

Streamlined Energy & Carbon Reporting (SECR)

The Gym Group PLC
FY2023

SECR Highlights

The Gym Group PLC

Reporting Year: 1st January 2023 – 31st December 2023

Year-on-year Changes

- Scope 1 (Natural Gas & Refrigerants) emissions decreased by 11.86% in FY2023 compared to FY2022.
- Scope 2 (Electricity & Heating) emissions increased by 13.99% in FY2023 compared to FY2022.
- Scope 3 transport emissions decreased by 7.13% in FY2023 compared to FY2022.

Energy Saving Projects: Highlights

- Energy Management and Reduction
- Technology Upgrades (Innovation and Investment)
- Energy Supplier Procurement

Table 1: Energy Source Breakdown for Total Location-Based Emissions

	Natural Gas & Refrigerants	Electricity & Heating	Transport	Total
FY2023 Carbon & Energy Consumption				
kWh	10,137,976	42,149,610	569,896	52,857,482
tCO ₂ e	1,884.27	8,700.81	128.17	10,713.26
FY2022 Carbon & Energy Consumption				
kWh	10,960,970	39,474,494	598,358	51,033,822
tCO ₂ e	2,137.77	7,632.70	138.01	9,908.48
YOY percentage change (tCO ₂ e)	-11.86%	+13.99%	-7.13%	+8.12%

Table 2: Emission Intensity Breakdown for Total Location-Based Emissions

	Natural Gas & Refrigerants	Electricity & Heating	Transport	Total
Carbon Intensity Metric				
FY2023 tCO ₂ e per Number of Member Visits (million)	30.32	140.00	2.06	172.39
FY2022 tCO ₂ e per Number of Member Visits (million)	40.09	143.14	2.59	185.83
YOY percentage change (tCO ₂ e)	-24.37%	-2.19%	-20.31%	-7.23%

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Executive Summary

SECR disclosures are mandatory for listed and large unlisted UK companies with reporting cycles beginning on or after 1st April 2019.

This report summarises The Gym Group PLC’s energy usage, associated emissions, energy efficiency actions and energy performance under the government policy Streamlined Energy & Carbon Reporting (SECR). This is implemented by the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Mandatory information for compliance is detailed on pages 4, 6 and 7 of this report.

The appendix (page 7) includes the methodologies utilised for all calculations related to the elements reported under energy and carbon.

Under the legislation, The Gym Group PLC must disclose its energy consumption, emissions, intensity metrics and all energy efficiency improvements implemented for all UK operations.

The Gym Group PLC is a UK-incorporated business. The Gym Group PLC is the holding company of The Gym Limited – a wholly-owned subsidiary. 100% of the energy consumption and resulting emissions within the Group derive from the operations of The Gym Group Limited. An organisational boundary has been applied for the purposes of the reporting.

A total of 7.78% of consumption data used for SECR has been estimated to achieve 100% data coverage. This has increased from the FY2022 estimation level of 4.29%.

