



# LEADING SUSTAINABILITY IN THE SPORTS INDUSTRY

Leejam Sports Company

**2023 ESG Report**

# ABOUT THIS REPORT

## Reporting scope and period

**Leejam Fitness & Sports Company owns and operates fitness centers such as “Fitness Time” in the Kingdom of Saudi Arabia (KSA) and the United Arab Emirates.**

The company has been listed on the Saudi Stock Exchange (Tadawul) since 2018. This is Leejam’s inaugural environmental, social and governance (ESG) Report.

In publishing this report we seek to measure and report on our ESG activities in alignment with internationally accepted best practice standards. This report presents Leejam’s commitment and approach towards making KSA a healthier, more sustainable nation while supporting regional and international

### Reporting standards

In preparing this report, we have referred to the Tadawul ESG Disclosure Guidelines for listed companies, as well the Global Reporting Initiative (GRI) Standards, the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards and the relevant industry-specific metrics under the SASB Standards.

goals, and actions taken to deliver on this commitment during the period 1st January 2023 to 31st December 2023<sup>1</sup>.

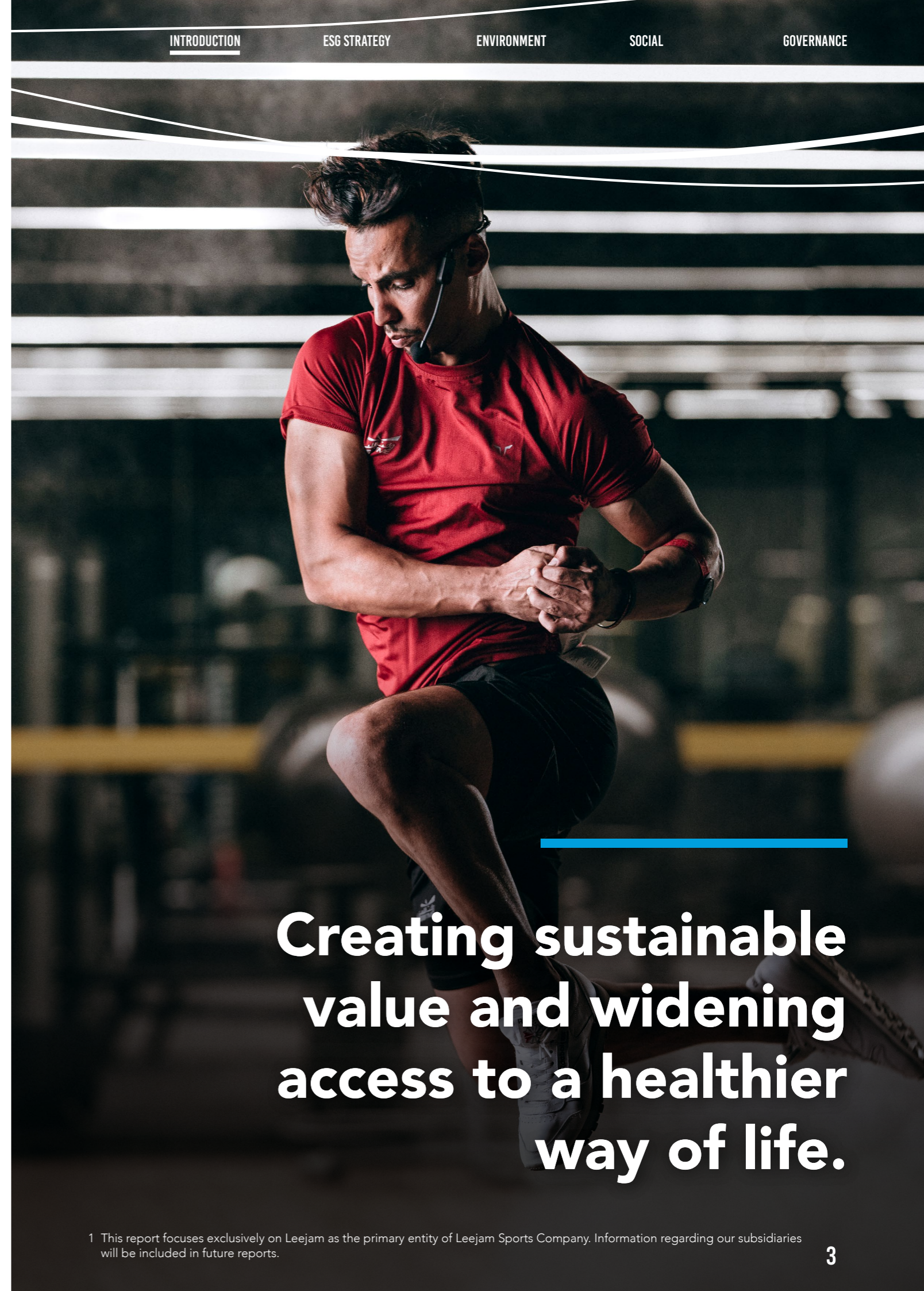
**This report offers stakeholders insights into Leejam’s ESG vision, and overall approach to key ESG issues including initiatives, initial performance, and commitments. It serves as a baseline document for our ESG initiatives. Future reports will elaborate on details such as our materiality assessment, ESG strategy, and ESG metrics to demonstrate progress made.**

### Key references

This report is aligned with the objectives of the Saudi Vision 2030, the Saudi Green Initiative, the Saudi Net Zero 2060 commitments and the United Nations Sustainable Development Goals (UN SDGs).

### Inquiries and Feedback

Leejam would be happy to receive feedback or inquiries related to this report at [esg@leejam.com.sa](mailto:esg@leejam.com.sa)



**Creating sustainable value and widening access to a healthier way of life.**

# CONTENTS



## 01 ABOUT THIS REPORT 02

Reporting scope and period	02	Key references	03
Reporting standards	03	Inquiries and Feedback	03

## 02 STRATEGIC REPORT 06

Chairwoman's Statement	06	About Leejam	10
CEO Message	08	Supporting the Kingdom	11

## 03 MISSION & VISION 12

Our mission	12	Our values	12
Our vision	12	Our long-term business strategy	15

## 04 ESG STRATEGY & ROADMAP 18

Our approach to sustainability	18
--------------------------------	----

## 05 ESG GOVERNANCE 20

Governance structure and practices	20
------------------------------------	----

## 06 ALIGNMENT WITH NATIONAL & INTERNATIONAL GOALS 22

Saudi Vision 2030	22	UN Sustainable Development Goals (SDGs)	24
-------------------	----	---	----

## 07 ENVIRONMENT 26

Energy efficiency	27	Water management	30
Emissions footprint	28	Waste management	31

## 08 SOCIAL 32

Member health, safety well-being	33	Community engagement	46
Employee welfare	37	Data security & digitalisation	50

## 09 GOVERNANCE 52

Corporate governance	53	Sustainable procurement	57
Risk, audit & compliance	56		

## 10 APPENDICES 60

# CHAIRWOMAN'S MESSAGE

**Leejam Sports Company has made great progress towards fulfilling its mission as a leading advocate for healthy and more active lifestyles.**

Aligned with the national interest, 2023 marked a transformative year for the company as we experienced significant growth and expansion. Thanks to an intensive phase of product and brand diversification, and our commitment to an integrated ESG approach as the foundation for sustainable, responsible growth, we are confident that Leejam will continue to achieve strong business growth that drives positive contributions to society, the economy, and the environment.

It is with great pleasure, pride, and gratitude – to Allah Almighty, the Custodian of the Two Holy Mosques, and

His Royal Highness the Crown Prince – to present Leejam's inaugural ESG Report. This report is a demonstration of our dedication to achieving the goals and objectives of Saudi Vision 2030 as well as our contribution towards the promotion of a healthier, more vibrant society through the provision of innovative and accessible sports and fitness services.

As a leading private sector contributor to quality of life in our region, Leejam strengthened its impact on the national sports, fitness, and wellness ecosystem in 2023 through acquisitions, strategic partnerships, club refurbishments, and the

implementation of advanced digital technologies. We expanded access to sports and fitness by reaching a wider demographic through our ladies and children's segments as well as broadening our fitness and wellbeing services.

We further advanced our mission to inspire a healthier society through community outreach programmes and events that brought sports and fitness to underserved communities. Through these initiatives, we will continue to promote healthier lives by driving greater access to and engagement in sports across local communities and beyond.

Our growth, however, has not been without challenges, particularly in attracting and retaining talent amidst rapid expansion. We are addressing these challenges by increasing career development opportunities, introducing employee wellbeing programmes, and ensuring competitive benefits, to enhance employee

engagement and promote greater job satisfaction.

In 2023, we also initiated key resource efficiency projects to assess and reduce our carbon emissions. Work is also underway to determine ways we can improve water and waste management across our facilities. These initiatives are being further developed and prioritised as part of our upcoming ESG strategy.

At the heart of our progress has been, and will continue to be, the leadership of Leejam's Board of Directors. The Board oversees our strategic alignment to both business and ESG priorities, while ensuring organisational accountability. In parallel, our ESG Committee – soon to be formally established – will work in synergy with Leejam's Executive and Audit Committees to continue to effectively manage our risks, implement strategies, monitor progress and ensure we uphold the highest ethical standards across the organisation.

Looking ahead, Leejam is committed to investing in innovative solutions to further diversify our portfolio and build synergies that mitigate risks while amplifying our positive impact on the community. We will strive to maintain meaningful engagement with stakeholders, ensuring our efforts deliver strong value for investors while significantly contributing to greater access to sports and encouraging a healthier, more vibrant society.

As we embark on a new chapter, I extend my heartfelt gratitude to all of Leejam's stakeholders including our employees, members, community, shareholders, partners, and government institutions, for their ongoing support. May Allah Almighty continue to bless our nation with prosperity, health, and security as we work together to create a sustainable and inclusive sports and wellbeing industry in Saudi Arabia.

Thank you

**Hessah Al Sagri**

**“ We will continue to promote healthier lives by driving greater access to and engagement in sports across the Kingdom and beyond**

Hessah Al Sagri,  
ESG Committee Chairwoman



# CEO'S MESSAGE

**It is with immense pride that I present Leejam Sports Company's inaugural ESG Report, which marks a decisive moment in our journey toward sustainable and responsible growth.**

2023 proved to be a landmark year for Leejam, as evidenced through our exceptional financial performance, strategic investments, and product and service innovation. Our core Fitness Time brands achieved notable membership growth, driven by the addition of new clubs and higher utilisation of existing centres, all reflecting our vision to be the people's favourite and most accessible wellness club.

As we reflect on the past year, our achievements serve as inspiration for the future, while the lessons learned from our challenges will enable us to address key issues that are essential to Leejam's continued success.

We continue to enhance member engagement and operational efficiency

through digital innovation and leveraging AI and IoT solutions. In 2023 we launched the Fitness Time smartphone app with features that boost membership experiences and improve overall satisfaction. Cybersecurity remains a high priority for Leejam, demonstrated by our GDPR-compliant SaaS providers, regular SOC reports, and work towards full compliance with the National Cybersecurity Authority (NCA) programme.

In 2023, we implemented multiple talent management and recruitment efforts as part of our workforce planning strategy. We focused on developing our workforce and promoting nationalisation through upskilling initiatives such as the "Be the Trainer" programme, as well as the introduction of our Learning

Management System which provides learning and development opportunities to our employees.

Recognising that developing and retaining human capital is a key challenge for Lejam, we plan to launch an in-house learning academy and expand partnerships with institutions like Jeddah University to further develop our talent pipeline.

Community engagement is another important issue for Leejam, and our collaboration on initiatives like Purple Saturday and breast cancer awareness campaigns have helped inspire healthier lifestyles throughout our communities. In addition, our commitment to serving broader demographics and creating inclusive spaces was demonstrated by the expansion of our services in 2023 to ensure women and children have greater access to facilities and tailored programmes.

