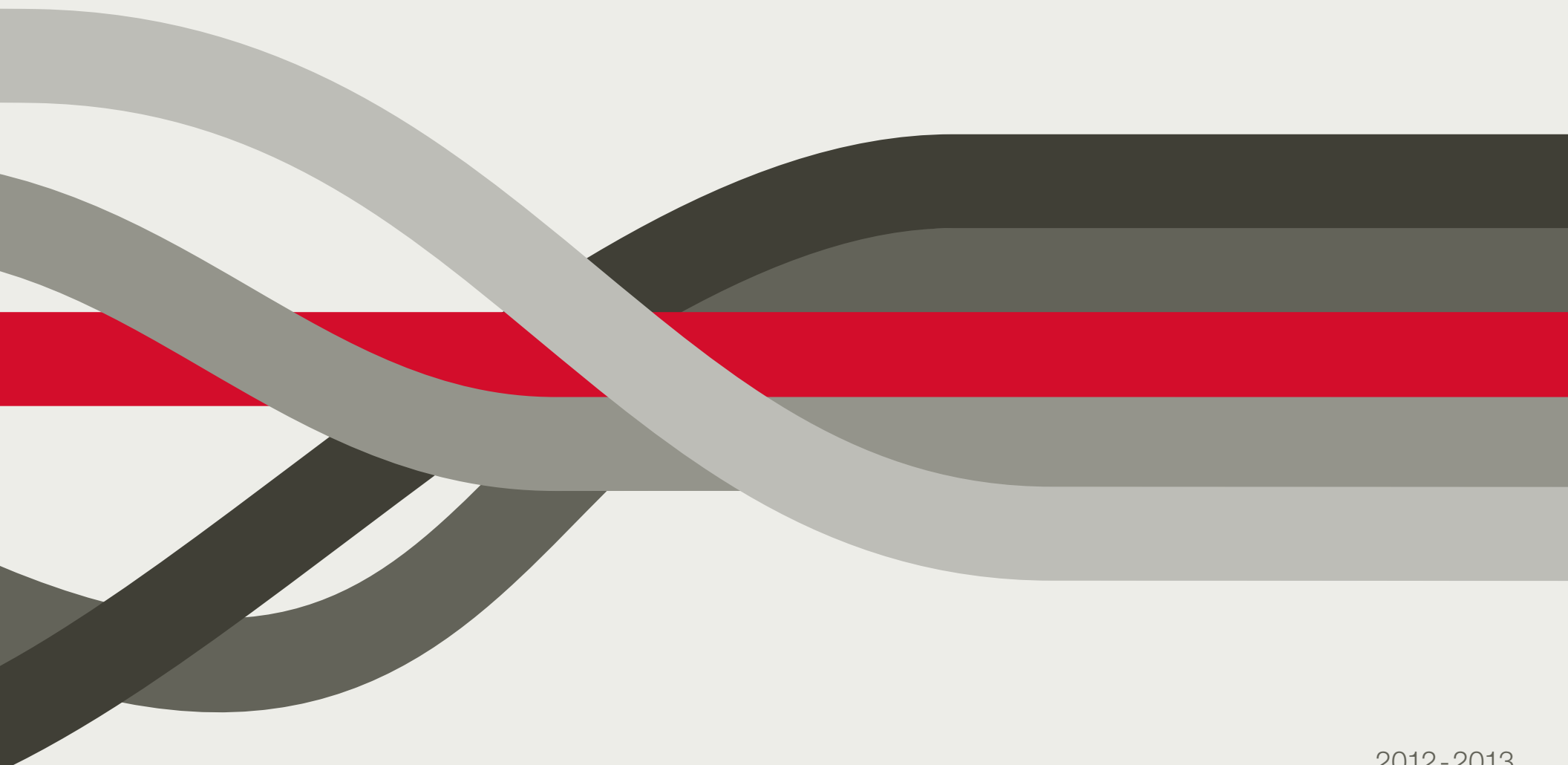

**Collaborating for a
Safer, Cleaner, Better
Future. That's Ryder.**



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A Message from Robert Sanchez,

Chairman and Chief Executive Officer



“We are trusted because we’ve proven we can do it safer, cleaner, leaner, and better.”

