

PROTECTING OUR PLANET

FLEET ENERGY & EMISSIONS

Leveraging Technology to Drive Value

Ryder's unique expertise in advanced vehicle technology, alternative fuel and low-carbon diesel options, and fleet optimization allows us to provide our customers with the tools needed to operate effectively in a changing world. We continuously monitor and research the commercial alternative fuel vehicle (AFV) and electric vehicle (EV) markets, regulations, and incentives to best position our products and services for our customers. Additionally, customer demand for next generation vehicles will likely accelerate as operational viability and efficiency improves, vehicle costs decrease, and added incentives become available. By identifying emerging, low-carbon technologies, we are able to develop best-in-class strategies to deploy AFVs that will drive value for our customers and improve our environment.

For more information on our strategic and innovative activities, products, and services, see [Innovation in an Evolving Marketplace](#).

OUR APPROACH

As our customers seek greener and more eco-friendly solutions, Ryder is uniquely positioned to help optimize their transportation networks, and access new and more efficient vehicle technologies. As the only fully integrated, end-to-end logistics and transportation provider, we add value for our customers by optimizing every step of their products' journey. With solutions to maximize capacity utilization and reduce miles driven, Ryder has the tools, experience, and expertise to improve efficiency for our customers while reducing their carbon footprint.

Our scale and partnerships enable early adoption of next generation vehicles through offerings such as fuel, charging, and maintenance availability. Ryder offers a wide array of these options and infrastructures in places where our customers need these critical services. Our customized solutions support our customers' evolving needs, while contributing to a sustainable economy and environment.

STRATEGY FOR INCREASING THE EFFICIENCY



FLEET OPTIMIZATION

Each year, the cost of moving freight is volatile due to unpredictable fuel prices, driver shortages, increasing regulations, and a variety of other factors. As these issues compound, a company's ability to reliably move their products becomes more difficult and costly. At Ryder, we understand the complexities of logistics and we are constantly adapting to a changing marketplace. Our solutions are built on a LEAN culture—if it does not add value, it is eliminated. In our warehouses and on the road, these **LEAN principles** drive our operations, resulting in monetary and environmental benefits.

We work with our customers to understand their transportation networks and needs. Analyzing shipment volume volatility, travel distance, number of routes, stops per route, and backhaul opportunities, we help our customers identify the solutions that work best for them. Through advanced network and maximum load modeling, Ryder can achieve as much as a 23% reduction of customer Scope 1 emissions (Ryder Scope 3) utilizing our optimized customer network.

ADVANCED VEHICLE TECHNOLOGY

Increasing the efficiency of our fleet includes regularly evaluating new technologies with traditional and non-traditional Original Equipment Manufacturers (OEMs), as well as retrofitting our current fleet so that we may continue offering our customers new and improved options. We have a dedicated team of internal resources to research and test these technologies. Our Senior Director, Advanced Vehicle Technologies, oversees the implementation of new technologies and their supporting infrastructure, reporting to our Chief Technology Officer for Fleet Management Solutions (FMS). The Board receives an update on disruptive trends—including next generation vehicles—as part of the annual strategic review meeting. In addition, advanced technology metrics and goals are included in the annual goals set for our business segments.

To advance alternative fuels and new vehicle technologies, Ryder educates our employees and customers through email, webinars, and social media communications. In alignment with our vision to safeguard our environment, we aim to train 10% of Ryder technicians to maintain and support AFVs over the next five years. Additionally, we host demonstrations at Ryder's operational locations as well as customer site evaluations. We work with many customers to quantify transportation-related carbon emissions and to develop carbon reduction strategies that work for their businesses.

As part of our commitment to stay ahead of the curve on advanced vehicle technology, Ryder regularly explores and evaluates new vehicles, new technologies, and early stage development products that could directly benefit our customers. By researching and testing technology before bringing it to our customers, we ensure that it is right for their business needs. We also identify vehicle fleet efficiencies through our participation in the U.S. Environmental Protection Agency's (EPA) **SmartWay program**, and prioritize carrier partners who also participate in the program. To learn more about how we engage with our customers, see [Customer Focus](#).

