

ESG at the gym group

Webinar

27th June 2024





breaking down barriers
to fitness for all



Today's agenda

Introduction

Will Orr, Chief Executive Officer

Good health & wellbeing

Cornelia Woschek, Business Development & Sustainability Director

Good jobs & career opportunities; EDI

Ruth Jackson, Chief People Officer

Responsibility to the environment & governance

David Melhuish, Chief Development & Sustainability Officer

Summary, followed by Q&A

Will Orr, Chief Executive Officer



the gym group at a glance



237 gyms

>900k members

ARPM £19.50



value

from £13.99
per month

high quality kit
free classes



convenience

no contract
local
24/7



results

expert trainers
highly rated app
online workouts

member visits up

+10% YoY

Avg. visits per member per month 2022-23

92% rate us

4/5 or higher

Avg. 2023 member satisfaction

Google & Trustpilot

4.5/5

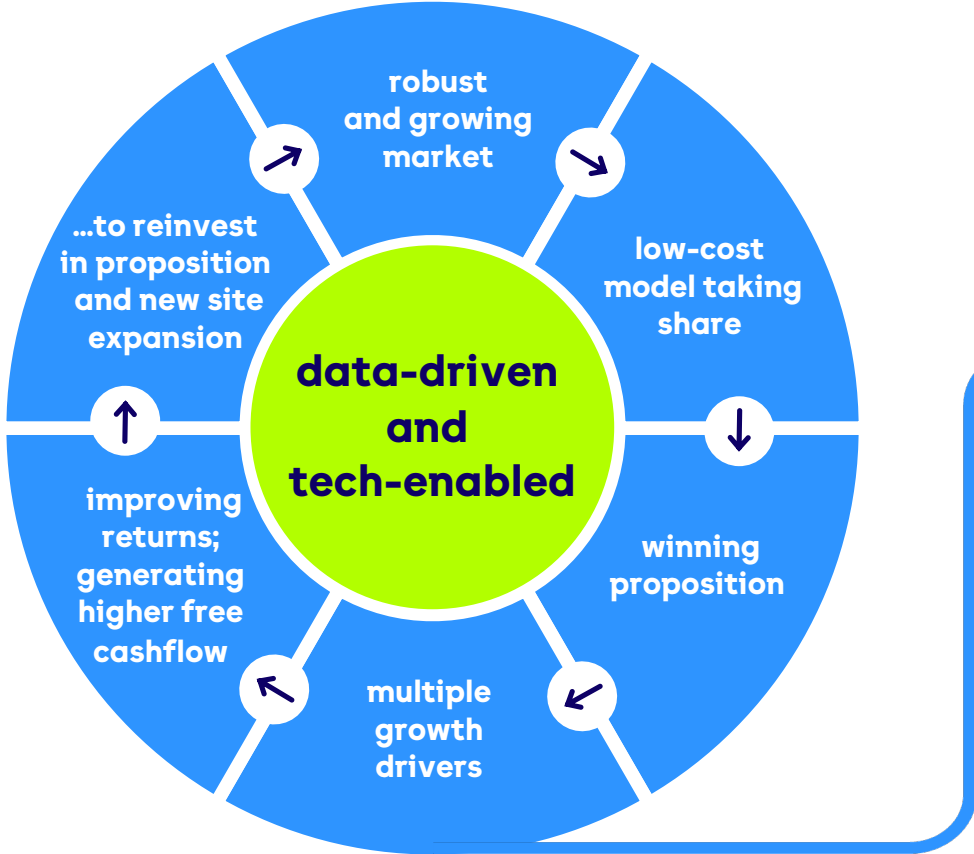
Avg. combined rating 2023

80% app usage, rated

4.7/5

% members using our app, avg. iOS rating 2023

Investment case: sustained growth from free cash flow



price optimisation and yield enhancement

new customer volume around existing sites

retention of members for longer

high quality new sites in white space

The next chapter growth plan



breaking down barriers to fitness for all

ESG at the gym group



- 3** GOOD HEALTH AND WELL-BEING
- 4** QUALITY EDUCATION
- 5** GENDER EQUALITY
- 7** AFFORDABLE AND CLEAN ENERGY
- 8** DECENT WORK AND ECONOMIC GROWTH
- 10** REDUCED INEQUALITIES
- 12** RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13** CLIMATE ACTION

Colours reflect alignment to the UN Sustainable Development Goals

ESG targets at the gym group



A proud track record in ESG



healthy people

Avg visits per member
+22% since 2019

64m visits per year

Social value growth of
27% since 2019

healthy communities

Sunday Times best
places to work 2024

First national gym chain to
achieve ISO45001
certification

Partnership with NHS
Charities Together

healthy planet

First carbon neutral
UK gym chain

SBTi validated
net zero targets

Electricity consumption
down by 4.8% LFL in FY23

Good health & wellbeing

Cornelia Woschek



Impact of regular exercise on our members



My daughter was unhappy last year after two significant operations, both with subsequent problems. Her confidence was low – especially her body confidence. After two PT courses, she has now lost significant weight, retained muscle, strength, fitness and health. She will do a half marathon in July. Her body confidence is now extremely high and she's much happier.
Parent of member at TGG Cardiff Newport Road



I had high blood pressure, was overweight, diagnosed with stage 2 diabetes and had severe back pain. Since I started exercising at the gym group, my blood pressure is now normal, my diabetes diagnosis changed to pre-diabetic and I have lost a lot of weight. My back pain is under control and I no longer need an operation.
Member at TGG Oadby



I was diagnosed with depression and anxiety and was prescribed anti-depressants to cope with day-to-day living. However, I felt I had to find my own path to improve my mental wellbeing. I always look forward to going to the gym and feel so much better afterwards. That positive feeling doesn't leave me, it stays with me for the rest of the day.
Member at TGG Greenwich



Measuring social value at the gym group

Building on extensive research, 4global partnered with sector-leading organisations to build the Social Value Calculator to evidence the impact of physical activity and sports participation.