A sustainable Ryder has far-reaching benefits for society. Many people would be surprised to know that Ryder provides outsourced solutions to support the commercial transportation, warehousing and logistics needs of many of the world’s most recognizable brands. Through these solutions, we touch peoples’ lives in ways they probably don’t realize, oftentimes working behind the scenes. Take for example the coffee you drank this morning, the cereal you ate for breakfast, the car you drove, and the computer you use. They have all likely been assembled, packaged and/or delivered through the Ryder transportation and logistics network. This network is supported by complex technology, one of North America’s largest fleet of trucks, an expansive infrastructure of maintenance facilities and warehouses, and some of the most talented people in the industry. We are trusted to manage these critical transportation and logistics functions because we’ve proven we can do it safer, cleaner, leaner, and better than our customers can on their own. This presents a great market opportunity for us and, at the same time, enables us to help other businesses operate more efficiently and sustainably.

Because our business has potential impacts on consumers, the economy, and society, we are conscious of our responsibility to the environment and to the communities where our employees live and work. That’s why this

Corporate Sustainability Report is built around the concept of “collaboration.” In our report, we showcase the ways we work with our stakeholders to achieve a greater positive impact. Collaboration is one of Ryder’s five core values that our people embrace and embody, along with expertise, trust, innovation, and safety.

The report presents the many ways we leverage our expertise by collaborating with customers and working with regulators to: create new outsourcing options for complex supply chains; support the transportation safety and efficiency needs for the booming oil and gas industry; and facilitate supply chain security to protect our borders.

We also share how Ryder is partnering with other organizations to provide careers for an ever-more-diverse population. We report on initiatives that are opening doors and creating opportunities for more women and veterans, not just at Ryder, but also throughout the transportation and logistics industry. We also outline how we keep safety at the forefront of what we do, because we care about the wellbeing of our people and the general public with whom we interact. In fact, we are proud to announce two new safety goals – to reduce vehicle collision frequency and employee injuries – that build on our already-strong safety culture.

I’m particularly proud of the progress we’ve made by innovating new solutions that deliver both economic and environmental benefits to a broader base of businesses. Our industry-leading natural gas vehicle program is bringing a cleaner, more efficient fuel source to more and more fleets throughout North America. In this report, we provide an update on our expanding investments in natural gas vehicles and supporting maintenance and *continued* →

fueling infrastructure. Demonstrating our commitment to the environment, we've also established a new emissions-reduction target for our Fleet Management Solutions business and expanded our emissions reporting to go beyond our direct operations.

In addition to these programs, we remain focused on giving back to society. We have steadily increased our charitable giving for three consecutive years. We also are in the fifth consecutive year of our long-term commitment to support disaster relief with our national charitable partner, the American Red Cross.

All of these efforts are enabled by a continually reinforced commitment to ethics and integrity. As an outsourced provider, our entire business model is based on trust. Our customers trust us to manage their fleets and supply chains, and thousands of shareholders, many of whom are our employees, trust us to protect their investments. That's why we hold ourselves to the highest standards and emphasize core values that reinforce our commitment to operating as a responsible, sustainable business.

It's a very exciting time for Ryder. After reading this report, I trust that our employees, customers, shareholders, and many partners feel the same pride and excitement that I do as we look to make our collective futures ever better.



Robert Sanchez

Chairman and Chief Executive Officer
Ryder System, Inc.

About this Report

This report's content covers the calendar years of 2012 and 2013.

The last report covered the years 2010 and 2011 and was published in 2012. There are no significant restatements of information in this report, compared to the previous report. Any change in scope or methodology is noted in the text adjoining the relevant subject.

