for Performance’ workshops were run across the corporate & retail teams during the reporting period, aimed at developing managers to effectively and pro-actively be clear about expectations and subsequently design targeted development & career growth opportunities.</p> <p>In our retail stores, a four module sales training program called ‘Connection Essentials’ was implemented through a train the trainer style delivery strategy. We also introduced new product styling & brand specific training programs, aimed at connecting our employees with their brand and giving them the opportunity to network with senior management. All store employees were given the opportunity to attend these roadshow style sessions.</p> <p>Significant investment was also made to train Store Managers to effectively plan for the Christmas period with a focus on managing the workloads & work-life balance of their teams through the peak trading times.</p> <p>OUTCOME</p> <p>The significant growth of the business during the reporting period has enabled our high potential females to step into senior leadership roles where they receive significant development by being involved in business strategy, executive planning sessions, exposure to the Board and contributing to strategic development projects.</p> <p>Over 700 managers from retail stores & corporate head office attended a ‘Coaching for Performance’ workshop which encouraged a strong focus on setting expectations so employees understand what successful performance looks like as well as being involved in the design of targeted and individual development.</p>

	<p>We have improved access for our retail employees to professional development with all 4 modules of 'Connection Essentials' delivered to over 1700 retail employees. We also had 600 employees in attendance at our product styling and brand training sessions.</p> <p>The training programs for our store employees provided increased depth in retail technical skills and knowledge to assist them in developing their careers within the Just Group.</p>
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RECRUITMENT, SELECTION AND ENGAGEMENT

SITUATION AT MARCH 09

- Centralised recruitment team with a focus on providing a consistent and positive candidate experience
- At our corporate head office, 33% of employees who left the business in 08/09 did so within the first 12 months of employment
- Business expectation to quickly fill vacant roles (speed rather than quality)
- High turnover casual workforce means we're recruiting approximately 3000 new employees each year
- Our surveys show that common reasons for Store Manager turnover was due to feeling disconnected to the business & lack of access to their Regional Manager
- Casual employees common reasons for leaving were due to low volume of hours / shifts available

CONSULTATION & ANALYSIS

Our People Dashboard metrics reporting allowed recruitment and labour turnover data to be regularly analysed. Feedback from exit interviews and exit survey results provided greater understanding of reasons for turnover with broader consultation occurring through bi-annual P&L Reviews. State HR and Regional managers held regular meetings which provided an opportunity to openly assess current recruitment & turnover issues.

ACTION & OUTCOME

- Areas of focus:
1. *Sourcing & Recruitment Strategy*
 2. *Integrating Recruitment & Talent Management*
 3. *Induction*
 4. *Engagement*

<p>SOURCING & RECRUITMENT STRATEGY</p>	<p>ACTION</p> <p>The centralised recruitment team continued to place strong focus on providing a fast, consistent and transparent recruitment experience for all internal and external candidates.</p>
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	<p>All online applications for sales assistant roles were assessed against a common set of criteria and evaluated against role requirements. The recruitment team completed their initial phone screening using a standard phone screen template form. Shortlisted candidates were sent to the Store Manager along with a recruitment information pack including recruitment process information guides, standard interview guides & reference templates.</p> <p>OUTCOME</p> <p>The centralisation of the recruitment function has enabled us to improve on the speed, delivery of quality candidates, consistency & transparency of the recruitment process across the entire business.</p>
<p>INTERGRATING RECRUITMENT & TALENT MANAGEMENT</p>	<p>ACTION</p> <p>Our recruitment team reported on internal applicants who had applied for roles and sent it to state HR teams on a weekly basis. The HR teams then encouraged the Regional Managers to have career conversations with these employees.</p> <p>Our internal talent mapping was further linked to the recruitment process. During the planning stages of recruitment for vacant positions, HR reviewed the internal talent matrix to target suitable internal employees before advertising the role externally.</p> <p>Additionally, before advertising externally the recruitment team would advertise internally first via weekly newsletters and our internal website for opportunities considered could be filled internally.</p> <p>OUTCOME</p> <p>Weekly reporting on internal applicants has prompted and encouraged managers to have career and development conversations with their employees with the view of assisting in developing their career with the business.</p> <p>Overall, our retail store employees now have more awareness and access to apply for internal vacancies.</p>
<p>INDUCTION</p>	<p>ACTION</p> <p>We continued to place focus on our induction programs across corporate head office, retail stores & distribution centres to ensure our new employees are set up for success.</p> <p>The ‘<i>Spectacular Spectacular</i>’ induction workshop for Richmond Head Office staff was held every three months for new employees. This workshop introduces new employees to the company culture, Just Group leadership team and the future business strategy. It also gives them valuable resources and tools to help them navigate the business in the critical early stages of their employment. Throughout the year, ‘<i>Spectacular Spectacular</i>’ was continually reviewed and improved based on feedback from participants.</p>

