



# 2015-2016 ANNUAL REVIEW

Specsavers®





# INTRO- DUCTION

2015/16 was another phenomenal year for the Specsavers Partnership. Our results and achievements are testament to the thousands of passionate partners, dedicated store teams and motivated support colleagues who work tirelessly to deliver the best choice, value and experience to our customers.

This review describes the progress that has been made over the last 12 months and highlights just some of the things we have done to support our store partners, engage and develop our people, and delight our customers.

For the first time this year, we have combined our annual highlights and corporate responsibility information into one publication to reflect the way in which we do business. Our commitment to supporting local communities, trading ethically and protecting the environment is integral to how we operate and simply forms part of our everyday activity.

Today, our 1,800 stores serve in excess of 32 million customers worldwide. We have more than 2,400 partners and 30,000 people working across our stores, support offices and the supply chain internationally. Together with our partners, we will continue to set ambitious



targets, constantly improving what we do in pursuit of our vision to passionately provide best value eyecare and hearing care to everyone.

2016 marks the 50th anniversary of Mary and me first qualifying as ophthalmic opticians and we have seen a huge amount of change along the way. Despite this, emergent technology and increasing demands of customers require optical providers to continue evolving to remain successful. Our partners are in a prime position to lead such change and define the optical profession of the future. These are truly exciting times.


**Doug Perkins**

Joint Group CEO  
and Co-founder

**Dame Mary Perkins**

Co-founder





**Our Vision** To passionately provide best value eyecare and hearing care to everyone, 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



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# THE YEAR IN NUMBERS

FIGURES AS AT THE END OF FEBRUARY 2016



**£2.18 billion**

Group revenue  
2015/16



**5.8%**

Increase  
on 2014/15  
revenue



**281,000 +**

Hearing aids sold



**400 million**

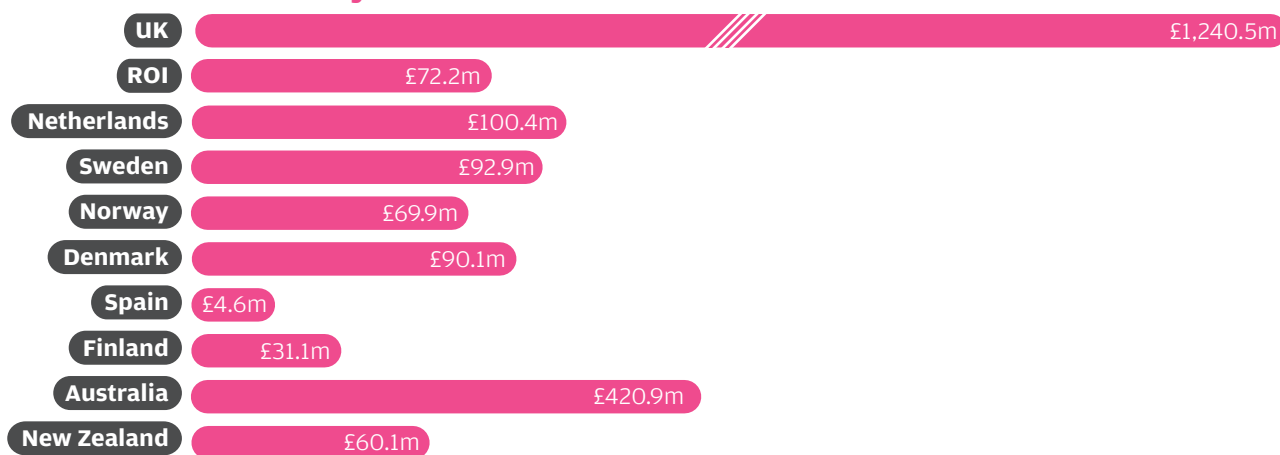
Contact lenses sold



**19.5m +**

Frames sold

## Revenue by market



## First store







2,400 +

Partners



30,000+

Employees



1,800

Stores



2 million +

Customer feedback  
responses



100,000 +

Mentions or  
messages  
on Twitter



560,000 +

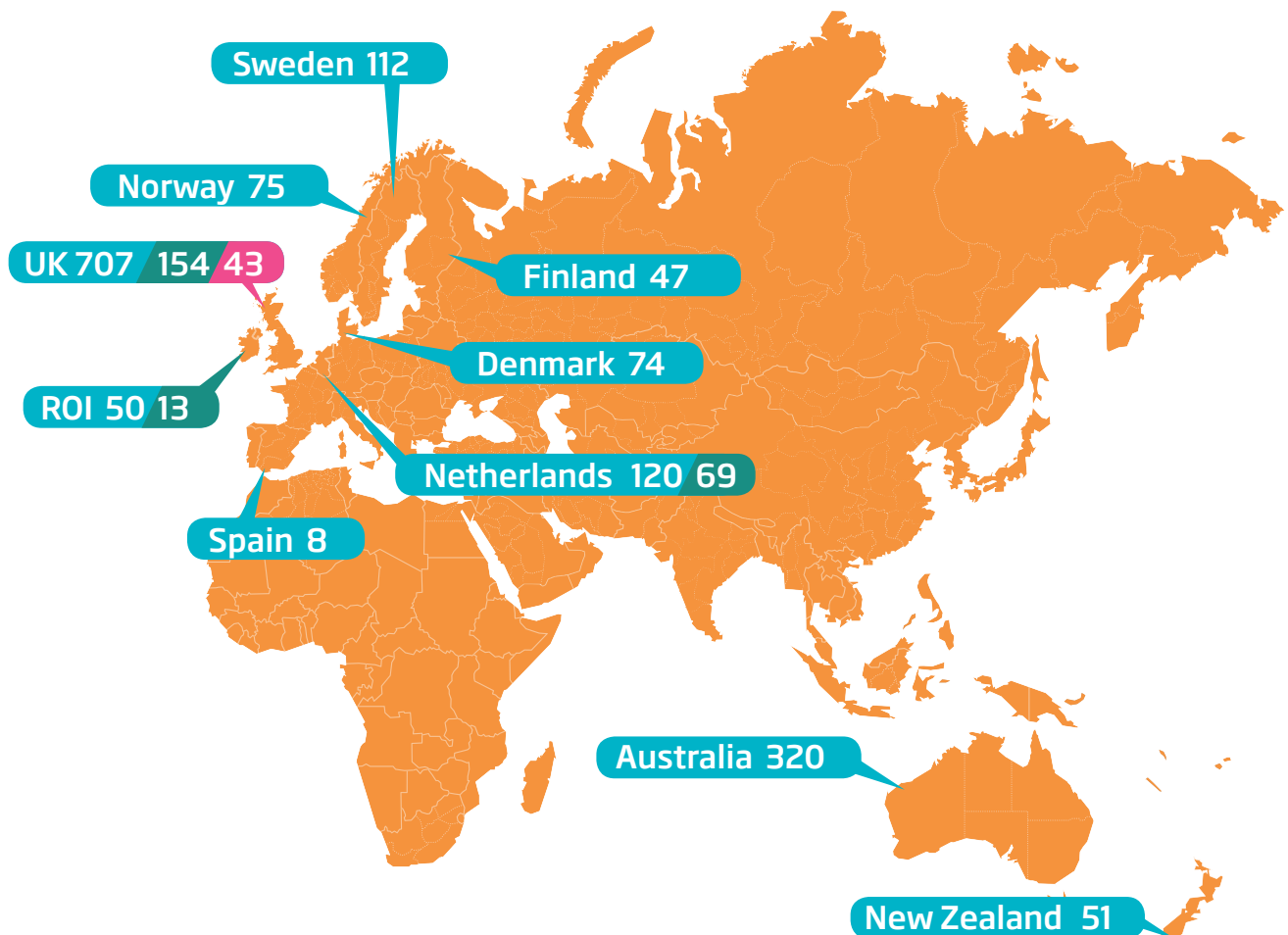
Followers on  
Facebook



28 million +

Visitors to  
our website

## Optical stores/Audiology stores\*/Domiciliary partnerships



\* Hearing care services are also available in 655 optical stores in the UK, 48 optical stores in the Republic of Ireland and 114 optical stores in the Netherlands.

# PASSIONATE ABOUT OUR CUSTOMERS

## THE LIFEBLOOD OF OUR BUSINESS

**Our obsession in providing the best possible value and choice to our customers enabled us to sell record numbers of glasses, contact lenses and hearing aids last year. By delivering a fantastic customer experience, customer volumes continue to increase year-on-year, and we now look after more than 32 million worldwide.**

### Revolutionising the customer journey

Customer convenience is key. Today eight out of ten adults across our markets are online and expect to be digitally supported in their daily lives. Our investment in this area has doubled in each of the last three years and will continue in the year ahead as we seek to introduce more digital innovation into the customer journey.

Increasingly, a customer's interactions with us begin online. More than 28 million people visited our websites, a fifth more than in 2014/15. We have re-engineered them to work more effectively for the 60% of customers now visiting us from mobile devices, and launched newly designed homepages following customer feedback.

An online appointment system is now in place across our Northern European markets, providing a seamless journey from 'browse' to 'book' and handling almost a

third of all sight test bookings in the region. Similarly, customers and GPs in the UK and the Republic of Ireland were able to book hearing tests online for the first time last year. This new service makes it easy for customers to find their nearest store and make an appointment at their convenience. To help them decide whether they need a hearing test in the first place, UK customers can download our new Specsavers Hearing Check app, which carries out a speech-in-noise test to indicate any loss of hearing. The app also allows the user to find their nearest store, book an appointment online and access information and advice about hearing loss.