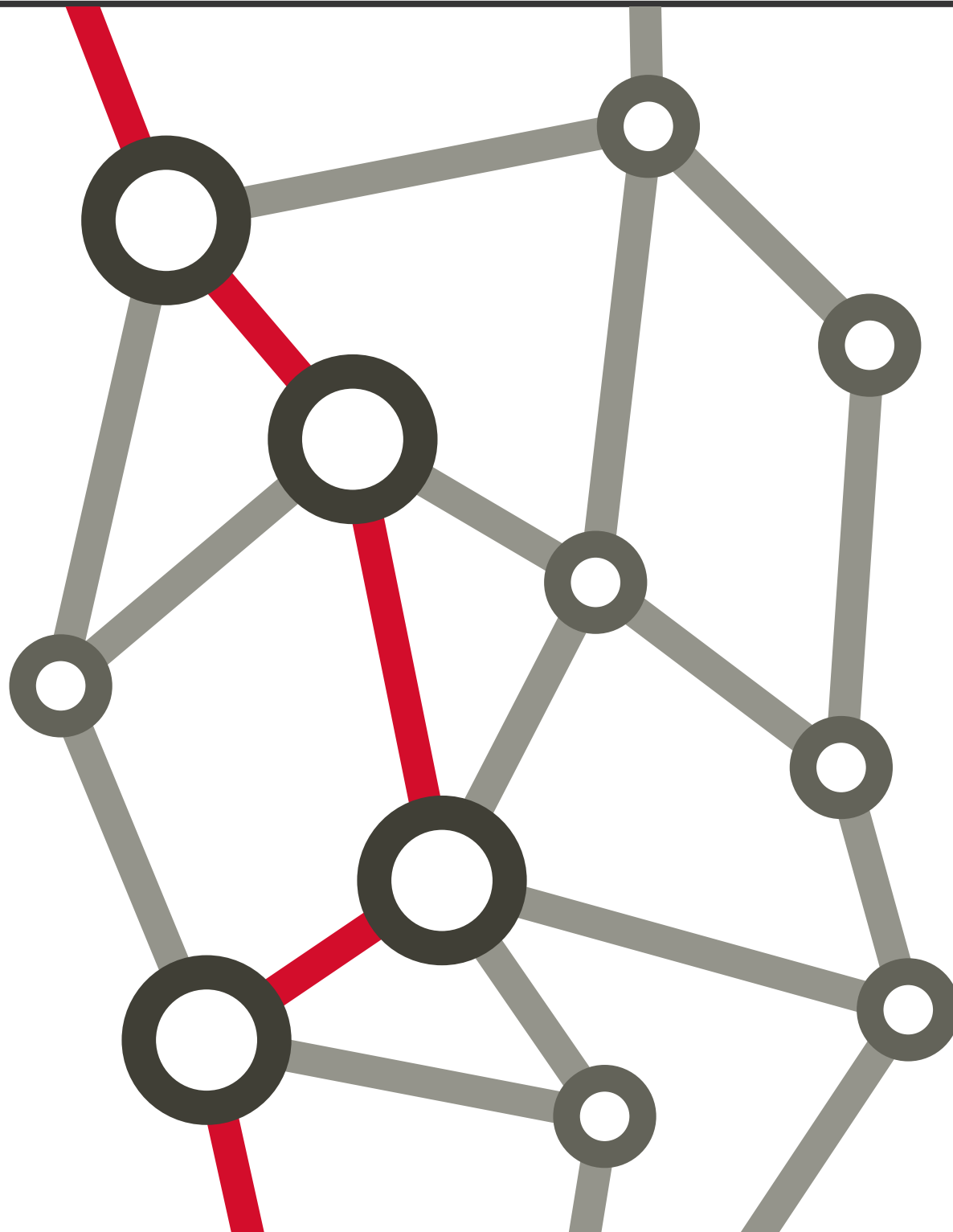
To submit comments about this report, contact Cindy Haas, cindy_haas@ryder.com.

1

Organizational Profile

Brighter Future— Fleet and Supply Chain Solutions

-
- Business Overview
 - Mission and Strategy
 - Services
 - Geography of Operations
 - Financial Highlights



Business Overview

Ryder System, Inc. (Ryder) is an expert in innovative fleet management and supply chain solutions. Through our work with tens of thousands of customers across North America, Europe, and Asia, we enable businesses to run smarter, leaner, and better by managing their fleet and supply chain functions more reliably, efficiently, safely, and sustainably than they can on their own. The company is publicly traded on the New York Stock Exchange under the symbol R.



Our team of nearly 29,000 employees collaborates with customers to solve their fleet and supply chain problems so they can focus on their core businesses. We do this by offering flexible solutions to serve customers ranging from a small business owner with one truck, to multinational corporations with supply chains spanning the globe. Our own supply chain includes a worldwide network of suppliers, contract carriers, and operations focused on providing customers with fleet management, distribution, and transportation services.

With a focus on attracting and retaining the best talent, delivering on our promise to customers, innovating with new solutions, and developing the best technology in the industry, we are positioned to grow ever better for our employees, customers, shareholders, and partners.

Details of our current operations, including risks and opportunities, can be found in our 2012 and 2013 Annual Report on Form 10-K and Proxy documents that are available on our [Investor website](#). A list of all legal entities including subsidiaries can be found at the SEC's [website](#).

