Bupa Greenhouse Gas Emissions Reporting Criteria

Scope 1, 2 and selected scope 3 categories

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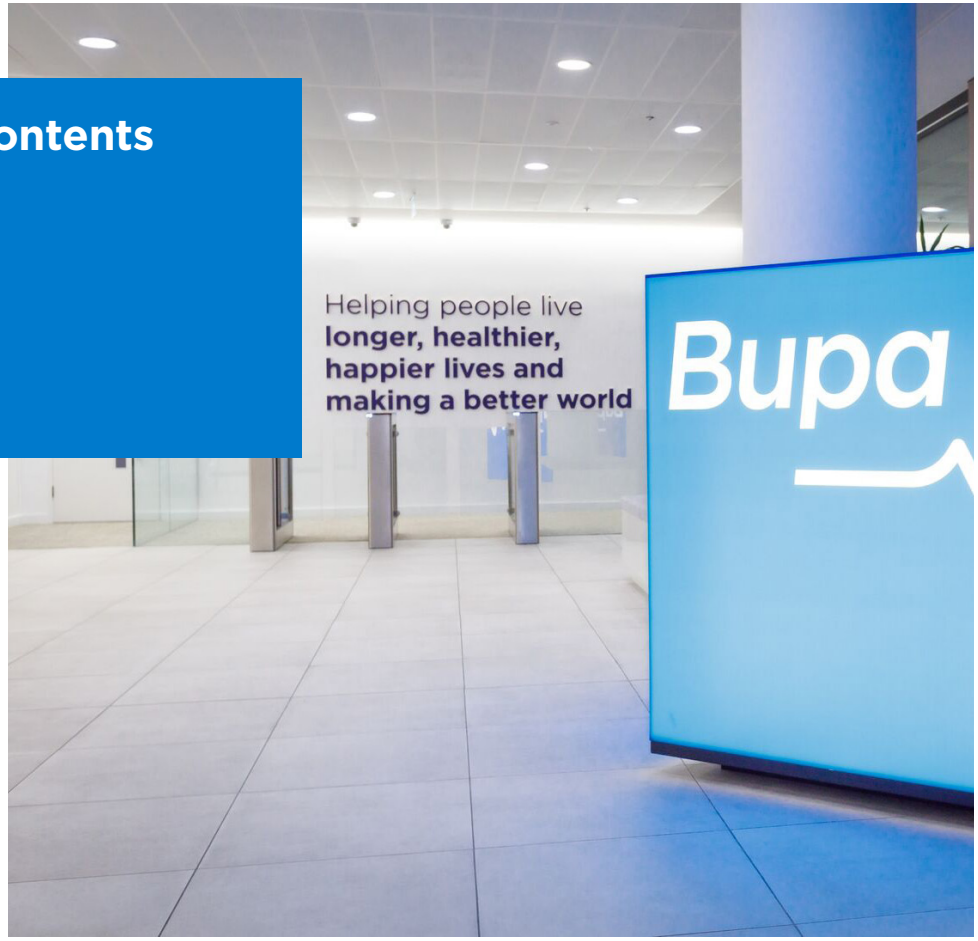
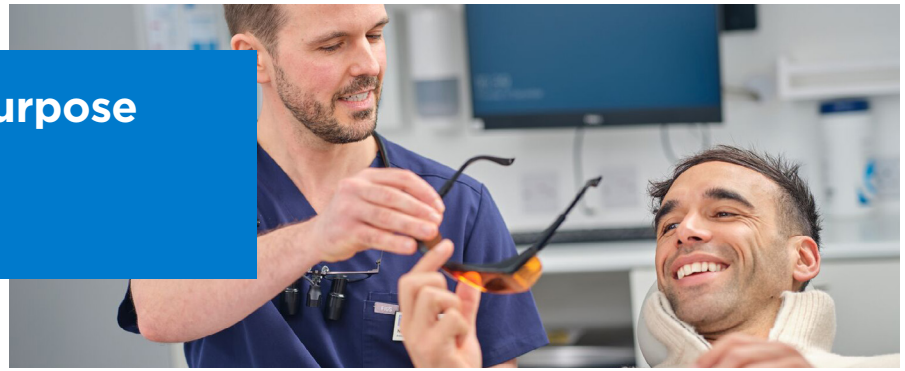


Purpose



This document outlines Bupa's approach to the reporting of scope 1 and 2 and selected scope 3 Greenhouse Gas (GHG) emissions. The reporting is prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol).

