

Section 172(1) and Engagement statement

The following provides the Directors' statements, required by the Companies Act 2006 (the Act), 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, which has been signposted and not repeated.

Section 172(1)

During the year, the work of the Board supported Bupa's purpose to help people live longer, healthier, happier lives and make a better world by promoting Bupa's long-term success and sustainability. The Directors are guided in the performance of their broader Section 172 duties and decision-making by Bupa's values and strong governance arrangements, detailed in the Governance section starting on [page 64](#). 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 Association Members (who perform the governance and certain of the oversight activities usually performed by shareholders) on relevant issues and were focused on maintaining the Group's reputation and high standards of business conduct, given the social context Bupa operates in, its global presence, and how they underpin Bupa's culture and business model detailed earlier in this Strategic Report.

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, regulators, its Association Members and, with its oversight role for the Group, Bupa Finance plc's bondholders. As the Company is a private UK company limited by guarantee, it has Association Members instead of shareholders.

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 Bupa's long-term sustainability and success. The Board also encourages all levels of the business to engage with relevant Bupa 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, Board committees, individual Directors, or via management, is set out below.

Stakeholder	Stakeholder engagement and consideration	Further detail
Our customers Customers are fundamental to Bupa, 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 3x6 Strategy Ambitions, all of which are customer-focused, via reports regularly provided to Board meetings. This was beneficial when developing the new 3x100 Strategy effective from 2025. ■ The Board received detailed reports on the emblematic projects related to the strategy which are designed to drive customer experience improvements. ■ In developing Bupa's new 3x100 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 the three Market Units during the year, which covered customer matters in each Market Unit.	Group CEO Review, pages 6 to 7. Spotlight: Customer centricity, pages 12 to 13.

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Stakeholder	Stakeholder engagement and consideration	Further detail
Our People Our people are central to supporting our customers, living our values and the long-term success and sustainability of Bupa. 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 Group Chief Sustainability and People Officer provides regular reports to the Board, covering our people strategy, addressing people-related risks, retaining and developing talent, supporting leadership, and broader training and development. This included updates on the investments being made in the future clinical workforce described on page 32 ■ The Board reviewed the Global People Framework and considered the global priorities for our people. ■ It also received and considered a report on the utilisation of Speak Up, Bupa's whistleblowing service across the Group (detailed on page 47). ■ The Board reviewed the results and analysis of the responses to the biannual People Pulse employee engagement surveys. ■ It also received updates on senior talent and succession from each of the Market Units, as well as on inclusion and wellbeing, and health and safety matters. ■ The three Non-Executive Directors (NEDs), appointed as designated workforce engagement NEDs for Bupa's three largest markets (UK, Spain and Australia), participated in a series of site visits, listening groups, town halls and smaller team meetings and reported the outcomes back to the full Board. ■ Several NEDs engaged with our people on visits to our healthcare facilities and offices in the UK, Australia, Poland and Türkiye.	Our People and culture, pages 29 to 32.
Association Members As a company limited by guarantee, Bupa appoints Association Members to conduct the governance and certain of the oversight activities that are usually performed by shareholders. It is important that Bupa engages with them regularly from an external governance and challenge perspective.	■ The Board arranged half year and full year results briefing calls with Association Members, which were followed by a question-and-answer session. Regular updates were also provided on the progress of the 3x6 Strategy. ■ All Association Members were invited to the Healthcare Symposium on unboxing digital health, as described on page 27 to gain deeper insight into Bupa, its business initiatives and digital health technology. ■ Association Members engaged with the Chairman, Senior Independent Director, Group CEO and Group CFO at informal lunch meetings ■ The Group CEO, Chairman, Senior Independent Director, and Group Company Secretary made themselves available to Association Members throughout the year. ■ The Nomination and Governance Committee regularly reviewed the register of Association Members to ensure the membership remains sufficiently engaged and diverse and recruited additional members during the year.	Corporate Governance Report, page 69.
Our Suppliers and partners Bupa's suppliers and partners support our business needs and help the Group to deliver high-quality service to our customers, from information systems to equipping our healthcare settings. So it is important that we have strong working relationships and operate ethically.	■ Bupa 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). Bupa also maintains a Human Rights Statement (available at www.bupa.com/important-notice/human-rights-statement). ■ The Board 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/important-notice/modern-slavery-statement ■ The Board reviewed the Group Suppliers Enterprise Risk Policy that governs the selection, contracting and management of all Bupa's suppliers and partners, and considered supplier relations and risk management during the year. ■ The Board is kept informed of the progress of negotiations and corporate activities with significant suppliers, including hospital groups, and other strategic partners. ■ The Board Risk Committee was regularly briefed during the year on the enhancements to Bupa's operational resilience capabilities and controls related to key third-party risk management.	Playing our part in preventing modern slavery, page 46. Business Ethics and Conduct, page 47.