Mission and Strategy

Ryder's mission is to provide innovative supply chain and fleet management solutions that are reliable, safe, and efficient, enabling our customers to deliver on their promises. We seek to deliver valuable solutions that will compel customers to outsource their fleet management and supply chain needs to us. Our strategy is to grow our fleet management and supply chain outsourcing services by targeting private fleets and key industries. This strategy is supported by:

- Offering innovative products, solutions, and support services that will create and strengthen customer relationships
- Delivering operational excellence through continuous productivity and process improvements
- Attracting, developing, and retaining the best talent, and fostering a culture where leaders engage their people to innovate, pursue Ryder's mission, and build on its values
- Deploying technology that will enable growth, while improving operational efficiencies



Services

We have two major lines of business:

Our **Fleet Management Solutions (FMS)** business provides full service leasing, commercial rental, used vehicle sales, and maintenance services for trucks, tractors, and trailers. In FMS, we serve customers across every conceivable industry, from food and beverage, to furniture, to flowers. For the year ended December 31, 2013, our global FMS business accounted for 63% of our consolidated revenue.

Our **Supply Chain Solutions (SCS)** business provides dedicated fleets, drivers, warehousing, transportation, and fully integrated logistics services. In SCS, we deliver value with proactive solutions focused on key industries – Automotive, Industrial, Consumer Packaged Goods, Hi-Tech, and Retail. As a leader in our industry, we are trusted to operate behind the scenes for some of the most well respected brands in the world to deliver the goods people use every day. For the year ended December 31, 2013, our global SCS business accounted for 37% of our consolidated revenue.

Geography of Operations

(as of December 31, 2013)

FMS

U.S.

532 operating locations, excluding ancillary storage locations, in 49 states and Puerto Rico. A location typically consists of a maintenance facility or “shop,” offices for sales, and other personnel, and in most cases, a commercial rental vehicle counter. Our maintenance facilities consist of a shop for preventive maintenance and repairs, and also include a service island for fueling, safety inspections, and preliminary maintenance checks. In addition to the 532 Ryder locations, we operate shops at more than 160 customer locations, where we primarily provide vehicle maintenance.

Europe

57 operating locations primarily throughout the U.K. We also manage a network of 491 independent maintenance facilities in the U.K. to serve our customers when it is more effective than providing the service in a Ryder location. In addition to our typical FMS operations, we supply and manage vehicles, equipment and personnel for military organizations in the U.K. and Germany.

Canada

34 operating locations throughout eight Canadian provinces. We also operate an additional 13 maintenance facilities on-site at customer properties in Canada.

SCS

U.S.

473 SCS customer accounts in the U.S., most of which are large enterprises that maintain complex supply chains. We manage warehouse space totaling approximately 28 million square feet, in the U.S. and Puerto Rico. We also concentrate certain logistics expertise in locations not associated with specific customer sites. For example, our carrier procurement, contract management, freight bill audit, payment services, transportation optimization, and execution groups operate out of our logistics centers in Novi, Michigan and Fort Worth, Texas.

Mexico

99 SCS customer accounts and approximately 6 million square feet of managed warehouse space. Our Mexico operations offer a full range of SCS services and manage more than 9,700 border crossings each month between Mexico and the U.S. and Canada, often highly integrated with our distribution and transportation operations.

Canada

59 SCS customer accounts and approximately 1 million square feet of managed warehouse space. Given the proximity of this market to our U.S. and Mexico operations, the Canadian operations are highly coordinated with their U.S. and Mexico counterparts, as they manage cross-border transportation and freight movements.

Asia

40 SCS customer accounts and approximately 280,000 square feet of managed warehouse space, primarily in Singapore. Asia is a key component of our retail strategy with a network of owned and agent offices and headquarters in Shanghai.

