



SUSTAINABILITY REPORT 2025

Strategic Report

SUSTAINABILITY REPORT

Our mission is rooted in a clear purpose: to break down barriers to fitness by making it more accessible, inclusive and sustainable. In 2025, this purpose continued to guide how we support our members, invest in our people and manage our environmental impact, while building a resilient business for the future.



Our sustainability strategy is built around supporting healthy people, healthy communities and a healthy planet. Its five pillars, shaped by our materiality assessment and embedded within our strategic framework, focus our efforts on the most significant environmental, social and governance impacts and align with stakeholder priorities.

This report, developed with reference to GRI Standards, outlines our progress and challenges during the year and highlights our priorities for 2026.

Good health and wellbeing remain at the heart of our strategy. Regular movement delivers powerful physical, mental and social benefits, and this year we continued to enhance how we support members in building consistent exercise habits. Sustained participation continues to generate meaningful Social Value, with member activity contributing to a year on year increase in Social Value of 4%.

At the same time, we continued to raise standards across our estate. We are proud to have secured our second consecutive RoSPA Gold Award and to have maintained ISO 45001 accreditation, reflecting the strong emphasis we place on safety, innovation and effective collaboration with regulators.

Creating good jobs and clear pathways into fitness careers is equally central to our impact.

During the year, we expanded training and development programmes to support entry, progression and careers in the sector. We narrowly missed our 60% internal promotion target for operational staff and will continue working towards it next year. We are proud to have maintained high levels of employee engagement and to be placed in the top 5% of the Peakon consumer services benchmark dataset.

We also progressed our ambition to build a more equitable and inclusive organisation. In 2025, we refined how we measure and report representation, increased investment in inclusive leadership development and broadened our reverse mentoring programme. While progress across our targets is not yet where we want it to be, we anticipate to see a change in data, building on our increased investment and momentum.

Alongside our social priorities, we continued to strengthen our environmental responsibility. Despite 2025 being the warmest and sunniest year on record in the United Kingdom, we reduced our Scope 1 and 2 carbon emissions. This reduction was driven by continued investment in energy-efficient technologies, which helped limit increases in electricity consumption as well as lower UK carbon emission factors.

Data security remains critical to the resilience of our business and is supported by a robust approach to data protection, privacy and governance, alongside a 99.6% employee GDPR and cybersecurity training completion rate.

Sustainability pillars, targets and commitments	2024	2025	Progress	Key actions
Good health and wellbeing Increasing the percentage of members visiting our gyms 4+ times per month ¹ Delivering at least £900m in Social Value	53.1%	54.6%	✓	<ul style="list-style-type: none"> Redesigned onboarding communications to drive Kickstart bookings, with personalised journeys for new members and re-joiners Improved monthly member emails to increase engagement and support higher visit frequency Launched targeted CRM nudges to prompt relevant actions based on member goals and preferences Enhanced the Accelerate PT programme to build work-ready skills and provide paid roles during training, with 15 achieving their Level 3 qualification in 2025 Expanded The Gym Group Academy, supporting 299 Level 3 PTs this year, with 95 moving into permanent roles Upskilled 71 employees through Emerging Talent programmes to strengthen the management pipeline
Good jobs and career opportunities Supporting 500 people to gain Level 3 Personal Trainer qualification by 2027 ² Achieving a minimum 60% internal promotion rate by end of 2025 amongst operational staff	£962m	£1bn	✓	
Equity, diversity and inclusion 45% female representation across Gym Support by 2030 35% female representation within Gym Management by 2030 40% female senior leaders by 2030 20% leaders of ethnically diverse origin by 2030	105	419	↗	
Responsibility to the environment Near term targets 50% reduction in Scope 1 and 2 emissions by 2030 Reduce Scope 3 emissions per gym by 55% by 2030 Ensure 25% of suppliers by spend set science-based targets by 2028	58.1%	59.3%	✗	
Data security and privacy 100% GDPR and cybersecurity training completion rate	42.3%	40.1%	↘	<ul style="list-style-type: none"> Refined gender reporting and metrics, enabling greater transparency on progress Grew leadership skills through the delivery of Inclusive Leadership development sessions Broadened our reverse mentoring programme, expanding the diversity of the roles and lived experiences represented Deployed a further 106 voltage optimisation units to cut energy use Engaged with key suppliers on science-based targets and environmental performance Increased focus on retaining and repurposing key elements, in particular, shell finish and mechanical systems, and new gym fit-outs
	27.6%	27.1%	↘	
	34.2%	38.5%	↗	
	17.9%	17.9%	—	
	-2.2%	-12.4%	↗	<ul style="list-style-type: none"> Created data protection hub to improve access to policies and guidance for staff Appointed an InfoSec Engineer leading on implementing security controls
	-29.3%	-32.1%	↗	
	22.2%	27.0%	↗	
Key ✓ Achieved ↗ On track ↘ Not on track ✗ Not achieved — No change	98.8%	99.6%	↗	1 The figure for 4+ visits for 2024 has been restated to include off-peak and student memberships. 2 Revised target year from 2030 to 2027 driven by strong programme uptake.

