

LEEFF REPORTING ON CLIMATE ACTION: GOODLIFE FITNESS

May 10, 2021

Climate Reporting

As a beneficiary of the LEEFF program, GoodLife produces, publishes and provides an annual climate change-related disclosure report. This report follows the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) ([Link](#)) as well as the Final Report of the Expert Panel on Sustainable Finance ([Link](#)).

The first four climate disclosure reports are prepared in the form of a Phase 1 report as specified in the Expert Panel’s recommendations, with clear disclosures on Governance, Strategy, Risk Management, Metrics & Targets, and achieving Canada’s commitments to the Paris Agreement (see below).

1	Governance	<ul style="list-style-type: none">• Describe the board’s oversight of climate-related risks and opportunities.• Describe management’s role in assessing and managing climate-related risks and opportunities.
2	Strategy	<ul style="list-style-type: none">• Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
3	Risk Management	<ul style="list-style-type: none">• Describe the organization’s processes for identifying and assessing climate-related risks.
4	Metrics & Targets	<ul style="list-style-type: none">• Disclose Scope 1 and 2 GHG emissions and related risks, or an appropriate alternative metric.
5	Achieving commitments to the Paris Agreement	<ul style="list-style-type: none">• Report on how your corporate governance, strategies, policies, and practices contribute to achieving Canada’s commitments under the Paris Agreement

The fifth report will be in the form of a Phase II report as specified in the Expert Panel’s recommendations, with reporting on underlying assumptions, calculations, estimates and scenarios.

Overview

As a responsible company and trusted Canadian brand, GoodLife recognizes the significance of Canada’s commitment to action on climate change, and our role in addressing it through the implementation of sound environmental sustainability practices. Not only is this work necessary to mitigate the impact of our operations on the environment, it is essential for our brand reputation and the engagement of our employees and members.

In 2018, GoodLife hired its first Corporate Responsibility professional to develop a strategy and framework for leveraging our business purpose for the betterment of our *people, communities* and the *planet*. As part of these efforts, we conducted an employee and member survey to understand what causes mattered most to these important stakeholders. Eighty-eight percent of members and 90% of employees agreed it is important, or very important, that GoodLife actively takes steps to minimize the

impact of its operations on the environment. In fact, after mental health, it was the cause nearest to employees' and members' hearts.

As a company, we have taken many steps toward reducing our environmental footprint; however, up to now and as a result of the pandemic, we have been unable to prioritize a formal approach to climate change governance and strategy, including risk management, or to measure the impact of these activities in order to meaningfully scale them across our business. We recognize this is a significant area of opportunity for the company moving forward.

Governance

One of the goals of GoodLife's Corporate Responsibility program, launched in late 2019, is to develop improved governance and decision-making related to environmental sustainability risks and opportunities in order to ultimately improve our environmental performance.

Our President and Chief Operating Officer is the executive sponsor of the Corporate Responsibility program. This means we have support at the highest level for our environmental sustainability work.

Our Executive Team, comprised of Chief Officers and Senior Vice Presidents, is ultimately responsible for making decisions that impact our environmental performance.

At an operational level, our Corporate Responsibility team works closely and cross-functionally with all departments responsible for implementing changes that impact our environmental performance, including Construction, Facilities and Property Management.

Strategy

At this time, GoodLife does not have a formal strategy for identifying and mitigating climate-related risks. However, we have taken many steps to improve our environmental performance in clubs across the country, and have identified a number of opportunities that will reduce our environmental footprint in the short-, medium- and long-term, as well as inform a more comprehensive strategy in the future.

Short-term: By Q2 of 2022, GoodLife will complete a review of its governance model and establish a more formalized approach to earmarking climate-related projects for execution. Also in 2022, GoodLife will implement a dashboard to collect and evaluate climate-related risks and opportunities. As a priority, GoodLife will identify water and energy consumption reduction opportunities at 5-10% of its facilities that underperform by comparison to all of its operating properties.

Medium-term: By the end of 2023, GoodLife will actively report on key climate dashboard metrics related to reducing GHG emissions and water consumption, at a minimum. GoodLife will bolster its sourcing model by including evaluation metrics that are aimed at reducing its indirect emissions through environmentally responsible purchasing and partnership decisions.