2013 Financial Highlights

- Total Revenue grows 3% to \$6.4 billion
- Earnings Per Share from Continuing Operations up 18% to \$4.63
- Revenue and Earnings growth in all business segments
- Net Income up 13% over 2012
- Increase in Annual Dividend from \$1.24 to \$1.36

2012 Financial Highlights

- Total Revenue grows 3% to \$6.3 billion
- Earnings Per Share from Continuing Operations up 18% to \$3.91
- Revenue and Earnings growth in all business segments
- Net Income up 24% over 2011
- Increase in Annual Dividend from \$1.16 to \$1.24

Performance by Business Unit

	2013	Change	2012	Change
FMS				
Revenue	\$4.5B	+2%	\$4.4B	+4%
EBT	\$344M	+12%	\$308M	+16%
SCS				
Revenue	\$2.4B	+4%	\$2.3B	+3%
EBT	\$130M	+13%	\$115M	+10%

Revenue by Geography

U.S. dollars, all figures in thousands

	Years ended December 31	
	2013	2012
United States	5,411,376	5,231,899
International		
Canada	455,440	477,495
Europe	372,209	384,105
Mexico	161,279	143,282
Asia	18,981	20,186
International Total	1,007,909	1,025,068
Overall Total	6,419,285	6,256,967

Ryder Facts *(as of December 31, 2013)*

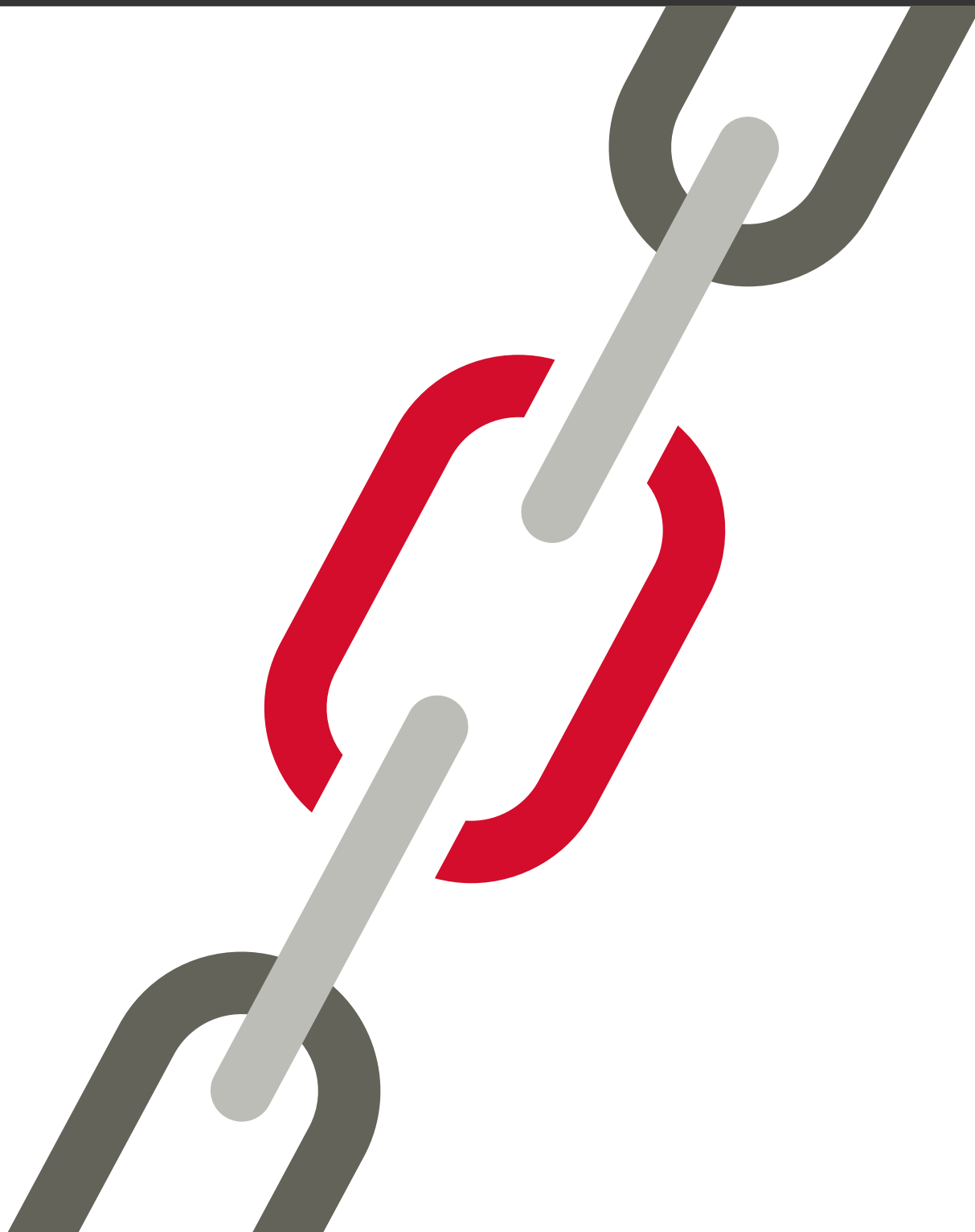
GLOBAL ORGANIZATION PROFILE		CUSTOMERS	
Headquarters	Miami, Florida, USA	Full Service Lease	12,900
Total Employees	28,900	Contract Maintenance	1,500
North America	27,300	Commercial Rental	37,700
Europe	1,300	Supply Chain	671
Asia	300	U.S.	473
		Canada	59
		Mexico	99
		Asia	40
NUMBER OF OPERATIONS AND LOCATIONS		FINANCIAL INFORMATION	
Fleet Management	Total operating locations: 797 fleet management locations in U.S., Canada, U.K., and Germany. (U.S. 532, Canada 34, U.K./Germany 57. On-site at customers' premises: U.S. 161, Canada 13.) Managed network of independent maintenance facilities in the U.K.: 491.	Ticker Symbol	R
Supply Chain/ Dedicated Contract Carriage	35 million square feet of warehouse space leased and operated in North America and Asia.	Common Stock Exchange Listings	New York Stock Exchange
Total Vehicles Maintained	209,500	Component of	Dow Jones Transportation Average, Standard & Poor's 500 Index
North American Border Crossings	201,060 annually		
FLEET COMPOSITION			
Full Service Lease Vehicles	122,900		
Contract Maintenance Vehicles	37,400		
Commercial Rental Vehicles	38,200		

