

GENDER PAY GAP REPORT 2020



the gym.

STATEMENT



During 2019 / 2020 our Diversity and Inclusion working group has been a major focus to ensure that not only gender; but all aspects of culture diversity and inclusivity are given the focus and the time which are required. We have launched our Diversity & Inclusion manifesto which clearly sets out our commitments to creating a more diverse and inclusive workspace and the actions we are taking to achieve this. Our aim is to ensure that The Gym Group is a place where everyone is welcome, accepted for who they are and have equal opportunity to succeed. Our Chairwomen – Penny Hughes was recognised in 2020 as an Advocate for Change within Women in Hospitality, Travel and Leisure (WiHTL), as an acknowledgement of her commitment to driving change and promoting equality, inclusion and diversity at The Gym Group.

The Gym Group is 'a place to be you' and we want to make it clear and transparent that we are all about inclusion. The manifesto showcases our culture and values as we are very proud of them and believe they are key drivers in championing inclusivity and creating a positive employee

experience. We have determined our commitments and then further backed this up by our Equality, Diversity and Inclusivity pledge which myself and the executive team have all signed up to. We champion and encourage everyone at The Gym to be who they are and to bring the best version of themselves to work #BeYouWithUs.

Recruitment continues to be a key focus and we have undertaken some research which shows that predominately more males are Personal Trainer qualified than females. We therefore need to ensure that our recruitment and attraction campaigns target this smaller population of females and remove those potential stereotypes that the fitness industry is more suited to male applicants. All vacancies within The Gym are posted internally and everyone has an opportunity to apply. We constantly evaluate our job profiles and pay bands to ensure they are reflective of the market. We can also still confidently say that we pay both men and women equally for the same or equivalent work and we are confident that our small gender pay gap does not reflect unequal pay.

In summary, our gender pay gap is still formed largely because our Senior Leadership Team (and those with the highest rates of pay), are mainly filled by male employees. We are continuing to focus on this by introducing metrics in our Equality, Diversity and Inclusivity pledge and also by launching our Inclusivity manifesto so future hires and current employees can really see how much of a focus this is for us.

As 2020 was a year we never anticipated, our detailed plan which was set for last year will continue to be built upon and delivered. See our refreshed plan on page 5 which details how we are continuing to ensure it has the focus it deserves. We are proud that we enable our workforce to work flexibly and smart, and that our approach to family-friendly policies really supports this. 2020 ensured that we focused heavily on our flexible working policies, we updated and amended where required and created Working from Home guidance to support our employees during this time. Although our Gender Pay Gap has increased slightly, our gap is still extremely low in comparison to the National average of 15.5% in 2020 (from Office of National Statistics).



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. 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 the majority of our employees. In order to comply with the

regulations, we additionally show the statutory analysis for our operating subsidiary, The Gym Limited, at the end of this report. Although this entity has under 250 employees, we also report on these numbers to provide complete transparency.

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.

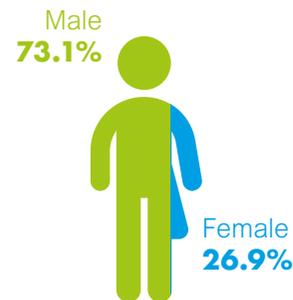
OUR GENDER PAY GAP

While the majority of our employees during the reporting period are male (circa 72%), the graphic highlights the consistency in the higher male to female ratio in each quartile. This influences significantly both the hourly pay gaps and the bonus pay gaps (as our most senior employees are more likely to be eligible to receive bonus pay). Our operating model has the largest effect on quartiles 1 and 2 due to the high number of male Fitness Trainers who apply for our roles who are paid at NMW.

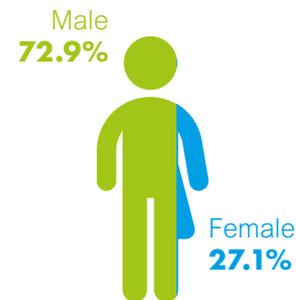
Our new recruitment campaign #BeYouWithUs is continuing our drive to attracting more applications from female applicants and where possible we are aiming for a gender and culturally diverse short list for all roles. The tracking and reporting of gender through all stages of application, interview and offer is an area of focus and is discussed on a monthly basis during Executive Board meetings. 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 are an absolute key focus and driver for us to support our longer-term progression.