Leading UK academic institution created the underlying model for measuring the social value of physical activity and sports participation in England, on behalf of DCMS and Sport England.



4global manages the DataHub - the largest repository for sport and physical activity data in the UK, integrated and enhanced through a suite of participation and business intelligence modules.

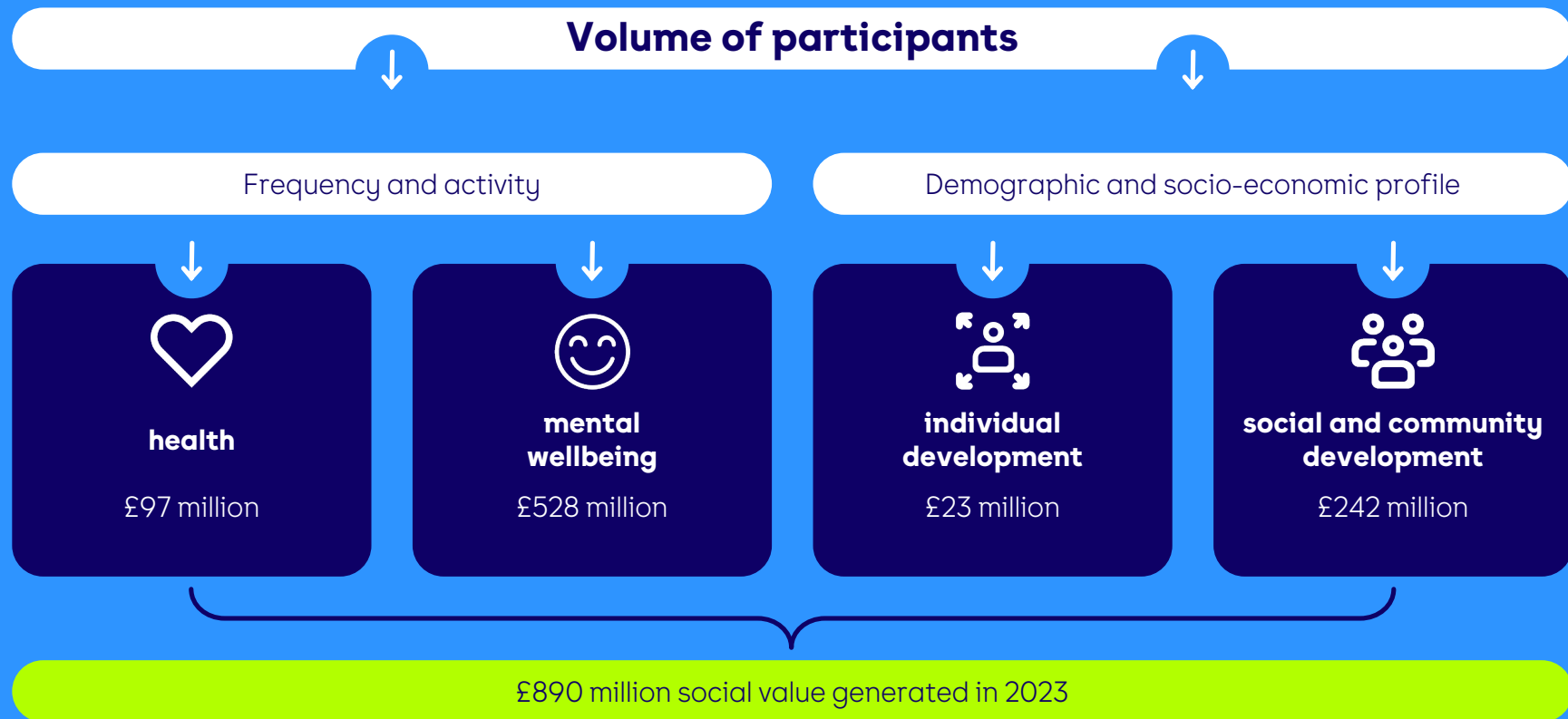


The largest socio-economic and credit data provider in the UK uses their lifestyle data at individual and household level to assess risk profiles across a range of social indicators.