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GOOD HEALTH AND WELLBEING

Link to the SDGs



Accreditations & Affiliations



We believe that by helping people move more, we not only enhance resilience but also generate positive social and economic value.

Central to this mission is our commitment to creating and maintaining safe, supportive environments where every member feels confident and empowered to pursue their wellbeing goals.

Measuring Social Impact

We are delighted to have been able to increase the Social Value generated by our members to £1bn through higher membership and participation rates. 54.6% of members visited our gyms more than 4 times per month. Following an enhancement to the Social Value model¹, we will in future be able to distinguish between the Social Value generated by our members' regular exercise within and outside our gyms, and calculate the Social Value attributable solely to in-gym activity. We will therefore rebase our reporting to reflect in-gym activity only. Using this methodology, Social Value increased by 6.5% year on year, reaching £567m in 2025.

Our partnership with NHS Charities Together drove increased fundraising, boosted member engagement through the TGG Games, and inspired an increase of over 75% in employee volunteering hours.

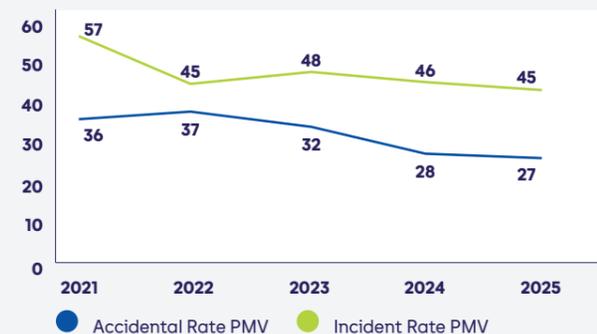
Driving Safety and Operational Excellence at our Gyms

Protecting the health and safety of our members and teams remains a top priority and we continue to adhere to all regulatory and industry standards, holding ISO 45001 accreditation for occupational health and safety management since 2023. In 2025, we secured the prestigious RoSPA Gold Award for the second consecutive year, providing clear recognition of our commitment to delivering a safe, high quality member experience. Our industry-leading standards continue to drive improvement, with greater awareness and compliance reducing our health and safety audit failure rate from 5% in 2024 to just 2% in 2025.

We maintain a zero-tolerance approach to all forms of harassment and are committed to providing a safe, respectful and inclusive workplace for all which is underpinned by our Dignity at The Gym Group policy. Building on this foundation, we are enhancing our sexual harassment risk assessment to further strengthen our preventative measures in line with the updated Employment Rights Act 2025.

In addition, we are streamlining reporting channels to improve transparency and provide clearer insight into incidents and their severity.

Accidental and incident rates per million visits, 2021 to 2025



The 2024 incident rate was re-based due to reporting lag, with some incidents recorded after prior cut-offs.

GOOD JOBS AND CAREER OPPORTUNITIES

Link to the SDGs



Accreditations & Affiliations



Supporting our people into meaningful fitness careers through accessible development opportunities, clear progression pathways and high quality education remains essential to our success, enabling everyone to be their personal best.

Careers Into Fitness

The Gym Group Academy

In 2024, we launched a six month pilot with two CIMSPA Enhanced Status training providers, creating a more accessible path for members to gain their Level 3 Personal Trainer qualification. Demand was strong, and the pilot quickly strengthened our Fitness Trainer pipeline.

Building on this success and supported by stronger communications with our gym members, marketing and partnerships with training providers, The Gym Group Academy continued to expand in 2025. The pilot also highlighted the value of our in-house PT Mentors, who support participants to progress more quickly through their training.

Cumulatively since launch, the Academy alone has delivered 444 registrations and supported 319 new Level 3 PTs, with 112 moving into permanent roles.

Retention has remained strong, with 94% of trainees staying in role during their first 90 days, highlighting its effectiveness in helping trainees build their personal training business. We are also seeing encouraging growth in female representation, with women accounting for 45% of registrations and 48% progressing into permanent employment in 2025, reinforcing our commitment to broadening access to meaningful careers in fitness.

Accelerate PT

Our Accelerate PT framework continues to provide a structured pathway for job seekers entering the fitness industry. Through a Sector-Based Work Academy Programme focused on employability skills and an earn-while-you-learn model, participants receive a supported route to achieving a Level 3 qualification. In 2025, three cohorts completed the programme, with 88% achieving their qualification and 93% securing permanent roles within our gyms.