In Denmark, Louis Nielsen customers can now buy glasses through our website and have them delivered directly to their homes. They can also choose which store to visit for their aftercare service, ensuring that any follow-up needed is as convenient as the purchase itself.

To help people sample our products before visiting a store, we introduced a Try On app for customers in the UK, the Republic of Ireland, Spain and the Nordics. The app uses computer-generated models of our frames to give customers a virtual 'try before you buy' experience.



# Check your hearing at home

with our new hearing app

## Five tell-tale signs of hearing loss

1. You have the TV up too loud
2. It seems like everyone's mumbling
3. Conversations are hard work in noisy places
4. You ask people to repeat themselves on the phone
5. Friends and family make comments about your hearing



Customers in the UK can use the new Specsavers Hearing Check app as an indication of any hearing loss

Once in a store, customers can benefit from our Virtual Dispensing Toolbox Measuring (VDTM) technology. Following its success in the UK and Republic of Ireland, this system is now standard across all Specsavers stores globally. The unique application on specially configured tablet devices has made a great impression on our customers worldwide. Since accurate dispensing measurements are captured using imaging software, customers can be confident that they receive the most suitable frames and lenses for their prescription, lifestyle and vision needs.

We have continued with our plans to incorporate this technology into the customer journey by redesigning many of our stores. Reception desks are being replaced by mobile service points and customers are greeted and registered on tablet devices. The new layouts are now live in almost half of our stores across the UK, the Republic of Ireland and Finland and are standard for all new and refitted locations.

**“This new in-store concept represents a step change in how we engage with our customers and ensures a highly personalised service. Alongside the clinical benefits, it is also about ensuring the customer experience is not just good enough to convince them to buy the product, but excites them about the journey they’ve been on.”**

**Andrew Wallbank, Retail Director at Specsavers Brighton**

In Australia, 200,000 people who had previously purchased Alex Perry frames received a personalised video message from the fashion designer himself. The unique marketing experience was among the first of its kind for both Australian retailers and customers, driving great engagement and increased sales.



## Enhancing our offer

The next five years will see the future of optics transform at unprecedented speed. Currently in England, services that fall outside the standard sight test, such as minor eyecare conditions, diabetic retinopathy screening and glaucoma monitoring, are mainly provided on the NHS by GPs or in hospital.

Ongoing funding cuts have led to the outsourcing of more healthcare services to private partners, as is the case in Scotland and Wales. These disruptive changes present an opportunity for Specsavers to enhance customer care and we have a number of plans in place to support the delivery of community-based enhanced optical services. Specsavers Enhanced Eyecare, a new initiative in the UK, will ensure that all our stores have the right level of accreditation to treat minor eyecare conditions and will raise awareness of these services among the British public. Presenting at the national 100% Optical event for the first time last year, co-founder Doug Perkins explained to hundreds of industry experts how enhanced services at Specsavers will bring significant benefits to patients and practitioners alike.

2015/16 was a fantastic year for our UK domiciliary eyecare business Healthcall and we entered 2016 as the market leader in home visits, having achieved double-digit growth on the previous year. February 2016 was our highest-ever trading month, contributing to 50% year-on-year growth at the end of the financial year. We now provide eyecare for 70,000-plus domiciliary customers, who would otherwise be unable to benefit from Specsavers' clinical care and to extend our offer further, we will open our first domiciliary partnerships in Northern Ireland and the Republic of Ireland later in 2016.

To ensure we can continue to deliver exceptional service as customer numbers rise, we extended trading hours across our Northern European stores. By opening in the evening, on Sunday, and for longer on Mondays we have added an extra 1,500 trading hours each week, the equivalent of 30 new stores.

Since offering free sight tests to under-16s in New Zealand, our stores have seen the number of children having eye tests with us quadruple, leading to an 8% increase in sales overall.

## Focus on frames

It has been another successful year for frame design and development as we continue to offer unbeatable choice. Investing heavily in new ranges, trends and technology ensures that we provide something for everyone, no matter what their preferences and budget.

We introduced two exciting new brands, Converse and Love Moschino, across all our markets with huge success. Around 3,400 Love Moschino frames are now being sold each week in the UK alone.

Collaborating with global fashion icon Twiggy on a stylish range of women's frames resulted in a 56% year-on-year increase to our exclusive Aurora collection. The MAX&Co. brand is now offered in stores worldwide, following its launch in the UK and the Republic of Ireland. And Karl Lagerfeld frames went global in our stores as the brand was made available to customers in Australia and New Zealand.

Market-specific launches saw the introduction of British brand Hackett in the UK and the Republic of Ireland, vintage-style Lyle and Scott in Northern Europe, and attitude label Superdry in Australia and New Zealand. Superdry was a big hit, with sales of up to 2,500 frames per week. The Superdry sunglasses, which form 25% of the range, have proven particularly popular, making up around half of sales.

As well as brand launches, we refreshed a number of our existing ranges. The Alex Perry update in Australia and New Zealand contributed to a 35% year-on-year increase in sales volume.

As part of our global focus on the kids' market, last year saw our biggest-ever children's brand launch. Disney quickly became our best-selling children's range and has led to a number of design enhancements to ensure the optimal fit for young faces. To complement the collection we also introduced eight Winnie the Pooh frames in the UK and the Republic of Ireland, designed specifically for babies and toddlers. Young action-hero and sci-fi fans across all our markets were treated to new Marvel and Star Wars-themed frames and a Premier League range appealed to football-mad teens in the UK.

By introducing Ultralight Aluminium across all our markets, we were able to meet a growing demand for minimalist yet functional glasses. Using aluminium is ideal as it is rigid, lightweight and resistant to corrosion.





Our UK domiciliary eyecare business Healthcall provides clinical care to housebound customers who are unable to access our in-store services.



## Progress in lenses

The launch of an online contact lens retailing platform in the Netherlands in 2015 is another example of our commitment to ensuring customers have convenient and affordable access to the products we provide. It has clearly had a positive impact as an online order is placed with us every 60 seconds.

Around 5,000 new multifocal customers joined our contact lens direct debit scheme encouraged by the comprehensive range of lenses we offer. We also launched a new daily disposable contact lens to bring uncompromised comfort and handling for our customers. easyvision linairal lenses from CooperVision feature a revolutionary breakthrough in lens development. The Smart Silicone™ chemistry enables plenty of oxygen to get to the eyes so the wearer can enjoy long-lasting comfort.

To enhance our ophthalmic lens portfolio we introduced two new advanced varifocals designs, Sirius and Cygnus. These lenses offer the latest in design technology and give customers wide fields of vision at all distances.



## Advancements in hearing care

The strength of our hearing care offer in the UK, the Republic of Ireland and the Netherlands continues to grow at pace.

In the Netherlands, we saw a 56% year-on-year increase in registered hearing care customers. In the UK and Republic of Ireland, hearing aid sales increased by 20%. We are now the number one private sector provider of hearing aids to the NHS in the UK.

We introduced our most advanced hearing aid to date, giving customers access to the very latest audiology equipment. A significant feature of the Siemens Binax is its ability to reduce background noise automatically without sacrificing speech clarity.

## Going the extra mile

Over the last year, we received more than two million customer feedback responses globally via our customer feedback system, MAZE. Direct feedback is hugely valuable and continues to influence and shape the way we approach customer service.

Customer service index scores improved across all our markets but personal thank you messages, like this one from our Rundle Mall store in Australia, reassure us that our customers really are receiving the fantastic service we strive for:

**“I was astounded with the exceptional customer service I received, as it is rare these days to get such service. I went back to work and commented about how good it was. I dealt with three different people on my first visit and all of them were excellent. They were professional, extremely polite, personable, interested in me, and each played their role.”**

We were also voted the UK's best high street retailer for customer service, according to an Institute of Customer Service survey that included the views of 39,000 consumers. With online retailers included, we achieved an all-time high ranking of fourth out of 228 organisations.





Our West Bromwich store in the UK has been redesigned to enable customers to be greeted and registered anywhere in the store on tablet devices.



# PASSIONATE ABOUT OUR PEOPLE

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

**Delivering our vision doesn't happen by chance. It is realised through the collective action of more than 30,000 committed store and support office colleagues, making a positive difference to customers' lives every day. Our focus is simply on helping our people reach their full potential, investing heavily in their development, engaging in effective two-way communication and ultimately treating each other as we would like to be treated ourselves.**

### Focusing on development in our stores

As they are the face of Specsavers, it is crucial that we support our store teams to become knowledgeable and confident experts in their field. Through a vast portfolio of learning and development, store staff can benefit from a full career journey from entry-level to Partner. There are opportunities to learn about all aspects of the Specsavers business, from customer service to product knowledge, as well as earning accreditation to professional standards or qualifications.

With our online learning management system, iLearn, now live in all our markets for both store and support office teams, staff can access and choose

development options at their own pace. Last year, we added more than 500 pieces of new content, ranging from management development to systems training.

An average 14,000 people globally now log in each month to manage their learning and development, almost a third more than in 2014. 300,000-plus hours of learning were delivered online last year, the equivalent of 38,000 classroom days, resulting in a significant reduction in cost and time. For example, our UK Hearcare Essentials online course has completely replaced our previous classroom offering resulting in significant savings for partners in staff cover and travel costs.

