Section 172 and engagement statement

Directors are required by the Companies Act 2006 (the 'Act') to provide the following statements to report on how they have performed their duties in relation to Section 172(1) of the Act and engaged with employees, suppliers, customers, and others. It draws upon information contained earlier in the Strategic Report.

Section 172(1)
During 2024, the Board considered, in good faith, how it promotes the Company's long-term success and sustainability for the primary benefit of its sole shareholder, Bupa, as well as its other key stakeholders.

The Board is guided by Section 172(1) of the Act when performing its duties and making decisions, and takes into account the likely long-term impact of those decisions, the interests or concerns of its key stakeholders, including the communities and environments in which its Group operates, and the need to maintain a reputation for high standards of business conduct.

The Board held regular meetings throughout 2024. Papers submitted to these meetings assisted the Directors to make well informed decisions, by summarising the key risks, noting how relevant stakeholders have been considered in the proposals, and noting the governance process undertaken prior to seeking Board approval. The Board comprises senior executives in the Bupa Group; consequently, they are all party to information and discussions on the Bupa Group's policies and practices that impact the Company, its key stakeholders and the community and environment in which the Company operates. They are also aware and engaged on broader issues relating to stakeholders and the Bupa Group, which serves to inform their considerations when making Company decisions.

Engaging with our key stakeholders
As an intermediate holding company for the Bupa Group, how the Company engages with its key stakeholder groups is in the context of business oversight.

While Section 172(1) requires consideration of all stakeholders, due to the nature of the Company's operations within the wider Bupa Group, it does not have direct customer employee, regulator or supplier stakeholder groups. Engagement with these stakeholders is undertaken by: its sole shareholder and Parent, Bupa, where ultimate Bupa Group oversight and monitoring of strategy is undertaken; and at a local level, by Market Unit and Business Unit management teams, where the business operates and Bupa's strategy is executed and delivered. Further information on how Bupa and the business has engaged with stakeholders can be found in the Section 172(1) and Engagement Statement in Bupa's 2024 Annual Report.

Customers
As the Company's principal activity is the provision of financing and treasury management of Bupa's businesses, it had no direct external customers during 2024. The Board considered the interests of its internal customers, being the Market Unit and Business Units, when making decisions relating to the provision of funding to entities within the Bupa Group. Through its board meeting papers from the Market Units and Business Units, the Board is informed on customer engagement and considerations relevant to making the decision it is being asked to consider. In addition, as the Directors of the Company are all senior executives working in the Bupa Group's head office, they have regular insight into customer initiatives which could affect their decision-making through their management meetings with representatives of the Market Units.

People
Whilst the Company has no employees, the Group as a whole did employ people in 2024. People are central to the business, supporting customers and operating the business model to ensure the long-term success and sustainability of the Company and the Bupa Group. Details of how Bupa considers its people and their interests to ensure the Bupa Group attracts and retains the best people is set out in Bupa's 2024 Annual Report.

The Directors of the Company have regular insight into people matters which could affect their decision-making through their management meetings with representatives of the Market Units.

Bondholders
The Company has a series of publicly-traded debt securities in issue on the London Stock Exchange and is therefore subject to the relevant Listing Rules and the Disclosure Guidance and Transparency Rules (DTRs). Investors in these debt securities are interested in the Company and Bupa's financial performance and strength. On behalf of the Company, the Directors hold briefing calls for bondholders to discuss the full year and half year results. This provides an opportunity for them to question management on the financial performance and strategy of the Company and the Group. During the year the Directors also held roadshows for current and prospective bondholders, and communicated other significant developments via regulatory announcements and press releases, which are also published on Bupa's website, www.bupa.com. Value is generated for bondholders by ensuring that the Company has the necessary financial resources to meet its current and future payment obligations, and the Board considers the impact to its financial performance in all its decision making.

Regulators
The Bupa Group operates in highly-regulated environments across the health insurance, provision, and aged care businesses. Bupa's insurance businesses are also subject to financial services regulatory regimes and its provision and aged care businesses with care quality regulators. In some cases, regulators are independent of governments, and in other situations Bupa's activities are directly regulated by national or local governments. As a bond issuer, matters relating to the issue and trading of the Company's debt securities are regulated by the Financial Conduct Authority (FCA) and the Company is committed to achieving high standards of compliance with its regulatory obligations. The relationship with the regulators (other than in respect of matters relating to the issuance and trading of the Company's debt securities) is managed by the Parent, on behalf of the Company and its Directors.

