

# gender and ethnicity pay gap 2023



## welcome

### **Driving a supportive and friendly culture that breaks down barriers remains a fundamental focus of our Equality, Diversity and Inclusion (EDI) strategy.**

Aligned to our 'people promise' which outlines our commitment to creating inclusive environments where people can achieve their goals, we have continued to support our teams career development and a culture that supports their success.

We are pleased to have reported a 2.7 percentage point reduction in our 2023 gender pay gap, which has closed the gap to 0.6%. We have seen an increase in women being promoted and recruited into the business which has supported our gender balance, particularly at a senior level.

Whilst progress has been made in this area, we have reported a widening of 7.9 percentage points in our mean ethnicity pay gap which for 2023 is 22.7%. We have vibrant and diverse teams across our business and are pleased to report that we continue to represent the ethnic diversity of the communities we serve; however we recognise for us to close our ethnicity pay gap, this must be better reflected in our senior leadership teams (SLT).

We are confident in our 'People Plan' which incorporates an EDI lens on both how we attract talent into our business and the experiences and support we have in place to ensure they thrive, grow and develop with us. We have continued to deliver management development programmes and provide learning pathways through apprenticeships, professional qualifications and mentoring.

At the start of 2023, we launched our Female Leadership Development programme and engaged in the WiHTL led Ethnic Future Leaders programme to further support the progression of diverse talent.

We continue to report against our gender parity pledges to our Sustainability Committee and in September 2023 introduced an ethnic diversity SLT pledge of 20% representation by 2030, with the aim of driving greater focus on how we can improve representation at this level.

Since reporting, we have continued to enhance our employee offering to facilitate greater flexibility and work life balance for our teams. This has included a focus on family friendly policies and our successful accreditation as a Menopause Friendly Employer. In addition, we launched our reverse mentoring programme in partnership with our Cultural Diversity employee group and the senior leadership team.

## our report

This gender and ethnicity pay gap report is made in respect of snapshot data from 5th April 2023 of The Gym Group plc on a Group-wide basis. 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, we have seen a significant decrease in our gender pay gap which was positively impacted by an increase in female promotions and new hires.**

**We have greater progress to make in closing our ethnicity pay gap and recognise that this is largely driven by a lack of ethnically diverse representation within senior roles which typically have a higher rate of pay.**

**We remain optimistic that through a continued focus on equal opportunities monitoring and reporting, delivery of inclusive processes and practices to hiring, and developing and retaining diverse talent we can maintain progress towards closing and stabilising these gaps.**

**See our refreshed plan on page 10 which details how we are continuing to deliver initiatives that support driving greater diversity and equality.**







## gender & pay

### mean gender pay gap in hourly pay

0.6%

### 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.**

We are pleased to report a reduction in our mean gender pay gap resulting from an increase in female hires and promotions during the reporting period. Between April 2022 and April 2023, we saw a 43% increase in female senior managers, including a female promotion into an Executive position which has positively impacted our gender pay gap.

Furthermore, we have seen an improvement in gender balance at our lower management levels, providing a pipeline of future talent.

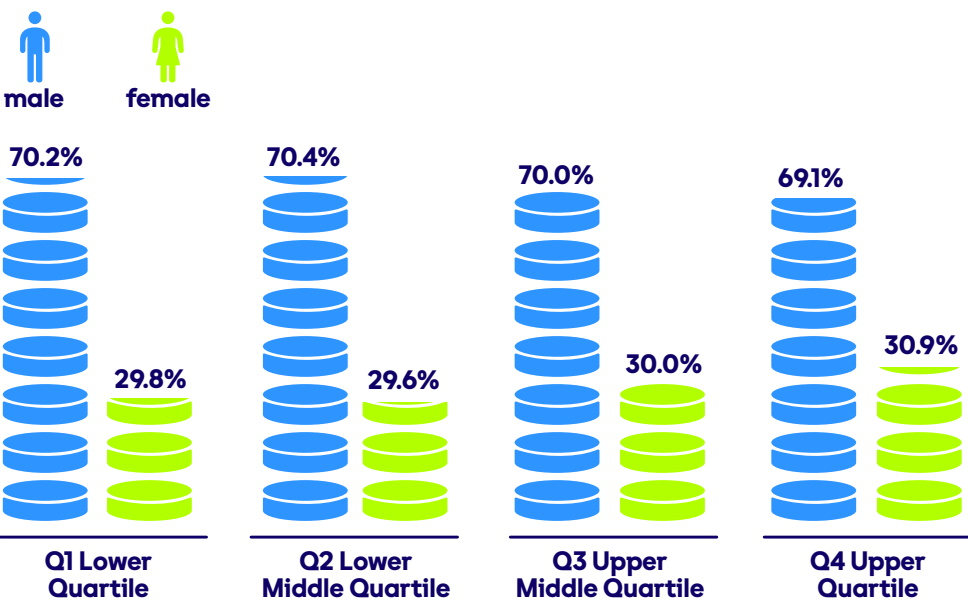
As expected, our median gender pay gap has remained consistent with previous reporting. This is due to the majority of our employees undertaking the same role, meaning employees in this role are on the same rate of pay regardless of whether they are male or female.



