



# ANNUAL REVIEW

2017 - 2018



# INTRO



Mary and I would like to thank and congratulate each and every one of our passionate and motivated colleagues for their outstanding contribution to what has been another momentous year for the Specsavers partnership. Despite 2017/18 being acknowledged by many retailers as universally challenging, the partnership has continued to achieve phenomenal results and drive momentum across all our markets.

This review explains just some of the things achieved during the past 12 months that have helped us to deliver world-class customer experiences, support our partners, and engage our people. Our commitment to corporate responsibility continues to be an integral part of the way we operate, so we have also included updates on supporting our local communities, trading ethically and protecting the environment.

Today we have more than 36 million customers, in excess of 2,800 partners worldwide, and more than 32,500 people working across our stores, support offices and supply chain.

As we continue to set ambitious goals and develop our long-term framework, which outlines where we aim to be as a business by 2025, we recognise that having the right people, skills and knowledge is fundamental to realising our future. Specsavers was founded on the value of 'treating people as we would like to be treated ourselves', and enabling all our people to be the best they can be, no matter who they are, is critical to our success.

We are in the midst of a decade when eye health is transforming at unprecedented speed. These disruptive changes present an opportunity for us to support ways in which ophthalmologists and optometrists can work together to transform eye health and offer broader eyecare services for our customers. As we press ahead with our activities in this area, I have never been more confident that the ambitions we have evolved together, as a partnership, can secure our business growth now and in the future.

**Doug Perkins**  
Joint Group CEO  
& Co-founder

**Dame Mary Perkins**  
Co-founder

## Our Purpose

Together with our partners, to passionately provide best value optometry, audiology and other healthcare services to everybody, simply, clearly and consistently, exceeding customer expectations every time.

## Our Values

Treat people as we would like to be treated ourselves.

Passionate about:

**Our customers** - the lifeblood of our business

**Our people** - supporting our staff to be the best they can be

**Partnership** - at the heart of everything we do

**Communities** - giving back to and working with our local communities

**Results** - keep it simple, get it done, deliver on our promises



# CONTENTS

4	THE YEAR IN NUMBERS
6	CUSTOMERS
12	PEOPLE
18	PARTNERSHIP
24	CORPORATE RESPONSIBILITY
40	RESULTS
42	REVIEW FROM THE REGIONS
46	SPECSAVERS EXECUTIVE COMMITTEE
48	CONTACT DETAILS

# THE YEAR IN NUMBERS

Figures as at the end of February 2018



**£2.61 billion**

Group revenue 2017/18



**7%**

Increase on 2016/17 revenue



**337,770**

Hearing aids sold



**500 million +**

Contact lenses sold



**20.5 million +**

Frames sold



**2,800 +**

Partners



**32,500 +**

Employees



**1,978**

Optical stores and hearing centres



**1.5 million +**

Customer feedback responses



**672,000 +**

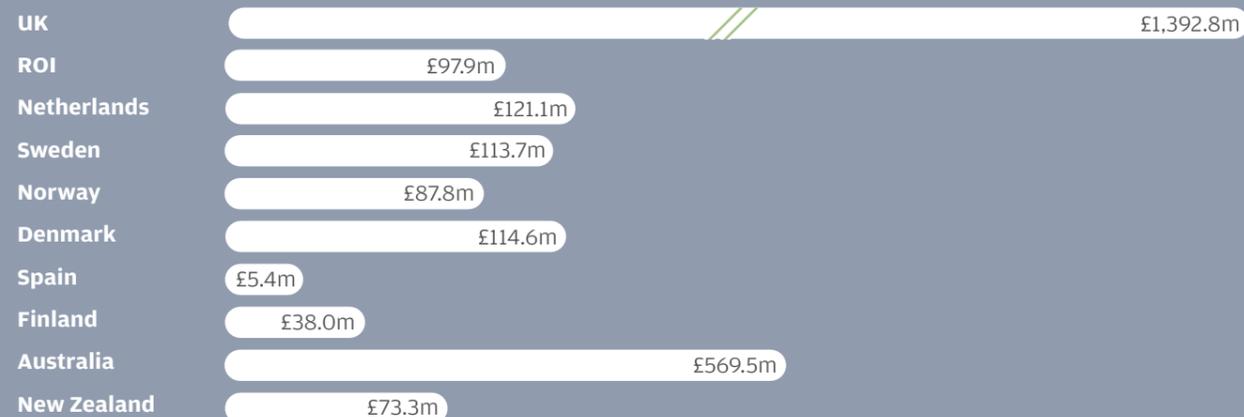
Followers on Facebook



**1.3 million +**

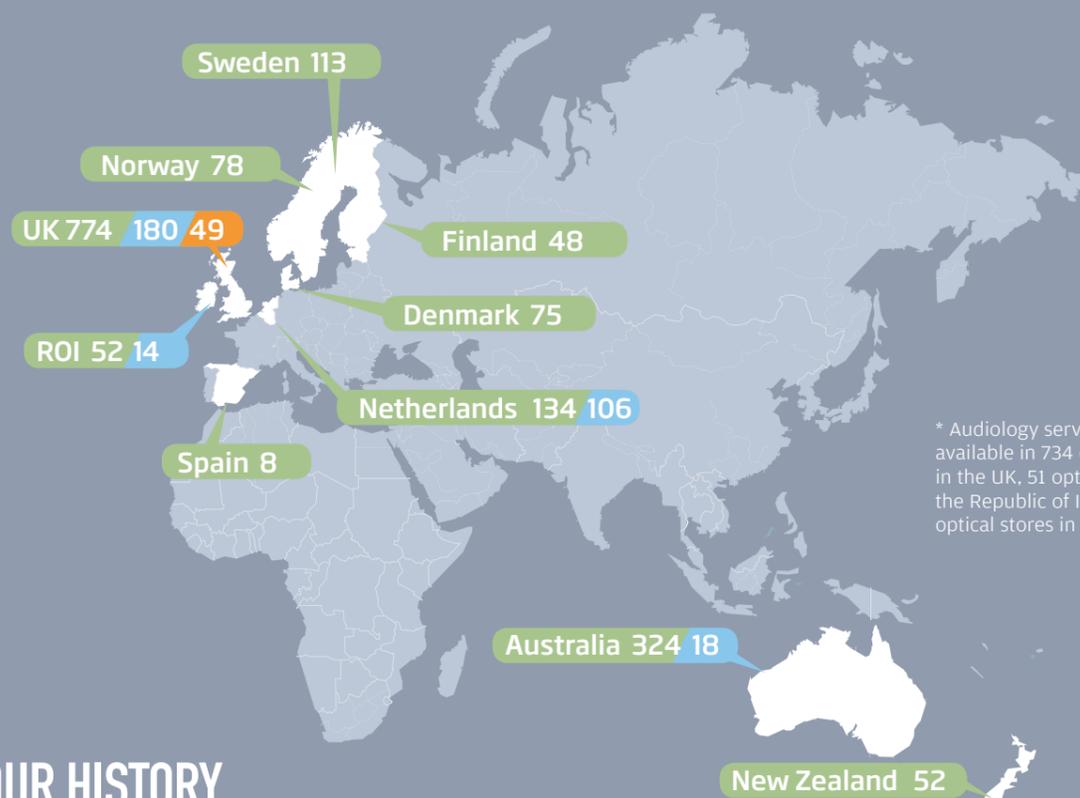
Visitors to our website every week

## REVENUE BY MARKET



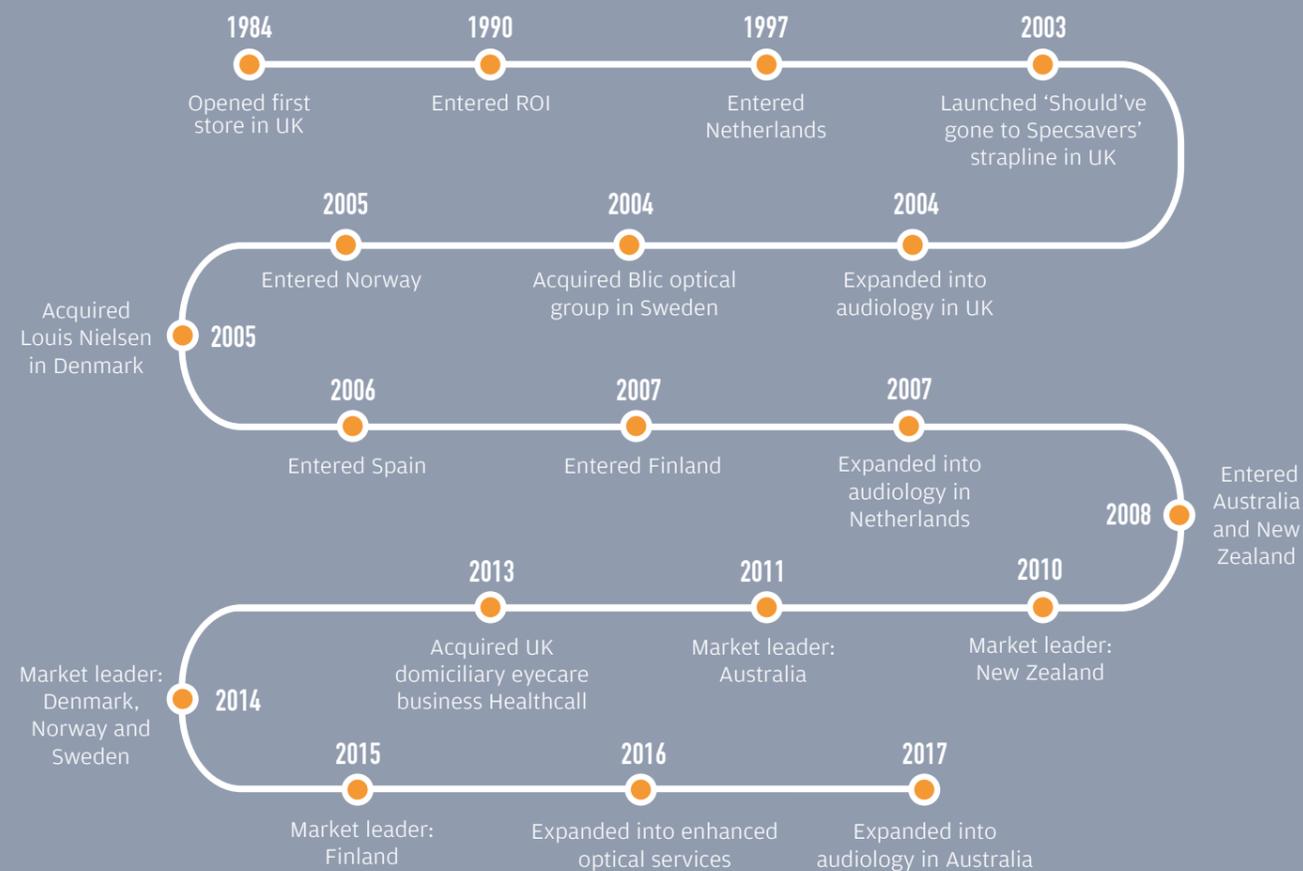
## OUR STORES

Optical stores / Audiology stores\* / Domiciliary partnerships



\* Audiology services are also available in 734 optical stores in the UK, 51 optical stores in the Republic of Ireland and 132 optical stores in the Netherlands.

