Climate responsibility in Health Club business

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Abstract

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The research into the climate responsibility of health club operators is important from both environmental and business perspectives. This research aimed to understand the current situation in the industry, promote sustainable development, and address the increasing challenges of environmental awareness and expectations. There are approximately 205,180 health and fitness clubs worldwide, with an estimated 184,59 million gym memberships globally. The industry is substantial and reaches a large number of people worldwide. By examining the climate responsibility of health clubs, it's was possible to identify their environmental impacts, particularly in terms of emissions, energy consumption, and waste generation. With growing environmental awareness and expectations among consumers and investors, studying the climate responsibility of fitness centers provided insights into how these businesses are responding to environmental concerns and implementing measures to reduce their environmental footprint. Health clubs can serve as examples and leaders in sustainable development, offering valuable lessons and innovations that can be applied to other industries.

The theoretical framework of the thesis comprised literature and electronic sources covering ESG reporting, EU legislation, environmental responsibility, corporate sustainability, green transition, and circular economy. The chosen research method was qualitative, utilizing the latest sustainability reports of selected companies as data. The analysis aimed to combine descriptions from the material with the researcher's interpretation. Document analysis was used to achieve this, with the thesis adopting a case study approach to analyze the operating methods related to sustainable development and responsibility in the European health club industry.

Grounded theory was employed in data analysis to derive logical categories from the research material. The study revealed that companies emphasize their commitment to sustainable development and reducing environmental impacts. However, efforts to combat climate change outlined in sustainability reporting were not readily apparent to operational staff or current and potential members.

Health clubs are increasingly focusing on climate responsibility through measures like energy efficiency, renewable energy adoption, and waste reduction to achieve net-zero carbon emissions. They integrate climate responsibility themes into ESG reporting but require more detailed information and daily management involvement for effectiveness. Various strategies, including energy mapping and alignment with initiatives like SBTi, are employed. Corporate management, led by the board of directors, is crucial in fostering climate responsibility by integrating sustainability into business strategy, prioritizing shareholder value within a sustainable framework, and actively engaging in risk management. This commitment reflects a dedication to environmental stewardship alongside business success.

Keywords
Climate responsibility, green transition, health club industry, corporate sustainability, ESG reporting

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1 Introduction

1.1 Purpose and objectives of the Study

Corporate responsibility as a whole is a very broad topic and dealing with it in one thesis would require a lot of time and resources. Although health clubs have many aspects related to corporate responsibility, such as employee well-being, ethical procurement and community spirit, in this thesis I focus on the climate responsibility of the health club business. Combating climate change is one of the central and most topical global challenges. By researching how health clubs deal with their climate responsibility, I want to bring out a current and interesting perspective in this context, and the topic can be of interest to players in the health club industry as well as stakeholders interested in environmental responsibility. No previous studies related to the climate responsibility of the health club business were found. Health clubs are among many companies that can have a direct impact on the environment, for example through energy consumption, waste volume and transportation.

In 2012, Nordic Innovation produced a report titled "Green Business Model Innovation in the Tourism and Experience Economy," which examined cases from Austria, Portugal, Denmark, Finland, Mexico, Norway, Sweden, Iceland, Russia, and South Korea. The study, conducted by Nilsson and Andersen, utilized the Green Innovation Radar tool and survey developed by Jiyao Chen (Assistant Professor at Oregon State University) and Professor Mohan Sawhney from the Kellogg School of Management. In Finland, the study included Muumimaailma Oy, Koli Cultura, and Ruka-Pyhä (Nilsson & Andersen 2012.) In my opinion the tourism industry and health club business share similarities, both offering experiential services. Environmental sustainability presents challenges and new business opportunities across various industries. Many companies still approach the issue defensively, adopting measures like environmental reporting or incorporating "green language" in communication. Instead of seeing sustainability as a future business opportunity, some focus on individual efforts like reducing carbon dioxide emissions. On the contrary, an increasing number of companies are integrating "green innovation" into their entire business model, necessitating fundamental changes in current practices. This involves strategic management aspects such as defining business offerings, understanding customers, shaping customer experiences, determining operational processes, and selecting suppliers and partners. This lack of a clear innovation strategy is evident, as many companies still do not have a green growth strategy, and even fewer have a

dedicated "green innovation strategy". (Nilsson & Andersen J.B. 2012.) I see this same phenomenon is also observed in the health club business.

Also in the health club business, I believe it is essential to consider these same questions and develop new business strategies. In their study, Nilsson & Andersen (2012) emphasize the role of corporate leadership in guiding companies toward green innovation. This is also one of the questions addressed in this study – what is the role of corporate leadership, and how does climate responsibility manifest in the operations of health clubs? The challenges and opportunities discussed in this study provide a relevant context to understand and address climate responsibility issues, which are also pertinent in the context of health club business. The need for proactive measures, current practices, climate responsibility themes, meeting sustainability requirements, and the role of corporate leadership are all areas to be considered from the perspective of climate responsibility in the health club business.

The purpose of this thesis is to investigate the operating methods related to the sustainable development and climate responsibility of the players in the health club industry. The aim is also to clarify the development of sustainable development and create an understanding of how sustainable development and green transition affects the health club industry, and what kind of sustainable development trends in climate wise can be seen in the future.

Also the purpose of the thesis is to give possible development proposals what active measures are required from health club industry company’s management so that climate responsibility can be seen in practice. Planning or implementing these recommendations is not part of this study. The focus of the thesis on climate responsibility would bring practical significance to this thesis and provide useful guidelines for those working in the field.

In 2015, UN member countries agreed on a sustainable development action program and goals that guide the promotion of sustainable development in the years 2016–2030. The goal of the Finnish government is for Finland to be carbon neutral by 2035. With the European Climate Act, the EU commits to be carbon neutral by 2050. Along with the government, companies, research and civil society actors also play a significant role in the implementation of the goals. Companies influence, for example, the working conditions of employees and the environmental friendliness of manufactured products. Companies must also adapt to the new market. Sustainable development

innovations, changes and investments build the common good, but can also be an opportunity for a new kind of business. (Ministry for Foreign Affairs of Finland s.a.)

As I delve deeper into the research topic, I believe that responsibility and sustainable development create added value and productivity for business. With the help of responsibility, better customer experiences can be developed, and a more sustainable and better employee experience can be created. In addition, a responsibly operating company is an attractive employer for future employees as well. In the Sustainable Development Goals: A Business Perspective report, it is mentioned that businesses need to integrate climate change into their strategies, set clear targets, and create visibility on climate responsibility to gain support from various stakeholders. Along with climate responsibility, every company should also consider other topics of responsibility. In particular, increasing diversity, i.e. organizational diversity, and inclusion, and equality, are important for every organization. They play a special role in solving the key issues of companies' business: how do we find growth, how do we make better decisions, how do we develop a better organizational culture. (Deloitte 2018). In my thesis, I focus on climate responsibility.

The Sustainable Development Goals are a set of 17 global goals established by the United Nations in 2015. They are part of the 2030 Agenda for Sustainable Development, aiming to address various global challenges and promote sustainable development worldwide. The goals cover a wide range of issues, including poverty, hunger, health, education, gender equality, clean water, sanitation, affordable and clean energy, climate action, and more. The SDGs provide a framework for countries, organizations, and individuals to work towards creating a more sustainable and equitable world by the year 2030. (United Nations s.a.)

I have worked in the health club business for 23 years, both as a small entrepreneur and as an employee in a large health club chain. I know the history of the industry and have followed its development for over twenty years. I find it interesting to do research to see how the responsibility of health club industry operators is realized today and how it could be developed to be more responsible in the future. My own observation is that responsibility does not play a very big role in the health club industry at the moment and it is not much visible to consumers outside of a few individual companies.

The green transition has become a central guiding principle for society and the economy in the past few years. Mitigating climate change to meet the goals of the Paris Agreement, limiting the temperature increase to 1.5 degrees, requires significant global economic and societal efforts to achieve a fair green transition. At the European Union level, this is concretely outlined by the European Green Deal, adopted in 2020, with the overarching goal of making the European Union climate-neutral by 2050. In companies, the green transition can mean, for example, investments in clean energy production, circular economy solutions and the introduction of various new services and operating models. The low-carbon road maps and sustainability strategies drawn up by various industries are an important part of the whole. (Ministry of the Environment s.a.)

The idea in this thesis is to do research of selected European health club operators. I research the operating models of five selected health club chains in Europe. The health club chains included in the study are companies listed on the stock exchange (equity or debt) or private equity. Public responsibility reports and other reports of these companies are used as the data source of the research.

1.2 Research problems and questions

The aim of the thesis is to answer the following questions:

Q1 What active measures are required from health club business company’s management so that climate responsibility can be seen in practice?

Q2 What are the current operating methods related to the sustainable development and climate responsibility of the selected players in the health club business?

Q3 What specific themes related to climate responsibility are currently included in selected companies' ESG (Environmental, Social, and Governance) reporting?

Q4 By what means do selected companies practically strive to achieve climate sustainability requirements and goals?

Q5 What is the role of corporate management so that climate responsibility is reflected in the operational activities of individual health clubs?

1.3 Structure of the report

In the introduction, I present the research questions and the purpose of the research. In addition, I present the health club industry and the target companies. In the second chapter of the thesis, I present the key concepts from the point of view of the thesis and why these have been selected. The third chapter deals with the methodology and development methods used in the research. I use a qualitative method and document analysis in the research, these concepts are reviewed in this chapter. Finally, I present the research results and conclusions. Key findings are presented in chapter 6 with credibility of research findings.

1.4 Health club business

The historical journey of the fitness industry, from ancient practices to modern innovations, emphasizes the persistent relevance of physical activity. Around 2,000 B.C., ancient Egyptians formalized acrobatics and fitness training, introducing structured fitness regimens involving bodyweight calisthenics. Greeks later emphasized the cultural acceptance of fitness, linking it to martial prowess, restoration of body-mind-soul and education. In the primitive days of humanity, survival dictated physical prowess. Running, climbing, agility, throwing, and crawling were not just recreational activities but essential skills for daily existence. Fast-forward to ancient times, particularly during the Greek and Roman empires, where superior fitness was a prerequisite for boys and men. Extensive training in lifting, weapons, running, and agility became integral for outperforming rivals. Structured fitness saw a decline for almost 2,000 years until its resurgence in 1569 with publications by Italians and Germans promoting gymnastic-style exercises. Transition from solitary exercise to a more socialized approach began in the 1700s to 2000, involving private gyms, physical culture clubs like Turn, and Swedish Pedagogic Gymnastics. In 1848 Gymnase Triat was the first membership-driven facility, and the YMCA pioneered multipurpose fitness gyms in Lonon and in the U.S. in 1844-1850. Professor Attila's Athletic Studios in 1880s marked the advent of personal training gyms. Various gyms and clubs in the 1800s targeted men with gymnastic-style equipment, incorporating social elements. (Tharrett & ClubReady 2022)

The industrial revolution disrupted this paradigm, rendering some physical activities redundant. With technological advancements, the necessity for constant movement diminished, contributing to

a shift in lifestyle. Suddenly, energy expenditure reduced, and overconsumption of food led to the emergence of health concerns like obesity and diabetes. President Theodore Roosevelt recognized the importance of physical activity in preventing disease, laying the groundwork for the health-conscious era of the 60s and 70s. This period saw the rise of health club chains, exemplified by the birth of Gold's Gym in 1965, introducing the concept of big-box gyms and making fitness accessible to the masses. The mainstream acceptance of fitness burgeoned in the 80s, witnessed through the emergence of gym chains like LA Fitness and 24 Hour Fitness in US. Jazzercise and home aerobics became cultural phenomena driven by Jane Fonda, solidifying the integration of fitness into everyday lives. (Tharrett & ClubReady s.a.)

The fitness industry evolved through the 20th century with the rise of big-box gyms and mainstream fitness. In recent decades, there has been a shift toward more personal and intimate fitness experiences, including boutique gyms and specialty training facilities. The age of COVID-19 has led to increased home fitness and digital fitness, with a surge in demand for online content and virtual training. Technology, including wearables, artificial intelligence, mobile applications, and IoT, continues to disrupt the fitness industry, driving a demand for personalized approaches to health and fitness. (Tharrett & ClubReady 2022.)