Through our existing ESG programme, we piloted initiatives to improve energy efficiency and reduce emissions across our facilities, setting the stage for wider implementation in 2024. While we recognise the challenges in minimising our environmental footprint, we are confident that our ESG strategy will pave the way for the implementation of more initiatives with greater impact. These efforts will not only

help us to reduce carbon emissions, but also address critical issues such as water efficiency and waste management in our facilities. Looking ahead to 2024, we plan to scale operations sustainably, expand services to underserved regions, and enhance transparency with stakeholders through improved reporting and communication.

We are focused on formalising and implementing our ESG strategy to deliver tangible results, set clear targets, and monitor progress effectively. This strategy will be supported by robust policies and an ESG governance structure – including an ESG committee – that will ensure the effective management of our priority ESG issues.

By aligning with Saudi Vision 2030 and global sustainability goals, we aim to balance our rapid growth with responsible practices that address the evolving expectations of our diverse stakeholders. Together, we will continue to build on our momentum, ensuring that Leejam remains a leader in the sports and wellness industry, advancing our mission to promote healthier, more active lifestyles and driving positive and lasting change across the Kingdom and beyond.

Thank you

**Adnan Al Khalaf**



**We plan to scale operations sustainably, expand services to underserved regions, and enhance transparency with stakeholders**

Adnan Al Khalaf, CEO

# ABOUT LEEJAM

## Inspiring society to lead healthy lifestyles

Leejam Sports Company boasts a comprehensive portfolio of sports facilities that provide the community within KSA and the UAE with a modern, pristine, and welcoming environment. Leejam is dedicated to encouraging healthier, more active lives by providing cutting-edge technology, highly skilled professionals, and a commitment to excellence in every aspect of our operations. We aim to inspire positive social change through our innovative and wide range of sports and recreation services, setting a high benchmark in the region.

As a leading operator of sports and recreation facilities, Leejam is dedicated to delivering accessible services for individuals and enterprises within the sports industry. This commitment has led to a broad range of sports services and active lifestyle solutions that extend beyond traditional gyms. Leejam stands as the largest network of sports facilities in the Gulf region, serving both male and

female segments. Our network of Fitness Time centres and Concept Studios, including specialised segments, offer diverse services like physiotherapy and children's training programmes, all aimed at inspiring healthier, more active lifestyles and promoting well-being across a broader demographic.

Leejam's success stems from the strategic placement of our fitness centres, ensuring they are conveniently located, easily accessible, and fully equipped to meet the community's needs. The company's diverse offerings are enhanced by state-of-the-art equipment that delivers a superior member experience. Our facilities have been carefully crafted to reflect Leejam's unique brand identity, offering a variety of options tailored to different budgets and needs.

Beyond our business, we also extend our commitment to the community by engaging in outreach programmes, partnerships, and initiatives that foster health, wellness, and greater accessibility to sports for all.

Please refer to Appendix B for additional information about our brands and offerings. Please also refer to our 2023 Annual Report for more information on our business strategy and model.



### Promoting a healthy lifestyle:

Leejam encourages active living by offering accessible fitness centres, supporting Vision 2030's focus on physical well-being.



### Fostering social well-being:

Leejam's group activities promote social interaction and mental wellness, aligning with Vision 2030's goals of community engagement.



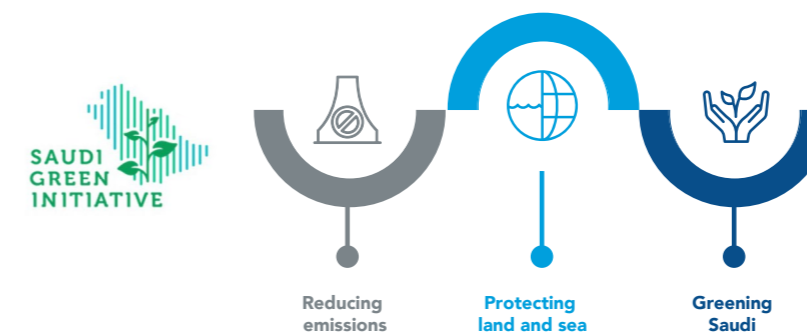
### Empowering women and youth:

Leejam's women-only and youth-focused gyms empower these groups, advancing Vision 2030's inclusivity goals.

# SUPPORTING THE KINGDOM

The Saudi Vision 2030 is a strategic plan aimed at diversifying the economy, empowering citizens, creating a thriving environment for local and international investors, and positioning KSA as a global leader. We are firmly committed to supporting the Vision 2030 goals, closely aligning Leejam's strategic objectives with the nation's overarching goals.

The **Saudi Green Initiative** (SGI) focuses on environmental sustainability through reducing carbon emissions, increasing renewable energy, and enhancing green spaces throughout the Kingdom.



Leejam is committed to supporting this initiative by:



### Building a vibrant living environment:

Leejam enhances urban appeal with world-class fitness facilities, contributing to Vision 2030's attractive living environment objective.



### Reducing scope 2 emissions:

Leejam's energy efficiency programmes and ongoing commitment to lower our carbon emissions, support the SGI's goal of reducing the Kingdom's carbon footprint.



### Adoption of energy-efficient technologies:

By implementing solutions such as smart energy systems, upgrading our facilities with LED fixtures, and incorporating nanotechnology-based circuit breakers to optimise energy use, Leejam aligns with the SGI's emphasis on sustainable energy practices.



### Contributing to a sustainable future:

Our efforts, including the reduction of carbon emissions through energy-saving technologies and the development of a comprehensive ESG strategy, contribute to the SGI's mission to combat climate change and promote a more sustainable future.

# MISSION & VISION

**At Leejam Sports Company, we're passionate about empowering a healthier society by providing innovative and accessible sports and fitness services, promoting community engagement, and implementing a sustainable growth strategy.**

By doing so, we are not only supporting the Saudi Vision 2030 for a healthier and more prosperous future, but also making a tangible difference in the lives of our members and the wider community, one that will have a lasting impact for generations to come.

## Our mission

**Our mission is to steer society towards a healthy lifestyle and encourage people to exercise daily.**

We seek to fulfil our mission by continuously expanding our network of fitness facilities and enhancing the experiences of our valued members. By offering a wide range of wellness programmes designed to cater to diverse demographics, we aim to inspire healthier lifestyles across the Kingdom and the region.

## Our vision

**Our vision is to be people's favourite and most accessible wellness club.**

To bring this vision to life, we are committed to delivering comprehensive sports and fitness services and enhance member satisfaction while promoting health and wellness across society.

Through strategic partnerships and investments, we are improving the accessibility of sports and fitness services to communities nationwide and regionally. Leveraging technology and data-driven insights, we are constantly improving our service delivery and engagement with members, ensuring we adapt to their evolving needs.

Furthermore, by prioritising initiatives that encourage community involvement and drive environmental stewardship, we seek to make a positive impact that goes beyond just individual health and wellness, but also considers the well-being of the planet and the community as a whole.

## Our values

Our values drive us to create wider access to a healthier way of life. They shape everything we do and help us stay focused on our mission.

## OUR VALUES



### MEMBER SERVICE EXCELLENCE

We're dedicated to delivering exceptional service that exceeds expectations. Our Member Service Excellence programme provides a personalised and professional experience for every member and partner, every time.



### INTEGRITY

We take our responsibilities truthfully, to identify abrupt gaps and effectively address them; as we are liable for our productivity.



### INNOVATION

For us, innovation is the systematic application of our business goals, that leads to the entrance of distinctive offerings to the sports industry.



### RESPONSIBILITY

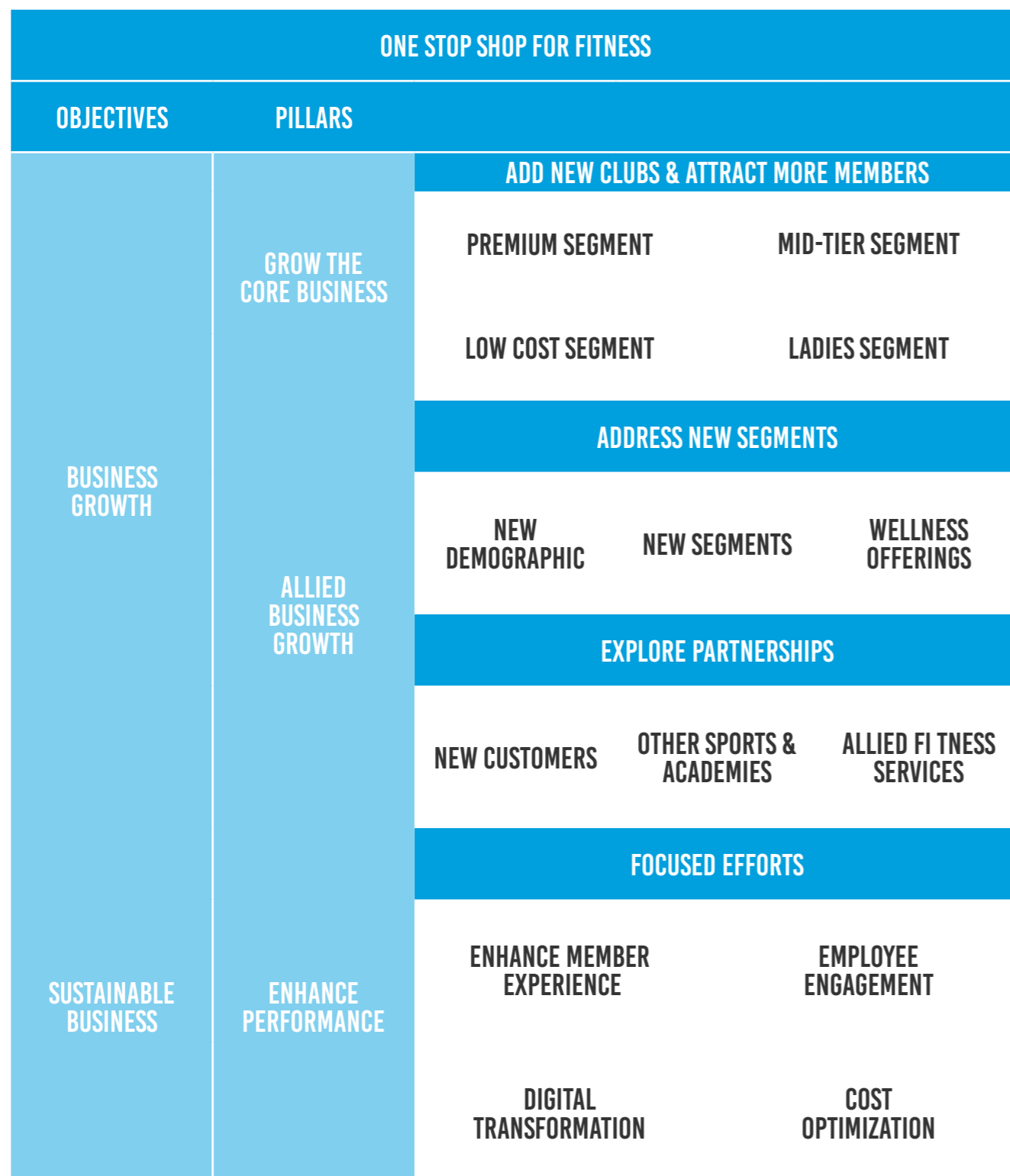
Our teams are trained to conduct themselves professionally while upholding business regulations and procedures. Our daily conduct at work, including the way we treat employees and members, has a significant positive impact on how well we perform our duties.



### COLLABORATION

We define cooperation as working together to achieve both professional and personal objectives. We thrive as our skill sets are integrated with effective communication.

# A LONG-TERM STRATEGY FOR SUSTAINABLE GROWTH AND VALUE CREATION



## Our long-term business strategy

Leejam's long-term business strategy aims to drive sustainable business growth through vertical integration, expanding our portfolio across the sports, fitness, and wellness value chain, enhancing member engagement, and continued alignment with the objectives of Saudi Vision 2030.

### Strategic partnerships

Our sustainable long-term growth relies on strategic partnerships with industry leaders like Techno Gym, as well as other key companies and government entities. These collaborations not only enhance our services and operational efficiency but also enable us to cater to a wider range of members. In addition, by expanding our portfolio to cover a larger range of sports segments, we can promote healthier lifestyles among a broader demographic, aligning with our mission to making high-quality sports and fitness experiences more accessible and affordable for everyone.