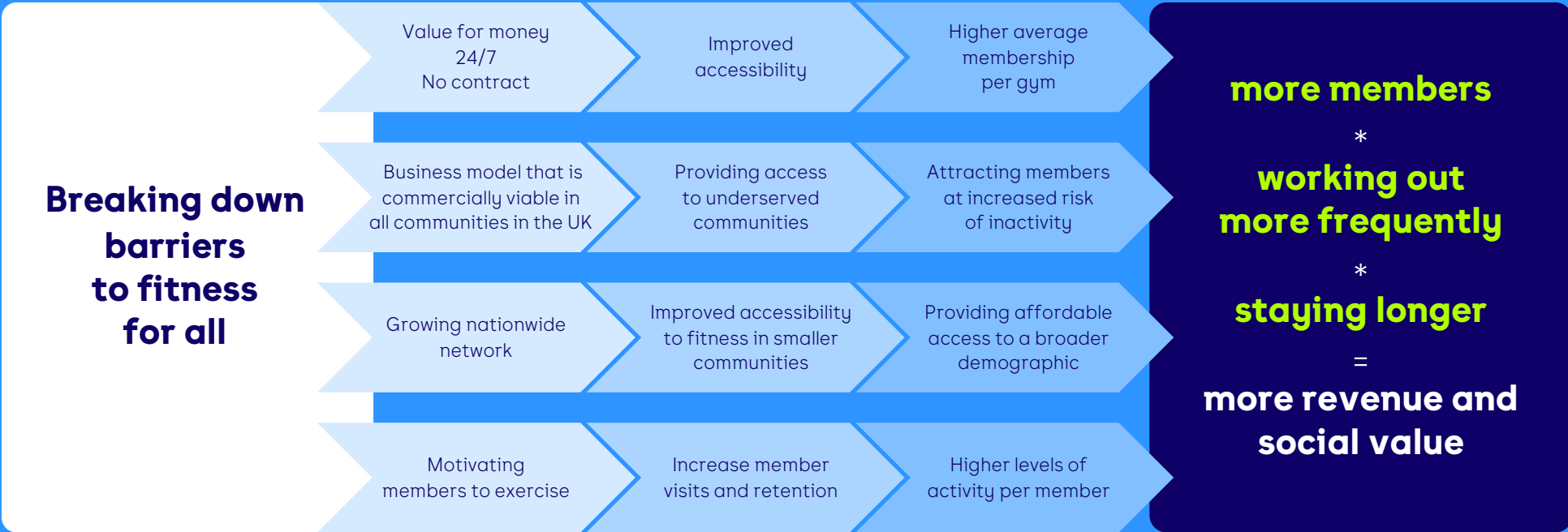
Model used by government & key sector stakeholders



More members exercising more frequently for longer increases social value



Delivering on our purpose drives commercial success and social value



New long term partnership with NHS Charities Together



Damage to health through inactivity places more pressure on the NHS

Raise awareness of benefits of regular exercise

Providing meaningful volunteering opportunities in local health projects

Leading the way in keeping members & employees safe



UK's First 24/7 Gym Chain to achieve certification to EN 17229 under FITcert® Stage 4



UK's First National Gym Chain to achieve certification to ISO 45001



2024 RoSPA Gold Award Winner

Good jobs & career opportunities equality, diversity & inclusion

Ruth Jackson





highly engaged, high performing teams critical to delivering positive member experience



meaningful career journeys & commitment to ED&I breaking down barriers



Engaged teams



THE SUNDAY TIMES
T Best Places to Work 2024
BIG ORGANISATION



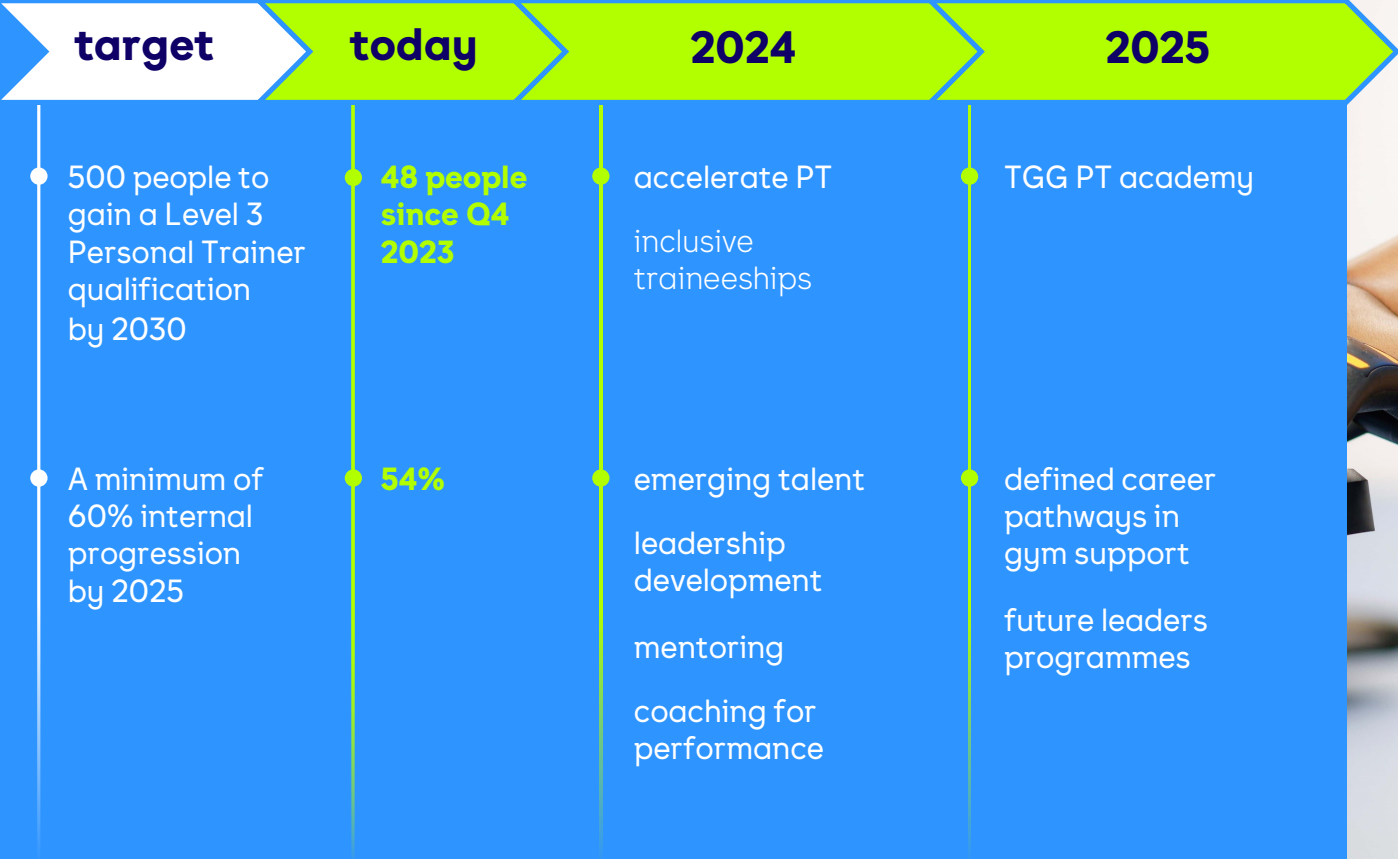
engagement score
8.7
0.7 above True Benchmark® 8.0 >
Great job!
In the top 25% of Consumer - Consumer Services - Hotels, Restaurants & Leisure



