

Annual Review

2018 - 2019



Specsavers

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Specsavers[®]

Our purpose

To make a positive difference to the lives of all

Our promise

To use our compassion and expertise to help people feel good, cared for and smart

Our values

To 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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Introduction

2018/19 has been another incredible year for the Specsavers Partnership. We have seen our global partners, store teams, support office colleagues and those in our manufacturing and distribution sites come together to deliver tremendous results and exceptional service.

This review describes our activities and progress over the last 12 months and highlights just some of the things we have done to make a difference by delighting our customers, developing our people and supporting our partners.

As 2019 marks the 35th anniversary of Specsavers and we reflect on how our business has evolved over more than three decades, one critical element that has remained constant is having passionate and highly-skilled people at the heart of everything we do. Being knowledgeable and accessible is essential to delivering world-class customer experiences, but what our 38 million customers across the globe really remember is great human interactions: the special care and attention that our people provide every day.

We are now a truly multi-category business with optics, home visits, contact lenses, audiology and broader

eyecare services all playing a part in us becoming recognised as a trusted healthcare brand. We are very proud of our strong brand but have exciting plans to take it to new heights.

Developing it to reflect our growing healthcare position at the same time as representing our style and value credentials is an important step in making us fit for the future. But the truth behind our purpose hasn't changed since day one: we are here to make a positive difference to the lives of all.

Our sense of humanity — making people feel good, cared for and smart through the exceptional products, services and value we offer — is what sets us apart.

Doug Perkins
Chairman and Founder

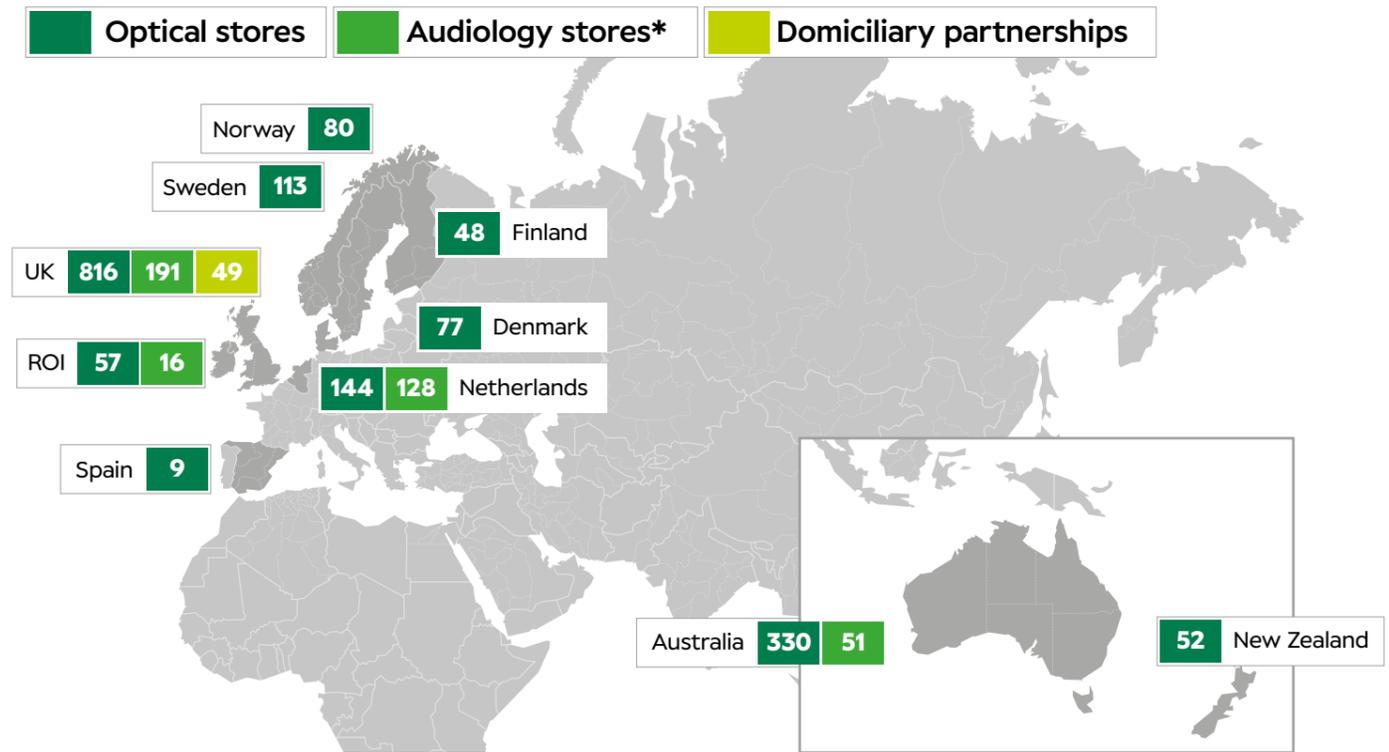
Dame Mary Perkins
Founder

The year in numbers

Figures as at the end of February 2019

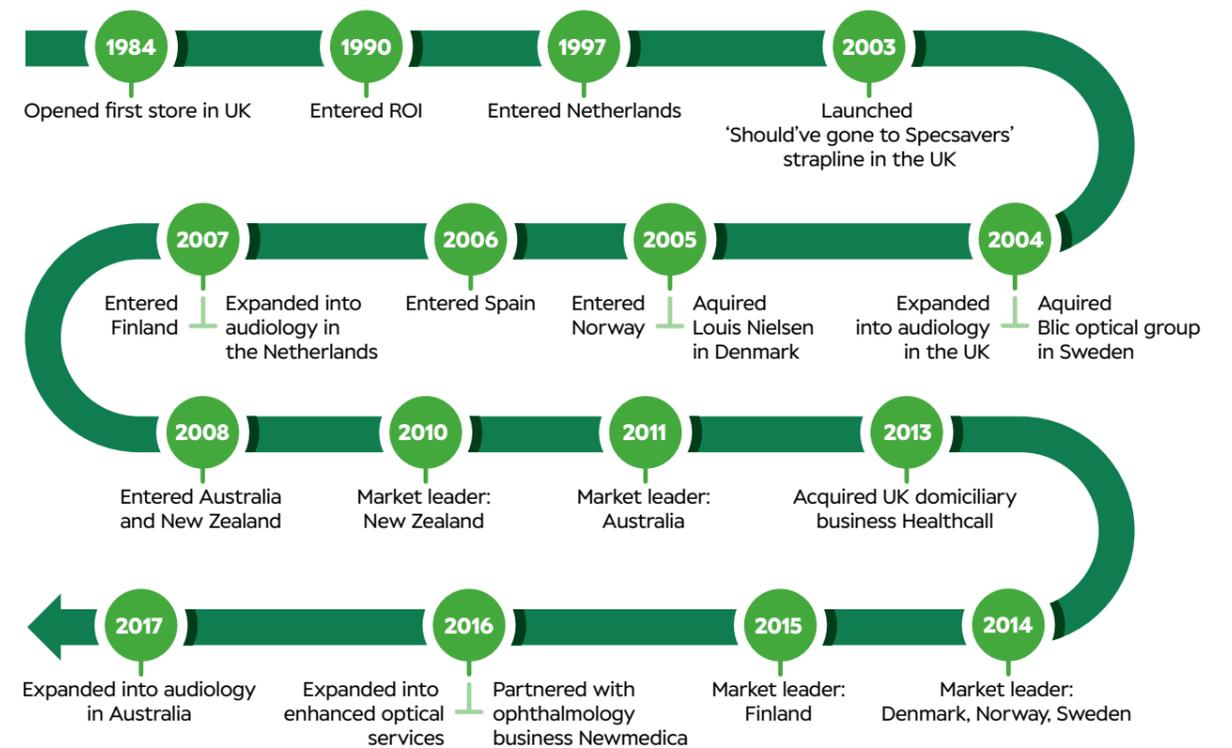


Revenue by market



*Audiology services are also available in 813 optical stores in the UK, 57 optical stores in the Republic of Ireland, 86 optical stores in Australia and 142 optical stores in the Netherlands.

Our history



Passionate about our customers

The lifeblood of our business

It is no secret that our success lies in our unrelenting passion to make a difference for our 38 million customers worldwide. Offering the best possible experience, value and choice in eyecare and hearing care ultimately enables us to help our customers live a better quality of life.



Our one millionth Frame Styler customer, Allison Ravenscroft, receiving her prize

Innovating the customer experience

We have an ever-increasing level of expectation from customers. Quite rightly, they demand exceptional customer service and high-quality products, delivered efficiently and in a great retail environment. They expect to be able to interact with us digitally at any time of day and using the latest technology. Our ability to respond to their rapidly-changing needs and provide a unique experience is vital to protect our customers of today and continue to attract those of the future.

Our game-changing app - Frame Styler - enjoyed continued success in the UK and we celebrated an incredible milestone when our one millionth

customer used the exclusive, virtual try-on technology. We also developed the Specsavers Confidence Scale, unveiled by British style icon and first-time glasses wearer Louise Redknapp, which revealed that 20 million Brits wish they had a better sense of style. The research identified that customers often found the big choice of glasses on offer daunting. Frame Styler can give specs-wearers the confidence to find the right pair of glasses by analysing face shape, examining purchase history and marrying the results with latest trends.