## OUR HISTORY



# PASSIONATE ABOUT OUR CUSTOMERS

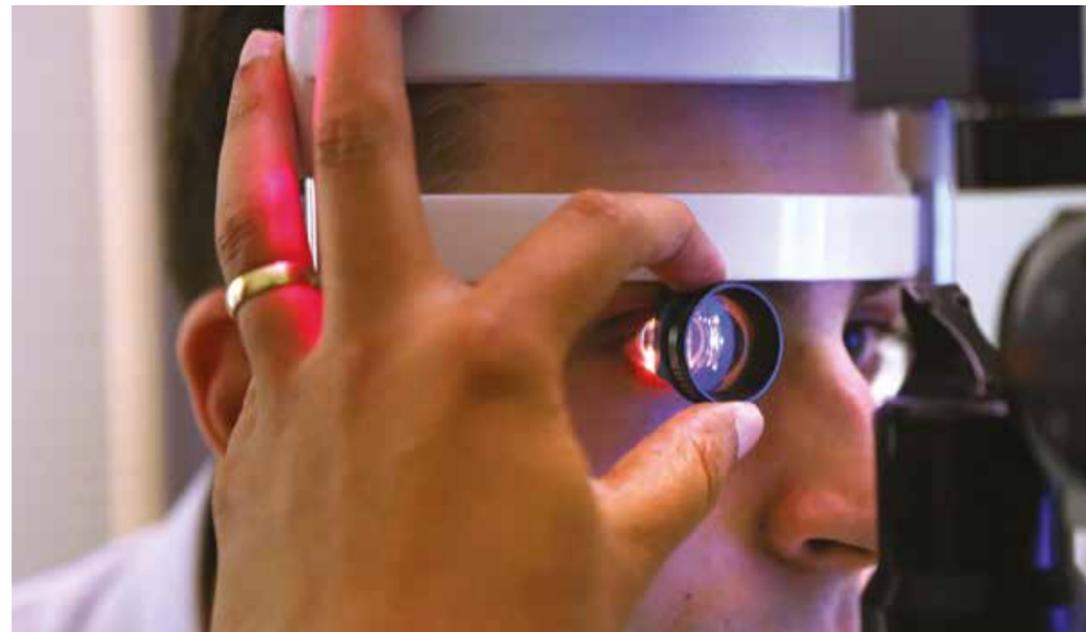
## THE LIFEBLOOD OF OUR BUSINESS

**Our unwavering passion to provide the best possible experience, value and choice in eyecare and hearing care means we now serve more than 36 million customers worldwide. This is reflected in our continued growth year-on-year, enabling us to sell record numbers of glasses, contact lenses and hearing aids over the past 12 months.**

### Innovating the customer experience

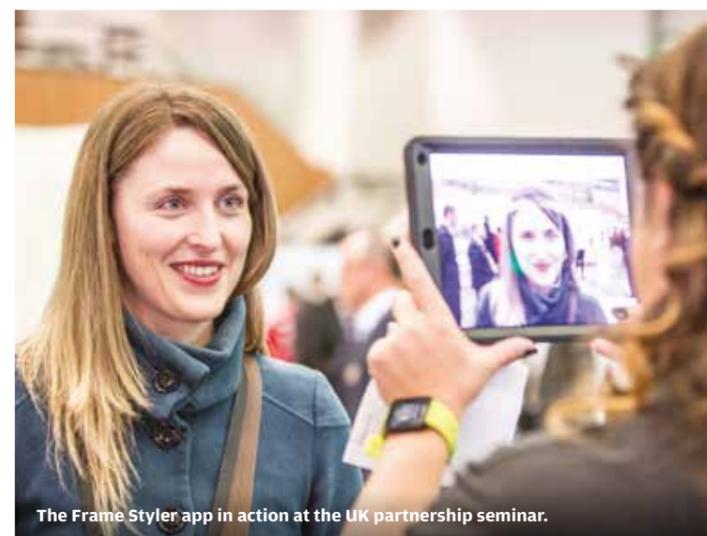
Digital technology plays a significant part in how we interact with our customers, both in store and online, and is fundamental to our ongoing success.

During 2017/18, we continued our investment in cutting-edge technology to build digital services that not only deliver an unrivalled, omnichannel customer journey, but also help our store teams be as efficient and well-equipped as possible. The introduction of more digital self-service options and other engaging services has led to enormous growth in the number of people exploring Specsavers online. We now see more than 1.3 million visitors to our websites every week. Whether it's to book an appointment at their local store, view our latest ranges and offers and try on glasses virtually, or seek expertise via our Ask the Optician feature, using the latest technology provides an easy, accessible and trusted experience for customers as a pathway for their healthcare needs.



Since its launch in 2016, the tool for customers to book appointments online has been hugely popular, accounting for around a third of appointments made across our markets every week. During the past 12 months, we have made significant improvements to the online capability, notably the way the system works on mobile devices.

In Australia, our customers can now buy glasses through our website, and this has proved a big hit, with people clearly enjoying the convenience of purchasing our products online.



The Frame Styler app in action at the UK partnership seminar.

Our Try On app is now available to all our customers worldwide as a way of sampling our products before visiting a store. The functionality can be used on all devices, and gives customers a great opportunity to play around with styles and preferences in their own time, which can speed up the decision-making and dispensing process when they are in a store.

We developed the world's first digital application for creating personalised recommendations for customers in store. Our website version has been used more than 230,000 times, but the new iPad app - Frame Styler - revolutionises the experience, adding a whole new level of convenience and wow factor. The app captures a scan of the customer's face, and makes recommendations using facial analysis. The tool reveals the most suitable frames based on the scanned image alongside other customer data such as sales patterns, and then offers customers the option of saving their favourites. Now available in all stores across the UK, the app means our teams can confidently source frames that best suit the customer.

## Enhancing our offer

We are committed to fulfilling the varied and ever-evolving needs of our customers. In the UK we continued to grow our home-visit service. We provided first-class experiences and unbeatable value to more than 110,000 people who would otherwise have been unable to benefit from our optical care. With a number of new partners joining us, we expanded our domiciliary business across the Republic of Ireland, and saw sales in the UK increase by 6% to £19m. Our first domiciliary television advert helped raise awareness of our sight test at home service, and highlighted the importance of regular eye-health checks among those who are housebound.

This year we started our journey to transform eye health in Northern Europe. As our reputation as trusted local eye-health experts strengthens, we invested heavily in comprehensive sight-test training and technology, formed strategic alliances with leading eye-health organisations (including the Finnish Federation of the Visually Impaired and the Norwegian Association of the Blind) and published State of the Nation Eye Health reports in each market across the region.

We also made strides in the roll-out of optical coherence tomography (OCT) in our stores across the UK and Australia. As the first optician to offer OCT, which is a non-invasive, diagnostic imaging test, our optometrists can provide leading customer care by identifying signs of conditions such as glaucoma and diabetic retinopathy earlier than traditional methods. The technology offers significant benefits to our customers and there are plans to introduce the service in our other markets.

Closing the gap between optometry and ophthalmology to provide high-quality eyecare to customers in the community continues to be a key focus for us. Newmedica, a leading provider of NHS-funded ophthalmology services in which we invested in late-2016, made significant progress during the year. Today, we operate specialist eye-health clinics and surgical centres, with a number of new ones planned for 2018/19. Established as ophthalmology joint venture partnerships, the centres deliver a wide range of hospital-grade eyecare for patients who then return to their local optician for aftercare.



To ensure our youngest customers have similarly great quality, style and value choices, we embarked on a collaboration with Crayola to bolster our global Kids portfolio with an exciting range of colourful frames. Disney continues to be our best-selling frame range for the kids' market. The latest characters, Moana and Finding Dory, which were added to our collection during school holidays, proved hugely popular, with record week sales.

We also introduced two exclusive collections to coincide with popular children's film releases. The first, a range of limited-edition My Little Pony frames, sold out in just four months. The other, an exclusive range of quirky emoji frames, featured the popular keyboard characters as well as a unique twist-and-turn function, which allowed the young wearer to choose an emoji to best suit their mood.

With an ever-increasing focus on waste reduction and sustainability, we introduced a range of eco frames using either recycled or biodegradable acetate with a sustainable bamboo case. We also made a popular addition to our men's collection with new carbon fibre frames, boasting high-strength and lightweight properties.



## Focus on frames

We are committed to ensuring our frame design and development decisions offer our customers unbeatable choice and value to suit varying styles, preferences and budgets. This year was no different as we launched eight new brands, refreshed a number of our existing ranges and made strides in the latest development techniques - selling more than 20.5 million frames worldwide.

We introduced premium fashion brand Balmain across all our markets. The styles launched exclusively to Specsavers, with huge success. Another exclusive global frame range was the result of an exciting collaboration with renowned musician and philanthropist will.i.am. Recognised for his life-long love of eyewear, will.i.am's innovative collection was initially introduced in the UK and Republic of Ireland but will be available in all regions by autumn 2018.

Market-specific launches included a new women's collection from the critically acclaimed Nicole Fahri in the UK and Republic of Ireland, a range from fashion company Ivana Helsinki in Finland, and our own designer brand, Scandamania, across Northern Europe. We also collaborated with designer Carla Zampatti in Australia and New Zealand, and the resulting range proved instantly popular in that market.