Together, these programmes continue to accelerate progress toward our commitment to support 500 people to gain a Level 3 Personal Trainer qualification by 2027.

Building Capability

We strengthened our operational management pipelines through Emerging Talent development programmes for Assistant General Managers, Fitness Managers and Fitness Trainers, building skills including sales, stakeholder management and member service. In 2025, four cohorts with a total of 71 participants were delivered, with strong progression outcomes, including a 39% promotion rate for management graduates and 17% for Fitness Trainer delegates.

Alongside these programmes, we continued to invest in targeted development to support performance at all levels. For senior leaders, this included the introduction of Spotlight, a programme grounded in sports psychology and focused on high performance and the ability to perform under pressure. This was followed by targeted coaching to deepen inclusive leadership capability.

Sustainability in Action: First Response

When David, a long standing member of The Gym Group Huddersfield, suddenly collapsed in the free weights area, members quickly alerted employees. Jodie, General Manager, called 999 while Alex, Assistant General Manager, brought the defibrillator and began CPR immediately. The on-site defibrillator delivered two shocks before paramedics arrived.

Reflecting on the experience, Alex said,

"When David collapsed, I went into autopilot; you never know how you're going to respond in situations like this, but I was able to lean into my first aid qualification and health and safety training which I regularly undertake with The Gym Group". Jodie continued, "We came together as a team to take control of the situation, calling 999 and evacuating the gym to make the space as comfortable as possible for David."

David shared, "I am incredibly grateful for Jodie and Alex's response, which saved my life. With the team's support, I am hoping to return to the gym in 2026."

Joey Franco | Head of Health & Safety



Sustainability in Action: From Gym Member to Team Member

Carolanne, a member of our gym since 2018, recently successfully graduated from our TGG Academy and is now working as a Fitness Trainer at Glasgow City:

"I decided to become a personal trainer after experiencing first-hand the positive impact training had on my physical, emotional- and mental wellbeing as a member of The Gym Group.

What began as a personal journey soon grew into a passion for expanding my knowledge and helping others achieve their fitness goals and improve their quality of life.

The course was incredibly informative and further motivated me to pursue personal training as a career. I'm loving the role and feel empowered supporting others on their fitness journeys, while also building confidence in my own abilities."

Carolanne Galea | Glasgow City

The Gym Group Academy, 2025 graduate



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SUSTAINABILITY REPORT CONTINUED

EQUITY, DIVERSITY AND INCLUSION

Link to the SDGs



Accreditations & Affiliations



Our equity, diversity and inclusion ('EDI') priorities in 2025 focused on strengthening inclusive leadership capability and embedding equity and inclusion more deeply across our organisational culture, supporting everyone to be their personal best.

Advancing our Commitments

Our diversity pledges continue to strengthen visibility and accountability in our approach to gender and ethnic representation. Following a review of our gender balance pledges, we refined our reporting approach and metrics to improve transparency, better understand barriers and drive meaningful action.

We remain committed to achieving gender balance across The Gym Group, supported by our 2025 pledges to achieve the following by 2030:

- **40%** female Senior Leaders¹
- **45%** female representation across Gym Support
- **35%** female representation within Gym Management

Further progress has been made with female representation in our senior leadership team increasing to 38.5% (+4.3 ppts). Representation across Fitness Trainer² roles also improved, supporting progress toward our longer term ambitions.

Our commitment to increase Black, Asian and mixed-ethnicity representation in our senior leadership to 20% by 2030 remains unchanged (17.9% in 2025).

We will continue using equal opportunities monitoring to support informed attraction, development and retention initiatives.

Inclusion and Belonging

We strengthened our approach to inclusion by working with leaders to build inclusive leadership skills and increase awareness of our EDI commitments. In May, we launched our 2025 EDI Manifesto (www.tggplc.com), setting out progress to date and our ambitions ahead, with inclusive leadership firmly embedded at the heart of our culture and member experience.

This year, we upskilled our Senior Leadership Team through targeted workshops covering bias, privilege and core leadership behaviours such as courage, emotional intelligence and curiosity to improve personal awareness and accountability for driving inclusion. Building on this, we launched a second cohort of reverse mentoring, exploring a wider range of diverse perspectives. Over five months, nine mentoring pairs held thought-provoking conversations that deepened understanding of lived experiences and generated meaningful insights that will help shape our 2026 EDI initiatives and ensure our actions remain relevant and people-led.

We also strengthened life-stage support policies, including enhanced Domestic Abuse and Serious Illness support, helping bridge policy gaps, identified through our annual EDI benchmarking assessment.

Whilst our targets are focused on gender and ethnicity balance, we are proud to also remove potential barriers relating to disability having received the Disability Confident Leader status in 2025.