	<p>Our three-stage store induction program was run across our entire store network as a key engagement tool. Our HR teams in each state encouraged and monitored completion of each stage for new employees. The resources for Stage 1 <i>'Welcome on Board'</i> were reviewed and re-launched in 2009.</p> <p>OUTCOME</p> <p>The Richmond Head Office <i>'Spectacular Spectacular'</i> helped connect new employees to the business and received very positive feedback with 97 employees attending a workshop during the reporting period. Our engagement of new employees also appears to be improving, with the turnover of employees within the first 12 months of employment decreasing from 33% of total turnover in 08/09, down to 27% in 09/10.</p> <p>All new retail employees had the opportunity to complete Stage 1 of the store induction program, <i>'Welcome on Board'</i> and have a 3 month training plan completed for Stage 2. We had 550 retail employees attended the Stage 3 <i>'Spectacular Spectacular'</i> workshop.</p>
ENGAGEMENT	<p>ACTION</p> <p>The outcomes from our 08/09 exit survey of Store Managers indicated that Store Manager turnover was mainly due to feelings of being removed from the wider business and difficulty in accessing Regional Managers. We reviewed the structure of the Regional Manager role and took action to increase the number of Regional Managers within the business.</p> <p>We also introduced a <i>'Touch Plan'</i> as part of the induction process for new Store Managers to encourage feelings of connection with the business. This involved setting a schedule for key operational and senior managers within the business to <i>'touch base'</i> with our new store managers at various stages throughout their first 6 months.</p> <p>We identified that casuals often left the business when they weren't receiving sufficient hours each week. We actively monitored casuals working an average of less than 10 hours per week. We also introduced a process where our recruitment team would encourage managers to first look at using existing casuals who would like to work more shifts when recruitment requests for new casual employees were received.</p> <p>OUTCOME</p> <p>The change in the Regional Manager structure helped to reduce the volume of stores each Regional Manager was managing. This allowed Store Managers better access and support from their Regional Manager. It also enabled Regional Managers to focus more time on engagement activities such as career development for store teams.</p> <p>This combined with the <i>'Touch Plan'</i> appears to be working in the engagement of Store Managers, with turnover decreasing from 21% in the last reporting year to 18%.</p> <p>We have seen positive shift in our casual sales assistant turnover from 42% to 36% indicating our retention strategies are working.</p>

WORK AND FAMILY

SITUATION AT MARCH 2009

- Our overall gender balance was made up of 92% women
- 78% of our Female employees are under the age of 41. We have a young workforce where work and family issues are prevalent
- Requests for flexible working arrangements increased in line with changes in employment legislation
- Focus on keeping in contact with employees during their parental leave

CONSULTATION & ANALYSIS

Consultation occurred at the bi-annual P&Ls, data was collected on turnover and parental leave. Discussion occurs in talent reviews to accommodate Parental Leave as a reasonable expectation in career mapping. Regular Regional Manager meetings and HR discussions with senior managers in corporate departments provided the opportunity to discuss flexible working arrangement options. HR held individual meetings with pregnant employees to plan their parental leave and discuss any issues relating to being pregnant at work.