INVESTORS IN PEOPLE®
We invest in people Gold



Good jobs and career opportunities



Dorcas Viela - Fitness Trainer

Equality, diversity & inclusion

target	today	2024	2025
<ul style="list-style-type: none"> 50:50 gender balance by 2030 40% female senior leaders by 2025 20% ethnically diverse leaders by 2030 	<ul style="list-style-type: none"> 31% female 69% male 29% female 71% male 14% diverse 86% white 	<ul style="list-style-type: none"> Engagement survey monitoring <ul style="list-style-type: none"> D&I score 9/10 network groups <ul style="list-style-type: none"> Age Inclusion Gender LGBTQI+ Cultural Diversity Disability reverse mentoring 	<ul style="list-style-type: none"> reverse mentoring inclusion training ethnic future leaders programme



mean gender pay gap in hourly pay

0.6%

median gender pay gap in hourly pay

0.0%

mean ethnicity pay gap

22.7%

median ethnicity pay gap

0.0%

Responsibility to the environment

David Melhuish



Delivering a credible net zero pathway

50% reduction in scope
1 and 2 emissions by

2030

decarbonising operational
emissions by

2035

Science based target to
achieve net-zero by

2045



SCIENCE
BASED
TARGETS

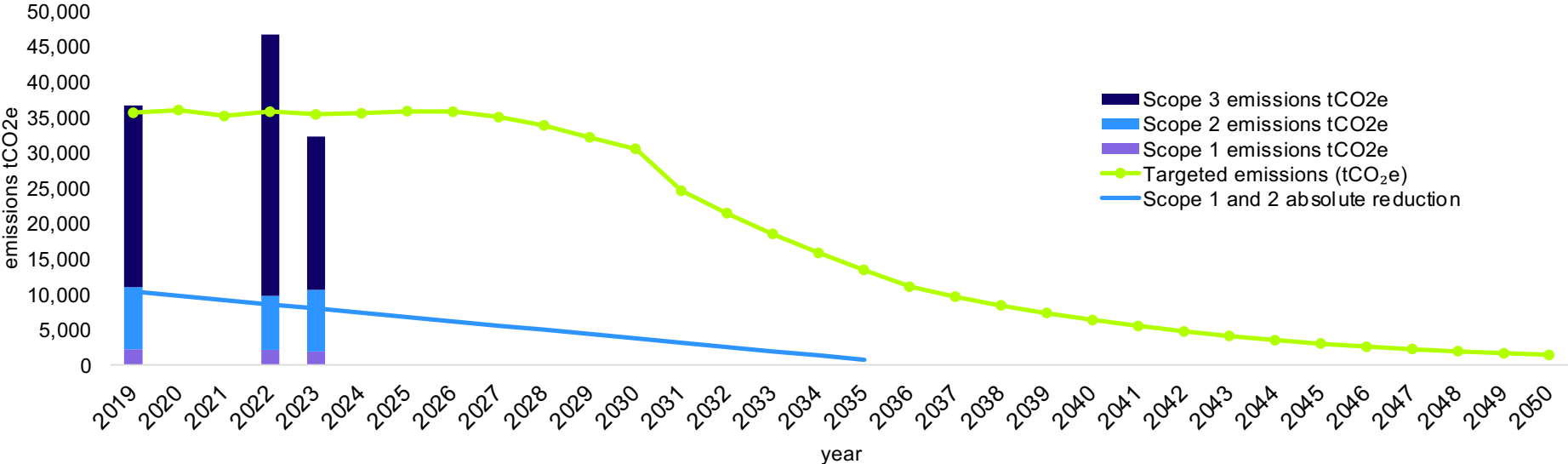
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

