

# Board Sustainability Committee report



## Committee purpose

The purpose of the Committee is to support and advise the Board on its sustainability strategy, and provide oversight and monitoring of sustainability initiatives, in line with Bupa's purpose and values and the overall strategy, including disclosures and reporting on ESG matters. The Committee's full Terms of Reference are available on [bupa.com/about-us/governance](https://bupa.com/about-us/governance).

## Key activities in 2023

The Committee undertook all the duties delegated to it by the Board during 2023 and to the date of signing this Annual Report. The table below sets out the Committee's key activities and considerations.

Activities	Committee considerations
<p><b>Sustainability Strategy</b> Oversee execution and consider any proposed changes, review progress, compliance, and the effectiveness of sustainability and ESG risk management.</p> <p>For more information on sustainability see ESG section <a href="#">pages 35 to 43</a>.</p>	<p>The Committee focused heavily on the implementation of the Sustainability Strategy and its link into the broader Bupa 3x6 strategy. This included considering the progress made on the three pillars of the current sustainability strategy. It scrutinised updates from management on the decarbonisation initiatives to be integrated into the Group's 2024 to 2026 operating plan, the utilisation of GIF funding for sustainability initiatives, and the longer-term carbon reduction strategy. The Committee also received and monitored updates on progress across the Market Units on the three pillars of the strategy, Missions Zero, Accelerate and Regenerate, at each meeting. The Committee further considered its training needs, was regularly briefed on the eco-Disruptive programme, and received quarterly updates on the Group's Scope 1 and 2 greenhouse gas footprints.</p>
<p><b>Community and Partnerships</b> Oversee and assess Bupa's contribution to, and impact on, our communities.</p> <p>For more information see ESG section <a href="#">pages 40 to 41</a>.</p>	<p>The Committee closely monitored Bupa's commitment to having a positive impact on the communities we operate in, our people and our partnerships. It received reports on community activities and was updated at each meeting on progress and the impact of the initiatives, in particular the Healthy Cities programme, as well as support for community-focused environmental projects around the world (see <a href="#">pages 40 to 41</a>). The Committee considered management's review of the partnerships and coalitions in which the Group participates and was briefed on the new partnership with The Norman Foster Foundation to help create healthy and climate-resilient cities and the continued development of the relationship with Health Care Without Harm, the largest international non-governmental organisation focused on sustainable healthcare.</p>
<p><b>Governance and Disclosures</b> Review and endorse external reporting on sustainability and ESG matters.</p>	<p>Alongside the Board Audit Committee, the Committee considered the disclosures on sustainability, climate and ESG disclosures in the Annual Report and Accounts and in the Group's greenhouse gas emissions report for the year ended 31 December 2022 (including the limited assurance over that report provided by the External Auditors, PwC).</p>
<p><b>Developments and trends</b> Consider relevant emerging issues and external developments and their impact on Bupa.</p>	<p>The Committee was kept abreast on topical issues and emerging developments by management, including receiving a briefing on management's participation in COP28 in Dubai and the opportunities for collaboration created. It undertook a deep dive on the mapping and calculation of the Group's Scope 3 greenhouse gas emissions, considered wider trends in sustainability and held a training session on sustainability-related reporting developments, to which members of the Board Audit and Risk Committees were also invited.</p>

## Committee Membership

The Committee currently comprises five members, four independent NEDs and the Group CEO, all of whom are considered to have relevant skills and experience. The Board ensures there is cross-membership between the Committee and other Board committees to ensure an integrated approach on sustainability and ESG reporting. Detail of the members of the Committee can be found on [pages 59 to 60](#) in Board of Directors.

## Committee operation

During 2023 the Committee met four times and discharged all the duties delegated to it by the Board. Details of meetings and attendance can be found on [page 67](#) in the Corporate Governance Report. The Committee routinely invited the Group CFO and Group Chief Sustainability and People Officer to attend and report at meetings, and other management or advisers on an ad hoc, subject-specific basis.

# Board Sustainability Committee report continued

## Subsidiary oversight and engagement

The Committee made progress on its oversight and engagement with the boards of its subsidiaries on sustainability and ESG, which was a focus area for 2023, albeit that sustainability governance at subsidiary board level is at an earlier stage in its development. The chair of the UK regulated entities board and of the BGUK Market Unit Advisory Oversight Committee participated in one of the Committee's meetings in 2023, sharing insights on the areas of focus within the Market Unit, with the APAC and ELA Market Units to follow during 2024. The intention in future is for a non-executive director from each Market Unit to join one Committee meeting per year.

## Liaison with other Board Committees

The Committee worked with other Board committees and leveraged the benefit of its members' cross-memberships. It liaised with the Board Audit Committee on external reporting and disclosures, as disclosed above, and liaised with the Board Remuneration Committee on sustainability and ESG matters, including expenditure on sustainability initiatives, in the context of the remuneration policy and remuneration outcomes.

## Committee effectiveness review

The Committee undertook an internally-facilitated review of its effectiveness. It scored highly in all areas of its role and operations, composition, leadership, and processes and procedures. It was concluded the Committee continued to perform well and effectively. Members discussed enhancements to papers and being provided with more information on the wider landscape and emerging developments.

The Committee reviewed progress against the focus areas for 2023 identified through the 2022 externally-facilitated Board evaluation review: enhanced visibility on sustainability initiatives to deliver strategy, monitoring of compliance with external commitments, and liaison with subsidiary boards. It was satisfied these had been considered during 2023, although acknowledged there was more to do to enhance liaison with the subsidiary boards on sustainability.

## Focus for 2024

The areas of focus for 2024, including those identified from the 2023 internal review process, are:

- Evolution of the Sustainability Strategy to remain relevant to the business and business model.
- Enhancing the quality of emissions reduction data and other information provided to the Committee.
- Additional knowledge-development sessions on the sustainability landscape and ESG developments.

### Professor Melvin Samsom

Board Sustainability Committee Chair