Customers in Finland can now buy their contact lenses through our website. As 50% of all contact lenses sold in the Finnish market are bought online, our

offering proved successful not only for its convenience, but also with the benefit of an in-store aftercare service. Despite being the fourth country in our Northern European region to enable online purchasing in this area, we launched enhanced, market-specific functionality including online bank transfers (a popular payment method in Finland) and an auto-refill system for recurring orders.

With the increase in online order volumes, developments to improve the customer experience of buying online continued at pace in Australia and New Zealand, including the introduction of a 24/7 Chatbot service for contact lenses customers. With 60% of queries being successfully answered by the bot which

'For me, Frame Styler represents the future of shopping. I had all the options right in front of me and could quickly create a shortlist of the frames I liked the most.'

Louise Redknapp, singer and TV personality



refers to a customer service agent in cases when it cannot, we are constantly looking at ways to teach the bot new information and ultimately extend its reach into other areas of our business.

We also became the first, and only, online contact lens retailer in Australia to provide instant health fund claiming for members of participating health funds via our website. Our customers clearly enjoy the convenience of claiming without the need to visit a store as we saw a significant spike in Medipass orders within the first four months.

Our online appointment system in the UK and Republic of Ireland makes it easy for customers to find their nearest store and book an eye or hearing test at their convenience. Over the past year, we reached a total of six million appointments booked online since the pilot in 2016. This has not only saved significant time in-store by reducing manual bookings, but we have also seen a decrease in the number of no-shows as customers can cancel their appointment within two clicks of their confirmation email.

We also developed a new solution in the Netherlands to support the growing number of bookings coming via our website. It has been built using a mobile-first approach to improve the

customer journey for ever-increasing mobile traffic and usage. Following a successful launch, there are plans to introduce this version in our other markets.

This year we developed plans to transform our customer experience. The programme is set to re-engineer the technology-enabled elements of our customer journey, ensuring we continue to evolve while remaining the number one choice for our customers, now and in the future.

Enhancing our offer

Our focus on enhanced optical services (EOS) - those that fall outside the standard eye test - has continued and in 2018/19 more than 570,000 customers across the UK were able to benefit from the availability of this service: a 37% increase on the previous year. Most were assessed and treated for minor eye conditions such as red eye or sticky eye, for which they would otherwise have had to go to their GP or to the local hospital A&E. Others benefited from (not having to go to hospital for) services such as diabetic retinopathy screening, pre- and post-cataract surgery assessment and glaucoma monitoring.

Working closely with the NHS and with LOCs (local optical committees), we saw an increase of 22% in the

number of EOS schemes that were commissioned to benefit communities.

We now offer optical coherence tomography (OCT) in all our New Zealand stores, 200 in Australia and more than one in three in the UK with plans to roll out more over the next 12 months. Using OCT technology has enabled us to transform the way we care for our customers' eye health and double the detection rates of glaucoma. In 2018 our optometrists in ANZ referred more than 150,000 patients for tertiary eyecare with over 30,000 of those for glaucoma.



Celebrating the introduction of optical coherence tomography (OCT) in our 200th store in Australia



Specsavers optometrist Sanjiv Koasha providing optical care via our home visit service

2018/19 was a fantastic year for our home visit service in the UK and Republic of Ireland as we provided optical care for 120,000 housebound people. By extending our offer of excellent customer service and unbeatable value to those who are unable to visit our stores, we saw sales increase by 15% in the UK and 14% in the Republic of Ireland.

We also published the inaugural State of the Nation Eye Health report in Australia and New Zealand. It provides a comprehensive overview of the status of eye health in the region as well as new data and insights based on analysis of more than six million patient journeys.

We worked with Diabetes Australia to develop the KeepSight initiative which communicates directly with the 1.3 million Australians living with diabetes to ensure they are receiving clear and regular messages about when their next eye exam is due. As part of our commitment to eliminate diabetes-related sight loss, we have pledged A\$1m annually for five years towards the programme.

We invested in an opportunity to enhance customer care in Denmark with the launch of a specialist eye-health tool. The system gives our in-store optometrists direct access to a secure, online hub of trusted ophthalmologists, who they can ask to review cases before formally referring to ophthalmic-level care. This service, which is the first of its kind in the market and offered at no extra cost to our customers, has been used with huge success and now sees almost 1,000 cases reviewed every month.

Not only does the service offer significant benefits to our customers and reduce public health spending due to fewer unnecessary referrals, it also provides additional, case-based training for all our optometrists.

Since announcing our ground-breaking partnership with Newmedica in the UK in 2016, we have achieved a great deal together: opening a range of new services, doubling the size of the business and delivering outstanding clinical experiences for more than 120,000 patients during 2018/19 alone. Newmedica operates across 25 sites in England, covering the major adult sub-specialities of glaucoma, cataract, medical retina, macular and YAG lasers. Four Newmedica eye health clinics and surgical centres opened as ophthalmology joint ventures in the past 18 months and we have plans for at least two more in the year ahead.



Nigel Kirkpatrick, consultant ophthalmologist and clinical director, and Carl Hall, operational director, at the eye health clinic and surgical centre in Gloucester, England

Focus on frames

Increasingly, our customers expect not only unbeatable value but also great choice in styles, brands and ranges. In 2018/19, we continued to lead the way in frame design and development, selling more than 21.6 million glasses worldwide.

Following its popularity in the UK and Republic of Ireland last year, our much-anticipated collaboration with international artist will.i.am is now offered as part of our global frame portfolio. We saw an average of 43% new customers under the age of 35 coming into our stores to review the range in Australia and New Zealand alone.

As part of a continued global focus on the kids' market, we worked with our best-selling brand Disney to launch Disney Vintage frames in celebration of Mickey's 90th anniversary. Superheroes Hulk, Iron Man and Captain America have been introduced to our Marvel collection in line with the *Avengers: Infinity War* film release, making it one of the most successful branded ranges in the children's category last year.

To ensure inclusivity among our youngest customers, we go beyond considering popular characters during our design processes. As such, we included eight new KidsFit frames within our Disney and Marvel offerings which are specifically developed for children with low bridges and small facial parameters. These frames were a big hit with children and parents alike, with one being shortlisted in the Optician Awards' Frame of the Year category due to its innovation credentials.



Osiris Eyewear has been part of Specsavers history for over 20 years but following feedback from our customers and in-store teams, the range was completely reviewed last year. The result was an inspiring revamped range and we were incredibly excited to announce our partnership with singer/songwriter Gary Barlow as the new face of Osiris in the UK and Republic of Ireland.



Day: our fastest-selling range in Northern Europe to date

Specsavers stores across Australia and New Zealand were the first to introduce our newest couture brand, Marc Jacobs, to the market. Its huge success has seen the subsequent launch of this exclusive collection across all regions to further extend our premium portfolio and fashion credentials.

Last year saw our biggest-ever launch in Northern Europe. Day quickly become our fastest-selling range in the region to date, achieving record sales within its first six weeks. The collection was implemented to add an injection of colour into the existing portfolio and proved so popular that it will go on to help shape future designs.

As well as new additions, we continue to refresh and expand existing ranges - most recently, Tommy Hillfiger. The update contributed to a 19% year-on-year increase in sales volume.

Progress in lenses

The ongoing growth and enhancement of our global ophthalmic lens portfolio saw sales volume increase by 2.3% as almost 45 million lenses were manufactured or supplied to our stores last year.

The introduction of polarising for 1.6 single-vision lenses is another example of our commitment to ensuring customers have affordable access to some of the very best products. Unlike ordinary sunglasses, polarising lenses eliminate glare from horizontal surfaces such as roads, water and snow.

We also extended our varifocal offering to the Ultimate Thin + Light range.

Using a special high-index material means that, as the name suggests, lenses can be made thinner and lighter, which is great for high prescriptions. Not only do extra thin lenses improve the appearance of glasses, but extra light properties make them more comfortable to wear.

We partnered with a major new lens supplier and built even stronger relationships with our existing providers, enabling us to move a number of single-sourced product lines to multiple channels of supply.

Following the launch of easyvision unique contact lenses in the UK and Republic of Ireland, we extended the subcategory of our trusted and exclusive easyvision core brand to all our markets. We also expanded the range of easyvision contact lenses available, providing our customers with the best quality and up-to-date technology while remaining affordable.

For example, one of our new daily disposable contact lenses offers uncompromised comfort and handling for our customers at outstanding value. easyvision daily alea lenses use smooth silicone hydrogel to enhance all-day comfort. Additionally, the innovative Smart Touch™ packaging design means the lenses are never inside out, making their handling easier and reducing the risk of fibres or contaminants being present on the lens surface.

These advancements are in support of our activity to make contact lenses an integral part of every customer interaction. Having lifestyle conversations with customers

enables our store teams to make recommendations about the benefits of owning glasses and contact lenses rather than glasses or contact lenses as further development and innovation of our dual-wear offer continues.