Our partnerships with OEMs allow them to scale their products across North America almost instantly by leveraging Ryder's network of nearly 800 maintenance locations, 5,400 technicians, and significant customer relationships. For example, we have a strategic partnership with Workhorse Group, an EV OEM, allowing us to provide maintenance for Workhorse's light- and medium-duty EV products across North America. Through our support of the Workhorse products, we can help Workhorse accelerate the distribution of their C-series electric vans, offering 650 and 1,000 cubic feet of cargo space and rated up to 13,500 pounds when fully-loaded. The composite body enables greater payload capacity, is powered by a modular battery pack system, and features a new low-floor platform for easy in and out access that makes it more convenient for the driver. The van is also equipped with an onboard Metron™ proprietary telematics system, enabling the user to track and monitor performance in real time. The C-series vehicles offer various battery configurations with up to 150 miles of range and 37 miles per gallon of gasoline equivalent (MPGe).

We also recently completed a 60-truck controlled pilot fuel test with a tractor mounted active aerodynamic device, Truckwings, from a startup named TruckLabs, that automatically closes the gap between the cab and trailer at highway speeds to reduce drag, improve handling, and save fuel. Over the course of the pilot, we realized a net MPG improvement of over 4%.

CHARGING STATIONS & ELECTRIC VEHICLE INFRASTRUCTURE

Ryder continues to lead in the emerging technologies and EV space. In January 2020, Ryder jointly announced a first-of-its-kind partnership with In-Charge Energy, Inc., a privately-held energy solutions company, and ABB, a global technology leader in electrification, to provide nationwide turnkey energy and EV charging infrastructure as a service to Ryder customers.

Through this partnership, fleet electrification is a simplified, reliable, and streamlined process for Ryder's customers looking to optimize sustainable and cost-effective solutions within their transportation network. In-Charge will assist Ryder customers who are seeking to electrify their fleet with assessments of power capabilities and needs to implement charging infrastructure and provide guidance around entry into the EV market. ABB is supporting the electrification program by deploying high-power charging and safe grid interconnection. Collectively, our customers will have greater access to EV strategic planning and energy cost savings related to engineering and the implementation charging stations.

OUR PERFORMANCE & FUTURE

Ryder's investments in advanced vehicle technologies benefit us, our customers, and the communities we serve through improving fuel economy, enhancing safety, and reducing environmental impacts and long-term operating costs. We continue to invest in developing a diverse fleet utilizing a wide range of advanced technologies and fuel alternatives. At the end of 2020, Ryder owned 458 AFVs, which included 20 EVs and 438 natural gas vehicles. The increased deployment of AFVs further supports our goal to reduce fleet emissions 10% by 2024.



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Note Regarding Forward-Looking Statements: Certain statements and information included in this report are "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. The principal forward-looking statements in this report include our sustainability goals, commitments and programs, our business outlook, plans, priorities, initiatives and objectives, our assumptions and expectations, and the scope and impact of our risks and opportunities. These forward-looking statements are based on our current goals, plans and expectations and are subject to risks, uncertainties and assumptions which could cause actual results to differ materially from historical experience or from future results expressed or implied by such forward-looking statements. Although we believe there is a reasonable basis for the forward-looking statements, our actual results could be materially different. Forward-looking statements involve projections, and assumptions about our business outlook. Accordingly, these forward-looking statements should be evaluated with consideration given to the many risks and uncertainties that could cause actual results and events to differ materially from those in the forward-looking statements including those risks set forth in our periodic filings with the Securities and Exchange Commission. New risks emerge from time to time. It is not possible for management to predict all such risk factors or to assess the impact of such risks on our business. Accordingly, all such forward-looking statements speak only as of the date they are made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

ABOUT THIS REPORT
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PROTECTING OUR PLANET
FOSTERING TALENT, DIVERSITY & EQUALITY

SAFEGUARDING PEOPLE
TRANSFORMING COMMUNITIES
EMPOWERING ETHICS & INTEGRITY

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