ACTION & OUTCOME

Areas of focus:

1. *Parental Leave*
2. *Flexible Work Arrangements*

PARENTAL LEAVE	ACTION
	<p>We continued to promote the use of our '<i>Families at Work</i>' series of information booklets to assist in managing the parental leave process. We had separate information guides for employees and managers which were distributed to pregnant employees & their managers at our retail stores, corporate head office & distribution centres.</p> <p>These booklets provide information aimed at supporting pregnant employees through the parental leave process. They also aim to educate managers on the Just Group's approach to managing pregnant employees including things such as:</p> <ul style="list-style-type: none">• Pregnant employees are able to attend doctors appointment during work time• Pregnant employees can use their sick leave to attend appointments• Placing emphasis on managers maintaining a link with their employees while on parental leave• Child care information & contacts to support employees returning to work <p>OUTCOME</p> <p>17 employees in our Richmond Head Office and 40 employees in our Retail Stores went on a period of parental leave during the reporting period.</p>

	<p>The number of corporate employees returning to work from Parental Leave was slightly down on the last reporting year but still strong at 77% (10 out of 13). In our Retail Operations over the last three years, there has been a steady increase in the rates of employees returning to work from Parental Leave, which is now at 81% (30 out of 37).</p> <p>These figures indicate that we effectively support our employees while they are pregnant and also on their return from Parental Leave.</p>
<p>FLEXIBLE WORK ARRANGEMENTS</p>	<p>ACTION</p> <p>In consultation with the business, we developed a standard process for managers & HR to consider requests for flexible work arrangements. A key tool in the new process was a consideration checklist which listed a number of factors that the manager and HR reviewed when considering flexible work requests. We are also committed as a business to ensure all alternative flexible options are explored and discussed with employees during the process.</p> <p>State HR teams ran information sessions for all Sales & Regional Managers to educate them on managing flexible work arrangements and the correct processes for considering requests. Each Regional Manager then ran a similar information session for their Store Managers.</p> <p>We also continued to place strong emphasis on pro-actively exploring options for employees to return to work from parental leave in a flexible arrangement. In many cases we have accommodated requests by either changing the structure of the employee's current role or by successfully moving them into an alternative role that enables flexibility.</p> <p>OUTCOME</p> <p>We now have a more transparent, equitable and consistent approach to managing flexible work requests. The information sessions have also increased awareness and the ability for employees to make such requests to their managers.</p> <p>Several flexible work arrangements requested to support family or carers responsibilities were supported. We currently have 2 Store Managers working in a job share arrangement to support family responsibilities. We also have a number of temporary arrangements in place for employees to work reduced hours to care for family members who are ill. All of the employees involved in these arrangements are female.</p> <p>Of the 37 retail employees who returned to work from parental leave, 54% (20) did so in a different position which provided a flexible work arrangement. Some examples of this included full time Sales Assistants returning to permanent part time, accommodating requests from Store Managers to return to part time or casual sales assistant roles or often staff returned to the same position but at fewer hours than they previously worked.</p>

	<p>At our corporate head office 90% (9 out of 10) employees returning from parental leave came back in a flexible arrangement. Five of these employees returned to a permanent part time arrangement and four employees returned on a transitional basis allowing them ease back into the workforce.</p>
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REWARD AND RECOGNITION

SITUATION AT MARCH 2009

- Strong gender pay equity across all levels of the company
- Transparent annual salary review processes in place
- Further refinement of variable reward as an element of the total reward strategy
- Recognition and address of specific pay equity issues within and across teams
- Suite of incentive programs linked to specific job roles

CONSULTATION & ANALYSIS

Consultation occurred through executive and senior leader planning, the annual salary review, salary benchmarking analysis, incentive reward processes.

