



ethnicity pay gap report 2022



Ruth's statement

We are pleased to once again be publishing our Ethnicity Pay Gap summary and to share the progress we have made since our first report in 2021. We have continued to work to the Business in the Community 'Race at Work' charter principles, including the commitment to improve ethnicity data collection and monitoring. We are pleased to report we have achieved 98% collection of employee ethnicity data further improving the accuracy of our reporting.



This year we have taken steps to present both our overall ethnicity pay gap data and those specific to particular ethnic groups. We recognise the importance of identifying the different pay gap outcomes across these groups in order to provide transparency in our pay gap reporting and insight on where there is disparity.

We are pleased to report progress in narrowing our overall ethnicity pay gap and have reported a 1.2 percentage point reduction. We have seen an increase in diverse hires since 2021, with diverse ethnic representation improving within some levels of our senior leadership teams as well as our lower management and associate level. We attribute this to our diverse recruitment campaigns, and our ongoing commitment through our Equality, Diversity and Inclusion (EDI) targets. However, we recognise that an ongoing focus on attraction, development and retention is required to continue making progress.

We remain committed to ensuring EDI remains a key business focus and I am excited within my role as People and Development Director to further influence and shape this as the business continues to grow. At the start of 2022 we brought EDI to sit within our overall Sustainability governance framework strengthening its presence on our Board and Executive committee agenda. Our EDI steering group remain focussed on raising the profile on discussions and actions around Inclusion at The Gym Group and report quarterly to the Sustainability committee. Furthermore, our Cultural Diversity employee work group continue to do a fantastic job at raising awareness and celebrating key cultural events playing a crucial role in driving inclusion at The Gym Group.

In summary, whilst progress has been made, we recognise that our ethnicity pay gap is still largely impacted by a lack of ethnically diverse representation within senior roles which typically have a higher rate of pay. We will continue to address this through our EDI targets, hiring practices and brand awareness to support in the attraction of talent to our business. Over the next year we remain committed to further evolving our internal development pathways and opportunities to support our pipeline of talent. See our refreshed plan on pages 7 and 8 which details how we are continuing to ensure we deliver initiatives that support driving greater diversity.

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.

Ruth Jackson, People & Development Director



our people

Since last reporting our ethnicity pay gap in 2021 we have continued to build the foundations to enable us to accurately report and monitor our employee demographics and equal opportunities.

We have continued to carry out employee data drives to target missing data and provide transparency on why we collect this data through FAQ videos and communications. We are pleased to report that we have seen an increase in employees disclosing their ethnicity data (a 2 percentage point increase from 2021).

Our ethnicity pay gap data was collected on the snapshot date of 5 April 2022.

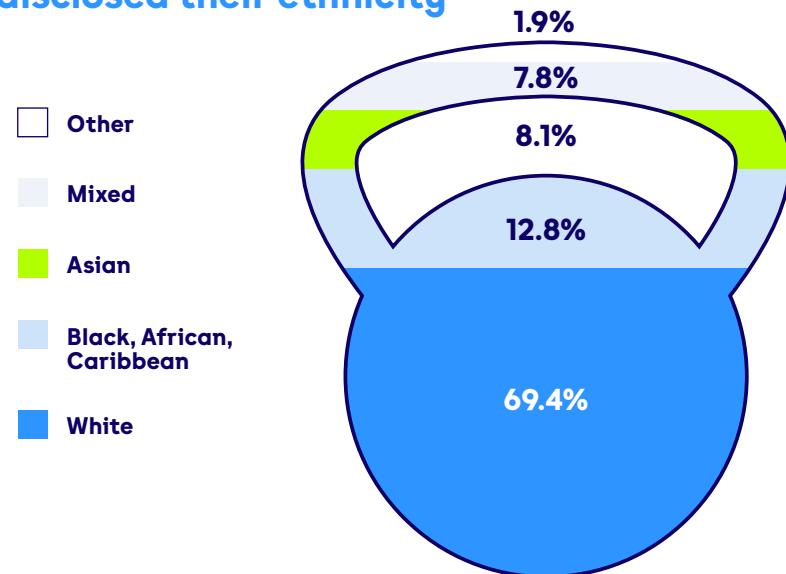
At this time there were 2,113 employees, 98% of which disclosed their ethnicity data.

For the purposes of this report, those who we do not hold data for have not been included within the data.