Advancements in audiology

We continue to provide our customers in the UK, the Republic of Ireland, the Netherlands and most recently Australia with access to the highest-quality audiology products and services, at the best value, delivered through the most professional and trusted teams.

We celebrated the first anniversary of our audiology partnership model in Australia. With 51 audiology partners now providing expert services in 86 stores across the country, and new businesses opening every week, we are continuing to change the industry for the better by offering high-quality, affordable products backed by the provision of clinical excellence.

2019 also marked an industry milestone as we became the first audiology provider in Australia to offer instant health fund claiming for customers in store.

We developed innovative technology to revolutionise the customer journey, increase efficiency and make audiology more widely available. Now allowing us to offer hearing tests in all UK stores, AudioPad is a British Society of Audiology (BSA) compliant four-frequency pure tone hearing check with triage questions which is completed on a compatible iPad with a set of calibrated headphones. The check takes around 10 minutes and the

results can be reviewed immediately by an in-store clinician and then emailed directly to the customer. The digital application has been hugely popular, meaning customers who have no hearing loss or referable conditions can save time with a 15-minute rather than one-hour appointment.

For the second consecutive year, our Dutch hearing business showed a volume growth of more than 20%. We celebrated that thousands of consumers voted us Audiology Retailer of the Year in the Netherlands as awarded by leading retail consultancy Q&A. We also introduced a new service for our customers: insurance against loss, irreparable damage and theft of the hearing aids.

The launch of Specsavers advance rechargeable hearing aids brought latest technology and unbeatable value together into our own branded products for the first time. The new range provides exceptional hearing clarity at our lowest ever price and is packed with digital technology and special features that allow a more natural hearing experience while negating the need to fiddle with batteries.

The value of feedback

During the past year, we received more than 1.6 million feedback responses via our global customer feedback system. Hearing directly from our customers is invaluable in helping us to really understand what is important and continues to influence and shape the ways in which we make a difference. Customer service index scores were fantastic across all our markets and



Winning Audiology Retailer of the Year in the Netherlands

94% of our Northern European customers provided excellent feedback about their eye tests with us. But we are always striving to do more: the greatest improvement was in Sweden where we saw the number of respondents classed as ambassadors (being either extremely satisfied or very satisfied with the value and overall experience at Specsavers) rise to 88%.

We know that such results don't happen without our truly exceptional teams, whose care and compassion changes people's lives for the better every day. We have various programmes where we recognise those team members who have gone the extra mile for their customers.

The overall winner of our Customer First award in the UK last year was Claire Feeley, an optical assistant from our Bellshill store - here's her story:

During the dispensing process Claire found out that her customer was suffering from leukaemia. Anne McGill's friend had brought her to the store for an eye test but told Claire that she was going on holiday so wouldn't be available to bring Miss McGill back to collect her glasses. There didn't seem to be any other carers, so Claire offered to deliver the new specs to Anne's home once they had arrived.

On the day the glasses were due to be collected, Claire phoned Miss McGill to confirm delivery and she told Claire how much she was looking forward to her visit as she hadn't managed to get out or have any company since her friend went on holiday. Claire took it upon herself to buy some essential

food items and deliver them to Anne along with her glasses. She stayed all afternoon for a chat over a cup of tea and even assisted in changing Miss McGill's oxygen tank.

We are reassured that more people than ever are choosing and trusting us for their optical and hearing care because of the outstanding service they experience as highlighted in feedback messages like this one from a customer in Southern Australia:

'We have been going to Specsavers Newton for many years now because the staff show great patience in working with our son, Archer, who has limited language and comprehension skills. The team members show him a great range of frames and don't rush him into making decisions about his choice. They allow one of us to be with him at all times to help explain information if he does not fully understand what he needs to do.'



Our 50th audiology partner in Australia, Alvin Gan

Passionate about our people

Supporting our colleagues to be the best they can be

Our people are committed to doing the little things that matter, better, every day. The sum of which is our stellar performance, sustained over many years. Our ethos is to offer inspiring development and fantastic opportunities to help our 37,000 store, support office and supply chain colleagues continue to make a difference, either by serving customers or supporting partners and their teams.

Focusing on diversity and inclusion

An inclusive workplace values and provides equal opportunity to everyone regardless of differences. At Specsavers we recognise the benefits of embracing a diverse and inclusive workforce, in terms of better business performance, more engaged employees, enhanced employer brand and greater innovation.

In 2017, we kicked off our global diversity and inclusion programme with the Specsavers Executive Committee devoting time to explore 'unconscious bias'. The key focus for us in 2018 was to build a shared basic understanding around inclusion across our support offices and manufacturing and

In our UK and Guernsey support offices alone, a recent pulse survey showed that more than 75% of people benefited from some form of flexible working in 2018.

distribution sites – raising awareness of unconscious bias and encouraging everyone to challenge their own behaviours.

We partnered with a worldwide diversity and inclusion organisation to develop and deliver bespoke training. This included facilitating workshops for our leadership population, interactive online workshops for our managers, as well as building and launching digital development tools for all employees. 87% of leaders and managers have so far benefitted from this programme. To keep unconscious bias awareness firmly on the radar, we also put in place a two-hour online workshop suitable for new joiners or those wanting to build on previous knowledge.

A review of our recruitment and talent management activities is ongoing to ensure that every role is open to the widest pool possible, and our commitment to more flexible working in our support offices gives our existing and prospective employees freedom around how, when and where they work.

We have always made good use of flexible working. Last year we reinforced our position by developing online support materials and practical guidance for people managers to help them manage more flexibly. We also launched an additional programme in Australia and New Zealand which included related workshops.

In the UK, we published our gender pay gaps for Specsavers Optical Superstores (our UK support office network) and Vision Labs (one of our manufacturing and distribution sites), for the second consecutive year. The report highlighted that, like many other businesses, we have more men in senior roles than women. We also looked at this representation across our main global businesses.

Helping our support office teams succeed

We have a strong legacy of growing our talent from within and developing a strong pipeline of talented individuals with the skills and capabilities that we need, now and in the future.



'The Grow Our Own programme opened up so many amazing opportunities to me that I would not otherwise have had. I am really grateful for this and look forward to building on these experiences in my ongoing career at Specsavers.'

Grow Our Own participant

'Working in manufacturing as a shift leader for a number of years, I felt I was a good judge of character and was sensitive to individual differences. But attending the unconscious bias training has made me re-evaluate how I perceive people. It has made me aware that people may see me differently to how I actually am as a person, so I am now more conscious of how I act around my peers.'

A leader in one of our manufacturing and distribution sites

We launched our new global Future Talent programme designed to help futureproof business growth by building long-term succession plans and developing technical and functional experts in core business areas. We identified a total of nine ambitious individuals from internal and external pools across all our regions, to take part in the 18-month programme. During this time, they will embark on extensive and engaging learning and development opportunities including three six-month placements in the product, retail and marketing functions.

So far, 174 people from across the globe have benefitted from being part of the global Grow Our Own programme, which is now in its third year. The programme offers a blend of core and bespoke development opportunities, so that each participant can create a unique learning journey to suit their needs. The groups also network globally to learn from each other and share experiences.

We are equally passionate about enabling our current leaders to reach

their full potential. We held the inaugural Australia and New Zealand leadership conference, bringing together the regional leadership team to collaborate and think differently. With innovation high on the agenda, attendees were treated to a thought-provoking keynote speech by global futurist and innovation strategist Anders Sorman-Nilsson.

We also introduced a new event for our global supply chain leaders, including general managers and operations directors from our manufacturing and distribution sites. Bringing these people together for the first time to look at our long-term framework and discuss plans collectively helped to build stronger connections and team collaboration.



Our leaders in Australia and New Zealand gathering in Melbourne for the inaugural leadership conference



Partners Alan Phillips and Mark Anderson being presented with their Platinum Employer award by Councillor Kate Anolie as Enfield becomes the 500th Specsavers UK store to be accredited



Holding a career information event for store team members from across Victoria, Australia

Developing talent in our stores

More and more colleagues are progressing their careers as our development offer for clinical and retail training continues to grow.

There was impressive commitment to learning and development in Northern Europe over the past year. We established virtual classroom learning by delivering more than 300 online sessions, 80% of all store team members across the region now log into iLearn - our online learning management system - every month and 5,600 people booked onto one or more of the 700 training courses on offer.

Recognising the importance of convenience and making learning easy to access we consolidated our product training content and worked on ways to digitally improve our offering. The result was a mobile-friendly Product Learning Hub and, with more than 3,500 unique users within the first four months in the UK alone, proved that easily accessible, bite-size learning is key to helping our teams offer great service to customers.

We held a career information event at our Melbourne support office for the

first time to inform store team members about the various options available to help develop their careers at Specsavers. Optical assistants, dispensers, managers and optometrists from stores across Victoria attended Your Next Step and learned about programmes to enhance their dispensing skills, advance them into leadership and management roles, and ultimately prepare them for business ownership.

As we continue to make sure that Specsavers is an attractive and well-respected career choice, we are proud that 75% of UK stores have now achieved Platinum Employer accreditation, proving they have everything in place to provide a great place to work.