Long-term: GoodLife will commit to establishing climate-related projects in all provinces by 2025. GoodLife will, by the end of 2030, demonstrate leadership within the Canadian fitness industry as it relates to all areas of Corporate Responsibility, including environmental sustainability. This will be accomplished through strengthened governance, setting and achieving reduction targets, and prioritizing projects that help reduce the impact of climate change in our country, such as reducing water consumption across the board by 10%.

Risk Management

GoodLife's current approach to climate risk management is operationalized through the many projects and initiatives we have undertaken to reduce the impact of our operations on the environment.

GoodLife is aware that it is a large consumer of water and electricity, which is why we will focus our conservation efforts in these two areas between in the short-, medium-, and long-term.

Additionally, we are aware that our purchasing, logistic and supply chain activities also contribute to our environmental footprint. To this end, we will continue to seek out vendors and suppliers with sound ESG practices, and implement best practices to reduce emissions related to purchasing and end-of-life disposal cycles.

In the next 12 months, GoodLife will evaluate solar thermal energy suppliers, such as Enerworks, as part of its review of opportunities for alternative energy solutions that provide hot water generation. We will evaluate energy offsets through organizations such as Bullfrog Power once our own internal reduction strategies are more firmly in place.

Currently, the absence of commercial recycling programs across Canada is a significant barrier to GoodLife's ability to implement adequate waste and recycling programs in all clubs. This is because the majority of our locations are leased within commercial spaces. Nevertheless, we recognize that this is a risk that must be mitigated so, in addition to revisiting a 2019 gap analysis on where recycling services do not currently exist, GoodLife will explore a government relations strategy to advocate for better commercial recycling programs in Canadian municipalities.

Metrics & Targets

We do not currently measure Scope 1 or 2 GHG emissions. However, GoodLife has successfully measured the impact of some of its key energy and water reduction initiatives, as described below.

- GoodLife has successfully completed LED lighting retrofits in over 40 of its locations, which has resulted in a 10-50% return in direct fixture-to-fixture realized energy savings.
- Through a 2020 energy and water audit in London, Ontario, GoodLife determined that it can achieve a 40% shower water reduction by installing low-flow showerheads (from 2.5g/min down to 1.5g/min) in all washroom facilities. Over the next 60 months, we aim to complete this work in each of our London locations, and then work to achieve a reduction in shower water consumption of at least 5% per year until we reach a 20% reduction across the country.
- All consumable paper products used in GoodLife washroom facilities are made from recycled content, and are ECOLOGO or GREEN SEAL certified. The sourcing method for these products includes recycled, corrugated packaging, sustainable inking methods and 'perfect pallet' shipping processes to reduce the environmental impact of goods' transportation.
- Over half of the cleaning products used in our sanitation program are ECOLOGO or GREEN SEAL certified, and GoodLife has set a target to improve this percentage to over 70% within the next 24 months.
- GoodLife ensures, through its end-of-life processes for fitness equipment assets, that over 90% of products removed from facilities are refurbished and repurposed into the consumer market or recycled into existing locations.

Achieving Commitments under the Paris Agreement

GoodLife is in the early stages of developing a robust and comprehensive approach to environmental sustainability. We recognize that our ability to identify, assess, deliver and report on climate-related risks and opportunities is essential to our post-pandemic recovery.

By moving forward on the short-, medium- and long-term goals outlined above, and continuing to identify ways to mitigate climate risks going forward, GoodLife is committed to supporting Canada's transition to a low-carbon economy, and to reducing national GHG emissions to 30% below 2005 levels by 2030 per the Paris Agreement.

Please feel free to direct any inquiries to the following group of stakeholders who are responsible for the delivery of our environmental sustainability projects and programs:

Melanie Wallace, Manager, Corporate Responsibility

Aron Griffith, Director, Club Services and Facilities

Paul Barron, Vice President, Club Design and Construction

Michelle Tierney, Senior Director, Associate/Labour Relations, Corporate Responsibility,
and Diversity, Equity & Inclusion