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Stakeholder	Stakeholder engagement and consideration	Further detail
Our communities and 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. We set our 3x6 and Sustainability Strategies from our understanding of how we can make a positive contribution and impact and operate sustainably.	■ The Board reviewed progress on the sustainability strategy and approved the Sustainability Enterprise Risk Policy. ■ The Chair of the Board's Sustainability Committee provided updates to Board meetings on its activities which included monitoring performance and progress on the Sustainability Strategy and supporting initiatives and activities during the year, collaboration with our partners such as the Norman Foster Foundation, and disclosure and reporting matters. ■ The Board was informed by the Chief Risk Officer and via the Board Risk Committee Chair on climate and ESG risks and mitigations. ■ The Board received updates on progress in reducing Scope 1, 2 and 3 emissions from management and from the Chair of the Board Sustainability Committee, whose committee considered these matters in more depth. ■ Following recommendations from the Board Audit Committee and consideration by the Board Sustainability Committee, the Board also considered and approved the 2023 GHG Emissions Report, which was published in August 2024.	Sustainability and ESG Report, pages 35 to 44. Including, Bupa's Contribution to our communities, pages 43 and 44.
Regulators and governments Bupa's business activities are highly regulated and subject to financial services regulatory regimes in our insurance businesses and care quality regulators in our provision and aged care businesses. 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 updates on the programme of regular interactions with the Financial Conduct Authority (FCA) and the Group's lead insurance regulator, the Prudential Regulation Authority (PRA), and engaged with them on key Board decisions. ■ The Chairman, chairs of the Board's standing committees, the Group CEO, Group CFO, and certain other senior executives, had regular meetings with the PRA during the year. ■ The Board and its standing committees received routine updates on issues, activities, and interactions with other regulators from Market Unit and Business Unit management teams and subsidiary board directors. ■ The PRA attended a Board meeting and presented its annual Periodic Summary Meeting (PSM) Letter, which was considered by the Board. ■ The Board engaged with the FCA and PRA on Board changes and succession plans. ■ The Board considered regulatory risk to our operations regularly throughout the year, informed by the Board's Risk Committee, and reviewed and approved the Group's Regulatory Compliance and Conduct Risk Policy to ensure high standards of compliance with regulatory requirements in all the markets Bupa operates in.	
Bondholders Bupa has a series of publicly traded debt securities issued by its subsidiary, Bupa Finance plc. As the ultimate parent company of the Group, Bupa considers the bondholders to be a key stakeholder and seeks to engage with them regarding their investment and support and understand their views.	■ Bondholders were invited to attend briefing calls on the full-year and half-year results of the Company and Bupa Finance plc and had the opportunity to question management on performance and strategy. ■ Roadshows were held for current and prospective bondholders during the year. ■ Significant matters related to the debt securities were reviewed by certain Directors before being communicated externally via regulatory announcements, press releases, and published on our website, www.bupa.com/news ■ During the year, the Board was briefed by the Group CFO on the outcome of bondholder engagements and their views on the Group's financial performance and strength, and our sustainability and wider ESG activities.	