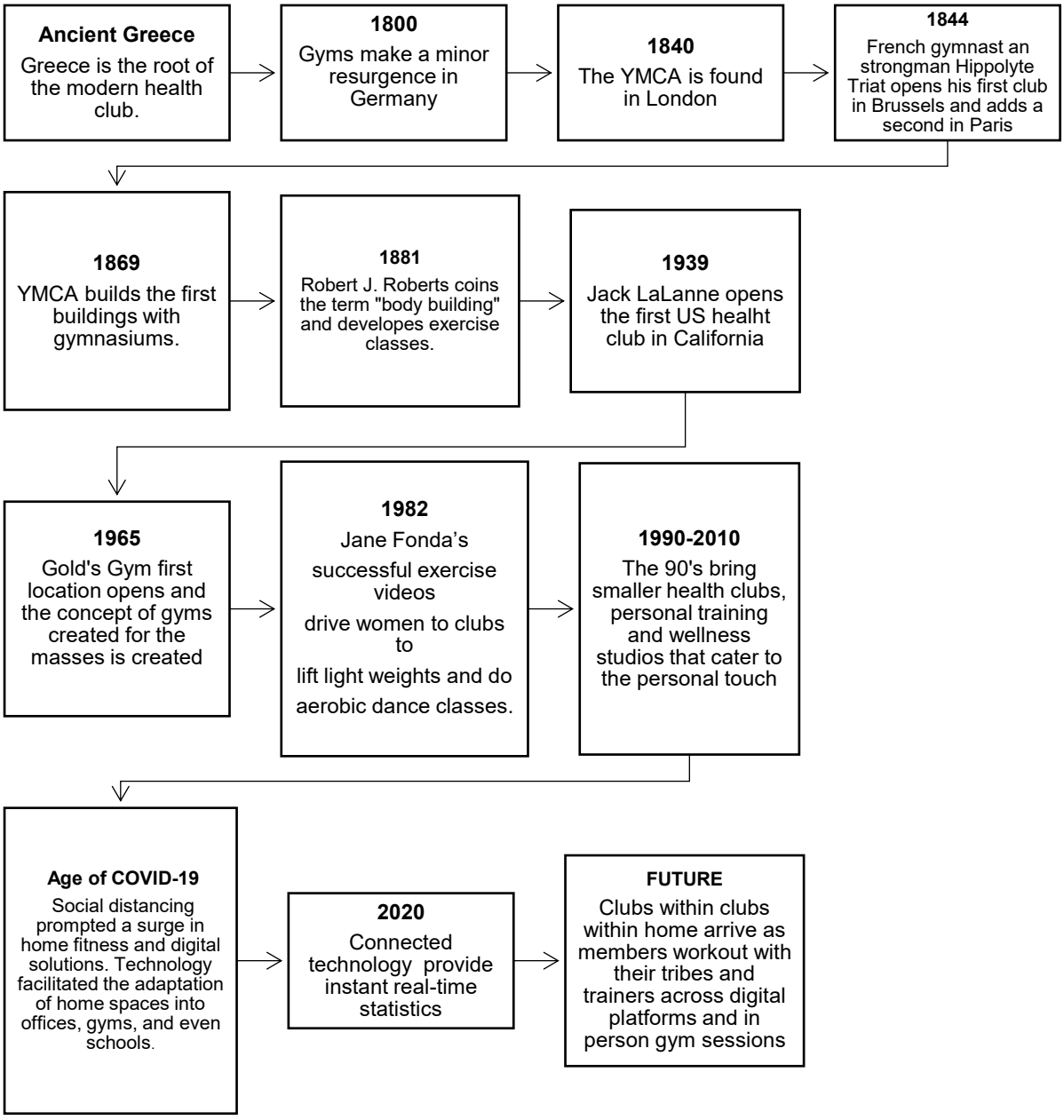

Figure 1. Evolution of the fitness industry (Adaptive from ClubReady 2022)

In 2022, the revenue of European health clubs surged to EUR 28 billion, marking a remarkable 66 percent increase compared to 2021 and nearly reaching the pre-pandemic 2019 revenue levels. These insights are gleaned from the 2023 European Health & Fitness Market Report jointly presented by EuropeActive and Deloitte. Membership figures also displayed a robust rebound, approaching the levels seen in 2019. In 2022, memberships climbed to 63.1 million, witnessing a

substantial rise of 7 million members (12.3 percent) in comparison to the preceding year. Despite this impressive growth, the potential for further expansion in the market remains significant, as merely 9.5 percent of the European population aged 15 and above are currently affiliated with a health club. The goal is to achieve 100 million members in health club centers by 2030. Among the 20 largest European operators, membership experienced a notable uptick of 22 percent, equivalent to 2.6 million new members. The top three operators contributing to this surge were Basic-Fit boasting 3.352 million members, RSG Group with 1.805 million members, and PureGym with 1.655 million members. In addition to the impressive financial and membership growth, the European health and fitness market witnessed a 0.5 percent rise in the number of clubs, reaching a total of 63,830 establishments in 2022. (Europe Active & Deloitte 2023.)

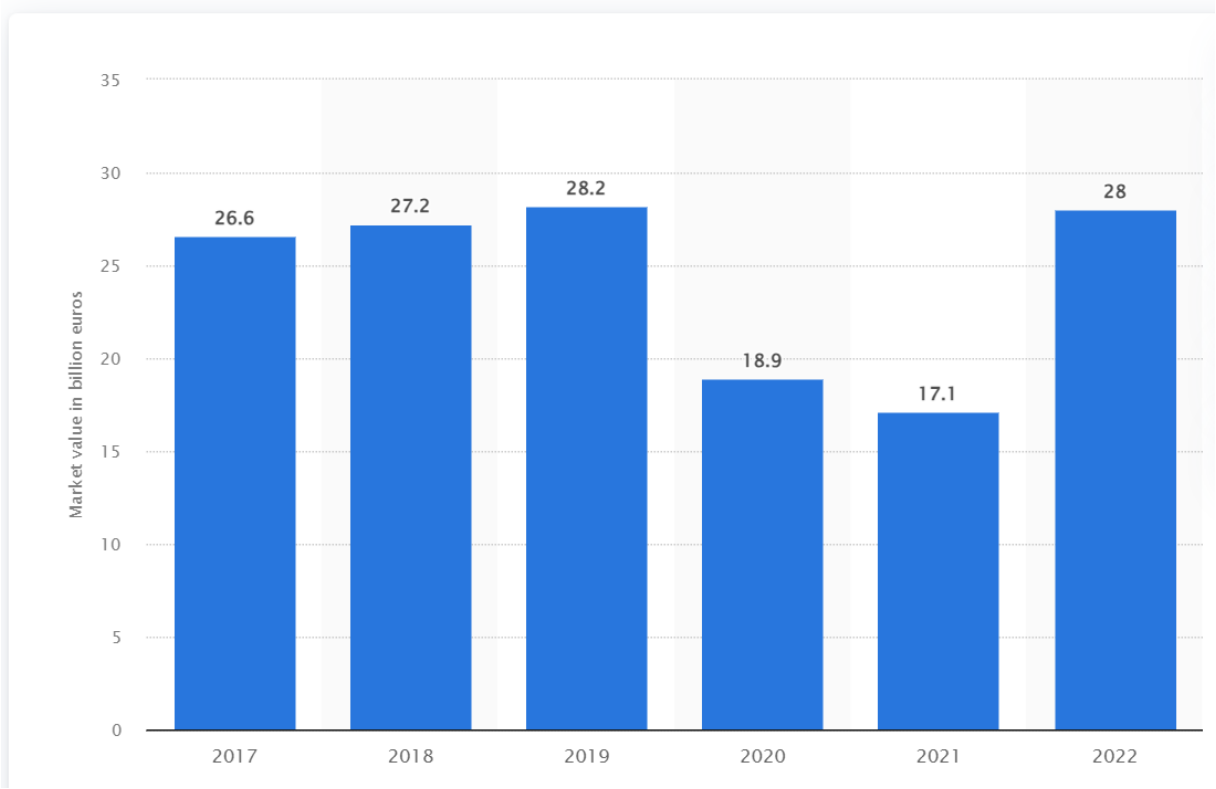

Figure 2. Revenue of the health and fitness market in Europe from 2017 to 2022 (Statissta s.a.)

Fitness club, gym and studio owners are facing numerous challenges, including post-pandemic impacts, supply chain issues, increases in VAT rates, higher energy costs, slowing economic growth, inflation and tightening labor markets. While these factors create uncertainty, executives are positive about the longer-term outlook, particularly with increased consumer interest in health and

fitness. The most optimistic among executives is research that shows consumers' increased desire to improve their physical health and well-being. According to the IPSOS report, 86 percent of consumers in more than 50 countries and regions are motivated to do more for their physical health and well-being than before. (Kufahl 2023.)

The COVID-19 pandemic has highlighted the changes already underway in working life. These changes include e.g. increased dependence on technology, emphasis on mental health and financial stability, and a stronger commitment to promoting diversity, equality and inclusion. It is crucial to recognize physical activity as a well-established approach to combating the adverse effects on workers' health caused by recent changes in the work environment. To adapt to this changing scenario, employers should prioritize physical activity as part of a comprehensive strategy that addresses sedentary working conditions, leisure time and commuting. By advocating for recommended physical activity throughout an individual's life, employers can set a positive example and lead a movement that benefits employees, their families, organizations and the wider community. (Whitsel, Ablah, Pronk & Wojcik, 2023.)

1.5 Target organisations

The following companies are included in this research: Sats Group and Basic Fit both of which are listed. Pure Gym holds publicly traded debt, while David Lloyd is privately owned by equity. Public responsibility reports and other reports of these listed companies are used as the data source of the research. See the table 2.

Table 1. Target organisations info (SATS Group, RSG Group, Basic Fit, Pure Gym)

Organisation	**Home**	**Business areas**	**Total revenue**	**Clubs**	**Employees**	**Members**
SATS Group	Norway	Denmark, Sweden, Norway, Finland	1 200 MNOK	+270	9700	0,7 M

Pure Gym	United Kingdom	United Kingdom, Switzerland, Denmark	272 M£	576	3406	1,855 M
RSG Group	Germany	30 countries	325 MUSD	900	10 000	4,5 M
Basic Fit	Netherlands	30 countries	765 MEUR	+1000	7564Pu	4,5 M

Pure Gym: The PureGym Group, consisting of Pinnacle Bidco plc and its subsidiaries, stands as the second-largest gym and fitness operator in Europe, boasting over 570 corporate-owned sites. This industry player offers high-quality, affordable, and flexible fitness facilities, holding market-leading positions in the UK, Denmark, and Switzerland. The core vision revolves around providing members with affordable access to the benefits of physical activity and exercise. By focusing on what most people want and utilizing innovative technology, PureGym has transformed the gym industry, making fitness more accessible to hundreds of thousands of individuals. The Group's customer proposition, marked by low-cost memberships, no locked-in contracts, high hygiene standards, and 24x7 access, sets it apart and appeals to a diverse consumer base. The strategic approach involves occupying market-leading positions in the value segment while ensuring profitable growth for stakeholders.

SATS GROUP: SATS GROUP, encompassing brands like SATS, ELIXIA, Fresh Fitness, SATS Online, and SATS Yoga, takes the lead in providing fitness and training services in the Nordics. With over 270 clubs, 9,700 employees, and 700,000 members, SATS GROUP embraces everyone, offering flexibility to tailor packages to individual needs. The Group provides cutting-edge studio facilities, a wide range of group training options, and highly qualified personal trainers. Additionally, there's a focus on online training and digital tools to support members beyond physical club

visits. SATS envisions making people healthier and happier through constant innovation and trend research.

Basic Fit: Basic-Fit is Europe's largest and fastest-growing fitness chain, featuring 1,200 clubs and 3.35 million members across six countries. The company's mission is to make fitness accessible to all and a beloved habit. With values like accessibility, smartness, inclusivity, and commitment, Basic Fit offers affordable, high-value fitness solutions. State-of-the-art technology is employed to update products, ensuring scalability, affordability, and personalization. The unique proposition includes a variety of memberships granting access to club facilities and the Basic-Fit app, providing hundreds of training programs, podcasts, virtual group lessons, nutritional advice, and progress tracking. This combination allows members to exercise at clubs, at home through digital training, or with the smart bike offer.

RSG Group: Founded in 1997 by Rainer Schaller and still family-owned, RSG Group has grown into one of the world's leading fitness companies, with more than 4.5 million members in its studios. Employing 10,000 people at over 900 locations in 30+ countries, the group includes 13 innovative brands such as Gold’s Gym, McFIT, and the JOHN REED Family. Constantly setting new standards, RSG Group ensures it is an essential part of its customers' active everyday lives, remaining at the forefront of the fitness industry.

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2 Theoretical framework

In this thesis, the central focus revolves around key concepts closely connected with the green transition, corporate responsibility, and the circular economy. These concepts collectively provide a structured framework for dissecting the climate responsibility of health clubs. By leveraging these conceptual pillars, I can methodically assess how health clubs are embracing the green transition, adhering to corporate responsibility norms, and implementing circular economy principles, thereby facilitating a systematic evaluation. These concepts harmonize seamlessly with the ever-evolving landscape of modern business. Climate change and sustainability have risen to paramount importance, assuming a critical role in the strategies and operations of businesses across the globe. My thesis, steeped in the understanding of these pivotal concepts, is poised to address contemporary challenges that health clubs must confront.

Recent studies in the field of tourism and experience services emphasize that sustainable business models can be developed to address climate challenges. In this context, a business model refers to a strategic structure that defines the logic through which value is created and captured. Sustainable business models are approached through a triple-bottom-line perspective, emphasizing economic, environmental, and social benefits. The key elements of a business model include value proposition, value creation, and value capture. The value proposition focuses on the value offered to customers and stakeholders. Value creation involves variations in resources, market channels, partners, and technology. Value capture is formed by cost structure and revenue streams, establishing the economic foundation of the business. The approach of sustainable business models argues that companies can develop sustainable value propositions that consider economic, environmental, and social benefits. The study specifically addresses the challenges in the tourism industry due to climate change and proposes the application of a sustainable business model as a solution to these challenges. (Dick-Forde, Oftedal & Bertella 2020, 247.)

The "Green Transition" signifies a sweeping societal transformation toward environmental sustainability, encapsulating fundamental changes in our attitude toward the environment. Visionary leaders in sustainable business set ambitious targets and drive innovation and foster partnerships to mitigate the environmental footprint of their operations, notably in reducing carbon emissions. In Leap by McKinsey’s state of new-business building report, 92 percent of executives say that new businesses built in the next five years will address sustainability to some extent—and 42 percent

expect to put sustainability at the center of their new businesses' value proposition. (McKinsey 2021.)

"Corporate Responsibility," on the other hand, delves into the specific approaches and standards governing climate responsibility, outlining the obligations companies bear in this transformative era. Meanwhile, the "Circular Economy" zone highlights sustainable resource management, a linchpin for health clubs' climate responsibility efforts. These concepts, when combined, yield a comprehensive framework for comprehending and addressing climate responsibility in businesses.

The concepts I have chosen are pragmatic. As you can see in figure 3, "Green Transition" and "Corporate Responsibility" are the main concepts of my theoretical framework and these concepts directly correlate with concrete measures that health clubs can implement to reduce their carbon footprint. "Circular Economy" complements this by offering strategies for sustainable resource management, which, in turn, can yield practical recommendations for health clubs aiming to adhere to these principles. Importantly, I believe these concepts are essential because they represent a universal perspective. Climate change and environmental responsibility transcend geographical borders, and "Corporate Responsibility" standards such as ESG (Environmental, Social, and Governance) and GRI (Global Reporting Initiative) enjoy international recognition and applicability. This means that my research and its findings are not bound by local constraints and can be extended to a global context, providing valuable insights and guidance to health clubs worldwide.