Professional development

Education for our optometrists is as important as ever. Enabling clinical and dispensing support staff to gain professionally-recognised qualifications is a key part of ensuring quality of care to all our patients and customers.

In the UK, our optometrists have now completed more than 10,000 postgraduate accreditations in minor eye conditions, glaucoma

and cataracts. Through our partnership with the International Glaucoma Association (IGA), more than 3,500 Specsavers front-of-house colleagues in the UK and the Republic of Ireland have completed online training to give them an increased understanding of glaucoma and the confidence to advise patients on effective administration of eye drops.

Our optometrists in Australia and New Zealand obtained a total of more than 16,300 continuing professional development (CPD) points, helping to ensure the provision of best-practice clinical care to patients. Almost 90% of these points were focused on glaucoma and delivered through an engaging mix of online and face-to-face learning.

We also introduced new pathways for accredited qualifications for clinical support staff, including the NHS-approved Diploma for Healthcare Science Assistants (EOS Diploma), designed to provide learning and skills to a recognised national standard for those working as part of an NHS and private healthcare team. During the last 12 months, more than 750 students have been following our accredited

programmes, with many progressing through a bespoke pathway onto the FBDO (Fellow of British Dispensing Opticians) by distance learning, to become a registered dispensing optician.

We piloted an Australian-based programme to make it easier for optical dispensers to access an internationally-recognised FBDO qualification. Traditionally, the Fellowship Dispensing Diploma, which is offered by the Association of British Dispensing Opticians (ABDO) has only been available to Australians and New Zealanders in the form of a distance learning programme that requires the student to travel to the UK or Malaysia to complete their examinations. By working with ABDO to offer a locally-facilitated diploma course we can give more of our experienced dispensers the opportunity to elevate their professional skills while obtaining a highly-reputable accreditation. The initial success of the pilot programme, which combines online modules with locally-based, face-to-face workshops and the ability to take examinations in Australia, has led to enrolment plans for a full September 2019 intake.

Specsavers Clinical Conferences took place with huge success across all our regions during 2018, with more than 5,200 optical and audiology practitioners globally taking part in events offering world-class learning and professional development.

We also held a series of smaller events across Northern Europe which included Norwegian optometrists gathering in Stavanger to learn about our approach to working with ophthalmologists and a Swedish expert in dry eye syndrome meeting with optical practitioners in Malmö.

Around 2,000 attendees in the UK benefitted from a truly multidisciplinary approach at this year's flagship clinical event, the Specsavers Professional Advancement Conference, with a programme that brought together optometrists, contact lens and dispensing opticians, optometry undergraduates, ophthalmologists and audiologists. In a first for the event, an interactive discussion workshop brought together optical and audiology professionals to examine consent issues and clinical cases involving multidisciplinary care for both hearing and sight loss.

'The PAC is a unique event. It's all about doing the best thing for patients, putting them at the centre of everything we do.'

Paul Morris, UK Director of Professional Advancement



Our largest-ever intake of graduate optometrists in Australia and New Zealand

As part of our ongoing drive to become the first choice for optometry graduates, we continued to offer a clinical programme at seven universities across our Northern European markets, with a record high of 850 participating students. We also saw a 35% increase in the number of optometrists completing professional training compared to 2017 and offered a new optical dispenser course for each country within the region.

We also welcomed the largest ever intake of graduate optometrists in Australia and New Zealand as 150 recently-qualified professionals joined our two-year development programme - a 48% increase on the year before.



Delegates at our seminar in Denmark enjoying the interactive exhibitions

Passionate about partnership

At the heart of everything we do

The strength of the Specsavers partnership is paramount to our success. Supporting our partners to lead their teams in making a difference to people's lives is what sets us apart.



Members of our Grenaa store in Denmark winning the Best Overall Performance award at the Danish seminar

Nurturing our partnership

Our global programme of partner events, which includes communication meetings, seminars, webcasts and forums, not only provides fantastic networking opportunities but also the chance to launch and obtain feedback on initiatives, provide updates on plans and priorities and tackle business challenges together.

Regular seminars take place in each of our regions when partners come together to celebrate achievements and look ahead at business plans for the coming year. 2018 saw our biggest-ever seminar take place in the UK as it

was held over two days and we extended the invitation to store managers for the first time. As our future leaders, it is critical that managers understand the context behind the initiatives and priorities they need to deliver with their store teams. More than 2,000 delegates were treated to even greater content, presentations and interactive exhibitions than ever before.

We held the inaugural audiology partner communication meeting in Australia, which after being received so positively has now become a regular fixture in the Specsavers calendar. In

addition, audiology partners joined their optical peers for the first time at the 2019 partnership seminar in Sydney and the awards section was expanded to include Audiology Business of the Year and Excellence in Integration of Audiology.

Continuing to establish opportunities for partners to contribute and engage with our business planning process plays a vital role in helping to shape the future of the partnership. In the Netherlands, we invited local partners to join our executive management team and sit on our hearing board. Elected by their peers and having

partner representation involved in decision making has proved to be a huge success. Similar arrangements are in place across all our markets, enabling partners to meaningfully contribute to the issues that will shape our business.

Our Pay It Forward forums and activities continued across all regions. This concept, which is based on the mantra of partners supporting one another, enables the very best experiences and practices to be shared and promulgated.

Supporting and developing partners

Continuing to inspire and grow our existing partners, as well attracting and preparing potential partners, is integral to our future success.

We enhanced our in-house development programme for aspiring joint venture partners – Specsavers Pathway – through the launch of an additional offering for Pathway graduates in Australia and New Zealand. Pathway Plus provides opportunities for those who are in the process of transitioning to store ownership to further progress their leadership and business management skills. They are also invited to participate in Spotlight, our award-winning leadership development programme for existing partners. Following its initial success in Australia and New Zealand, Pathway Plus will be rolled out in other regions during 2019.

In the UK, we transformed the existing programme to be more flexible and accessible, enabling more people to undertake Pathway at their own pace. The provision of more commercial and operational themed modules also helps to ensure new partners are business-owner-ready from the start. Forty-five people took part in a pilot version, 85% of whom were appointed as partners within four months of completing the programme. In addition, 120 new Pathway learners officially began their journey to partnership since the programme's revamp in September 2018 and a further 180 used the partner learning diagnostic to assess their development needs.

As part of our ongoing support for newly-appointed partners, we offered a bespoke programme in the UK designed to upskill existing partners in mentoring techniques, with more than 90 people now signed up to the partner mentor network.

We introduced a capability framework for our partners across Australia and New Zealand to help define what great leadership means at Specsavers. This is supported by a suite of tools, workshops and activities designed to assist partners to reflect on, and develop in, these skill areas.

An initiative known as store safaris continues to present a unique opportunity for partners to come together in an informal setting and share knowledge, experience and advice. We saw more and more examples of safaris creating new partner communities, providing valuable support networks to address common challenges and share successes across many of our markets. In Finland, where store safaris took place for the first time last year, peer-to-peer support was successfully put into practice on topics such as improving conversion rates and driving customer volumes locally.

'I really enjoyed the enthusiasm throughout. I thought the contact lens session was fantastic and loved looking at the new frame launches in the media suite. This was my first seminar as new management and I was inspired.'

UK store manager attending the national seminar for the first time



Our biggest-ever seminar took place in the UK last year

'I love that there is a style on offer for everyone and the #LoveGlasses campaign truly celebrates the diversity of specs available to suit every individual. My glasses have significantly improved the quality of my life and my natural confidence.'

Mia MacDonald, #LoveGlasses competition winner in New Zealand

Reaching more customers

Working with our partners to attract more people to our services - whether in store, online or at home - involves impactful campaigns, sponsorships and creative initiatives.

Our sports sponsorships, such as deals with the New Zealand Super Rugby referees, are important brand-strengthening partnerships. In the UK, we became the official partner of England Test Cricket which includes The Specsavers Ashes Series.

However, our reach goes beyond affiliations with sporting organisations as we continued to be the most recognised partners of the Royal National Institute of Blind People (RNIB) and the Glaucoma Association in the UK as well as several eye health federations across Northern Europe, including Diabetes Fonds in the Netherlands.

Raising awareness of public health issues continued to be a priority for Specsavers last year. Eye health ambassadors such as Olympians Sir Steve Redgrave in the UK and Yvonne van Gennip in the Netherlands helped us highlight the importance of early detection and prevention of conditions which lead to avoidable sight loss. We also teamed up with UK television presenter Eamonn Holmes to talk about the suggested link between hearing loss and dementia. As audiology ambassador, Eamonn helped explain why regular hearing tests are

essential and how they can be used to flag certain health conditions.

As part of a multimedia campaign to promote our eyewear collaboration with renowned musician will.i.am, we activated a Specsavers-sponsored Snapchat lens for the first time. The lens resembled a hero shot of will.i.am, giving snapchat users across the UK and the Republic of Ireland the opportunity to virtually try on three pairs of will.i.am frames and share the images socially. The multiplier effect of social sharing allows us to organically reach a wide audience very quickly.

The initiative was a huge success, with 140,000 people saving the selfie to their camera roll and 170,000 users swiping up to view specsavers.co.uk, resulting in a record-high for traffic to our website. The activity also led to us winning the best use of social media advertising category at the 2018 Social Buzz Awards.

