

Bupa Care Homes (CFG) Limited

Section 172 Statement

During the year, the work of the Board supported the Company's purpose to help people live longer, healthier, happier lives and making a better world by promoting the Company's long-term success and sustainability. The Directors are guided in the performance of their broader Section 172 duties and decision-making by The British United Provident Association Limited's ('Bupa') values and strong governance arrangements, detailed further in the Governance section of Bupa's 2024 Annual Report and Accounts which can be found on its website (www.bupa.com/about-us/governance). The Board requested and received regular reports from executive management on the matters set out in Section 172(1) and had regard to business performance, people, strategy, and sustainability when making decisions on financial, operational and strategic matters, and allocation of resources. They considered the views of all stakeholders on relevant issues and were focussed on maintaining the Company's reputation and high standards of business conduct, given the social context the Company operates in and how they underpin the Company's culture and business model.

Stakeholders and engagement

The Board considers the Company's stakeholder groups, aligned with Section 172(1), to be customers, people, suppliers and partners, communities and environment, and regulators. It has engaged directly and indirectly with each of these groups during the year to ensure that the Directors are informed on the interests and views of all its stakeholders, particularly given that the stakeholder groups have different perspectives which may not align with each other. This holistic view enables the Directors to navigate differences and make complex decisions that deliver, on balance, the best outcome for the Company's long-term sustainability and success. The Board also encourages all levels of the business to engage with relevant stakeholders in order to broaden their awareness and understanding of the impact that their business decisions could, and do, have.

The relevance and importance of each stakeholder group and how the Directors have engaged, or been informed, during 2024 as a Board, individual Directors or via management, is set out below.

Stakeholder

Stakeholder engagement and consideration

Our People

Our people are central to supporting our customers, living our values and the long-term success and sustainability of the Company. So it is fundamental we listen to our people and consider their interests to ensure we attract and retain the best people and they feel Bupa is a great place to work, are engaged and empowered to deliver great outcomes for our customers and they lead healthier and happier lives.

- The Board received reports during the year covering our people strategy, addressing any risks, retaining and developing talent, supporting leadership and broader training and development.
- The Board, where appropriate, received updates on any Speak Up notifications
- The Board reviewed the results and analysis of the responses to the biannual People Pulse employee engagement surveys and any action plans arising from the feedback

Our Customers

Customers are fundamental to our success, so we need to understand as much as we can about them and their needs and interests to provide the best customer service and experience.

- The Board was kept informed on the progress and performance of initiatives to achieve the Company's Strategic Ambitions, all of which are all customer-focused, via reports regularly provided to Board meetings. This was beneficial when developing the new Strategy effective from 2025
- The Board received reports on the projects related to the strategy which are designed to drive customer experience improvements.
- In developing the Company's new Strategy, the Board considered the changing needs and expectations of our actual and potential customers, driven by technology and the demand for more integrated, personalised care
- The Board received in depth business updates from executive team during the year, which covered customer matters

Our Suppliers and Partners

The Company's suppliers and partners support our business needs and help deliver high-quality service to our customers, from information systems to equipping our clinical settings. So it is important that we have strong working relationships and operate ethically

- The Company sets minimum standards of business conduct expected of our suppliers and our commitments to them, which can be found in Bupa's Responsible Supply Chain Statement (available at www.bupa.com/important-notice/responsible-supply-chain-statement) and maintain a Human Rights Statement, (available at www.bupa.com/important-notice/humanrights-statement)
- The Board also received and considered matters related to modern slavery and the supply chain and approved the Modern Slavery Statement, which can be found on www.bupa.com/importantnotice/modern-slavery-statement.

Our Communities and Environment

The Company operates within a societal context and believes the health of the community and environment we live in has a significant impact on people living longer, healthier, happier lives. The Company's strategy is set from our understanding of how we can make a positive contribution and impact and operate sustainably

- The Board and certain individual Directors reviewed progress on the Company's sustainability strategy and progress during the year.
- The Board was informed of any climate and ESG risks and mitigations through its regular risk reporting.
- The Company's Ultimate Parent reports on sustainability and ESG actions, engagement, and ambitions on behalf of the Group and provides Bupa's statements on climate related financial disclosures now under the Act in its Annual Report and Accounts 2024

Regulators

Our business activities are highly regulated and subject to care quality regulators. Depending on where we operate, our regulators can be independent bodies or national or local governments. Their role is to ensure we have the resources, understanding and capabilities, to protect our customers and other stakeholders, so it is important we understand their expectations and have strong working relationships with them.

- The Board received routine updates on issues, activities, and interactions with care quality regulators through its regular risk and clinical governance reporting.
- The Directors are firmly committed to achieving high standards of compliance with our regulatory obligations. Therefore, we take a proactive and coordinated approach to managing the regulatory risks to which we are exposed in order to reduce the risk of our customers suffering detriment and minimising any financial or reputational impact on Bupa.
- We have an open and honest relationship with the care quality regulators and self-report incidents, work with the care quality regulators to ensure we meet regulatory requirements and act quickly to address any issues or concerns raised

Energy use and emissions data

The Company is exempt from reporting company specific information as it is a subsidiary of Bupa and consolidated reporting is included in the Annual Report and Accounts of that company. Bupa has set science based targets for CO2 reduction and committed to reducing emissions to reach net zero by 2040.

Corporate governance arrangements applied by the Company

The Company meets the thresholds of the Act to apply a corporate governance code and is therefore required to report on its corporate governance arrangements. Bupa, the Company's Ultimate Parent, has chosen to apply the FRC's UK Corporate Governance Code 2018 (the Code) (and will apply the Corporate Governance Code 2024 from 1 January 2025) to the extent that it is appropriate and relevant to a company limited by guarantee, without shareholders. As a subsidiary, the Company therefore acts in line with the corporate governance arrangements set and operated by its Ultimate Parent, including Bupa Group's policies and procedures. How the Ultimate Parent has chosen to apply the Code in accordance with the comply or explain requirements, is set out in the Governance section of its 2024 Annual Report and Accounts which can be found on its website (www.bupa.com/about-us/governance).

Principal risks and uncertainties

The Group and its strategy are subject to a number of risks and uncertainties. Management consider that the key risks and uncertainties arise as a result of chronic underfunding of social care in the UK and policy changes such as continued increases in the National Living Wage and the recent employers' National Insurance contribution increases, making it difficult to plan and mitigate for such policies effectively. The Employment Bill brings with it many measures that will have a tangible impact on BCS, notably the Fair Pay Agreement for care workers, statutory sick pay changes and increased rights for trade unions. There remain risks regarding the UK Government's wider migration policy. The Government's immigration plans focus on high-skilled migrants, which will impact the health and social care sector's ability to recruit sufficient staff. Further information relating to the Company and the Group, as applicable to Bupa and its subsidiaries and holding companies or subsidiaries of such holding companies ("Bupa Group") as a whole, is provided within the discussion of business risks and uncertainties section of the Bupa Group's Annual Report, which does not form part of this report.