PROTECTING OUR PLANET

INNOVATION IN AN EVOLVING MARKETPLACE

INVESTING IN NEW CAPABILITIES

LEVERAGING EMERGING TECHNOLOGIES FOR INNOVATIVE OPPORTUNITIES.

Our customer-focus approach enables Ryder to evaluate early-stage innovative technologies to advise our customers about their value and stay at the market forefront. We have strong history in leveraging emerging technologies that help scale our business and ultimately our customers' businesses more efficient and competitive. As disruptive trends continue to reshape the logistics and transportation industry, it is our responsibility to help our customers adapt to this rapidly evolving marketplace. Through our guidance, our customers save time, money and resources, while addressing their business's environmental impact.

OUR APPROACH

Ryder leverages cross-functional leadership to monitor and respond to trends impacting our business, industry, and by extension, our customers. As part of our annual strategic planning process, our Board reviews emerging and disruptive trends in our industry. To that end, in 2018, we launched our New Product Strategy organization with the goal of creating a more centralized and cohesive approach to the development of new products. Since its launch, we are working with start-up companies, venture capitalists, start-up accelerator groups, academia, and other disruptors to ensure Ryder is engaged with the newest players, models, and emerging technologies in our industry.

In October 2020, Ryder launched RyderNextGen, a corporate venture capital fund that is targeting $50 million in investments over the next five years. Through RyderNextGen, we are investing in and partnering with start-up companies enabling the future of logistics. Our focus is on start-up companies that are building disruptions related to e-commerce, next generation vehicles, asset sharing, and data analytics. By launching RyderNextGen, we are able to further identify future partners, help develop technologies and business models, and accelerate advancements in the logistics and transportation industries that will better serve us and our customers. Our goal is to identify new technologies at an earlier stage, ramp up innovation efforts to get ahead of growing demands, and accelerate market adoption of these solutions.

As we continue to integrate the disruptive trends into our strategic planning, we aim to develop and leverage technologies to tackle these disruptions:

- **E-COMMERCE** — Enhancing online customer and digitalization for our customers
- **NEXT GENERATION VEHICLES** — Developing partnerships and implementing innovative technologies to help increase customers' efficiency while decreasing environmental footprint
- **ASSET SHARING** — Increasing opportunities and platforms for asset sharing
- **BIG DATA** — Utilizing data analytics and connected fleet strategies to drive customer and operational opportunities
- **DISTRUPTED THE SUPPLY CHAIN** — Leveraging the cloud to eliminate industry silos, anticipate changes in the supply chain, and develop strategies for real-time course corrections

E-COMMERCE

Within the United States and Canada, e-commerce orders and online revenues increased dramatically. Prior to the COVID-19 pandemic, it was estimated that e-commerce sales would account for approximately half of all retail sales by 2040. During the COVID-19 pandemic, Ryder has experienced an increased demand for our services including last-mile delivery and e-commerce fulfillment as consumers across the globe have shifted to online shopping to avoid crowds. Our e-commerce fulfillment solutions help our customers meet the increased online purchasing, expedited delivery expectations, and demand for real-time visibility. We are focused on providing innovative services and enabling our customers to better execute their e-commerce solutions while responding to evolving consumer and market demands.

The growth in e-commerce most directly impacts our work with our Supply Chain Solutions (SCS) customers, who rely on Ryder to manage their distribution network with omnichannel fulfillment strategies. Our expansive footprint, strategically placed fulfillment centers, logistical expertise, and fleet optimization services provide holistic solutions for the growing market. As the e-commerce market continues to expand, Ryder is working on initiatives to enhance our service offerings. We also continue to partner with third parties to increase scale and further maximize the value provided to our customers.

HIGHLIGHT STORY: IDENTIFYING AND FUNDING THE FUTURE OF LOGISTICS

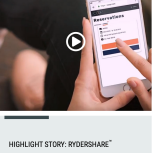
RyderVentures makes its first investment in DriverHog, a Miami-based tech-for-trucking startup leading the playing field for small fleets and owner-operators. The Tech-for-Trucking investment will be supported by DriverHog's truly plug-and-play nature, enhance their product, and bring to market the evolving needs of the trucking market segment that is as trucks-or-fleet. DriverHog's AI-powered, full-service dispatching platform is designed to help reduce operational costs, provide access to better revenue, streamline operations, and navigate the spot market. By helping smaller companies and owner-operators identify the best opportunities for productivity and reduce empty loads, there will be potential gains in environmental and industry efficiencies.

