June 2026

LifePlan – the BBC's defined contribution plan
Statement of Investment Principles

Investment Beliefs & Strategy

The Governance Committee ("the Committee") aims to ensure that a suitable default investment has been provided and that all members of the BBC LifePlan ('the Plan') have access to an appropriate range of investment choices that will meet a variety of different member needs.

Investment beliefs

The Committee assesses the investment options based on its beliefs. These beliefs are summarised below, and the Committee will subject these to a regular review:

- Asset allocation is the primary driver of returns and therefore the most important investment strategy decision;
- The majority of members will be invested in the default fund and therefore governance of this fund is particularly important;
- The default fund should be reviewed regularly to ensure that there is an appropriate asset allocation to generate returns for members.
- Diversification is beneficial in reducing the risks to which members are exposed without unduly impacting performance objectives;
- Taking investment risk is generally, though not always, rewarded. As a result, the Committee believes that members can take more risks further away from retirement;
- Members should begin to move into potentially less volatile assets as members approach the point of drawing benefits when stability is more important than growth;
- The wider fund range should provide access to a broad range of investments (including passive and active management styles) for members to select their own investment strategy if they wish to do so;
- Consideration of environmental, social and governance (ESG) issues should be incorporated within the Plan's investments and align with the BBC's sustainability objectives where possible;
- The wider fund range should be designed to be as inclusive as possible, so that members have access to investment options that reflect a broad range of member needs and preferences.

Investment Strategy

My Future Focus Lifetime investment programme

The My Future Focus Lifetime investment programme, managed by Aviva and overseen by their Independent Governance Committee, has been selected as the default. The Committee believes that this approach strikes an appropriate balance between risk and expected return that is consistent with the requirements of most members and the expectation that the majority of members will take a flexible approach to their retirement. It also incorporates Environmental, Social & Governance (ESG) principles into the default strategy.

The Lifetime investment programme seeks to provide growth initially by investing across a range of different investment markets, primarily in equities, but also including some fixed interest, cash and property.

The Lifetime investment programme is designed to be flexible enough to prepare member retirement savings for the different options available, so does not target any one particular retirement option. The programme automatically moves members' savings into a portfolio with lower expected volatility, invested across a range of different investment markets, primarily in fixed interest, but also including equities, cash and property as members approach retirement.

There are additional investment programmes available for members to select, should they wish to target a specific retirement option, such as drawdown, cash or annuity. These additional investment programmes also invest in a growth portfolio and move members' savings into a portfolio with lower expected volatility as they approach retirement. The investments at retirement will depend on whether the member has chosen drawdown, cash or annuity.

More information on the BBC LifePlan Investment strategy can be found in the Investment Brochure https://static.aviva.io/content/dam/document-library/corporate-pensions/ngs47344b1.pdf

Full Fund Range

A wide range of funds is offered to members who wish to be more actively involved in researching and making their own investment choices. More information on Aviva's fund range can be found at https://www.aviva.co.uk/retirement/fund-centre/

The full fund range offers members options to invest in the main asset classes and geographical regions. It is worth highlighting that charges may apply to switching between funds.

The Committee does not actively monitor the full fund range on a regular basis, though may from time-to-time review investment risks and returns on additional funds if appropriate.

Risk Management

The Committee recognises that the key risk is that members will have insufficient income in retirement or an income that does not meet their expectations. The Committee considered these risks in assessing the investment options for the Plan.

The Committee considers the following areas of risk:

- Not meeting the reasonable expectations of members, bearing in mind members' contributions and fund choices;
- The default being unsuitable for some members. The Committee undertakes a periodic review of the default and its suitability for the majority of Plan members;
- Members making inappropriate investment decisions. The Committee periodically reviews investment choices made by members;
- Operational risks. The Company undertakes a periodic review of the contributions paid into the Plan and reconciles this with the Company records, informing the Committee of the results. The Committee will consider risks arising from any errors in pricing investment funds;
- Fraud, poor advice or acts of negligence. The Company seeks to minimise these risks by ensuring that all advisers and third-party service providers are suitably qualified, experienced and monitored, keeping the Committee informed.
- The risk of investments falling in value as a result of not being aligned or keeping pace with climate transition. The Company considers how ESG is incorporated into the default fund.

Due to the complex and interrelated nature of these risks, the Committee assesses these in a qualitative rather than quantitative manner.

The Committee monitors the risks highlighted above on an ongoing basis via regular reporting and presentations from service providers and advisers.

The Company and the Committee do not assume or accept any responsibility or liability for the investment or performance of the Plan.

Monitoring

The Committee meets two/ three times a year to discuss the development of the Plan. The Committee reviews a range of Plan information and considers external advice.

Investment monitoring

The role of the Committee in relation to investment is to discuss with the Company the extent to which the range of funds is in line with current market practice and to monitor the performance delivered.

As the design of the default fund, the Lifetime investment programme, has been delegated to the current provider Aviva, the Committee does not have the power to choose the asset allocation or the fund managers utilised within the default fund. However, as a large investor in My Future Focus it will seek to influence Aviva where it is deemed to be in members' interests to do so.

Aviva's Independent Governance Committee provides a layer of independent oversight to My Future Focus on behalf of all Aviva's customers that utilise this investment programme.

The Committee meets to review the status of the Plan. The meetings are attended by its adviser who provides advice and input on the development of the Plan and industry best practice.

The Committee reviews a variety of reporting during these meetings:

- Management Information reporting provided by the pension provider to enable the Committee to identify and assess any changes in the underlying member profile;
- Investment monitoring to assess the performance and risk of the default Lifetime investment programme. This reporting considers the performance of the funds in the context of financial markets and the performance of similar default funds of other pension providers in the UK. It also considers the volatility of the default programme;
- The Committee does not actively monitor the wider fund range on a regular basis. However, the Committee may consider the risk and returns available on additional funds available under the Plan as may be appropriate; and
- Regular updates on industry best practice and wider industry developments.

The Committee takes appropriate advice to review the investment options on a regular basis. The Committee reports any recommendations to the Company for consideration. Any recommended change will only be introduced with appropriate communication to members.

Regular updates are also provided in the annual newsletter to members.

The Committee also considers the providers' approach to ESG issues.

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