

ETHNICITY PAY GAP

REPORT 2021

the gym group

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ANN-MARIE'S STATEMENT

At The Gym Group we are committed to ensuring we provide an inclusive environment where everyone can succeed. As we continue to drive equality, diversity and inclusion across our business, it is vital that we monitor the impact and progress of our EDI initiatives and identify areas where further improvement is required. This year, I am pleased to say that we are publishing our first Ethnicity Pay Gap summary.

In 2020 we signed the Business in the Community 'Race at Work Charter' committing to improve representation of ethnic minority employees at all levels of our organisation. Within this was our commitment to improve our ethnicity data collection and monitoring. Our successful data drives have enabled us to voluntarily report and publish our ethnicity pay gap for the first year and broaden our existing equal opportunities monitoring. We recognise that the data within this report provides only a snapshot and does not currently account for a more comprehensive breakdown allowing for deeper analysis across categories of ethnicity, role types, and intersectionality which we will aim to incorporate as we evolve our ethnicity pay gap reporting. However, this is just the start, and we believe an important first step towards us providing more transparency and understanding of the actions we need to take to ensure equality of opportunity across our business.

We continue to make progress with our wider Diversity and Inclusion commitments, ensuring they remain firmly on our agenda. Our Executive Equality, Diversity and Inclusion Pledge, determined our commitments for 2021 with targets focussed on improving our culturally diverse representation across the business and within our senior leadership teams. We will review, and where applicable, stretch our targets to ensure we continue to provide equality of opportunity and close our ethnicity pay gap. Our Diversity and Inclusion steering group have remained focussed on raising the profile on discussions and actions around inclusion at The Gym Group. The group commenced research across five areas of diversity including Cultural Diversity, which will support in providing valuable insights into the specific barriers that exist within our business and wider industry. The outputs of this



Ann-Marie Murphy
Chief Operating Officer

project will help shape our approach to driving greater equality so that The Gym Group remains a place where everyone is welcome, accepted for who they are and has equal opportunity to succeed.

Our Diversity & Inclusion Manifesto, mandatory Inclusion at The Gym Group and Unconscious Bias training and Dignity at The Gym policy help showcase the culture and values we are so proud of and believe they are key drivers in championing inclusivity and creating a positive employee experience.

Through our participation in the government Kickstart scheme, as well as our future commitments to build our own Gym Academy and Apprenticeship scheme, we aim to create opportunities to broaden and diversify the talent pipeline from which we recruit and promote from, whilst investing in the diverse communities we

serve. We appreciate that this may initially widen the ethnicity pay gap as these opportunities largely impact entry level roles.

In summary our Ethnicity pay gap is largely impacted by a lack of ethnically diverse representation within senior hires roles which typically have a higher rate of pay. We continue to address this through our Equality, Diversity and Inclusion pledge, approach to recruitment and brand awareness to support in the attraction of talent to our business and position ourselves strongly in the market as an employer of choice. Over the next year we remain committed to providing internal development pathways and opportunities to support our pipeline of talent.

Throughout 2021 we have continued to deliver and build upon our D&I plans. See our refreshed plan on page 9 which details how we are continuing to ensure this has the focus it deserves.



OUR REPORT

This ethnicity pay gap report is made in respect of The Gym Group plc on a Group-wide basis, including all employing entities in the Group. 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. I confirm that the data contained within this report is accurate and that the data is calculated in line with the methodology outlined in the Gender Pay Gap regulations.



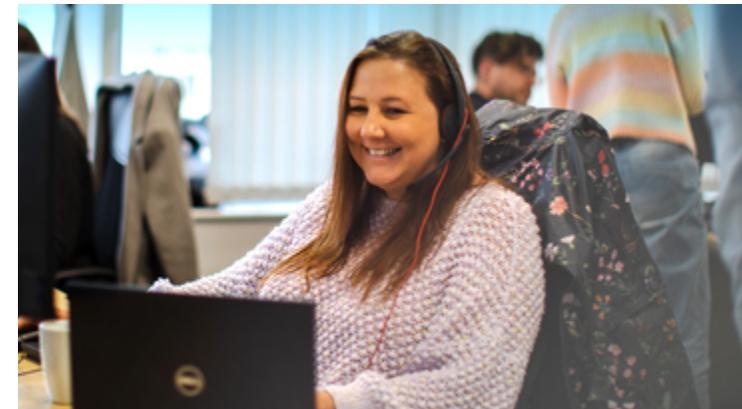
OUR PEOPLE

Over the last two years we have focussed on building the foundations to enable us to accurately report and monitor our employee demographics and equal opportunities. Through engaging our employees in our Diversity & Inclusion initiatives, remaining transparent in our commitments and through regular employee data drives, we are pleased to have been successful in collecting a high proportion of ethnicity data for our workforce. Our ethnicity pay gap data was collected on the snapshot date of 5 April 2021. At this time there were 1,852 employees 96% of which disclosed their ethnicity data. For the purposes of this report, those who we do not hold data for have not been included within the data below.