### Vertical integration

Our vertical integration strategy aims to strengthen our market position and improve operational efficiency by expanding across the sports and fitness supply chain, acquiring or developing related businesses, integrating services (e.g. physiotherapy, sports training programmes, and wellness services, etc.), prioritising digital innovation, and improving coordination between different areas of our business to reduce costs and optimise service delivery. By controlling more aspects of our business, we can better respond to market demands and enhance our competitive advantage.

### Sustainable business practices

We recognise that sustainable business growth and success can only be achieved through a genuine commitment to the implementation of sustainable business practices through all areas of Leejam's value chain. This is why we are in the process of developing a comprehensive ESG strategy that builds on Leejam's existing ESG goals and initiatives. The strategy will identify our key material ESG issues and impacts as a business, provide a robust framework that is aligned with stakeholder interests and national goals, and provide a roadmap with clear objectives, KPIs, and targets to track progress.

In 2023, Leejam Sports Company received a rating of BBB (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment<sup>2</sup>. This has been another key driver for focusing our efforts on implementing ESG principles into core business practices which will ensure that Leejam is well-positioned to create long-term value for its stakeholders and drive meaningful impact across the Kingdom and the region.

<sup>2</sup> The use by Leejam Sports Company of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Leejam Sports Company by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.



# OUR STRATEGY (CONTINUED)

## Leading a fastgrowing Market

To support its strategy, Leejam continued to lead Saudi Arabia's fast-growing sports and fitness market in 2023. The market has grown according to market research from a total market value of SAR 3.6 billion in 2017 to SAR 6.1 billion in 2022 and SAR 7.4 billion by the close of 2023.

This represents a doubling in the size of the overall fitness market since Leejam was listed in 2018. Furthermore, the fitness market is predicted to grow by an additional 12.6% CAGR between 2023 and 2027, boosted by Vision 2030 and rising health awareness across the population.

Leejam's mission as a one-stopshop for sports is intimately connected with that of Saudi Vision 2030, with shared objectives of building a rich national value chain of sports activities. Furthermore, by investing in the development of a comprehensive portfolio of sports, fitness, and wellness brands, Leejam is meeting its objective to widen access to and participation in sports and the pursuit of healthier lifestyles across the Kingdom.

The Group's strategy also encompasses the creation of a best-in-class sports educational ecosystem by investing in sports training institutes and future talent – these are fundamental drivers of a sustainable national sports ecosystem. From physiotherapy facilities to children's sports training programmes, concept sports, wellness services, and lifestyle brands, Leejam is rapidly emerging as a Group of integrated brands – a one-stop-shop for sports.



New sports



Health and Wellness



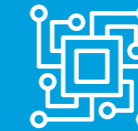
Concept Studios



Infrastructure services



People development



Technology and data



Equipment

## Pillars for Growth in New Segments

Investments and partnerships will be critical to Leejam's investment strategy, which encompasses seven priority areas for investment:

- New sports
- Health and Wellness
- Concept Studios
- Infrastructure services
- People development
- Technology and data
- Equipment

The Group also aims to explore additional segments across new and existing geographies outside of Saudi Arabia and will continue to improve its performance through the optimisation of resources and capabilities. Leejam's investment arm role in the nurturing of this comprehensive, growth-oriented ecosystem is vital in ensuring the sustainability of the Group's profits, revenue, and member satisfaction.

## Beyond a Gym

Supporting Leejam's role as the leading developer of a national sports ecosystem, the Group's investment strategy sets out to amplify Leejam's market position and competitive advantage by investing in assets and

partnerships that boost portfolio diversification, vertical integration, and the future of health, fitness, and sport in the Middle East.

The Group strategy supports the latter by exploring opportunities across the value chain, from gym chains and brands to fitness products and services, human resources solutions, and new technologies. Additionally, the Group is actively pursuing vertical integration within Fitness Time's operations, including investments in new infrastructures, real estate and strategies for the sale of sports equipment, fitness equipment, and apparel.

Such investments provide Leejam with an opportunity to secure access to high-value investment opportunities and secure efficiencies across the entire sports, fitness and wellness value chains.

## Maintaining Market Leadership

The Leejam strategy sets out to sustain its revenue growth and profitability by maintaining the Company's market dominance through the evolution of a rich ecosystem of sports, fitness, wellness and ancillary products and services. The Group sets out to invest in businesses that facilitate its transformation into the leading premium lifestyle provider across the region, in products and services that enhance Fitness Time's offering, and in opportunities that deliver synergies for the core business.



# 1.3

## SAR billion Revenue in 2023

The highest since IPO

# ESG STRATEGY & ROADMAP

## Our approach to sustainability

**Leejam's approach to sustainability is centred around a long-term strategy that prioritises responsible growth and value creation.**

This approach is guided by local initiatives such as the Saudi Vision 2030 and global standards like the UN SDGs, which focus on sustainable development by addressing social, environmental, and economic challenges, and driving positive change.

This has enabled Leejam to make considerable progress in its ESG journey over recent years, by implementing structured programmes and achieving key milestones. Some key initiatives include energy-saving solutions across our facilities to reduce carbon emissions, workforce development programmes to improve employee engagement and satisfaction,

and community engagement efforts to promote health and wellness within our communities. To maintain trust and strong relationships with our stakeholders, we are using initiatives like Capital Markets Day to promote transparency and alignment with our strategic objectives.

To formalise this approach and further integrate sustainability across our business for long-term growth, we are developing a comprehensive ESG strategy and roadmap. The strategy will be shaped by a thorough materiality assessment to identify Leejam's key ESG topics which will allow us to develop an ESG framework.

This framework will inform the establishment of targets, initiatives, and KPIs, as well as an implementation roadmap that will outline priority initiatives and establish reporting principles for tracking progress and maintaining transparency.

Stakeholder engagement will be a key component in shaping and implementing our ESG strategy, ensuring its relevance and effectiveness. The strategy will be supported by strong governance and reporting mechanisms to ensure effective implementation and performance.



**Through investments in next-generation technologies, high-quality facilities, and strategic acquisitions, we will continue to deliver sustained growth and shareholder value.**



# ESG GOVERNANCE

**Formalising the integration of ESG into our governance structures is central to achieving our long-term sustainable growth goals. Having robust ESG governance mechanisms at Leejam will ensure the effective implementation of our ESG strategy and management of our priority ESG issues.**

## Governance structure and practices

Leejam's ESG strategy will be overseen by the Board of Directors (BoD), ensuring ESG responsibilities and expectations are well defined from the leadership level through to daily business operations. The BoD will regularly review the ESG strategy's progress, providing guidance where necessary to ensure effective implementation and alignment with Leejam's commitments.

We are also strengthening our ESG organisational structure through the establishment of an ESG committee and charter to provide clear guidance and oversight for ESG-related decision-making. It is envisaged that the committee will report either to the BoD or to the Leejam Management Committee and will be responsible for:

- Overseeing and supporting the implementation of ESG initiatives.
- Fostering collaboration among ESG professionals within Leejam.
- Driving innovation and continuous improvement by monitoring trends, managing risks, and solving problems collectively.

Leejam's Code of Conduct outlines our existing policies on issues such as environmental responsibility, social equity, governance, and community engagement. In addition, our whistleblowing policy promotes a culture of transparency, accountability, and integrity by encouraging stakeholders to report suspected misconduct or wrongdoing without fear of retaliation, ensuring concerns are addressed seriously and confidentially.

Moving forward, we will be developing additional standalone policies on key ESG topics to further strengthen our position and commitment towards safeguarding the environment, promoting equity and diversity, enhancing transparency, sustainable sourcing and other important issues.

We recognise the importance of ESG reporting in demonstrating transparency and accountability to stakeholders. We believe that regular ESG reporting will enable Leejam to track progress on key ESG initiatives and targets, and communicate our efforts towards achieving our sustainability goals.



# ALIGNMENT WITH NATIONAL & INTERNATIONAL GOALS

## Saudi Vision 2030

Leejam is committed to supporting the Saudi Vision 2030, which aims to diversify the Kingdom's economy through the development of various sectors including health, infrastructure, and recreation, and reduce its reliance on natural resources.

The table below outlines Leejam's contributions to specific Vision 2030 targets.

## VISION 2030 PILLARS

## RELEVANT VISION 2030 TARGETS

## LEEJAM'S CONTRIBUTION

### A VIBRANT SOCIETY

Increase public participation in sports and athletic activities

Achieve regional & global excellence in selected professional sports

Improve quality of services provided in Saudi cities

Leejam advances these targets by promoting sports participation through our accessible fitness centres, innovative wellness programmes, and advanced facilities. We enhance urban services with community-focused fitness experiences and increasing access to diverse sporting activities across the Kingdom for a healthier, more active society.

### A THRIVING ECONOMY

Economic growth and investment facilitation

Development of non-oil sectors

Increase women's participation in the labour market

Leejam drives economic growth by investing in the sports sector, creating jobs, promoting entrepreneurship, and diversifying economy by developing the non-oil sector. We empower women through inclusive programmes and employment opportunities, enhancing their participation in the labour market and promoting roles within the sports and wellness industries.

### AN AMBITIOUS NATION

Improve quality of services to citizens

Promoting sustainability and responsiveness to stakeholder feedback

Promoting corporate accountability

Leejam improves citizen services through innovative health and fitness facilities that cater to community needs. We endeavour to uphold and enhance sustainable practices, and actively engage our stakeholders. We demonstrate transparency and accountability through a strong governance structure. Our upcoming ESG strategy will further our efforts.

# UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The 2030 Agenda for Sustainable Development, adopted by world leaders at the UN in September 2015, consists of 17 SDGs and 169 targets. These goals aim to eradicate poverty, protect the planet, and ensure peace and prosperity for all by 2030.

The SDGs provide a shared framework for both public and private entities to outline their contributions to sustainable development.

The table below outlines our contributions toward the SDGs relevant to our areas of operation, underscoring Leejam's commitment to fostering a more sustainable future for all.

SDGS	OUR CONTRIBUTION
<p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p>Ensure healthy lives and promote well-being for all at all ages</p> <p>Leejam offers accessible fitness programmes, state-of-the-art facilities, and wellness services that cater to diverse community needs and demographics, and encourage active, healthy lifestyles.</p>
<p><b>4</b> QUALITY EDUCATION</p>	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p> <p>Leejam provides comprehensive training programmes, skill development initiatives, and accessible fitness education platforms that cater to diverse demographics, including nationals, women, and professionals in the sports and wellness sectors.</p>
<p><b>5</b> GENDER EQUALITY</p>	<p>Achieve gender equality and empower all women and girls</p> <p>Leejam promotes inclusive fitness opportunities with its women-specific facilities and programmes. We provide employment opportunities in sports and wellness, and our career development programmes empower women. Our "equal pay for equal work" policy, flexible benefits, and strict policies on workplace inclusivity and anti-discrimination also ensure that the rights of women are safeguarded.</p>

SDGS	OUR CONTRIBUTION
<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <p>Through strong business growth and expansion and a focus on sustainable business practices, Leejam is contributing to sustainable economic growth. We are expanding fitness facilities, creating jobs, and investing in employee development. We ensure an inclusive workplace with decent work conditions, protect employee rights and implement effective grievance mechanisms.</p>
<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p> <p>We invest in state-of-the-art fitness facilities and leverage advanced technologies to improve efficiency. Through vertical integration, strong partnerships, and investments in infrastructure, equipment, and wellness services, we are driving innovation in the sports and fitness sector while ensuring accessibility and inclusivity.</p>
<p><b>10</b> REDUCED INEQUALITIES</p>	<p>Reduce inequality within and among countries</p> <p>We endeavour to reduce inequalities by providing inclusive fitness facilities accessible to diverse demographics, offering tailored programmes for women and underserved groups, and creating equitable job opportunities. By adopting sustainable practices, such as supporting local suppliers and promoting diversity, Leejam promotes social equity and economic inclusivity within the region.</p>
<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p> <p>We endeavour to create inclusive, safe, resilient, and sustainable cities by offering accessible fitness centres that promote health and well-being. By advancing sustainable practices like energy-efficient infrastructure, and promoting community engagement, we are helping to enhance urban quality of life, aligning with sustainability goals for thriving, inclusive communities.</p>
<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Ensure sustainable consumption and production patterns</p> <p>We continue to implement initiatives that promote paperless workflows, improve energy-efficiency, and optimise resource usage by leveraging data-driven insights. We promote environmentally responsible practices across our operations, focusing on ways to manage waste, and reduce energy and water consumption to align with global sustainability goals for efficient and responsible resource management.</p>
<p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Promote peace, inclusivity, justice, and accountable institutions for sustainable development</p> <p>We seek to promote peace, inclusivity, and justice by providing a respectful, diverse, and inclusive environment across our facilities, workplaces, and operations. Through strong governance, transparent decision-making, and ethical business practices, we can ensure accountability while supporting sustainable development that prioritises social well-being and equity.</p>

# ENVIRONMENT

**As a fast-growing sports and wellness service provider with multiple facilities across KSA and the UAE, we recognise the importance of ensuring we have adequate safeguards in place to minimise our negative impact on the environment, and, where possible, demonstrate environmental stewardship within our operations.**

We are focusing our efforts on energy, water, and waste management, recognising that these areas have a significant impact on the environment and are particularly relevant to Leejam.