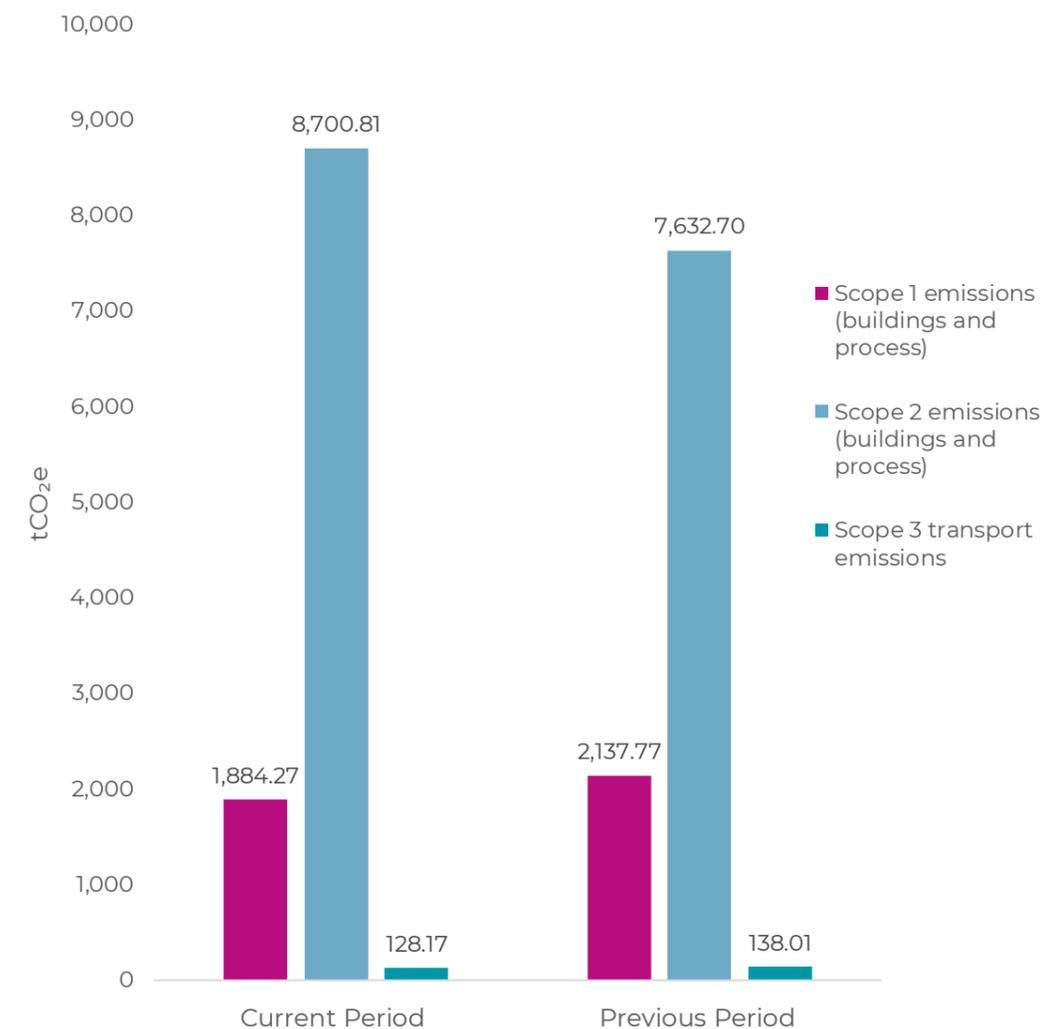
Reporting Year: January – December 2023

The Gym Group PLC’s Scope 1 direct and Scope 3 indirect emissions (combustion of natural gas, transportation fuels and refrigerants) for this reporting year are 2,012.45 tCO₂e, resulting from the direct combustion of 10,707,871 kWh of fuel. This represents a carbon reduction of 11.57% from last year, ending December 2022 (Figure 1).

Scope 2 indirect emissions (purchased electricity and heating) for this reporting year are 8,700.81 tCO₂e, resulting from the consumption of 42,149,610 kWh of electricity and heat purchased and consumed in day-to-day business operations. This represents a carbon increase of 13.99% from last year, ending December 2022 (Figure 1).

The Gym Group PLC’s operations have an intensity metric of 172.39 tCO₂e per Number of Member Visits (million) for this reporting year. This represents a reduction in the operational carbon intensity of 7.23% from last year, ending December 2022.

Figure 1: Scope 1, 2 and 3 emissions (tCO₂e): this reporting period vs. the previous reporting period.



Annual Reporting Figures: Consumption and Location-Based Emissions

The following tables show the consumption and associated emissions for the financial years ending December 2023 and December 2022 for all operations.

Total consumption and location-based emissions are reported in Tables 4 and 5.

Scope 1 consumption and emissions include direct combustion of natural gas, refrigerants, and fuels utilised for transportation operations, for example, company vehicle fleets.