Pay Gap Reporting

As of April 2025, our mean gender pay gap remained at 9.4% and our mean ethnicity pay gap increased by 2ppts to 18.5%. Our median gender and ethnicity pay gaps remain at 0%.

The Gym Group's 2025 Gender and Ethnicity Pay Gap report provides full details of our pay gaps and the actions we are taking to drive progress. (www.tggplc.com).

¹ Definition of Female Senior Leaders has been amended to include Head of and above and the target has been extended to 2030.
² Fitness Trainers includes Fitness Instructors and Supervisors.

RESPONSIBILITY TO THE ENVIRONMENT

Link to the SDGs



Accreditations & Affiliations



The Gym Group is committed to responsible environmental management, ensuring that our operations, supply chain and member community contribute to a healthier planet. Improving energy efficiency and resource use across our gyms enhances the member experience and strengthens resilience to temperature-related impacts, energy price volatility and regulatory change.

See Progress Against the Next Chapter Growth Plan on pages 14 to 19.

Our Climate Transition Plan

Our climate transition plan remains central to our environmental strategy and continues to develop in line with the Transition Plan Taskforce framework. As the first fitness operator globally with a Science Based Targets initiative ('SBTi') validated net zero target, we remain aligned with the Paris Agreement's 1.5°C pathway.

Ambition

Our science-based net zero targets underpin our long term climate commitments and position us as leaders in driving sustainable transformation within the fitness industry.

By 2030, we aim to:

- Cut absolute Scope 1 and 2 emissions by 50% from our 2019 baseline.
- Reduce Scope 3 emissions by 55% per gym across goods and services, capital goods, energy, transport, waste, business travel and commuting.
- Ensure 25% of suppliers by spend set science-based targets by 2028.

By 2045, we aim to:

- Reduce absolute Scope 1 and 2 emissions by 90%.
- Reduce Scope 3 emissions by 97% per gym.

To support these goals, we focus on four commitments:

Suppliers:

Deepen collaboration to align decarbonisation across our value chain.

Members:

Expand opportunities for members to engage with our environmental initiatives and support our net zero goals.

Renewable energy:

Work with our landlords to secure **100%** renewable electricity at sites where we don't manage energy procurement.

Carbon abatement:

Develop a long term approach to remove and store the residual **10%** of carbon emissions after 2045.

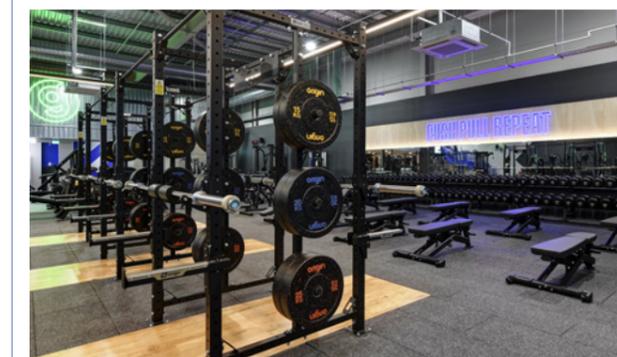
Action

During 2025, we continued to expand low carbon technologies and efficiency initiatives to support our interim milestones. While new gyms now use fully electrified hot water systems where possible, decarbonising our existing estate did not progress in 2025 due to legacy gas infrastructure and replacement cycles. Currently, 66% of our estate still relies on gas boilers (down from 73% in 2024). As technology improves and becomes more cost-effective, we expect electrification to be increasingly viable across older sites, helping us accelerate the transition.

Voltage optimisation technology was installed across a further 106 sites, with remaining suitable locations due for completion by the end of 2026. On average, Voltage Optimisation units delivered efficiencies of 7.6%, helping to manage consumption across our estate. We also began trials of additional energy-saving technologies, with decisions on wider rollout planned for 2026 and beyond.

106

Further sites installed with Voltage optimisation technology



Sustainability in Action: Inclusive Traineeship

"As Kevin's mum, I've seen firsthand the difference The Gym Group's Inclusive Traineeship can make. Kevin is 20 and has autism and ADHD, and opportunities like this are rare. Through his placement, he gained real experience, built confidence and developed new skills in a supportive environment."

Programmes like this help young people with challenges improve their sense of self, support their mental health, feel part of the wider community and grow their confidence. I'm grateful to The Gym Group for creating opportunities that truly include and empower people like Kevin."

Tola | Kevin's mum



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SUSTAINABILITY REPORT CONTINUED

Accountability

Transparent reporting under the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard ('GHG') remains central to our approach. We continue to disclose GHG emissions, energy and water use as well as waste generation across Scopes 1, 2 and 3. While residual emissions are offset through carbon credits purchased from Climate Impact Partners, our primary focus remains on direct emissions reduction.