# pay quartiles

While most of our employees during the reporting period continue to be male (circa 70%), the proportion of females in the upper quartile has improved by 1.6 percentage points highlighting progress in the number of females we have in higher paying roles.

We are continuing to work on initiatives that will improve gender balance at all levels of the business, a summary of our actions is outlined on page 10 of the report.





## gender bonus gap

**This analysis shows the difference between mean and median bonus pay for male and female employees. This only includes 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.

Whilst we have reported a positive improvement to our mean gender bonus pay, we attribute this to a proportion of large share payments exercised by females during the reporting period.

Whilst we have seen improvements in the proportion of females receiving bonus payments, we are mindful that most of our senior roles (which typically attract bonus payments and share incentives) are largely occupied by males.

As such, we recognise that these bonus gap numbers are inherently volatile and likely to fluctuate across future reporting.

mean gender pay gap for bonus

**4.1%**



median gender pay gap for bonus

**33.9%**



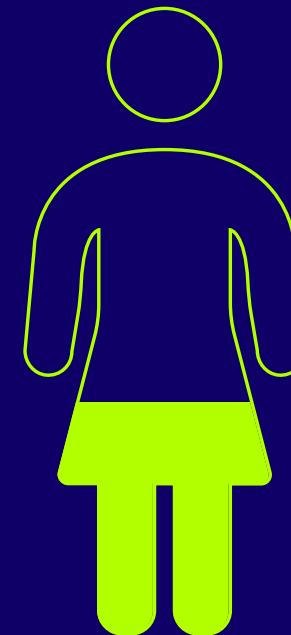
male proportion receiving bonus pay

**27.3%**



female proportion receiving bonus pay

**28.0%**







## ethnicity & pay our people

**We continue to incorporate the collection of employee ethnicity data into our employee hiring and onboarding process to maintain accuracy in our ethnicity pay gap reporting and equal opportunities monitoring.**

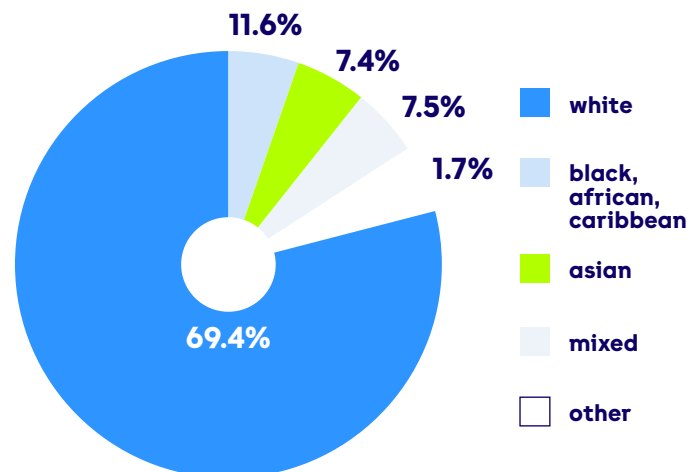
At the time of reporting there were 1,884 employees, 98% of which disclosed their ethnicity data.

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

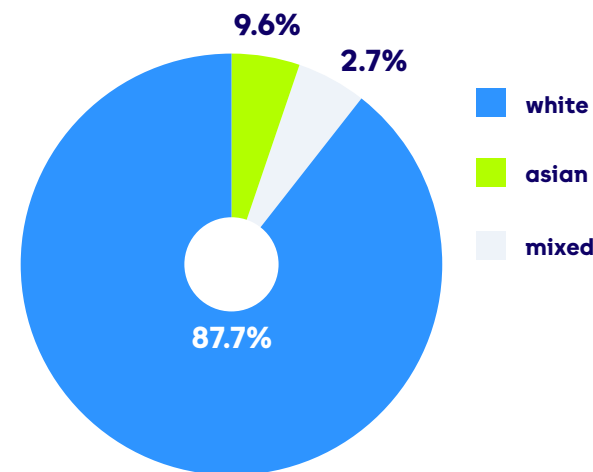
In 2022 using ethnicity data collected from communities within a five-minute catchment area of our gyms, we established how reflective our workforce is of the communities we serve.

Whilst across our workforce we continue to broadly represent our communities, we recognise that there remain imbalances in ethnic diversity across areas of the organisation, in particular, within black, African, Caribbean representation within our senior leadership team.