In addition to introducing new styles, we refreshed and expanded existing ranges, including an exciting second instalment to our bestselling Kylie Minogue Eyewear collection. A particular hit was the global Red or Dead update featuring interchangeable sides. The collection offered customers visual versatility with the option of switching parts of their eyewear depending on their mood.



## Advancements in audiology

It has been another successful year for our audiology business as we continued to strengthen our offer in the UK, the Republic of Ireland and the Netherlands. Audiology is, simply, a core element of the Specsavers customer experience.

We were incredibly excited this year to launch our audiology partnership model in Australia. Our Australian customers can now benefit from real value for money, by saving as much as 50% on what they were previously paying for their hearing care provision. What's more, our partnership model provides local audiology professionals with a fantastic opportunity to own a business in a very busy market. With 18 audiology businesses now successfully trading from 31 optical stores, we will continue to expand our offering of the highest-quality professional service and the best possible value in the provision of hearing outcomes. We aim to have 100 audiology partners trading in up to 200 stores within the next year, growing to 150 partners in up to 300 stores within three years.

In the UK, NHS referrals increased by 10% and private sales by more than 13%. We also opened 25 new hearing hubs across the country, reinforcing our commitment to provide affordable audiology services to everyone. And we launched a service for earwax-removal by trained and accredited audiology professionals at many of our UK and Republic of Ireland stores.

Our Dutch market saw volume growth of more than 20% on the previous year. A new hearing aid offer and a revamp of our appointment system contributed to enhancing the customer experience in the Netherlands.

The introduction of Widex Beyond hearing aids proved very popular this year. The innovative product uses the latest technology to provide streaming connectivity and full control of the wearer's listening environment. Designed to synchronise with mobile devices, the hearing aids allow customers to adjust settings via their phone to suit their own preferences, making listening to music or using hands-free functionality a more enjoyable experience.



Partners Andrew Fraser and Rochelle Fraser at the launch of audiology at our Tweed City store in Australia.



## The value of feedback

Listening to our customers continues to be an essential and integral part of our business. Over the past year, our global customer feedback system generated in excess of 1.5 million responses. The results were impressive, as more than 90% of respondents were classed as ambassadors, meaning they were either extremely satisfied or very satisfied with the value and overall experience at Specsavers.

Although we proudly invest in comprehensive mystery shopper schemes, first-rate training programmes and high-tech feedback systems, it is touching thank you messages like this one from a customer in Denmark that really inspire us to go the extra mile:

***'On the weekend, our youngest daughter broke our son's glasses. As he has severe balance problems due to his handicap, we called the store in advance to inform you that we would be visiting with a boy with special needs. He doesn't handle questions very well. We were greeted by the nicest optician, who quickly tapped into my son's needs and found new glasses in under five minutes. A huge thank you to Louis Nielsen.'***

We are committed to delivering a high standard of customer care to everyone, without exception. When we realised, through customer feedback, that we could improve our service with people with a disfigurement, we embarked on a partnership with a specialist charity. Changing Faces supports people in the UK who have any condition or injury that affects their appearance. As part of our drive to raise awareness of diversity and inclusion, we worked with Changing Faces to develop and launch a series of training modules to more than 10,000 store colleagues. As a result, 73% of people serving our customers now say they feel very comfortable about how to react when helping a customer with an unusual appearance.

***'I enjoyed the complete experience, from my first interaction with staff through to the last. I think I had contact with about five different team members at the Windmill Centre store and everyone was incredibly nice and helpful. I will definitely be recommending this branch to others, for the level of professionalism as well as the fast and friendly service.'***

**Optical customer, New Zealand**

## Progress in lenses

Our ongoing commitment to innovate our ophthalmic lens portfolio saw a number of developments. Australia and New Zealand saw the launch of MirrorClear, which combines photochromic reactions technology with a flash mirror tint, and this has been a popular outdoor sun-lens choice that lightens when indoors.

Additionally, with the introduction of UltraClear SuperClean to customers in the Netherlands and Spain, the anti-static, water-repellent and smudge-resistant lenses are now available in all our markets.

We were able to maintain our consistently high levels of service and quality, with more than 99.5% of our ophthalmic lenses being Colts-attested to exceed the predetermined guarantees of service and quality to our partners.

Our focus on the contact lens market continues, and we launched easyvision unique as a subcategory of our trusted and exclusive easyvision core range. The addition of easyvision aquiane to our daily disposable portfolio offers customers the health benefits of high-oxygen transmissibility without compromising comfort, convenience or affordability. For customers preferring monthly contact lenses, we introduced easyvision orba (sphere, toric and multifocal). The silicone hydrogel, entirely breathable lens boasts a super-smooth surface and unique edge profile for the ultimate in comfort and health.

# PASSIONATE ABOUT OUR PEOPLE

## SUPPORTING OUR COLLEAGUES TO BE THE BEST THEY CAN BE

**Our people are, and always will be, at the heart of Specsavers' success. We are committed to inspiring and developing our 32,500 colleagues to excel in their roles, whether it involves serving customers or supporting partners.**

### Focusing on diversity and inclusion

As we further develop our long-term strategic plans, we recognise that having the right people, skills and knowledge in the right place and at the right time is key to achieving our exciting global ambitions. We see diversity and inclusion as key enablers here, helping us to broaden our skillset and, in turn, drive innovation.

Founded on the value of 'treating people as we would like to be treated ourselves', we were involved in the UK gender pay gap reporting in 2017. We had two entities that fell within the reporting threshold - Specsavers Optical Superstores, our UK support office network, and Vision Labs, one of our manufacturing and distribution sites. While the gender pay gaps we identified are not a result of us paying men and women differently for undertaking similar roles, the exercise highlighted that we have more men than women in senior roles, and more women than men in junior roles. We are committed to addressing these gaps by continuing to

challenge our thinking around how we hire new talent, manage career progression and support work-life balance.

Our global diversity and inclusion programme is designed to ensure that everyone - internally and externally - sees Specsavers as a place of opportunity. The programme kicked off with the Specsavers Executive Committee devoting time to exploring 'unconscious bias', and a series of workshops and online learning modules are being rolled out across our teams to help raise awareness, and further improve the way we do things.

Having a truly global view, and challenging how we do things in terms of attracting, retaining and advancing people in all parts of our organisation, will help us to focus our efforts in the right areas as we strive to create a more inclusive environment for all.

We continued our partnership with Modern Muse, a charity formed in response to concerns that schoolgirls from all walks of life were unaware of the wealth of career opportunities available to them. As more of our female colleagues signed up to sharing stories of their careers via online profiles, we are helping to inspire and engage the next generation of businesswomen.

## Developing talent in our stores

As Specsavers ambassadors, it is crucial that our store teams are supported to become skilled and competent experts in their field. We continue to embrace an evolving approach to learning and development by leading a culture of, and investment in, personal growth and career progression.

Our varied and engaging portfolio of learning and development options enables our people to really understand all aspects of the Specsavers business, as well as earning accreditation to professional standards or qualifications to deliver a world-class customer experience.

Following its pilot in 2016, we introduced CREATE to all our Australian and New Zealand stores. The innovative thinking behind our award-winning development programme is setting a new standard in customer service excellence. It equips our teams with the capability and tools to consistently deliver legendary customer experiences. CREATE embodies



Members of our Northern European team launch CREATE.

six core capabilities, helping our teams to effectively guide customers (**C**oach), establish genuine connections (**R**elate), ask the right questions to understand a customer's needs (**E**nquire), be flexible with the approach (**A**dapt), provide the right information (**T**each), and demonstrate energy and enthusiasm (**E**ngage).

**'The CREATE programme is the most impactful development programme in Specsavers Australia and New Zealand's history. It has evolved significantly since its inception and is so much more than a training scheme - it's a whole new opportunity to create an exceptional, personalised experience for our customers.'**

**Danny Ginsberg, Head of Partner Engagement - Retail Asia Pacific**

The success of CREATE in Australia and New Zealand sparked similar initiatives in other markets, and more than 2,300 members of our Northern European store teams took part in their version of the programme.



Hayley Steer and Danny Ginsberg receive the AITD Excellence Award for our CREATE development programme.

**'The content of this workshop has provided many wow moments - realisation of the untapped potential within the team - by simply altering the mindset. I feel this will gain great success and has the potential to take the brand to the next level.'**  
**Talitha Kay, Lake Haven store partner, Australia**



Dame Mary Perkins visits Specsavers in Redditch, as store partners Gurdeep Bansal and James Worton and their team are accredited with Platinum Employer status.

Use of our online learning management system, iLearn, continues to grow, with an average of 17,000 hours' online learning recorded every month in the UK alone. More than 75% of Northern European store team members now manage their learning and development online by logging into the system each month. Despite the advancement and convenience of technology-assisted learning, classroom offerings are still valuable. Around 2,100 people across our Australian and New Zealand region chose the face-to-face method last year, with 70% of those completing advanced-level training.

The ongoing introduction of the very latest technology, such as optical coherence tomography (OCT), into Specsavers' stores necessitates ever-evolving training requirements. An example of ensuring that our teams have the skills and expertise necessary to support the introduction of these innovative services was the bespoke development and successful completion of training for our new in-store Frame Styler app.

As part of our ambition to be famous as a great place to work, we are delighted that 500 UK stores have now gained Platinum Employer status. Our externally-accredited, bespoke scheme is designed to ensure the very highest standard of reward, development, leadership and people practices are delivered in our stores. The primary focus is to provide a consistently exceptional employee experience for all 18,000 of our store colleagues. Stores are assessed in five key areas of people management, including recruitment and induction, performance management and reward, and learning and development.

## Helping our support office teams succeed

The people across our support teams globally are instrumental in bringing the Specsavers partnership to life – providing exceptional business services to our stores.

The engagement, performance and retention of our support office colleagues is directly influenced by the capability of their managers and leaders. At Specsavers, we believe individuals in these critical roles make a real difference and, as such, leadership development continues to be high on the agenda across all our regions, with a variety of programmes on offer.

This year, we further evolved our offering to support leaders globally in developing their skills around four fundamental qualities of leadership, all underpinned by change: leading self, leading others, leading change and leading commercially. We used these programmes as an opportunity to bring our global support office leaders together through a series of blended learning (webinars, face-to-face workshops, social media) as well as regional events.