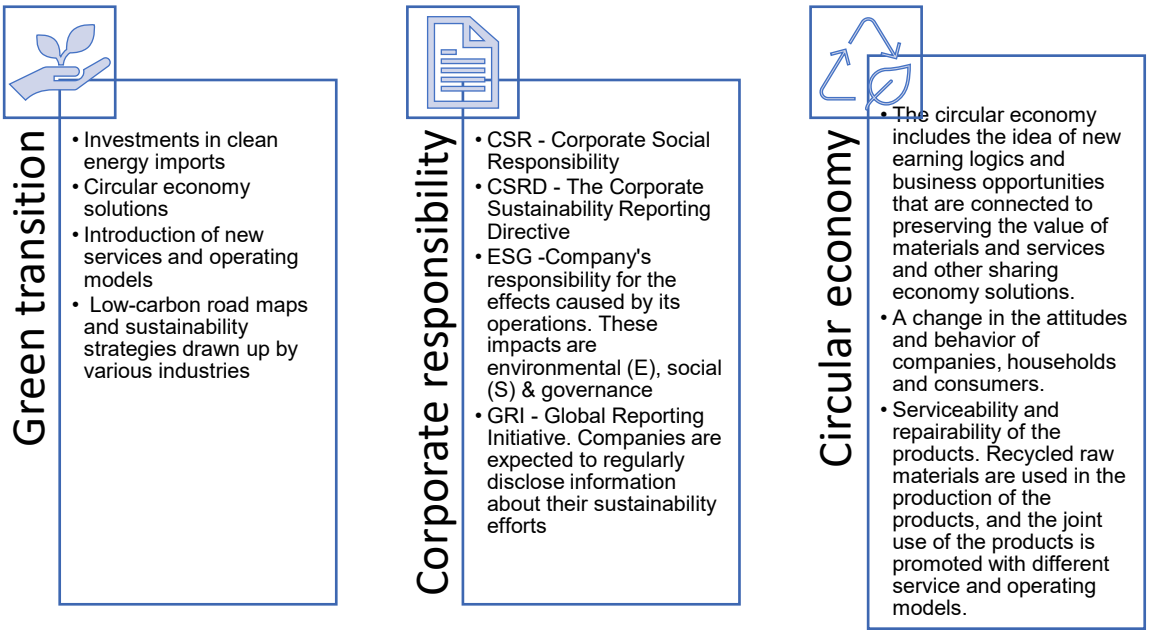

Figure 3. Theoretical framework.

2.1 Green Transition

The green transition signifies a shift towards achieving economically sustainable growth and fostering an economy independent of fossil fuels and excessive natural resource utilization. A sustainable economy relies on adopting low-carbon solutions that uphold circular economy principles and biodiversity preservation. This necessitates businesses, the manufacturing sector, and local governments to invest in clean energy generation, circular economy practices, hydrogen technology, and innovative services and operational models. Developing low-carbon roadmaps and sustainability strategies across various sectors plays a crucial role in this comprehensive endeavor. The motivation for this green transition stems from the current state of overconsumption of both fossil and renewable resources, exacerbating climate and ecological crises. Therefore, a fundamental shift in managing natural resources is imperative, with the primary challenge lying in moderating consumption to align with earth's capacity while ensuring the continued functioning of our economy. In a broader perspective, phasing out fossil fuels transforms climate and environmental challenges into opportunities, positioning the green transition as a catalyst for new economic growth and the foundation for a sustainable economy. By expanding the range of available products and services, we

not only contribute to emission reduction but also offer end-users better opportunities to lessen their environmental footprint. (Ministry of the Environment s.a.)

In steering the green transition in Finland, the Ministry of the Environment takes a multifaceted approach, providing extensive grants, formulating legislation and guidelines, and evaluating as well as establishing criteria for novel initiatives. Collaborating closely with other governmental departments and relevant stakeholders, the ministry strives to ensure that those responsible for executing pivotal steps towards the transition encounter a reliable regulatory framework and receive both financial and informational encouragement to execute necessary reforms and investments. At both the national and international levels, the ministry is actively engaged in developing practices and regulations essential for constructing a society aligned with the principles of the green transition, whether on a national, European, or global scale (Ministry of the Environment s.a.)

The motivation for this green transition is the current state of overconsumption of both fossil and renewable resources, which has exacerbated the climate and ecological crises. Consequently, a fundamental shift in how we manage our natural resources is imperative. The primary challenge lies in moderating consumption to align with the Earth's capacity while simultaneously ensuring the continued functioning of our economy. In a broader perspective, phasing out fossil fuels transforms the climate and environmental challenges into opportunities, positioning the green transition as a catalyst for new economic growth and the foundation for a sustainable economy. By expanding the range of available products and services, we not only contribute to the reduction of emissions but also offer end users better opportunities to lessen their environmental footprint. (Ministry of the Environment s.a.)

In steering the green transition in Finland, the Ministry of the Environment takes the helm through a multifaceted approach. This involves providing extensive grants, formulating legislation and guidelines, and evaluating as well as establishing criteria for novel initiatives. Collaborating closely with other governmental departments and relevant stakeholders, we strive to guarantee that those responsible for executing the pivotal steps towards the transition encounter a reliable regulatory framework and receive both financial and informational encouragement to execute the necessary reforms and investments. At both the national and international levels, we are actively engaged in the development of practices and regulations essential for constructing a society that aligns with the principles of the green transition, whether it be on a national, European, or global scale. (Ministry of the Environment s.a.)

The green transition offers and necessitates changes in business operations as well. Through green entrepreneurship, solutions can be achieved as a counterbalance to climate anxiety. In green entrepreneurship, products or services can be environmentally friendly, or the processes and economic activities of the producing company can be environmentally sustainable. A green economy means that a company invests in green solutions and engages in green business, which may involve transitioning to renewable energy sources or striving for the carbon neutrality of the company. Values play a crucial role in entrepreneurship. (Anckar 2023, 78.)

At the UN's COP27 Summit in Egypt in 2022, the Commission displayed ambition and adaptability to maintain the goal of limiting global warming to 1.5 degrees within reach. This resulted in a hard-fought agreement to preserve the objectives of the Paris Agreement. The EU's efforts in bridge-building also paved the way for balanced new financing mechanisms to assist vulnerable communities in addressing climate change-induced loss and damage. The EU, its Member States, and the European Investment Bank together constitute the most significant source of public climate finance for developing economies, having provided €23.04 billion in 2021. (European commission s.a.)

Science based targets initiative (SBTi) is a collaborative effort between the CDP, the United Nations Global Compact, World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). Since its inception in 2015, over 1,000 companies have joined the initiative to establish climate targets based on scientific evidence and aligned with the goals of the Paris Agreement. Funded by organizations such as the IKEA Foundation, Amazon, Bezos Earth Fund, We Mean Business coalition, Rockefeller Brothers Fund, and UPS Foundation, SBTi aims to assist companies in setting emission reduction targets that are scientifically sound. In October 2021, SBTi introduced the world's first net-zero standard, offering a framework for companies to set science-based net-zero targets, thereby limiting global temperature rise to 1.5°C above pre-industrial levels. SBTi recommends best practices for companies, including adopting transition plans covering emissions from scopes 1, 2, and 3, establishing short-term milestones, ensuring effective board-level governance, and tying executive compensation to the company's adopted milestones. (Wikipedia 2024.)

2.2 Corporate responsibility

The notion of corporate responsibility has various counterparts. Firstly, there's the acronym ESG, which encompasses the environmental, social, and governance dimensions of responsibility and is particularly favored among investors. It serves as a means to assess a company's practices in conjunction with its financial performance. Another equivalent concept is corporate social responsibility. In Finland, as well as at the EU level with the European Commission, the term "social responsibility" is used interchangeably with "corporate responsibility." The third pivotal concept is responsible business conduct, a term employed, for instance, by the Organization for Economic Cooperation and Development (OECD). These concepts share similar overarching objectives. (Vanhala & Ristaniemi 2022, 26.)

2.2.1 CSR: corporate social responsibility

Corporate Social Responsibility (CSR) was defined by European Comission in the CSR Strategy as the “the responsibility of enterprises for their impacts on society”. To fully meet their social responsibility, companies should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of maximising the creation of shared value for their owners/ shareholders and civil society at large and identifying, preventing and mitigating possible adverse impacts. (European Comission s.a.) In addition to company owners, typical stakeholders include the company's employees, end users of products or services, and members of local communities. Additionally, nature itself is sometimes considered a stakeholder. Civil and employee organizations such as the Finnish Association for Nature Conservation, Amnesty, and SAK (Central Organisation of Finnish Trade Unions) are important as they represent their stakeholders towards the company. In this way of thinking, a company is responsible for all of us as individuals and the environment to the extent that we value them in our societies at any given time. (Vanhala & Ristaniemi 2022, 25.)

Moos & Arndt (2013) sketched in the current state of research on responsibility in environmental ethics in their paper as follows: The concept of responsibility in environmental ethics has gained significance due to the ecological crisis highlighted by the Club of Rome in 1972. Various concepts of responsibility have emerged, all sharing common elements. First, responsibility implies a subject, traditionally the human individual, but expanding to groups, states, or corporations in collective responsibility models such as Corporate Social Responsibility (CSR). The distinction between

individual and collective responsibility is often recursive, with collectives forming individuals within higher-level collectives. The scope of responsibility is the second element, addressing the extent of moral liability. The idea of responsibility faces challenges in defining limits due to the complex global interconnection of human actions. Empirically, individuals' readiness to take responsibility for public goods like greenhouse gas reductions is limited. Third, responsibility is measured against a certain scale or standard, such as legal norms, moral norms, or standards related to political, economic, or organizational responsibility. Different modes of responsibility are often involved in a single problem. Finally, responsibility implies accountability to an authority, whether legal, moral (e.g., conscience), or external (e.g., peer groups, parliaments). The question of appropriate authorities is crucial in environmental ethics, especially given the lack of strong legal authority beyond national boundaries. Different concepts of responsibility share these constitutive elements, and additional aspects like time and the state of knowledge can be considered. The application of these elements to practices of responsibility requires reformulation within the framework of practice theory.

The Corporate Sustainability Reporting Directive (CSRD) is the European Union's recent sustainability legislation designed to enhance transparency and encourage sustainable business practices. It applies to numerous companies, especially those listed or large, impacting their reporting obligations and extending to supply chains. CSRD mandates comprehensive sustainability reporting for companies meeting specific criteria, and it introduces the European Sustainability Reporting Standards (ESRS) to harmonize reporting on environmental, social, and governance issues. This standardized reporting allows for better comparison of companies' sustainability efforts. CSRD integrates sustainability themes into financial reporting, making it mandatory for companies to include sustainability reports alongside financial statements in their annual reports, with potential penalties for non-compliance. The directive aims to attract responsible investors, consumers, and business partners. Beyond enforcing ESG metrics, CSRD influences future business planning, sustainability risk identification, and strategy development. Companies can seize new opportunities and gain a strategic advantage by embracing transparency in sustainability reporting. CSRD's new rules, effective from 2024, necessitate early preparation and planning for data collection. Overall, CSRD plays a crucial role in promoting sustainable business practices in Europe. (European Comission s.a.)

Sustainability reporting and responsible practices will increasingly impact the operations of small and medium-sized enterprises (SMEs). The reporting obligations will expand gradually, starting in 2024, and will initially apply to large companies operating in regulated EU markets with over 500 employees, with reporting commencing in 2025. From 2025 onwards, the obligation will extend to both listed and unlisted companies meeting at least two of the following three criteria: a balance sheet total of at least 20 million euros, a turnover of at least 40 million euros during the financial year, and an average of 250 employees. In 2026, the requirement will encompass listed SMEs as well as small and medium-sized credit institutions and insurance companies whose shares, bonds, or other securities are traded on a regulated market under the Securities Market Act – reporting must be conducted from 2027 onwards. This does not apply to all small and medium-sized credit institutions and insurance companies.

By 2028, non-EU companies with subsidiaries or a permanent establishment within the EU, and whose EU turnover exceeds 150 million euros, will also be subject to reporting obligations – reporting must be carried out from 2029 onwards. (Suomen tilintarkastajat r.y. s.a.)

2.2.2 ESG: environmental, social & governance

Corporate responsibility is the company's responsibility for the effects caused by its operations. These impacts are environmental (E), social (S) and governance (G). When evaluating the quality of these effects, the starting point can be the ways in which the company affects the well-being of people and nature. The company is therefore responsible for complying with current legislation and identifying the harmful effects associated with its operations and striving to prevent and reduce them, such as not polluting the environment or violating human rights. The ban on environmental pollution is based on the Environmental Protection Act. In several contexts, the environmental impact also leads to a human rights impact, in which case social and ecological responsibility are combined. (Vanhala & Ristaniemi 2022, 22.) In this thesis, I focus on climate responsibility, and the effects of the company's operations on the environment can be seen in figure 4.

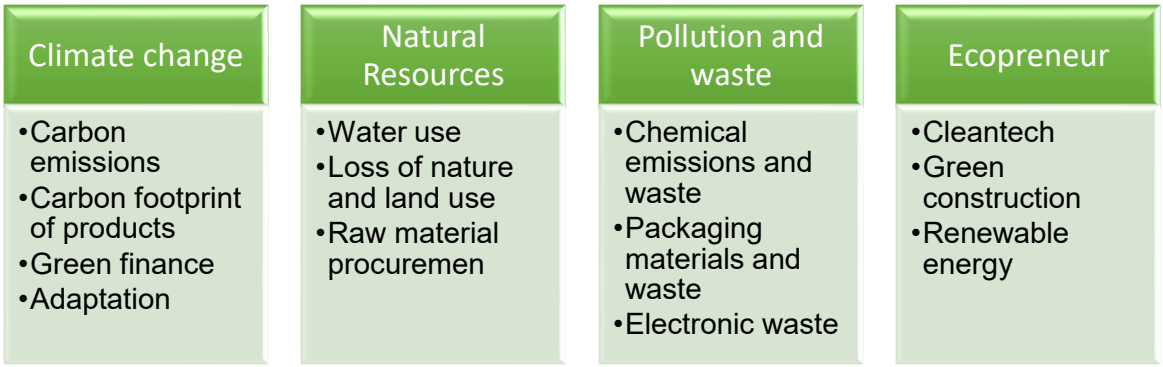

Figure 4. Table describing environmental Impacts of company's operations (Adaptive from Vanhala & Ristaniemi 2022, 22)

Ecopreneurs are entrepreneurs driven not solely by profit-seeking but also by a commitment to environmental well-being. Recognized as environmental entrepreneurship or eco-capitalism, ecopreneurship is gaining popularity as a novel market-driven strategy to discover opportunities for enhancing environmental conditions and leveraging them for financial gain in the private sector. This approach involves entrepreneurs utilizing business tools to conserve open spaces, cultivate wildlife habitats, protect endangered species, and enhance overall environmental quality. The majority of ecopreneurial initiatives commence at the grassroots level, tackling local environmental issues or fulfilling community needs. (Schuyler 1998,3.)