All stores in the Nordics now have at least one in-store trainer, a significant step in helping staff excel in their roles and progress in their careers. They have helped the Nordic stores to achieve the highest usage of iLearn across Specsavers.

Two years after its launch, the first wave of trainees completed our optical retail apprenticeship scheme in England, with more than 100 securing permanent positions in store. Many of those who graduated are



currently studying for further qualifications such as Level 3 and Level 4 Certificate for Optometric Clinical Assistants. The programme – which has received great feedback from partners and trainees alike – involves online learning, monthly assessor visits and completion of the Level 2 Diploma in Optics. A further 250 apprentices are currently taking part in the scheme.

We continued to invest significantly in dispensing capability across all our markets. Now in its second year, our optical dispensing programme is available in each of the Nordic countries in partnership with local universities. More than 370 participants have benefited to date, with a further 88 students currently taking part. All retail partners in the Netherlands have either graduated from, or are currently studying for, ‘Cert IV’ – our Level 4 Certificate in Optical Dispensing. It is also offered to store teams to enhance their optical knowledge or provide a stepping stone to becoming an optometrist. During the last 18 months, 112 people obtained the certificate in the Netherlands alone.

We created a ‘Go Green’ club in the Netherlands for high-potential store staff with ambitions of becoming

a store partner. Membership provides access to regular meetings and insight into the Specsavers strategy and operational approach.

In Australia and New Zealand, we continued the rollout of Career Ladder, an interactive tool that provides a clear career progression path based on skills, contribution, experience and learning. We also introduced bespoke people plans for each store as part of our FOCUS programme by identifying development opportunities and highlighting training priorities. As a result, we saw a record number of store staff complete our Career Development Programme (CDP) journey from foundation level to our Level 4 Certificate in Optical Dispensing.









Students in the Netherlands celebrated the successful completion of the Level 4 Certificate in Optical Dispensing.



Specsavers Recruitment Services in the UK, our shared venture recruitment agency, placed 20% more employed optometrists and 37% more self-employed optometrists than in 2014, saving our stores approximately £1.5m in external agency fees. We also introduced a new publication, Marketplace, to help partners understand the salary and benefits environment in their locality, ensuring our reward offering remains competitive. We also launched Specsavers Recruitment Services in Sweden and Denmark last year resulting in almost 100 professional placements in the first 12 months.

## Events and communication

Across all our markets we inform, inspire and engage our people through a full programme of face-to-face events and a range of printed and digital communications.

More than 1,300 store leaders from our UK and Republic of Ireland stores made our Management Seminar another hit last year. It was a key opportunity to share our business plans and retail values, enabling everyone to play their part in delivering success.

June 2015 marked the 200th edition of Winning Team, our monthly printed publication for store teams in the UK, the Republic of Ireland and Spain. It was a celebratory special, also marking 30 years since the first joint venture partners joined Specsavers. The Australian, Northern European and New Zealand version of the magazine was published online for the first time last year.

In Northern Europe, our In The Frame magazine went digital. The magazine includes features on new frame ranges, trends and colour analysis and, in its new HTML format, can be browsed on desktops or tablets, providing an engaging and simple online reading experience.

But supporting our people isn't just about delivering effective communication and development opportunities. It is also about finding out what they think and feel about working here, and listening to their suggestions for improvement. Insight, our annual engagement survey, went live in April 2015 with new partner Towers Watson.



We held the first Specsavers Clinical Conference for external and internal delegates in our four Nordic markets .

Nine out of ten people within our offices and manufacturing and distribution sites globally took part, representing a total of 26,632 people across 14 countries. Three quarters of partners globally and almost 16,000 store staff in the UK, Republic of Ireland, the Netherlands and Denmark also had their say. Store teams across Australia, New Zealand, Finland, Norway and Sweden will join the process later in 2016, making it truly global for the first time.

From this point, we will be able to measure engagement among partners, store, support office and manufacturing and distribution teams across all our markets. Insight remains a key indicator of success at Specsavers and helps inform our business and people plans from year to year.



In Northern Europe, our In the Frame magazine went digital and its new HTML format provides engaging features on new frame ranges, trends and colour analysis.

## Investing in our support teams

The success of our partnership depends on highly motivated and skilled people who provide world-class services to our stores. Working hard behind the scenes, our support teams enable store partners to provide the very best experience for their staff and customers.

To help get our new recruits off to a great start, we launched a new global online induction to include our history, vision and values, introductions from colleagues and virtual tours of our offices, stores and manufacturing and distribution sites. Delivering a consistent experience for anyone who joins our store, support office or manufacturing and distribution teams whatever their level or location, is a powerful way to engage our staff from the very beginning.

We introduced a new Specsavers Academy curriculum for support teams in Australia and New Zealand. We also piloted a mentoring programme which has received fantastic feedback from the pairs of mentors and mentees involved so far.

The latest module of our global leadership development programme, Leading the Connected Team, was attended by almost 600 leaders and senior managers across all our markets. In 2016, a new flexible and varied approach will allow participants to build on their development throughout the year and reinforce the skills and behaviours required to be a great leader at Specsavers. The programme will culminate in a global leadership conference designed to further long-term thinking, looking towards 2020 and beyond.

## A great place to work

People's expectations of their employer are changing – they want a more individual approach and greater flexibility through technology. The need to attract and retain the best people across our stores, support offices and manufacturing and distribution sites is greater than ever. We are working hard to ensure that Specsavers is an attractive and well-respected career choice.

We continued to invest in our global recruitment website to give candidates a clearer journey as well as an insight into working life at Specsavers. With added functionality, improved search and new features such as a Meet the

Team section, the site is more intuitive, user-friendly and mobile-enabled. Globally, our LinkedIn followers grew by almost 50% and now total more than 16,700.

Our UK and Guernsey support offices were reaccruited with the internationally recognised Investors in People status. When interviewees were asked to rate working for Specsavers, feedback was incredibly positive, with an average score of 8.2 out of 10, and assessors were impressed with the significant improvements made since the last review in 2013.

**“We are delighted to retain our Investors in People status. We have been steadily improving all of our people management practices by offering a range of workshops and learning opportunities. Our engagement survey results have been telling us this for a number of years, but it's great to get some external validation.”**

**Global People and Organisation Director, Pauline Best**

We were named Australian Retail Employer of the Year at the 2015 Australian Retail Association awards. Selected by a judging panel comprising senior retail industry figures, this accolade follows our phenomenal achievements at the prestigious awards in recent years. In 2013 we were recognised for the same award, as well as named Australian Retailer of the Year, and in 2014, we won the Retail Innovation and Multichannel Retailer of the Year categories.

We believe in rewarding our teams for their unstinting effort and commitment to Specsavers. A key part of this is profit sharing, enabling our support teams to directly benefit from and impact overall performance. With its introduction last year into the Nordics and Hong Kong, profit share is now in place for all of our support teams across the globe. We have also established flexible reward choices for our support teams in the UK and Guernsey, enabling access to holiday trading, comprehensive annual travel insurance and extra life assurance. Almost a third of employees signed up for at least one of the options.

# PASSIONATE ABOUT PARTNERSHIP

## AT THE HEART OF EVERYTHING WE DO

**Partnership is our differentiator. Providing world-class support for our partners helps them to focus on what they are exceptional at: leading their teams and exceeding customer expectations, every day. It is the strength of this partnership that brings us success.**

### Nurturing our partnership

We regularly engage with our partners to update on plans, gauge feedback on initiatives and invite ideas on business challenges. Our global programme of communication and events includes surveys, seminars, user groups, regional meetings, annual conferences and forums, each designed to respond to the particular needs of each region.