***'Grow our Own gives us the room to stretch our capabilities outside our usual comfort zone and explore things we thought were beyond our possibilities, but in a supported learning environment, surrounded by like-minded peers from all corners of the business.'***

**Grow our Own participant**

We are also passionate about supporting our leaders and managers to identify and develop rising stars at Specsavers. An integral part of this is our ongoing commitment to the People Review forums. Taking place annually in all our regions, they offer us the opportunity to step back and have great conversations about our

people: how they are doing, their career aspirations and ways in which we can help them be even better.

The Specsavers Grow our Own programme, now in its second year, supports around 70 high-potential support team members (many of whom are identified through the People Review process) globally. It is devoted to providing specific development activities, resources, funding and coaching to help our current and future leaders reach their full potential. The scheme has already proved successful, as more than half of the 2016/17 intake moved into more senior or broader roles upon completion of the programme. This year we introduced a self-discovery tool to help guide participants in understanding their development needs and selecting the right bespoke development choices.

We strengthened our ability to recruit the very best people, with the development of an internal global resourcing model. Managing recruitment in-house ensures we find the right people with the most suitable skills and experience to support our long-term framework. Our resourcing teams are functionally aligned with technical experts to support candidates through every step of the recruitment process.

With our ever-growing desire and need to evolve as an organisation, we developed a global change framework. Designed to equip our teams for the future, it was supported by the introduction of a development toolkit highlighting the skills required to embrace change with a growth mindset, and build resilience to continuous evolution. We ran a pilot with our leadership population via a series of webinars, and plan to cascade the materials to all our teams in the coming year.

Our global mobility framework enables us to offer international secondments to members of our support teams, wherever in the world they are. The opportunities for relocation either come as a result of business-driven requirements, such as a particular skills gap, or are self-initiated, whereby an individual applies for, and is successful in fulfilling, a vacancy abroad. There are countless success stories of people who have remained in those countries post-secondment and gone on to receive long-term residency, and we are currently supporting 30 people on international secondments across all regions.

## Professional development

We continued to invest heavily in training and accreditation for our optometrists, helping them to deliver enhanced optical services for customers in the high street, thus relieving the pressure on hard-pressed hospital services. As part of this focus, and our ultimate goal to equip optometrists in becoming 'GPs of the eyes', more than 1,800 Specsavers optometrists in England achieved the WOPEC (Wales Optometry Postgraduate Education Centre) level 2 accreditation in glaucoma, and a further 650 gained level 1. Our glaucoma accreditation programme is designed to upskill optometrists, reinforcing their skills in detecting glaucoma and monitoring the signs of its progression. Free, regional refresher workshops took place, offering practice and assessment opportunities on key clinical skills - including Goldman tonometry and the Van Herick technique - under the guidance of experienced Specsavers practitioners, many of whom have trained as WOPEC assessors.

In addition to our focus on glaucoma training, we supported 2,250 of our optometrists to complete their level 2 MECs (minor eye conditions) accreditations with WOPEC, as well as 1,197 with their level 1 cataracts accreditation.

An affiliation with local universities is integral to expanding the pipeline of optometrists and in turn supporting growth in all our markets. A team in Northern Europe invested in developing relationships with a number of educational institutions across the region, by attending recruitment events and hosting induction days. These partnerships, complemented by our in-house development programmes, resulted in more than 400 optical dispensing graduates in Northern Europe over the past 12 months. Similarly, in Australia, we held a week-long calendar of events to inspire current and future graduates at Deakin University, and highlight opportunities at Specsavers through our involvement with their clinical-placement programme.

We continued to invest heavily in dispensing capability across all our markets. Our Level 3 and Level 4 Certificates in Optical Dispensing are offered to store teams to enhance their optical knowledge. During the past 12 months, 2,000 students were involved in our accredited programmes in the UK alone, with many

progressing through a bespoke pathway on to the FBDO (Fellow of British Dispensing Opticians) by distance learning, to become registered dispensing opticians.

We held an inaugural professional development day for almost 100 of our Australian and New Zealand graduate optometrists. The event, which included clinical sessions presented by our store partners and support office colleagues, was custom-built to specifically cater for the delegates' needs, as identified via a pre-event questionnaire.



More than 430 delegates attended the first-ever Specsavers Dispensing Conference (SDC), which was held as a series of one-day events across Sydney, Brisbane, Auckland, Melbourne and Perth. Delegates heard from local and international experts, via a mix of presentations and practical workshops on topics such as myopia control and paediatric dispensing. The event concluded with a presentation ceremony for the latest graduates of the Level 4 Certificate in Optical Dispensing, when 95 dispensers celebrated their completion of the qualification.

Specsavers is the largest provider of optical continuing education and training (CET) points in each of our markets, and one of our optometrists in Norway, Ashlid

Martinsen, was among the top three earners of points in the country during 2017. In the UK and Republic of Ireland, we delivered the largest programme of accredited CET in our history, to 3,000 optometrists, contact lens and dispensing opticians, with more than 50,000 CET points delivered through engaging live events and multimedia online learning.

Following the launch of Specsavers Green Club to Northern Europe last year, membership in that region has risen to more than 2,000 professionals. We introduced a new and improved platform, to give members easy access (on any device) to all the benefits on offer. The engaging content and activity hub enables members to read clinical articles and industry news, take online tests, earn CET points and view videos or webinars.

In the UK, we are piloting a professional network for optometrists, using our secure internal social platform (Yammer) to build a supportive network of peers sharing their expertise and tapping into the knowledge of our leading optometrists.

At Specsavers, we believe apprenticeships are a great way of unlocking the potential of our people and enabling them to build successful and fulfilling careers. This year, following the introduction of the Apprenticeship Levy, we took the opportunity to reposition our offer and broaden the choice of apprenticeships, to complement our successful Optical Retail Apprenticeship scheme in England. The programmes provide excellent

opportunities to develop knowledge, skills and behaviours through job-specific and structured training. We helped promote apprenticeships to secondary schools and colleges in England through engaging and interactive Apprenticeships Live broadcasts. Through the initiative, students and teachers were able to speak to us about our latest opportunities, the skills we look for and how to best prepare themselves for working life after school or college. We currently have more than 350 people on apprenticeships, and in March we welcomed our 1,000th apprentice since the scheme began. The feedback from our partners and store managers has been incredibly positive, with 90% of graduates continuing to work in our stores once qualified.

***'It's fantastic. Every day brings a new challenge or a new experience and it's really rewarding. I'm not sure yet which career route I will take when I finish my apprenticeship. I might continue to train and become a dispensing optician, or I could specialise in contact lenses. There are so many options, and I know that I've made a great choice in Specsavers.'***

**Madison Chancey, Specsavers' 1,000th apprentice**

In line with our plans to expand our apprenticeship services to other areas of the business, we piloted a new scheme for those interested in working in our in-store labs. We are the only employer and training provider of the new Spectacle Maker Advanced Apprenticeship (SMAA), which has 32 apprentices currently in training, with a phased national roll-out planned for the coming year.



# PASSIONATE ABOUT PARTNERSHIP

## AT THE HEART OF EVERYTHING WE DO

**Partnership is what sets us apart and brings us success. By providing outstanding support to our partners, we ensure they can focus on leading and inspiring their teams to ultimately deliver first-class customer service.**

### Nurturing our partnership

Regular consultation and collaboration is an integral part of ensuring we reach the best decisions for the partnership. Every year, and across all our markets, we run an engaging and inspiring programme of global events for partners, which includes communication meetings, webcasts, seminars and networking opportunities.

We revitalised the Partnership Forum in Norway, making it easier to review and develop store initiatives directly with our partners. In the UK, following feedback on the value of networking, we arranged, for the first time, specific social events designed to celebrate the partnership and share ideas in a relaxed yet stimulating environment.

Regular seminars are held in each of our markets to celebrate achievements and present future business plans, tailored specifically to the needs of each region. A record-breaking 1,300 people attended our biggest seminar in the UK to date, to take part in sessions ranging from the significance of medicalisation to the partnership, to the opportunities for a multi-category business.

Of course, the partnership is more than formal, organised events. The essence of working at Specsavers is that partners support each other, giving freely to their colleagues across the regions and, as we refer to it, 'Paying it Forward'. As part of this concept, we even launched a Pay it Forward magazine in Australia and New Zealand. The debut edition was jam-packed with hints, tips and advice, sourced from the first-hand knowledge and experiences of partners themselves. A range of Pay it Forward events, forums and activities also took place across all our regions, providing valuable opportunities to share successes stories, discuss challenges and offer advice on ways to develop and strengthen the partnership.

**During a special moment at our Louis Nielsen seminar in Denmark, a first-year optical student was recognised for saving a customer's sight. The employee was invited on to the stage to tell his story and watch a thank-you video from the customer. As a surprise, the customer then appeared onstage to perform a song for the student, resulting in a standing ovation from all 600 attendees.**



Optometry student Jacob Olsson and customer Henny Buch at the Louis Nielsen seminar following the surprise performance.



A presentation at our biggest seminar in the UK to date.

Specsavers' flagship clinical showcase, the Professional Advancement Conference in the UK, is the largest national event of its kind. More than 2,200 optical and audiology professionals - including 165 optometrists from outside Specsavers - were involved. The programme encouraged delegates to extend their clinical skills not only to transform their patients' lives, but also to expand their own professional aspirations.

In all five of our Northern European markets, we raised the bar of professionalism throughout the optometry industry at each country's conference. This included responding to legislative changes in Norway regarding optometrist assessments of a person's ability to drive, and holding our second joint clinical conference for optometry and audiology in the Netherlands.

In Australia, hundreds of delegates, including record numbers of non-Specsavers practitioners and students, converged at the Melbourne Convention and Exhibition Centre for professional development. With a focus on outcome-led optometry and an engaging ophthalmology programme of world-class speakers, the event was complemented by an all-day exhibition and a series of clinical education sessions.

*'Continuous education is vital in ensuring we offer the best possible care. By systematically improving ourselves, our patients and customers will benefit.'*  
**Trine Johnsen, Head of Professional Advancement, Northern Europe**



## Supporting and developing partners

Inspiring and supporting our partners of today, as well as recognising and engaging potential partners of tomorrow, is fundamental to safeguarding our future.