2.2.3 GRI: Global Reporting Initiative

The key aspect of corporate responsibility is reporting; companies are expected to regularly disclose information about their sustainability efforts. For some Finnish companies, reporting is legally mandatory, but businesses also publish an annual sustainability report based on self-regulation. This serves as a way to provide various stakeholders with information about the company's operations (Vanhala & Ristaniemi 2022, 76.) One reason for the growth in reporting obligations is the stakeholders' ability to monitor the company and the pressure they exert on businesses to advance their sustainability. The primary regulation governing corporate reporting is the Accounting Act. According to Chapter 3a of the Accounting Act, Finnish companies that are listed on the stock exchange or are PIE (public interest entities), with more than 500 employees and revenue exceeding

400 million euros or a balance sheet total exceeding 20 million euros, are obliged to provide a sustainability report. The report must cover at least four thematic areas: environmental matters, social issues and personnel, respect for human rights, and the prevention of corruption and bribery (Vanhala & Ristaniemi 2022, 57- 58.)

EU's Sustainability Reporting Directive (CSRD) plays a crucial role in the allocation of capital flows, as the "greenness" of investment funds and other financial market actors is determined based on the sustainability information of their investment targets. CSRD will strongly guide the sustainability reporting of organizations in the next few years. The directive changes corporate responsibility reports into new types of sustainability reports. (Suomen tilitarkastajat 2023 s.a.) The directive and reporting standards specify what should be disclosed and how. The guidelines for how companies should act on sustainability issues fall within the scope of a forthcoming due diligence directive. The CSRD directive mandates the disclosure of sustainability aspects, including those related to the environment, social issues, and corporate governance. The preliminary preparations for the legislative project have commenced within the Ministry of Economic Affairs and Employment. Preliminary draft sections have been prepared to provide an overview of what implementing the directive's obligations will entail in national legislation. These preliminary drafts are under review until the beginning of 2023. The aim is to have the actual draft government proposal ready for public consultation by the end of the first quarter of 2023. (Ministry of Economic Affairs and Employment of Finland 2022.)

The rules introduced by the Non-Financial Reporting Directive (NFRD) remain in force until companies have to apply the new rules of the CSRD. Under the NFRD, large companies have to publish information related to environmental matters, social matters and treatment of employees, respect for human rights, anti-corruption and bribery, diversity on company boards (in terms of age, gender, educational and professional background) These reporting rules apply to large public-interest companies with more than 500 employees. This covers approximately 11 700 large companies and groups across the EU, including listed companies, banks, insurance companies, other companies designated by national authorities as public-interest entities. (European Comission s.a.)

The new directive primarily applies to all companies that have so far reported in accordance with the NFRD, expanding every year to smaller companies as well. These large companies must report on their activities in 2024 and publish a sustainability report in 2025. As per the directive's provisions, the initial sustainability reports are slated for creation in 2024 and subsequent publication

in 2025. This reporting mandate encompasses approximately 800-1000 Finnish companies, which include large or medium-sized listed firms or entities fulfilling at least two of the following three criteria: a workforce of at least 250 employees, an annual turnover of 40 million, or a balance sheet totaling 20 million. These reporting rules apply to large public benefit corporations with more than 500 employees. This covers approximately 11,700 large companies and groups across the EU, including listed companies, banks, insurance companies, other companies designated by national authorities as public interest entities.

The criteria for sustainability reporting are meticulously outlined and standardized. Within the EU, sustainability reporting adheres to the sustainability reporting standards set forth by EFRAG (European Financial Reporting Advisory Group) meaning that the legal framework defines the specific elements to be reported. (European Comission s.a.)

In terms of the form and scope of the reported information, companies have discretion. The guiding criterion is the Accounting Act, which stipulates that the information must be provided to the extent necessary to understand the impact of the company's operations. The disclosure can be included in the board's management report or provided separately. There is no specific format prescribed for the content of the disclosure in Europe, but the most common international standard based on which reporting is done is the Global Reporting Initiative. (Vanhala & Ristaniemi 2022, 59.)

In the future, more and more Finnish companies are expected to participate in responsibility reporting. It is also likely that in the next few years we will see stricter regulations on the form of reporting. The European Commission proposes that large companies should report on their responsibility, and this would apply to all listed companies, regardless of size. When preparing the reports, the standard under development in the EU must be followed, and the information must be in a machine-readable digital format. External verification of data will become mandatory. In addition, the official designation for responsibility data changes from non-financial information to sustainability information. With all these reforms, the aim is to make sustainability reporting more comparable, reliable, and generally more useful information for the company's stakeholders. (Vanhala & Ristaniemi 2022, 79.)

2.3 Circular Economy

Korhonen, Honkasalo, and Seppälä (2017) adopt a critical scientific approach to the circular economy (CE) business concept. Through a critical examination of the CE concept from the

perspectives of sustainable development and its three dimensions - economic, environmental, and social - they propose the following new definition for CE. Circular economy is an economy built on societal production-consumption systems that maximize the service generated from linear nature-society-nature material and energy flow. This is achieved by using cyclical material flows, renewable energy sources, and cascading energy flows. Successful circular economy promotes all three dimensions of sustainable development. Circular economy restricts the throughput flow to a level that nature can tolerate and utilizes ecosystem cycles in economic circuits, respecting their natural reproduction rates. Additionally, the use of biodegradable materials and biofuels plays a crucial role in the circular economy. However, assessments of the actual environmental impacts of bioenergies, biomaterials, or various eco-efficiency initiatives still face unresolved methodological and other limitations.

The circular economy is an economic model that addresses the root causes of climate change, nature loss and the depletion of natural resources. In a circular economy, more goods are not constantly produced, but the value of the products and materials in use is utilized for as long as possible. Consumption is based on using services instead of owning them. (Sitra & Deloitte 2022.)

Through the lens of sustainable entrepreneurship, innovative business models can emerge, exemplified by practices like circular economy. In this approach, waste is minimized efficiently, and products and services in green entrepreneurship are crafted to maximize material usage while minimizing waste. Assets are shared, leased, and rented, while emphasis is placed on repairing, renovating, and reusing old items. Recycling is prioritized in every possible instance. The collaboration of industries and the consolidation of resources play a crucial role in both implementing and advancing the principles of a circular economy. (Anckar 2023.)

3 Methodology (research and development methods)

The purpose of my research was to find answers to my research questions through document analysis, aiming to comprehend the overall picture and the active measures taken by the management of fitness centers to integrate climate responsibility into their practices.

3.1 Qualitative research

In qualitative research, the starting point is to depict real-life situations, acknowledging the diversity of reality. The understanding is that reality cannot be arbitrarily fragmented, as events shape each other simultaneously, allowing for multifaceted relationships to be discovered. Qualitative research aims to comprehensively explore the subject, recognizing that reality cannot be arbitrarily divided into parts. Events shape each other simultaneously, and it is possible to find multidirectional relationships. In qualitative research, the goal is to examine the subject as comprehensively as possible. Researchers cannot disassociate themselves from value perspectives, as values shape how we seek to understand the phenomena under investigation. Achieving objectivity, in the traditional sense, is also not possible, as the researcher and what is known are seamlessly intertwined. The results can only provide conditional explanations limited to a specific time and place. It is commonly stated that the aim of qualitative research is to discover or reveal facts rather than to confirm existing claims. (Hirsjärvi, Remes & Sajavaara, 2009, 161.)

In certain instances, qualitative research may yield results that face criticism for offering little beyond impressionistic (re)description. This means merely compiling various accounts or observations within a particular area of interest and crafting them into a narrative lacking conceptual depth or practical relevance. A similar shortcoming is evident in the realm of quantitative methods, where results may be derived from the incorrect or inaccurate application of statistical methods and the formulation of meaningless or ambiguous hypotheses. The research process is riddled with diverse pitfalls and challenges, necessitating a blend of skill, experience, serendipity, and at times, sheer luck. This holds true across all research types, be it predominantly quantitative, qualitative, or a combination of various methods and approaches. from the inception researches have emphasized that the outcomes of a grounded theory study – the grounded theory itself – must adhere to specific criteria distinct from those typically deemed essential for hypothesis-driven, deductive research. They labeled these criteria as grab, fit, work, and modifiability. (Leavy 2014, 120.)

3.2 Research approach

The approach of the thesis is a case study. The aim of the thesis is to analyze the operating methods related to sustainable development and responsibility of the key players in the health club industry in Europe. Aim is also to clarify terms related to sustainable development and create an understanding of how sustainable development will affect health club industry in the future, and what kind of sustainable development trends can be seen.

3.3 Methods of data collection

Qualitative research is by its nature a comprehensive gathering of information, and the data is collected in natural and real-life situations (Hirsjärvi, Remes & Sajavaara, 2009, 164). In my thesis research material is to be collected from the public responsibility reports of selected listed companies and other publications, reports, literature and studies. I do not have possibilities to do interviews with companies, so document analysis would be best research method for my thesis. In this method, the aim is to make conclusions from material put into written form, for example company reports and other written materials. In this thesis, the focus of document analysis has been on the sustainability reports or annual reports of SATS Group, The Gym Group, Basic Fit, and David Lloyd from the year 2022.

The aim is to systematically analyze the documents and create a verbal and clear description of the matter to be researched and developed. The purpose of document analysis is to increase the information value and it creates clarity in the material so that clear and reliable conclusions can be made.

This method is also widely used in future research, when the goal is to identify trends Ojasalo,Moilanen & Ritalahti, 43) In my thesis I also try to find out what kind of climate sustainable development trends can be seen in the health club industry through responsibility reports.

The material for this thesis has been gathered from the business and sustainability reports of selected companies. These reports are available in an open digital database hosted on the official websites of the respective companies.

3.4 Methods of data analysis

In my analysis the purpose is to be able to combine the description of the things appearing in the material as they appear in the material and my own interpretation of what it is about.

I'm using document analysis for method. The purpose of document analysis is to increase the information value and it creates clarity in the material so that clear and reliable conclusions can be made. This method is also widely used in future research when the goal is to identify trends. (Ojasalo, Moilanen & Ritalahti 2014, 136.) In my thesis I try to find out what kind of sustainable development trends can be seen in the health and fitness industry through responsibility reports. In qualitative research, the typical aim of the researcher is to uncover unexpected factors. The starting point is not the testing of a theory or hypothesis, but rather a multifaceted and detailed examination of the data. (Hirsjärvi, Remes & Sajavaara 2009, 164.)

3.4.1 Document analysis

In document analysis, two key analysis methods can be distinguished: content analysis and content specification. It is suitable for the analysis of all materials in text form as in my thesis. As an approach, data-oriented analysis. (Hirsjärvi, Remes & Sajavaara 2009, 221.)

3.4.2 Data oriented analysis

3.4.3 Content analysis/Grounded theory

"Grounded theory" approach in the analysis of the data; the aim is to reduce and create logical categories from the research material. Grounded theory is a systematic methodology that has been widely applied to qualitative research conducted by social scientists. Methodology involves building hypotheses and theories by collecting and analyzing data. Grounded theory involves the application of inductive reasoning. In the content analysis, the importance of previous knowledge and theory is minimized and the research material is analyzed with an open mind. This means that the issues presented in the theory are not searched for, and the analysis units and central concepts of the material are not chosen in advance, but they arise from the material. The material guides the analysis. From the material, its most central issues are highlighted, regardless of what they are or how they relate to previous studies. (Hirsjärvi,Remes & Sajavaara 2019,191.)

Using content analysis allows for gathering and analyzing data from various sources. It can help to identify common themes and patterns in the data, which can then be used to draw meaningful conclusions and provide insights into the research topic. Content analysis enables to systematically evaluate large amounts of data in a structured manner, making the process more efficient and reliable. Overall, using content analysis in a case study thesis provides an objective method for analyzing data, possibly allowing for greater accuracy and depth of understanding. (Ojasalo, Moilanen & Ritalahti, 137.)

Bryant (2023) uses the term “grounded theory method” (GTM) to refer to the method, with the term “grounded theory” referring to the outcome. GTM is a systematic, inductive, and comparative approach to constructing theory in qualitative research. It emphasizes persistent interaction with data, simultaneous data collection and analysis, and empirical checks in the analytic process. GTM encourages researchers to examine all possible theoretical explanations for empirical findings. It has become widely popular across various disciplines, with numerous doctoral students successfully completing their degrees using GTM. In GTM, researchers do not seek to articulate concepts or hypotheses at the outset but gather data to develop the research project. This open-ended approach differs from more traditional deductive methods. GTM researchers start with an initial characterization of the research context, posing high-level questions such as "What is happening here?" Researchers plunge into their research context to explore data, which can include interviews, observations, texts, and documents. The iterative process of moving between data and emerging analysis refines both the data and the analysis, progressively making them more focused and theoretical. Despite criticisms, GTM has evolved and adapted, with a constructivist perspective emphasizing the active role of researchers in interpreting data and constructing codes and categories. (Bryant 2014, 116.)

I began by researching health club industry operators in Europe. I selected five entities with sustainability reports available online, read through the reports, and then organized the material for analysis. For data analysis, I designed a system to analyze the content of the reports. Initially, I categorized them into four main themes: energy management, circular resource management, UN Sustainable Development Goals, and sustainability governance. Each main theme has subcategories. I coded the reports and marked in an Excel spreadsheet whether the themes identified in Figure 5 were present in the examined reports.