Background

As a healthcare company, Bupa recognises that people's health and the health of the planet are intrinsically linked, which is why sustainability is core to Bupa's strategy and purpose – helping people live longer, healthier, happier lives and making a better world. Bupa has publicly announced its net zero by 2040 ambition. This is underpinned by 1.5°C-aligned science-based targets (SBTs) across all three emission scopes. These SBTs have been validated by the Science Based Targets initiative (SBTi).

More information about this and Bupa's other decarbonisation targets, including our scope 3 SBTs, is available here.

For scope 1 and 2, Bupa has committed to:

2025

Reduce our greenhouse gas emissions across our global operations by at least

40%

(Scopes 1 and 2)

2030

Reduce our greenhouse gas emissions by at least

46.2%

with the ambition to become a net zero business across our direct operations

(Scopes 1 and 2)

Basis of preparation

This framework is applicable to the reporting of GHG emissions (carbon dioxide equivalent (CO_2e)) specifically:

- **Scope 1** - Direct scope 1 emissions occur from sources that are owned or controlled by the reporting company, for example, emissions from combustion in owned or controlled boilers, and company vehicles.
- **Scope 2** – Indirect scope 2 (location- and market-based) emissions occur from the generation of purchased electricity, heating and cooling, consumed by the reporting company.
- **Scope 3** - Indirect scope 3 emissions occur from activities of the reporting company but from sources not owned or controlled by the company, typically referred to as the 'value chain'. For the purpose of this document, we disclose only:
  - **Category 3** - Fuel- and Energy-Related Activities from energy losses (Well-to-tank (WTT) and Transmission and Distribution (T&D) losses) as these are directly associated with our energy consumption from scope 1 and 2 fuels; and
  - **Category 6** - Business Travel, as this data is readily available to allow for regular reporting and tracking.

We aim to disclose other more material scope 3 categories in due course.

Application

Bupa categorises its GHG emissions into scope 1, 2 or 3 as referred to in the World Business Council for Sustainable Development and World Resources Institute (WBCSD-WRI) Greenhouse Gas Protocol.

Bupa has adopted the operational control approach and therefore accounts for 100% of GHG emissions from all its business locations over which it has operational control.

Operational control is defined as Bupa having the authority to introduce and implement its operational policies at the location.

Data capture

GHG emissions reporting commences from the date that Bupa's operational policies are applicable to the site. This is typically the date of acquisition or date of site opening.

Actual consumption data is captured from a variety of sources, including meter readings, supplier reports and supplier invoices where actual or estimated consumption is provided. Where actual data is not available, Bupa will estimate consumption. Estimation methodologies include but are not limited to:

- Using actual site consumption from an earlier time period;
- Using actual consumption from similar sites; and/or
- Using actual energy intensities metrics, for example, kWh/floor surface area.

Once actual data becomes available during the reporting year, estimated data is updated accordingly. Where actual data is not available, Bupa will continue to estimate consumption (and the associated GHG emissions).

Reporting period

Bupa's reporting period is from 1 January to 31 December of each year.

Greenhouse gas emission sources

The following table sets out Bupa's main GHG emission sources for each scope.

Scope	Activity Consumption/Usage
Scope 1	Combustion of fuels as part of stationary sources often used to generate heat and energy, including natural gas and liquefied petroleum gas.
	Combustion of fuels in company owned and leased controlled mobile combustion sources.
	Release of refrigerant gases from air conditioning/cooling units.
	Release of anaesthetic gases from medical procedures.
Scope 2	Electricity purchased from the grid or exclusive energy generation contracts (e.g. Power Purchase Agreements).
	Purchases from local district heating or cooling networks.
Scope 3	Category 3: Well-to-tank losses and transmission and distribution losses associated with scope 1 and scope 2 energy consumption.
	Category 6: Employee business travel including employee vehicles (business mileage only), car hire, air travel, taxis and trains.

