

Annual Implementation Statement – for scheme year ending 5 April 2024

Hyster-Yale UK Retirement Plan

Introduction and purpose to this statement

This document is the Annual Implementation Statement (“the statement”) prepared by the Trustee Directors of the Hyster-Yale UK Retirement Plan (the “Plan”) covering the scheme year to 5 April 2024.

The purpose of this statement is to:

- set out the extent to which, in the opinion of the Trustee, the engagement policy under the Plan’s Statement of Investment Principles (“SIP”) has been followed during the year
- describe the voting behaviour by, or on behalf of, the Trustee Directors over the year.

A copy of this implementation statement will be made available on the company’s website and included in the Trustee’s Annual Report and Financial Statements for the year to 5 April 2024.

Trustee Directors’ voting and engagement policy

In line with the Trustee Directors’ Statement of Investment Principles, the Trustee Directors have delegated all day-to-day investment decisions including integration of financially material Environmental, Social and Governance (ESG) risk and opportunities to the Plan’s sole investment manager (apart from AVCs) – BlackRock Investment Management & Financial Services (“BlackRock”). The Plan’s assets (excluding AVCs) are entirely passively managed and invested in unit-linked pooled arrangements.

The Trustee Directors’ policy is to engage with the managers to understand their policies on sustainability and stewardship, and review these policies regularly to ensure that the managers are carrying out their delegated responsibilities in line with the Trustee Directors’ views and beliefs. The Trustee Directors, in partnership with its investment advisor, have assessed the investment managers’ voting and engagement policies. The Trustee Directors consider these policies to be appropriate, and consistent with the Trustee Directors’ own policies and objectives, therefore ultimately in the best financial interests of the members. The Trustee Directors have endeavoured to select “significant” votes which align with the Trustee Directors identified priorities for voting and engagement – social, environmental and ethical – where the data has allowed.

The Trustee Directors meet with the investment manager, BlackRock, at least once a year to discuss any relevant matters. The Trustees met the manager on 25 June 2024 and discussed BlackRock’s approach to sustainable investment. The Trustee Directors are comfortable that the manager is engaging with investee companies in a manner aligned with the Plan’s long-term investment objectives.

The BlackRock Investment Stewardship (“BIS”) team engages with public companies on behalf of all portfolio strategies at BlackRock. When engaging with a company BlackRock are focused on promoting sound corporate governance and sustainable business models that support long-term shareholder value for their clients. BlackRock prioritises its engagement work around themes that they believe will encourage sound governance practices that can help companies deliver the durable, long-term financial returns. Over 2023/24, the key engagement priorities for BlackRock were on Companies’ strategy, purpose and financial resilience, Board quality and effectiveness, incentives aligned with financial value creation, climate and natural capital along with how the Company impacts on people. The Trustee Directors’ policy is to delegate responsibility for the exercising of rights (including voting rights) attached to investments to the investment managers.

Use of proxy voting service

The BIS team performs independent research and analysis, coming to vote conclusions that are consistent with their own voting guidelines and that they believe are in the best long-term economic

interests of their clients. The team does not follow the recommendations of any single proxy advisor. While BIS subscribe to research from several proxy advisory firms, their research is one among many inputs into BIS' vote analysis process. BIS use proxy research firms to synthesise corporate governance information and analysis so that their analysts can identify and prioritise those companies where their own additional research and engagement would be beneficial.

Summary of voting over the year to 5 April 2024

The Plan's equity investments are managed by BlackRock via a pooled fund on an index-tracking basis. Given the indexed nature of the mandates, BlackRock are limited by the equities they must hold in the portfolio, but the Trustee Directors believe they have a strong engagement process.

A summary of the voting on behalf of the Plan over the year to 31 March 2024 is provided in the table below (this being the closest date to the year-end of 5 April 2024 that data is available).

Fund	Number of votes eligible	% of votes exercised	% of votes with management	% of votes against management (or abstained)
Aquila Life UK Equity Index Fund	14,770	96	96	4
BlackRock Aquila Emerging Markets Fund	29,524	98	87	13
Aquila Life Currency Hedged European Equity Index Fund	8,623	83	89	11
Aquila Life Currency Hedged Japanese Equity Index Fund	6,075	100	96	4
Aquila Life Currency Hedged Pacific Rim Equity Index Fund	3,119	100	90	10
Aquila Life Currency Hedged US Equity Index Fund	8,024	100	98	2

Voting information on the Plan's bond funds is not provided since the vast majority of loan and debt securities do not come with voting rights.

Significant votes

BlackRock have provided the Trustee Directors with the following link setting out their voting history, with bulletins explaining their vote decisions and the engagement and analysis underpinning it, on certain high-profile proposals at company shareholder meetings.

<https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-and-voting-history>.

The following table outlines significant votes cast by the Plan's investment manager for each fund on the Trustee Directors' behalf of the Plan over the year to 31 March 2024 (this being the closest date to the year-end of 5 April 2024 that data is available). Many of the votes have been deemed significant as they relate to issues around social, environmental and ethical, in alignment with the Trustee Directors' views.