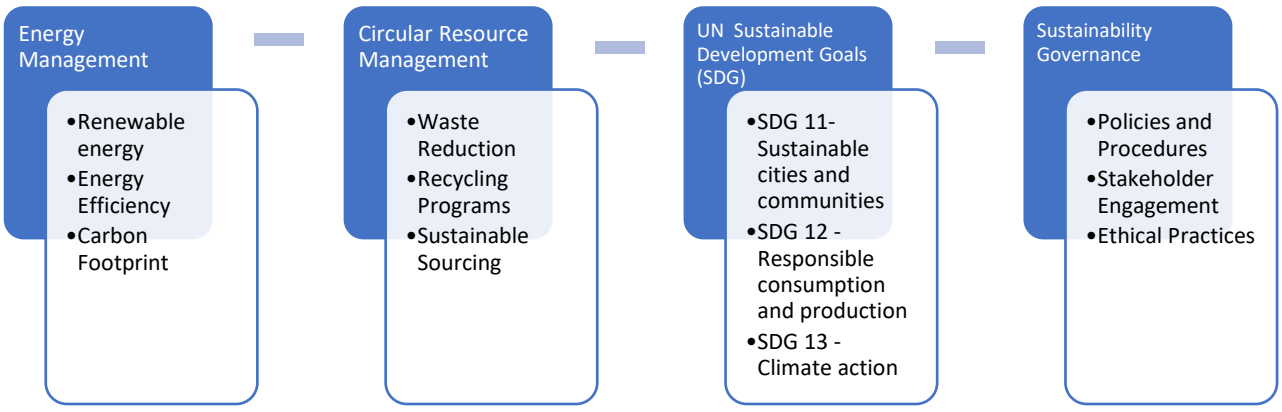

Figure 5. Classification System for Sustainability Challenges

The subcategories under Energy Management address three different categories, emphasizing active measures such as transitioning to renewable energy and adopting energy-efficient practices. Through this theme, I aimed to determine whether companies have practical actions in place that management may implement in adopting climate responsibility. The system, especially the subcategories under Energy Management and Sustainability Governance, provides insights into the role of corporate management. Reports highlighting renewable energy or ethical practices, for instance, can indicate how climate responsibility is reflected in the operational activities of individual health clubs.

Circular Resource Management subcategories, such as Waste Reduction and Sustainable Sourcing, shed light on potential operational methods from the perspective of sustainable development and climate responsibility. I wanted to investigate whether the companies included in the study have recycling initiatives or sustainable sourcing practices. The system helps to understand how consistent the reports are with the United Nations Sustainable Development Goals (SDGs) and how well climate sustainability requirements are met. Reports are coded with specific SDGs (e.g., SDG11 or SDG12), indicating how companies are addressing climate sustainability requirements.

Sustainability Governance categories, such as Policies and Procedures and Stakeholder Engagement, reflect various climate responsibility themes that companies may currently have. Using this system, reports are classified according to climate responsibility themes. In the text analysis and coding, specific identifiers like EM Renewable and EM Carbon were used to ensure efficient tracking and retrieval of reports related to specific sustainability themes. This contributes to understanding how health club operators address climate responsibility. The system aims to provide a

comprehensive framework that resonates well with the research problems, offering a structured approach to analyze and address climate responsibility in the health club business. (Appendix 1.)

4 Research results

In this paragraph, the results of the research are described first individually for each examined company and then summarized collectively.

4.1 SATS Group

According to the sustainability report SATS Group has taken several measures to address climate responsibility. For instance, it discusses the ongoing mapping of energy consumption, plans to align with the Science Based Targets initiative (SBTi), and efforts to reduce electricity and water consumption.

The SATS Group is actively implementing measures to demonstrate its commitment to climate responsibility. These measures include ongoing efforts to map energy consumption and implement strategies for reduction. Furthermore, the Board of Directors has made a significant decision to align with the Science Based Targets initiative (SBTi) in 2023. The organization's extensive network of clubs is another active measure, designed to reduce dependence on individual clubs and enhance resilience against physical impacts. The ESG team is actively engaged in identifying and adhering to relevant laws and regulations, showcasing the company's commitment to compliance.

To elaborate, SATS Group's management is continuously mapping energy consumption with a focus on implementing measures to decrease overall consumption. Aligning with the Science Based Targets initiative demonstrates a commitment to setting science-backed goals for reducing carbon emissions. The strategic use of a large network of clubs helps diversify risk and reduce reliance on individual locations, thereby contributing to the company's climate resilience. Additionally, the proactive efforts of the ESG team in identifying and complying with laws and regulations underscore the organization's commitment to legal and regulatory standards in the realm of environmental responsibility.

In essence, the report sheds light on various active measures undertaken by SATS Group's management to embed climate responsibility into the organization's practices, encompassing energy efficiency, strategic alignment, network resilience, and legal compliance.

SATS outlines its approach to sustainable development and climate responsibility. It discusses the integration of sustainability into its strategy, active efforts to comply with laws and regulations, and the inclusion of climate-related themes in its ESG reporting.

When it comes to specific operational methods, SATS Group is actively involved in mapping energy consumption. They prioritize electricity efficiency, oversee ventilation systems, install LED lighting, optimize fridge energy usage, implement energy-efficient solutions for heated group training studios, and enforce measures to reduce electricity consumption in saunas. Moving forward, SATS Group aims to formalize its commitment to the Science Based Targets Initiative (SBTi) in 2023, a significant step towards aligning with globally recognized climate goals.

Report sheds light on SATS Group's current operational approaches related to sustainable development and climate responsibility. These approaches include seamlessly integrating their vision and sustainability strategy into day-to-day business operations, providing a comprehensive Sustainability Report detailing initiatives and impacts, focusing efforts on key areas such as public health and environmental sustainability, meticulous measurement and reporting of climate accounts, and a commitment to joining the Science Based Targets Initiative (SBTi) in 2023 to influence positive change within the fitness industry.

SATS' sustainability report covers themes related to public health, inclusion, jobs and empowerment, reliable and safe societies, and maintaining environmentally sustainable operations. It also mentions the measurement and reporting of climate accounts, covering Scopes 1, 2, and 3 emissions. Notably, there is a commitment to the Science Based Targets Initiative (SBTi) in 2023 and contributions to the Paris Agreement.

SATS is actively working to reduce its carbon footprint, mentioning the commitment to SBTi, mapping energy consumption, and focusing on energy management. It also discusses initiatives like reducing paper and plastic consumption, implementing digital solutions, and addressing specific concerns raised by stakeholders.

The report offers insights into SATS Group's water management practices, waste reduction efforts, and sustainable sourcing. However, it doesn't explicitly provide a comprehensive overview of the means used to achieve climate sustainability goals.

SATS Group employs various strategies to attain climate sustainability goals. This includes ongoing mapping of energy consumption with a focus on reduction, aligning with the Science Based Targets initiative (SBTi), utilizing a large network of clubs to reduce individual dependence, leasing flexible building locations, and implementing measures for electricity efficiency in ventilation, lighting, fridges, heated group training studios, and saunas. The company is committed to contributing to the collective effort needed to meet the Paris Agreement target.

The sustainability report emphasizes that SATS' sustainability vision is directly linked to its overall strategy, and sustainability is integrated into its business operations. It also mentions the ongoing process of preparing climate accounts, which will likely influence future strategies and targets. Report provides insights into SATS Group's commitment to climate responsibility, active measures, operating methods, specific reporting themes, means to achieve sustainability goals, and the role of corporate management. The company's transparency, sustainability efforts, and alignment with global goals showcase its active engagement in addressing climate responsibility. Report provides details on SATS' energy efficiency measures related to electricity consumption, ventilation, lighting, fridges, heated group training studios, saunas, and its climate accounts. However, a broader view of sustainable development practices, including waste management, resource utilization, and community engagement, is missing.

The report touches on procurement strategies, the Supplier Code of Conduct, and efforts to mitigate ESG risks in the supply chain, suggesting the role of corporate management in climate responsibility. However, it lacks specific details on how management ensures climate responsibility in operational activities.

Corporate management, including the board of directors, plays a pivotal role in embedding climate responsibility in SATS Group's operational activities. Decisions by the board, such as aligning with the science based targets initiative (SBTi) and committing to it in 2023, highlight their influence. The governance group recommends priority actions related to systematic approaches to climate risk management and ESG. The commitment to climate neutrality, communication of SATS' climate risk management, and consideration of energy efficiency in premises selection underscore the role of corporate management in climate responsibility.

In sustainability report SATS Group primarily focuses on energy management strategies and efforts to reduce its carbon footprint. While it provides insights into the company's initiatives, it does

not fully address the specified questions regarding the active measures required from health club business management for climate responsibility, the current operating methods related to sustainable development, and the role of corporate management in reflecting climate responsibility in individual health clubs' operations.

The report mentions the SATS governance group and presents primary actions, such as due diligence activities regarding energy efficiency, but it does not clearly outline the role of company management in ensuring climate responsibility in the operational activities of individual fitness clubs. More detailed information on management strategies and instructions would increase the understanding of the role of company management in reflecting climate responsibility in operational activities.

SATS Group has initiatives to reduce paper and plastic consumption, such as digital contracts, digital cash registry reports, and digital availability of group training schedules. The company is working on implementing a digital solution to replace paper tickets for group training classes. SATS Group no longer issues physical membership cards, promoting a more sustainable approach with the use of QR codes. Efforts to repair training equipment and machines instead of discontinuing them contribute to waste reduction. The reduction of marketing material and its shift toward more general content for longer use also aligns with waste reduction practices.

In the sustainable report SATS highlights company’s use of recycled fibers in its clothing line, showcasing a commitment to sustainable sourcing. SATS emphasizes the importance of using recycled fibers and expresses a desire to further develop this aspect in the future. The information about 30% of SATS drinks being sold in recyclable bottles or cans with approved pant marking indicates a recycling initiative. SATS mentions efforts to sell or disassemble training equipment when replaced, keeping spare parts for repair purposes.

The report provides insights into water management practices, such as low water consumption showers and motion sensor technology in sinks. There's information on SATS' ambition to repair equipment and reduce paper and plastic consumption, contributing to climate sustainability.

SATS engages with suppliers, indicating an awareness of ESG (Environmental, Social, and Governance) factors in procurement decisions. The Supplier Code of Conduct includes expectations on environmental matters, demonstrating a commitment to responsible sourcing.

SATS mentions working with local distributors and adopting a procurement strategy to reduce ESG risk. Efforts to establish framework agreements with construction suppliers and manage ESG risks in higher-risk purchasing categories (cleaning services, construction) are highlighted.

To assess how SATS specifically works to mitigate risks, the report mentions practices such as contractual agreements, dialogues with suppliers, and collaboration with large, established firms to handle ESG responsibly. The information also highlights changes in the supply chain to address sustainability concerns, such as contracting a new supplier for clothing and updating procurement contracts regularly.

SATS acknowledges the importance of environmental responsibility, particularly in terms of its environmental footprint and CO2 emissions. The company actively works to identify and comply with applicable laws and regulations through its ESG team, demonstrating a commitment to legal and regulatory compliance. The sustainability report follows the Global Reporting Initiative (GRI) Standards, indicating a commitment to transparent reporting on environmental, social, and governance aspects.

SATS expresses a commitment to sustainability and aims to contribute by having a "greener" profile, demonstrating a proactive approach to environmental impact reduction. The company has identified three key environmental impact areas: Energy Management, Water Management, and Circular Resource Management, showcasing a comprehensive approach to sustainable development. The report explores the idea of capturing the energy produced by members during workouts, indicating a consideration for innovative solutions, even though the feasibility was found to be limited.

SATS places high value on corporate governance, outlining principles such as openness, independence, equal treatment, and management control. The board of directors actively integrates climate risks into the company’s risk management system and three-year strategy, reflecting a commitment to climate responsibility at the governance level.

SATS engages with various stakeholders, including investors, members, and employees, in its sustainability initiatives. This engagement is essential for understanding concerns, gathering feedback, and implementing improvements. The report highlights how SATS actively sought stakeholder input to identify relevant sustainability topics and concerns.

SATS has conducted an assessment of climate-related risks and opportunities, aligning with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The company concludes that climate-related risk is considered low, indicating that it is well-positioned to respond to climate changes and stricter regulations. The governance group recommends priority actions related to communication and disclosure of SATS' systematic approach to climate risk management and ESG, showcasing a commitment to transparency. Specific recommendations include due diligence regarding energy efficiency when considering new premises, setting requirements for low-emission technology, and considering climate neutrality.

SATS Group demonstrates a proactive approach, engaging stakeholders, conducting risk assessments, and considering innovative solutions to reduce its environmental impact. The emphasis on corporate governance further strengthens SATS' commitment to ethical practices and responsible business conduct.

4.2 BASIC FIT

The annual report mentions Basic-Fit's efforts to minimize its carbon footprint by expanding its network throughout Europe, using natural resources more consciously, reducing energy consumption, and aiming to be carbon neutral by 2030. The company has set up an energy task force to control energy consumption and focuses on innovation, expansion, and professionalization of processes.

Report mentions several active measures taken by Basic Fit's management to demonstrate climate responsibility. These measures include implementing a remote facility system to monitor and control club operations and equipping clubs with heat recovery systems to reduce energy consumption, exploration of solar panel installations, and the goal to replace natural gas heating systems with more efficient electric systems. Additionally, there are efforts to minimize water usage through initiatives like using water-saving showerheads and activation buttons. Basic Fit is also engaged in reducing waste generation by working with suppliers to minimize packaging and partnering with responsible waste management companies

The report provides insights into the active measures taken by Basic Fit's management for climate responsibility. It mentions that sustainability and ESG (Environmental, Social, and Governance) are integrated into the company's strategy and business processes. The leadership team, specifically the director treasury, investor relations, and sustainability, is responsible for the development and

execution of the sustainability strategy. There is also a dedicated team, including the sustainability reporting manager and the communications & CSR lead, to ensure the implementation of plans.

The text outlines several operating methods related to sustainable development and climate responsibility. Basic Fit's sustainability strategy is embedded in its DNA and integrated into its strategy and business processes. The company has a sustainability committee, which involves internal ambassadors from various departments and operating countries. There is a focus on responsible business conduct, environmental management, and employee engagement, among other topics. The company also engages with stakeholders through surveys and initiatives to make sustainability reporting more accessible and transparent.

In the report it is mentioned Basic-Fit's sustainability framework and strategy, focusing on people, planet, and communities. It refers to the development of initiatives to support members and communities to stay active, and the company's adherence to a supplier code of conduct.