NEXT GENERATION VEHICLES

Changing regulations, customer demands, and a growing interest in sustainability are driving demand for autonomous vehicles (AV) and alternative fuel vehicles (AFVs). Ryder is committed to equipping our fleet with the latest vehicle technologies. Together with our clients and partners, we are leading the industry toward adoption of AVs as well as low-carbon AFVs. While the timeline for AVs is unclear, Ryder is actively working to meet the evolving needs of the trucking market segment that is as trucks-or-fleet. Smartrucks's AI-powered, full-service dispatching platform is designed to help reduce operational costs, provide access to better revenue, streamline operations, and navigate the spot market. By helping smaller companies and owner-operators identify the best opportunities for productivity and reduce empty loads, there will be potential gains in environmental and industry efficiencies.

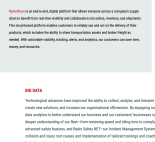
ASSET SHARING

As the world of the sharing economy continues to mature and evolve, Ryder has the opportunity to utilize technologies that improve efficiencies across our value chain including the sharing of fleet assets, driver-shared freight, primary carriers, Ryder's fleet management services, and other sharing initiatives. By increasing customer access to vehicle- and freight-sharing platforms, customers can realize value on their underutilized assets. By developing new, innovative products and concepts like these, we are able to provide opportunities for our customers to test solutions not currently available in the marketplace. In addition to driving efficiency, these solutions benefit the environment by optimizing available equipment and freight capacity.



HIGHLIGHT STORY: TRUCK SHARING WITH COOP™

Ryder introduced COOP—the first ever peer-to-peer digital platform for commercial vehicle sharing—in 2018. COOP enables customers to monetize their underutilized truck capacity within their fleeting vehicle inventory in business years, which increases optimization and useful life of equipment. Through COOP, there is a wide selection of equipment available for customers to utilize in business-to-business vehicle sharing. We offer the service to business owners in Georgia, Florida, North Carolina, Tennessee, Texas, and southern California. COOP is Ryder's initial entry into sharing economy, which has been credited with generating sustainability and economic benefits. We have established over 3,000 accounts and have generated more than 10,000 rentals/year on the platform.



HIGHLIGHT STORY: RYDERSHARE™

Ryder Ventures is an end-to-end, digital platform that allows everyone across a company's supply chain to benefit from real-time visibility and collaboration to save time, money, and resources. This cloud-based platform enables customers to vitally use and act on the delivery of their products, which includes the ability to share transportation assets and better freight or vehicle. With accelerated visibility, tracking, alerts, and analytics, our customers can save time, money, and resources.

BIG DATA

Technological advances have improved the ability to collect, analyze, and interpret data. At Ryder, we are adapting these technologies to enhance our services, create new solutions, and increase our organizational effectiveness. By equipping our drivers, technicians, and fleet with connected tools, we are increasingly using data analytics to better understand our business and our customers' businesses so we can serve them better. Vehicle telematics systems provide a foundation for a deeper understanding of our fleet—from reviewing speed and idling time to compliance with the electronic logging device (ELD) mandate. DriveCam technology, advanced safety features, and Ryder Safety 911™ to Fleet Management System—strengthen our proactive safety management, enabling the identification of collision and injury root causes and implementation of tailored trainings and coaching. Moving forward, we will continue to leverage data and connectivity in our logistics and transportation solutions, such as route and load optimization, vehicle maintenance planning, and reducing our customers' environmental impacts.

DISRUTPED THE SUPPLY CHAIN

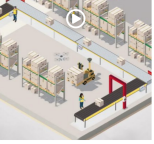
By embracing digitization and the power of the cloud, we continue to improve our agility and increase efficiencies for our customers through communications and collaboration. Ryder's strategy is lead the charge by forming strategic partnerships and piloting new technologies create customer-centric solutions that drive impact. It is now we provide companies with the visibility needed to proactively manage exceptions in the movement of goods through the supply chain. And now we cannot multiply our capabilities to collaborate in real-time to solve in minutes, what previously took days or weeks to fix.