We worked closely with partners to shape the latest wave of our 2020 Leadership Development programme, now in its second year in the UK and Republic of Ireland. We refined the focus of the programme's themes, updated modules and added an audiology version. The improvements proved very successful, with 580 partners from across the region participating in the programme.

We expanded Specsavers Pathway, our in-house development programme for aspiring partners, in Northern Europe. The increased focus on supporting people through the internal pipeline, from optical dispensing to management and ultimately partnership, last year resulted in 28 Pathway graduates and 33 at the final-assessment stage across the region.

To complement this, we launched a dedicated Pathway site for each of our markets in Northern Europe to provide easier access to programme information. Open to partners, stores and regional support team members, the sites create awareness of opportunities for those already working at Specsavers who wish to become future partners.

In the UK, we introduced a new audiology career tool, mapping potential routes from retail assistant to audiology clinical lead or partner in support of development options.

2017/18 was another successful year for our global series of Specsavers Clinical Conferences, which took place in seven different countries, providing clinical education to more than 6,500 optical and audiology practitioners. These events offer high-quality, interactive learning in a peer-to-peer setting, for people from Specsavers, local universities and other industry providers.



A delegate workshop at the Specsavers Clinical Conference in Norway.

*'I think it's fantastic that the whole optometry industry is invited to attend the Specsavers Clinical Conference. All speakers have been of a great standard.'*

**Ingela Gillholm, optometrist in Sweden**

*'It's very nice that we are welcomed by our peers and get the opportunity to meet more opticians. It's great to feel part of the industry as a whole.'*

**Emilia Falk, optical student in Sweden**



Australian cricket team members take part in a special testing session at our Rundle Mall store.

## Reaching more customers

We continue to seek creative and impactful ways to promote our brand and retail offer. Working hand-in-hand with our partners to keep Specsavers front of mind helps attract more and more customers every day.

Sponsorship, with a particular emphasis on sport, plays a key role in our marketing strategy. We were official sponsors of the DHL New Zealand Lions Series 2017 match officials, and supported the New Zealand Super Rugby referees for the second year. As the official eyecare and eyewear provider to Cricket Australia for the 2017 season, we sponsored the ball tracker technology and provided eye tests to team members at our Rundle Mall store in South Australia.

Last year, eye health ambassadors such as Australian swimmer Ian Thorpe and British TV presenter Anne Robinson proved influential in raising public awareness of eye health. Olympian Ian Thorpe fronted a campaign to promote the importance of regular eye tests to the 10 million Australians who don't currently have one.

We continued our partnership with the Royal National Institute of Blind People (RNIB) and took part in a unique television campaign that enabled viewers to watch a commercial break through the eyes of people with sight-loss conditions. In conjunction with National Eye Health Week, different visual filters were applied to the adverts to illustrate five of the most common eye conditions in the UK: macular degeneration, cataracts, diabetes-related conditions, hemianopia and glaucoma. We also



Specsavers co-founders Dame Mary and Doug Perkins with RNIB Vice President Lady Penny Lancaster-Stewart.

joined forces with the RNIB to take a sight-loss simulator, Eye Pod, on a national tour. By demonstrating sight-threatening eye conditions in a real-life context, the Eye Pod proved to be an innovative, engaging way of helping educate members of the public about the importance of eye health.

***'Our partnerships with the RNIB and the International Glaucoma Association are about transforming eye health – educating the public on the importance of eye examinations and what optometrists are capable of in helping to diagnose and manage sight-threatening conditions. Equally important, therefore, is to ensure that as many optometrists as possible are fully confident and competent to deliver the range of enhanced services that patients, wherever they live, will gradually come to expect from their high-street optician.'***  
**Doug Perkins, Specsavers co-founder**

## Investing in our stores

As the number of people visiting us continues to rise, it is critical that we ensure our stores are equipped to offer the best possible environment for our customers.

In 2017/18, this involved opening 60 new optical stores and 73 audiology businesses, as well as supporting hundreds of relocation, expansion or reconfiguration projects across our existing portfolio. This investment included the addition of 300 new test rooms across the UK and Republic of Ireland, and an upgrade to 96% of audiology stores in the Netherlands.



A complete renovation brought the latest in optical technology to customers in Sutton-in-Ashfield, our largest store in the UK. The additional space expanded the store's revolutionary pre-testing area, as well as the enhanced optical services and diabetic screening operations. A newly-created lower floor houses a glazing lab, call centre, and regional training room.

***'The facility is beneficial to both the team and the local community. We are delighted to become the largest Specsavers store in the UK. We believe our investment represents our commitment to continue delivering great service to all our existing, and new, customers.'***

**Nigel Davidson, Sutton-in-Ashfield partner**



## Enhancing our supply chain

As our business continues to grow, it is vital that we evolve and invest in our supply chain, to support our partners in exceeding customer expectations.

We completed the relocation of one of our Chinese sites to a new, state-of-the-art manufacturing facility in Shenzhen. Pioneer Optical is fully automated and multi-functional, meaning it can produce 85,000 surfaced lenses and 50,000 pairs of completed glasses a week. The significant investment in Pioneer, as well as latest equipment installations at our Melbourne Glazing Services lab,

resulted in significant efficiency improvements, enabling our partners across Australia and New Zealand to meet ever-growing customer demands.

We also expanded our lab in Szatmár, Hungary. The enhanced Modulo Line self-organising system has increased surfacing capability to 90,000 lenses per week for our Northern European stores. To support ongoing volume growth in the UK, the recent relocation of Lens-Online and International Glazing Services operations has meant we were able to produce record numbers of lenses, and we extended the coating facility at Airways Optical Limited in Southampton.



# PASSIONATE ABOUT CORPORATE RESPONSIBILITY

# SUPPORTING OUR LOCAL COMMUNITIES

## OUR POSITION

At Specsavers, we are passionate about giving back to and working with our local communities, wherever in the world we operate. We support many local, national and international causes, and are committed to supporting eyecare and hearing care projects in developing countries. In the past 12 months, we have donated more than £2.5m to charities and good causes globally.

Tax payments make a vital contribution to sustaining social welfare across all our markets, enabling governments to fund policies that help people avoid economic hardship. We recognise our responsibility to pay the amount of tax legally due in the country in which that liability arises and to comply with the applicable rules and regulations in each of the countries in which we operate.

Last year, more than £90m of tax was paid on profits generated by Specsavers businesses to the governments of the countries in which those businesses operated. In addition, we generated and collected a number of other taxes, such as employee and sales taxes. In 2017/18, the total amount contributed to tax authorities around the world as a consequence of Specsavers' commercial activities exceeded £590m.

Our stores provide employment for more than 29,500 local people, all of whom have access to regular training and development, helping them to progress through Specsavers on their chosen career path. The same is true for the 3,000 people who are employed in our support offices and manufacturing and distribution sites around the world.





The team at our store in Cardiff, Wales, don novelty glasses to fundraise for Comic Relief.

## OUR PROGRESS

Across all our markets, we are involved in a vast number of activities to raise money for local, regional and national charities, helping to improve the lives of those less fortunate than ourselves.

Here are just some of the highlights from 2017/18:

### The UK & the Republic of Ireland

- Our stores and support offices raised more than £1.6 million for various good causes, including Vision Aid Overseas, Guide Dogs for the Blind, Blind Veterans UK, Hearing Dogs for Deaf People, and Sound Seekers.
- As an official partner to Red Nose Day, we sold novelty glasses in our stores and organised fundraising activities resulting in a donation of more than £450,000 to Comic Relief, which aims to tackle poverty and social injustice.
- We published a State of the Nation Eye Health Report in collaboration with the Royal National Institute of Blind People (RNIB) and met our £100,000 pledge target to fund sight-loss advisors around the UK.
- Our annual Spectacle Wearer of the Year competition raised more than £120,000 for anti-bullying children's charity Kidscape.
- We embarked on a new partnership with the National Council for the Blind of Ireland (NCBI), supporting their HolmPatrick Cup golf tournament and raising awareness of eye health.

### Spain

- 7,200 pairs of unwanted glasses were collected by our Spanish stores and donated to the Lions Club International, which works to eliminate preventable and reversible blindness.
- Our stores supported a Red Cross campaign in war-torn countries through the collection of food donations.
- €6,100 was raised for ONCE, a charity working to provide services to people with blindness or serious visual impairments.

### The Netherlands

- We donated €50,000 to Diabetes Fonds, which has been used for education and research projects related to sight topics. We also worked in partnership with the charity to organise a campaign to raise awareness about the impact of diabetes on eye health.
- Each store supported one local cause, raising a total of €150,000 for 133 charities.

### Denmark

- Louis Nielsen embarked on a new partnership with the Danish Association of the Blind, producing a State of the Nation Eye Health Report.
- Our stores raised more than DKK 74,479 for international charities, including Red Cross Youth and ACT Alliance.

## Give Sight project in Tanzania

Volunteers from our stores in the Nordics travelled to Tanzania to provide 19,700 pairs of glasses donated by customers to people in need. Since the Give Sight initiative began in 2010, our teams have supported the development of eyecare in the country by running eye camps in remote areas, conducting sight tests and prescribing recycled glasses, to improve the quality of life of thousands of people.

We will continue to support the project and encourage even more store teams to get involved and raise awareness of sight loss and eye conditions.

### Finland

- €15,000 was raised for the Friends of the Children's Hospital Association, which supports patients and families attending the Red Cross War Memorial Children's Hospital.
- In association with the Finnish Federation of the Visually Impaired, we published a State of the Nation Report as part of our drive to transform eye health.

### Sweden

- We worked with the Swedish Association of the Visually Impaired, to produce a State of the Nation Eye Health Report.
- Our support office raised SEK 50,000 for Ronald McDonald House Charities.

### Norway

- Our stores and support offices collectively raised NOK 144,454 for various local causes.
- We supported the Norwegian Association of the Blind through the provision of free sight tests to senior citizens.

### Australia & New Zealand

- Our stores in Western Australia raised A\$30,000 for the Perth Children's Hospital Foundation by donating a percentage of glasses sales and organising a state-wide fundraiser.