PAY QUARTILES

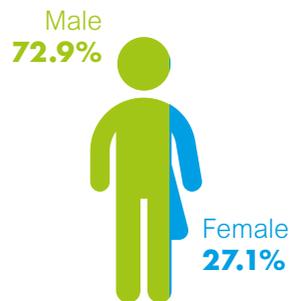
Q1 - LOWER QUARTILE



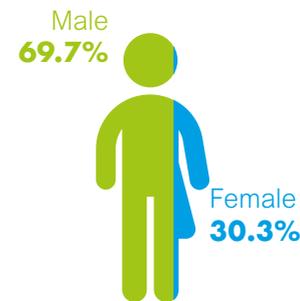
Q2 - LOWER MIDDLE QUARTILE



Q3 - UPPER MIDDLE QUARTILE



Q4 - UPPER QUARTILE



Mean gender pay gap in hourly pay

5.48%

Median gender pay gap in hourly pay

0.00%

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.

Our mean gap has increased slightly from 2.02% in 2019 to 5.48% now which is predominately due to more males in senior roles than females which you can see in our salary quartiles. Our Equality, Diversity and Inclusivity Pledge sets to address this with targets being placed on 2021 for numbers of female hires across our senior leadership team to ensure this has a focus from all levels.

Our median gender pay gap has reduced, this is due to our employee numbers increasing, we have approximately 1200 more employees employed directly by The Gym Group and the majority of these undertake the same role; meaning the employee's in this role are on the same rate of pay regardless of whether they are male or female.

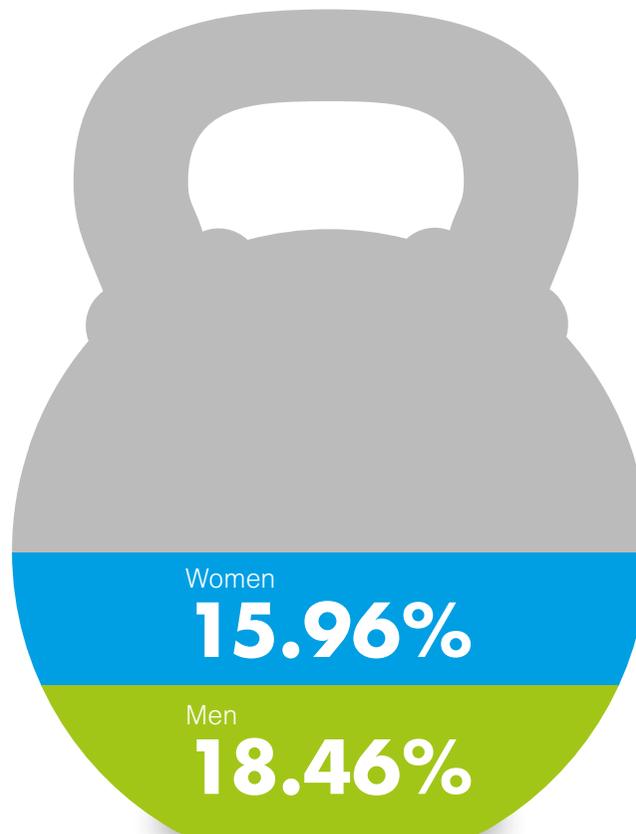
GENDER BONUS GAP

PROPORTION RECEIVING BONUS PAY

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

LTIP and Restricted Stock share vesting in March 2020 meant that slightly more male employees received bonus pay last year, whilst a slightly lower number of female employees received a bonus. This is again due to the senior-leader split as only this population of employees received the LTIP / Restricted Stock share options. This therefore reflects the gender split among those roles which are eligible for bonus pay.

We have however closed the gap here, in 2019; 32.68% of male employees earned a bonus vs 18.14% of females. As more females join the business in the management positions which attract a bonus and share schemes, we are starting to see an impact here.



Mean gender bonus gap

47%

Median gender bonus gap

27%

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.

Although, as highlighted, the underrepresentation of women among our most senior employees is also a factor as our more senior roles will generally attract a bonus payment.