Basic-Fit aims to achieve climate sustainability by reducing energy consumption, using sustainable energy, and ultimately being carbon neutral by 2030. The company is actively working on energy reduction initiatives, exploring solar panel installations, and implementing a gas transformation project. They also emphasize the importance of minimizing water usage.

Basic Fit is working towards climate sustainability by implementing various measures. These include the use of a remote facility system, transitioning to electric boilers, implementing water-saving technologies, and collaborating with suppliers to reduce environmental impacts in logistics and construction processes. The company is actively engaged in minimizing its environmental footprint through these practical initiatives.

Basic Fit employs various means to achieve climate sustainability. The text mentions integrating sustainability into its strategy and business processes, having a dedicated team responsible for sustainability, conducting surveys on sustainability, and engaging with stakeholders to address their concerns. It also outlines the commitment to responsible business conduct, transparency, and continuous efforts to align with sustainability goals.

It is mentioned in the report that the company set up an energy task force to control energy consumption, maintained a strict approach to cost controls, and continued its focus on innovation and

expansion. The supervisory board is involved in supervising the company's sustainability strategy and preparations for ESG reporting, among other responsibilities.

Corporate management at Basic Fit plays a role in fostering climate responsibility. There is a focus on minimizing environmental impact in both offices and clubs, implementing measures to reduce energy and water usage, using green electricity, recycling waste, and setting sustainability requirements for new clubs. The engagement with suppliers is also highlighted, indicating that corporate management views suppliers as integral to the execution of the sustainability strategy.

Corporate management, including the leadership team and the director treasury, investor relations, and sustainability, plays a crucial role in ensuring climate responsibility is reflected in Basic Fit's operational activities. They are responsible for developing and executing the sustainability strategy, approving targets, monitoring performance, and overseeing the implementation of plans. The establishment of a sustainability committee and engagement with internal ambassadors further indicates the commitment of corporate management to integrating sustainability within the company.

4.3 PURE GYM / The Gym Group

The provided text from The Gym Group primarily focuses on the company's commitment to sustainability, particularly in relation to climate change and environmental responsibility.

The report highlights Pure Gym's commitment to sustainability and climate responsibility. It mentions the formation of a dedicated sustainability committee with the aim of continuously improving sustainability performance. The company actively pursues a proactive and strategic approach to reduce environmental impacts in the health and fitness sector. Measures include investing in energy-efficient designs for new sites, extending the use of air source heat pumps, and addressing challenges posed by increased cleaning regimes due to COVID-19.

Pure Gym's commitment to sustainability is emphasized as a core aspect of its business, aligning with and contributing to the sustainable development goals (SDGs). The management actively takes measures to reduce environmental impacts, including carbon emissions, waste reduction, and energy efficiency. Initiatives such as procuring 100% renewable energy, conducting carbon audits, and offsetting emissions demonstrate a proactive stance towards climate responsibility.

Additionally, the report outlines various active measures taken by Pure Gym's management, such as embracing the task force on climate-related financial disclosures (TCFD), developing

disclosures in line with TCFD recommendations, and forming a Sustainability Committee for governance of climate-related risks and opportunities. The company's participation in initiatives like the all-party parliamentary group for ESG further showcases its commitment to integrating climate responsibility into business practices.

The text discusses Pure Gym's commitment to reducing carbon emissions and investing in energy-efficient designs for new sites. It highlights efforts to reduce waste and improve operational efficiencies. The company has been procuring 100% renewable energy since October 2019, contributing to SDG target 7.2, and has committed to achieving net-zero carbon emissions by 2035.

Pure Gym's operating methods include reducing carbon emissions, investing in energy-efficient designs, procuring renewable energy, and actively managing waste. Specific actions such as using high-efficiency LEDs for lighting, recycling heat for water heating, and conducting site water audits to monitor and manage water consumption are emphasized.

Insights into the governance structure are provided, including the formation of a Sustainability Committee and the role of the chief development and sustainability officer. The commitment to becoming net-zero by 2035 and the integration of environmental considerations into their strategic approach to sustainability are highlighted.

Operating methods encompass purchasing 100% renewable energy, diverting 95% of waste from landfill, achieving carbon neutrality since 2021, and reducing carbon emissions through various initiatives like energy-efficient designs, air source heat pumps, and LED lighting. Energy audits are conducted for potential reduction initiatives, showcasing a comprehensive strategy to integrate sustainable development and climate responsibility into operations.

Pure Gym's operating methods related to sustainable development and climate responsibility include reducing carbon emissions, committing to net-zero emissions, participating in initiatives like the Science Based Target initiative (SBTi) and the UN Race to Zero, offsetting emissions through certified carbon offset projects, and implementing energy efficiency measures such as ongoing energy audits, upgrading building control systems, and transitioning to LED lighting.

In the report is mentioned various operating methods, including a commitment to becoming net-zero by 2035, a 50% reduction in emissions by 2030, integration of environmental considerations into the strategic pillar of "Responsibility to the Environment," collaboration with stakeholders to

enhance business resilience against climate-related risks, and risk management processes developed in line with TCFD Scenario Analysis Report.

Insights into Pure Gym's operating methods include the integration of sustainability into core business decisions through the sustainability committee, reporting alignment with global standards, recognition of climate change as a pressing challenge, and a proactive and strategic approach to reducing environmental impacts, including carbon emissions and waste reduction. The company procures 100% renewable energy for sites where it controls energy purchases. These practices indicate active implementation of sustainable development and climate responsibility into operational strategies.

The report mentions a materiality assessment conducted with stakeholders to identify significant sustainability issues and impacts. It aligns with the Global Reporting Initiative (GRI) and identifies key priorities for The Gym Group.

Pure Gym's environmental efforts align with Sustainable Development Goals (SDGs), including SDG 7 (Affordable and Clean Energy), SDG 12 (Responsible Production and Consumption), and SDG 13 (Taking Urgent Action to Combat Climate Change). The company reports on carbon emissions and progress toward net-zero in alignment with the Greenhouse Gas (GHG) Protocol and other reporting standards.

The report provides information on themes related to climate responsibility, including procurement of 100% renewable energy contributing to SDG target 7.2, alignment with Sustainable Development Goals (SDGs) 7 (Affordable and Clean Energy), 12 (Responsible Production and Consumption), and 13 (Taking Urgent Action to Combat Climate Change). In the report is mentioned Pure Gym's commitment to becoming net-zero by 2035 and adherence to TCFD recommendations. It provides insights into how Pure Gym addresses climate-related risks and opportunities, including governance, strategy, and risk management.

Pure Gym has taken specific actions, such as procuring 100% renewable energy, conducting carbon audits of operations and the supply chain, and making a Net-Zero commitment with defined targets.

The Gym Group employs various strategies to reduce carbon emissions, including the use of renewable energy, transitioning away from gas for water heating, and implementing electric heat pumps. The company actively participates in carbon offset projects, establishing itself as the UK's first carbon-neutral gym chain.

Pure Gym is implementing multiple measures to achieve climate sustainability goals. These include procuring renewable energy, reducing carbon emissions, investing in energy-efficient designs, actively managing waste, and implementing measures to reuse, reduce, and recycle. The company is also committed to achieving net-zero carbon emissions by 2035.

Company has various means to achieve climate sustainability goals, including the governance structure, scenario analysis, risk management processes, and active measures to reduce carbon emissions. Pure Gym is committed to net-zero by 2035 and has specific metrics and targets disclosed for assessing and accelerating progress.

Pure Gym employs various means, such as procuring renewable energy, reducing carbon emissions through energy-efficient designs, transitioning away from gas, installing electric heat pumps, and conducting energy audits for potential initiatives. The commitment to offset emissions and engagement in carbon offset projects further demonstrates a multifaceted approach to achieve sustainability goals.

The Gym Group is striving for climate sustainability through setting ambitious targets for net-zero carbon emissions by 2035 and a 50% reduction by 2030, risk management processes informed by climate science and scenario analysis, measurement, monitoring, and disclosure of annual greenhouse gas emissions intensity metrics, and procurement of 100% renewable energy since October 2019 with active steps to reduce waste. These means indicate a comprehensive approach to achieve their climate sustainability goals.

The Gym Group is striving for climate sustainability through the procurement of 100% renewable energy, investment in energy-efficient designs and technologies, offsetting emissions, working towards becoming a carbon-neutral gym chain, and actively participating in initiatives like the Science Based Target initiative (SBTi) and the UN Race to Zero. These means suggest a multi-faceted approach to achieving climate sustainability.

The report outlines several means by which The Gym Group strives for climate sustainability, including investment in energy-efficient designs for new sites and existing estate, the extension of the use of air source heat pumps for hot water generation, continued efforts to reduce carbon emissions, waste, and operational inefficiencies, use of electric heat pumps to replace natural gas in certain sites, and a commitment to a comprehensive approach for maintaining progress toward net-zero targets. These means indicate a multifaceted and proactive approach toward achieving climate sustainability requirements and goals.

The Gym Group is committed to climate responsibility and highlights specific actions taken and governance structures in place. Company has established a sustainability committee chaired by a non-executive director to strengthen governance on climate-related issues. The chief development and sustainability officer leads the management and oversight of the company's response to carbon. Corporate management, including the sustainability committee and chief development and sustainability officer, plays a significant role in driving sustainability initiatives, as evidenced by the commitment to net-zero by 2035.

The role of corporate management is significant in The Gym Group’s approach to climate responsibility. The sustainability committee, chief development and sustainability officer, and commitment to net-zero by 2035 demonstrate leadership's dedication to embedding climate responsibility into the business. Board-level governance and the integration of climate-related considerations into the overall strategy emphasize the importance placed on these issues.

The report provides detailed information on The Gym Group’s actions and commitment to climate responsibility, risk management, and sustainability. It addresses the specified questions, showcasing the company's comprehensive approach to climate responsibility, including active measures, operating methods, and the role of corporate management.

Corporate management plays a crucial role in driving sustainability initiatives at The Gym Group. The commitment to reducing environmental impacts, achieving net-zero targets, and investing in sustainable practices reflects a strategic and proactive approach led by corporate management. The formation of a dedicated sustainability committee, commitment to net-zero, engagement in carbon offset projects, and adherence to TCFD recommendations indicate governance and strategic commitment from management to embed climate responsibility into the business.

The report emphasizes the role of corporate management, particularly the sustainability committee reporting to The Gym Group plc Board. This committee ensures that sustainability is a central consideration in business decisions. The active participation of board members in the sustainability committee underscores their commitment to integrating sustainability into key business decisions. The overall implication is that corporate management, including both the board and executive members, plays an active role in reflecting climate responsibility in the operational activities of The Gym Group. The report showcases a comprehensive and strategic approach by The Gym Group's management to embed climate responsibility into their business practices and operations.

4.4 DAVID LLOYD

According David Lloyd's annual report company's management is actively addressing climate responsibility through the establishment of an ESG Committee in 2021. This committee is tasked with developing the Group's ESG strategy and overseeing the ESG program, with a specific focus on compliance with the Task Force on Climate-related Financial Disclosures (TCFD). The commitment to achieving net-zero emissions by 2030 is highlighted.

Several active measures have been implemented by David Lloyd's management, including a £20 million investment in energy-efficient technology and utility-related initiatives in clubs. Additionally, £30 million has been invested in installing solar panels on club roofs to generate a significant portion of energy needs. The clubs have switched to green energy purchasing in the UK and Europe. Efforts to reduce total waste in 2022 by 7% and introduce more recyclable materials in clubs have been undertaken. David Lloyd's management has gained a self-supply water license to control water usage.

Further active measures involve the development of new clubs with renewable generation technology to minimize gas consumption, retrofitting existing clubs with heat decarbonization technologies, and reducing dependency on energy procurement from wholesale markets. An external consultant has been engaged for validation and verification of the 2030 Net Zero Carbon commitment. The board is actively involved in developing the strategy and targets for the 2030 Carbon Net Zero Commitment.

The company's current operating methods reflect a commitment to achieving net-zero carbon emissions by 2030, with a focus on electrifying through renewable technologies and reducing resource consumption. This involves investments in energy-efficient technology, solar panels, and management system upgrades, as well as green energy purchasing. Efforts also include waste reduction, use of recyclable materials, obtaining a self-supply water license, and implementing a defined carbon reduction roadmap. The company is actively pursuing third-party verification of its 2030 Carbon Net Zero targets through quarterly ESG Committee meetings that prioritize compliance with the Task Force on Climate-related Financial Disclosures (TCFD). Additionally, the company commits to Carbon Net Zero across all emissions scopes and is investing over £12 million in 2022 to reduce energy consumption. This includes investments in LED upgrades, building energy management systems, and renewable technologies like solar PV. The establishment of a network of green champions from all clubs underscores the company's commitment to sustainability transformation.

David Lloyd's ESG reporting presents climate responsibility related themes like a commitment to achieving net-zero carbon emissions by 2030, electrification through renewable technologies, and the consideration of climate-related risks and opportunities in the ESG Committee's strategy. The ESG committee places a focus on complying with TCFD and commits to reducing clubs' waste while using sustainable raw materials.

Current operating methods outlined in the report involve substantial investments in energy-efficient technology, solar panels, and management system upgrades. The company also engages in green energy purchasing, actively reduces total waste, introduces recyclable materials, and holds a self-supply water license. A defined carbon reduction roadmap is in place, and the company is pursuing third-party verification of its 2030 Carbon Net Zero targets. Quarterly ESG Committee meetings are held, with a particular focus on TCFD compliance.

Specific themes related to climate responsibility in David Lloyd's ESG reporting highlight the commitment to achieving Carbon Net Zero by 2030, efforts to reduce energy consumption and greenhouse gas emissions, and significant investments in renewable technologies and energy efficiency measures. The role of both the Board and the ESG Committee is emphasized in monitoring and developing strategies for carbon reduction.

David Lloyd is actively working towards climate sustainability through various measures, including reducing water and energy consumption, on-site renewable energy generation, minimizing indirect

emissions in the supply chain, adopting sustainable transportation, reducing plastics and waste, and increasing recycling rates. The commitment to achieving net zero involves eliminating remaining emissions from the supply chain after electrification using renewable technologies.

