

Bupa Care Homes (HH Northumberland) Limited

Section 172 statement

This statement sets out how the Board has acted in a way that promotes the Company's long-term success and sustainability for the primary benefit of its immediate shareholder as well as its ultimate shareholder, The British United Provident Association Limited, to support Bupa's purpose of helping people live longer, healthier, happier lives and making a better world, as well as its other key stakeholders.

When making decisions, the Board takes into account and is guided by Section 172 of the Act when performing its duties and making decisions regarding the likely long-term impact, interests, concerns of its key stakeholders and on the communities in which Bupa operates, its environment and maintaining high standards of business conduct.

Engaging with our key stakeholders

During the year, the Board considered Bupa Group, customers, people, suppliers, regulators, communities and the environment as its key stakeholder groups, and had regard for their views and interests when making decisions and overseeing execution of Bupa's business model and strategy.

Customers

With our ambition to become the most customer-centric healthcare provider, our customers are the focal point for all Board decisions. The Board has had regard to customers' experience and future expectations via the Listening app in 2023 and in reports to the Board.

People

Bupa's people are central to supporting customers, living our values and the long-term success and sustainability of the Company and Bupa. It is fundamental that 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. Reporting on people strategy and governance is made to, and overseen by, the Board, including its talent management, people development, biannual People Pulse employee surveys and the operation and reporting in respect of 'Speak Up', the confidential whistleblowing helpline.

Regulators

Bupa's Care Homes are regulated by care quality regulators (Care Quality Commission) as well as other relevant regulators. Regulators ultimately aim to make sure we have the risk management framework necessary to protect customers and ensure that they receive high levels of care and are treated fairly. These objectives clearly align with our strategy and customer-centric ambition.

We 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.

Suppliers

Bupa's suppliers and partners support our business needs and help Bupa to deliver a high-quality service to customers, so it is important that we have strong working relationships and operate ethically. The Board has regard to Bupa's Responsible Supply Chain Statement, available at [bupa.com](https://www.bupa.com), that sets Group expectations of our suppliers and our commitments to them, alongside Group policies set and approved by the Bupa Board. The Board also considers matters related to modern slavery and the supply chain and approved the Modern Slavery Statement, which can be found on [bupa.com](https://www.bupa.com).

Communities and the environment

Bupa 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 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, on page 34 of its Annual Report and Accounts 2023.

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 with a milestone to have cut direct emissions (scopes 1-2) by 40% by 2025 from a 2019 baseline.

Bupa's Governance Structure

The Company has a robust system of governance and risk management in place and operates a 'three lines' model to identify, manage and mitigate risk, to ensure that we maintain high standards of business conduct. Bupa aims, where appropriate, to operate to the same governance standards as are required of UK public listed companies. This includes applying the UK Corporate Governance Code 2018 (the Code) to set high corporate governance standards for the Bupa group of companies.

These include governance processes around decision-making; risk appetite statements; risk policies and standards that are applied on areas including customer outcomes, people, capital management, supplier management, risk, clinical governance, data quality, information security, privacy, and wellbeing, health and safety.

All papers submitted to the Board are required to include a summary of key risks, how relevant stakeholders have been considered in the proposals and the governance process undertaken prior to seeking Board approval to ensure that stakeholder interests or concerns have been considered and that proposals have been through appropriate review and approval processes prior to submission to the Board. This assists the Board in making well-informed decisions that promote the long-term, sustainable success of the business.

Board decisions and their impact on stakeholders

The table below sets out examples of decisions the Directors have taken during the year and how stakeholder views were taken into account.

Customer Customers are fundamental to our business, 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.	Action The Board was kept informed on the progress and performance of customer initiatives and micro-moment improvements during the year, leading to improvements in the business' Net Promoter Score. Stakeholder considerations The Board have access to the direct customer feedback tool, the Customer Listening app, to hear and watch recorded feedback from customers on their experiences, any issues encountered or suggested improvements. The Board received updates on the programme, the themes arising, and the actions being taken in response to the customer feedback. Long-term impact Investing in customer improvements will help the Company meet changing customer expectations, in turn helping us to retain customers over the long-term
People Our people are central to supporting our customers, living our values and the long-term success and sustainability of Bupa	Action The Board receives regular updates covering our people strategy, addressing any recruitment and attrition risks, nurturing talent, supporting leadership and training and development. The Board reviewed the results and an analysis of the responses to the biannual People Pulse employee engagement surveys and was updated on progress made with engagement action plans. Stakeholder considerations 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. Long-term impact Our people engagement activities will make a real difference to the long-term health of our people and differentiates Bupa from competitors, giving us an advantage in attracting and retaining employees.