- Similarly, stores across South Australia worked together to raise A\$20,000 for Guide Dogs SA/NT by contributing a percentage of glasses sales and arranging a fundraising ball. Our donation is paying for guide dog puppy Essi to be trained and matched with a customer in the state.
- Through our community programme, stores across Australia and New Zealand donated A\$422,000 to The Fred Hollows Foundation. The charity aims to ensure high-quality, affordable eye care is accessible to all, and trains eye doctors, nurses and health workers to create a sustainable system of care in underprivileged communities.
- Through The Fred Hollows Foundation, we supported the Lions Outback Vision Van, a mobile eye-health clinic that provides comprehensive ophthalmology care for people living in remote locations across Western Australia. Our donations enabled the project to screen 2,000 people and perform 450 eye operations and treatments.
- We completed two outreach programmes. The first involved some of our optometrists training postgraduate nursing students at Fiji's Pacific Eye Institute and assisting with cataract surgeries at a local mobile eye clinic. Our donations helped the clinic to carry out more than 11,400 consultations, almost 600 operations and dispense 7,250 glasses. We also visited Vietnam to screen schoolchildren and train refractionists and technicians working on the Vietnam Child Eye Care project.

### Supply chain

- Our global supply chain teams and manufacturing and distribution sites engaged in multiple fundraising activities for their chosen organisations, raising £58,000 for 38 worthy causes.
- Our teams volunteered a total of 1,400 hours to support community initiatives. In Hong Kong, we held an all-team 'giving back to the community' event, working with the Salvation Army to spend time with local elderly people.
- We participated in various local transformation projects, such as litter clearing and gardening.
- We donated obsolete frames for glazing and distribution to Vision Aid Overseas and worked with Orbis International in support of eyecare projects in developing countries.

## OUR PLANS

In 2018/19 the Specsavers partnership will:

### The UK & the Republic of Ireland

- continue our partnerships with national and international organisations, including the Royal National Institute of Blind People (RNIB), Guide Dogs for the Blind, Blind Veterans UK, Vision Aid Overseas, Hearing Dogs for Deaf People and Sound Seekers
- provide ongoing support to local charities through fundraising and awareness activities in our stores and support offices
- continue our partnership with the International Glaucoma Association to help promote glaucoma awareness
- support National Eye Health Week, promoting the importance of eye health and regular eye examinations
- raise at least £120,000 for anti-bullying charity Kidscape
- continue to support the National Council for the Blind of Ireland (NCBI) and raise awareness of eye health

### Spain

- continue our partnership with the ONCE charity by sponsoring guide dogs
- support under-privileged children through the donation of glasses and school materials

### The Netherlands

- continue to fundraise for Stichting Specsavers Steunt, which donates money to each store's chosen charity
- encourage our teams to become involved in good causes by supporting local initiatives
- work with our new national charity, Oogfonds, and raise €50,000 to fund scientific research into blindness and visual impairments

### The Nordics

- continue our fundraising efforts for a range of charities, including Ronald McDonald House Charities and the Friends of the Children's Hospital Association

- develop our partnerships with the Danish Association of the Blind, the Swedish Association of the Visually Impaired, the Norwegian Association of the Blind and the Finnish Federation of the Visually Impaired. As part of our drive to transform eye health, this will include involvement in research projects, the provision of free eye tests for underprivileged people and the creation of new customer standards
- refresh our Give Sight Give Back project to enable greater awareness and fundraising
- look into new opportunities, such as providing clinical expertise to the Norwegian Association of the Blind's project in Nepal and working with Faktum, a magazine sold by homeless people in Sweden



Designs by Aboriginal artist Peter Datjing Burarrwanga will feature on limited-edition frames in Australia.

### Australia & New Zealand

- organise four outreach opportunities for our optometrists and graduate optometrists
- launch a recycling initiative in collaboration with Lions Recycle for Sight Australia. By collecting pre-loved ophthalmic glasses and prescription sunglasses in our stores, Lions Club International will arrange for the spectacles to be processed and sent to people in need across the globe
- embark on a new research and development partnership with TerraCycle, to explore innovative options for recycling materials such as acetate for use in eye-test technology

- collaborate with Aboriginal artist Peter Datjing Burarrwanga to create a limited-edition frame, which will raise funds for The Fred Hollows Foundation
- continue to donate pediatric glasses to Fiji's Pacific Eye Institute and the Regional Eye Centre in the Solomon Islands
- continue to support The Fred Hollows Foundation with the Lions Outback Vision Van in Australia and the Mobile Eye Clinic in Fiji

### Supply chain

- continue to support local charities and good causes at our manufacturing sites and across our global supply chain teams
- encourage our teams to volunteer and give back to our local communities

### Sound Seekers

Our partnership with Sound Seekers, now in its third year, sees UK stores collect and donate more than 2,000 unused hearing aids annually. The charity is dedicated to improving the lives of deaf people in developing countries. Our donations help fund the Hearing Aid Refurbishment Project (HARP) in Lusaka, Zambia, which repairs, recalibrates and distributes hearing aids that would otherwise not be available or affordable to people in need.

*'We would like to thank Specsavers for this incredible partnership, which is supporting children and adults with hearing loss in some of the poorest communities in Africa to gain much-needed hearing aids at no cost, thanks to the project. Your support is transforming lives.'*

**Tanya D'Souza, Sound Seekers**





# TRADING ETHICALLY



## OUR POSITION

We work to ensure the people who make our products have safe and healthy workplaces, where human and civil rights are respected. We also require our suppliers to take the necessary steps to protect the environment. We are committed to our global ethical trading policy and ensure regular, independent audits of all our major suppliers who do not operate in globally recognised regulatory environments.

Wherever possible, we develop strong, long-term relationships with our suppliers so that we can work together towards our vision of providing best value eyecare and hearing care to everyone.



## OUR PROGRESS

### In 2017/18:

- We remained committed to acting responsibly and trading ethically, protecting the environment and ensuring that the people who make our products are safe, healthy and free from human right abuses.
- We completed 75 supplier audits with our frame, ophthalmic lens, uniform, unitary and equipment vendors. The audits ensure compliance with our social and environmental standards and adherence to regulatory requirements, enabling long-lasting improvements to be achieved.
- We published our first Modern Slavery Act statement, explaining the steps we have taken to ensure that slavery and human trafficking does not exist in our supply chain.
- As part of our approach to global supply chain governance, we mapped areas of risk across all countries and categories in which we operate.
- We developed quarterly reporting tools, enabling the Specsavers Executive Committee to review audit results and identify risks in relation to modern slavery and ethical compliance.
- We supported our functional leaders to embed compliance activity into their commercial decision-making and ensure a successful audit result is a prerequisite of vendor-selection processes.

## OUR PLANS

### In 2018/19, the Specsavers partnership will:

- complete a minimum of 31 compliance renewal audits to ensure existing suppliers meet our ethical standards, in addition to initial audits for any new suppliers
- introduce Modern Slavery Act training for our teams, to provide both general guidance and an awareness of associated risks
- remain transparent in our Modern Slavery Act commitments by sharing our plans and progress via a more progressive and engaging publication
- continue the development of our compliance activity to include risk assessments of product origin and conflict minerals
- provide further clarity on our ethical trading position through the implementation of effective processes and documentation to support supplier engagement and customer requests
- complete an extended review of those suppliers operating within globally-recognised regulatory environments, to obtain declarations of conformity

## THE SPECSAVERS SUPPLIER CODE OF PRACTICE

Specsavers continually strives to develop and promote high standards of social and environmental responsibility. Since 2008, Specsavers suppliers and their subcontractors have been required to operate and be assessed in accordance with our code of practice:

### Obey all applicable laws

Commit to act in accordance with all the relevant laws, regulations and industry standards in the countries in which our suppliers operate.

### Treat people with dignity & respect

Adhere to the following best practices to promote healthy and safe workplaces, where human and civil rights are respected:

- Employment is freely chosen
- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Child labour, forced labour and illegal subcontracting are not used
- Local wage legislation is met or exceeded
- Working hours are not excessive
- No discrimination is practised
- Regular employment is provided
- No harsh or inhumane treatment is allowed

### Protect the environment

Recognise global and environmental responsibilities and take all commercially reasonable steps to safeguard the environment.

### Specsavers suppliers must be prepared to work towards:

- compliance with recognised environmental standards
- a commitment to actions that restore and preserve the environment
- a commitment to reducing waste and pollutants, conserving resources, and recycling materials at every stage of the product lifecycle whenever possible
- development and application of technologies to minimise pollutant emissions
- continual assessment of the impact of their products on the environment and the communities in which they operate

# PROTECTING OUR ENVIRONMENT

## OUR POSITION

We are committed to taking responsibility for the impact our business has on the environment and have adopted a risk-based approach to understanding, minimising and mitigating this impact. This is conducted in line with our values and the responsibilities we have to our customers and our people, as well as our obligations in the countries in which we operate.

Our environmental programme is an important element of our corporate responsibility approach. We understand that both global and local environmental issues can have a wide-reaching and long-term effect on our society, now and in the future.

We recognise that the consumption of energy, the use of non-renewable resources, water and packaging, and waste creation are all things we need to monitor and reduce in every part of our business:

- Our 1,900-plus stores account for the largest share of our carbon footprint through the direct and indirect emission of greenhouse gases related to energy use
- Our manufacturing and distribution sites have a significant carbon impact through energy use, with the additional elements of water, packaging and waste
- Our support offices also contribute to our carbon impact by using energy for administration and IT infrastructure

## OUR PROGRESS

**In 2017/18:**

### Governance

- We continued to review compliance with environmental legislation across our UK, Republic of Ireland and Northern European operations, with a particular focus on energy efficiency and packaging.
- In Sweden, our stores and support office achieved compliance with the European Energy Efficiency Directive (EEED) audit requirements and we continued to work with regulators in the Netherlands to derive maximum benefit from our previous EEED audit findings.
- We progressed a global review of packaging flow in preparation for a more centralised and structured approach to packaging compliance.
- Our support office in Guernsey achieved the gold standard of the Keep Guernsey Green Award (KGGA), demonstrating our commitment to managing local energy use, waste production and disposal.
- In the UK, Vision Labs upgraded its ISO 14001 environmental management accreditation to the improved ISO 14001-2015 standard.
- We made significant changes to our reporting structure in line with UK producer packaging regulations, to improve the robustness and accuracy of our packaging returns.