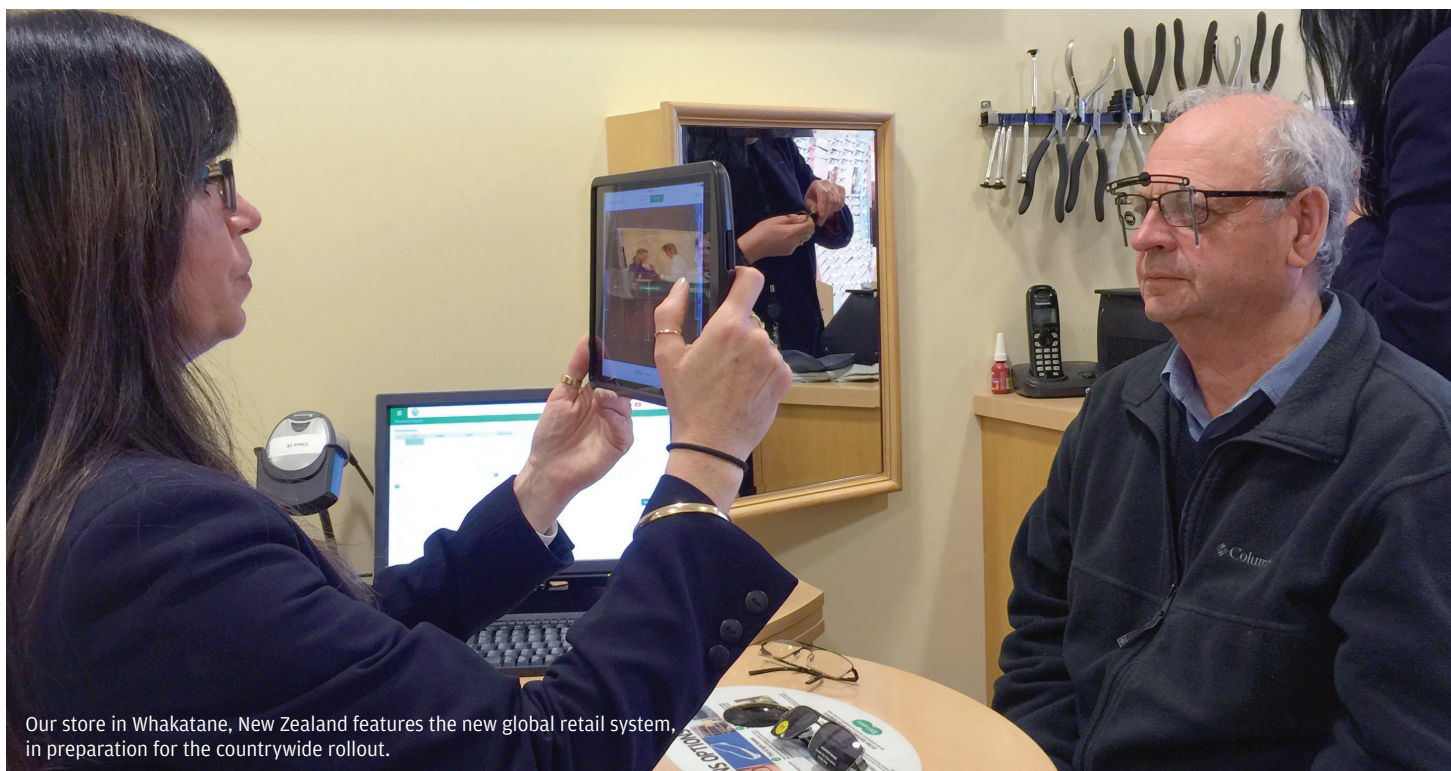
Annual seminars take place in each of our territories when partners and support teams come together to celebrate achievements and look ahead to future business plans. A record-breaking 1,200 partners and support team employees from across the UK and the Republic of Ireland heard about Specsavers' 2020 vision plans at last year's event in Birmingham. Delegates enjoyed a more interactive experience by visiting 30 exhibition stands, including a pop-up concept store complete with futuristic IT innovations. The new format

puts partners in charge of their programme, combining main stage presentations with a choice of bespoke breakout sessions and enhanced networking opportunities.

Our second partnership seminar in Australia saw almost 600 partners converge in Melbourne. Described by participants as a truly fantastic event, it was a great opportunity to look back at 2014/15 milestones and share annual plans and objectives for the year ahead. In the Nordics, store teams are invited to attend the regional seminars along with partners. As well as celebrating the year's achievements at our seminar in Sweden, the regional business plan was presented to delegates. The Louis Nielsen seminar in Denmark revolved around the theme of employee engagement, followed by an evening celebration honouring long service, staff and retail excellence awards.

For the first time we broadcast a number of our regional partner communications meetings as live webcasts. It was a huge success, with almost 300 partners participating across the Nordics and overwhelmingly positive feedback from all attendees globally – nine out of ten responders rated the event four or five out of five in the UK.



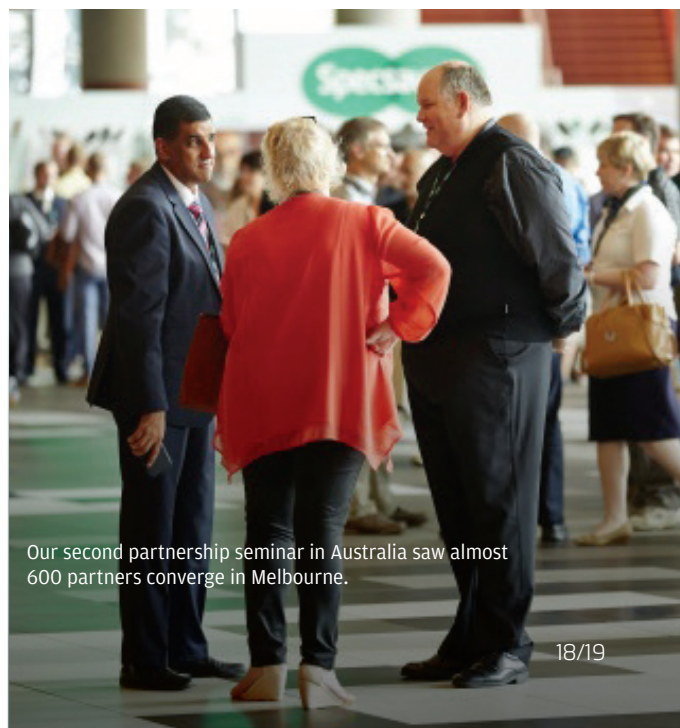


Our store in Whakatane, New Zealand features the new global retail system, in preparation for the countrywide rollout.

Establishing opportunities for partners to contribute and engage with our business plans is vital if we are to benefit from the very best, front-line knowledge and experience. In the Nordics, a new user group was formed, making it easier for support teams to consult with our partners on important issues and enable comments and questions from across the region to be discussed in an official forum.

Similar forums exist across all our markets. In the UK and the Republic of Ireland, we created the Partnership Forum to review and develop store initiatives and plans with partners before being launched nationally. In Australia and New Zealand, we established a Partner Representative Group in response to partner feedback about improving two-way communication on a variety of ideas and decisions.

In addition, two UK store partners now sit on the UK and ROI Operating Board. By ensuring that front-line views are considered in the planning process, these roles help to shape the future of our partnership. The Board tenure will be two years, after which time new applications will be invited.



Our second partnership seminar in Australia saw almost 600 partners converge in Melbourne.



## Supporting and developing partners

Inspiring and developing our partners of today as well as identifying, attracting and preparing potential partners of tomorrow is vital to our future.

First launched in 2012, the Specsavers Pathway programme now generates around 90% of partners for new stores, expansions and replacements for retired partners. Our in-house development programme for aspiring joint venture partners forms a crucial part of our partner strategy. The six-month course comprises three two-day modules, a work-based project, a post-project discussion and final assessment centre at which students are expected to demonstrate their leadership potential. In 2015, more than 200 Specsavers optometrists, dispensing opticians and retailers across all our markets graduated from the programme.

Our 'Partner in Development' programme is now available globally, with its latest launch in Sweden last year. The programme is targeted at experienced retail managers outside of Specsavers who have ambitions of running their own business. As a result, we identified 71 potential partners in our Northern European region alone, 35 of whom have already been placed in store.

Following the success of the New Zealand pilot in 2014, Spotlight, our leadership programme for retail and optometry partners, was introduced in Australia. It was delivered in association with the Australian Franchise Relationships Institute, and delegates were treated to a two-day programme covering leadership, psychology and franchising excellence. More than 1,000 store partners attended the fourth iteration of Spotlight in the UK where they were invited to complete a 360-degree feedback exercise with the aim of enhancing their leadership styles. We also ran Spotlight across all our Northern European markets with just shy of 80% of our partners.

**“Quite simply, all partners should attend the Spotlight programme. It is one of the most relevant courses I have had the privilege to be involved with. The presenters were highly engaging, which infected the audience with enthusiasm. The outcome of the day for me was a step towards leadership excellence.”**  
**Chris Papatheodorou, optometry partner at our Castle Hill store, Australia**

We made some changes across all our markets designed to provide more in-depth, relationship style support for our partners. In the UK, we introduced the new role of regional relationship manager as the main point of contact for a region of up to 25 optical, hearing and domiciliary partnerships. This is in response to feedback from partners who asked for more effective support from someone who is able to truly understand their business and the challenges they face.

Similarly, the retail support manager position was restructured to that of a partner support consultant in Australia and we launched a dedicated Partner Support Desk team. We also appointed store communications managers in each of our Nordic markets for the first time as previously established in the Netherlands. This ensures we are suitably resourced in each country to deliver efficient, quality communications with our partners and store colleagues.

## Reaching more customers

The Specsavers Partnership has reach beyond our stores and manufacturing and distribution sites. It is also about how we work with organisations that have similar visions and values to deliver our plans.

Over the last 12 months, we have continued to invest in sports sponsorship as a way of promoting our brand. We secured partnerships with the 2015 Rugby World Cup television advertising, the Scottish Football League and New Zealand's Super Rugby referees. The three-year sponsorship deal with the latter involves Specsavers branded uniforms for all referees and, off the field, inclusive eye tests at one of our stores as part of their pre-season training programme.

We also became the new title sponsor of County Championship Cricket in the UK, having been the English Cricket Board's official optometry and hearing partner and principal partner of the Association of Cricket Officials (ACO) since 2014.

Marketing our style credentials and appealing to fashion-conscious customers has been a key focus over the last 12 months. In the UK, a lively launch celebrated our collaboration with designer brand Love Moschino. Magazine journalists and style-savvy bloggers joined top fashion editors to preview the range and discuss frame styles.





New Zealand's super rugby referees wearing Specsavers branded uniforms as part of our continued investment in sports sponsorship.



We also teamed up with London's Evening Standard newspaper for a series of fashion supplements that featured top trend outfits complemented by Specsavers frames. The campaign included digital content for a dedicated fashion hub on the paper's website and an exclusive television programme.