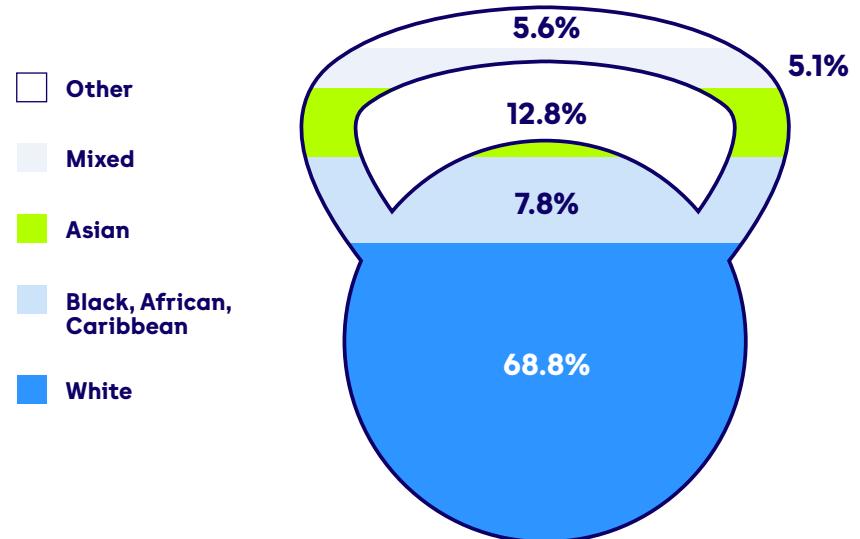
In January 2022 using ethnicity data collected from communities within a five-minute catchment area of our gyms, we established how reflective our workforce is of the communities we serve. We are pleased to report that we are broadly representative of our communities, however further work is required to understand the underrepresentation of Asian employees in our workforce.



of those who have disclosed their ethnicity



our gym communities ethnicity



our ethnicity hourly pay gap

We are pleased to report a reduction of 1.2 percentage points in our ethnicity pay gap since our 2021 report.

Whilst this does indicate progress has been made, we recognise that more needs to be done to maintain and further this.

Over the last 12 months we have reported increased ethnic representation among some levels of our senior leadership teams.

However, we understand that broad and significant changes to our demographics will take time and that focussed action is required to ensure we continue to attract and retain diverse talent at a senior level to support our longer-term progression.

We are pleased to report within our data monitoring increased diversity within our lower management and associate levels. A focus on implementing development pathways at these levels will be integral to growing a future diverse pipeline of talent. This continues to form a part of our action plan as detailed on pages 7 and 8.

mean

Our mean ethnicity pay gap indicates that on average white employees at The Gym Group are paid 14.8% more than Black, African, Caribbean, Asian, Mixed or other ethnic background employees.

This is predominantly due to more White employees holding more senior roles than those from Black, African, Caribbean, Asian, Mixed or other ethnic minority backgrounds and therefore receiving higher rates of pay.

median

Our median pay gap is 0%, this is due to the majority of our employees undertaking the same role and therefore the same hourly rate of pay regardless of their ethnicity.

mean ethnicity pay gap

14.8%

median ethnicity pay gap

0%

mean and median

This shows the difference between the mean and median within our hourly rates of pay for White and Black, Asian, Mixed and 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 bonus pay gap

This analysis shows the difference between mean and median bonus pay for White and Black, African, Caribbean, Asian, Mixed or other ethnic background employees, this only includes employees who received a bonus in the year.

A positive number means that the bonus pay for our Black, African, Caribbean, Asian, Mixed or other ethnic background employees is lower than for our white employees

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.

This year, as we have moved away from the impacts of the pandemic and entered a more 'normal' bonus payment structure we are able to report on data more reflective of our business.

Whilst these bonus gap numbers remain inherently volatile due to the nature of variable pay from year to year and business performance, we recognise that the imbalances in the percentage of White and Black, African, Caribbean, Asian, Mixed or other ethnic background employees who received bonus pay during the year.