Launching the inaugural #LoveGlasses competition provided another opportunity for an exciting, interactive customer experience as we celebrated spectacle wearers across Australia and New Zealand. As an evolution of our popular Spectacle Wearer of the Year event, we invited proud glasses wearers to post a spec selfie to social media using the hashtag. The contest attracted wide interest, with thousands of entries posted from across the region. We also donated A\$1 per #LoveGlasses selfie to The Fred Hollows Foundation,

our charity partner which aims to prevent avoidable blindness.

Marketing our style credentials and appealing to fashion-conscious customers have been key areas over the past 12 months. In Australia, we were official eyewear sponsor of Melbourne Fashion Week when the city was taken over with events to celebrate its renowned fashion scene. We ran a styling pop-up space offering frame styling sessions and advice from fashion designers such as Specsavers ambassador Alex Perry and our in-store style squads to help people find their new favourite frames.

Enhancing our supply chain

Continued investment in our supply chain means we are well equipped to support our ever-growing business and provide the very best service to our customers.

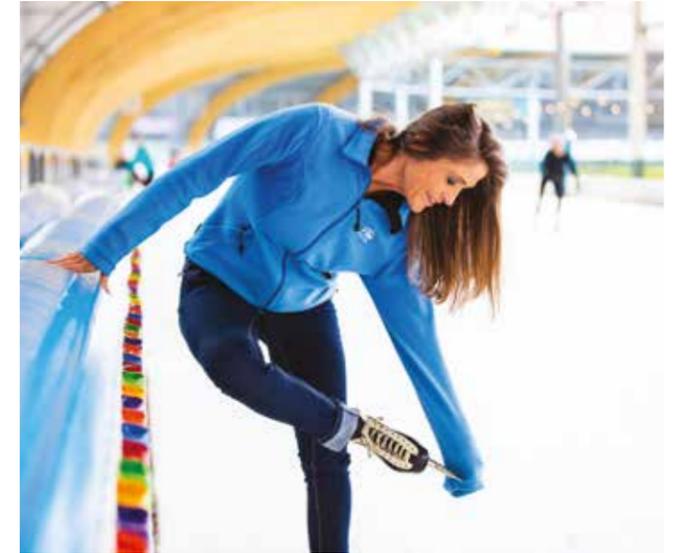
Our manufacturing and distribution sites across Asia Pacific set a phenomenal new record as more than 500,000 orders were processed and despatched to Australian and New Zealand stores in just one month.

We embarked on an expansion project at Vision Labs, Szatmár Optikai and Airways Optical Limited which will enable all our European surfacing labs to produce 100,000 lenses per week.

The installation of another state-of-the-art glazing machine at Melbourne Glazing Services means that all product



Specsavers is the official partner of England Test Cricket



Olympian speed skater Yvonne van Gennip is the Specsavers eye health ambassador in the Netherlands

types, including SuperClean lenses, can now be glazed at the facility. By using more innovative technology, implementing smart re-design choices, and improving process flows, we reduced the physical size of the glazing lab by 50% to create space for expansion in other business-critical areas.

Lens-Online and NRLX/Hi-Spec Lenses introduced new automated solutions to extend storage capacity without the need for additional floor space.

This will support the roll-out of a project into our UK stores to deliver fantastic choice to our customers, ensuring they can view our complete frame range, every time and all

the time. Display-only frames will be kept in store for customers to view and try on so that brand-new frames are ordered as part of the dispensing process.

Our quality assurance teams ensure our frames are produced to the highest standard and in 2018 we extended the already rigorous frame-testing capacity and criteria at our facility in Hong Kong to include enhanced durability, hinge and component checks.

To aid efficiency and consistency of lens products across our territories, we launched a global modular lens audit process. We also developed an audit training programme as well as

a tool to assist with the consistent measurement of defects, both of which are used universally.

Investing in our stores

Ever-growing customer numbers mean we need to ensure our stores are equipped to offer the very best service and experience. This involves opening new businesses, expanding, relocating or reconfiguring existing ones, as well as using leading technology to innovate processes and increase efficiency.

We opened 60 new optical and audiology stores across the UK and Republic of Ireland – the most we have ever opened in a single year – and added 319 extra test rooms, designed to create a more comfortable



environment. We also now have 39 stores within Sainsbury's supermarket locations, increasing convenience and accessibility for even more people.

In Northern Europe, we opened 16 new businesses and worked with our partners in around 70 stores to make improvements through either relocations or expansions. This investment included the addition of more than 300 facilities such as optical testing, audiology services, pre-test and visual screening rooms and dispensing stations. We also embarked on a project to roll out digital messaging across the region by introducing almost 200 digital

window display units in Norway, Finland and Denmark.

We opened six new stores in Australia and expanded, relocated or refurbished 66 stores across the Asia Pacific region. This included the provision of 83 new audiology test rooms.

As our stores operate in ever-evolving retail and competitor landscapes, we worked with local partners to refit three of our existing stores in Copenhagen, London and Melbourne and trial exciting future concepts. As well as revamping the overall look and feel, we made innovative improvements to our product displays and clinical environments.



Our new concept store in London



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 £94m 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 2018/19, the total amount contributed to tax authorities around the world as a consequence of Specsavers' commercial activities exceeded £630m.

Our stores provide employment for more than 32,400 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 4,600 people who are employed in our support offices and manufacturing and distribution sites around the world.



Assisting with beach cleans in Spain to support environmental charity Plastic Free Seas



Donating pairs of unwanted glasses to a project in Sri Lanka



Volunteers from our stores in Finland supporting at an eye camp in Tanzania

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 2018/19:

The UK and the Republic of Ireland

- Our stores and support offices raised more than £1.3m for various good causes, including Vision Aid Overseas, Guide Dogs for the Blind, Blind Veterans UK, Hearing Dogs for Deaf People, and Sound Seekers.
- We met our £100,000 pledge target for the Royal National Institute of Blind People to fund sight-loss advisors around the UK.
- Our annual Spectacle Wearer of the Year competition raised more than £105,000 for anti-bullying children's charity Kidscape.

- More than 200 of our UK stores took part in fundraising activities for Wear A Hat Day 2018 in aid of Brain Tumour Research.
- More than 1,000 people in Kolkata, India, received eyecare from our store partners from The Republic of Ireland in conjunction with The Hope Foundation. We raised €75,000 to help the charity promote the protection of street and slum children in Kolkata.

- We supported Red Nose Day for the third year by selling jester-themed novelty glasses in our stores, resulting in a donation of more than £334,000 to Comic Relief, which aims to tackle poverty and social injustice.

Spain

- 5,000 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 store in Calpe also donated more than 1,000 pairs to a project in Sri Lanka.

- Our stores supported the Cruz Roja (Red Cross) Christmas campaign through the collection of toy donations for families in need.
- Our Fuengirola store collaborated with local food bank Bancosol to support disadvantaged members of the community and sponsored environmental charity Plastic Free Seas, assisting with local beach cleans.

The Netherlands

- €200,000 was raised by donating a percentage from every pair of glasses or hearing aid sold to local and national charities.
- Many members of our store teams volunteered at their store's chosen local charity for a day.
- We embarked on a partnership with The Eye Association Netherlands

(Stichting Oogfonds) to raise awareness and enable scientific research about eye health.

Denmark

- Louis Nielsen donated 4,000 pairs of unwanted glasses as part of our Give Sight in Tanzania initiative, bringing the total contribution from our Danish stores to 40,000 since the project began.
- Following our new partnership with Danish Association of the Blind, we raised 542,000 DKK for research into eye diseases by donating 20 DKK every time we completed a (free to customers) eye test.

Finland

- We donated €20,000 to the Finnish Federation of the Visually Impaired.

- €20,000 was raised for the Friends of the Children's Hospital Association to support research into eye diseases affecting children.

- We continued to support the Give Sight in Tanzania project by organising a local eye camp where volunteers from our stores spent a week conducting sight tests and dispensing 2,000 pairs of glasses to people in need, as donated by our customers.

Sweden

- We continued our collaboration with the Swedish Association of the Visually Impaired, working together on several awareness-raising activities.

- Our support office raised SEK 40,000 for Gothenburg City Mission which helps low-income and disadvantaged families.

Norway

- Our stores and support offices collectively raised NOK 150,000 for various local causes, including the Norwegian Association of the Blind.
- We donated NOK 250,000 to the humanitarian organisation Right to Play, which aims to teach children in need using educational games.
- By travelling to Tanzania to take part in our Give Sight initiative, we helped thousands of people through the provision of free sight tests and glasses.



Carrying out sight tests as part of an outreach programme in Lautoka, Fiji

Australia and New Zealand

- Our community programme celebrated its fifth anniversary. This initiative now sees 89% of our stores across Australia and New Zealand donating 20 cents from every pair of glasses sold to charity. As a result, 211 local charities, such as the Taronga Conservation Society and Surf Lifesaving South Australia, received a total of A\$505,000, while A\$432,000 was raised for The Fred Hollows Foundation.
- We embarked on a new partnership with Lions Recycle for Sight, enabling our customers to donate their pre-loved ophthalmic frames and prescription sunglasses to a worthy cause. Once collected, the glasses are checked, cleaned and categorised by the charity. If the glasses pass the quality control tests, they are delivered and dispensed to people in need through a number of partnering humanitarian organisations. We also helped provide funding for new quality-testing equipment and glasses storage.