IT lecturer Robert Childs distributes remodelled laptops in Tanzania as part of the Tumaini Fund project.

### Energy procurement and supply

- We worked with energy consultants on the effective use of our smart metering system as part of our ESOS (Energy Saving Opportunities Scheme) activity and energy-efficiency audits.
- We continued to procure energy on low-carbon or green tariffs supported by Renewable Energy Guarantees of Origin (REGOs) at our UK stores and support offices.

### Energy use and efficiency

- In the UK, Airways Optical Limited joined Vision Labs in reaching a Climate Change Agreement. These two manufacturing and distribution sites are currently exceeding their energy-efficiency targets by 24% and 37% respectively.
- We signed a memorandum of understanding with our landlords, Unibail Rodamco (UR), who are aiming to reduce their carbon emissions by 70%. The agreement involves installing LED lighting in all our new and refurbished Northern European stores that are owned by UR.
- By improving the overall equipment effectiveness (OEE) of processing machinery at Vision Labs, we reduced electricity use per lens processed by 12%. In addition, changes to the site's boiler system decreased gas consumption by 25%.
- Improvements to the cooling system for the anti-reflective coatings process at Vision Labs have reduced cooling-energy consumption by 50%.

### Water use

- Szatmár Optikai, our lab in Hungary, increased usage of the Bazell centrifuge-based water-recycling plant to further reduce its water consumption.

### Waste and recycling

- To decrease office waste in Guernsey, we reorganised recycling areas, provided training for our cleaning contractors and introduced multilingual labelling on external bins.
- As part of a nationwide initiative, our store teams in Sweden committed to informing customers about the environmental impact of single-use plastic bags to help reduce usage.
- The introduction of a new compactor helped improve the waste paper and cardboard-handling processes at Szatmár Optikai.
- We continued to supply charitable projects with repaired, unwanted hearing aids and glasses for use in developing countries.
- Our Australian stores joined forces with national charity Kids Off The Kerb to recycle old uniforms.
- Following the refurbishment of our Guernsey office, we donated desks, chairs, screens, carpet tiles and pedestals to local organisations, as well as recycling pods to one of the island's primary schools.
- We worked with the Guernsey College of Further Education to provide remodelled laptops for the Tumaini Fund, which supports HIV/AIDs widows and orphans in Tanzania.
- Vision Labs joined a local recycling scheme collecting bottle tops and cans, and continued to provide the Worcestershire Resource Exchange with waste lens materials for charitable art projects

### Communication and engagement

- We partnered with the Hampshire & Isle of Wight Sustainable Business Network to further develop the National Union of Students' Green Impact award in the UK.
- At Szatmár Optikai, all teams were engaged in the ISO 14001-compliant environmental management system, to ensure a shared understanding of the impact our operations may have on the environment. We also introduced a new training video covering health and safety and fire issues, as well as our environmental aims and controls.

## OUR PLANS

In 2018/19, the Specsavers partnership will:

### Governance

- implement ISO 14001-2015-compliant environmental management systems across our larger UK support offices
- upgrade the ISO 14001 accreditation at Airways Optical Limited to the improved ISO 14001-2015 standard
- increase awareness of plastic-waste issues, both internally and within our wider supply chain, through our global environment team
- continue to develop our Keep Guernsey Green Award (KGGA) status in line with the scheme's objectives

### Energy procurement and supply

- continue to monitor progress of our automated meter readings platform and strategy

### Energy use and efficiency

- install an upgraded transformer at Vision Labs to improve the site's energy efficiency
- continue to monitor developments in low-carbon, self-generation energy and explore the use of PV technology (solar panels) to generate energy on site at our Guernsey support office, and at least one manufacturing and distribution location
- commence energy-efficiency auditing for our UK portfolio, to ensure compliance with phase two of ESOS (Energy Saving Opportunities Scheme) regulations
- continue the use of enhanced energy-monitoring systems and smart meter data to improve energy efficiency and reduce consumption

### Water

- investigate ways to reduce water usage in our stores and offer water-recycling equipment options to those with on-site lab facilities

### Waste and recycling

- eliminate the provision of non-recyclable coffee cups in our UK support offices
- continue to develop routes for the reuse of unwanted furniture and fittings as we progress our support office refurbishments
- eliminate the provision of single-use plastic carrier bags in our UK stores
- investigate group waste-service contracts for our stores, to decrease cost, improve recycling levels and enhance associated reporting
- reduce liquid and non-liquid waste streams at Szatmár Optikai
- continue with a project to save 2.8 million pieces of paper a year, as well as reducing printer ink and energy use, by halting the use of job tickets at Vision Labs

### Communication and engagement

- leverage our Keep Guernsey Green Award (KGGA) status to engage with suppliers on local environmental issues
- continue to work with relevant groups and trade associations on environmental themes



Vauvert Primary School in Guernsey receives recycling pods following the refurbishment of our support office.

*'We are very proud to receive the first gold standard Keep Guernsey Green Award. We take our commitment to the Guernsey community very seriously and work hard to reduce the impact of our operations through robust environmental and waste-management policies.'*

**Dame Mary Perkins, Specsavers co-founder**

# PASSIONATE ABOUT GETTING RESULTS

KEEP IT SIMPLE, GET IT DONE, DELIVER ON OUR PROMISES

2017/18 was another fantastic year for the Specsavers partnership, yielding some great results. Here are a few highlights:

## Worldwide

- Surpassing £2.61bn in group revenue - an increase of 7% on 2016/17
- Selling more than 20.5 million frames, 500 million contact lenses, and 337,770 hearing aids
- Reaching record customer numbers, with more than 36 million people now registered with us
- Welcoming more than 1.3 million visitors to our website every week
- Introducing our diversity and inclusion activity to ensure Specsavers is seen as a place of opportunity for everyone
- Gathering in excess of 1.5 million pieces of customer feedback, with 90% of respondents being classed as ambassadors
- Raising more than £2.5m for charities and good causes

## Australia and New Zealand

- Celebrating our 10th anniversary in Australia
- Implementing our audiology partnership model in Australia
- Winning the 2018 Reader's Digest Gold Quality Service Award in both Australia and New Zealand, recognising the exceptional customer service delivered daily by our store teams
- Surpassing A\$1 billion in revenue across Australia and New Zealand
- Winning two accolades for our CREATE development programme: the 2017 Platinum LearnX Impact Award and the Australian Institute of Training and Development (AITD) Excellence Award
- Dispatching a total of 29 million orders from our Melbourne Glazing Services lab since it opened in 2008. The facility is now capable of processing up to 125,000 jobs a week
- Launching online glasses in Australia, enabling our customers to purchase our products through the website for home delivery
- Holding the inaugural Specsavers Dispensing Conference as part of our increased focus on the professional development of optical dispensers
- Rolling out optical coherence tomography (OCT) in our stores, enabling our optometrists to provide the very best customer care



Cricketer Andrew Flintoff and co-founder Dame Mary Perkins open Specsavers' 800th UK and Irish store, with partners Chris Shore and Sean Buckley.

## Northern Europe

- Celebrating 20 years since we opened the doors of our first optical store in the Netherlands, and 10 years of our audiology business there
- Reaching record levels of customer loyalty - 91% - at Louis Nielsen in Denmark
- Achieving 11% sales growth in our Norwegian market
- Being crowned Retailer of the Year 2017-2018 for our audiology services in the Netherlands, as voted for by our Dutch customers
- Supporting more than 400 optical dispensing graduates across Northern Europe through our in-house development programme
- Winning the Kreativt Forum Best Radio Advertisement award for our Sølvmikken production in Norway
- Receiving a company excellence award for our Szatmár Optikai manufacturing and distribution site in Hungary
- Seeing record engagement results in Norway, with sustainable engagement at 89% for store partners and 92% for store teams - the highest score globally
- Donating €150,000 across 133 charities in the Netherlands

## UK, Republic of Ireland and Spain

- Opening our 800th optical store, in Preston, Lancashire
- Providing optical care to more than 110,000 people via our home-visit service
- Gaining Platinum Employer status at 500 of our stores, as part of our commitment to ensuring a consistent, first-class employee experience
- Seeing the Investors in People Gold Employer of the Year award go to Vision Labs, our manufacturing and distribution site in Worcestershire
- Winning Gold at the Campaign Media Awards 2018 in the Healthcare category for our work on the More Than Important campaign
- Delivering the largest programme of accredited continuing education and training (CET) in our history - to 3,000 professionals, with more than 50,000 CET points on offer
- Receiving four awards for our television adverts and online campaigns at the Roses Creative Awards, which recognise great creative thinking across advertising, design and digital principles
- Broadcasting our first television advert to the Spanish market
- Raising more than £1.6 million for various good causes through fundraising efforts across our stores and support offices

# REVIEW FROM THE REGIONS



**Reading our Annual Review is always a humbling experience for me. Each year, this report offers but a brief glimpse of the hard work and commitment of our**

**partners and our store and support colleagues across all our markets. These pages stand testament to the incredible achievements, the milestones, the numbers – but most importantly, they bear witness to the heart-warming personal stories that underpin everything.**

The story of one of our audiology customers, for instance, who contacted us to say: ‘thanks for testing my hearing and contacting my GP with the results. It was because of this that I was finally referred for an MRI scan after years of my symptoms not being taken seriously by my doctor. If it weren’t for you, I would never have found out that I have a brain tumour, which I am going to receive treatment for’.

Or maybe Cerys’s story. Cerys is a seven-year-old with cerebral palsy and learning difficulties, who suffered anxiety attacks whenever rain fell on to her glasses. Other opticians had told Cerys she was too young to wear contact lenses, or couldn’t because of her condition – our store team took the time to fit Cerys with daily lenses and teach her mum how to help her with

them. Cerys can now go outside without anxiety attacks – it’s changed her life.

There are many, many similar examples. Reading letters from our customers, who talk of the care and compassion of our teams, and inspire this report, is, without question, my personal highlight of the year.

The secret of our success is simple: our stellar performance, sustained over many years, has been achieved by everyone within the Specsavers Partnership doing the little things that matter, better, every day. It is this unrelenting obsession to live our values and improve every day that ultimately enables us to help 36 million customers to live a better quality of life.