In Australia and New Zealand, the Always in Style campaign was introduced to showcase our great design and product range through three high-profile style ambassadors. Designers Alex Perry and Collette Dinnigan, along with Kellie Hush, the Editor-in-Chief at Harper's Bazaar Australia, shared advice on latest eyewear trends by appearing in television commercials, magazine advertorials and digital advertising including homepage takeovers of popular websites.

Our first magazine aimed at the under-25s market was published in the UK and the Republic of Ireland. Building on our #loveglasses branding, the publication enables us to target and promote styles and frame ranges tailored to this customer group.

## Investing in our stores

As our customer numbers continue to rise, it is vital that we ensure our stores can accommodate increasing volumes as well as offering the best possible environment for our services.

We opened 26 new optical stores and eight audiology stores across our markets. In addition, we expanded, relocated or refurbished 250 stores globally. This included the provision of 40 new test rooms in our Northern European region.

We took a significant step towards becoming a truly global business by commencing the rollout of our new retail system in our New Zealand stores. Partners of the stores currently trading on the new system have praised the way it allows them to handle greater volumes and provide a more seamless experience for customers. The next step is to introduce the system in our Northern European region. Once in place across our network, we will be able to share best practice and implement global updates with minimal disruption to our stores. This will also provide the platform for new digital developments in store.

**Customers have really enjoyed the whole aspect of our new retail system. They love the technology integrated with VDTM. It makes the process so much more professional and accurate. On our first day trading on the new system we managed to score 91% in our mystery shopper, so that says it all**

**David Anderson, optometry partner at Specsavers Whakatane, New Zealand**

## Enhancing our supply chain

Ongoing investment in our supply chain ensures that it continues to evolve in line with business growth and customer demands.

We invested in the construction of a new manufacturing and distribution site in Kidderminster to house our International Glazing Services and Lens-Online supply chain businesses. When built, the site will total 75,000 square feet, offering the extra production capacity needed to meet growing demands. Construction began during 2015 and both businesses are expected to be fully operational in the new site by the end of 2016.

We implemented a new manufacturing software solution (Lab-in-a-box) at our International Glazing Services site meaning greater resiliency and higher availability. We also introduced a new demand forecasting tool for frames.

To aid efficiency, we transferred on-site glazing services within our Dutch stores to a central glazing operation at our lab in Szatmár, Hungary. Customer orders are now being processed more rapidly and space in store has been freed up for additional frame displays and dispensing areas as well as hearing care services.

We also built a second frame warehouse in Mátészalka, Hungary to supply our International Glazing Services and Szatmár labs as well as replenishing display frames for our Northern European stores.

Following a review of our supply chain partners in 2013, we have now identified 15 key suppliers with whom we aim to work more closely. Operating as a true partnership by the end of 2016 will drive better economies of scale, efficiency and communication. We also held a global conference for our frame suppliers to share our working practices and emphasise the commitment we expect to our global ethical trading policy.





Delegates at the partnership seminar in Sweden celebrated achievements and heard about upcoming regional business plans.



# SUPPORTING OUR LOCAL COMMUNITIES

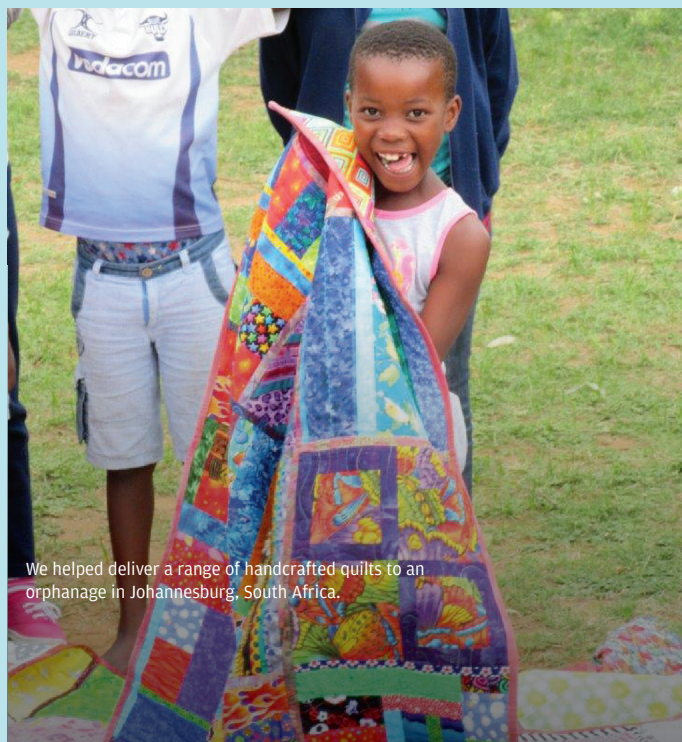
### Our position

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

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. Tax payments make a vital contribution to sustaining social welfare, enabling the government to fund policies that help people avoid economic hardship across all of our markets.

Last year, more than £69m of tax was paid on profits generated by Specsavers businesses to the governments of the countries in which we operate. In addition, we generate and collect a number of other taxes, such as employee and sales taxes. In 2015/16, the total amount contributed to tax authorities around the world as a consequence of Specsavers' commercial activities exceeded £474m.

Our stores provide employment for more than 27,000 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 4,000 people who are employed in our support offices and manufacturing and distribution sites around the world.



We helped deliver a range of handcrafted quilts to an orphanage in Johannesburg, South Africa.





## Our progress

Across all of 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 highlights from 2015/16:

### The UK and the Republic of Ireland

- Our stores and support offices raised £950,000 for various good causes, including the Teenage Cancer Trust, John Taylor Hospice, the Alzheimer's Society, Radcliffe Animal Shelter, Guide Dogs for the Blind, Hearing Dogs for Deaf People, and Sound Seekers.
- Dame Mary and Doug Perkins, the founders of Specsavers, donated £555,000 to a number of national and international charities, including Vision Aid Overseas, Vision Care for Homeless People, and the Duke of Edinburgh's Award.
- As Patron of the British Citizen Awards (BCAs), Dame Mary Perkins visited the House of Lords to present BCA medals to individuals who made a positive contribution to their community.
- In its 20th year, our annual Spectacle Wearer of the Year competition raised £80,000 for UK anti-bullying children's charity Kidscape that equips young people with the skills required to tackle bullying.
- We continued our work with Vision Aid Overseas to safeguard our nine eye clinics in Zambia, making sure they are sustainable and self-supporting.
- We helped deliver a range of hand-crafted quilts, made in Guernsey, to an orphanage in Johannesburg, South Africa.
- Our Irish stores raised more than €65,000 for good causes, including the renovation of an ophthalmic unit at Our Lady's Children's Hospital in Crumlin. We have now reached our target of €100,000, which will enable a full upgrade of the hospital's ophthalmology facilities.

**“Specsavers firmly believes in giving back to those communities we serve, just as these celebrated people do. I cannot applaud enough the selflessness of all the individuals who have been nominated for a BCA medal. Their tireless work makes a huge impact on society, one which we cannot and should not overlook. To play a part in their celebrations, as a patron of the British Citizen Awards, is a great honour.”**

**Specsavers co-founder Dame Mary Perkins**

**“The funds raised by Specsavers staff and customers will have an immediate impact in the ophthalmology unit for children and their families. We are truly thankful and look forward to working with every single staff member and their customers from within those very communities our children live in.”**

**Johann Fox, Fundraising Manager at Our Lady's Children's Hospital in Crumlin**

- **Australia and New Zealand**

Our community programme celebrated its two-year anniversary. This initiative has raised AUD 1.63m to date and has seen stores across Australia and New Zealand donate almost AUD 768,000 to The Fred Hollows Foundation and around AUD 860,000 to various local charities.

- In Australia, we launched two limited-edition sunglasses frames featuring artwork by Aboriginal artist Ljaliliki Ljaliliki who has undergone two sight-saving cataract operations thanks to The Fred Hollows Foundation. The frames sold out earlier than expected and raised AUD 100,000 for Close the Gap, a charity that supports indigenous and non-indigenous Australians with vision loss.
- We completed two outreach programmes. The first involved some of our New Zealand optometrists visiting a mobile eye clinic in Fiji to see first-hand how donations from Specsavers are making a difference to the local community. This was featured on television news, raising awareness of the community project and our support. We also assisted students at Fiji's Pacific Eye Institute with an intensive training programme in the final week of their postgraduate diplomas.
- Our support offices donated 9,700 pairs of discontinued sunglasses to the Fred Hollows Foundation's outposts in Fiji, the Solomon Islands, Timor, Papua New Guinea and Vanuatu to be given to locals post-surgery.

## **Northern Europe**

### **Denmark**

- We formed a committee in our support office to develop ideas on how we can give back to the local Aalborg community.
- Our stores provided sight tests and new glasses to homeless people in the towns of Odense, Aarhus and Esbjerg.

### **Finland**

- We established a local walking group, together with the Finnish Heart Association and Finnish Athletics Federation. This raised money for research into the growing number of women's heart diseases.
- €5,000 was raised for children in developing countries as part of Comic Relief.
- In collaboration with famous fashion designer Mert Otsamo, we created a pair of limited-edition sunglasses, with €5 from each sale going towards funds to build a new children's hospital in Helsinki.

### **Sweden**

- We continued to sponsor SOS Children's Villages by selling chocolate gifts in stores, which raised SEK 200,000 for a day care centre in Chimoio, Mozambique.