- For the first time this year we ran a fundraising campaign using social media during which A\$1 was donated for every customer who posted a specs selfie to #LoveGlasses, raising a total of A\$29,900 for The Fred Hollows Foundation.
- During World Glaucoma Week, we raised A\$10,000 for Glaucoma Australia with donations going towards supporting the detection of, diagnosis of and research into the eye disease.
- We continued to support outreach programmes by sponsoring some of our optometrists to assist with intensive training schemes in remote locations. At the Pacific Eye Institute

- (PEI) in Fiji we helped students working towards their Postgraduate Diploma in Eyecare, worked with nurses to carry out much-needed sight tests, and distributed glasses to hundreds of locals in need.
- Fundraising activities at 20 stores across New South Wales helped to fund 30 operations using a state-of-the-art surgical robot. Over the past five years, the stores have raised a total of A\$120,000 which has been donated to the Chris O'Brien Lifehouse in Sydney, a not-for-profit, independent centre specialising in advanced treatment and research for patients suffering from rare and complex cancer cases.

'Lions Recycle for Sight is a part of the Lions Clubs International Worldwide Eyeglass Recycling Program. Over the past 26 years in Australia alone, we've delivered more than seven million pairs of refurbished quality glasses to people in need all around the world. We're really excited about working with Specsavers on this program because it will mean that we can process more glasses than ever before and save the sight of so many more people.'

Ken Leonard OAM, Chairman of Lions Recycle for Sight, Australia

Supply chain

- Our global supply chain teams and manufacturing and distribution sites supported more than 40 charities and good causes both locally and nationally by donating a total of £37,000.
- In Hong Kong, we focused our efforts in support of environmental issues by volunteering at a local beach clean event. We helped to clear 5,000 pieces of litter that could otherwise have damaged marine wildlife and fishing industries.
- Our team at Szatmár Optikai in Hungary collected and distributed Christmas presents for less fortunate members of the community.
- We adopted a partnership approach with key suppliers to positively impact communities and generate growth and prosperity into local economies. Last year a school in Bangladesh received funding, a country in which 4,000 people are employed to manufacture goods primarily for Specsavers.



Volunteering at a local beach clean event in Hong Kong



Collecting customers' pre-loved glasses for the Lions Recycle for Sight initiative in Australia



Store team members from the Republic of Ireland presenting our donation to The Hope Foundation

'The main benefit I had from visiting the Pacific Eye Institute was seeing how money raised for The Fred Hollows Foundation is used to train local health workers. The experience also made me incredibly appreciative of how fortunate we are in New Zealand to have access to optometry and ophthalmology services. We make a difference every day to how people see and live, but in the Pacific, people either have no access to eyecare or must travel a very long way to see anyone. The more local eyecare providers that can be trained, the better the level of care for communities will be.'

Ian Russell, Optometry Partner at Specsavers Wanganui, New Zealand

Our plans

In 2019/20 the Specsavers partnership will:

The UK and 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 £80,000 for anti-bullying charity Kidscape to help them carry out their vital work
- continue to support the National Council for the Blind of Ireland (NCBI) and work with The Hope Foundation

Australia and New Zealand

- develop a new strategy and approach for our community programme to include establishing an advisory committee and steering group
- organise four outreach opportunities for our optometrists and graduate optometrists
- continue our collaboration with Lions Club International to collect and re-use pre-loved ophthalmic glasses and prescription sunglasses
- raise funds for The Fred Hollows Foundation by selling a limited-edition frame designed by Aboriginal artist Peter Datjing Burarrwanga
- continue to donate paediatric glasses to the Pacific Eye Institute in Fiji
- provide ongoing support to the Lions Outback Vision Van and the Mobile Eye Clinic in association with The Fred Hollows Foundation

Northern Europe

- provide ongoing support for our Give Sight project in Tanzania by volunteering at eye camps in remote areas and raising awareness of sight loss and eye conditions

- collaborate with Faktum, a magazine sold by homeless people in Sweden by providing free eye tests and glasses for the sellers
- continue to fundraise for Stichting Specsavers Steunt in the Netherlands, which donates money to each store's chosen charity
- build on our relationships with federations such as the Norwegian Association of the Blind to help fight preventable blindness

Spain

- continue our partnership with the ONCE charity by sponsoring guide dogs
- support the regional Lions Club by collecting and distributing unwanted glasses to people in developing countries

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 give back to our communities by volunteering and supporting local initiatives



Assisting at Fiji's Pacific Eye Institute



Passionate about corporate responsibility

Trading ethically

Our position

Trading ethically is integral to the way we operate. 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.

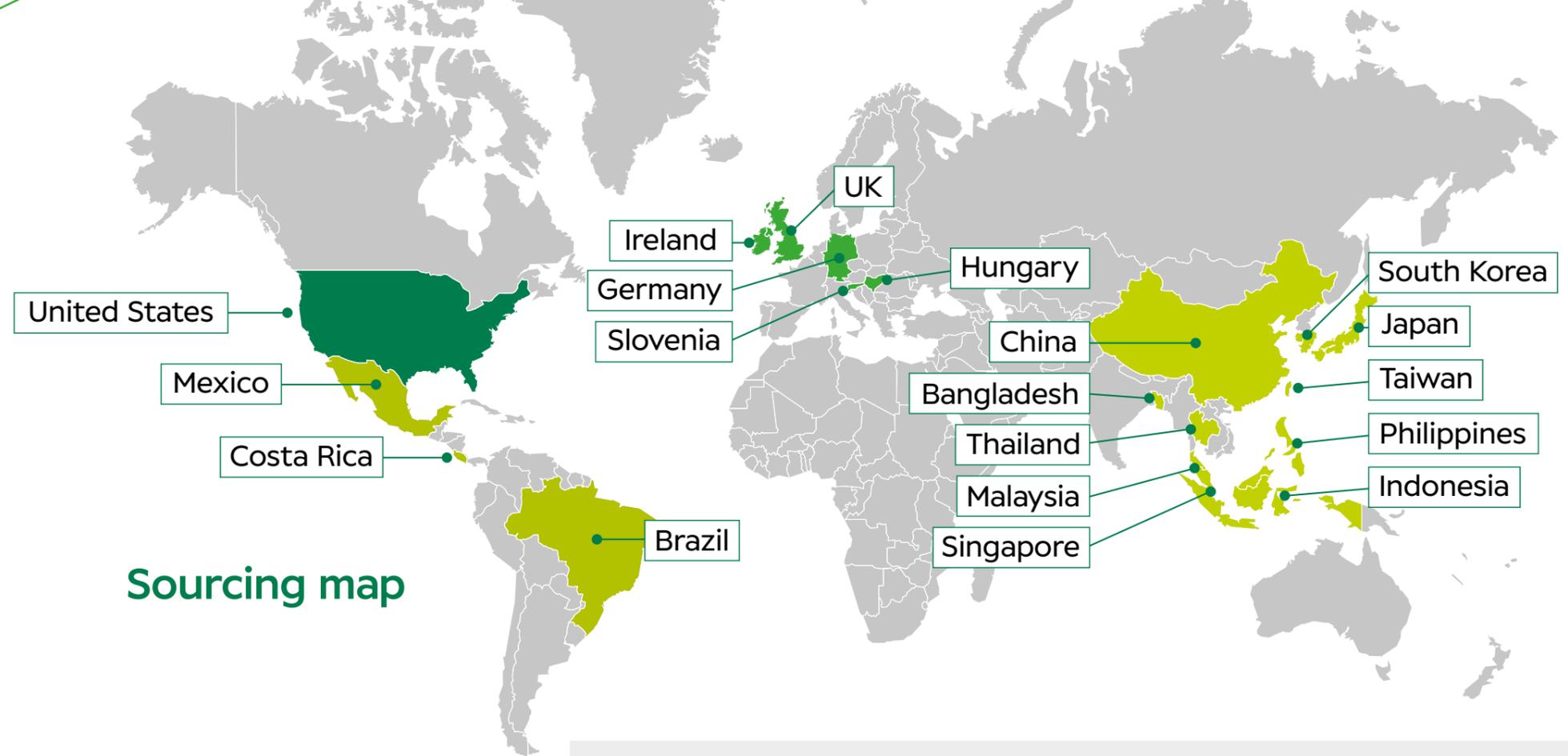
Wherever possible, we develop strong, long-term relationships with our suppliers so that we can work together towards our vision of providing best value eyecare and hearing care to everyone.

We are focused on increasing transparency across our supply chain. We work with over 70 suppliers and 200 factories in 20 countries to deliver the highest standard of products to our customers.

Therefore, understanding where our products are sourced and made, and the risks inherent across our operations, is an essential part of our due diligence.

Our product origins are represented on the sourcing map overleaf. Primarily our products come from globally-recognised regulatory environments or factories situated in low and medium-risk countries.

