



gender pay gap report 2022

ruth's statement

Equality, Diversity and Inclusion (EDI) remains a clear focus on the business agenda, and I am excited within my role as People and Development Director to further influence and shape this as the business continues to grow.

Whilst this year we have reported an increase to our 2022 gender pay gap, this is largely due to structural changes made early in the year at a senior level; and female turnover within our senior leaders which impacted at the point of reporting. We are confident that through our strong action plan (detailed on pages 6 and 7) and overall approach to EDI, talent attraction, learning and development and retention, we will achieve greater equality and progress towards closing this gap.



Since the point of reporting, we have already made marked progress in this area within senior leadership levels, and we will continue to monitor this throughout the year.

At the start of 2022 we implemented stretch targets for gender equality with the goal of achieving a gender balanced workforce by 2030 and 40% female representation within our senior leadership team by 2025. I am pleased to report that we have made good progress towards these and ended 2022 reporting a 1.5 percentage point increase in our gender balance across our workforce and an increase to 35% female representation within our senior team.

Throughout the year we have focused our strategy on attracting and retaining diverse talent. We have continued to ensure an inclusive approach to hiring, with the introduction of standardised competency-based interviews for all operational positions and revising our job adverts to reflect gender-neutral language and tone and promote our approach to flexible working practices.

To further attract diverse talent, we also launched our inclusive brand videos to showcase the diversity of our people and their experiences working at The Gym Group.

To support the retention of female talent, we investigated the key factors impacting our female employees' experiences and drivers to leave the business. In 2023 we will use these insights to shape our approach to female retention and engagement.

Lastly, we were pleased to report 50% female participation on our 'Emerging Talent' management development programme strengthening the diversity within our talent pipeline.

our report

This gender pay gap report is made in respect of The Gym Group plc on a Group-wide basis, including all employing entities in the Group. Under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, companies must report on each employing entity which has at least 250 UK employees.

Although this entity has under 250 employees, we also report on these numbers to provide complete transparency.

We believe performing this analysis on a Group-wide basis is most reflective of the true position at The Gym Group, as a small number of employees work for a different entity to most of our employees.

To comply with the regulations, we additionally show the statutory analysis for our operating subsidiary, The Gym Limited, at the end of this report.

I confirm that the data contained within this report is accurate and that the statutory data is calculated in line with the methodology outlined in the regulations.

Ruth Jackson, People & Development Director

summary

In summary, whilst we have seen a small increase in our gender pay gap impacted largely by structural changes and female leaders affecting the gender balance of our Senior Leadership Team (and those with the highest rates of pay), we remain optimistic that we can address this through our focus on our Equality, Diversity and Inclusivity targets and metrics

Our approach to attracting and retaining female talent and our ongoing commitment to providing internal employee development opportunities with more positive action to focus on female development.

We have continued to deliver and build upon our D&I and gender plans (see our refreshed plan on pages 6 and 7) which details how we are continuing to ensure it has the focus it deserves.



mean gender pay gap in hourly pay

3.3%

median gender pay gap in hourly pay

0.0%

This shows the difference between the mean and median within our hourly rates of pay for male and female employees. A positive number means that these are lower for our female employees than for our male employees.

Whilst we have seen our mean gender pay gap rise to 3.3% (versus 1.62% in 2021), we attribute this largely to the implementation of a director level within our senior leadership structure.

At the time of reporting, more males were appointed at a senior level and therefore receiving higher rates of pay. In addition, several senior female leaders left the business and our senior manager and manager levels within our Gym Support function grew with more males occupying these roles.

Whilst this has had an initial negative impact on our progress towards closing the gender pay gap, we are confident that the actions we have already implemented and those set out in this report will help address closing the gender pay gap. Work has been done at our upper leadership levels however further progress is needed within our growing lower management levels.

As expected, our median gender pay gap has remained the same, this is due to the majority of our employee's undertaking the same role; meaning employees in this role are on the same rate of pay regardless of whether they are male or female.