Scope 2 consumption and emissions cover indirect emissions related to the consumption of purchased electricity and heat (including LPHWs) in day-to-day business operations.

Scope 3 consumption and emissions cover emissions resulting from sources not directly owned by The Gym Group PLC, i.e., grey fleet business travel undertaken in employee-owned vehicles only.

Table 3: The Gym Group PLC Total Emissions Intensity Metric.

Intensity Metrics	Location-based		Market-based	
	FY2023	FY2022	FY2023	FY2022
Total Number of Member visits (millions)	62.15	53.32	62.15	53.32
All Scopes tCO₂e per million member visits	172.39	185.83	56.26	78.86
Percentage change YoY	-7.23%		-28.66%	
Total no. of Gyms	234	231	234	231
All Scopes tCO₂e per no. of gyms	45.78	42.89	14.94	18.20
Percentage change YoY	+6.74%		-17.93	

Table 4: The Gym Group PLC FY2023 Total Energy Consumption (kWh).

Utility and Scope	FY2023 Consumption kWh		FY2022 Consumption kWh	
	UK	Total	UK	Total
Scope 1 Total	10,137,976	10,137,976	10,960,970	10,960,970
Gaseous and Other Fuels (Scope 1)*	10,137,976	10,137,976	10,960,970	10,960,970
Scope 2 Total	42,149,610	42,149,610	39,474,494	39,474,494
Grid-Supplied Electricity (Scope 2)	41,154,605	41,154,605	39,435,614	39,435,614
Heat, steam & cooling (Scope 2)	995,005	995,005	38,880	38,880
Scope 3 Total	569,896	569,896	598,358	598,358
Transportation (Scope 3)	569,896	569,896	598,358	598,358
Total	52,857,482	52,857,482	51,033,822	51,033,822

* Refrigerants have been recorded in kgs and, therefore, do not have an associated kWh emission factor. Therefore, they can only be included as tCO₂e (Table 5),

Table 5: The Gym Group PLC FY2023 Total Location-based Emissions (tCO₂e).

Utility and Scope	FY2023 Consumption tCO ₂ e		FY2022 Consumption tCO ₂ e	
	UK	Total	UK	Total
Scope 1 Total	1,884.27	1,884.27	2,137.77	2,137.77
Gaseous and Other Fuels (Scope 1)	1,854.53	1,854.53	2,000.82	2,000.82
Refrigerants (scope 1)	29.75	29.75	136.96	136.96
Scope 2 Total	8,700.81	8,700.81	7,632.70	7,632.70
Grid-Supplied Electricity (Scope 2)	8,522.06	8,522.06	7,626.06	7,626.06
Heat, steam & cooling (Scope 2)	178.75	178.75	6.64	6.64
Scope 3 Total	128.17	128.17	138.01	138.01
Transportation (Scope 3)	128.17	128.17	138.01	138.01
Total	10,713.26	10,713.26	9,908.48	9,908.48

Annual Reporting Figures: Year-on-Year Changes

- Scope 1 (Natural Gas & Refrigerants) emissions decreased by 11.86% in FY2023 compared to FY2022.
- Scope 2 (Electricity & Heating) increased by 13.99% in FY2023 compared to FY2022 due to the increase in purchased heat and other heating systems (LPHWs) throughout the portfolio.
- Scope 3 transport emissions decreased by 7.13% in FY2023 compared to FY2022.
- Scope 2 market-based emissions have decreased due to the procurement of 100% renewable electricity at all non-landlord-controlled sites.

Annual Reporting Figures: Voluntary Market-Based Emissions

The Gym Group PLC dual-report on location-based and market-based emissions factors. Market-based emissions demonstrate the carbon reduction achieved by renewable electricity procurement. See the appendix for market-based methodology. Total market-based emissions are reported in Table 6.

Where possible, supplier-specific emission factors were used for these calculations. Where supplier-specific emission factors were not available, residual fuel-mix factors were utilised. The details of source data for these factors are outlined in the appendix.