We continue to monitor activity in these countries to ensure that slavery and human trafficking does not exist in our supply chain.



Sourcing map

Our progress

In 2018/19:

- We completed 59 supplier audits across our product categories. These audits ensure compliance with our social and environmental standards and adherence to regulatory requirements, enabling long-lasting improvements to be achieved.
- 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.
- As part our Modern Slavery Act compliance activity, we developed new documentation to provide further clarity on our ethical trading position and a set of e-learning modules to provide our teams with both general guidance and awareness of associated risks.

- We obtained declarations of conformity from our suppliers operating within globally-recognised regulatory environments.
- We reviewed our Global Ethical Policy and Frame Purchasing Manual and issued an updated version to all suppliers. We outlined our expectations concerning sourcing materials, specifically conflict minerals. All suppliers are required to verify that their source materials are from socially-responsible suppliers and conflict-free mines.

Our plans

In 2019/20, the Specsavers partnership will:

- complete at least 70 compliance renewal audits to ensure existing suppliers meet our ethical standards, in addition to audits for new suppliers
- identify opportunities to share best practice and collaborate with our key supply partnerships to drive improvements
- develop our conflict minerals approach in accordance with the Organisation for Economic Co-operation and Development's five-step framework and adapt our compliance processes accordingly
- review and update our policies and practices concerning anti-bribery
- continue the development of educational resources for our suppliers and colleagues to increase knowledge of modern slavery issues
- investigate ways to collaborate with non-governmental organisations (NGOs) and improve stakeholder engagement with our suppliers

The Specsavers supplier ethical trading code of conduct

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 based on internationally-recognised standards:

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 and 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 meet local and legal standards.
- 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.

Comply with anti-bribery and corruption policies

Maintain and enforce procedures to counter any bribery and corruption activity and commit to reporting all instances of non-compliance.

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

Each supplier is required to sign a Declaration of Conformity annually to acknowledge and confirm their compliance with the principles and requirements of the Specsavers supplier ethical trading code of conduct.

Passionate about corporate responsibility

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, plastics 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 2018/19:

Governance

- We conducted a third-party audit of packaging compliance activity across our European operations to identify ways of improving efficiency and accuracy.
- We completed sample site audits of our UK stores as required under phase two of the ESOS (Energy Saving Opportunities Scheme) legislation and reviewed new energy-efficiency opportunities.
- Airways Optical upgraded its ISO 14001 environmental management accreditation to the improved ISO 14001-2015 standard.
- We continued our Keep Guernsey Green Award (KGGA) activity at our La Villiaze support office, focusing on waste reduction and the removal of single-use plastics.
- We commenced preparatory training to implement ISO 14001 environmental management accreditation at our largest support offices.

Energy procurement and supply

- 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.
- We generated more than 45,000 kWh of electricity from the installation of photovoltaic technology (solar panels) at two of our UK

manufacturing and distribution sites, reducing carbon emissions by 16 tonnes.

Energy use and efficiency

- In the UK, Airways Optical Limited and Vision Labs continued to exceed their energy-efficiency targets by 27% as part of their Climate Change Agreements.
- By utilising the enhanced energy-monitoring system at our Guernsey support office, we were able to identify and solve building management issues, including the control of heating, cooling and lighting systems.
- Vision Labs completed the installation of an upgraded transformer to improve the site's energy efficiency and safeguard against power outages.
- An LED lighting upgrade of the surfacing area at Sztatmár Optikai, our lab in Hungary, resulted in saving more than 123,400 kWh of electricity per year. A further 65,600 kWh of electricity was saved at the site due to improved practices requiring machinery to be completely switched off when not in use and not left in standby mode.
- We conducted a review of the building management systems (BMS) controls at our support office in Nottingham to improve efficiency and eliminate the requirement for continuous ad-hoc temperature management.



Our Australian store team members working with national charity Kids Off The Kerb

Water use

- Continued usage of the Bazell centrifuge-based water-recycling plant at Sztatmár Optikai helped to further reduce its water consumption. We also installed an automatic water control system for the tinting process which saved 3,600m³ of soft water.
- Our Australian stores completed a project with national charity Kids Off The Kerb to recycle old uniforms, donating 11.5 tonnes of discontinued items to be repurposed.
- We eliminated the provision of single-use plastic carrier bags in our UK stores.

Waste and recycling

- We removed all single-use cups, glasses and cutlery from our UK support offices, replacing with china and glass as well as offering subsidised, reusable, bamboo coffee cups.
- We removed all single-use cups, glasses and cutlery from our UK support offices, replacing with china and glass as well as offering subsidised, reusable, bamboo coffee cups.

- As we progressed our support office refurbishments, we continued to find ways for the reuse of unwanted furniture and fittings: offering office chairs and cupboards in exchange for charitable donations and shipping cafeteria equipment to a school in The Gambia.
- We continued to supply charitable projects with repaired, unwanted hearing aids and glasses for use in developing countries.
- Vision Labs and Airways Optical Limited reduced the use of paper, as well as ink and energy use, by implementing print controls and developing a ticketless job system.
- We installed a new compactor at Hi-Spec Lenses to process used plastic packaging and diverted 1.75 tonnes of plastic waste from landfill to recycling in the first six months.

- Our box-recycling scheme, which has saved more than 600,000 cardboard boxes across our Asia Pacific operations, extended to the reuse of plastic bags and elastic bands that are supplied with frames from manufacturers. In 2018, Melbourne Glazing Services reused over 700,000 frame bags, saving more than 50 kg of plastic waste. Many of our stores in Australia have also adopted the practice by returning plastic bags and rubber bands to the Melbourne customer services team for recycling.

Communication and engagement

- Our support office in Melbourne promoted waste management strategies as part of National Recycling Week. We explained how waste is managed at the office and provided tips about how our teams can reduce their own carbon footprints.
- We started creating a vegetable patch and wildlife garden at our International Glazing Services and Lens Online Limited sites.



Reusable, bamboo mugs available at our UK support office instead of single-use cups

Our plans

In 2019/20, the Specsavers partnership will:

Governance

- review our activity globally and launch an updated, group-wide environmental programme

Energy procurement and supply

- continue to procure energy on low-carbon or green tariffs supported by Renewable Energy Guarantees of Origin (REGOs) at our stores, support offices and manufacturing and distribution sites across the UK and Republic of Ireland

- revisit the installation of smart metering systems in our UK stores on NHH (non-half hourly) electricity supplies. Although these stores use less electricity than their larger counterparts, which had smart meters installed under previous energy legislation, the rollout will significantly increase opportunities to improve energy efficiency

Energy use and efficiency

- assess opportunities identified by our European Energy Efficiency Directive (EED) audits across our stores in Northern Europe

- investigate push-reporting options for our UK stores, meaning notification alerts are triggered when electricity usage exceeds expected limits which is particularly useful if out-of-trading-hours consumption is too high
- continue energy-efficiency auditing and the implementation of identified opportunities for our UK portfolio to ensure compliance with phase two of ESOS (Energy Saving Opportunities Scheme) regulations

Water use

- install new generators at Airways Optical Limited to increase the number of lenses produced per machine while reducing associated water usage

Waste and recycling

- analyse findings from improved waste supplier reporting at some of our support office locations
- explore opportunities to consolidate the despatch processes from three of our distribution sites to reduce transport environmental impact and packaging use

Communication and engagement

- create an ideas-sharing network to discuss and instigate environmental initiatives
- introduce drop-in sessions with a local waste supplier as part of our Keep Guernsey Green Award (KGGA) status

Passionate about partnership

Keep it simple, get it done,
deliver on our promises

2018/19 was another tremendous year for the Specsavers partnership, with great results across the business. Here are a few highlights:



Our virtual try-on technology, Frame Styler, in action

Worldwide

- Surpassing £2.78bn in group revenue – an increase of 6% on 2017/18.
- Selling more than 21.6 million frames, 530 million contact lenses, and 400,000 hearing aids.
- Serving more customers than ever, with more than 38 million people now registered with us.
- Seeing more than 1.4 million people visit our websites every week.
- Receiving more than 1.6 million responses via our global customer feedback system.
- Donating more than £2.5m. for charities and good causes.

UK, Republic of Ireland and Spain

- Reaching a total of six million

appointments booked via our website since 2016.

- Gaining Platinum Employer status at 600 of our stores, as part of our commitment to provide a consistently exceptional employee experience.
- Winning Gold at the Learning Awards 2018 in the Learning Team of the Year category for the learning and development offer created by our digital team.
- Seeing our one millionth customer in the UK use our virtual try-on technology – Frame Styler
- Providing optical care to more than 120,000 people via our home visit service.
- Supporting optometrists to complete more than 10,000 postgraduate

accreditations in minor eye conditions, glaucoma and cataracts.

- Winning the best use of social media advertising category at the 2018 Social Buzz Awards for our campaign to promote our will.i.am eyewear collection.
- Raising more than £1.3m. for various good causes through fundraising efforts across our stores and support offices.

Australia and New Zealand

- Selling a total of 30 million pairs of glasses since we entered the market in 2008.
- Being awarded Optometrist Gold Winner at the Reader's Digest Quality Service Awards in Australia for the second consecutive year.