The commentary set out below is based on detail in the relevant manager's reports on the votes cast:

Significant votes cast	Coverage in portfolio
No significant votes reported by manager	BlackRock Aquila Life Japanese Equity Index
<p>Company 1: Koninklijke Ahold Delhaize N.V.</p> <p>Resolution: Remuneration Report (advisory vote)</p> <p>Decision: BlackRock Investment Stewardship (BIS) supported the advisory vote to approve the 2022 remuneration report, following engagements with company management and members of the board of directors. This recognises the year-over-year progress that Ahold Delhaize has made in addressing prior shareholder concerns regarding their remuneration policies and related disclosures.</p> <p>Rationale for inclusion: As we outline in BIS's proxy voting guidelines for European, Middle Eastern, and African (EMEA) securities, which detail their approach to executive remuneration practices in the region, in BIS's view, pay should be closely linked to performance and aligned with the generation of durable, long-term financial value for shareholders. In BIS's engagements with companies and their assessment of their remuneration disclosures, BIS look for clear evidence of this linkage.</p>	BlackRock Aquila Life European Equity Index
<p>Company 1: Techtronic Industries Company Limited</p> <p>Resolution: Elect Horst Julius Pudwill as Director</p> <p>Decision: BIS did not support the election of the Chairman, Mr. Horst Julius Pudwill, because he also chairs the Nomination Committee, which BIS believe should be chaired by an independent director to ensure objectivity, transparency, and independence in the board recruiting process.</p> <p>Rationale for inclusion: BIS looks to boards to establish robust and effective corporate governance practices. The board nomination process is key to ensuring the company nominates non-executive directors with relevant skills and experience who can bring independent views as well as ensure objectivity in the decision-making of the board and their ability to oversee management.</p>	BlackRock Aquila Life Pacific Rim Equity Index
<p>Company 1: Chevron Corporation</p> <p>Resolution: Oversee and Report a Racial Equity Audit</p> <p>Decision: BIS did not support this shareholder proposal because in their assessment, Chevron's policies and actions on diversity, equity, and inclusion largely address the issues of focus in the shareholder proposal, which was confirmed by the independent racial equity audit the company voluntarily undertook in the last year.</p> <p>Rationale for inclusion: As a fiduciary, BIS view proposals asking companies to undertake a racial equity assessment, or equivalent, through the lens of mitigating economic and reputational risk that could impact long-term financial value creation on behalf of our clients. As with other shareholder proposals, BIS analyse each on a case-by-case basis, considering the company's policies, practices, and disclosures, as well as the balance between costs and</p>	BlackRock Aquila Life US Equity Index

<p>benefits of undertaking a third-party assessment. BIS determined that support for the proposal would not be in our clients' financial interests as long-term investors.</p> <p>Company 2: ExxonMobil Corporation</p> <p>Resolution: Report on Methane Emission Disclosure Reliability</p> <p>Decision: BIS did not support this shareholder proposal because, in their assessment, Exxon has provided sufficient disclosures on both their approach to methane emissions abatement as well as how they are working to accurately measure and monitor methane emissions.</p> <p>Rationale for inclusion: BIS found Exxon's approach to managing methane emissions in their operations to be on par with the efforts of leading peers. The company has rigorous targets to reduce methane emissions, is deploying a wide range of technologies to more accurately measure progress against these targets and is participating in industry efforts to improve the accuracy of direct methane measurement. In our assessment, the company's existing disclosures already include the information requested in the shareholder proposal. On balance, the costs of additional reporting were not warranted and therefore, not aligned with our clients' financial interests. BIS will continue to engage with Exxon on the important topic of methane emissions management generally, as well as on the technology and reporting of direct methane measurement.</p>	
<p>Company 1: Shell plc</p> <p>Resolution: Approve the Shell Energy Transition Progress</p> <p>Decision: BIS supported this management proposal in recognition of the delivery to date against the company's Energy Transition Strategy</p> <p>Rationale for inclusion: Overall, Shell has and continues to provide a clear assessment of their plans to manage climate-related risks and opportunities and has demonstrated continued delivery against their Energy Transition Strategy. Given that the speed and shape of a low carbon transition are unclear, company disclosures that include scenario analysis and provide context on the transition plan and targets, help investors' understanding of company-specific risks and opportunities. In our view, Shell's reporting and approach are aligned with our clients' long-term financial interests; therefore, BlackRock supported the management resolution</p> <p>Company 2: ExxonMobil Corporation</p> <p>Resolution: Report on Social Impact from Plant Closure or Energy Transition</p> <p>Decision: BIS did not support this shareholder proposal because, in our assessment, Exxon is taking the appropriate steps and already providing disclosure regarding their approach to workforce continuity amid a transition to a low-carbon economy.</p> <p>Rationale for inclusion: In BIS's experience, companies that invest in the relationships that are critical to their ability to meet their strategic objectives are more likely to deliver durable, long-term financial performance. By contrast, poor relationships may create adverse impacts that could expose companies to legal, regulatory, operational, and reputational risks. This is particularly the case regarding a company's workforce, as a significant number of companies acknowledge the importance of their workers in creating long-term financial value. Consequently, when we engage with companies on how they navigate material risks and opportunities presented by a low carbon transition, BIS's conversations often include asking questions to understand how they plan to support affected workers. In our assessment, Exxon's current disclosures provide adequate information for investors to make informed investment decisions. BIS therefore determined not to support the shareholder proposal.</p>	<p>BlackRock Aquila Life UK Equity Index</p>

In the Trustee Directors' opinion, the Statement of Investment Principles dated November 2021 has been followed during the year to 5 April 2024 in relation to voting and engagement. A revised SIP was published on 10 April 2024 although no changes were made to the voting and engagement arrangements.

The Trustee Directors of the Hyster-Yale UK Retirement Plan

November 2024