**Energy:** by reducing energy consumption, we can lower our carbon emissions and achieve cost savings through increased efficiency.



**Water:** optimising water usage is also crucial to Leejam, particularly when considering the water-scarcity issues associated with our areas of operation.



**Waste:** implementing effective waste management practices will enable Leejam to further minimise its environmental footprint by reducing waste to landfill and help to promote a circular economy.

We adopt a proactive approach to improving our environmental performance, by assessing areas where we have the greatest impact. This has enabled us to focus on implementing effective solutions such as energy efficiency measures directly into our operations.

As part of our ESG strategy, we will build on these existing energy efficiency initiatives and take concrete steps towards further reducing our carbon emissions. We will also expand our focus to include initiatives to improve Leejam's performance in water and waste management.

Our alignment to the SDGs



## Energy efficiency

In 2023, we took concrete steps towards improving energy efficiency across our facilities by implementing energy-saving technologies, which included:

- Replacing halogen lights with energy-efficient LEDs during club refurbishments to reduce energy consumption which is an ongoing programme.
- Piloting a centralised smart energy system programme for remote energy monitoring and control, which enables real-time monitoring and optimisation of energy usage.
- Using nanotechnology-based circuit breakers at three pilot sites to improve the overall efficiency and reliability of Leejam's heating, ventilation, and air conditioning (HVAC) systems, leading to reduced energy loss and optimised performance.

Our partnership with industry-leading providers, known for their environmentally responsible manufacturing practices and energy-efficient equipment, underscores our shared dedication to reducing energy consumption and minimizing environmental impact.

### CASE STUDY

## Centralised smart energy consumption system

Leejam has successfully piloted a centralised smart energy consumption system that enables remote monitoring and control of energy usage at a granular level. This system enables us to:

Autonomously measure load and control specific parts of club operations remotely.

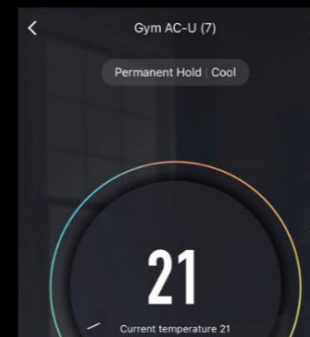
Monitor and control energy use in real-time, including:

- In-club air conditioning units
- Lighting systems
- Water heating systems

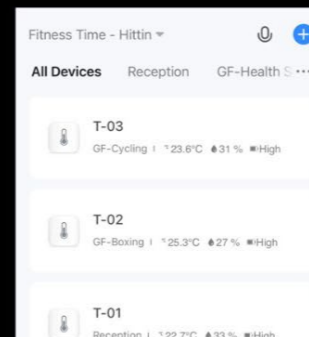
This level of control and visibility has enabled Leejam to achieve significant energy savings, with an estimated **total reduction of 585 tCO<sub>2</sub>e**.

The benefits of this system include improved energy efficiency, reduced energy waste, enhanced control and visibility over energy usage, and potential for significant carbon footprint reduction. We are planning to conduct further assessments on the outcomes and feasibility of this study, and if the results are positive, we plan to implement the system across our facilities.

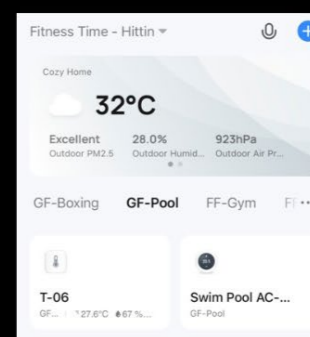
#### Smart Wi-Fi AC Thermostats



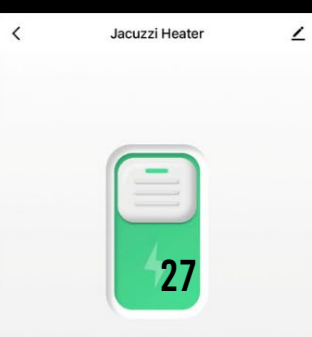
#### Temperature & energy monitoring



#### Remote AC optimization



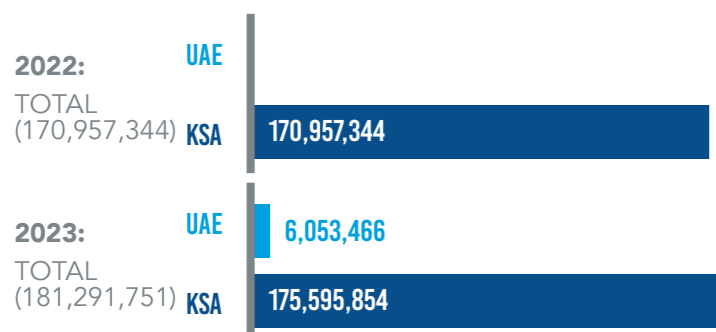
#### Remote equipment optimization



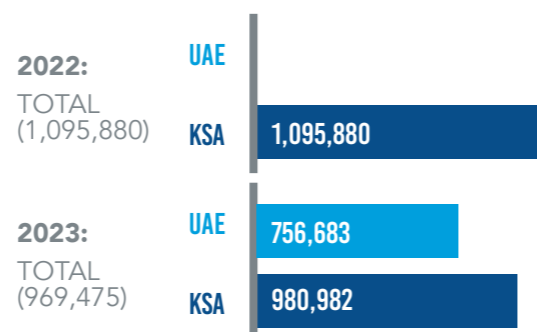
## Emissions footprint

Our scope 1 emissions consist primarily of our refrigerant consumption for our HVAC systems, while our scope 2 emissions are from our consumption of purchased electricity. As part of our ESG strategy, we aim to conduct a thorough assessment of all our business areas to accurately identify and track our emissions, with the goal of incorporating Scope 3 emissions into future reporting. This will enable us to identify key impact areas and prioritise resources for effectively managing and reducing our overall carbon footprint.

### PURCHASED ELECTRICITY (KWH)



### ENERGY INTENSITY KWH/CLUB



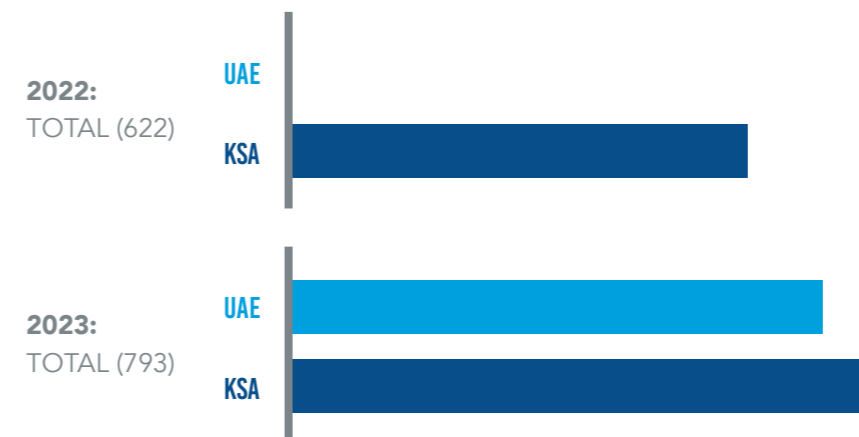
In 2023, energy intensity decreased by 11.5% compared to 2022. This can be attributed to the energy efficiency initiatives that we implemented during this time.

SCOPE <sup>3</sup>	COUNTRY	UNIT	2022	2023
Scope 1 (from refrigerants)	KSA	tCO <sub>2</sub> e	N/A	44,985
Scope 2 (from purchased electricity)			97,104	99,944
Scope 1 (from refrigerants)	UAE		N/A	348
Scope 2 (from purchased electricity)			N/A	3,019
TOTAL SCOPE 1			N/A	45,333
TOTAL SCOPE 2			97,104	102,963

Between 2022 and 2023, our Scope 2 carbon emissions increased by 6% due to the expansion of clubs, a growing membership base, and extended operating hours.

<sup>3</sup> Emissions calculations follow the GHG protocol standard. Refrigerants emission factors are derived from the UK Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy. Electricity emission factors are derived from Clean Development Mechanism Designated National Authority (DNA) - Saudi Grid emission factor. Electricity emission factors for the UAE are derived from the IEA 2023 database.

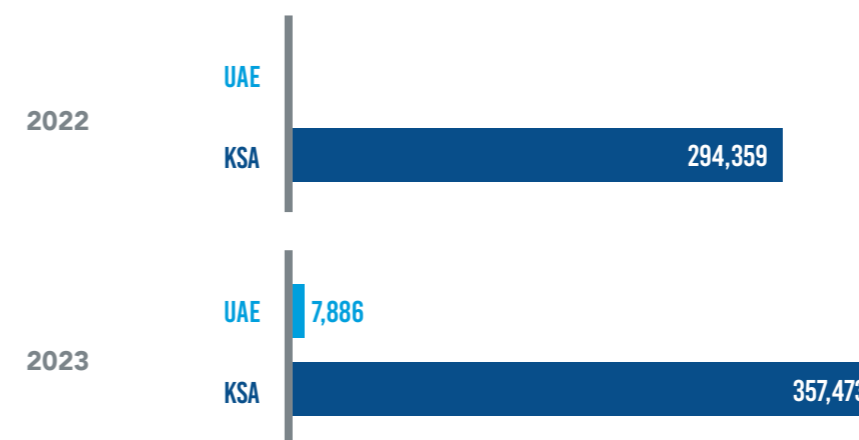
## EMISSIONS INTENSITY TCO<sub>2</sub>E/CLUB



Total emissions intensity increased in 2023 due to the inclusion of refrigerant data. However, aligning with improvements in energy efficiency, our Scope 2 emissions intensity decreased by 11.5% from 2022 to 2023.