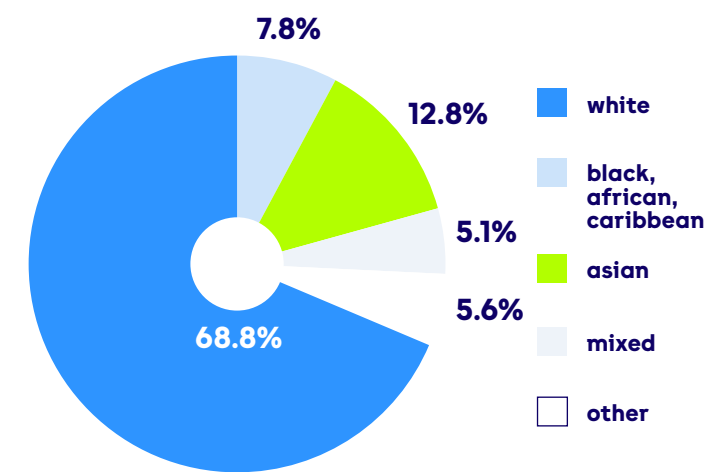
### our workforce ethnicity profile



### our senior leadership team profile



### our gym communities ethnicity





## ethnicity pay gap

**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.

We have reported a significant increase in our ethnicity pay gap reporting. This has largely been impacted by higher turnover amongst Black, African, Caribbean, Asian, Mixed and other ethnicities compared to White employees.

Furthermore, a higher proportion of White employees were promoted or recruited into senior roles and therefore receiving higher rates of pay. More positively, we report a negative pay gap in relation to Asian employees.

Our median pay gap remains consistent with previous reporting, this is due to most of our employees undertaking the same role and therefore the same hourly rate of pay regardless of their ethnicity.

## mean ethnicity pay gap

# 22.7%

## median ethnicity pay gap

# 0.0%



The introduction of our new Senior Leadership goal of 20% Black, African, Caribbean, Asian, Mixed, and other ethnic backgrounds in leadership roles by 2030 cements our commitment to driving greater diversity.

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. Within this report we have outlined the actions we are taking to support this.





# ethnicity 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.

As with our gender bonus gap, our ethnicity bonus gap numbers remain inherently volatile. Whilst we have seen improvements in the proportion of Black, African, Caribbean, Asian, Mixed, and other ethnic backgrounds receiving bonus compared to 2022 reporting, imbalances remain.

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

However, we are confident that the improved balance in the proportion of those who are receiving a bonus is indicative of our fair and unbiased bonus structure and criteria for achieving this.

## 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	30.9%	0%	56.2%	48.8%
Asian	-0.1%	0%	7.6%	18.8%
Mixed ethnicity	29.2%	0%	52.1%	34.6%
Other	34.1%	0%	40.1%	9.3%

mean ethnicity pay gap for bonus

41.9%



median ethnicity pay gap for bonus

35.4%



proportion of employees who recieved a bonus

white

29.6%



black, african, caribbean, asian, mixed and other ethnic backgrounds

22.6%

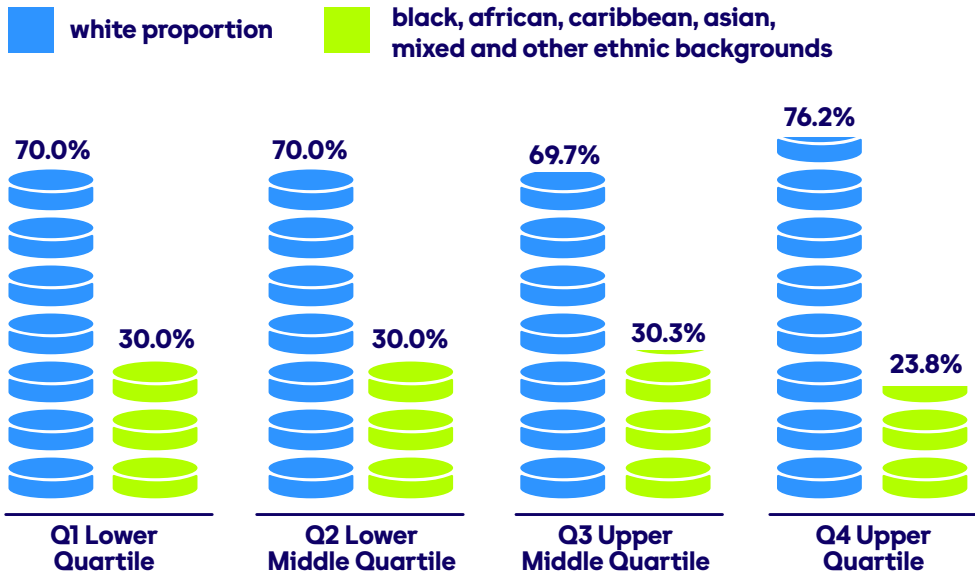




# pay quartiles

This shows the proportions of White and Black, African, Caribbean, Asian, Mixed and other ethnic 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.