The metrics and actions outlined demonstrate our unwavering commitment to transparency and accountability.

Sustainability in Action: Supply Chain

"As a long-standing cleaning and sustainability partner, ecosense supports our ambition to reach net zero by 2045 and is one of only five UK cleaning companies to hold a Silver EcoVadis rating, independently recognising strong ESG performance. The company reduces environmental impact by streamlining supply chains, standardising responsible cleaning products and progressing towards a minimal circular-waste model.

Our partnership strengthens consistency and cleaning standards in our gyms while contributing to lower carbon operations and improved environmental performance."

Rob Taylor | Senior Procurement Manager



2025 Carbon Emissions

In 2025, Scope 1 emissions fell to 1,554 tCO₂e, an 8.6% reduction year on year, driven largely by a 5.4% fall in gas consumption as we retrofitted 7 sites in 2024 with Air Source Heat Pumps and continued to use Air Source Heat Pumps ('ASHP') in our new sites where possible.

Scope 2 emissions reduced by 10.8% since 2024 to 8,040 tCO₂e, despite additional cooling requirements during a particularly warm Summer and continued estate growth. This reduction was primarily driven by lower UK carbon emission factors and the active management of electricity consumption through energy-efficient technologies. Under the market-based method, reflecting our 100% renewable electricity contract, emissions reduce to 1,300 tCO₂e.

Scope 3 emissions increased to 25,461 tCO₂e, reflecting higher capital expenditure associated with 16 new gym openings and increased investment into mature sites.

Operational carbon intensity for Scope 3 emissions stands at 98 per gym, 32% below our 2019 base year. Scopes 1, 2 and 3 are at 135 tCO₂e per gym and 507 tCO₂e per million visits – 35% lower than our 2019 baseline.

Water Stewardship

With most of our water use concentrated in showers and washrooms, we have introduced measures to optimise consumption and address high-usage sites. Remote meter reading, now in place in 63 gyms, provides real-time data for targeted intervention. Additional initiatives include recovering air-conditioning condensate for toilet flushing and the installation of low-flow shower heads.

Waste Management

In 2025 we generated 769 tonnes of general and mixed recycling waste, a 1.8% year on year drop despite our estate and membership growth as we reduce packaging across our operations. As a result, tonnes of waste per gym continued to fall, reflecting more efficient waste management in our sites. Our targeted support for gyms with lower recycling performance, helped accelerate our shift towards higher recycling rates and greater circularity, resulting in 51% of our waste now being recycled.

Waste	2019	2024	2025
Total Weight (in tonnes)	750	783	769
Average tonnes/gym	4.3	4.0	3.6
Recycled	Not tracked	49%	51%
Diverted from landfill	90%	100%	100%

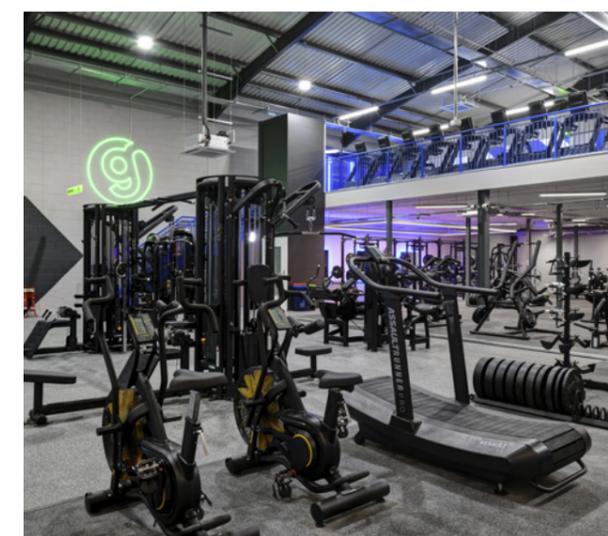
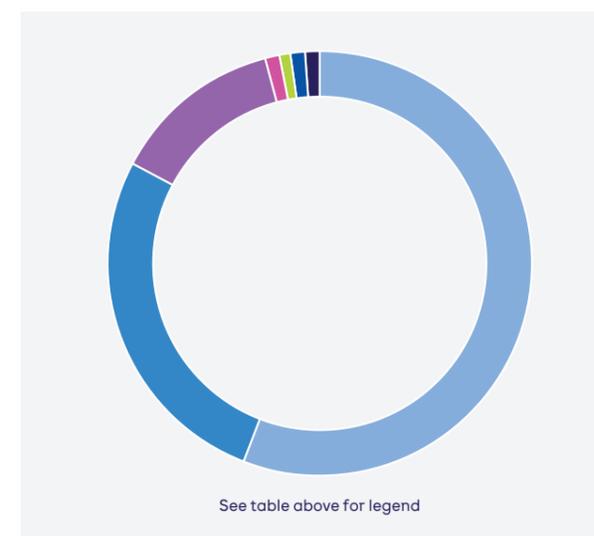


