

BHSF LIMITED

SECTION 172 STATEMENT

YEAR ENDED 31 DECEMBER 2025

The directors have a duty to promote the success of the Company for the benefit of the members as a whole, but also to have regards to the interests of all stakeholders, and in doing so have regard (amongst other matters to factors (a) to (f), as set out below:

- a) The likely consequences of any decision in the long term,
- b) The interests of the Company's employees,
- c) The need to foster the Company's business relationships with suppliers, customers and others,
- d) The impact of the Company's operations on the community and the environment,
- e) The desirability of the Company maintaining a reputation for high standards of business conduct, and
- f) The need to act fairly as between members of the Company.

Carefully taking into account the interests of all stakeholders is one way in which a company ensures its success. This report explains to readers how the directors of BHSF Limited carry out these duties. It covers two areas:

- 1.Key stakeholder groups and how their expectations are taken into account in general terms.
- 2.How critical decisions made during the reporting period took account of stakeholder interests.

This report covers the Company's financial year ended 31 December 2025.

Stakeholder Management at BHSF

Who are BHSF's Stakeholders?	How does BHSF engage with them?	What are their expectations?
BHSF Group employees	Day-to-day communications Regular "all-hands" meetings Other occasional events	Culture in line with corporate values Career development opportunities Training opportunities Secure, fulfilling jobs in a safe working environment
Members (BHSF Group Limited)	Minutes shared with Group Board	Careful financial management alignment to Group mission and policies
Insurance Policyholders	Clear policy documents Written communications around major changes Surveys	Caring and fair treatment Clear communications Timely claims payments Secure and resilient processing of data
Corporate Customers	Customer relationship teams Surveys Panels/Case studies	Products which improve health or wellbeing of their staff Professional, efficient, secure, and resilient processes
Suppliers	Direct relationships with BHSF managers Finance department communications	Timely payments Opportunities to increase the reach of their products Ethical, open and fair treatment

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Regulators and Government Authorities	Regular returns Ad-hoc communications	Prudent business management Adherence to conduct rules, laws and regulations Fair treatment of insurance customers and policyholders Operational resilience Culture of sound business ethics Environmentally sensitive operations
Reinsurers	Day-to-day communications with operational teams	Open, honest communications Robust processes and procedures
Sales intermediaries	Intermediary management team Events, briefing and training days	Quality products which meet customer demands Timely payment of sales commissions Professional, efficient processes
Pension Scheme Trustees	Attendance by directors at trustee meetings	Prudent management of Company resources

Critical Decisions Taken During the Reporting Period

The Company decided to sell its subsidiary business, BHSF Occupational Health Limited, during 2025.

What are the consequences of these decisions in the short and long term?

The sale allows the business to focus all of its efforts on its core insurance business.

In the short term, work has to be done to reshape the business and the broader group around the smaller overall size of the BHSF operation.

In the longer term, with this done the business should operate from a lower cost base and have the majority of that effort directed towards providing insurance policyholders with the best products and experiences that we can.

What is the impact on employees?

BHSF Limited has no employees. However, employees of the broader BHSF Group handle the day-to-day operations of the Company and are therefore stakeholders. In particular, staff of BHSF Management Services Limited handle claims, administer policies and serve customers of BHSF Limited. Similarly, staff of BHSF Employee Benefits Limited carry out customer relationship functions.

In many areas of the business and particularly in central administration functions there was overlap and close working within teams between those servicing insurance business and those servicing the occupational health business. This meant that a number of our valued BHSF colleagues transferred with the sold business while others were subsequently made redundant as workloads decreased.

This was a difficult time both for staff leaving BHSF and for the colleagues remaining with the business. Throughout this process, BHSF aimed to make the experiences as positive as possible given the circumstances. Clear and empathetic communication of the changes and additional support were made available to those directly affected, while those not directly affected were kept informed in as clear and timely a fashion as possible while changes were being made.

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What is the impact on business relationships with customers, insurance policyholders and sales intermediaries?

The occupational health business had some limited overlap with the insurance business which in the period immediately following the sale resulted in a splitting of those relationships. However, in the majority, BHSF Limited's customers and intermediaries were unaffected and insurance policyholders were not impacted at all.

What is the impact on the environment?

The environmental impact is limited. The reduced overall size of the business has enabled a reduction in occupied office space which should reduce the Company's already low direct carbon footprint further.

What is the impact on the reputation of the business?

For the Company's insurance customers, intermediaries and policyholders the impact on reputation should be a positive one as it enables a refocus of the entire BHSF operation on the core insurance products and experiences.

Are these decisions fair to all members?

The Company has a single member – BHSF Group Limited. BHSF Group Limited's members are primarily drawn from the customer base and therefore represent the policyholders of the Company. Therefore, the interests of the Company's single member is closely aligned with the interests of its members – our policyholders. For the reasons set out above, the decision to sell BHSF Occupational Health Limited is one which is fair to all members and in the best longer-term interests of the insurance business.

This statement was approved by the Board of BHSF Limited on 12 May 2026.