pay quartiles

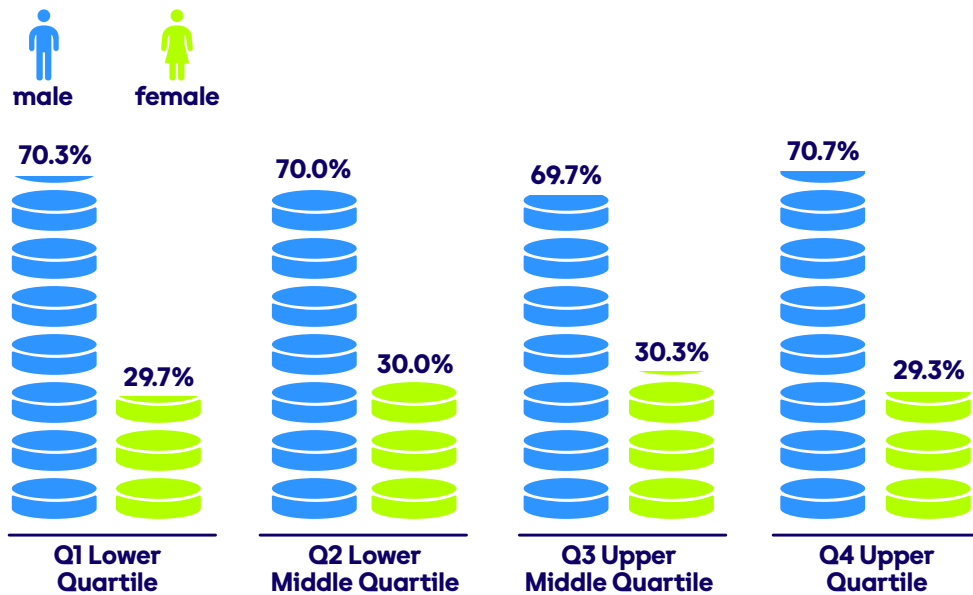
While the majority of our employees during the reporting period continue to be male (circa 70%), the graphic highlights the consistency in the higher male to female ratio in each quartile.

However, we have seen an increase of circa 2-3 percentage points in female representation across all quartiles indicating the progress we are making to achieve a more gender balanced workforce.

Our operating model has the largest affect on quartiles 1,2 and 3 due to the high number of male Fitness Trainers who apply for our roles who are paid at National Minimum Wage.

We have continued to deliver strategies to improve the attraction and retention of women into the fitness industry, through greater representation in our EDI employer brand campaigns, enhancing our brand awareness as an inclusive employer and the introduction of development opportunities and career pathways.

We are taking really positives steps as we explain further in our action plan, but we are aware that broad and significant changes to our demographics will take time and attraction and retention remain a key focus and driver for us to support our longer-term progress.



gender bonus gap

This analysis shows the difference between mean and median bonus pay for male and female employees, including only employees who received a bonus in the year.

A positive number means that the bonus pay for our female employees is lower than for our male employees

As this calculation is based on absolute bonus pay figures for the year, these figures can be affected by employees working hours. These bonus gap numbers are inherently volatile due to the nature of variable pay from year to year and business performance.

As we move away from the impacts of the pandemic and enter a more 'normal' bonus payment structure we are able to report on data more reflective of our business. The impact of the Coronavirus Job Retention Scheme (furlough) during 2021 impacted our ability to provide a true reflection of our bonus pay gap due to a limited number of bonuses being paid out during the year.

It is therefore helpful to mark our progress using our 2020 bonus pay figures as a more 'normal' comparator. Using this data, we can report improvements in closing the mean bonus pay gap by 19.3 percentage points versus the 47% gap reported in 2020.

Some of the 2022 bonus payments relate to voluntary share exercises and therefore will impact bonus reporting depending on the number of males to females who choose to participate.

The underrepresentation of women among our most senior employees is also a factor for our bonus pay gap, as our more senior roles will generally attract a bonus payment/share incentive which is calculated using their salary and as mentioned we have more males in senior roles therefore attracting a higher bonus payment.

proportion receiving bonus pay

This analysis shows the percentage of male and female employees who received bonus pay during the year.

This is an improvement on 2021 reporting which was negatively impacted due to the pandemic and the lack of bonuses awarded.



mean gender pay gap for bonus

27.7%



median gender pay gap for bonus

21.5%



male proportion receiving bonus pay

24.4%



female proportion receiving bonus pay

23.5%



our plan

While our gender pay gap is still significantly lower than the average across the UK economy as a whole, we are committed to reducing it further.

We have a focussed plan to which we will always remain committed and some of the headlines are below:



Senior Hires

- Continue to strive where possible for diverse and gender balanced interview panels for senior hires.
- Continue to work towards gender balanced shortlists and ensure where external agencies are used this requirement is stipulated.

Recruitment

- Continue to build our employer brand presence, using recruitment led assets including campaigns representing women and showcasing the diversity of our workforce.

- Continue to explore options for improving our brand awareness through targeted advertising in order to attract a wider pool of female talent from a broader range of industries.
- Expand our careers page to further promote the inclusive culture here at The Gym Group, highlight our #we'rewithyou approach and breakdown potential stereotypes associated with working in the leisure industry.
- Continue to promote flexible working on all adverts and within hiring discussions.