Table 6: The Gym Group PLC Total Market-Based* Emissions (tCO₂).

Utility and Scope	FY2023 Consumption tCO ₂		FY2022 Consumption tCO ₂	
	UK	Total	UK	Total
Scope 2 Total	1,304.96	1,304.96	1,922.81	1,922.81
Grid-Supplied Electricity (Scope 2)	1,304.96	1,304.96	1,922.81	1,922.81
Total	1,304.96	1,304.96	1,922.81	1,922.81

*Market-based emissions are reported in tCO₂ only and reflect the carbon reduction achieved by renewable energy procurement for sites where The Gym Group PLC controls energy purchase. For landlord supplies, a residual grid fuel mix factor has been applied. Please see the Methodology in the appendix for further details.

Energy Efficiency Narrative

Energy Efficiency Improvements

The Gym Group is committed to year-on-year improvements in its operational energy efficiency. A register of energy efficiency measures has been compiled, with a view to implementing these measures in the next five years.

Measures ongoing and undertaken through FY2023:

Energy Management and Reduction:

An energy management information dashboard has been created for the site, region and business levels. This dashboard provides accurate and up-to-date information on energy consumption and cost.

An ongoing process of energy auditing as part of The Gym Group's maintenance management programme continuously identifies operational energy-saving opportunities, optimising control settings and educating local gym teams.

Technology Upgrades (Innovation and Investment):

The Gym Group have two sites that are operating photovoltaic (PV) solar panels as they continue to develop their onsite power generation strategy. PV solar enables up to 30% of the required power to be generated onsite, reducing emissions.

The Gym Group developed a high-efficiency air source heat pump (ASHP) solution and replaced failed gas-fired boilers. Currently, 39 gyms operate with an ASHP, while 78% of the estate operates with gas-fired hot water.

Voltage optimisation is installed in some gyms, reducing gym electricity consumption.

To reduce consumption, a trial has started replacing older air handling unit motors with new high-efficiency motors combined with speed regulators.

Energy supplier procurement:

The Gym Group has met its previous target set for 2025 for 100% renewable energy procurement across their gyms at all sites where they control energy purchases.

Measures prioritised for implementation in FY2024 and beyond:

Ongoing Science-Based Targets with Time Horizons:

The Gym Group commits to reductions with near-term, long-term, and ongoing transition planning. The Gym Group's ambition is to decarbonise as demonstrated by their commitment to a net-zero pathway aligned with a 1.5 °C trajectory, including reducing absolute Scope 1 and 2 GHG emissions by 50% by 2030 from a 2019 base year and then by 90% by 2045, whilst an aim to reduce Scope 3 emissions by 55% per gym by 2030 and 97% by 2045.

Governance:

The Gym Group is committed to developing a member engagement plan by the end of 2025 to drive this net zero ambition forward.

Supplier engagement:

The Gym Group will continue to enhance its commitment by engaging further with its supply chain in its net zero pathway. In 2022, 79% of The Gym Group's emissions were associated with Scope 3 activities. Therefore, engaging with its extended value chain will be significant for The Gym Group. To this end, all new supply agreements will include contractual requirements for environmental performance.

Further energy management and reduction:

The Gym Group will roll out a system to automatically capture and report gym water consumption with a central reporting system that will identify excessive consumption to prompt rapid action.

Further technology efficiency upgrades:

Voltage optimisation roll-out will continue in FY2024 with an investment of over £1 million.

All new sites and any further failed Gas boilers will include the high-efficiency air source heat pump (ASHP) solution.

I: Compliance Responsibility

This report has been prepared by the ESG division of Inspired PLC for The Gym Group by means of interpreting the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 as they apply to information supplied by The Gym Group and its energy suppliers.

The Gym Group's registered CEO and CFO are responsible for complying with the Regulations. They must be satisfied that, to the best of their knowledge, all relevant information concerning The Gym Group's organisation structure, properties, activities and energy supplies has been provided to Inspired PLC.