# 11.5% decrease in scope 2 emissions

## EMISSIONS INTENSITY TCO<sub>2</sub>E/MEMBER



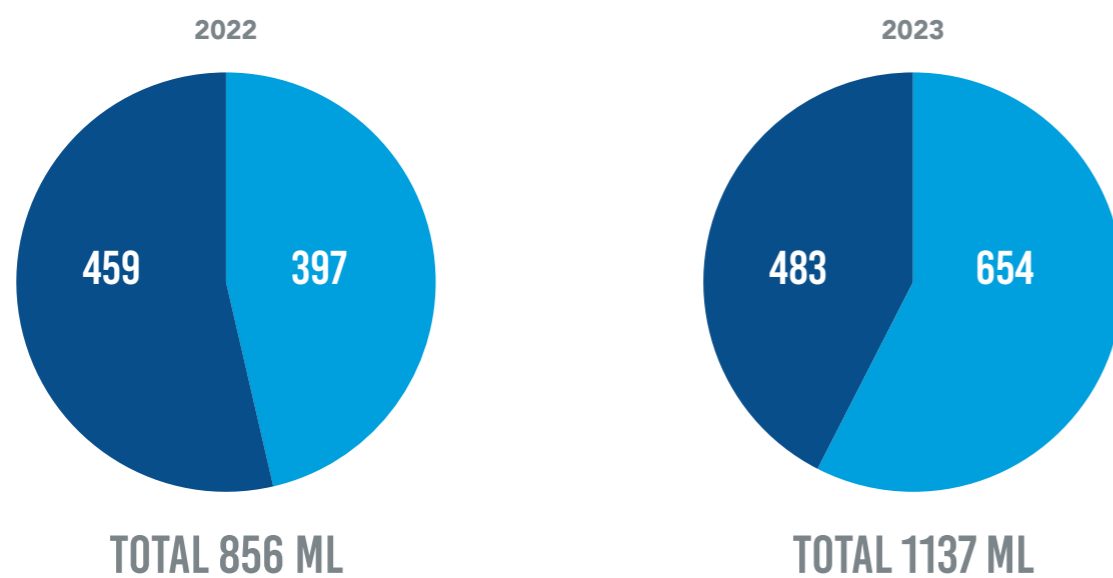
## Water management

We recognise that we operate in a region with high water stress which is why optimising water usage is a key priority for Leejam. While we strive to promote awareness about water conservation amongst our members and staff, and are ensuring that new facilities are fitted with water efficient fixtures such as tap sensors, adopting more comprehensive water management practices will be a key focus area for Leejam's ESG strategy.

We are committed to developing and implementing initiatives that focus on further reducing our water consumption, such as installing low-flow fixtures across all our facilities and leveraging advanced technologies like monitoring usage through smart systems which will enable us to better manage consumption. Effective water management will also contribute to lowering our carbon footprint.

Between 2022 and 2023, our total water consumption increased by 32.8% due to the expansion of clubs, a growing membership base, and extended operating hours.

## TOTAL WATER CONSUMPTION



- Municipal water consumption (ML)
- Third-party water consumption (ML)

## Waste management

### Leejam's mission to promote health and wellness is a key driver for our commitment to developing robust waste management initiatives.

We believe that effective waste management practices contribute to creating a healthier environment for all. We also recognise that as our business grows, and we expand into a wider range of sport and wellness areas, we may face stricter environmental regulations and compliance requirements. Therefore, implementing waste management practices ensures that Leejam adheres to local and national regulations while contributing to local and international sustainable development initiatives.

As part of our ESG strategy, we will develop and implement robust measures to manage our waste footprint, focusing on areas where we can have the biggest impact. To do this, we will explore waste management measures such as:

**Recycling:** Implement systems for segregating and recycling paper, plastics, and metals across our facilities. We are also actively engaging with local waste recycling companies to find ways to enhance our waste management practices.

**Digitalisation:** Although we already utilise paperless workflows, including digital membership cards, contracts, and communications, we will explore ways of further reducing our reliance on paper.

**Eco-friendly materials:** Use recyclable or biodegradable materials in gym equipment, packaging, and merchandise. This is particularly relevant as we undertake gym refurbishments.

**Member awareness campaigns:** Educate members on reducing waste and participating in recycling efforts which can enhance the member experience, making them feel part of a community that values environmental stewardship.

**Partnerships:** Collaborate with eco-conscious suppliers to reduce packaging and ensure sustainable disposal of waste.

**E-Waste recycling:** Establish proper disposal methods for outdated or damaged electronic gym equipment.



# SOCIAL

**At Leejam, we recognise the profound impact our business has on people, including our employees, members, and the broader community. We believe that fitness centres serve as vital community hubs where individuals can engage in physical fitness, social interaction, and personal development.**

We strongly believe that our growth as a business is deeply intertwined with our mission to promote health and fitness in the region. This is why we are focusing our efforts on several key areas to enhance our positive social impact and align with local and international goals. This approach enables Leejam to make a positive impact on community health and wellbeing while contributing to the country's economic development.



**Member health, safety & well-being:** We prioritise member health and safety through strict protocols and facility standards, creating a safe and secure environment that fosters trust among our members. Our expanding wellness offerings such as physiotherapy and rehabilitation services are designed to meet diverse community needs and enhance overall well-being.



**Employee welfare:** Investing in employee development and fostering a positive and supportive work environment, demonstrates Leejam's dedication to the well-being and growth of its staff. Leejam Sports Company is dedicated to fostering workforce engagement and enhancing employee welfare by prioritizing internal hiring, empowering talent growth, and cultivating a culture of opportunity within the organization.



**Community engagement:** Promoting fitness in the community aligns with Leejam's mission to inspire healthier lives and contributes to the overall well-being of society. This is why Leejam tailors its offerings to include specialised programmes for different demographics, such as women and youth.



**Data security & digitalisation:** Safeguarding member data is essential in today's digital age, and Leejam's commitment to data protection enhances trust and loyalty among our members. We are leveraging advanced analytics and digital technologies to personalise services, streamline operations, and elevate the overall member experience.



Our alignment to the SDGs



## Member health, safety & well-being

Protecting the health and safety of our members is of utmost importance for Leejam, and by prioritising this key issue, we seek to prevent injuries, reduce the risk of accidents, and promote long-term participation in physical activities.

By providing a safe and healthy environment, we can encourage members to feel more comfortable and confident in their surroundings, which can lead to a more enjoyable and effective workout experience. This enhances member trust and satisfaction, which is vital for long-term membership retention. In addition, it helps to establish a positive reputation for Leejam, enabling us to increase our membership base and foster a loyal community.

### Health & safety protocols

Leejam prioritises the health and safety of its members by adhering to high standards of sanitation, equipment safety, member/staff training, and due diligence checks.

These efforts include:

- Ensuring staff are well trained in equipment use, safety protocols, and first aid, guiding members on proper usage, conducting regular equipment maintenance, and providing clear instructions and signage to minimise injury risks.
- Requiring members to review and accept our terms and conditions, sign consent forms, confirm their physical readiness for exercise, and comply with age-specific entry rules. Members must also disclose health concerns to trainers and acknowledge personal responsibility for their safety while complying with facility policies.
- Encouraging members to report safety concerns, ensuring staff and trainers monitor equipment use, and implementing a centralised feedback system to communicate safety issues across facilities. This reduces incident rates, keeps staff informed, and identifies areas needing additional member training.
- Ensuring a clean environment by regularly sanitising equipment and maintaining cleanliness in all areas, employing trained cleaning staff, and promoting personal hygiene practices such as handwashing and by providing hand sanitisers.

## Member safety incidents

At Leejam, we have a clear protocol in place for handling member injuries, which includes:

- Immediate reporting of any incidents to our staff and alerting our Command Centre in the event of serious incidents to ensure a prompt response
- Filing of reports to document the incident and a thorough investigation into the cause of the incident, involving our fitness and maintenance departments
- Follow-up with the affected member within 48 hours to ensure they are receiving the necessary support, and provision of compensation if we are found to be at fault

MEMBER SAFETY KPIS <sup>4</sup>	UNIT	2023
Member injury rate		0.003
Member fatality rate		0.001
Facilities inspected for safety	Percentage	100
Percentage of facilities that failed inspection		0

Unfortunately, in 2023, we experienced four fatalities at our facilities. Three of these incidents were due to heart attacks, and one was due to drowning. We took these incidents very seriously and conducted thorough investigations to identify the causes and implement measures to prevent similar incidents in the future.

As a result of these investigations, we have made improvements to our member health screening processes, safety protocols, and staff training programmes. These changes aim to enhance the overall safety and well-being of our members, and we are committed to continually reviewing and improving our protocols to ensure the best possible experience for our members.

<sup>4</sup> Leejam had a total of 396,000 active members as of 2023

## Improving well-being services

We're dedicated to encouraging healthier, happier lifestyles by ensuring that we have the best fitness and wellness services on offer to our members. These include:

- State-of-the-art facilities include swimming pools, jacuzzies, steam rooms, saunas, squash courts, and lounges for relaxation and social interaction.
- Concept studios offering boxing, yoga, personal training, group exercises, and martial arts, along with specialised children's training activities. In 2023, we launched the Blu Swimming Academy to inspire a lifelong passion for swimming in children, while developing essential skills and boosting their self-confidence.
- Sports health care clinics focus on sports medicine and advanced rehabilitation, and we're introducing new allied services like physiotherapy, to cater to the diverse needs of our community, fostering a holistic approach to well-being.

## Member satisfaction

Gauging and understanding member satisfaction is crucial for Leejam as it provides valuable insights into member preferences and experiences, enabling the us to enhance services, drive engagement, and improve overall retention.

In 2023, we implemented various digital tools to boost member engagement, including the introduction of digital satisfaction surveys. The 2023 digital satisfaction survey showed an **87% satisfaction rate amongst members**. Monthly surveys were also launched via SMS, WhatsApp, and email to gather continuous feedback on satisfaction, facilities, and cleanliness. We also introduced a smartphone app which enables members to book classes and personal training sessions, while a new member portal simplifies digital interactions and provides more control over personal details. This approach aims to improve overall member experience and satisfaction.

## Leejam's Commitment to Accessibility and Inclusion

At Leejam, we believe that fitness should be accessible to everyone, regardless of physical ability or mobility challenges. We are proud to champion inclusivity by ensuring our gyms are equipped with facilities designed to meet the needs of people with disabilities and limited mobility.

Currently, 51 of our clubs are thoughtfully designed with accessibility services, including elevators, ramps, accessible restrooms, and changing rooms. These features are not just additions but essential elements of our commitment to creating welcoming spaces where everyone feels empowered to pursue their fitness journey comfortably and safely.

We remain dedicated to expanding these initiatives across more locations, to further promote an inclusive environment where every individual has the opportunity to reach their fitness goals.

**To hear Abdullah’s story and other inspiring journeys from our members, please visit our [Fitness Time YouTube channel](#).**

### SPOTLIGHT STORY

## Abdullah Al-Juaid – Overcoming obstacles with fitness and determination

Meet Abdullah AlJuaid, a true inspiration in the world of fitness. Visually impaired, Abdullah’s journey into fitness started with his father’s encouragement to overcome emotional challenges and take control of his life. His father introduced him to Karate, and from there, Abdullah’s passion for fitness blossomed. Today, he holds a black belt in Karate and has made history by winning the gold medal in the Visually Impaired category at the Asia Karate Championship.

Abdullah credits his success not only to his own determination but also to the support from the experienced staff at Leejam’s Fitness Time gyms. “Being in fitness helps me forget my impairment,” he says, explaining how the training and environment at Fitness Time have

made his fitness journey both enjoyable and empowering.

Leejam’s commitment to inclusivity and personalised care has been essential in helping Abdullah achieve his goals. With the aid of a phone app, he independently travels to and from the gym, showcasing his independence and resilience. Looking ahead, Abdullah has set his sights on the world championship, aiming to make his country proud with another gold medal.

His message is simple yet powerful: “Don’t dwell on your problems, think how you can solve them.” Abdullah’s story is a testament to the power of sport, resilience, and the right support system. At Leejam, we’re proud to be part of his journey, helping him and others break barriers and achieve greatness.

## Employee welfare<sup>5</sup>

At Leejam, our employees are our greatest asset. By investing in our employees and prioritising their well-being, we’re building a strong and sustainable business that benefits everyone.

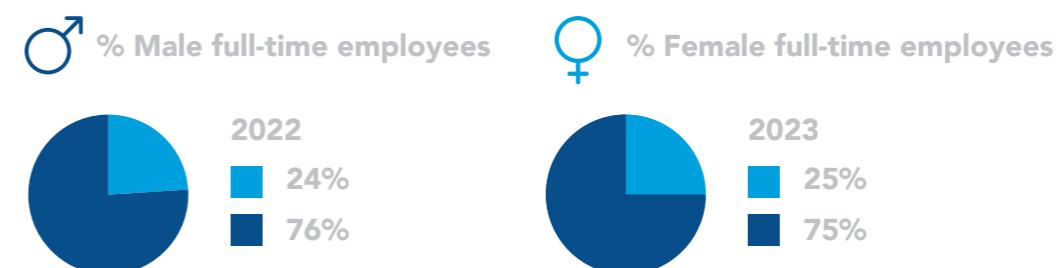
We’re dedicated to building a talented and diverse workforce, where all employees have the opportunity to grow and thrive. We are implementing strong measures to attract and retain top talent through competitive opportunities and benefits, with focused efforts on nationalisation. We provide comprehensive training to help our employees develop their full potential and are implementing measures to promote greater female participation in our workforce.