We have seen a decrease in ethnically diverse employees within the Upper Higher Pay Quartile which has negatively impacted our ethnicity pay gap. We recognise that this is an area that requires further progress and positive action to improve the hiring, progression, and retention of diverse talent across the upper quartiles.





## senior leadership and accountability

Our established and ambitious diversity pledges drive accountability and initiatives to deliver our purpose of breaking down barriers and improve diverse representation within our business.

these include:

gender balance by 2030

**50/50**

female leaders by 2025

**40.0%**

black, asian, mixed,  
other ethnic background  
leaders by 2030

**20.0%**



## closing the gap

We remain committed to reducing our gender and ethnicity pay gaps, focussing on the attraction, development, and retention of diverse talent to drive greater equality and diverse representation across our business. We have a focussed plan to support our journey:

We will continue to report our progress against these pledges and delivery against our EDI objectives to our Sustainability Committee Board.

Our Executive sponsor of our Equality, Diversity, and Inclusion group, continues to ensure discussions and positive actions on EDI remain a focus in our business.

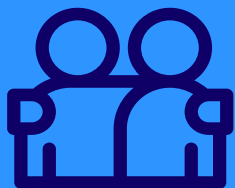
As an example, in the final quarter of 2023 we launched a reverse mentoring programme, partnering senior leaders with a team member of ethnic background to facilitate understanding on challenges or barriers that may exist.



## the gym group culture

**Driven by our 'People Promise' and values we aim to continuously improve employee experiences and evolve our people first culture, creating inclusive and supportive environments.**

We will continue to deliver actions against our 'five to drive' focus areas of: Perception of the gym sector, Visibility and Representation, Gymtimidation, Accessibility, Education and Understanding to break down barriers to inclusion.



Integral to this are our EDI employee network groups (which include our Gender and Cultural Diversity Group) who support in raising awareness and consult on initiatives to deliver actions that support greater inclusion. We will continue to invest in these groups to ensure an intersectional and holistic approach to supporting equality in the workplace.

We will continue to seek feedback, taking an insight driven approach to equality and inclusion, utilising our annual employee engagement survey feedback and external benchmarking tools, such as the WiHTL/DiR EDI Maturity Curve for continuous improvement.

To support with female retention, we will further review our internal policies and practices to ensure these are supportive of the employee experience, create flexibility and are equitable for all. This will include a review of the parental leave processes such as maternity leave to improve the support available for those returning to work.

Alongside this we will continue delivery against our Dignity at The Gym Group roadmap to ensure environments are free from harassment, bullying and victimisation. Roll out of a suite of improved EDI digital learning and supportive resources will aim to further enhance our teams' skills and protect our inclusive culture as we grow.







## talent, attraction, development and retention

**Essential to closing our gender and ethnicity pay gaps is ensuring we provide diverse career and development pathways and celebrate our culture through our employer branding and awareness.**

Having established a framework for early careers opportunities, we will continue to embed and develop multiple pathways into a career in fitness with a particular focus on attracting females and developing new partnerships to support those transitioning their careers into fitness.

We will continue to facilitate great development conversations through our Coaching for Performance programme aiding transparency in the path to progression, career adventure opportunities and decisions relating to promotion and pay review. And we will continue to provide development opportunities for employees at all levels and from all backgrounds and provide mentoring internally to support this development.

Alongside this we will deliver further Women in Leadership and Emerging Talent Development programmes as well as mentoring, apprenticeships, and opportunities for continuous development to aid progression.

We will continue to provide employees with opportunities to participate in the WiHTL Future Ethnic Leaders development programme, reverse mentoring scheme and other internal development programmes to support in building a diverse talent pipeline.

Through building improved EDI reporting dashboards and the implementation of a new talent management module within our people management system, we will improve our equal opportunities monitoring and reporting across key areas of the employee lifecycle to ensure fair and equitable practices, decision making, and opportunities are in place. In particular, we will continue to gather data to ensure we understand the causes of higher turnover from ethnically diverse employees.



## partnerships

**A collaborative approach is essential to progressing equality, diversity, and inclusion goals.**

Through our ongoing membership, we will continue to participate in the WiHTL HR Leaders steering group, share industry knowledge and contribute to their research and initiatives to support in increasing diversity across the industry.



As signatories of the Business in the Community Race at Work Charter we will continue to work towards their seven calls to action. We have made great progress in capturing ethnicity data and will be focussing attention on zero tolerance of harassment and bullying and ensuring EDI is the responsibility of all leaders and managers.

Finally, we will maximise our memberships, maintaining our accreditations and aligning our EDI actions to our Menopause Friendly, Age Friendly and Disability Confident commitments to support equality, and ensure an intersectional approach to the attraction and retention of diverse talent.





# thank you



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