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Key strategic decisions and their impact on stakeholders

Throughout 2024, consideration of Bupa's ambition and purpose, values and culture, and stakeholders featured in some way in all Board papers and discussions. The Directors applied their knowledge and experience, and insights from stakeholder engagement during discussions and were cognisant of the possibilities, impact, and consequences for relevant

stakeholders. The table below sets out some key strategic Board deliberations and decisions during the year, aligned with matters highlighted in the Strategic Report, to illustrate how they had regard to Bupa's stakeholders. Where further information on the matter can be found, this is indicated.

Decision	Considerations, actions and decisions	Further information
Development of 3x100 Strategy Stakeholders impacted Our customers, people, suppliers and partners, communities and environment, regulators and governments, Association Members and Bondholders	■ With the 3x6 Strategy in its final year, the Board spent considerable time in 2024 reflecting on the current strategy and looking forward to the next stage of Bupa's development. Together with the CEC, it oversaw the development of, and the objectives for, Bupa's strategy for the next three-year period, the 3x100 Strategy, to start from 2025. The strategy was developed in an iterative process with senior management, reflecting inputs from the Strategic Development Forum (the 75 most senior executives across the Group). ■ Through the development of the 3x100 Strategy, the Board was mindful of the importance and impact to the Company's stakeholders, and the different interests and perspectives of each were considered: ▪ <i>Customers</i> - The Board continues to believe Bupa should aspire to be the world's most customer-centric company and therefore the new strategy should be built around its customers. The Board, informed by management, customer feedback, and external subject matter experts, oversaw the development of the new strategy to ensure it captured and addressed the current and future needs of current and future customers and helped people 'live longer, healthier, happier lives'. It considered the strategic components and aspirations to understand how each could be delivered and would benefit Bupa's customers. ▪ <i>People</i> - Central to the new strategy and ongoing success of Bupa is its people. The Board continued to consider the roles of its people in the new strategy and services to be delivered. In particular, what new skills and opportunities this might present and how people would be supported, developed and retained, cognisant that Bupa's people are also customers via their participation in healthcare benefits and offerings. Ensuring Bupa's new strategy would resonate with and be well understood by Bupa's people would also strengthen Bupa's culture and values ▪ <i>Suppliers and partners</i> - The role of, and relationship with, suppliers and partners, and engaging those with the same values and high standards of conduct, was considered key to elements of the strategy and to the growth of the business. The Board considered what support from partners and suppliers would be needed under the new strategy and how this could develop over time. ▪ <i>Association Members and Bondholders</i> - The Board considered expectations for governing and delivering the strategy and managing the business sustainably and profitably, aligned with its culture and values and mindful of its societal responsibility. It was cognisant of the members' and bondholders' interests in ensuring that Bupa's strategy balances the ambition to generate value with preservation of financial stability, and that profits are appropriately reinvested to deliver Bupa's purpose. ▪ <i>Communities and environment</i> - The Board remained mindful of Bupa's social impact and its focus on sustainability. When considering the strategy and how this would serve stakeholder interests and be conducted sustainably, the Board had regard to how management would align the business model and new strategy with Bupa's sustainability agenda and aspirations. The Board decided to separate out the future sustainability strategy to sit alongside and be complementary to the new strategy, and the new sustainability strategy will be launched later this year. ▪ <i>Regulators and governments</i> - Through development of the strategy, the Board considered the expectations of its UK and local regulators, and regulatory requirements and developments relevant to healthcare insurance, clinical services, and global organisations of its size. Alignment with these in the new strategy was important as these set the parameters for what and how the business can operate, and that Bupa retains its financial strength and perform its obligations to required standards. ■ These considerations informed the Board's views on the strategic components proposed for the new 3x100 Strategy, to build on the progress and success of the 3x6 Strategy and embrace new developments and innovation, in order to ensure Bupa's long-term sustainability and success. ■ The Board being satisfied that all relevant stakeholders had been considered when designing the 3x100 Strategy, it approved the new 3x100 Strategy to come into effect in 2025.	Delivering our 3x6 Strategy, pages 6 to 11. Our New Strategy for 2025-27, pages 15 to 16. Chairman's Introduction to Governance, page 64. Key Activities in 2024, page 76.