validated to follow
a reduction pathway
limiting global warming
to 1.5°C

Progress against our net zero target

Scope 1, 2 and 3 emissions reduction

Scope 1, 2 and 3 emissions reduction

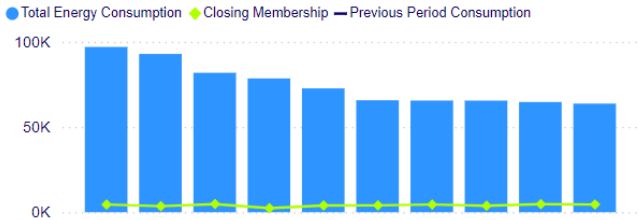


	2019		2022		2023	
Direct emissions from operations (Scope 1)	2,157	6%	2,138	5%	1,884	6%
Purchased electricity and heat (Scope 2)	8,797	24%	7,633	16%	8,701	27%
Indirect emissions in value chain (Scope 3)	25,660	70%	36,837	79%	21,657	67%
Total emissions (tCO₂e)	36,614		46,608		32,242	

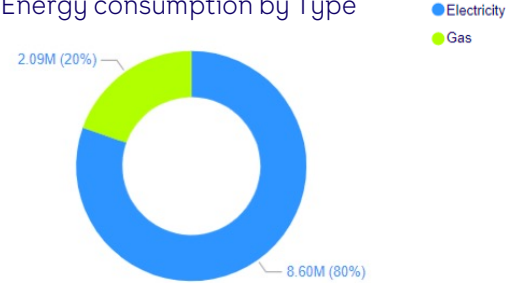
Driving energy efficiency by analysis of gym consumption & cost

Comparison of performance by site

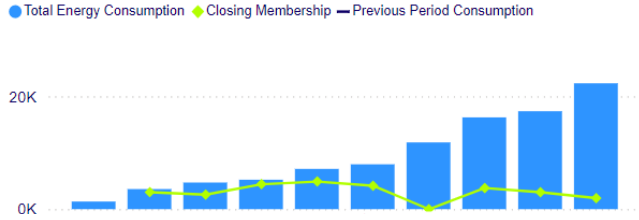
Top 10 consumers



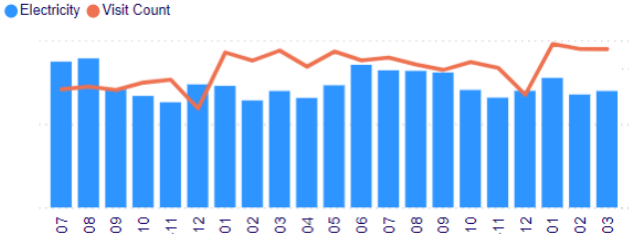
Energy consumption by Type



Bottom 10 consumers



Energy consumption vs visit count



comparison of gym energy consumption across the estate

poor performing gyms targeted for review and intervention

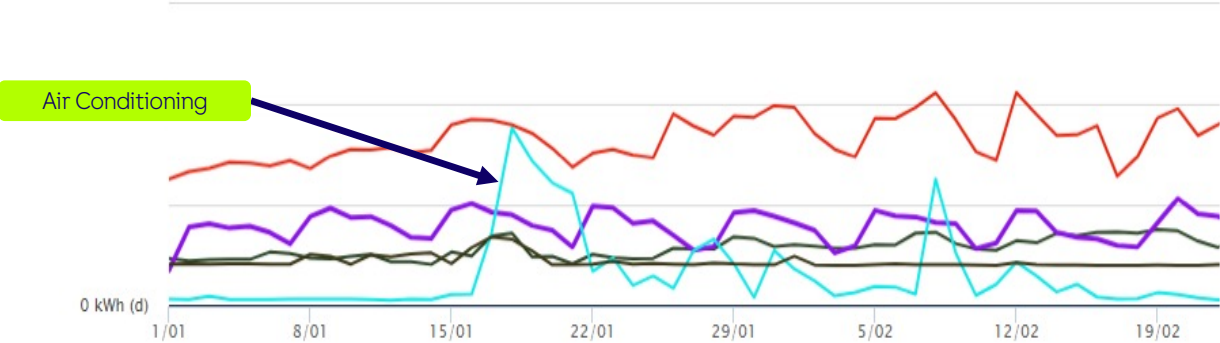
energy intensity metrics by gym size, membership and member visits

league tables of performance used to engage gym teams

Driving energy efficiency by analysis of gym consumption & cost

Understanding where our energy is used

Plant & Equipment Power Consumption – Grimsby Jan-Feb 2024



- Individual site level detailed analysis allows identification of where energy is consumed
- Informing our design improvements and capital investment





we're with you
for a fit future

Energy saving initiatives

join the 2024 '20° is plenty' initiative

Last year we reduced our L4L energy consumption by 5%.
What a brilliant effort by everybody involved!

Our team in Hounslow was able to reduce energy consumption by a whopping 19% followed closely by Bracknell and Cardiff City Centre.

here are some tips for what you could do to keep the planet cool:

- ✱ Ensure the air-conditioning is set to cooling only
- ⊗ If you have a studio, turn the air-conditioning off when it is not in use
- 💡 Set the temperature in your gym to 20°C minimum
- 🔌 Try and turn off the air-conditioning overnight if possible
- ⊗ Turn off the air-conditioning in the changing rooms (use by exception only)

make a difference; 20° is plenty low enough
(If you can make it work at 21° – go for it)

Cooling warms the planet and increases our carbon footprint.