2

Marketplace

Smarter Solutions— Unlocking Outsourcing

-
- Our Approach
 - Market Trends
 - The Case for Fleet Management and Supply Chain Outsourcing
 - “Trusted Shipper” Programs Smooth Cross-Border Shipments between the U.S. and Mexico
 - Oil and Gas Production Boom Creates New Opportunities for Ryder
 - Customer Case Study: Outsourcing to Ryder Fuels Benefits for Velox



Our Approach

Ryder's vision is to bring compelling value through outsourcing. Our mission is to provide innovative supply chain and fleet management solutions that are reliable, safe, and efficient, enabling our customers to deliver on their promises. Our strategy is to grow fleet management and supply chain outsourcing services by targeting segment markets and key verticals with innovative solutions, operational excellence, and best-in-class talent and information technology. Details of our value proposition, market insights, historic economic performance, and plans for the future can be found on our Investor [website](#).



Ryder employees work behind the scenes for some of the world's most respected brands.

Market Trends

Over the last several years, many key trends have been reshaping the transportation industry and are increasing the value of our service offerings.

As supply chains expand geographically and managing fleets becomes more complex, companies are looking for more sophisticated and lower cost transportation and logistics options. In addition, disruptions from unexpected events, such as natural disasters, have caused companies to focus on risk management and business continuity. With more complexity, companies have a greater need for the expertise of a third-party provider. Now, more than ever, customers are looking for solutions from providers that act more like partners than vendors, and have the know-how to collaborate and design effective solutions.



The demand for expertise is particularly acute for companies that own and operate their own fleet of vehicles. Companies must spend a significant amount of time and money to keep up with new technology, diagnostics, retooling, and training. Increased regulation and active enforcement efforts by federal and state governments require more stringent, costly operational processes and oversight for maintenance and other areas. Fluctuating energy prices and maintenance costs related to advanced fuels technologies make it difficult for businesses to predict and manage fleet costs. Finally, in a highly competitive environment, companies are looking to deploy precious capital in ways that more directly support their core business activities by relying on outsourcing to supplement their own operations.

For these reasons, we believe that transportation and logistics outsourcing will become more common and Ryder will benefit. The market is vast. Global logistics is approximately an \$8.3 trillion market, of which approximately \$643 billion is outsourced. The markets we are targeting in North America and Asia equate to approximately \$3.2 trillion in logistics spending, of which \$275 billion is outsourced. In recognition of this growth opportunity, we added more than 1,000 employees in 2013.

In fleet management, the U.S. commercial fleet market is estimated to be approximately 7.4 million vehicles, of which approximately 900,000 are in the commercial lease and rental market. The Canadian commercial fleet market is estimated to be approximately 500,000 vehicles, of which approximately 23,000 vehicles are in the commercial lease and rental market. In logistics, supply chains have become more global and complex. This means they are increasingly vulnerable to a variety of factors, including fluctuating consumer demand, fuel cost volatility, and disruptions related to natural disasters and political and economic instability.