We all know that our future is changing rapidly. Political, social, economic and technological changes are impacting fundamentally on how all of us live and work. With the strength of the unique Specsavers Partnership, the capabilities of the teams who support it, and a clear long-term framework, we are fantastically well placed to respond. And in so doing, to ensure that Specsavers continues to make a positive, tangible difference in every community in which we operate. We are all proud of what we have achieved in the past 12 months – but even more excited about what the future holds.

**John Perkins, Joint Group CEO**



**2017/18 has been a fantastic year of great growth and success, testament to our passionate and motivated teams on both sides of the world.**

## **Australia and New Zealand**

This year, Specsavers reached an exciting milestone in our Australia and New Zealand (ANZ) history – celebrating 10 years since we opened the doors of our first stores in Melbourne’s CBD.

While we had bold ambitions to change the face of optometry in ANZ, I don’t think any of us could have truly believed how much of a difference we would make to the optical market. We now have 376 stores, more than 740 partners, 5,750 store colleagues and have surpassed A\$1 billion in turnover. In 2017/18 alone, our teams carried out 3.8 million eye tests, supplied nearly 5 million pairs of glasses and sold 18 million contact lenses.

But over and above the incredible figures, we made some serious inroads into bridging the gap between optometry and ophthalmology as we continued our partnership with RANZCO, and worked towards our aim of transforming eye health for millions of people across the region by launching OCT in our stores, to detect glaucoma and other debilitating diseases.

2017 also saw the exciting introduction of our audiology partnership model in the Southern Hemisphere. We got off to a fantastic start, enabling us to expand our offering of the highest-quality professional service and best possible value in hearing aid technology to our Australian customers.

While the next 10 years will no doubt see even greater changes in both the retail landscape and customer expectations, I know Specsavers ANZ is in a strong position and I am really looking forward to the next phase of our journey.

## **Northern Europe**

It has been a hugely rewarding year in Northern Europe. Despite market conditions remaining challenging, the hard work of our committed and highly-skilled teams has paid dividends.

We continued to see fantastic figures, resulting in market-share growth across the whole region. We opened 16 new stores, carried out more than 50 store-capacity expansions, launched more than 400 new frame styles, and recruited 110 new optometrists and 55 optical partners. We now service the community with 450 optical stores in the region, and more than 100 audiology businesses.

Particular highlights for me include the start of our journey to transform eye health across the region by forming strategic alliances with leading health organisations and publishing State of the Nation Eye Health reports, and launching visual-field screening into Denmark and Norway. We also saw a record attendance at our clinical conferences with more than 2,000 delegates.

This year saw the exciting launch of our own designer brand, Scandamania, and more than 2,300 store colleagues take part in our version of the CREATE development programme. eCommerce for contact lenses went live in Norway, to expand our online offer that is already available in Sweden and the Netherlands.

We also enjoyed celebrating our 20th anniversary of optics in the Netherlands, and 10 years since the launch of our audiology business there, as well as our 10th anniversary in Finland.

I am sure the coming year will be just as exciting, especially as systems and technology continue play an ever-increasing role in our everyday lives. I am really interested to see how these opportunities will simplify how we work, optimise our business, and support us in our ambitions of market leadership.

**Nigel Parker, Managing Director - ANZ & Northern Europe**

# REVIEW FROM THE REGIONS



**2017/18 has been a year of innovation, underpinned by our uncompromising focus on delivering great value and outstanding customer service.**

**Performance has been strong in all our markets in terms of both sales growth and customer volumes.**

#### **Contributing to this has been:**

- A focus on increasing awareness of our audiology business, resulting in sales growth of 13%
- Opening 41 new stores across the region, increasing convenience and accessibility for even more people. And our growing relationship with Sainsbury's, as we open Specsavers stores within Sainsbury's locations - a great fit for us as we share strong values and a relentless focus on customer service
- Carrying out more sight tests at home for people unable to visit an optician unaccompanied due to physical or mental disability
- Exciting new products including the hugely successful Kylie Minogue Eyewear collection, the Balmain designer frame range and great frames for kids including Disney and Crayola
- Our talented people who work so hard in our stores and our support offices to delight our customers every day

I am also very proud that we have continued to build on our professional credentials with a focus on medicalising our business and providing enhanced optical services on the high street for diseases such as glaucoma, and for minor eye conditions.

I mentioned that this has been a year of innovation, and we are about to see the result of this investment as we launch new services into our stores that will enhance the customer journey. This includes Frame Styler, which is exclusive to Specsavers in the coming year and will provide frame recommendations based on a scan of your face; a new audiology diagnostic tool; and the introduction of OCT (optical coherence tomography) into every store across the UK and Republic of Ireland - one of the most exciting developments in the history of our business, giving us the ability to take a medical-grade scan of a customer's eye. I am looking forward to an incredibly exciting year ahead.

**Paul Marshall, Managing Director - UK/ROI**



# SPECSAVERS EXECUTIVE COMMITTEE



## Doug Perkins

Joint Group CEO & Co-founder

A qualified and registered optometrist for more than 50 years, Doug is accountable for the overall success of the partnership. Doug also has specific responsibilities for the advancement of professional standards across Specsavers and supporting the regulatory agenda across our markets. He and his wife Mary established Specsavers' joint venture partnership model in 1984, with the vision of making eyecare more affordable.



## Dame Mary Perkins

Co-founder

A qualified and registered optometrist for more than 50 years, Mary plays an active role in the business in a number of areas, including driving customer service standards, championing our values, and shaping our Corporate Responsibility (CR) commitments. Mary plays an active role with a number of national and local charities and was made a Dame Commander of the Order of the British Empire in 2007. She was appointed ambassador for Vision Aid Overseas in 2009.



## John Perkins

Joint Group CEO

John is responsible for the overall performance of the partnership and the strategic direction of the group. John joined Specsavers in 1998 and worked in UK stores and operations, as well as a number of international teams, before joining the Board in 2003. A qualified chartered accountant with an MBA in retailing, John spent five years with Deloitte before joining Specsavers.



## Richard Holmes

Group Brand Director

Richard joined the Board in 2007 as Marketing Director, and is responsible for brand development and marketing and PR activities in all countries, including our in-house creative agency. Before joining Specsavers, Richard worked for Boots for 10 years in a number of marketing roles. Prior to that, he worked for 13 years for Unilever, and was based in London, Paris and Milan.



## Pauline Best

Global People & Organisation Director

Pauline joined Specsavers in 2008 and is responsible for all elements of people and organisation strategy and activity across the group. She is also responsible for group services, including insurance and business continuity, office facilities, travel and aviation. Before joining Specsavers, Pauline spent 20 years working in mobile communications, including 12 years with Vodafone, where she most recently held the position of Global Leadership, Talent and People Capability Director.



## Nigel Parker

Managing Director - ANZ & Northern Europe

Nigel joined the Board in 2006 and provides overall leadership to Australia and New Zealand and the Northern Europe region with a focus on driving continued growth, as well as sharing best practice and innovation across all our markets. Nigel joined Specsavers in 1997 from Essilor, the world's largest manufacturer of ophthalmic lenses, becoming Product Director and then Commercial Director.



## Paul Fussey

Chief Financial & Commercial Officer

Paul joined Specsavers in 2009 and has overall accountability for the group finance, tax and treasury, legal, business change and commercial functions of the business, as well as the group's supply chain. Paul assumed the role of Managing Director in Australia and New Zealand in December 2014 and returned to the UK as Chief Financial and Commercial Officer in 2017. He joined from Boots UK where he was Finance Director and, prior to that, held positions of Divisional Finance Director for Supply Chain and Shared Services, and Managing Director for Boots' manufacturing division, with operations in the UK, France, Germany, Poland and the Far East.



## Sean Lawe

Group Supply Chain Director

Sean joined Specsavers in 2002, initially working in the Product team, then on the group manufacturing and distribution strategy. Sean became Supply Chain Director in 2012 and is responsible for purchasing and supplying frames, lens manufacturing and distribution, contact lens and lens product development, equipment procurement, planning and data management. Before joining Specsavers, Sean worked for 10 years at Vision Express as Technical Services Director.



## Paul Bott

Group Commercial Director

Paul joined the Specsavers Executive Committee in 2017 and is responsible for all commercial development activity in support of our long-term strategy. Having joined Specsavers in 2005, Paul initially worked as a Commercial Manager. In 2007 he relocated to Melbourne, establishing our Hong Kong office and forming part of the team for our market entry into Australia and New Zealand (ANZ). As Commercial Director for ANZ, Paul was responsible for critical business functions, including Finance, IT, Commercial Projects and Optometry. Prior to joining Specsavers, Paul qualified as a chartered accountant, working for companies including Andersen, Deloitte and Severn Trent.



## Paul Marshall

Managing Director - UK/ROI

Paul joined Specsavers in 2013 to assume responsibility for leading the development of our UK and ROI hearing businesses. In 2014, he assumed additional responsibility for leading our Healthcall and Corporate Eyecare operations. He became Joint Managing Director for the UK and ROI in 2015, bringing together optics, hearing and domiciliary under one leadership structure for the first time, and took full responsibility in June 2016. Before joining Specsavers, Paul was Group Managing Director at Vets4Pets for five years and, prior to that, he spent 16 years with leading UK supermarket chain Sainsbury's.



## Stretch Kontelj

Group Legal Director

Stretch joined Specsavers in April 2008 as the first stores in Australia opened, and was a key member of the ANZ leadership team during our expansion across those markets. He became a member of the Specsavers Executive Committee in 2015 as Group Legal Director with responsibility for our legal function across all markets. Before joining Specsavers, he was General Manager for franchise retailer Sportsco and, prior to that, was partner in a legal firm for 14 years. Stretch has a long history of community involvement, particularly in supporting ethnic communities, for which he was awarded an Order of Australia Medal in 2001.



## Adrian Thompson

Group Chief Information Officer

Adrian joined Specsavers in 2017 as Global Chief Information Officer and is responsible for the overall leadership of the technology, digital and data functions, including the direction and execution of our global programmes and information governance. Before joining Specsavers, Adrian was Global Chief Information Officer for Dyson, and prior to that, held senior IT and business change positions at Gala Coral Group, New Look, Oasis and Harrods.

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## Career opportunities

[specsavers.com/careers](https://www.specsavers.com/careers)