OF THOSE WHO HAVE DISCLOSED THEIR ETHNICITY:



The most recently published census (2011) advised that 86% of the UK's population identified as White. Whilst we recognise this is not the most current data set it does indicate that as a whole our business is representative of the UK population. Furthermore, alongside our business growth we have continued to see workforce diversity increase.



OUR ETHNICITY HOURLY PAY GAP

The majority of our employees during the reporting period are of White background (circa 70%). We can see there is consistency across the pay quartiles between the ratio of white employees and those from Black/Asian, mixed or Other Ethnic Minority Backgrounds, with the exception of the Upper Quartile where the ratio widens. The upper quartile significantly influences the hourly pay gaps as a higher percentage of our senior employees are White and senior roles are paid at a higher hourly rate.

Following the success of our recruitment campaign #BeYouWithUs we will continue to update and run these campaigns throughout 2021/2022. Through this we will continue to aim for diverse short lists for all roles. The tracking and reporting of ethnicity at application, through to interview through to 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.

**MEAN ETHNICITY PAY
GAP IN HOURLY PAY**

16%

**MEDIAN ETHNICITY PAY
GAP IN HOURLY PAY**

0%

**% OF WHITE EMPLOYEES
PAID A BONUS**

2%



MEAN

Our mean ethnicity pay gap indicates that on average White employees at The Gym Group are paid 16% more than Black, Asian, Mixed or Other Ethnic Minority Background employees. This is predominantly due to more White employees holding senior roles than those from Black, Asian, Mixed or Other Ethnic Minority Backgrounds. Our Equality, Diversity and Inclusion Pledge sets to address this with targets being placed in 2021/2022 for numbers of diverse hires across our senior leadership team to ensure this has a focus from all levels.

MEDIAN

Our median pay gap is 0%, this is due to the majority of workforce being made up of employees who undertake the same role; meaning the employee's in this role are on the same hourly rate of pay regardless of their ethnicity.

MEAN AND MEDIAN

This shows the difference between the mean and median within our hourly rates of pay for White employees and Black, Asian, Mixed or Other Ethnic Minority Background employees. A positive number means that the hourly rates are lower amongst Black, Asian, Mixed or Other Ethnic Minority Background employees than for white employees.

OUR ETHNICITY BONUS PAY GAP

This analysis shows the difference between mean and median bonus pay for white and Black, Asian, Mixed or Other Ethnic Minority Background employees, this only includes employees who received a bonus in the year.

A positive number means that the bonus pay for our Black, Asian, Mixed or Other Ethnic Minority Background employees is lower than for our white employees.

These bonus gap numbers are inherently volatile due to the nature of variable pay from year to year and business performance. However, this has been impacted further in the year of 2020 due to all of our gym teams spending most of the year on furlough as the gyms were shut due to the global pandemic, meaning the usual bonus scheme was not in place. We recognise that this is not wholly reflective of our true ethnicity bonus pay gap and we expect to see improvements as our business returns to normal operating practices.

% WHO RECEIVED BONUS

2% WHITE

0% BLACK, ASIAN, MIXED OR OTHER ETHNIC MINORITY BACKGROUNDS

PROPORTION RECEIVING BONUS PAY

This analysis shows the percentage of white and Black, Asian, Mixed or Other Ethnic Minority Background employees who received bonus pay during the year. Once again, this is reflective of the impacts of the pandemic and lack of performance-based bonus payments. The majority of the bonus payments processed were due to voluntary share exercises carried out by those in senior roles.

MEAN

The mean ethnicity pay gap using bonus pay is 100%, this means that on average white employees are paid 100% more in bonus pay than Black, Asian, Mixed or Other Ethnic Minority Background employees.

MEDIAN

The median ethnicity pay gap using bonus pay is 100%, this shows that on average White employees at The Gym Group receive 100% more bonus than Black, Asian, Mixed or other Other Ethnic Minority Background employees.