Renewable energy
For all sites where we control the purchase of energy

Emissions year ended 31 December 2025

Total emissions (tCO ₂ e)	2019	2024	2025
Direct emissions from operations (Scope 1)	2,157	1,700	1,554
Purchased electricity and heat (Scope 2)	8,797	9,017	8,040
Indirect emissions in value chain (Scope 3)	25,660	24,978	25,461
Total emissions (tCO₂e)	36,614	35,695	35,055
% change from base year Scope 1 and 2		-2%	-12%
% change from base year Scope 1, 2 and 3		-3%	-4%
Intensity metric (tCO ₂ e per gym) Total	206	146	135
% change from base year		-29%	-35%
Intensity metric (tCO ₂ e per million member visits) Total	785	548	507
% change from base year		-30%	-35%
Total consumption (kWh)	2019	2024	2025
Scope 1 (Gas)	11,071,196	8,828,082	8,349,181
Scope 2 (Electricity)	34,409,373	42,472,816	44,542,501
Scope 2 (Heat)	10,907	1,240,050	892,446
Scope 2 (Self-generation)	0	12,550	14,800
Total (kWh)	45,491,476	52,553,498	53,798,928

Scope 3 Category	Emissions (tCO ₂ e)			vs base	% of Scope 3
	2019	2024	2025		
Capital goods	17,544	13,908	14,328	-18%	56%
Purchased goods and services	4,488	6,811	6,874	53%	27%
Fuel- and energy-related	2,343	3,217	3,339	43%	13%
Business travel	272	415	213	-24%	1%
Employee commuting and homeworking	402	316	322	-20%	1%
Waste (Waste & Water)	236	186	204	-14%	1%
Upstream transport	375	125	181	-52%	1%
Total	25,660	24,978	25,461	-2%	
Intensity metric (tCO ₂ e per gym) Scope 3	144	102	98	-32%	



Strategic Report

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Introduction

The Task Force on Climate-related Financial Disclosures framework continues to guide The Gym Group's approach to identifying, assessing and managing climate-related risks and opportunities. The framework provides a consistent structure for evaluating the potential physical and transition impacts of climate change on the business.

This is our fifth year reporting in line with the TCFD recommendations. Our disclosures comply with the Listing Rules (Disclosure of Climate-related Financial Information) (No 2) Instrument 2021 and align with the four TCFD pillars of governance, strategy, risk management, and metrics and targets. Climate-related considerations are embedded within our wider governance, planning and risk management processes.

Our 2025 assessment confirms that climate-related risks and opportunities are not expected to have a material impact on the Group's financial performance or position over the current strategic planning horizon. Climate change nevertheless remains an emerging risk, reflecting its long term nature and evolving external drivers. Given the nature of our operations, energy use represents the most significant source of climate-related risk and opportunity for the business, and during the year we continued to progress energy efficiency initiatives across our estate to support reduced consumption, improved operational efficiency and resilience to transition and cost-related risk.

Governance

The Board oversees climate-related risks and opportunities through the Sustainability Committee, which is responsible for climate-related matters and for tracking progress against the Group's sustainability objectives. These updates inform the Committee's oversight, including discussions on performance, operational priorities and areas where further action or investment may be required.

Alongside the Sustainability Committee, the Audit and Risk Committee supports the Board's oversight of climate-related matters by monitoring climate change as an emerging risk within the Group's enterprise risk management framework. Further detail on governance for both Committees can be found in the Governance section on **pages 71 to 76** and on our website.

Day-to-day responsibility for managing climate-related risks and opportunities sits with the Chief Property Officer, supported by the Sustainability Working Group. The Working Group brings together senior representatives from Finance, Procurement, Facilities Management and other relevant functions to support Senior Management oversight and the effective implementation of the Group's sustainability strategy, with climate-related matters escalated through the Sustainability Committee where required.

Strategy

Our climate scenario analysis, conducted in 2023, remains a key reference point for understanding how physical and transition pathways may affect the business over the short, medium and long term. It assesses risks and opportunities across these timeframes and supports consideration of the resilience of our operations and estate under contrasting global futures, from continued warming driven by high fossil fuel use to a net zero pathway reflecting accelerated decarbonisation.

To assess potential physical risks, we used three climate scenarios from the Shared Socioeconomic Pathways, drawing on the Intergovernmental Panel on Climate Change's Sixth Assessment Report (2023) and supplemented with regional projections from the Met Office's UK Climate Projections 2018.