We are accomplishing this through technologies like RyderSpeak™ and RyderCycle™, which seamlessly integrate with our best in class warehouse management and transportation management systems. In doing so, it digitizes supply chains by collecting data in one place and combines it with consumer data, so it can be turned into business intelligence and used for predictive analytics and visualizing planning. Through the integration and implementation of innovative systems and tools that drive actionable analytics and data, we create a culture of continuous improvement. Technologies such as robots, augmented reality, artificial intelligence (AI), analytics, and cognitive technologies are creating an environment capable of more informed decision-making. It has led to strategically locating a commerce fulfillment hubs to make two-day delivery possible. Greater visibility enables all within the supply chain to anticipate changes in timing and adapt quickly to mitigate delays. This ability has become essential as consumers demand for their single tracking systems and expect prompt updates on delivery.

LEAN OPERATIONS

Ryder's supply chain outsourcing efficiency program incorporates LEAN methodologies to deliver efficiency. These practices improve quality and productivity by reducing cost and waste in all aspects of supply chain management and operation, from procurement of raw materials to shipment of finished goods. By strategically avoiding types of waste—both physical and in-process—we meet our customers' expectations faster and more efficiently. The five-keys principles of a LEAN organization are:

- **People Involvement** — From the C-suite to the loading dock, all employees work together as a team to eliminate waste, reduce cost, and provide greater value for customers.
- **Built-in quality** — Supply chain processes must be performed correctly to facilitate the smooth flow of goods from point to point so orders can be filled correctly, completely, and on time. This leads to higher levels of customer satisfaction and lower transportation costs.
- **Standardization** — Employees in a LEAN facility are trained in documented best practices and expected to follow them. Standardization makes it easy to calculate the time and resources needed to complete specific work processes and provides the foundation for continuous improvement.
- **Short lead times** — The shorter the time between a customer placing and receiving an order, is a LEAN supply chain. Short lead times free up cash and make it available for other uses that would otherwise be tied up in "safety stock" inventory.
- **Continuous improvement** — Finding ways to remove waste and improve quality becomes the responsibility of every employee in a LEAN facility, leading to an ongoing stream of small gains that add up to big improvements over time.



SMART WAREHOUSING

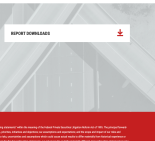
Beginning in 2017, we started piloting technologies in our warehouses that look to improve efficiency, offering our customers a transformational digital supply chain solution that improves processes and focuses on speed-to-market. Our automation strategy encompasses all new technologies coming to market and evaluates them against new and existing warehouse profiles to determine the best methods for deployment in order to drive value for our customers. Ryder has identified the technologies below as definitive benchmarks of an effective smart warehouse, and each area of innovation is already delivering significant improvements for customers:

- **Robotics & Automation**
  - Autonomous Mobile Robots have shown to increase productivity of pickers by over 30% by reducing travel and providing an optimized hands-free environment.
  - Autonomous Forklift Trucks have improved inventory accuracy and safety, while reducing costs by 20-40%.
  - Automated Storage & Retrieval Units have increased space utilization by 50% and checked pick efficiency.
- **Sensors** – Industry-leading Government and Personnel Telematics solutions have been implemented throughout the Ryder network improving operator safety and increasing equipment efficiency by 20-25%.
- **Wearables** – Ryder deployed solutions such as smart glasses and voice picking technology for improved efficiency approaching 25%.
- **Analytics** – By displaying real-time performance and output results to the employees on the floor, we have seen productivity improvements of up to 25%.

To learn more about our operational efficiencies, see the Environmental Stewardship section of this report.

HIGHLIGHT STORY: RYDERGYDE™

Ryder launched in 2019 the first fleet management mobile application in the industry, Ryder GYDE, Our Fleet Management Dashboard (FMD) customers, living the app, customers can schedule maintenance in under a minute, access fuel rates (from Ryder and third parties), access recent and past vehicle sales, enable fuel for reporting, and much mileage. We developed the app in response to increased feedback that customers prefer digital interactions to increase transaction time and expand efficiencies. Stakeholder Ryder our customers manage their fleet, ensure timely maintenance, and interact with Ryder more easily. To date, more than 10,000 customers have utilized RyderGyde. We continue to increase customer-facing solutions and enhance features for our customers and business segments.



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