Current operating methods include significant investments in energy-efficient technology, solar panels, and management system upgrades. The company is engaged in green energy purchasing, actively reducing total waste, introducing recyclable materials, and holds a self-supply water license. A defined carbon reduction roadmap is in place, and third-party verification of the 2030 Carbon Net Zero targets is being pursued. Quarterly ESG Committee meetings focus on compliance with the TCFD.

Specific themes related to climate responsibility in David Lloyd's ESG reporting encompass the commitment to achieving Carbon Net Zero by 2030, efforts to reduce energy consumption and greenhouse gas emissions, investments in renewable technologies and energy efficiency measures, and the pivotal role of the board and the ESG committee in monitoring and developing strategies for carbon reduction.

David Lloyd's corporate management, led by the executive chairman and the ESG committee, actively engages in setting and overseeing the company's climate responsibility goals. The committee is tasked with creating the ESG strategy, overseeing the ESG program, and ensuring TCFD compliance. The commitment to ethical practices, benefitting members, the team, and communities, is integral to the company's sustainable business success, with a specific focus on combating climate change.

David Lloyd's is committed to climate responsibility, detailing specific measures, ESG reporting, and corporate management has pivotal role in driving sustainability initiatives. The involvement of the ESG Committee, chaired by the executive chairman, highlights the company's dedication to ethical and sustainable practices, with a clear target of becoming carbon net zero by 2030. The text emphasizes the importance of corporate management in actively contributing to a healthy society and environment through ESG principles and strategic development for the 2030 Carbon Net Zero Commitment, monitored through regular reports from the ESG Committee.

5 Conclusions

All companies emphasize their commitment to sustainability and reducing environmental impact. For example SATS focuses on sustainability, compliance with laws, and minimizing its environmental footprint and the Gym Group places sustainability at the core of its business, forming a dedicated Sustainability Committee to improve sustainability performance. All companies actively work towards reducing carbon emissions, using renewable energy, and engaging stakeholders for input.

Q1: What Active Measures are Required from Health Club Business Company's Management for Climate Responsibility?

The research indicates that health club operators that are studied in this thesis are actively taking steps for climate responsibility. However, the extent of detail and focus on specific measures varies among these companies.

SATS, for instance, is actively engaged in mapping and reducing energy consumption, aligning with the Science Based Targets initiative (SBTi), maintaining a resilient club network, and ensuring legal compliance through its ESG team. Basic-Fit emphasizes the use of renewable technologies, heat decarbonization, and minimizing energy procurement from wholesale markets. The Gym Group and Pure Gym invest in energy-efficient designs, renewable energy procurement, waste reduction, and employ strategic governance structures, like Sustainability Committees. David Lloyd, committed to achieving net zero by 2030, invests in energy-efficient technologies, solar panels, and waste reduction. Corporate management, particularly through dedicated ESG Committees, plays a pivotal role in shaping and executing climate responsibility strategies across these health club operators.

While these companies demonstrate commitment to climate responsibility, a critical analysis suggests that further details on governance structures, ESG reporting themes, and day-to-day management involvement could enhance the comprehensiveness of their initiatives. Reports show the importance of identifying and complying with laws and regulations through ESG teams, forming dedicated Sustainability Committees, and making investments in energy-efficient designs and renewable energy across all companies.

Specifically, SATS exhibits a proactive approach with ongoing mapping of energy consumption and compliance efforts, Basic-Fit focuses on innovation and carbon reduction, The Gym Group

emphasizes continuous improvement through a dedicated Sustainability Committee, and Pure Gym shows commitment through the formation of a Sustainability Committee and adherence to TCFD recommendations. David Lloyd's multifaceted approach includes investments in technology, solar panels, and waste reduction, indicating a strategic commitment to climate responsibility.

All these health club operators have positive measures in place for climate responsibility, the critical analysis suggests a need for more detailed information on governance structures, ESG reporting themes, and daily management involvement.

Q2: What are the current operating methods related to the sustainable development and climate responsibility of the selected operators in the health club business?

The health club operators are actively taking measures to contribute to sustainable development and climate responsibility. Companies actively complies with laws and regulations and works towards maintaining a "greener" profile. Companies has established sustainability policies. These health club operators are implementing a variety of measures, including adopting renewable energy, utilizing energy-efficient technologies, and actively managing waste, to align with sustainable development and climate responsibility.

Current operating methods:

- Commitment to achieving net zero carbon emissions by 2030.
- Deployment of renewable technologies for electrification.
- Focus on reducing water and energy consumption, using sustainable transport, and managing waste.
- Investments in energy-efficient technology, solar panels, and system upgrades.
- Green energy purchasing.
- Waste reduction and introduction of recyclable materials.
- Self-supply water license.
- Defined carbon reduction roadmap.
- Third-party verification of 2030 Carbon Net Zero targets.
- Quarterly ESG Committee meetings focusing on TCFD compliance.
- Commitment to Carbon Net Zero across Scope 1, 2 & 3 emissions by 2030.
- Over £12 million capital expenditure in 2022 to reduce energy consumption.
- Investment in LED upgrades, building energy management systems, and renewable technologies like solar PV.

- Formation of a network of Green Champions for sustainability transformation.
- Procurement of 100% renewable energy since October 2019.
- Diverting 95% of waste from landfill.
- Carbon neutrality since 2021.
- Carbon emissions measurement and commitment to net-zero by 2035.
- Reduction of carbon emissions through renewable energy, energy-efficient designs, and waste reduction.
- Use of high-efficiency LEDs, heat recycling, and water audits for energy and water efficiency.
- Governance structures like the Sustainability Committee.
- Integration of environmental considerations into strategic decisions.
- Carbon offset projects and careful carbon offsetting.
- Active participation in global initiatives like SBTi and UN Race to Zero.
- Efforts to reduce energy consumption, use sustainable energy, and achieve carbon neutrality by 2030.
- Installation of a remote facility system for monitoring and control.
- Exploration of solar panel installations.
- Replacement of natural gas heating systems with electric systems.
- Reduction of waste through responsible waste management and minimization of packaging.
- Sustainability strategy embedded in the company's DNA and integrated into strategy and business processes.
- Formation of a sustainability committee with internal ambassadors.
- Focus on responsible business conduct, environmental management, and employee engagement.

Q3: What specific themes related to climate responsibility are currently included in selected companies' ESG (Environmental, Social, and Governance) reporting?

All companies follow reporting standards like the global reporting initiative (GRI), emphasizing materiality assessments and stakeholder engagement. In reports are mentioned themes like energy management, water management, and circular resource management. Also reporting highlights specific themes, including public health, inclusion, jobs, empowerment, reliable and safe societies, and environmentally sustainable operations. Reports also emphasizes the measurement and

reporting of climate accounts, covering Scopes 1, 2, and 3 emissions, along with a commitment to the Science Based Targets Initiative (SBTi) in 2023.

Q4: By what means do selected companies practically strive to achieve climate sustainability requirements and goals?

Selected health club companies utilize a variety of practical measures, ranging from energy-efficient technologies and renewable energy adoption to waste reduction and strategic governance structures, to achieve their climate sustainability goals**.**

The means used by selected health club companies to achieve climate sustainability goals are diverse and adapted to their unique approaches:

These companies employ various strategies, such as ongoing mapping of energy consumption with a focus on reduction, alignment with climate initiatives like the science based targets initiative (SBTi), maintaining networks of clubs to reduce individual club dependence, leasing flexible building locations, and implementing measures for electricity efficiency in various facilities. Practical initiatives include improvements in ventilation, lighting, refrigeration, heated group training studios, and saunas, demonstrating a commitment to climate goals, including those outlined in the Paris agreement.

Additionally, efforts toward climate sustainability involve reducing energy consumption, utilizing sustainable energy, and aiming for carbon neutrality by 2030. Initiatives in energy reduction, exploration of solar panel installations, and implementation of gas transformation projects are actively pursued, along with an emphasis on minimizing water usage.

Further measures include procuring renewable energy, adopting energy-efficient designs, actively managing waste, and setting ambitious targets for net-zero carbon emissions. Commitments to achieve these goals by specific timelines, multifaceted approaches involving energy audits, and engagement in carbon offset projects underscore their dedication to climate sustainability.

Strategies for reducing carbon emissions include the use of renewable energy, transitioning away from gas for water heating, and implementing electric heat pumps. Active participation in carbon offset projects positions some companies as leaders in carbon neutrality within the industry.

Comprehensive sets of measures employed by these companies encompass reducing water and energy consumption, generating renewable energy onsite, minimizing indirect emissions across the supply chain, using sustainable transportation modes, reducing plastics and waste, and increasing recycling rates. Commitments to net zero involve eliminating remaining emissions from the supply chain after electrification through renewable technologies.

Q5: What is the role of corporate management so that climate responsibility is reflected in the operational activities of individual health clubs?

Corporate management plays a crucial role in fostering climate responsibility within health clubs by actively integrating sustainability into the overall business strategy of health clubs. There is a specific focus on creating shareholder value within a sustainable framework, indicating a commitment to both financial and environmental considerations. Climate responsibility is included in the risk management system and long-term strategy, demonstrating a proactive approach to addressing potential challenges and opportunities related to climate issues. Corporate management regularly assesses and manages climate-related risks and opportunities. Additionally, there is transparent communication and disclosure of systematic approaches to climate risk management and environmental, social, and governance (ESG) matters. The board of directors, as part of corporate management, actively ensures the integration of climate responsibility into operational activities. This includes making strategic decisions aligned with climate initiatives and providing recommendations for systematic climate risk management.

In health clubs like Basic-Fit, corporate management plays a role in minimizing environmental impact by establishing an energy task force, enforcing cost controls, and emphasizing innovation and expansion with sustainability in mind. In some cases, such as Basic-Fit, the supervisory board is involved in supervising the sustainability strategy and ESG reporting, showcasing a governance approach to overseeing sustainability efforts.

Companies like Pure Gym emphasize a multifaceted approach with the formation of a sustainability committee, a commitment to net-zero by 2035, and governance structures that underscore climate responsibility and its integration into the overall business strategy. In the Gym Group for example, corporate management is actively involved in climate-related governance, overseeing carbon

responses, participating in carbon offset projects, and committing to becoming a carbon-neutral entity. In companies like David Lloyd, the leadership's commitment to ESG principles, demonstrated by the formation of a sustainability committee and the active role of the chief development and sustainability officer, aligns with specific goals. Regular reports from the ESG committee further highlight corporate management's involvement in climate responsibility efforts.

Corporate management in health club companies is instrumental in steering sustainability initiatives, making strategic decisions, overseeing ESG programs, and setting targets for climate responsibility, reflecting a commitment to both environmental and business success.

By integrating these recommendations that are based on this research, health clubs can demonstrate a strong commitment to climate responsibility and inspire positive change within their communities:

- Embrace climate responsibility as a unique selling point to differentiate from competitors and attract environmentally conscious customers.
- Actively promote climate responsibility initiatives to create loyalty and connection with customers who share those values.
- Boost employee morale and engagement by demonstrating commitment to environmental issues.
- Inspire customers and local communities to adopt sustainable practices by showcasing climate responsibility efforts.
- Implement efficient waste management and recycling systems to minimize environmental impact.
- Encourage staff and customers to opt for environmentally friendly transportation options.
- Provide climate responsibility training for staff and conduct awareness campaigns for customers.
- Utilize energy-efficient and environmentally friendly materials in building projects.
- Offer healthy and environmentally friendly food options to align with climate responsibility.
- Implement technological solutions to raise awareness and encourage eco-conscious decisions.
- Provide rewards and incentives for environmentally friendly behavior.
- Organize environmentally friendly events to engage staff and customers in collective sustainability efforts.

6 Discussion

6.1 Key findings

In this paragraph, I go through the most important key findings of the thesis. The thesis findings underscore the proactive involvement of selected health club operators in climate responsibility initiatives. These operators demonstrate a strong commitment to achieving net-zero carbon emissions by implementing various measures such as energy-efficient technologies, renewable energy adoption, and waste reduction strategies. Moreover, their dedication to managing waste and emphasizing renewable technologies highlights their holistic approach to climate sustainability.

Themes related to climate responsibility, including energy and water management, are prominently featured in the environmental, social, and governance (ESG) reporting of these companies, showcasing a comprehensive sustainability strategy. However, the critical analysis identifies a need for more detailed information on governance structures and daily management involvement to enhance the effectiveness of these initiatives.

Furthermore, the findings highlight the diverse means adopted by health clubs for climate sustainability, including energy consumption mapping, alignment with climate initiatives like the science-based targets initiative (SBTi), and explicit commitments to achieving net-zero carbon emissions. Corporate management, particularly the board of directors, emerges as a key driver in fostering climate responsibility within health clubs. They integrate sustainability into business strategy, prioritize shareholder value within a sustainable framework, and actively engage in risk management to ensure the integration of climate responsibility into operational activities.

The commitment of corporate leadership to environmental, social, and governance (ESG) principles underscores the importance placed on climate responsibility efforts. Corporate management's instrumental role in steering sustainability initiatives within health clubs reflects a dedication to both environmental stewardship and business success. Overall, the findings emphasize the need for continuous improvement and transparency in climate responsibility initiatives within the health club industry. See figure 6.