SSP1-2.6 Low emissions	A low GHG emissions scenario with global net zero emissions achieved by 2070, with projected warming of 1.3–2.4°C by 2100.
SSP2-4.5 Medium emissions	An intermediate pathway where global emissions remain broadly steady until 2050, resulting in projected warming of 2.1–3.5°C by 2100.
SSP5-8.5 High emissions	A very high GHG emissions scenario where emissions double by 2050, with projected warming of 3.3–5.7°C by 2100.

For transition-related considerations, we drew on three scenarios from the International Energy Agency's World Energy Outlook (2022):

Net zero emissions by 2050 scenario (NZE)	A pathway compatible with limiting global warming to 1.5°C and achieving universal energy access by 2030.
Announced pledges scenario (APS)	A pathway in which government climate commitments, including net zero targets, are delivered in full and on time.
Stated policies scenario (STEPS)	A pathway reflecting existing policy settings and their likely outcomes.

We assessed the implications of these scenarios across three time horizons, each with a milestone that marks a key point for reviewing progress:

Short term (to 2039, with a 2030 milestone)	Reflecting our current business strategy and near term emissions reduction aims.
Medium term (2040 to 2059, with a 2050 milestone)	Aligning with the UK Government's long term net zero target.
Long term (2060 to 2079, with a 2070 milestone)	Reflecting longer term impacts, where scenario pathways diverge more clearly and the long lifespan of built-environment assets becomes an important consideration.

The analysis covered all UK operations and identified regional vulnerabilities where relevant. Physical risks are most pronounced under the SSP5-8.5 pathway, while the NZE scenario presents the most material transition-related risks and opportunities.

Scenario outputs continue to inform forward planning and support our understanding of business model resilience across a range of potential futures. The analysis highlights where operational adjustments or targeted investments may be required and provides insight into the potential scale and timing of capital and operating cost implications, informing decisions on estate investment, landlord engagement on building performance and the prioritisation of efficiency measures within financial planning cycles.

During the year, we progressed further initiatives to improve energy efficiency and building performance across the estate, including estate-wide voltage optimisation, alongside targeted trials to support more effective management of operational consumption.

The analysis indicates that the business model remains resilient across the assessed pathways, including those presenting the most significant physical and transition challenges. Under SSP5-8.5, higher temperatures, localised flooding and increased cooling demand are longer term considerations but are not expected to materially affect operations in the short to medium term given current mitigation measures. Ongoing improvements to site energy efficiency support the management of these impacts, informed by the exceptionally warm Summer of 2025.

Under the NZE scenario, existing efficiency initiatives support the Group's ability to respond to evolving policy, regulatory and technology developments, with continued investment in energy efficiency underpinning long term resilience. However, it is crucial that we remain alert to potential regulatory changes, such as the upcoming UK Sustainability Reporting Standards, to ensure we remain resilient to evolving compliance requirements.

Risk Management

Climate-related risks and opportunities are managed through the Group's established enterprise risk management framework, ensuring they are assessed consistently alongside other strategic and operational risks.

An initial set of climate-related risks and opportunities was identified during preparatory work for the 2023 climate scenario analysis, drawing on climate science, sector trends and operational insight. These risks and opportunities are reviewed on an ongoing basis and updated within the climate-related risks and opportunities register to reflect changes in external conditions and the business context.

Climate-related risks and opportunities are assessed by considering both potential financial impact and likelihood of occurrence. Impact is assessed with reference to effects on the Group's financial performance and position, while likelihood reflects an estimated probability of occurrence. Both dimensions are scored on a scale of 1 to 4 and combined to determine a gross risk score. The effectiveness of existing control measures is then applied to determine a net risk score, providing a consistent assessment of residual exposure.

The outputs of this assessment are recorded in the climate-related risks and opportunities register and consolidated into the Group-wide risk register. This integration supports prioritisation and ensures climate-related risks and opportunities are considered alongside other enterprise-wide risks. Climate change continues to be classified as an emerging risk, reflecting that while it is not expected to have a material impact on financial performance or position over the current strategic planning cycle, its significance is expected to increase over time as policy, regulatory, market and physical climate drivers evolve.

Oversight of climate-related risks and opportunities is maintained through established governance arrangements. The consolidated outputs of the climate-related risk assessment are reviewed by the Audit and Risk Committee and the Board. The Finance Director has overall responsibility for the Group-wide risk register and assigns accountability for specific climate-related risks and opportunities to relevant senior managers. Further detail on the Group's approach to risk management is set out in the Managing Risk section of the Strategic Report on **pages 42 to 43**.