We seek to foster an inclusive work environment, free from any form of discrimination, and encourage open communication and feedback, so our employees feel heard and valued. We ensure that our employees are involved in the development and execution of our business strategies, so they can contribute to our success.

We’re also committed to implementing high standards in health and safety across our facilities and all workplaces, by providing enhanced health and safety training to our employees, encouraging a safety-first culture, and continuously reviewing and improving our safety protocols.

## Our workforce

	2022	2023
Total female full-time employees	708	838
Total male full-time employees	2,242	2,477
Total full-time employees	2,950	3,315



<sup>5</sup> UAE employee data is included in the 2023 figures as branches were only opened there in 2022. Future reports will present UAE and KSA employee data separately.

In 2023, we experienced around a 13% increase in new hires, driven by strong business growth and expansion. The percentage of females in our workforce saw a modest but positive rise, and we expect this trend to continue in 2024 as we focus on enhancing the ladies' segment, refining our offerings, and opening new facilities.

We are proud to have a dedicated female maintenance team to ensure the highest standards in maintaining and managing our ladies' facilities.

GRADE	2022	2023
<b>SENIOR MANAGEMENT</b>	<b>15</b>	<b>16</b>
FEMALE EMPLOYEES IN SENIOR MANAGEMENT	7%	12.5%
MALE EMPLOYEES IN SENIOR MANAGEMENT	93%	87.5%
<b>MIDDLE MANAGEMENT</b>	<b>41</b>	<b>67</b>
FEMALE EMPLOYEES IN MIDDLE MANAGEMENT	12%	18%
MALE EMPLOYEES IN MIDDLE MANAGEMENT	88%	82%

Between 2022 and 2023, Leejam experienced around a 7% increase in senior management positions, with female and male representation remaining steady. In middle management, there was a 63% increase in total positions.

This rise was driven primarily by business expansion, restructuring, and the growing demand for female managers in our expanding ladies' segment. This highlights the positive impact of our efforts to align with Vision 2030 objectives, by promoting female workforce inclusion and supporting women in pursuing management roles.

Please refer to Appendix C for additional workforce data.

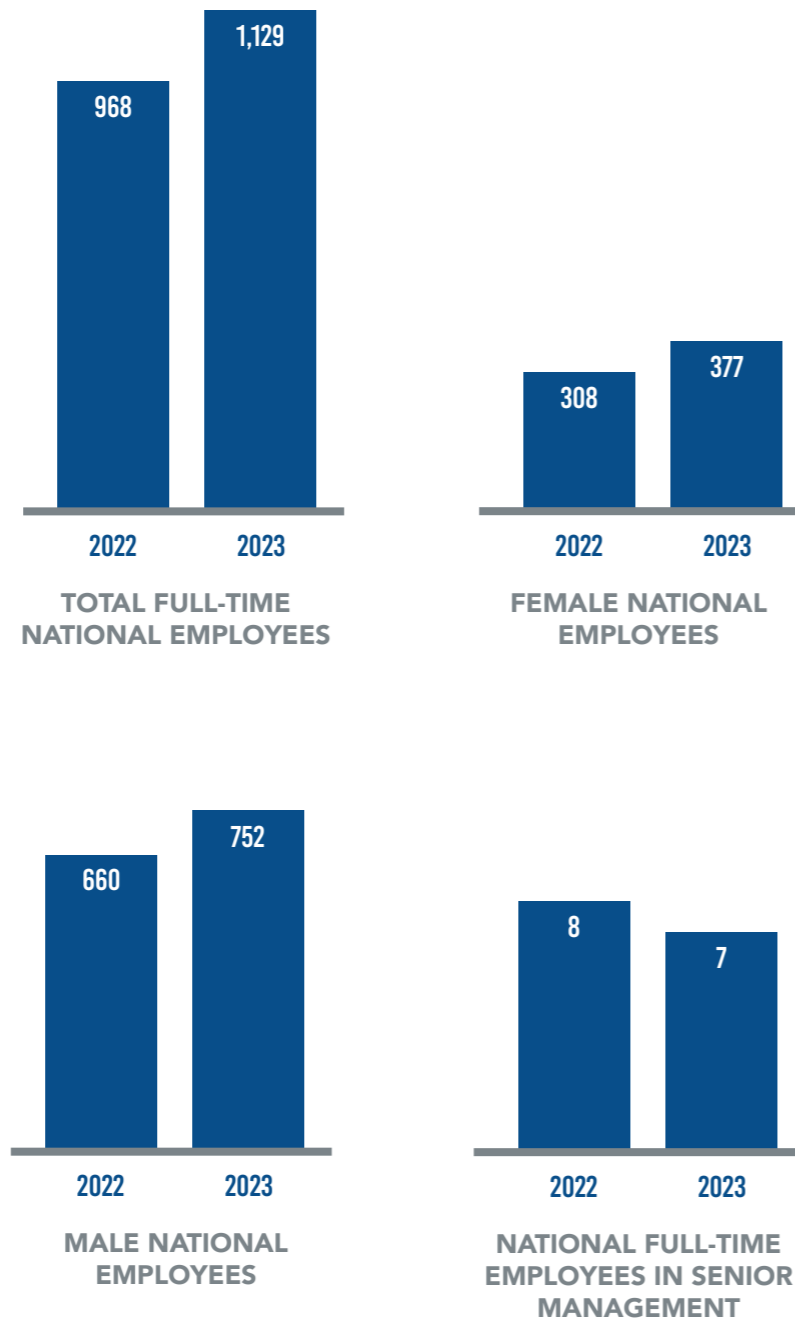


**13%**  
increase in  
new hires

**7%**  
increase in senior  
management

## Nationalisation efforts

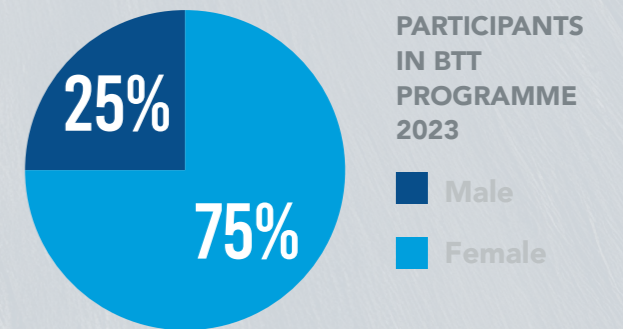
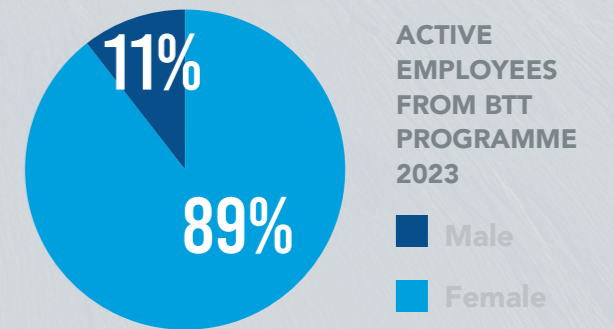
We have also partnered with universities and training institutes to support nationalisation efforts, including launching our own in-house learning academy to train sports coaches. In 2023, we completed our first batch of specialist courses for nationals, employing over 60 nationals in the process, predominantly women, as floor and GX trainers. Graduates received internationally recognised certification



### SPOTLIGHT STORY

## 'Be the Trainer' programme

Leejam's 'Be the Trainer' programme, is an internal initiative whereby nationals are trained for careers in fitness, focusing on personal training, group classes, and sports-specific skills. In 2023, 24 participants, including receptionists and lifeguards, completed the programme, earning internationally recognised certifications to support local talent development in the fitness industry. By the end of 2023, 19 participants remained active employees at Leejam, applying their newly acquired skills in their roles.



## Employee development and talent retention

Attracting and retaining top talent is a key challenge for Leejam, as we continue to expand our core business. Addressing talent challenges is essential for building capacity and maintaining quality across the organisation, while ensuring we can support our sustainable growth.

To address this, we implemented a workforce planning strategy in 2023, which included internal training, external hiring from the national sports ecosystem and universities, and sourcing professionals from other markets.

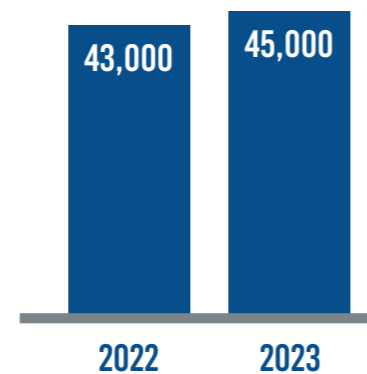
In addition, we are focusing on the continued implementation of career development, training, engagement, and wellbeing initiatives. The new Leejam Management System (LMS), launched in August 2023, offers employees 40 training courses, providing learning and development opportunities across fitness, operations, and soft skills. Employee training satisfaction rate was 4.8 out of 5.

All Leejam employees are provided with a comprehensive benefits package which includes basic salary, housing and transportation allowances, job-specific allowances, medical insurance, end-of-service benefits, vacation salary, vacation tickets (for non-Saudis), gym

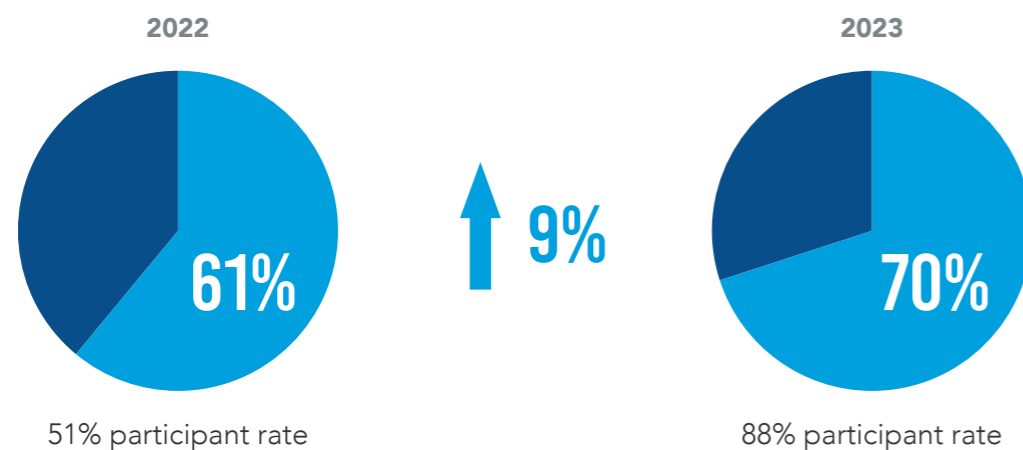
membership, performance-based incentives such as commissions and bonuses, and WalaPlus membership, which provides access to employee happiness and loyalty programmes.

Leejam has sought to incentivize greater employee productivity. This was reflected in employee satisfaction levels, with a score of 70% for all aspects of the survey. The 'Great Place to Work' results showed that 77% of employees agree with the statement that Leejam is a Great Place to Work. The number of survey participants also increased to 88% in 2023, up from 55% in 2022.

### TOTAL TRAINING HOURS CONDUCTED



### EMPLOYEE SATISFACTION SCORE



## Workplace equity & diversity

Leejam boasts a diverse workforce representing over 36 nationalities, drawing talent from the Middle East, Europe, Asia, South Africa, US and Brazil. We continuously strive to promote a respectful and professional workplace where all employees are treated with dignity and respect.

Our work policies also focus on ensuring that all employees are offered fair compensation, as well as growth, teamwork and knowledge-sharing opportunities, ensuring that every employee can reach their full potential. We are also committed to providing a productive and supportive work environment where all employees have equal opportunities for development and fair employment practices. In addition to annual performance and development reviews, we practice the "30 Every 30" performance management approach where employees can engage in a 30-minute discussion with their line manager every month, focusing on their development, performance and providing employees the opportunity to voice their concerns on any issue(s). Please refer to Appendix C for additional data on workforce development and remuneration.