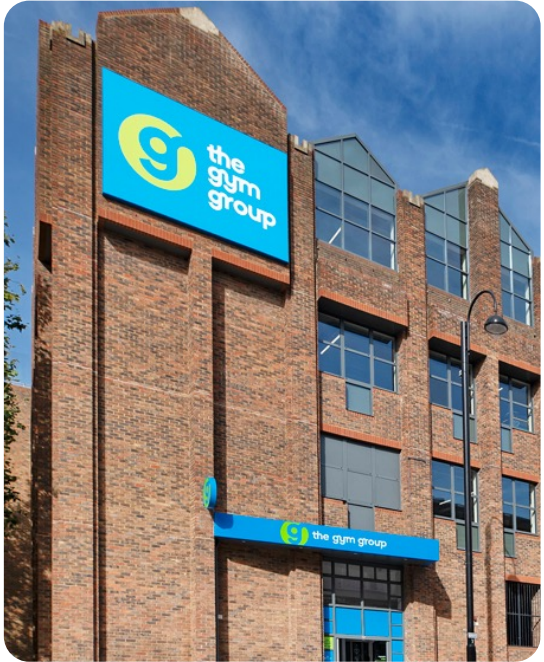


team engagement



Capital cost c.£10k
Energy reduction average 8%
Simple payback 24 months

voltage optimisation



solar panels

Water saving initiatives



Fitting 'limpet' devices to water meters to enable remote data logging

Trends and benchmarking enable issues to be detected early

remote monitoring & targeting



Our original shower heads discharged 9 litres per minute

Our current shower heads discharge 6 litres per minute

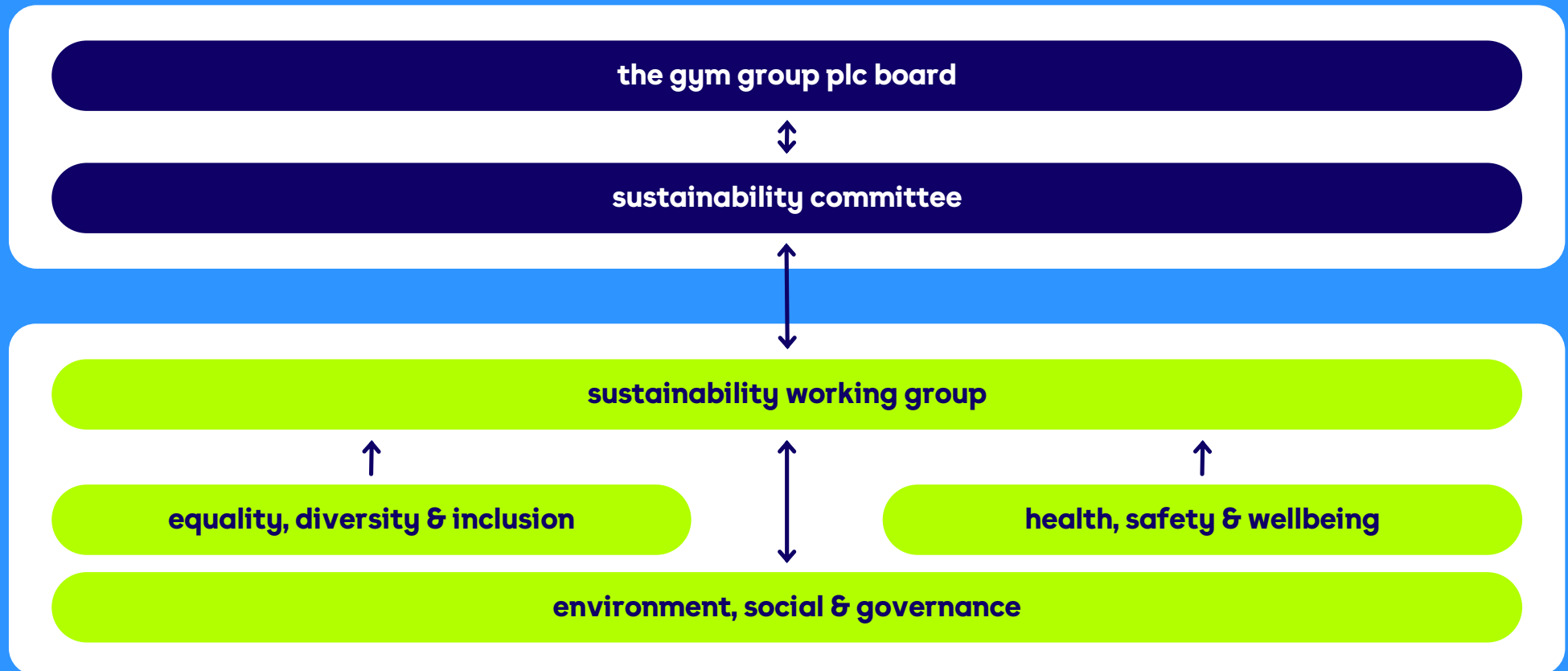
We have over 2,000 showers

shower heads

Governance at the gym group

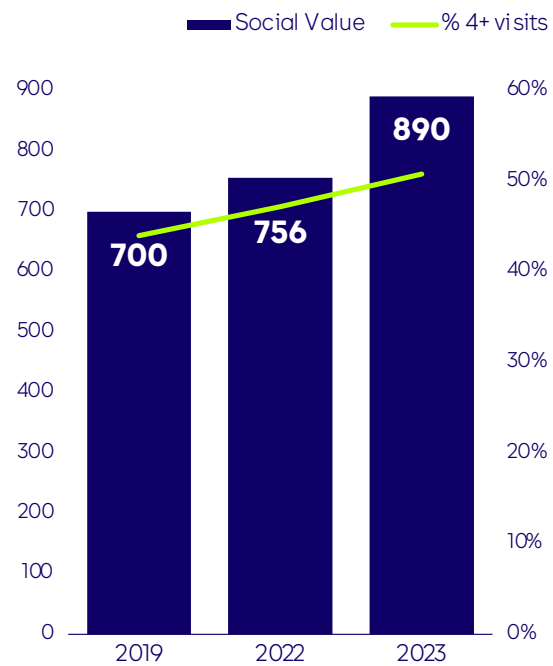
David Melhuish

Who is responsible for ESG at the gym group?