Currently, a significant portion of the market consists of companies that are operating fleets and supply chains themselves. However, the confluence of economic and business trends discussed above have created a highly favorable environment for outsourcing these services and the market opportunity for Ryder is huge.

Additionally, companies are increasingly looking for strategic supplier partnerships and are considering more than just the services offered when they select a supplier. They want partners they trust; suppliers *continued* →

that demonstrate a commitment to transparency, responsible business performance, good workplace practices, and community engagement. Indeed, supply chain accountability is one of today's macro business trends. An increasing number of customers, particularly those with a strong consumer focus, have added sustainability metrics (including environmental and social) performance to their procurement selection process.

In order to create more robust and resilient partnerships, we actively seek to increase the diversity in our own company and in the companies that supply us with goods and services. We have built an extensive database of potential small and diverse suppliers and continue to expand it to keep pace with our growth and changing needs. We engage with numerous organizations representing diverse suppliers, and we provide 24-hour access to Ryder's Small Business and Supplier Diversity Program via a [web portal](#). Interested suppliers can register with us online, learn about specific needs, and provide us with information about their capabilities. In 2013, we sourced \$290 million, or 5% of our total negotiable spend, with small and diverse suppliers. These figures are slightly lower from 2012. These figures represent a small portion of our spend due to the fact that most of our significant spend is attributed to commercial trucks and fuel, which cannot be sourced from small or diverse suppliers.

Another aspect of our procurement practices is screening suppliers as sustainability partners. For example, we include environmental considerations in our supplier reviews.

We continue to expand our commitments to good governance, ethics, and security because of the high priority these areas have with both customers and investors (see



Ryder manages millions of square feet of warehouse space on behalf of customers in the automotive, hi-tech, retail, and consumer packaged goods industries.

the Governance Chapter on [page 47](#)). Our employees and suppliers receive training and are engaged in programs to ensure compliance with guidelines and regulations regarding such topics as anti-corruption, health and safety, and human trafficking.

Ryder is also proactively engaged with policy makers and regulators, such as customs officials, to ensure that ethical practices are followed and that the business continuity of our customers is protected (Ryder's engagement with Mexican customs is discussed on [page 15](#)).

The Case for Fleet Management and Supply Chain Outsourcing

Bob Brunn, VP of Corporate Strategy and Investor Relations



“Ryder offers access to the latest technology, recruits and manages drivers and technicians, invests in the latest and most efficient vehicles, excels in safety, and complies with associated regulations, all on our customers’ behalf.”

Over the past decade, transportation and logistics operations have pivoted from being cost centers to becoming strategic functions and competitive differentiators for many organizations. Senior executives across the world now recognize that an efficient supply chain translates to superior customer service, well-managed costs and capital deployment, market responsiveness, and, ultimately, more affordable products and more profitable growth.

During this same period, supply chain and fleet management have become more and more complex. Macro-trends affecting the transportation and logistics sector include:

- Dynamic market demand, requiring more nimble supply chains
- Significant capital spending and operating cost increases as a result of vehicle emission standard requirements
- Tight credit regulations, limiting access to capital
- New government regulation, increasing documentation

and technology requirements for driver hours, new engine technology, and advanced safety and operational practices

- A shortage of qualified commercial drivers, maintenance technicians, and logistics experts
- Advancements in supply chain and vehicle technology, requiring specialized personnel
- Growing information requirements to track and manage shipments
- Volatile energy prices, making it difficult for businesses to plan for and manage transportation costs

Despite the complexities of managing commercial truck fleets and supply chains, today, only 10% of companies in Ryder’s markets have decided to outsource their fleet and supply chain needs.

At Ryder, we see this as an untapped opportunity for companies that are looking for more ways to streamline their operations, lower costs, and preserve and deploy their capital for growth. As a collaborative outsourcing partner, Ryder can provide relief for organizations that need to concentrate on their core competencies: developing new products, enhancing customer relations, and monitoring the marketplace for risks and opportunities. Ryder offers access to the latest technology, recruits and manages drivers and technicians, invests in the latest and most efficient vehicles, excels in safety, and complies with associated regulations, all on our customers’ behalf.