TRAINING	2022	2023
Total hours of training - females	N/A	1,347
Total hours of training - males	N/A	5,557
<b>Total hours of training - total workforce</b>	<b>2,805</b>	<b>6,904</b>
Average hours of training per year per female employee	N/A	1.61
Average hours of training per year per male employee	N/A	2.24

We have a zero-tolerance policy towards all forms of discrimination, harassment, and intimidation, whether physical, verbal, or psychological. Leejam encourages employees to report any incidents of discrimination or harassment to their manager. Our Raising Concerns Policy ensures that all complaints are taken seriously, treated with confidence, and addressed promptly.

## CASE STUDY

# Quality Life Programme (QLP)



Leejam runs the annual Quality Life Programme (QLP) – a key initiative that aims to promote employee well-being and encourage a healthy lifestyle among our staff.



The programme provides employees with one hour out of their regular duty times each day to focus on personal health and fitness. This initiative aims to ensure employees have dedicated time for exercise, contributing to improved physical well-being and mental clarity.



Employees reported higher satisfaction and motivation levels, benefiting from the opportunity to integrate wellness into their daily routines, contributing to a more energised and engaged workforce.

## Employee health & safety

Leejam recognises the critical importance of maintaining employee health and safety, not only for the well-being of its workforce but also for encouraging a productive and sustainable work environment. As part of our ongoing commitment to employee welfare, we have several key safety protocols in place, including training staff on safe equipment usage, firefighting and evacuation procedures, first aid, and measures to prevent communicable diseases. Additionally, we have established hazard identification and mitigation processes to address risks and ensure a safer workplace.

However, we acknowledge that there are significant gaps in our current health and safety practices. This prompted us to seek the expertise of a local consultant to assess our current health and safety

management system, provide an update of all applicable regulations, and put forward recommendations. The assessment highlighted positive findings, as well as shortcomings within our health and safety system and current protocols, and recommended some key actions to enhance our health and safety practices such as developing a legal register, aligning with ISO standards, improving staff training, and strengthening emergency preparedness to ensure compliance with international safety benchmarks.

In addition, our upcoming ESG strategy will enable us to further align with industry best practices, including reporting standards, and address any additional gaps to enhance employee safety and strengthen overall compliance.

## Community engagement

Leejam engaged in various community outreach programmes and activities in 2023 to promote community engagement and healthier lives. Some of these initiatives included:

- Sponsoring an awareness campaign with Princess Noura University to educate the community on the importance of oral and dental health, particularly for individuals with diabetes. Leejam also offered free gym memberships and discounted sporting activities to selected participants.
- Launching a doping awareness campaign with the Food and Drug General Authority to warn against the dangers of doping in sports. Leejam supported the programme by providing awareness to members in club lobbies and through social media.
- Participating in 'Purple Saturday', an event that promotes the integration and empowerment of people with disabilities. Leejam offered discounts and special offers to support the initiative.
- Collaborating with the Zahra Association in its breast cancer awareness campaign during 'Pink October'. Leejam produced marketing materials, distributed brochures, and promoted the campaign across social media platforms to raise awareness among women and society in general.

Looking ahead, as part of our ESG strategy, we will focus on further strengthening our community engagement efforts. Ongoing collaboration with key partners and organisations, and identifying the needs of our communities, will enable us to implement meaningful programmes. In addition, we will endeavour to actively encourage and support employees to volunteer and participate in social events and campaigns, fostering a sense of responsibility and contributing to the greater good of the communities we serve.



### SPOTLIGHT STORY

## Hail Mass Participation Event

The NEON RACE 2023, held in Hail and Riyadh, brought together 5,900 participants in a vibrant celebration of fitness and rivalry. The event highlighted the importance of physical activity, promoting unity and encouraging lifelong healthy habits, particularly among youth and families. Overall, 43% of participants were female and 57% were male, while youth made up 31% of the total participants, underscoring the event's appeal to younger generations.

With impressive satisfaction rates of 84% and 95% in Hail and Riyadh, respectively, the event successfully promoted health and well-being. It also garnered approximately 2 million social media impressions across platforms like TikTok, Snapchat, and Instagram. The NEON RACE 2023 not only celebrated fitness but also strengthened community ties, inspiring a collective commitment to healthier lifestyles.





## Levitate 2023: Inspiring Movement and Breaking Records

Levitate 2023, one of the biggest events in Leejam's community initiatives, marked a milestone by bringing together over 300 attendees for a GX-centered entertainment and sports event aimed at getting the community moving. The event also officially broke a Guinness World Record for the most people on trampolines.

It was celebrated with vibrant energy across a food zone, kids' area, memorabilia stands, and a stimulating padel court launched with our partners 'Padelx'. March 8th now stands as a historic day for Fitness Time, showcasing our dedication to promoting active lifestyles and meaningful community engagement.



LEVITATE

وقت اللياقة  
FITNESSTIME



## Data security & digitalisation

We recognise that safeguarding member data and embracing digital innovation are essential to maintaining member trust, staying competitive in the fitness industry, and ensuring compliance with data privacy regulations.

In 2023, we achieved a number of key milestones in this area, and we are committed to implementing additional measures moving forward to further leverage digital technologies to enhance the way do business, while managing associated risks.

### Data security programmes

We utilise SaaS platforms for the collection and processing of data associated with our members, employees, suppliers and others. We prioritise the protection of this data and are committed to adhering to national regulations and upholding ethical data practices, ensuring transparency and accountability and building trust.

Data privacy notices are embedded within the Leejam Fitness Time app, which can be easily accessed, read, and acknowledged by both new and existing members.

In addition, our Cybersecurity Committee is mandated to oversee data security and ensure adequate measures are in place to mitigate any identified risks. Our Internal Audit team is responsible for reviewing access management controls through a "Business Application and Capability Assessment" of Oracle and Exerp systems, while the IT department conducts regular system vulnerability assessments and penetration testing with external consultants.

In 2023, we successfully implemented the National Cybersecurity Authority NCA standards. This enhances Leejam's data security, reduces cyber threats, and strengthens our digital infrastructure, contributing to operational sustainability and safeguarding stakeholder trust.

We are also in the process of implementing robust measures to ensure Leejam's compliance with the Personal Data Protection Law (PDPL). Our cybersecurity department conducts regular Vulnerability Assessment and Penetration Testing (VAPT) to identify and address potential vulnerabilities in our infrastructure, websites, and mobile apps.

### Digitalisation efforts and initiatives

Leejam stays updated on digital industry and next-gen technologies trends through market research, industry events, collaborations with tech leaders like Gartner, and employee upskilling. We are actively adopting emerging technologies such as AI, IoT, and cloud solutions to promote innovation, while also using member and stakeholder feedback to shape adaptable digital strategies.

In 2023, we achieved various key milestones in this space including:

- Launching our smartphone app to enhance member experience, streamline data collection, and reduce paper usage.
- The introduction of a new data lake solution which allows us to aggregate raw data using next-generation analytics across two platforms: Leejam Business Analytics and Leejam Business Support System.

- The new Leejam Inspection System which enhances visibility by enabling club managers to inspect facilities, track checklists, and record health and safety protocols.
- The Leejam Management System (LMS) was launched for employee development.

These initiatives also promote sustainability at Leejam by encouraging paperless workflows, leveraging AI-driven insights for resource optimisation, and utilising energy-efficient IT infrastructure, such as cloud solutions and virtualisation, to reduce hardware use and improve energy efficiency.

In 2024, we plan to implement a wide range of projects, aiming to improve operational efficiency and member engagement. This will include the roll-out of our new CRM system following its successful pilot, which is designed to enhance sales and marketing outcomes.

## CASE STUDY

# Drop it, Win it: Harnessing digital innovation to inspire healthier lives

This campaign was designed to encourage members to achieve weight loss goals by offering rewards for milestones. Challenges in implementation included:

- Establishing an efficient method for members to input data and track progress
- Creating a reliable system to issue gift cards based on weight loss.

We implemented a feature in our smartphone app for easy weight measurements and integrated a system for trainers to input data.

The campaign increased member engagement, with many achieving weight loss goals and receiving gift cards.

The initiative also provided valuable insights into member progress, allowing for better programme adjustments. Moving forward Leejam plans to expand this initiative by launching targeted marketing efforts through social media and in-club promotions, while also providing training for staff and trainers to effectively support and motivate members throughout their weight loss journeys.

# GOVERNANCE

**Effective governance underpins who we are as an organisation, and guides where we are heading as a business. This is crucial to Leejam's success, given our strong growth and expansion into additional areas of operation. This is why we are focusing our efforts on several key areas to enhance our positive social impact and align with local and international goals.**



**Corporate governance:** By adopting and maintaining high standards of good corporate governance we are better positioned to identify and manage the impacts of our activities and business relationships which is essential for maximising long term stakeholder value.



**Risk, audit & compliance:** We foster a culture of compliance that not only meets legal and organisational requirements but also exceeds local regulations by adopting international frameworks and best practices.



**Sustainable procurement:** Leejam's success relies on trusted partnerships with suppliers and contractors, emphasising ethics, sustainability, and social responsibility. We prioritise managing human rights risks and align with national goals by favouring local companies in procurement.

Our alignment to the SDGs



## Corporate governance

Leejam is committed to maintaining a strong corporate governance framework that prioritises long-term shareholder value creation. The company's governance structure is designed to ensure clear authority and accountability among its BoD, management, and employees, as well as a focus on ethical operations, compliance, and financial viability.

By formalising the integration of ESG into our corporate governance structure as part of our upcoming ESG strategy, Leejam aims to enhance investor confidence, support sustainable growth, and ensure long-term

value for its stakeholders. Please refer to the ESG governance section of this report for more information.

### Corporate governance structure and practices

Leejam's Board of Directors plays a key role in guiding the organisation, ensuring compliance with laws and regulations and effective operations while considering the broader impact on stakeholders. Their diverse expertise and positions enable prompt and effective decision-making on critical matters.

DIRECTOR	CLASSIFICATION
Mr. Ali Hamad Al-Sagri	Non-Executive
Dr. Mohammed bin Faraj Al-Kinani	Independent
Mr. Tareq bin Khalid Al-Angari	Independent
Mrs. Hessa bint Hamad Al-Sagri	Non-Executive
Mr. Hamad bin Ali Al-Sagri	Executive
Mr. Hisham Hussein AlKhaldi	Independent
Mr. Mishal Ibrahim AlMishari	Independent

In 2023, Leejam's Board of Directors collectively received 10 hours of training, averaging approximately 1.4 hours per member.

### BOD COMPOSITION AND DIVERSITY

2022

2023

Number of board members	7.00	7.00
Number of independent members	4.00	4.00
Number of non-independent members	2.00	2.00
Number of executive members	1.00	1.00
Number of non-executive members	2.00	2.00
Number of board seats occupied by women	1.00	1.00
Number of board seats occupied by men	6.00	6.00
Number of board members under 30 years of age	-	-
Number of board members 30-50 years of age	6.00	6.00
Number of board members over 50 years of age	1.00	1.00

### SPOTLIGHT STORY

## Stakeholder Engagement - Investor Relations Review

Engagement with the investor and analyst community also took centre stage in 2023 with the launch of Leejam’s first Capital Markets Day in partnership with the Ministry of Investment. The event represented an important milestone in the Group’s commitment to deepening its engagement with its stakeholders. Attended by shareholders, the investor community, public sector partners, and the media, the Leejam Capital Markets Day saw the Group lay out its strategic progress and its ambitions to be the largest private sector contributor to sports in the Kingdom of Saudi Arabia.

In 2023, the Group significantly enhanced its investor relations engagement strategy and activities to ensure that throughout the year, the group communications with the shareholders and investment community are consistent, clear, and continuous. In 2023, Leejam adopted a new approach to engaging with investors through new reporting methods and direct two-way dialogue to communicate

the company’s story and investment case. At the start of the year, the Group sought to review its investor relations activities and impact.