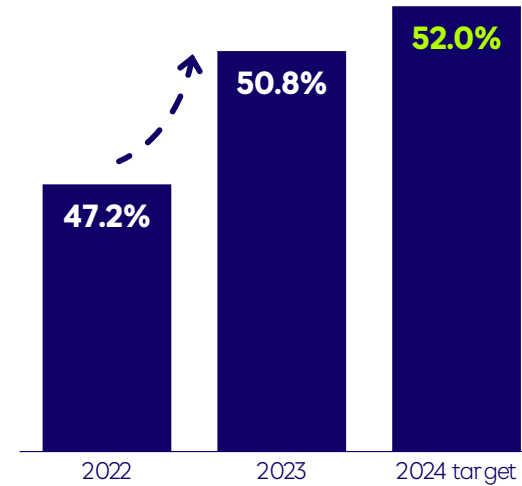
Targets are linked to executive pay

Growth in Social Value

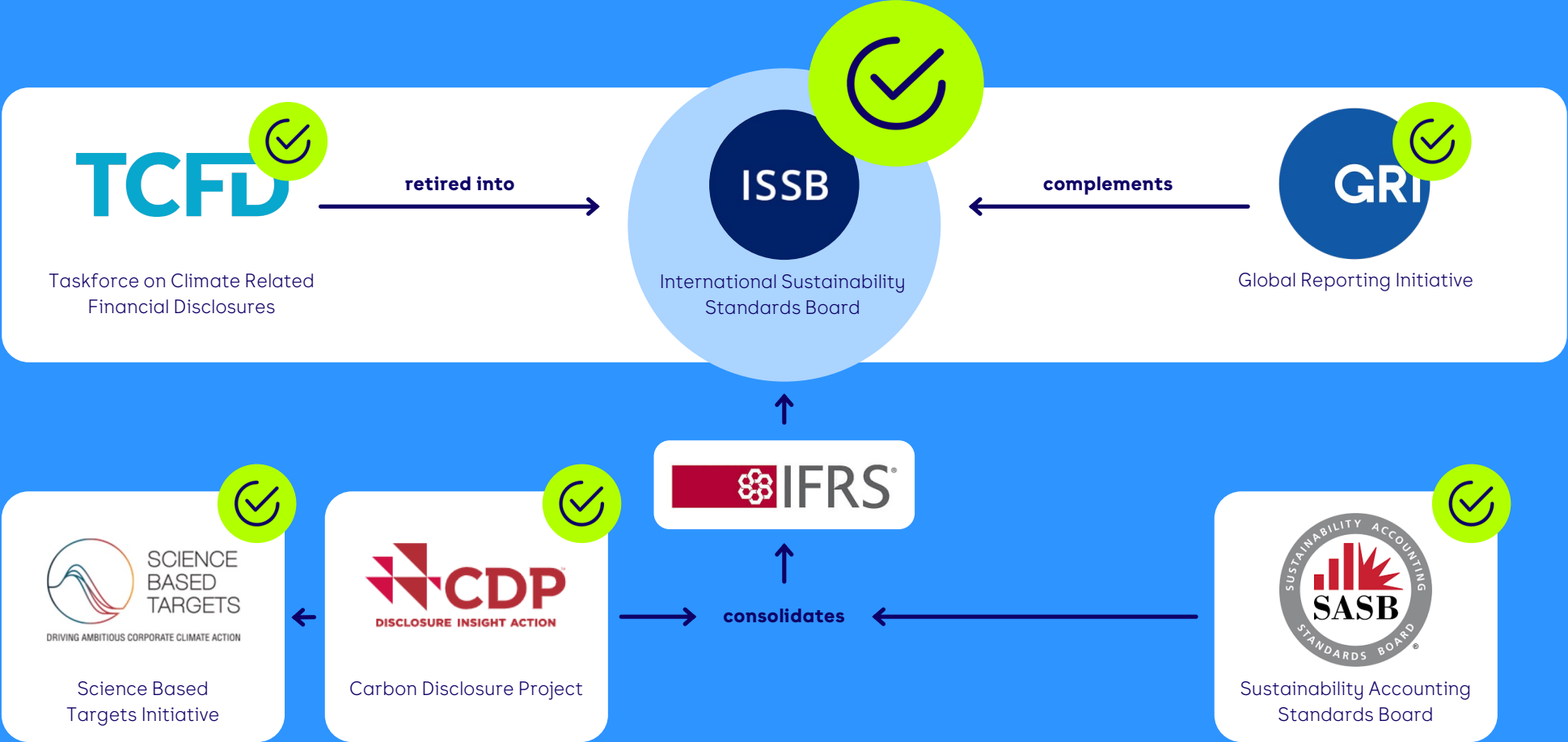


Member visits

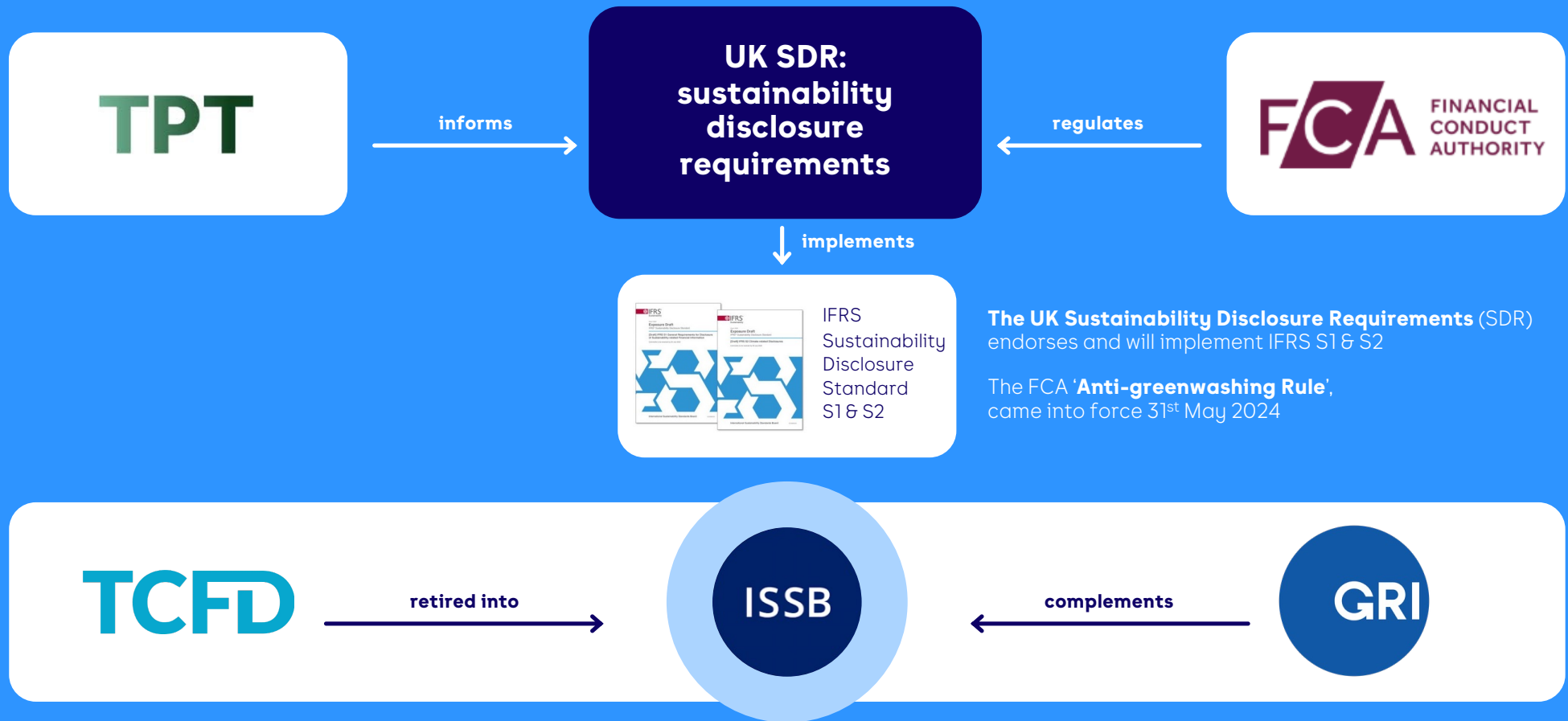
Increasing the percentage of members visiting our gyms 4x or more per month



Sustainability standards and reporting is evolving...



...and is now increasing at pace across all jurisdictions



How ESG can create value by mitigating risks & recognising opportunities



transition climate related risks

Increasingly demanding regulation



physical climate related risks

Extreme weather events



climate related opportunities

- Increased energy efficiency
- Increasing relevance of healthy living
- Increased demand for indoor exercise
- Climate resilient
- Preparing for a zero carbon future
- Stronger supplier relationships
- Enhanced investor confidence with robust transition planning

Summary

Will Orr

Summary

01

Investment case: commitment to deliver sustained growth from free cashflow

02

Next Chapter growth plan enhanced by ESG plan and progress

03

More members exercising more for longer = Social Value *and* revenue growth

04

Supported by engaged teams & site cost management to drive strong cashflows

05

Healthy people, healthy communities, healthy planet *and improved returns to shareholders*

Upcoming dates

Pre-close trading update
10 July 2024

Interim results
11 September 2024

Q&A

Appendix

How do we protect data and manage risks?

functions within tgg 

Data Protection


Information Security

IT Monitoring for threats and vulnerabilities

Data Protection Officer

Policies and Procedures

Bespoke staff training

external audits 

GDPR Compliance

PCI level 2

Cyber Essentials

risk management 

Fortnightly risk and compliance meetings

Data Protection is on the risk register

Presentations to ExCo