ACTION & OUTCOME

Area of focus:
Reward Equity
Employee Benefits

<p>REWARD EQUITY</p>	<p>ACTION</p> <p>As part of our annual salary review we held training sessions to educate managers on the salary review process with a focus on linking salary increases with objective performance results.</p> <p>An ‘anomaly’ review was conducted where remuneration was reviewed for groups and individuals appearing to have pay equity issues. These roles were benchmarked against internal roles & external market information to provide a clear and equitable recommended increase in their remuneration packages.</p> <p>We also continued to complete salary banding for Store Manager roles and for key groups within our Corporate Head Office.</p> <p>OUTCOME</p> <p>As a result of the ‘anomaly’ review, most visual merchandising employees remuneration packages were increased across all states and the majority of these employees were women. We also internally benchmarked roles within our product management teams and increased the salaries of female employees in this area in line with their peers. Additionally, we reviewed the remuneration of some female Senior Leaders which were increased in line with internal & external relativities.</p>
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	Our remuneration profile shows we continue to have strong reward gender equity across most areas of the business. Salary banding continues to provide us with an equitable framework for placing new and reviewing existing employees.
EMPLOYEE BENEFITS	<p>ACTION</p> <p>Over the past 4 years we have reviewed our incentive scheme performance criteria to consolidate the consistency of our schemes across the business. During the 09/10 reporting period we built on this, further consolidating our incentive programs to develop a standard set of clear, equitable & measurable performance outcomes for each relevant job function.</p> <p>OUTCOME</p> <p>All incentive payments are made on the basis of clear & measurable criteria that are directly and transparently linked to the position responsibilities and employee performance. We have had no complaints or grievances to date regarding inequity of incentive payments.</p>

MANAGING HARASSMENT AND DISCRIMINATION

SITUATION AT MARCH 2009

- 52% of our employees are under the age of 25
- Workplace Behaviour training as a compulsory leadership training program
- Independent employee and manager “help line” in place for six years
- No formal discrimination or harassment cases reported in the previous reporting year

CONSULTATION & ANALYSIS

Consultation occurred through discussion and feedback from Workplace Behaviour training sessions, reporting from the ‘Pink Phone’ advice line and from monthly HR phone conferences and ongoing discussion between HR Managers & the Regional sales teams.

ACTION & OUTCOME

Areas of focus:

1. *Manager knowledge and leadership culture*
2. *Support and advice*

MANAGER KNOWLEDGE & LEADERSHIP CULTURE

ACTION

We continued to create awareness and knowledge of harassment and discrimination issues through communication and training. Over 320 employees attended ‘Workplace Behaviour’ workshops which were held on a quarterly basis across the Group and are available to all new Store Managers and corporate head office staff. The sessions educated employees to recognise bullying & harassment behaviours in the workplace, provided them with strategies on prevention and managing difficult situations.

	<p>Every new employee across the business received a copy of our 'Equal Opportunity Policy' in their initial employment paperwork. Our in-store information guide 'Just Essentials' is used by all store employees and also provides guidelines for managing and preventing inappropriate behaviour.</p> <p>OUTCOME</p> <p>There has been no formal harassment or discrimination cases reported in this period. Our managers & HR teams take all workplace behaviour issues seriously and ensure all situations are managed closely, fairly & consistently.</p> <p>However we continue to recognise that as we have a young & diverse workforce, ongoing communication and awareness of appropriate workplace behaviour will always be an important focus for us.</p>
<p>SUPPORT AND ADVICE</p>	<p>ACTION</p> <p>Our independent advisory service (the 'Pink Phone' help line) continued to be available for employees and managers to access advice relating to discrimination, harassment & bullying. The 'Pink Phone' flyer & toll free contact number were included in all new employee paperwork packs and was displayed on store noticeboards.</p> <p>The 'Pink Phone' received 38 related calls during the reporting period, which is up from 25 related calls in the previous reporting period. While the majority of calls to the 'Pink Phone' were from employees, managers also used the advice line for support in managing issues within their teams.</p> <p>Our external workplace behaviour consultant continued to provide expert advice and support to our HR teams in managing harassment, discrimination and/or bullying related issues.</p> <p>OUTCOME</p> <p>State & corporate head office HR Managers were sent a quarterly summary report of the related topics received by the 'Pink Phone' to help them remain aware of workplace behaviour issues within their area.</p> <p>We have had no formal complaints or investigations during the reporting period, which indicates we are continuing to do well in educating and supporting employees on workplace behavioural issues and reinforcing our culture of respect.</p>

Leadership & Talent

- Hold formal talent reviews for corporate support functions

Recruitment, Selection & Engagement

- Review and develop induction processes for corporate head office staff
- Further integrate internal talent planning with the recruitment process
- Focus on consolidation of casuals working hours for engagement

Work & Family

- Develop our re-induction process for employees returning from parental leave
- Review and update current parental leave information material

Managing Harassment & Discrimination

- Continue our Workplace Behaviour training and the Pink Phone help line
- Conduct refresher training for managers who have been with the business for a significant period of time