During the year, it attended five conferences globally across Saudi Arabia, the Middle East, and the UK as part of its effort to build global analyst momentum and engage with the wider investment community. Leejam also conducted more than 50 one-to-one and Group meetings, which served to further strengthen its communications and the accessibility of its management. These communications strategies were also underpinned by the creation of a new website with a dedicated investor relations section, providing easy access to the Company’s financial position and strategic priorities.

This reflects the Company’s commitment to its investors and to providing the community with clear, consistent communication between the investor community and the Group.

## Key policies and documents

Our key policies form the foundation of our corporate governance, serving to provide guidelines, clear accountabilities, and promote ethical behaviour across our business. Many of our policies (e.g. Whistleblowing, Compliance, Conflict of interest & business ethics policies, etc.) as well as other key documents are publicly available on our website. In addition, Leejam’s Code of Conduct, which must be adhered to by all employees, as well as other internal policies, reinforce our commitment to integrity, transparency, and ethical conduct.

Our Conflict of interest & business ethics policy clearly outlines our commitment to adhering to legal and ethical standards regarding anti-competitive behaviour. We combat anti-competitive behaviour through regular monitoring, providing training to staff on competition laws, and maintaining transparency in our business practices. Any concerns are promptly investigated, and corrective actions are implemented. We are also dedicated to the ongoing improvement of existing policies, and other key documents to reflect our continually evolving business, and stay aligned with best practices, while also creating new policies when necessary to ensure effective governance.

## Risk, audit & compliance

Effective risk management is a cornerstone of Leejam’s corporate governance framework, enabling us to protect stakeholder interests and strengthen Leejam’s adaptability in a dynamic business environment. Leejam’s Anti-Fraud Policy and Procedural Manual along with the Leejam Code of Conduct and other business ethics policies are centrally stored and accessible to all employees who are made aware of these documents upon employment.

Leejam’s Governance, Risk, and Compliance (GRC) department leads the implementation of a robust risk management framework, enabling the identification, assessment, and mitigation of risks through due diligence and internal controls. Leejam’s risk management framework is vital for ensuring Leejam achieves its business objectives, maintaining sustainable growth and protecting stakeholder interests. Leejam’s risk management framework aligns with The Committee of Sponsoring Organisations (COSO) and ISO 31000:2018 guidelines to implement best practices.

Leejam’s Audit Committee, reports to the BoD, with a mandate for ensuring the soundness and integrity of financial reports and statements and internal control systems. The Audit Committee oversees financial and non-financial compliance, ensuring adherence to laws, regulations, and policies. It reviews regulatory reports, proposed contracts, and related-party transactions, and ensures appropriate whistleblowing mechanisms are in place and functioning effectively. The committee escalates key matters to the BoD and recommends necessary actions to address compliance issues.

NON-COMPLIANCE	AMOUNT	REASONS FOR PENALTIES
Total number of significant instances of non-compliance with laws and regulations	3	1. Permit issues, delay in renewal of licenses, health certificates and safety issues 2. Delay in changing the professional designation of some employees
Total monetary value of fines for instances of noncompliance with laws and regulations (in SAR)	1.11 million	3. VAT certificate not displayed and other minor non-compliances associated with tax and customs

Our Internal Audit team conducts ad hoc reviews, such as identifying misuse of corporate discount schemes in B2C sales, and manages Leejam’s whistleblowing hotline, handling an average of 20 to 30 cases annually. Fraudulent or unethical practices discovered during audits are promptly investigated to ensure that ethical standards are upheld.

## Sustainable procurement

Our success as a business relies heavily on building and maintaining trusted relationships with suppliers and contractors. We recognise that these relationships reflect our identity as a business and the values we seek to uphold. That is why we are prioritising the implementation of sustainable procurement practices that promote ethical behaviour, environmental and social responsibility, and human rights.

We are also aligning with national goals by giving preference to local companies for the procurement of goods and services. **In 2023, 83% of Leejam’s suppliers were local, and 95% of the company’s spending was directed towards these local suppliers.**

# 83%

Suppliers were local

# 95%

spending directed to local suppliers



## SPOTLIGHT STORY

## Leejam's Support for Local Businesses through the Nine Tenths Programme

At Leejam, our commitment to further supporting Saudi Vision 2030 is reflected through our active participation in the Nine Tenths Programme, a government initiative dedicated to empowering small and medium-sized enterprises (SMEs) and entrepreneurs across the Kingdom. Managed by the Human Resources Development Fund (Hadaf), this innovative platform serves as a bridge between businesses and vendors, making it easier to access quality goods and services efficiently.

By subscribing to the Nine Tenths Programme, we're not only streamlining our procurement processes but also contributing to a thriving ecosystem of local businesses. This initiative aligns with our commitment to advancing sustainable economic growth, supporting local talent, and driving positive change within our community. At Leejam, we believe that every partnership and every purchase through this platform is a step toward a stronger, more diverse, and independent national economy.

### Procurement policy

Leejam's Procurement policy outlines our key ethical and sustainability expectations of suppliers, including compliance with ethical standards, respect for human rights, provision of a safe working environment, environmental management, adherence to laws, and the demonstration of sustainability credentials during procurement. All employees and other parties conducting business on Leejam's behalf, must ensure that suppliers uphold these expectations, and align with our commitment to responsible, sustainable practices.

As part of our upcoming ESG strategy, we will update our procurement policy to address any gaps and align with best practices in sustainable procurement. The update policy will establish control and enforcement mechanisms for employees to effectively manage suppliers, including guidelines for supplier screening, selection and validation, monitoring and auditing, continuous improvement, and reporting.

### Code of Conduct

In accordance with our Code of Conduct, we select suppliers based on objective criteria such as quality, price, and service, ensuring fairness and integrity in all supplier relationships. Employees involved in supplier selection must adhere to Leejam's Code of Conduct, by following impartial, lawful processes, maintaining confidentiality, and avoiding conflicts of interest, including accepting gifts or personal discounts.

As part of our upcoming ESG strategy, we will develop a Supplier Code of Conduct that outlines clear expectations for suppliers, focusing on environmental and social responsibility, human rights, ethical business practices, governance, compliance, and other relevant issues. This document will be shared with suppliers, clearly communicating our intentions and the actions we will take, including verification and audits, to ensure adherence to the code, with specific clauses detailing the consequences of non-compliance.















# APPENDICES

## APPENDIX A: OUR STAKEHOLDERS

STAKEHOLDER(S)	DESCRIPTION	IMPORTANCE TO LEEJAM
<b>GOVERNMENT</b>	Includes various government ministries, departments, local authorities etc	Government institutions in our areas of operation have the authority to implement and enforce regulations, policies, and incentives that play a key role in guiding and supporting Leejam's growth and sustainability efforts.
<b>INVESTORS &amp; CREDITORS</b>	Includes banking institutions, private investors, and other creditors	The financial decisions and requirements of investors and creditors have a major influence on Leejam's long-term economic viability and can significantly influence investment decisions.
<b>SUBSIDIARIES</b>	Subsidiaries fully or partially owned by Leejam	Alignment with our subsidiaries, and their ongoing commitment to Leejam's mission, values, and ESG vision plays a key role in maintaining our reputation as a business and driving our sustainable growth strategy.
<b>PARTNERS</b>	Collaborators in sports training, wellness services, and technology providers.	Ensuring alignment with our business partners and other collaborators in the field is crucial for driving both our business and ESG strategies. Our partners provide key insights and expertise across various business functions and are instrumental in driving Leejam's continued progress, innovation, and growth.
<b>SUPPLIERS</b>	All suppliers associated with Leejam's business	The practices and inputs of our suppliers can significantly influence Leejam's business outcomes and sustainability performance. Collaborating closely with them and aligning on key issues is vital to achieving our ESG and business objectives.

STAKEHOLDER(S)	DESCRIPTION	IMPORTANCE TO LEEJAM
<b>EMPLOYEES &amp; EXECUTIVE MANAGEMENT</b>	All employees and its Executive Management team	The full engagement and ongoing support of employees are crucial to Leejam's success. Our workforce plays a key role in driving both our business and ESG strategies. Leejam's executive management team offers valuable expertise and guidance and are key to inspiring a motivated and empowered workforce committed to achieving the organisation's goals.
<b>LOCAL COMMUNITY</b>	Local communities around Leejam's facilities as well as the wider community	Local communities are directly impacted by our business. Their engagement is vital to ensure we meet their needs, respect their environment, and actively engage in their well-being. Our support for community initiatives, particularly those focused on improving health and fitness, is essential to our mission of promoting a healthier, more active society.
<b>NGOS</b>	Includes, local, regional, and /international NGOs.	NGOs offer valuable expertise, advocacy, and grassroots support, helping raise awareness and drive action on various ESG issues –particularly community initiatives focused on improving health and fitness. These partnerships are crucial to Leejam's mission of encouraging a healthier, more active society.
<b>LANDLORDS</b>	Owners of properties leased by Leejam for its fitness centres	Landlords are crucial stakeholders as they provide Leejam with the properties that enable us to establish and expand our centres. Their collaboration ensures access to well-located, high-quality facilities and locations, directly impacting our ability to deliver exceptional services, meet community needs, and grow our business.

## APPENDIX B: OUR BRANDS AND SEGMENTS

BRAND	SERVICES PROVIDED
<b>FITNESS TIME PLUS / FITNESS TIME LADIES PLUS</b>  	The "Plus" brand offers a premium fitness experience with high-end facilities, including swimming pools, jacuzzis, plunge pools, fully equipped gyms, and indoor running and walking tracks. Additional amenities include steam rooms, saunas, hairdresser services, squash courts, and communal lounges, all maintained to the highest standards.
<b>FITNESS TIME / FITNESS TIME LADIES</b>  	The Fitness Time brand offers a high-quality sports and fitness experience, providing facilities such as swimming pools, jacuzzis, plunge pools, and state-of-the-art gym equipment. Some locations also feature indoor running and walking tracks, while certain male centres offer additional sports activities like football, volleyball, squash, and table tennis.
<b>FITNESS TIME PRO / FITNESS TIME LADIES PRO</b>  	Fitness Time Pro offers a variety of features and services, including large training pools for workouts or cool-downs, along with jacuzzis and plunge pools at selected locations. All centres are equipped with the latest technology to enhance fitness, and dedicated workout rooms are available for different types of training and exercise.
<b>FITNESS TIME XPRESS / LADIES XPRESS</b>  	Fitness Time Xpress provides a straightforward, digitally enabled experience focused on cardio and strength workouts. With accessible centres, including 24-hour male locations, it offers a full range of cardio programmes and strength equipment, all equipped with the high-quality equipment the company is known for.
<b>CONCEPT STUDIOS INCLUDING CHILDREN'S FITNESS</b>    	Leejam's Concept Studios segment offers specialised services tailored for both adults and children. Children's fitness offerings include swimming, martial arts, and personal training, with the Blu Swimming Academy focusing on instilling a lifelong love for swimming, developing key skills, and building self-confidence. The adult offerings include boxing, yoga, one-on-one personal training, group exercise, martial arts, and other niche activities, catering to those seeking unique and focused fitness experiences.

## APPENDIX C: WORKFORCE DATA

AGE GROUP	2022	2023
18-30 years	1,373	1,572
31-40 years	1,167	1,279
41-50 years	328	387
Over 51 years	82	77

Leejam's workforce is primarily composed of employees in the younger age groups, which is consistent with the nature of our business, where fitness instructors, typically younger, constitute a large portion of the staff. Between 2022 and 2023, the 41-50 age group experienced a notable growth of 18%, primarily due to employees in the 31-40 age group transitioning to this age group.

SALARY / REMUNERATION	2022	2023
Ratio of basic salary/remuneration of women to men	79%	81%
Ratio of basic salary/remuneration of women to men in senior management	99%	92%
Ratio of basic salary /remuneration of women to men in middle management	68%	69%

EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	2022	2023
Percentage of total employees	69%	77%
Percentage of female employees	62%	68%
Percentage of male employees	72%	81%
Percentage of senior management employees	100%	100%
Percentage of middle management employees	100%	100%



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