Metrics and Targets

We continue to collect and review ESG data to monitor and manage sustainability and climate-related risks and opportunities, maintaining a clear view of our exposure over time. This enables evaluation of management actions and identification of areas requiring further attention as expectations evolve. Reported emissions are influenced by operational performance and national emissions factors, and progress against targets is affected by the ongoing decarbonisation of the UK electricity grid. Further detail on environmental performance and key climate-related metrics, including GHG emissions and progress against environmental targets, is set out on **pages 35 to 37**.

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TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Risk	Potential Financial Impact	Control Measures	Emissions Scenario	Materialisation
Climate-related physical risks				
Flooding: More frequent and intense rainfall may increase river and surface water flooding, with surface water presenting the greatest risk in urban areas where The Gym Group operates. Rising sea levels may also raise flood risk in some coastal locations. Gyms in South East England are most exposed.	<ul style="list-style-type: none"> Revenue: Loss of income due to disruption or temporary closure. Expenditures: Higher insurance premiums and potential spend on flood resilience measures. Assets and liabilities: Reduced asset value or possible write-offs due to water damage. 	Leased premises allow flexibility to exit higher-risk sites if necessary.	Medium emissions	Short term
		Insurance policies include flood cover, with risk mapping reviewed at renewal. Flood exposure is assessed during new site due diligence.	High emissions	Short term
Prolonged water stress: Longer dry periods during Summer months may lead to water restrictions, which could affect the provision of shower facilities. This risk is most relevant in South East England.	<ul style="list-style-type: none"> Revenue: Possible reduction in demand if water restrictions affect facilities. Expenditures: Increased water costs. 	Our water management approach and ongoing initiatives are outlined on page 36 .	High emissions	Short term
High temperatures: Rising average temperatures may increase cooling requirements in gyms and offices and could reduce demand for indoor exercise. This risk is most pronounced for gyms in South East England.	<ul style="list-style-type: none"> Expenditures: Higher installation, maintenance or operational costs associated with cooling and air conditioning. Assets and liabilities: Shortened lifespan of cooling equipment. 	The '20 is Plenty' model, introduced in 2023 and now delivered annually, ensures gyms operate at 20°C or above, helping reduce unnecessary cooling demand. Building insulation lowers cooling requirements and supports consistent indoor comfort.	High emissions	Medium term
Climate-related transition risks				
Legislative requirements: Increasing regulatory expectations relating to building energy performance may lead to higher compliance costs, including retrofitting older building services or moving to more efficient premises.	<ul style="list-style-type: none"> Expenditures: Higher costs for upgrading building systems to meet new standards and for retrofitting where required. 	We continue to invest in improving energy efficiency across our portfolio, as described on pages 35 to 37 .	Net zero emissions	Short term
		Work is underway with landlords to improve EPC performance across leased sites, and currently 83% of gyms with EPC certificates hold a rating of C or above, with the intention that all gyms reach at least a C.	Low emissions	

Risk	Potential Financial Impact	Control Measures	Emissions Scenario	Materialisation
Climate-related transition risks continued				
Decarbonising estate: Transitioning away from fossil fuels and upgrading equipment to lower carbon alternatives may require increased capital investment and phased retirement of existing assets.	<ul style="list-style-type: none"> Expenditures: Higher upfront capital costs to replace or retire equipment and implement efficiency measures that support transition. 	Our approach to decarbonising operations is outlined on pages 35 to 37 .	Net zero emissions	Short term
		As part of our wider sustainability activity, we are progressing plans to remanufacture and repurpose equipment and building components, extending asset life and minimising waste. We also have a phased programme to remove gas for water heating as boilers reach their end of life, supporting a managed transition away from fossil fuels.	Low emissions	

Opportunity	Potential Financial Impact	Control Measures	Emissions Scenario	Materialisation
Climate-related opportunities				
On-site energy generation: Installing energy generation technologies such as solar PV may reduce dependence on purchased electricity and help limit exposure to fluctuating fossil fuel prices.	<ul style="list-style-type: none"> Expenditures: Lower operating costs over time due to reduced reliance on purchased electricity. 	On-site generation can reduce electricity costs and support greater resilience. We have trialled solar PV at selected gyms and continue to assess the business case for wider rollout.	Net zero emissions	Short term
			Low emissions	Medium emissions
Indoor exercise demand: Demand for climate-controlled indoor exercise facilities may increase during periods of extreme heat or unsettled weather, whether in short bursts or over sustained periods.	<ul style="list-style-type: none"> Revenue: Potential uplift in memberships as customers seek indoor alternatives. Capital and financing: Increased attractiveness to investors and potential improvement in share valuation. 	Hotter Summers, heat waves and wetter Winters may make outdoor exercise less appealing, creating an opportunity to attract customers who previously chose to exercise outdoors.	High emissions	Medium term