We attribute this largely to the higher proportion of white employees within our senior leadership teams whose roles generally attract bonus payments/share incentives at a higher rate of pay.

summary of our mean and median pay gaps by ethnicity

Ethnicity Group	Mean Pay Gap	Median Pay Gap	Mean Bonus Pay Gap	Median Bonus Pay Gap
Black, African, Caribbean	17.9%	0%	59.3%	24.7%
Asian	5.6%	0%	14.2%	27.4%
Mixed Race	17.0%	0%	45.6%	14.1%
Other	25.1%	0%	56.5%	18.0%

mean ethnicity pay gap for bonus

42.1%



median ethnicity pay gap for bonus

20.5%



% who received bonus

white

26.5%



black, caribbean, african, asian, mixed, other ethnic background

18.6%

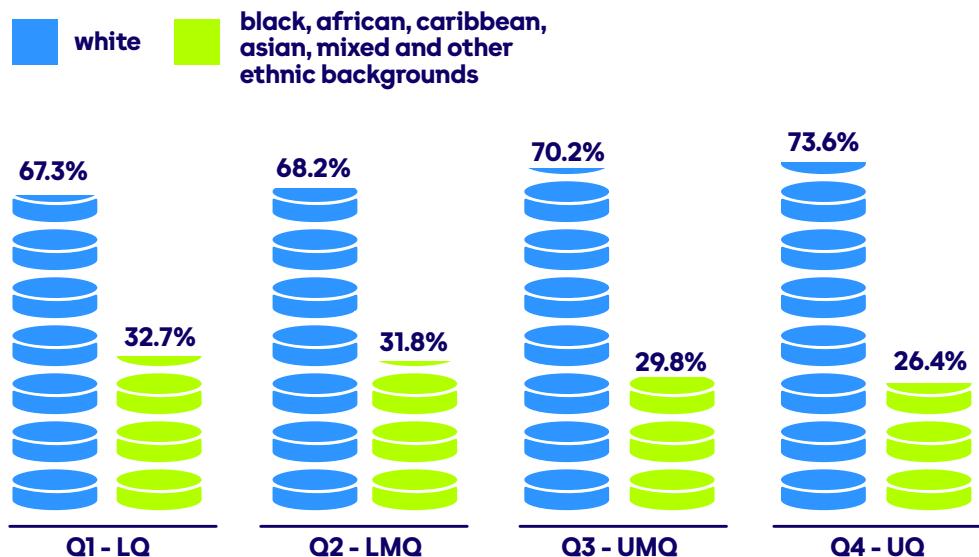


pay quartiles

This shows the proportions of White, Black, African, Caribbean, Asian, Mixed and other ethnic background groups of employees in four quartile pay bands, which has been done by sorting the data from highest rate of pay to lowest and then dividing the workforce into four equal parts.

We recognise that further progress is needed and focus on developing and attracting ethnically diverse talent across the upper quartiles in required in order to close our ethnicity pay gap.

However, we are pleased to report some improvement in the proportion of ethnically diverse employees within the upper quartile.



our plan

We remain committed to reducing our ethnicity pay gap and driving greater diversity across our business.

We have a focussed plan and some of the headlines are below:



Senior Hires

- Continue to strive where possible for diverse and balanced interview panels for senior hires.
- Continue to work towards diverse shortlists representing 50% ethnically diverse talent 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 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 diverse talent from a broader range of industries.

- 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.
- Expand our careers page to further promote the inclusive culture here at The Gym Group, highlight our #we'rewithyou approach.
- Develop an unconscious bias in recruitment training module for hiring managers.





Conscious Culture at The Gym Group

- Develop stretched EDI targets for culturally diverse representation within senior leadership.
- Improve our Equal Opportunities monitoring across talent mapping and development practices.
- Delivery against our five to drive barrier areas of Perception of the gym sector, Visibility and representation, Gymtimdation, 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.
- Continue to embed and empower our Cultural Diversity employee work group responsible for raising awareness, advocating for change and supporting equality in the workplace.

Talent, Attraction, Development and Retention

- Continue to embed our Coaching for Performance programme to aid transparency in the path to progression, career adventures and decisions relating to promotion and pay review.
- Continue to provide opportunities to develop and progress through our Emerging Talent programmes and apprenticeship scheme.
- Launch our mentoring and reverse mentoring programme to further aid employee development.

- Participate within the WiHTL Future Ethnic Leaders development programme.
- Continue to develop our early careers opportunities and provide multiple pathways into a career in fitness with a particular focus on underrepresented groups.

Partnerships

- Through our ongoing membership we continue to participate in the WiHTL HR Leaders steering group, share industry knowledge and contribute to their research to support in increasing diversity 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.
- We will maximise our Includability membership and maintain our Inclusive Employer verification recognition to support our employer brand and EDI commitments.

thank you



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