- Continuing to complete huge order volumes from our Melbourne Glazing Services facility, with a staggering 500,000 jobs being dispatched to stores across the region in a single month.
- Enjoying a record year in New Zealand, with sight test volumes reaching more than 10,000 in one week for the first time.
- Winning the 2018 Platinum LearnX Award for our Spotlight Engage programme: a wellbeing leadership course for partners.
- Celebrating the first anniversary of our audiology partnership model in Australia, with 51 audiology partners now providing expert services in 86 stores.

- Launching online appointments in New Zealand, enhancing convenience for our customers.
- Welcoming 150 recently-qualified optometrists to our graduate programme – our largest ever intake, a 48% increase on the previous year

Northern Europe

- Celebrating the 40th anniversary of Louis Nielsen in Denmark.
- Seeing Day become our fastest-selling frame range in the region to date, achieving record sales within its first six weeks.
- Achieving 20% volume growth in our Dutch audiology business.
- Surpassing 1 billion DKK in revenue across Denmark and continuing to grow market share.

- Winning Audiology Retailer of the Year in the Netherlands as awarded by leading retail consultancy Q&A.
- Launching online contact lens retailing in Finland.
- Receiving several customer service commendations in Norway, including Provider of Best Customer Experience in the optometry category as awarded by the Norwegian Customer Satisfaction Barometer and being ranked the number one retailer in KPMG's Customer Experience in Excellence Analysis.
- Seeing a record number of 850 optometry students participating our clinical programmes offered at seven universities across Northern Europe.

'Each audiology partner who has joined us and each audiology business that is now open owes so much to the hard work of passionate professionals who have committed themselves to making a change in this industry. With new stores opening every week, I look forward to the day when we are operating in all Specsavers locations across Australia.'

Darrel Magna, General Manager - Audiology (ANZ)

Review from the regions



As ever, reading this report fills me with a tremendous sense of pride.

It is easy, perhaps, as an accountant by training, to look at the numbers first: the increase in customers who trust us with their eyecare and hearing needs; the growth in sales and store numbers; the volume of engaging training and development opportunities of which partners and colleagues have taken advantage.

Similarly, I can't ignore the multitude of awards and accolades achieved by our teams; being awarded Franchise Chain of the Year in both Sweden and Norway – numerous marketing and people awards – and, a personal highlight, celebrating the 40th anniversary of our Danish business, Louis Nielsen.

However, it is the human stories behind these achievements that always inspire me the most. Sometimes it's how we might have changed the life of a customer. For instance, the rugby-mad,

10-year-old that our team in Loganholme, Australia were able to support by fitting him with contact lenses, and then inserting and removing them for every match during an entire season!

On other occasions, it's how we have changed the life of a colleague: the story of Lucy who saw no way forward with her previous employer. Her career has now flourished, thanks to her passion and the leadership of her store partners in Bellshill, Scotland.

It is these examples, and many more, that bring to life why 37,000 people do what they do, day in, day out - making a positive difference to the lives of all, using compassion and expertise to help people feel good, cared for and smart.

We live in a time of monumental change: new technologies, new competitors, a new political, economic

and social backdrop. Despite this, we have a strong plan and a team of passionate and committed partners and colleagues across our markets set to deliver it.

Thank you to each of them, and here's to a terrific 2019/20.

John Perkins,
Group CEO



Our continued focus on delivering great value and world-class customer service in the UK and the Republic of Ireland resulted in staggering sales growth during 2018/19.

As more and more people choose Specsavers, we need to make sure our store network can continue to welcome them. We opened more than 60 stores across the region - the most we have ever opened in a single year - many of which were within Sainsbury's supermarkets, giving an extra level of convenience to our customers.

I was excited to see such a fantastic selection of new products, offering our customers even more choice at unbeatable value. These included Specsavers advance rechargeable hearing aids as well as an exciting refresh of our exclusive designer frame collection, Osiris, in collaboration with Gary Barlow.

We also made great strides in becoming recognised as a multi-category business, being able to

offer services spanning optics, audiology and eye health. For example, we saw our audiology offering across the UK and Republic of Ireland evolve with impressive results, exclusive products and innovative technology, such as AudioPad, being used to streamline the experience for our customers.

A particular highlight for me was seeing our revolutionary digital application, Frame Styler, being enjoyed by its one millionth customer. It is moments like these that make me realise how the knowledge of our team members, coupled with game-changing technology, can really help to provide standout customer experiences.

It goes without saying that none of these achievements would have been possible without the passion, care and commitment of our partners and

teams across our stores and support offices. Together, we look forward to continuing to make a difference in people's lives in 2019/20.

Paul Marshall,
Managing Director - UK/ROI

Review from the regions



2018/19 has been a memorable year on both sides of the world with our partners, store and support-office teams working hard to deliver incredible results.

Australia and New Zealand

The past 12 months have seen our businesses in Australia and New Zealand go from strength to strength.

It has been a record-breaking year, with New Year's Eve marking the biggest-ever trading day in Specsavers Australia's history, and weekly eye test volumes exceeding 10,000 in New Zealand for the first time. We also supplied our 30 millionth pair of glasses since opening our first store, making us feel very privileged and honoured to have made a difference to so many people.

Our partners, support office and store team members have worked together to launch some fantastic new tools, such as QuickPay in Australia and online appointments in New Zealand, increasing efficiencies and streamlining the customer experience.

We also started our journey to transform eye health with our ANZ optometrists leading the way as media spokespeople, complemented by our ground-breaking Priceless Eyes

campaign. In support of this, we continued the roll-out of optical coherence tomography (OCT) in our stores and achieved a fantastic milestone as every store in New Zealand is now able to offer the non-invasive, diagnostic imaging test, redefining the standard eye exam to provide leading customer care.

We further established our audiology business in Australia, with 51 partners now operating in 86 stores across the country. As these numbers continue to grow, we can ensure that more and more people benefit from accessible, convenient and affordable audiology services

Looking ahead, the next 12 months are full of opportunities - opportunities to continue bettering the lives of people across the region by providing first-class eye and hearing care.

Northern Europe

It has been an extremely exciting year for Specsavers across our Northern European markets. 2018/19 has been eventful not only in terms of continued

growth but also in seeing new activities pave the way for great opportunities.

Looking back over the last 12 months, I have no doubt that the contribution and hard work of our dedicated teams has led to our fantastic results. Our Louis Nielsen business in Denmark celebrated 40 years of optics and achieved the highest market share of the region at 47%.

The growth within our Dutch audiology business has been remarkable and we have also seen impressive improvements in our optical business due to the introduction of optometry services such as preventive eye health checks in stores across the Netherlands.

I am incredibly proud that Norwegian consumers have not only rated us as the most professional optician in Norway but that we also won the Provider of Best Customer Experience among Opticians accolade as awarded by the Norwegian Customer Satisfaction Barometer.



Transforming the way we care for our customers' eye health using optical coherence tomography

Other highlights for me include increasing the availability of customer appointments by 20% in Sweden as well as embedding comprehensive eyecare services including optical coherence tomography (OCT) in our Finnish stores.

A key priority for the year ahead is our quest to transform the eye health industry. So, as we continue on our journey, I am excited to see how impressive performance, coupled with new opportunities, will enable us to showcase our clinical offering with credibility and professionalism.

Nigel Parker,
Managing Director -
ANZ & Northern Europe

Specsavers Executive Committee



Doug Perkins

Chairman and 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

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 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

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.



Katherine Whitton

Chief Marketing Officer

Katherine joined Specsavers in 2018, following a similar role at Barclaycard. Katherine is responsible for ensuring that our brand is protected, represented and developed in a manner appropriate for the dynamic, fast-changing world in which we live. Previously, she was the head of global and UK marketing communications at British Airways and, prior to this, held a number of senior brand and marketing roles at American Express.



Kate Brown

Global People Director

Kate joined Specsavers in 2018 and is responsible for all elements of people and organisation development activity across the group. She is also responsible for group services, including insurance and business continuity, office facilities, travel and aviation. Before joining Specsavers, Kate was Chief People Officer at Countrywide and has previously held senior roles in BUPA, RSA and AXA, including Emerging Markets HR Director and Group Organisational Effectiveness Director.



Nigel Parker

Chief International Operations Officer

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 and Commercial Officer

Paul joined Specsavers in 2009 and has overall accountability for the group finance, tax and treasury, legal, business change, supply chain and commercial functions of the business. 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.



Paul Bott

General Manager - Optics (ANZ)

Paul joined the Specsavers Executive Committee in 2017 as Group Commercial Director based in Guernsey and in 2019 returned to Melbourne with responsibility for our ANZ optics business. 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

Chief Information Officer

Adrian joined Specsavers in 2017 as 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.



Tom Buller

Group Finance Director

Tom joined Specsavers in 2010 as Group Financial Controller. In 2017 he became the Group Finance Director with responsibility for our finance, tax, treasury and risk functions before joining the Specsavers Executive Committee in 2019. Prior to Specsavers, Tom worked in assurance services for Ernst & Young for 10 years supporting businesses in their UK, Channel Islands and Australia practices.

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