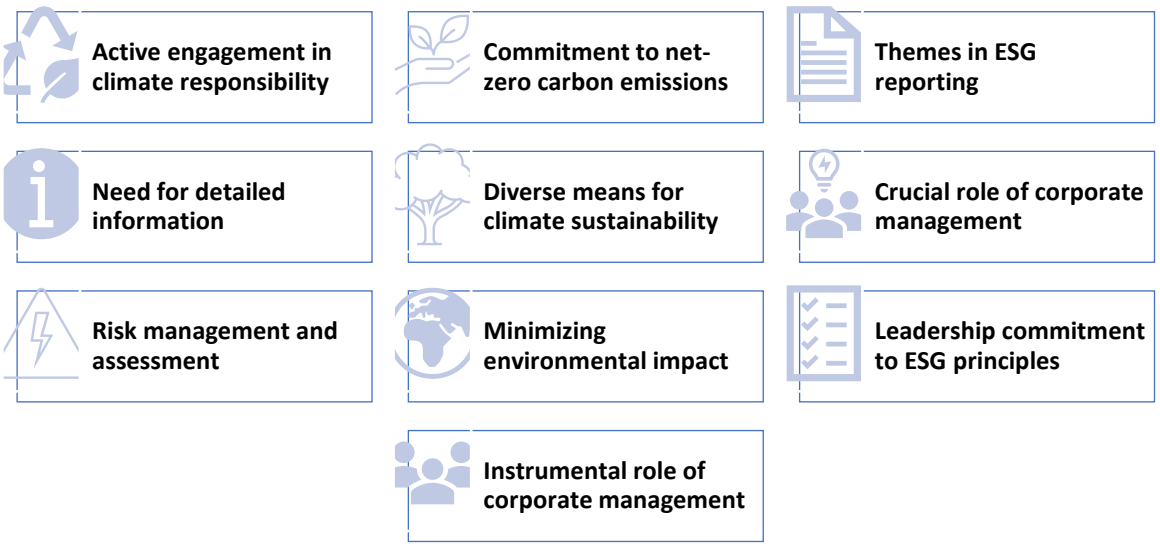

Figure 6. Key Findings

Health club operators are actively involved in climate responsibility, implementing measures such as energy-efficient technologies, renewable energy adoption, waste reduction, and strategic governance structures. The companies demonstrated a commitment to achieving net-zero carbon emissions, emphasizing the use of renewable technologies and actively managing waste as part of their climate sustainability goals. Themes related to climate responsibility, including energy and water management, were incorporated into the companies' environmental, social, and governance (ESG) reporting, demonstrating a comprehensive approach to sustainability.

The critical analysis identified a need for more detailed information on governance structures, ESG reporting themes, and daily management involvement to enhance the comprehensiveness of the companies' climate responsibility initiatives.

Companies employed diverse means for climate sustainability, including energy consumption mapping, alignment with climate initiatives like the science based targets initiative (SBTi), and explicit commitments to achieving net-zero carbon emissions. Corporate management, including the board

of directors, played a crucial role in fostering climate responsibility within health clubs. This role involved integrating sustainability into business strategy, focusing on creating shareholder value within a sustainable framework, and making strategic decisions aligned with climate initiatives. Corporate management actively engaged in risk management, regularly assessing and managing climate-related risks and opportunities to ensure the integration of climate responsibility into operational activities. It was actively involved in minimizing environmental impact, overseeing sustainability efforts, and engaging with governance structures such as sustainability committees.

The commitment to environmental, social, and governance (ESG) principles by corporate leadership was highlighted, emphasizing the importance placed on climate responsibility efforts. Corporate management was recognized as instrumental in steering sustainability initiatives within health clubs, reflecting a commitment to both environmental and business success.

6.2 Credibility of research findings

The study provides an insight into the current situation, but when assessing the reliability of the study, it is essential to consider the research limitations and future changes in climate responsibility and legislation. The study focused on four large companies operating in Europe that are committed to climate responsibility and have sustainability reports available online. The research data consisted of open sustainability reports following ESG reporting guidelines. The researcher works within one of the companies under study, which may influence the researcher's subjective views and choices. The researcher, along with their background, is actively present throughout the entire research process, and so are their subjective motivations and choices. Therefore, it is essential for the researcher to recognize and acknowledge their central position in the research process and to articulate their relationship to the phenomenon under investigation and the choices made. The credibility of qualitative research is justified through a deep understanding of the phenomenon under study, where the researcher aims to describe the phenomenon as comprehensively and thoroughly as possible, thereby enhancing the reliability of the research (Puusa & Juuti 2020, 351). In this study, the researcher has strived to understand the phenomenon under study as deeply and comprehensively as possible, which can be seen as increasing the reliability of the research.

The reliability of the study is challenged by the fact that the examined companies are all large corporations, which may limit the generalizability of the results to only a specific part of the health club industry. Additionally, not all companies have the same reporting obligations, and smaller entities may have fewer resources for similar climate responsibility actions.

Future challenges to the reliability of the research include changes over time in climate responsibility and companies' statutory obligations, which may affect the implementation of climate responsibility in different companies at different times.

6.3 Learnings and reflections

The goals of the thesis were to examine the active measures taken by health club business companies for climate responsibility, evaluate their operating methods related to sustainable development and climate responsibility, assess specific themes in their ESG reporting, and understand the practical means employed to achieve climate sustainability goals. Additionally, the thesis aimed to determine the role of corporate management in reflecting climate responsibility in the operational activities of individual health clubs.

The research found that health club operators are actively engaged in climate responsibility, employing various measures such as energy-efficient technologies, renewable energy adoption, waste reduction, and strategic governance structures. The companies demonstrated commitment to achieving net-zero carbon emissions, utilizing renewable technologies, and actively managing waste. Themes related to climate responsibility were included in their ESG reporting, covering aspects like energy and water management.

While the companies demonstrated positive measures for climate responsibility, the critical analysis suggested a need for more detailed information on governance structures, ESG reporting themes, and daily management involvement. The means employed by these companies for climate sustainability were diverse, involving strategies like energy consumption mapping, alignment with climate initiatives, and commitments to net-zero carbon emissions.

The role of corporate management in fostering climate responsibility within health clubs was deemed crucial. Corporate management actively integrated sustainability into business strategy, focusing on creating shareholder value within a sustainable framework. It played a pivotal role in risk management, regularly assessing and managing climate-related risks and opportunities. The board of directors, as part of corporate management, ensured the integration of climate responsibility into operational activities, making strategic decisions aligned with climate initiatives.

Corporate management also played a role in minimizing environmental impact, overseeing sustainability efforts, and engaging with governance structures like sustainability committees. The commitment to ESG principles and the active involvement of leadership in climate responsibility efforts were highlighted in reports.

Corporate management plays a crucial role in fostering climate responsibility within health clubs by actively integrating sustainability into the overall business strategy of health clubs. Selected health club companies utilize a variety of practical measures, ranging from energy-efficient technologies and renewable energy adoption to waste reduction and strategic governance structures, to achieve their climate sustainability goals**.** All companies follow reporting standards like the global reporting initiative (GRI), emphasizing materiality assessments and stakeholder engagement. The health club operators are actively taking measures to contribute to sustainable development and climate responsibility. Companies actively complies with laws and regulations and works towards maintaining a "greener" profile. Companies has established sustainability policies. The research indicates that health club operators that are studied in this thesis are actively taking steps for climate responsibility.

Based on my research, the health club operators have the means and commitment to climate responsibility and it shows in the responsibility reporting, but the measures and initiatives taken are not visible to the operative staff or the existing members or potential members of these companies. I think companies should take advantage of the climate related measures they have taken. There are several reasons why health clubs should pay attention to climate responsibility and advertise this to their customers. Customers today are becoming increasingly conscious of their environmental impact and are more likely to support businesses that demonstrate a commitment to sustainability.

An intriguing trend on the rise is consumers' growing interest in real-time carbon footprint data. Deloitte’s research (2023) reveals that 16% of consumers consider measurable carbon footprint

data as a fundamental aspect of product or service sustainability, and 11% base their purchase decisions on the availability of such data. Addressing consumers' desire for more information, particularly about the carbon footprint of products and services, could enhance transparency and foster a better understanding of the direct climate impact of consumption choices (refer to the section on consumer needs).

In a broader context, research suggests an increasing consumer focus on sustainability, extending beyond consumer goods to encompass various services. For instance, within the financial services sector, consumers are becoming more critical of businesses' sustainability claims and credentials. The data indicates that 12% of respondents have shifted some or all of their personal financial investments toward more ethical or sustainable options. There is an opportunity for the services industry to further engage consumers on sustainable issues by offering more information and a broader selection of sustainable and ethical products and services. (Deloitte 2023.) By promoting climate responsibility, health clubs can enhance their brand reputation and attract customers who align with their values.

According to my view and experience, the health club industry is highly competitive, and health clubs are constantly looking for ways to differentiate themselves from their competitors. Climate responsibility can serve as a unique selling point, helping clubs stand out and attract environmentally conscious customers who prioritize sustainability. When health clubs actively promote their climate responsibility efforts, it can create a sense of loyalty and connection with customers who share those values. Customers are more likely to continue their memberships and recommend the club to others if they feel aligned with its environmental initiatives. Focusing on climate responsibility can boost employee morale and engagement. When employees see their organization taking steps to address environmental issues, it can contribute to a positive work culture and increase employee satisfaction. Health clubs often play a role in the local community, and by prioritizing climate responsibility, they can inspire others to follow. By showcasing their efforts, health clubs can encourage their customers and community members to adopt sustainable practices in their own lives.

Paying attention to climate responsibility and advertising these efforts to customers and employees can benefit health clubs by enhancing their brand reputation, differentiating them from competitors, increasing customer loyalty, reducing costs, engaging employees, and making a positive impact on the community.

In today's rapidly changing environmental landscape, it is imperative for businesses, including health clubs, to prioritize climate responsibility. Embracing sustainability aligns with global initiatives and also presents opportunities for attracting talent, investors, and customers who value eco-conscious practices. Based on this research it is recommended that all health clubs integrate climate responsibility into their operations and offerings. By incorporating these recommendations into their operations, health clubs can demonstrate their commitment to climate responsibility and inspire positive change within their communities.

One crucial aspect to consider is waste management and recycling. Implementing an efficient recycling system for both staff and customers, along with reducing disposable products and providing recyclable alternatives, can significantly minimize environmental impact.

Furthermore, mobility and transportation play a vital role in reducing carbon emissions. Health clubs can encourage staff and customers to opt for environmentally friendly transportation options such as cycling or public transit. Education and awareness are key components in fostering a culture of climate responsibility. Providing climate responsibility training for staff and conducting information campaigns and workshops for customers can empower individuals to make sustainable choices in their daily lives. Structural considerations are also essential. Utilizing energy-efficient and environmentally friendly materials in building and renovation projects can contribute to reducing overall carbon footprint.

Moreover, food services present an opportunity to promote sustainability. Offering healthy and environmentally friendly food options: protein bars, energy drinks etc. aligns with climate responsibility and caters to the health-conscious preferences of customers. Innovation technology can also play a significant role. Implementing technological solutions, such as apps that track personal carbon footprint during exercise activities, can raise awareness and encourage individuals to make eco-conscious decisions. Providing rewards and incentives for environmentally friendly behavior can further motivate both customers and staff.

Offering benefits such as discounts or rewards for choosing sustainable options, as well as organizing competitions and incentives, can foster a sense of environmental stewardship within the community. Lastly, organizing environmentally friendly events or activities, such as community walks, litter collection days, or initiatives to promote environmental cleanliness, can engage both staff and customers in collective efforts towards sustainability.

For future research, it would be interesting to explore how the actions and initiatives reported in sustainability reports are perceived and implemented at the operational level by the staff or communicated to the customers of the companies. Understanding the effectiveness of translating sustainability efforts into tangible actions and communication strategies within the organization and towards customers can provide valuable insights into the real-world impact of corporate sustainability initiatives.

Investigating how climate responsibility themes and companies' investments in them influence consumer behavior would be insightful. This could involve examining whether consumers are more likely to patronize businesses that demonstrate a commitment to climate responsibility and how such perceptions influence their purchasing decisions.

Additionally, it would be valuable to examine how the actions related to climate responsibility undertaken by companies impact the job market, employer branding, and the company's overall brand perception. This could involve studying whether companies that prioritize climate responsibility attract and retain top talent, as well as how such initiatives affect the company's reputation and brand image among consumers and stakeholders.

Engaging in thesis work opened doors for me into the world of research and provided valuable lessons on how research is planned, conducted, and analyzed. It was inspiring to delve into such a timely and significant topic, and I gained new insights, for example, into the legislative impacts on climate responsibility. This experience taught me a lot and strengthened my understanding of the multifaceted nature of the research process.

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Appendices

Appendix 1. System for Classifying Sustainability Themes; System Overview:

The system revolves around four main sustainability themes, each with specific subcategories and coding mechanisms to enhance clarity and organization.

1. Energy Management:
    - Subcategories: Renewable Energy, Energy Efficiency, Carbon Footprint
    - Coding: Reports addressing e.g. renewable energy initiatives are coded as "EM-Renewable," while those focusing on energy-efficient practices are coded as "EM-Efficiency."
2. Circular Resource Management:
    - Subcategories: Waste Reduction, Recycling Programs, Sustainable Sourcing
    - Coding: Reports related to circular resource management receive specific codes, such as "CRM-Recycling" for successful recycling initiatives and "CRM-Sourcing" for sustainable sourcing practices.
3. UN Sustainable Development Goals (SDGs):
    - Subcategories: Relevant SDGs (e.g., SDG 12 - Responsible Consumption and Production)
    - Coding: Reports are aligned with specific SDGs, and codes like "SDG12" are assigned to indicate the primary goal addressed in the report.
4. Sustainability Governance:
    - Subcategories: Policies and Procedures, Stakeholder Engagement, Ethical Practices
    - Coding: Governance aspects are reflected in codes, such as "SG-Ethics" for reports focusing on ethical business practices and "SG-Stakeholder" for those emphasizing stakeholder engagement.

Appendix 2: Abbreviations

CDP	(formerly the Carbon Disclosure Project) is an international non-profit organisation based in the United Kingdom, Japan, India, China, Germany, Brazil and the United States that helps companies, cities, states, regions and public authorities disclose their environmental impact. It aims to make environmental reporting and risk management a business norm, driving disclosure, insight, and action towards a sustainable economy.[3] In 2022, nearly 18,700 organizations disclosed their environmental information through CD.
CSR	Corporate and social responsibility
CSRD	Corporate sustainability reporting directive, The EU Commission's proposal for a new regulation regarding responsibility reporting
EFRAG	European financial reporting advisory group, European Financial Statement Reporting Advisory GroupESG
ESG	Environmental, Social, and Governance
EU	European Union
GRI	Global reporting initiative
OECD	The Organization for Economic Cooperation and Development.
SBTi	Science based targets initiative (SBTi) is a collaborative effort between the CDP, the United Nations Global Compact, World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).
SDG	UN Sustainable Development Goals
TCFD	Task force on climate-related financial disclosures
UN	United nations