GENDER PAY GAP REPORT 2019.
Our values of Take the First Step, Friendliness, Realness and Challenging your Limits are fully engrained in how we do things here at The Gym Group. We have established a strong Diversity & Inclusion working group whose executive sponsor is our Chief Commercial Officer. The group strive to create, develop, sustain and maintain a fully diverse and inclusive culture. We champion and encourage everyone at The Gym to be who they are and to bring the best version of themselves to work #SOYOU CAN . . . .

Development programmes have been a major focus across our business so we can nurture our talent from within and support our teams in reaching their full potential and purpose during their career adventure with us. 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. As we stated in our last report – we can confidently say 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.

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.

In summary, our gender pay gap is formed largely because our Senior Leadership Team (and those with the highest rates of pay), are mainly filled by male employees. We are still working really hard on improving our diversity in this population and are seeing some positive outcomes. We have an action-packed plan to give this focus across our business which is detailed on page 5. We are proud that we enable our workforce to work flexibly and smart, and that our approach to family-friendly policies really supports this.

“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.”

Ann-marie Murphy
Director of People & Development
OUR GENDER PAY GAP.

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 reduced from 7.50% in 2018 to 2.02% now which is highlighting that this is a real focus for us and the action we have taken over the last 12 months has created some real traction.

The primary driver behind the gender pay gap at The Gym Group is the underrepresentation of women amongst our most senior employees (please see below our salary quartiles) which we are taking steps to address in the Senior Leadership team population. We are also aware that our new operating model has had 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 NLW.

While the majority of our employees during the reporting period are male (circa 70%), 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).

While we do still receive more applications from men than women, we are starting to see this shift and are able to track and report at application, interview and offer our male to female success rates. This is enabling us to re-focus our adverts, ensure our flexible culture is highlighted and create the right development and support so that women feel confident to apply and progress into our most senior roles. We are taking really positive steps as we explain 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.
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.

**PROPORTION RECEIVING BONUS PAY**

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

A successful year in 2019 and the first LTIP share vesting meant that a greater proportion of our male employees received bonus pay last year, whilst a slightly lower number of female employees received a bonus (2018: men 31.5%; women: 18.5%).

A greater proportion of male employees received bonus pay than female employees, as highlighted; this is due to the senior-leader split and only this population of employees received the LTIP share options. This therefore reflects the gender split among those roles which are eligible for bonus pay.
SO WHAT ARE WE DOING ABOUT IT?

While our gender pay gap is significantly lower than the average across the UK economy as a whole, we are committed to reducing it further and, in particular, increasing female representation across our whole business. We have an action-packed plan and some of the headlines are below:

**RECRUITMENT**
- Employer Brand campaigns to highlight The Gym Groups USPs – ensuring all adverts, case studies and graphics and have a gender balance and are representative of our diverse workforce
- Promotion of flexible working on all adverts
- Targeting specific jobs boards such as Working Mums to highlight our flexibility

**UNCONSCIOUS BIAS FOCUS**
- 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

**SENIOR HIRES**
- Diverse and gender balanced interview panels for senior hires
- Shortlisting diversity – working towards interview shortlists with 50% male and female candidates representation as research suggests that women are 24% more likely to be hired if they are interviewed

**WiHTL PARTNERSHIP (WOMEN IN HOSPITALITY, TRAVEL & LEISURE)**
- Executive mentor within the ‘Returner’ programme supporting women back to work following career breaks / maternity leave to focus on confidence, coaching, and mentoring
- Active participants on the WiHTL HR Leaders steering group, sharing our industry knowledge and data to contribute to their reporting of industry impacts

**PROMOTION, PAY, REWARD & DEVELOPMENT TRANSPARENCY**
- Launch of ‘Coaching for Performance’ to aid transparency in the path for progression & decisions relating to promotion and pay reviews
- Mentoring and reverse mentoring programmes to support female employees and provide a platform for recognition
- Ensure fair gender representation within all Management leadership programmes

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**D&I TASKFORCE**
- Appointment of Diversity & Inclusion Executive sponsor
- D&I Podcasts for awareness
- Development of parental toolkits for employees and managers to support the process and encourage return to work and retention.
The following outlines the statutory data required for the Gym Limited, our operating Subsidiary.

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**Gender Pay Gap**

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**Bonus Gender Pay Gap**

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**Percentage of Employees Receiving Bonus Pay**

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<td>WOMEN 17.9%</td>
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**Mean**

- Gender Pay Gap: 6.2% women, 3.8% median
- Bonus Gender Pay Gap: 16.4% men, 39.6% median
- Percentage of Employees Receiving Bonus Pay: 31.7% men, 17.9% women

**Median**

- Gender Pay Gap: 6.2% women, 3.8% median
- Bonus Gender Pay Gap: 16.4% men, 39.6% median
- Percentage of Employees Receiving Bonus Pay: 31.7% men, 17.9% women