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Decision	Considerations, actions and decisions	Further information
The integration of Niva Bupa and the listing of its equity shares on Indian stock exchanges in November 2024 Stakeholders impacted Our customers, people, regulators (UK and India), Association Members and Bondholders	■ Following the acquisition of the controlling interest in Niva Bupa in January 2024, reported in the last Section 172(1) and engagement statement, the Board and relevant Board committees received updates on Niva Bupa throughout the year. The Group CEO and CFO reported to the Board on its performance and integration into the Group, including the establishment of the expanded BGIUK Market Unit, the Audit Committee considered the acquisition accounting, its inclusion in the Group's financial and non-financial reporting and external assurance, and the Risk Committee considered its risk profile. Niva Bupa's strategy was also considered as part of the Board's annual deep dive into the BGIUK Market Unit ■ Bupa committed to an IPO of Niva Bupa as part of the agreement to acquire control reached in 2023. The work to prepare for an IPO commenced in April, and the Board was kept apprised of the IPO process, the macro-economic environment and market conditions, and considered the relevant stakeholders that would be impacted, to determine whether, and when, to proceed. ▪ <i>Customers</i> – The new capital raised in the IPO would be reinvested in the business for the benefit of customers through services and initiatives. ▪ <i>People</i> – Niva Bupa employees had an existing share option scheme in place allowing the senior management team to participate in the ownership of Niva Bupa to share in its success and act as a retention tool. The current and future employees participating in the share option scheme would benefit from the IPO, and there was also the potential to broaden the opportunity to own shares in Niva Bupa to the wider workforce. The new capital raised would provide new career opportunities as Niva Bupa grows and evolves, which should help to attract and retain talent. ▪ <i>Regulators</i> – Undertaking an IPO on Indian stock exchanges aligns with local regulatory requirements and expectations, and facilitates more local and foreign investors holding shares in the company, whilst complying with the Indian restrictions on the maximum permitted level of foreign ownership. ▪ <i>Association Members</i> and <i>Bondholders</i> – The IPO of Niva Bupa maintains Bupa's controlling interest, thereby enabling Niva Bupa to benefit from the skills and experience of the rest of the Group, whilst strengthening Niva Bupa's capital flexibility and financial stability, enabling greater future investment in the business and accelerating its growth and value generation. ■ With the market environment and conditions considered favourable, and having considered the benefits to, and interests of, the stakeholders and the Company, the Board endorsed proceeding with the IPO in November 2024. The Niva Bupa board approved and executed the IPO and the shares opened to trading on the Indian Stock Exchanges on 14 November 2024.	Group CEO's Review, page 7. Group CFO's Review, page 17. Note 23 to the Financial Statements, page 195.

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Decision	Considerations, actions and decisions	Further information
Payment and adjustment plan for Isapre Cruz Blanca SA, Chile following legal and regulatory changes in Chile Stakeholders impacted Our customers, people, communities, regulators and government (UK and Chile), Association Members and Bondholders	■ As a result of the judicial and regulatory action related to the method and implementation of the statutory risk factor tables affecting Bupa's subsidiary, Isapre Cruz Blanca SA, the Board continued to closely monitor the environment in Chile with regard to potential impacts for the business. It received regular updates from the Group CFO and from management of the ELA Market Unit in their reporting to the Board meetings in 2024. ■ When legislation giving clarity over the quantum and steps required for implementation of the retrospective liability relating to the risk factor table came into force in May 2024, the Board considered the application of the retrospective liability and the period allowed for making payment to eligible customers. It discussed matters related to the process for submitting a payment plan and premium increase proposal for regulatory approval, and the longer-term impact for the business model of these matters. The Board created a sub-committee of the Board to review the key developments and management's proposed payments and adjustment plan, before its submission to the Chilean regulator (SIS). ■ The Board sub-committee considered the proposed plan for submission to the SIS, taking account of the financial modelling and profit projections for the Isapre, the timeline for making the payment to eligible customers, and the ability to increase premiums to ensure the future sustainability of the Isapre. In doing so, it had regard to the following impacts on the following stakeholders: ▪ <i>Customers</i> – The impact on current and future customers of the payment and pricing proposals and the future sustainability of the Isapre. It considered the appropriate level of the premium increases, the potential impact on lapse rates and on the longer-term future of the sector, and how competitors might respond. ▪ <i>People</i> – In considering the projections and viability of the current and future business model and strategy as a result of these changes, consideration was given to the continued level of employment and roles and career opportunities. ▪ <i>Communities</i> – How the Isapre sector, the Chilean public health system and local communities would be impacted in the short and longer term was considered. ▪ <i>Regulatory and government</i> – The interests of the SIS and the Chilean government to ensure the stability and continuation of the Isapre sector and the need for it to complement the public healthcare system was taken into account. ▪ <i>Association Members and Bondholders</i> – The interests of these stakeholders in the short and medium term, and the financial and reputational aspects of the proposals were considered. There was also regard paid to the key risks of the payments and adjustment plan, such as an impact on the loss ratio, and on liquidity and capital including whether any Group funding would potentially be required to support the Isapre. ■ The Directors, having reviewed and scrutinised management's proposed payments and adjustment plan, endorsed the submission of the plan to SIS by Isapre Cruz Blanca. The SIS subsequently approved the plan. This resolved the uncertainty for the Group outlook which was referred to in the Group's longer-term viability statement in the 2023 Annual Report and Accounts.	Our Market Units, Europe and Latin America, page 23. Group CFO's Review, page 18. Note 19 to the Financial Statements, pages 189 to 190.