### **Norway**

- Our stores ran a variety of campaigns to provide homeless people and those in poverty with access to eyecare. One example of this was our Oslo store offering free eye tests and glasses to sellers of The Big Issue.
- We created a Facebook blog that customers can follow showcasing our support in a guide dog's eight-month training programme.
- Each week, members of our teams partner with Team RP, a group formed by volunteers, to assist blind and partially-sighted runners through Oslo.

**“I have been running with the team for three years now and I'm completely addicted. There are so many wonderful people in the group and it's inspiring to see how they handle their challenges. Some are 100% blind, while others are partially sighted. They need volunteers as companions but their level of dedication, positivity and humour is a huge motivation for me and a constant reminder of the importance of eye health”**

**Irma Jacobsen, Marketing Manager at our support office in Oslo**



### The Netherlands

- Our stores raised a total of €75,000 for the Nationaal Fonds Kinderhulp charity (National Help for Children's Fund). We helped with their 'Back to school' project by donating new outfits and glasses to 300 children in difficult financial situations. Each store also supported one local cause, raising a total of €350,000 for 118 charities.
- We informed customers about our work in the local community through a newly created website and a television advert that was broadcast both nationally and regionally, reaching more than two million people.
- 5,000 cinema tickets were donated to children from families with limited financial resources and 30 children were treated to the exclusive premiere of 'Apenstreken', a 3D family movie.
- By supporting Veterans' Day in June, which acknowledges Dutch war veterans for their courage, we promoted our hearing services and offered customers discounted tickets to the local army museum.

### Spain

- 11,000 pairs of glasses were collected and donated to the Lions Club who work to eliminate preventable and reversible blindness.
- All stores collected toys and food as donations for a Red Cross campaign in war-torn countries.
- €1,300 was raised for Kidney Research UK and numerous diabetic screening tests were carried out throughout the year in conjunction with the Diabetic Association.

### Hong Kong

- Our team spent more than 280 hours improving the homes of the elderly and low-income families in Nam Cheong. Parcels containing groceries and toiletries were also handed out to residents in the area.
- Working with the Vision Friendly Foundation and Okia, a local eyewear service provider, we conducted hundreds of free eye tests to the public over a three-week period.

- We manufactured, dispensed and transported glasses 11,348km to the Morning Star, a South African aids orphanage.

**“On behalf of Morning Star, may we express our sincere thanks and heartfelt appreciation to everyone at Specsavers for giving our children the gift of clear sight”**

**Tricia Dargie, Morning Star Correspondent, South Africa**



## Manufacturing and distribution

- In support of a local Christmas appeal, Airways Optical donated toys and money to provide presents to children who would not have otherwise received a festive gift.
- At International Glazing Services, we raised more than £4,000 through water rifle challenges, relay races and cake sales as well as volunteering for 90 hours in the local community.
- The Hi-Spec Lenses annual Movember event raised over £2,000 for men's health. We also donated almost £11,300 to the Brain Research Trust in memory of a colleague. Fundraising activities included a 10km off-road run, a chilli-eating contest and spare change collections.
- Our team at Szatmár Optikai took part in TeSzedd!, the country's national litter-picking movement and biggest voluntary event in Hungary. We also worked with a local school for handicapped children, handing out Christmas presents that were donated to support the children's development.
- Our Vision Labs team donated almost 500 hours of their time to the local community. Throughout October we also organised a number of fundraising activities resulting in a donation of £500 for Breast Cancer UK.

## Our plans

In 2016/17 the Specsavers Partnership will:

### The UK and the Republic of Ireland

- continue our partnerships with national and international organisations, including 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
- embark on a new partnership with the Royal National Institute of Blind People to help prevent sight loss
- support the Eyecare Trust and National Eye Health Week promoting awareness of eye health and regular eye examinations
- raise £80,000 for anti-bullying charity Kidscape to enable them to continue their vital work
- continue to support the renovation of an ophthalmic unit at Our Lady's Children's Hospital in Crumlin, Ireland

### Northern Europe

- raise at least €150,000 for local charities in the Netherlands and inform our customers what these donations really mean in their community
- work with our new national charity De Zonnestroom to raise €50,000 in support of a project to make public venues in the Netherlands more accessible for people with disabilities
- encourage our teams to become involved in good causes through our 'Giving back to our local communities' policy
- build a stronger relationship between our local communities and the work we do in Tanzania. Stores will donate a set amount of money for each pair of glasses donated by customers for the Give Sight in Tanzania project to a local charity of their choice



We assisted with outreach programmes for the Fred Hollows Foundation in Australia.



The artwork of Aboriginal artist Langaliki Langaliki featured on two limited edition Specsavers frames in Australia.



- continue to support the development of eyecare in Tanzania by holding more eye camps to provide sight tests and glasses to those in need
- collaborate with the Helsinki City Run to host the first ever Specsavers Helsinki City Walk, donating €4 from each participation fee to the Finnish Heart Association

#### **Australia and New Zealand**

- organise two outreach opportunities for our optometrists and graduate optometrists to visit the Pacific Eye Institute in Fiji
- collaborate with a renowned local artist in New Zealand to create limited-edition glasses to help fund the operational costs of a mobile eye clinic in Fiji
- create more limited-edition frames in association with Aboriginal artist Langaliki Langaliki and visit her hometown of Ernabella in South Australia to celebrate the success of her frame sales so far
- donate paediatric glasses to the Pacific Eye Institute in Fiji and Regional Eye Centre in the Solomon Islands

#### **Spain**

- collect customers' unwanted glasses as donations for Lions Club International
- raise funds for Kidney Research UK and the Spanish equivalent, ALCER and carry out regular diabetic screening tests
- start collaborating with Nouadhibou Vision for 2016 to raise funds and collect glasses for African charities

#### **Hong Kong**

- hold a volunteering event at a registered food kitchen to help prepare and distribute hot meals to some of Hong Kong's 960,000 people who live in poverty
- support our nominated charity, Hong Kong Blind Union, through fundraising events
- review our frame collection and donation process, extending the portfolio of beneficiaries

#### **Manufacturing and distribution**

- continue to support local charities and good causes at our manufacturing and distribution sites globally
- enable our teams to volunteer during their working hours in support of local initiatives





A team from Szatmár Optikai helped landscape their local town.







# 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

- We held a conference for our frame suppliers to share our policies, processes, and expectations. We emphasised our commitment to ethical standards and the need for their operations to align with our supplier code of practice.
- We completed 42 initial and follow-up supplier audits with our frame, uniform, unitary, and equipment vendors. These audits ensure compliance with our social and environmental standards and enable long-lasting improvements to be achieved.
- We restructured our approach to global supply chain governance, including social and environmental compliance, by introducing one

central function with segregated duties and focus. We also reviewed our processes, policies, scope and reporting to ensure our supply chain operations are fully compliant and appropriately supported.

- With ethical and environmental trading forming specific elements of the supply chain strategic plan, we shared our policy and processes with senior leaders.

### Our plans

In 2016/2017 the Specsavers Partnership will:

- continue our initial and follow-up audits of suppliers, ensuring they meet our ethical standards and assisting them to improve their social and environmental impact
- conduct a review of all our other supply chain providers to confirm whether our risk approach is still appropriate for those operating where globally recognised regulatory environments are already enforced
- adopt and embed new legislation, such as the Modern Slavery Act, into our Supply Chain policy and processes



## 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 suppliers operate.

### Treat people with dignity and respect

Adopt the following best practices that 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 is 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:

- Complying with recognised environmental standards
- Committing to actions to restore and preserve the environment
- Committing to reducing waste and pollutants, conserving resources and recycling materials at every stage of the product life cycle whenever possible
- Developing and applying technologies for minimising pollutant emissions
- Continually assessing the impact of their products on the environment and the communities in which each lives and operates

**“We work to ensure safe and healthy workplaces for the people who make our products, where human and civil rights are respected.”**



# 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 and the use of non-renewable resources, water and packaging, as well as the creation of waste are things we need to monitor and reduce in every part of our business:

- Our 1,800 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

#### Governance

We continued with our risk-based approach to improving our environmental management systems and focused on reviewing and improving our global compliance and management systems.

We achieved accreditation to the internationally recognised environmental management standard ISO 14001 at all six of our UK manufacturing and distribution sites. Accreditation to this standard provides assurance to our customers and suppliers that we understand the impact our operations may have on the environment with structures and controls in place to manage and minimise this effect. ISO 14001 also provides external assurance that we are compliant with relevant environmental legislation and are committed to continual performance improvement. Our Hungarian site, Szatmár Optikai, started its ISO 14001 external audit process and expects to achieve accreditation in 2016.





**“We always believed that we had robust environmental management systems and controls at our manufacturing and distribution sites, but the external audit has given us confirmation. The ISO 14001 accreditation process has been beneficial in providing a framework for us to assess our current procedures against potential environmental risks and improve controls where we found opportunities. I was very pleased that the auditor’s comments included references to our mature management systems which is credit to the longer term work our sites have conducted.”**

**Matt Smith, Head of Group Manufacturing – Supply Chain**

We completed mandatory energy audits across our UK property portfolios to achieve compliance with the Energy Saving Opportunities scheme. These highlighted ways in which to improve the efficiency of our buildings and transport and plan actions accordingly.

### Energy procurement and supply

We maintained our commitment to purchase renewably sourced, low-carbon energy tariffs in locations where we do not have climate change agreements.

Our UK stores and support offices retained renewable energy tariffs and our International Glazing Services site moved to a new renewable tariff despite the removal of Climate Change Levy relief.