MEAN ETHNICITY PAY GAP FOR BONUS

100%

MEDIAN ETHNICITY PAY GAP FOR BONUS

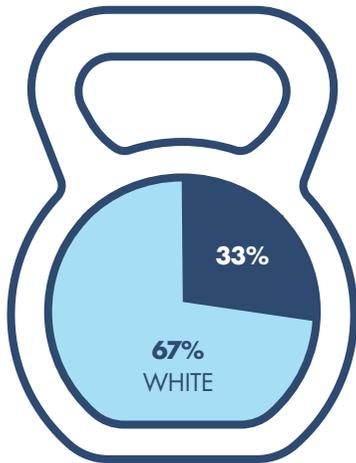
100%



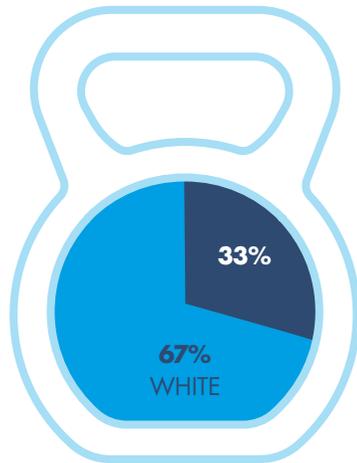
PAY QUARTILES

This shows the proportions of White and Black, Asian, Mixed or Other Ethnic Minority Background employees in four quartile pay bands, which has been done by sorting the data from highest rate to lowest and then dividing the workforce into four equal parts.

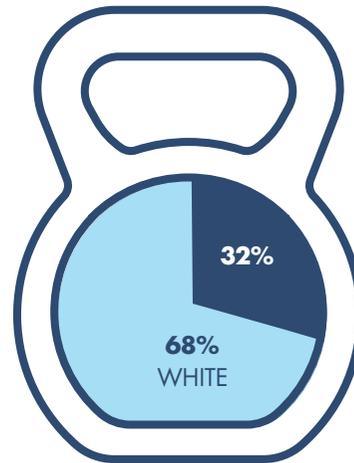
The quartiles indicate that focus needs to be applied to the upper hourly pay quartile where we lack representation among our senior roles therefore widening the ethnicity pay gap.



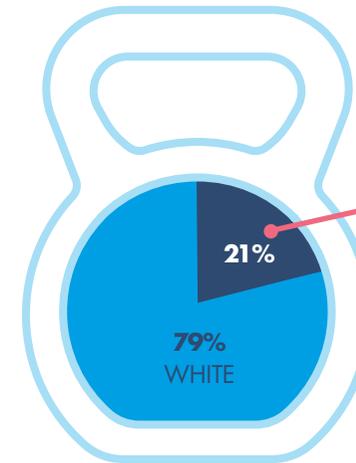
**LOWER HOURLY
PAY QUARTER**



**LOWER MIDDLE
HOURLY PAY QUARTER**



**UPPER MIDDLE
HOURLY PAY QUARTER**



BLACK/ASIAN/MIXED/
OTHER ETHNIC MINORITY
BACKGROUND

**UPPER HOURLY PAY
QUARTER**

OUR PLAN

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

SENIOR HIRES

- Diverse and balanced interview panels for senior hires.
- Shortlisting diversity - working towards shortlists representing 50% ethnically diverse talent.

RECRUITMENT

- New 2022 recruitment campaigns reflective of our diverse workforce across our job adverts, video and social media advertising.
- Launch of new Careers page further promoting and highlighting the inclusive culture and career adventures here at The Gym Group, a place where you can [#BeYouWithUs](#)
- Continue to break down barriers to fitness for all, through our Diversity at The Gym Group video series highlighting the talent within the business and the career paths available.
- Continue to explore options for improving our brand awareness through targeted advertising in order to attract a wider pool of diverse talent from broader range of industries.
- Continue to promote flexible working on all adverts and promote our Inclusive Workspace approach.

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
- We are signatories of the Business in the Community Race at Work Charter and continue to work towards their five calls to action.

UNCONSCIOUS BIAS FOCUS

- Standard interview questions to ensure transparency and a fair assessment process.
- Introduce upskill sessions for hiring managers to create an awareness of the power of assumption, association and preference in recruitment.

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 review.
- Continue to monitor progress towards improving the attraction, recruitment and progression of ethnically diverse employees within the business through our Equality and Inclusion dashboard reviewed monthly as part of equal monitoring procedures.
- Revamp and launch tailored development programmes such as our Emerging Talent programme, Apprenticeship scheme and mentoring programme (including reverse mentoring) to support our colleagues develop the skills required for their career progression.
- Equal Opportunities monitoring across talent mapping and development practices.

BUILDING AN INCLUSIVE CULTURE & LEADERSHIP TEAM

- Continue to support events, share stories and raise awareness through our D&I / 'Let's Keep Talking' Podcasts and internal communications.
- The Equality, Diversity and Inclusion group, led by our Executive sponsor, has played a crucial role in raising the agenda for discussions and positive action on diversity.
- Our Breaking Down Barriers project to identify the barriers that exist within our business across Cultural Diversity as well as other areas of diversity. The outputs of which will shape our ongoing EDI plans.
- Our Cultural Diversity focussed employee workstream will be responsible for raising awareness, advocating for change and supporting gender equality in the workplace.
- Our Equality, Diversity and Inclusion Executive Pledge, demonstrates our leaders personal commitment and accountability to achieving our 2021 ambitions. These targets will be reviewed and where applicable stretched for 2022 to improve our diverse representation in the business.

the gym group

THANK
YOU.