Suppliers and partners
Bupa's suppliers and partners support the Bupa Group at all levels and help Bupa to deliver a high-quality service to customers, so it is important that we have strong working relationships with them and that the arrangements operate ethically. Where a matter considered by the Board relates to, or may have an impact on, the Group's suppliers and partners, the Board has regard to Bupa's Responsible Supply Chain Statement, available at www bupa.com, which sets Bupa Group expectations of Bupa's suppliers and its commitments to them, as well as the Bupa Group's policies which are set and approved by the Parent's board. In addition, as senior executives in the Bupa Group, the Directors have regular insight into matters relating to suppliers and partners which could affect their decision-making through their management meetings with representatives of the Market Units, and also through the Directors' relationships with suppliers and partners related to their executive roles

The Board reviews the actions the Group has taken to prevent modern slavery and associated practices in any part of the supply chain, and approved the Modern Slavery Statement which can be found on www bupa.com.

Communities and the environment
Bupa operates in a societal context and the health of the community and the environment directly impact Bupa's purpose to help people live longer, healthier happier lives and make a better world. Details of how the Parent reports on sustainability and ESG activities and engagement, and on its sustainability strategy for the Bupa Group (of which the Company and Group are part) can be found in Bupa's 2024 Annual Report. The Board considers any impact of its decisions, including sustainable financing and investments for the Group, when considering business proposals.

Strategic decisions and their impact on stakeholders
During the year the Board made decisions relating to routine capital and funding matters related to the funding of the Bupa Group. In addition, set out in the table below are the decisions made during the year which the Board considers to be key and how the Board has had regard to stakeholder views when making those decisions.

<table>
<tr><td colspan="2">Decision - Acquisition of controlling interests and Initial Public Offering (IPO) of Niva Bupa
Stakeholders impacted - shareholder, bondholders, customers, people regulators, communities</td></tr>
<tr><td>As a financing and holding company within the Bupa Group, the Company reviews and approves key business matters for its Group which are above their level of delegated authority or which require Board or Company approval.</td><td>In pursuit of the Bupa Group's 3x6 Strategy, an opportunity arose in 2023 to acquire a controlling interest in Niva Bupa, a health insurance company in India. The Board was asked to consider whether, and how to facilitate funding for the acquisition of Niva Bupa shares from another shareholder, by way of approving a capital injection into its direct subsidiary, Bupa Investments Overseas Limited, for onward payment to the selling shareholder. The acquisition was completed in January 2024.

During the year, the Board was further asked to consider the Company's participation in an IPO of Niva Bupa, as the "Promoter of a Promoter" for the purposes of securities laws in India, and therefore needed to provide certain confirmations and support throughout the IPO process.

Stakeholder considerations
In its deliberations of these decisions, the Board considered the following:

Funding for the acquisition of the controlling interest
Niva Bupa's profitable outlook and robust growth projections and the benefits for customers, people, and the community in India. The Board closely considered the Company's liquidity and capital resources and potential risks, in order to ensure that the financial strength of the Bupa Group would be maintained, which was in the interests of its shareholder and bondholders in particular, but also its existing people, customers and suppliers. The Board concluded that on balance, the acquisition was in the best interests of the Company and the Group's long-term growth, delivery of strategy and success. It approved the funding request and made payment to its subsidiary to enable a controlling interest in Niva Bupa to be acquired.</td></tr>
</table>

	Supporting the IPO of Niva Bupa The Company was asked to support Niva Bupa's IPO to enable Niva Bupa's ongoing sustainable growth and provide continued investment to support the business today and its ambitions for the future. As well as the benefits of the IPO, the Board also considered the risks of the Company incurring any potential liabilities as a Promoter of a Promoter and the potential impact on the Company's activities. Following due regard for all the relevant stakeholders, the Board concluded it was in the best interests of the Company and Group to support the IPO. On 14 November 2024, Niva Bupa successfully completed an IPO on the National Stock Exchange of India Ltd and the Bombay Stock Exchange
Decision – Approval of interim dividends Stakeholders impacted - shareholder, bondholders, customers, people, suppliers, regulators, communities and environment	
The Board needs to manage the desire for its Parent to receive dividends in order to fund its obligations and provide the funding required by the Bupa Group to achieve its objectives, and the need to maintain the financial strength of the Company	The Board approved two interim dividends during the year Surplus funds which are not distributed to the Company's shareholder are reinvested back into the business to help deliver on the purpose and strategy of the Parent and the Bupa Group. *Stakeholder considerations* Prior to approving and authorising the payment of each dividend the Board considered the expected level of funding required by its subsidiaries during the year in order for them to deliver on the Bupa Group's strategy. Ensuring its Group has the required level of capital to fund projects and/or meet legal and regulatory obligations is in the interests of its shareholder, and other stakeholders impacted by the reasons behind the capital requirement. The Board also considered the financial strength of the Company, an important consideration for its bondholders, to ensure that the Company can continue to meet its payment obligations. In reaching a decision on the amount of the dividend paid, the Board also considered the funding needs of its Parent, which has no source of funding other than dividends received from the Company *Long-term impact* Prudent financial management supports the long-term success of the Company and its shareholder, Bupa. It motivates management to deliver strong and sustainable business performance and maintains the strength of the Company's creditworthiness rating as a corporate borrower and bond issuer