At our Guernsey support office, we made the decision to decommission the onsite oil-fuelled combined heat and power plant based on the high levels of carbon emissions associated with this form of energy generation compared to the carbon impact of local grid power.

### Energy use and efficiency

Our UK and Guernsey support offices continued to focus on energy management, reducing their electricity consumption by between 1% and 3.5% compared with the previous 12 months.

We replaced the chilled water system at Vision Labs, with a free-cooling system that under certain conditions uses the ambient air temperature to cool the building. This will significantly reduce associated energy consumption and, when combined with the recently introduced LED lighting, will save up to 1,000MWh and 500 tonnes of CO<sub>2</sub>e emissions per year.

Airways Optical reduced the number of gas boilers and replaced them with a new A-rated energy-efficient appliance, which is three times more efficient in terms of gas usage for the same thermal output.

Szatmár Optikai, our lab in Hungary, installed heat recovery technology to utilise up to 90% of the electrical energy consumed by an air compressor which can be lost as unwanted heat.

International Glazing Services continued work to improve the energy efficiency of their air conditioning systems. The site also installed more energy efficient lens-edging machines reducing the energy consumption per job by 17%.

### LED lighting

We focused on reducing our global energy consumption with the continued implementation of LED lighting in our stores, support offices and manufacturing and distribution sites across all our markets.

Location	Activity	Annual energy savings and carbon reduction *
Vision Labs	Installed LED lighting throughout the surfacing lab, store rooms and offices	324,000 kWh 162 tonnes CO <sub>2</sub> e
Guernsey support office	Installed 140 panel-style and 675 tube-style LED lighting units	118,000 kWh 21 tonnes CO <sub>2</sub> e
Melbourne Glazing Services	Completed the second phase of our LED lighting programme	190,410 kWh 215 tonnes CO <sub>2</sub> e
UK stores	Introduced LED signage	127,680 kWh 64 tonnes CO <sub>2</sub> e

\* Factors used are DEFRA 2015, Australian Nat GHG accounts 2015 (Victoria) and Guernsey Electricity’s published values.





ists

# Specsavers

Optician



LED signage lighting has been installed at over 100 of our UK and Netherlands stores leading to a potential reduction of 127,680 kWh in electricity each year.



### Climate change agreements

In 2014 we introduced climate change agreements in two of our UK manufacturing sites (Vision Labs and Aston Labs) with the objective of increasing the energy efficiency of their processes. By enforcing targets based on key performance metrics and measuring output against consumption, both sites are currently exceeding their target agreements by 6% and 10% respectively.

### Water use

Aston Labs installed a de-watering system, decreasing water usage per lens produced by almost a quarter.

Vision Labs installed a third Bazell centrifuge-based water recycling plant that will save a fifth of their water usage.

Airways Optical saw their water usage reduce by 11% and water used per lens processed by 3% compared to 2014.

### Waste and recycling

Vision Labs introduced improvements to their production process which resulted in a reduced amount of waste sent to landfill as well as a reduction in energy consumption.

By implementing a cardboard and paper-compacting machine, Aston Labs reduced their landfill waste by 134 tonnes, almost a third less than in 2014.

Airways Optical commenced a pallet recycling project and now returns around 30 usable pallets to our Hi-Spec Lenses facility in Kettering each week. They also trained all 225 site employees on the correct use of colour-coded disposal and recycling bins.

### Travel

Our IT department, which includes teams across the UK and Guernsey, implemented an inaugural 'no travel' week. During this period the team highlighted ways in which we can use technology to reduce the need for business travel.

Our Nottingham office supports the local Tram2work and Kangaroo schemes which promote alternative ways of travelling to work. We provided the venue for a transport exhibition for Nottingham City Council to coincide with the launch of the city's extended tram services. We also worked with the council's Cycling Infrastructure Support Grant scheme to help fund a new cycle shelter.

A cycle to work scheme and extended cycle shelter was also introduced at International Glazing Services.

## Melbourne Glazing Services recycling initiative

Having despatched a record number of glasses last year, Melbourne Glazing Services, have been striving to enhance their processes to deliver even better value for our store partners and customers. By recycling cardboard packaging as part of the despatch process, the site significantly reduced their requirement for boxes, leading to a reduction in both the financial and environmental impact.

**“Having recognised that Melbourne Glazing Services were able to use the packaging without affecting the despatch process, I asked two of our partner facilities in Asia Pacific to investigate the feasibility of doing something similar. Some minor changes to their process has culminated in both sites reusing boxes that are subsequently recycled again when they arrive in Melbourne.”**

Ian Lindsey, Head of Manufacturing - Asia Pacific

Since the introduction of this process, Melbourne Glazing Services has:

- saved almost AUD 140,000 on purchasing flat pack packaging
- re-used more than 112,000 boxes
- reduced the despatch team's time by three hours every day
- obtained a 70% reduction in cardboard packaging

In addition, our two partner labs have reduced their cardboard waste by around 50%. This equates to around one tonne of waste cardboard each week and a saving of AUD 10,000 per year

## Our plans

In 2016/17, the Specsavers Partnership will:

### Governance

- review our supply chain for risk relating to conflict minerals
- continue to review our risk assessment programme against current and future environmental legislation
- continue to work towards ISO 14001 accreditation in Szatmár Optikai

### Energy procurement and supply

- assess the cost-benefit of our policy regarding renewable energy tariffs against further investment in energy efficiency
- work towards achieving a high BREEAM rating at the new International Glazing Services and Lens-Online shared site

### Energy use and efficiency

- pursue opportunities at Szatmár Optikai as highlighted in the 2015/2016 European Energy Efficiency Directive audits, including the fitting of an adiabatic cooler and variable speed drive retrofit kits on the chiller to save up to 78,000kWh a year
- continue our investment in LED lighting by reviewing opportunities at our UK support offices as well as upgrading the lighting at Hi-Spec
- assess opportunities identified at Vision Labs and Aston Labs to meet the energy efficiency targets set in their climate change agreements
- install enhanced energy monitoring systems at our Guernsey support office and introduce half-hourly data facilities at International Glazing Services, to record our actual energy usage per 30 minutes. This improved data and analysis will help us better manage our electricity consumption. We will also collect and utilise the existing half-hourly data available at around 70 of our UK stores
- share findings from the Energy Savings Opportunity scheme's UK audit with our store partners and encourage them to take action on recommendations where appropriate

### Waste and recycling

- continue to understand waste streams at International Glazing Services
- work with our site in Szatmár to investigate the reduction of packaging volumes for products entering the UK from Hungary
- reduce waste and improve recycling levels at Aston Labs

### Travel

- encourage our teams to organise more 'no travel' weeks
- continue our work to provide real-time travel information for our support office employees in Nottingham and introduce convenient ways to purchase tram tickets

### Communication and engagement

- improve the information available regarding our global environmental activity and provide monthly updates to all support office teams

Our Nottingham office provided the venue for the city's transport exhibition promoting alternative ways of travelling to work.







We focused on reducing our global energy consumption with the continued implementation of LED lighting in our stores, support offices and manufacturing and distribution sites across all our markets.



# PASSIONATE ABOUT RESULTS

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

**2015/16 was another fantastic year for the Specsavers Partnership, yielding some great results. Here are a few highlights:**

## **Worldwide**

- Surpassing £2.18bn in group revenue, an increase of 5.9% on 2014/15
- Selling more than 19.5 million frames, 400 million contact lenses and 281,000 hearing aids
- Reaching record customer numbers with more than 32 million people now registered with us
- Welcoming more than 28 million visitors to our website – around 18% more than the previous year
- Launching our biggest-ever children's brand, Disney, which quickly became our best-selling frame range for the kids' market
- Raising more than £2.5m for charities and good causes

## **UK, Republic of Ireland and Spain**

- Opening our 700th store, in Tunstall, Staffordshire
- Welcoming 5% more customers through our doors
- Achieving record weekly sales across the UK and Republic of Ireland
- Celebrating the second anniversary of our acquisition of the UK domiciliary eyecare business, Healthcall, by achieving our highest-ever trading month
- Seeing online bookings of hearing tests reach around 400 a week, following the launch of our new online booking system in 2015
- Being voted the UK's best high street retailer for customer service, according to an Institute of Customer Service poll that included the views of 39,000 consumers. With online retailers included, we achieved an all-time high ranking of fourth out of 228 organisations
- Winning the Technology Project of the Year accolade at the Retail Systems Awards for Digital Precision Care, innovative technology that helps customers choose frames and lens options, and takes accurate measurements before glasses are fitted



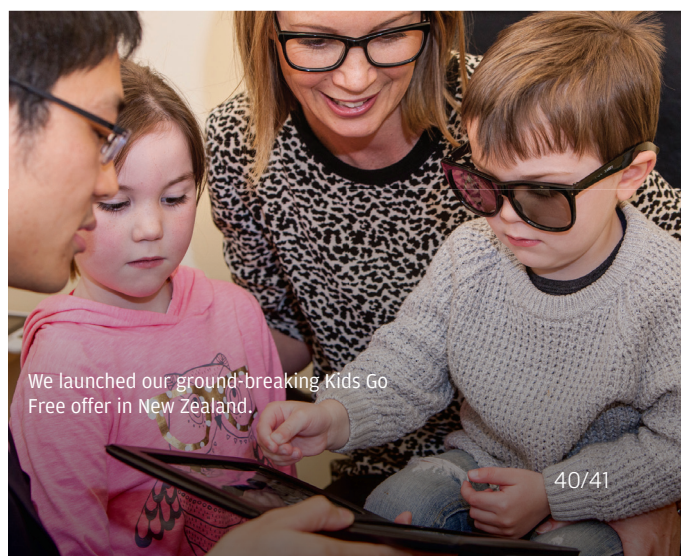
- Being named best new licensee for our exclusive Disney glasses range at the entertainment giant's 2016 Licensee Awards
- In Spain, achieving a 10% uplift in sales and seeing almost 13% more customers
- Raising £950,000 across our stores and support offices for various good causes