This includes details of any complex ownership structures (for example, private equity funds, franchises for private finance initiatives) and electricity/gas usage that is covered by the EU Emissions Trading Scheme (ETS) or Climate Change Agreements (CCA) scheme, energy generated on-site (including Combined Heat and Power (CHP)) or supplied to/from a third party (i.e. not a licenced energy supplier or a landlord/tenant).

II: Reporting Methodology

This report (including the Scope 1, 2 and 3 consumption and CO₂e emissions data) has been developed and calculated using the *GHG Protocol – A Corporate Accounting and Reporting Standard* (World Resources Institute and World Business Council for Sustainable Development, 2004); *Greenhouse Gas Protocol – Scope 2 Guidance* (World Resources Institute, 2015); *ISO 14064-1 and ISO 14064-2* (ISO, 2018; ISO, 2019); *Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance* (HM Government, 2019).

Government Emissions Factor Database 2023 version 1.1 has been used, utilising the published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for the reporting period 01/01/2023 – 31/12/2023.

Estimations were undertaken to cover missing billing periods for properties directly invoiced to The Gym Group PLC. These were calculated on a kWh/day pro-rata basis at the meter level.

- For properties where The Gym Group PLC is indirectly responsible for utilities (i.e. via a landlord or service charge) or no data is available for the meter, an average kWh consumption was calculated at meter level and was applied to the properties with similar operations with no available data.

These full-year estimations were applied to 18 electricity supplies and 13 gas supplies. All estimations equated to 7.78% of reported consumption.

Market-based emissions reflect the carbon reduction achieved by renewable energy procurement for sites where The Gym Group PLC controls the energy purchase, and a zero tCO₂/kWh emission factor has been applied to these sites. A residual grid fuel mix factor has been applied for landlord supplies where contracts are not available.

Estimations were made to calculate heat consumption for sites where LPHWs were used. This was done by estimating an average pence per kWh value and applying it to those sites.

Intensity metrics have been calculated using total tCO₂e figures and the selected performance indicator agreed with The Gym Group for the relevant report period:

- Total Number of Member visits (millions) **FY2023** (FY2022) **62.15** (53.32)
- Total Number of Gyms **FY2023** (FY2022) **234** (231)

III: Glossary

Scope 1: Emissions associated with gas usage, refrigerants, and transportation fuels (under the company's control).

Scope 2: Emissions associated with the consumption of purchased electricity are presented on both a location-based (using country average electricity emission factors) and market-based (taking into account any purchased renewable generated electricity) approach. Scope 2 emissions include heat emissions (including LPHWs) in daily business operations.

Scope 3: Company's value chain emissions, divided into 15 categories, as established by the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting & Reporting Standard. Under SECR this is limited to emissions resulting from sources not directly owned by the Company, i.e., grey fleet business travel undertaken in employee-owned vehicles only.

Location-based emissions: Methodology to calculate Scope 1 and 2 emissions using the average grid emissions factor of a region.

Market-based emissions: Methodology to calculate Scope 1 and 2 emissions using emissions factors specific to the contractual instruments in place.

tCO₂: Tonnes of carbon dioxide gas released into the atmosphere. This metric is often used when reporting electricity market-based emissions factors.

tCO₂e: Greenhouse gases have different global warming potentials and are converted to a carbon dioxide equivalent to ease comparison and reporting.



IV: Quality Review

Prepared for: The Gym Group PLC

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Author: Nicholas Goodale

Reviewer: Dr Christine Doherty

Document Control			
Issue Number	Date	Author	Description of Changes
1	09/02/2024	Nicholas Goodale	Initial Issue
2	14/02/2024	Nicholas Goodale	Changes to purchased heat figures and metric (Pg 2, 4, and 7), alterations to the energy narrative (Pg 6), and a split to show refrigerants included in Scope 1 (Pg 4, Table 5).

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