OUR PLAN

SENIOR HIRES

- Diverse and gender balanced interview panels for senior hires
- Shortlisting diversity - working towards shortlists representing 50% male candidates and 50% female candidates

RECRUITMENT

- New recruitment campaign representing a fairer gender balance and reflects our diverse workforce across our job adverts, video and social media advertising
- Currently exploring options for improving our brand awareness through targeted advertising in order to attract a wider pool of female talent from broader range of industries
- Launch of new Careers page further promoting and highlighting the inclusive culture here at The Gym Group, a place where you can #BeYouWithUs which aims to break down the potential stereotypes associated with working within the leisure industry
- Promotion of flexible working on all adverts
- Targeting specific jobs boards such as Working Mums to highlight our flexibility

WIHTL PARTNERSHIP (Women In Hospitality, Travel & Leisure)

- Through our ongoing membership we have continued to participate in WIHTL HR leaders steering group, and share our industry knowledge and data to contribute to their reporting of industry impacts and progress towards increasing women's and ethnic minorities' representation at all levels and in leadership positions across the industry

UNCONSCIOUS BIAS FOCUS

- Launch of D & I manifesto and embed the values
- Standard interview questions to create transparency and clear assessment
- Introduce training for key roles to create an awareness of the power of assumption, association and preference in recruitment
- Recruitment best practice guide for hiring managing to help support the elimination of any bias in the recruitment process

PROMOTION, PAY, REWARD & DEVELOPMENT TRANSPARENCY

- Embedding our Coaching for Performance programme to aid transparency in the path to progression and career adventures and decisions relating to promotion and pay
- Mentoring and reverse mentoring programmes to support female employees
- Develop and embed a Diversity, Equality and Inclusion dashboard to be reviewed monthly as part of equal monitoring procedures. Will enable us to track our progress towards improving the attraction, recruitment and progression of females within the business

BUILDING AN INCLUSIVE CULTURE & LEADERSHIP TEAM

- D&I / 'Let's Get Talking' Podcasts for awareness
- Diversity and Inclusion group, led by our Executive sponsors, has played a crucial role in raising the agenda for discussions and positive action on diversity.
- Development of parental toolkits for employees and managers to support the process and encourage return to work and retention.
- Launch our Equality, Diversity and Inclusion Executive Pledge, demonstrating our leaders personal commitment and accountability to achieving our 2021 principles, ambitions and targets to improving fairer gender representation in the business

OUR GENDER PAY GAP

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

Mean gender pay gap in hourly pay **0.63%**

Median gender pay gap in hourly pay **0.00%**

Mean gender pay gap for bonus **40.04%**

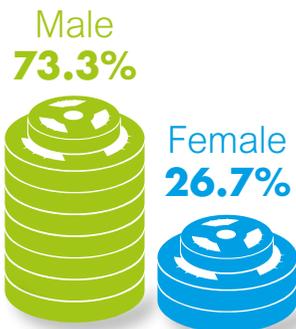
Median gender pay gap for bonus **25.64%**

% of males paid a bonus **18.24%**

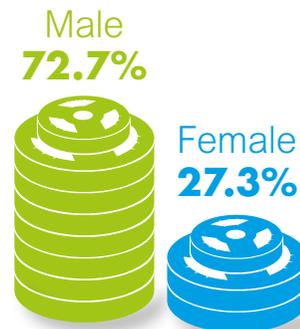
% of females paid a bonus **15.87%**

PAY QUANTILES

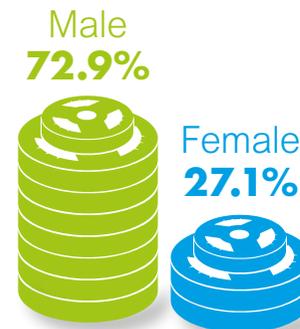
Q1 - LOWER QUANTILE



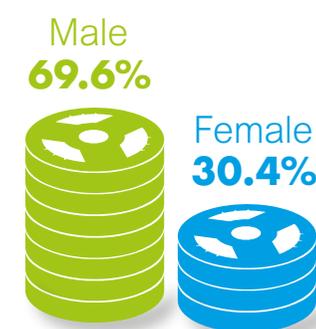
Q2 - LOWER MIDDLE QUANTILE



Q3 - UPPER MIDDLE QUANTILE



Q4 - UPPER QUANTILE



Our mean and median gender pay gap has reduced; this is due to our employee numbers increasing. We now have 1200 more employees who are directly employed by The gym Group and the majority of these undertake the same role meaning the employee's in this role are on the same pay rate regardless of whether they are male or female.