Conscious Culture at The Gym Group

- Ongoing monthly monitoring of our progress towards improving the attraction, recruitment and progression of females within the business and progress towards our EDI targets.
- Equal Opportunities monitoring across talent mapping and development practices.
- Our Equality, Diversity and Inclusion group, led by our Executive sponsor continue to ensure discussions and positive actions on EDI remain a focus in our business.
- Continued focus on our five to drive barrier areas of; Perception of the gym sector, Visibility and representation, Gymtimidation, Accessibility and Educating and Understanding.
- Continue to support events, share stories and raise awareness through our EDI / 'Let's Talk' Podcasts and internal EDI communications and events calendar.
- Our Gender focussed employee workstream will be responsible for raising awareness, advocating for change and supporting gender equality in the workplace.

Talent, Attraction, Development and Retention

- Implementation of benefits, policy, training and awareness across key life stage events such as fertility, family leave and menopause.

- Continue to evolve and develop our approach to office and remote working and further promote a flexible approach and work life balance.
- Become accredited as a Menopause friendly employer.
- Implementation of our Women in Leadership development programme along with mentoring, apprenticeships and learning opportunities.
- Female focused retention project and action plan.
- Continue to develop our early careers opportunities and provide multiple pathways into a career in fitness with a particular focus on attracting females to the industry.
- Continue to embed our Coaching for Performance programme to aid transparency in the path to progression, career adventure opportunities and decisions relating to promotion and pay review.

Partnerships

- Through our ongoing membership we have continued to participate in the WiHTL HR Leaders steering group, share industry knowledge and contribute to their research to support in increasing women's representation across the industry
- Utilise our Includability membership and Inclusive Employer recognition.

statutory numbers for the gym ltd

The following outlines the statutory data required for the Gym Limited, our operating subsidiary.

hourly pay

Mean gender pay gap in hourly pay **1.0%**

Median gender pay gap in hourly pay **0.0%**

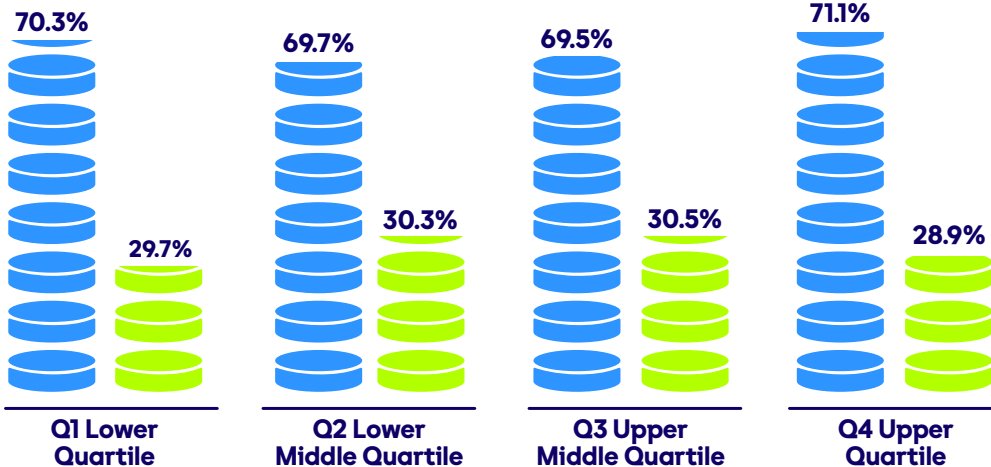
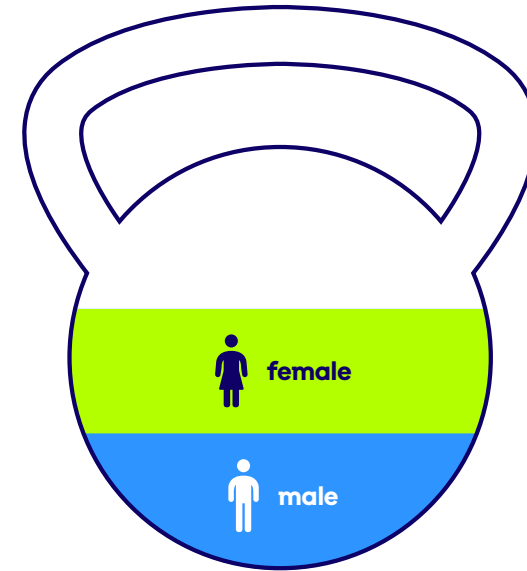
bonus

Mean gender pay gap for bonus **23.7%**

Median gender pay gap for bonus **21.3%**

male proportion receiving bonus pay
24.3%

female proportion receiving bonus pay
24.4%



Our median gender pay gap has remained consistent due to the majority of our employees undertaking the same role meaning the employees in this role are on the same pay rate regardless of whether they are male or female.

In addition, several senior female leaders left the business and our senior manager and manger levels within our Gym Support function grew with more males occupying these roles.

Our mean has however increased, we attribute this to the introduction of a director level into the business in January 2022 increasing the number of males at a senior level and therefore higher rate of pay.

thank you



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