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Decision	Considerations, actions and decisions	Further information
Expansion of 'Connected Care' model Stakeholders impacted Customers, people, suppliers and partners, communities and the environment, Association Members and Bondholders	■ As part of its delivery of the 3x6 Strategy during 2024, the Board continued to focus on the development and growth of the Connected Care model intended to transform our service delivery models and grow our provision business in the key areas of customer health propositions, integrated digital experience and tools, and our physical health centres. This included Market Unit Updates on the roll-out of the model and the Board considering certain specific transactions because of their size ■ During the year, there were a number of transactions that the Board had visibility of which were below the threshold that required Board approval. The key decisions here relate to those where the value of the proposals were above the threshold set for the Market Units under delegated authority. For these proposals, the Market Units sought permission from the Board to expand the Connected Care model through acquiring a network of 13 medical centres and 3 urgent care centres in three states in Australia, and redeveloping a building in Madrid as a hospital to serve the local demographic and provide specialist services. ■ For each proposal, the Board considered the business case and alignment with Market Unit strategy and plans, the impact and interests of relevant stakeholders, potential risks, and the financial and infrastructure considerations. ■ <i>Customers</i> – The expansion of Connected Care through organic and select inorganic growth is part of both the 3x6 Strategy and the new 3x100 Strategy, and accelerates the expansion of an integrated customer health propositions and experience. Specifically in relation to the new Madrid hospital, the hospital is located in a district with limited private healthcare infrastructure. ■ <i>People</i> – Expansion of Connected Care and acquisitions of more Bupa-owned facilities would provide increased direct employment (with associated benefits) and career and development opportunities for existing and prospective employees, and help to make Bupa the employer of choice. ■ <i>Suppliers and partners</i> – The impact on non-employed GPs and the integration of the business model and range of services would provide increased opportunities for suppliers and partners, both locally and for those able to support a network, and would provide mutual benefits from cost and operational efficiency. ■ <i>Communities and the environment</i> – The Board satisfied itself of the benefits to the local communities via having more locations to access Bupa services, as well as providing opportunities to create local employment and other positive impacts. For sustainability, having Bupa-owned facilities creates more control over energy supply and consumption and how the facilities are developed for their intended use. ■ <i>Association members and Bondholders</i> – Increasing the level of Bupa-owned facilities reduces costs and improves operational efficiency, and provides greater long-term sustainability and stability for the business model. The Board is cognisant of property risks and the potential impact on liquidity and capital, but this risk is well understood and mitigated. ■ After careful appraisal and scrutiny at its meetings, and via specifically created sub-committees, the Board supported management proceeding with its proposals for the Market Unit acquisitions in line with the parameters specified in their papers to the Board.	Our Market Units, pages 21 to 24.