## Northern Europe

- Achieving 11% growth in customer volume across the region as a whole and 20% customer volume growth in our Louis Nielsen stores
- Increasing prescription sunglasses sales by 18%
- Introducing an online appointment system which generated 20% of sales growth in Sweden
- Extending our store opening times which resulted in an additional 1,500 trading hours, the equivalent of 30 new stores
- Selling almost 41,500 hearing aids in the Netherlands, a year-on-year increase of more than 60%
- Pioneering our online glasses system in Denmark, enabling customers to buy glasses through our website and have them delivered directly to their homes
- Launching online contact lens retailing in the Netherlands
- Seeing the 2015 Dutch Audiologist of the Year award go to Henny Holwerda, a hearing care professional from our Leeuwarden and Sneek stores. Nominated by Specsavers customers, Henny was praised for her dedication, care and attention to all aspects of her work
- Collecting more than 45,000 pairs of unwanted glasses for the Give Sight project in Tanzania
- Raising a total of €350,000 across our Dutch stores for 118 local charities

## Australia and New Zealand

- Driving up customer volumes by 11% in Australia and 9% in New Zealand
- Achieving 80% customer loyalty, measured by repeat business from satisfied customers
- Carrying out more than three million eye tests, including almost 60,000 in one week across our Australian stores
- Testing the eyes of around 2,000 children each week in New Zealand, four times as many as the previous year
- Seeing online contact lens sales reach almost AUD 1.3 million
- Using email direct marketing to send personalised video messages to 200,000 customers in Australia
- Despatching a record 4.13 million orders from our Melbourne Glazing Services lab in the 2015 calendar year with over 100,000 jobs processed through the facility in one week for the first time
- Delivering one million door drops to customers in New Zealand
- Donating AUD 1.63m to charity as part of our community programme over the last two years
- Winning a number of awards, including Australian Retail Employer of the Year, the Innovation award from the Franchise Council of Australia and a regional accolade at the Top Shop awards in New Zealand













# REVIEW FROM THE REGIONS



Each day, more than 30,000 colleagues from across the Specsavers world work tirelessly to deliver our vision of passionately providing the best value eyecare and hearing care to everyone. This review has highlighted merely a snapshot of

their achievements. Simply put, I couldn't be more proud of how our teams are helping, in our small way, to change customers' lives for the better.

At this stage of the report, however, our attention naturally turns to the key activities that will enable us to continue to grow and make this positive difference over the next five years.

Our 2020 vision and the plans that underpin it are developed at a regional level, enabling our teams to respond to the specific local conditions they face. As such, the following sections highlight the reflections from our leadership team in the UK and Republic of Ireland, Northern Europe and Australia and New Zealand. These plans are augmented by a number of global priorities including revolutionising our digital services for customers, introducing new technology and systems in

our stores and across our support teams, and recruiting, developing and retaining high-calibre partners and people.

Delivering on these plans will enable us to respond to the dynamic environment we face and underpin our business success moving forward.

It is the hard work, passion and energy of everyone within the Specsavers Partnership that turns these plans into a reality and it is thus fitting that I end by saying thank you to everyone in the team who has made this difference - who, by their green-blood passion and commitment, have helped to deliver another record-breaking year of achievement.

We look forward to continuing to make a difference in people's lives in 2016/17 with huge excitement.

A handwritten signature in black ink, appearing to read 'John Perkins'.

**John Perkins**  
Joint Group CEO



More people than ever are choosing and trusting us for their optical and hearing care. This was demonstrated by our fourth place win (or first on the high street) in the 2015 Institute of Customer Service survey as well as regular scores and comments via MAZE, our customer feedback system.

Looking back over the last 12 months, we have much to be proud of, most notably the way we achieved record financial performance and customer service levels while managing a significant amount of business change. We brought our three business streams - optics, hearing care and Healthcall - together for the first time to provide consistent support. We restructured our retail support team, making changes to the way we work with and communicate to our stores which has been positively received by partners.

The introduction of our Specsavers Enhanced Eyecare initiative has made great strides in ensuring that all our stores have the right level of accreditation to treat minor eyecare conditions as part of our plans to support the delivery of community-based enhanced optical services.

A key priority for the year ahead is to remain as focused as ever on our partners and customers as well as driving initiatives in line with our 2020 Vision. The partnership is our strength and differentiator and, by truly acting as one business with common goals, united behind our plan for 2016/17, we will continue to lead the way.

A handwritten signature in black ink, appearing to read 'P. Marshall'.

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





2015 was the year that four became five. The Nordics and the Netherlands joined forces to create a new Northern European region. By benefiting from shared resources, we saw substantial volume increases across

all markets. Particular highlights for me include the launch of online contact lenses in the Netherlands, soaring financial performance in Denmark and Sweden, record attendees at our optical clinical conferences and exponential growth in the Dutch hearing business.

However, we are still very much on a journey. We recognise that while there are commonalities throughout the region, there are key differences in performance from market to market. Our success over the past few years has awoken hyper-aggressive competitor reactions. We plan to take the region from a promising tipping point of market leadership to complete market

ownership. As such, we have created a clear strategy focused on price, quality, service and style – all of which are underpinned by the partnership. We have a host of major initiatives to bring this to life including a large-scale partner recruitment drive, increasing volume through new offers, expanding our store network and driving contact lens growth.

The Northern European region has enormous potential for further growth and with the power of all five markets working together, we are geared up for a solid year ahead.

**Nigel Parker**

Chief Commercial Officer and Managing  
Director – Northern Europe



2015/16 was another year of great growth and success in Australia and New Zealand. When we discovered that less than half of children in New Zealand were having their eyes tested due to cost, we seized the opportunity to make a difference

by launching our groundbreaking Kids Go Free offer. Initiatives such as these, combined with excellent customer service and improvements in clinical and retail effectiveness, continue to drive our business at pace.

However, we are not planning to rest on our laurels. We have an ambitious vision for 2020 – to care for the eyes of more than half of all Australians and New Zealanders. We have developed objectives that will ensure partners and support teams focus their energy and expertise to achieve this. We will continue to offer unquestionable value and legendary service while evolving to meet customers' needs.

In addition, the changing landscape of optometry in terms of government legislation and industry requirements provides new opportunities that, in true Specsavers fashion, we will act upon to differentiate ourselves. Our overarching commitment throughout is ensuring that everything we do is not only great for customers, but also for partners.

There is no denying that there will be challenges, not least the continually changing economy and retail market along with the need to guard against a resurgent key competitor and multiple new players. However, our ability to adapt and respond as the market evolves is one of our strongest assets. All in all, it is a very exciting time.

**Paul Fussey**

Chief Financial Officer and Managing  
Director – Australia and New Zealand

# SPECSAVERS EXECUTIVE COMMITTEE



**Doug Perkins**

**Joint Group CEO and 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, as a member of the CR steering group. Mary plays an active role on 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 success 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 Marketing Director  
and Joint Managing Director – UK**

Richard joined the Board in 2007 as Marketing Director, 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 this, he worked for 13 years for Unilever, based in London, Paris and Milan.



**Pauline Best**

**Global People and 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**

**Chief Commercial Officer and  
Managing Director – Northern Europe**

Nigel joined the Board in 2006 and has overall accountability for the Group's commercial activity, including new market expansion. He is also responsible for the Northern Europe region, which comprises operations in the four Nordic markets as well as the Netherlands. 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 Officer and Managing Director – Australia and New Zealand**

Paul joined Specsavers in 2009 and has overall accountability for the finance and tax functions of the business. Paul assumed the role of Managing Director in Australia and New Zealand in January 2015 and is currently based in Melbourne, leading the ANZ business in its next phase of development. He joined from Boots UK where he was Finance Director and, prior to this, 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.

**Phil Pavitt****Chief Information Officer**

Phil joined Specsavers in July 2014 and is responsible for overall leadership of IT, including the direction and execution of our major global IT programmes and information governance within the business. He previously worked for Aviva, as Global Transformation and Operations Director, responsible for major IT change programmes and global IT operations. Before this, he was Director General and main board member for HM Revenue & Customs, responsible for all technology and business change.

**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.

**Frederic Trotignot****Business Change Director**

Frederic joined Specsavers in 2009 as Director of Commercial Development – responsible for international development and strategic projects – and became Group Finance Director in 2012. Today, Frederic is responsible for the delivery of major, global business change programmes. Frederic has worked in retail for the last 15 years for companies such as Kingfisher, Dixons and Javelin Group in roles covering strategy, finance and mergers and acquisitions.

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

Paul joined Specsavers in 2013 with 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. Before joining Specsavers, Paul was Group Managing Director for Vets4Pets for five years and, prior to this, 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 these markets. He became a member of the 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.

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## Career opportunities with Specsavers

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





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