Scope 2 GHG emissions

In accordance with the GHG Protocol's guidance on dual-reporting, Bupa reports scope 2 GHG emissions using both the location- and market-based approach.

- The location-based method reflects the GHG emissions associated with local, subnational or national grids in which the reporting company operates. This helps demonstrate the average GHG intensity of the electricity grids where the operations occur, as well as the impacts of energy conservation within the organisation.

- The market-based method reflects the GHG emissions associated with the contractual choices of the reporting company on its energy supply. Renewable electricity purchased from mainstream suppliers and generators are accompanied by a Certificate of Origin, Renewables Obligation Certificate or Renewable Energy Guarantees of Origins.

  Bupa applies market-based emission factors based on the following approach:

  1. Tariff-level emission factors at site level provided from the energy supplier;
  2. When the above factor is not available, appropriate country-level residual-mix factors are applied; and
  3. When 1 and 2 are not available, location-based emission factors are applied.

Full details are set out in the following section of this document.

Emission factor sources

Bupa applies several emission factor sets issued by external parties as set out below:

Source	Application
UK Government: Department for Energy Security and Net Zero (DESNZ)	• Scope 1: Stationary and mobile energy • Scope 1: Refrigerant gas losses • Scope 2: Location-based UK grid electricity • Scope 3: WTT losses (stationary and mobile energy) • Scope 3: T&D losses - UK • Scope 3: Business Travel
International Energy Agency (IEA)	• Scope 2 (Location-based): Grid electricity except for the UK and Australia
Australian Government: Department of Climate Change, Energy, the Environment and Water (DCCEEW)	• Scope 2: Location-based Australian grid electricity • Scope 3: T&D losses - Australia
Association of Issuing Bodies Residual Mix (Re-Diss)	• Scope 2 (Market-based): National grid electricity - Denmark, Ireland, Poland and UK
Emissions and Generation Resource Integrated Database Residual Mix (eGRID)	• Scope 2 (Market-based): US regional grid electricity
Sphera Solutions GmbH: Sphera MLC[1]	• Scope 2: District heating and cooling - Poland • Scope 3: T&D losses except for UK and Australia
Intergovernmental Panel on Climate Change (IPCC)	• Scope 1: Anaesthetic gases • Scope 1: Refrigerant gas losses[2]

Scope 2 market-based emission factors are applied based on the approach set out in the previous section of this document.

Bupa applies emission factors prospectively and are generally assigned to the reporting year in the year that the factors are issued. For 2022 onwards, the application of IEA and DCCEEW emission factors are applied on a prospective basis, previously these factor sets were applied on a retrospective basis.

1. Sphera MLC enables companies to report all upstream emissions from fuel- and energy-related activity losses using a single factor. The emission factor considers the end-to-end upstream losses from the extraction, refining and transportation of fuels for electricity generation, through to transporting the electricity to the end user.

2. IPCC emission factors are used for refrigerant gas losses where these are not available from DESNZ.

Rebaseline/ recalculation approach

An annual review is undertaken to assess if the 2019 base year and/or the previous reported years are to be recalculated.

The recalculation of the 2019 baseline or a previous year may be required if, in aggregate, trigger events such as mergers and acquisitions, changes in GHG emission calculation methodologies and/or errors have a material impact on the Group's GHG emissions.

The 'fixed based' approach is applied to recalculation as Bupa tracks progress against its 2019 baseline, and therefore GHG emissions are recalculated for the entire year.

The recalculation assessment is based on:
1. Group total scope 1 and 2 (market-based) GHG emissions; and
2. Group total scope 1 and 2 (location-based), and selected scope 3 (categories 3 and 6) GHG emissions.

Any proposed changes to our 2019 baseline or previously reported years are considered and approved by the Group Audit Committee.

Further information

To know more about Bupa's operations and financial performance or Bupa's approach to Sustainability please refer to **www.bupa.com**

Enquiries

Duncan West (Corporate Affairs)
external.relations@bupa.com