Many offerings can be contracted independently, which can make outsourcing a gradual and less-risky proposition for customers. For example, an easy entry to fleet management outsourcing can be Ryder’s on-demand *continued* →

maintenance solution. This flexible solution provides private fleet owners and for-hire carriers with pay-as-you-go preventive maintenance and repair, with access to Ryder's network of service locations and thousands of expert technicians. A small monthly fee opens Ryder's network to any private fleet owner or for-hire carrier who can then choose and pay for services as needed.

From these entry points, a Ryder relationship can expand to encompass an entire fleet or supply chain network, including comprehensive fleet management, distribution management, and global logistics services.

In our supply chain business, our product offerings include dedicated services (utilizing Ryder's vehicles and staff),

distribution management (using Ryder's warehouses), transportation management (using Ryder and our global network of carriers), and professional services. Ryder Supply Chain Solutions (SCS) focuses on developing very deep expertise within industry verticals (Automotive, Industrial, Hi-Tech, Consumer Packaged Goods, and Retail) to enable teams to understand and anticipate the specific needs of their customers. These offerings are supported by a variety of information technology and engineering solutions that are an integral part of SCS.

These offerings help companies leverage Ryder's existing technology, resources, and infrastructure rather than having to make the investments on their own. And since there are many entry points for businesses to engage with Ryder, companies have the flexibility to choose the solution that is right for them and easily accommodate shifts in the marketplace.

In conclusion, transportation and logistics outsourcing is often overlooked as a way to help companies innovate, lower costs, streamline operations, and grow. Supply chain and fleet management requirements will continue to become more complex, so the time is right to consider the many benefits of outsourcing.



Customers rely on approximately 5,000 Ryder technicians to keep their fleets running safely and efficiently.

“Trusted Shipper” Programs Smooth Cross-Border Shipments between the U.S. and Mexico

More than 11,000 cross-border shipments a month between the U.S. and Mexico.

Terrorism. Theft. Smuggling. Drugs. Human Trafficking. These are just a few of the threats that shippers, logistics companies, and carriers confront as they try to move goods securely across borders.

These challenges have prompted customs officials around the world to create “trusted shipper” programs to combat illegal activity while maintaining the efficient flow of global commerce. U.S. Customs and Border Protection developed a program called C-TPAT (Customs Trade Partnership Against Terrorism), which includes streamlined processes for importers who abide by a series of approved processes and documentation requirements. In 2011, customs officials in Mexico launched a similar voluntary program called NEEC (Nuevo Esquema de Empresas Certificadas).

With more than 11,000 cross-border shipments a month between the U.S. and Mexico, Ryder has a vested interest in helping ensure NEEC’s success. In the early days of the program, Ryder executives met with Mexican customs officials in Mexico to develop policies, share best practices, and participate in planning and training meetings. To this day, we continue to collaborate with Mexican customs officials and actively promote participation in the program. For example, we annually invite customs officials to educate Ryder’s third party contract carriers in Mexico about the program.

As a third-party logistics provider in Mexico, we work closely with our customers to meet their importer and exporter requirements as designated by NEEC. In 2013, Ryder received NEEC certification for two distribution facilities in Monterrey and Guadalajara, and commenced the process of certification for two more.

In addition to participation in C-TPAT and NEEC, Ryder takes proactive security steps to protect the goods under our care. Examples of our efforts include having our own

K-9 units check for drugs, installing strategically placed monitoring cameras in all of our truck yards and operational centers, and utilizing GPS systems to monitor the whereabouts of shipments and vehicles at all times.

Ryder’s Major Facilities in Mexico



Oil and Gas Production Boom Creates New Opportunities for Ryder

Solutions range from complete network management of the carrier base...to dedicated fleets...to completely transactional for-hire trucking services.

American oil production is the strongest it's been in nearly three decades. Crude output will average 8.46 million barrels a day in 2014 and 9.24 million in 2015, up from 7.45 million in 2013, the U.S. Department of Energy's research group said in its monthly Short-Term Energy Outlook in May 2014. The report estimates that the 2015 projection could be the highest annual average since 1972. Oil and gas exploration is also rapidly expanding.

All this is good news for Ryder because we have continued to expand our transportation services targeting this industry. We've grown our business from just a few trucks supporting oilfield equipment distribution centers to managing thousands of shipments supporting on-shore and off-shore exploration and production operations across North America. Hundreds of trucks are needed for each well drilled, and specialized equipment such as flatbeds are in high demand to move the piping, tubular goods, and equipment needed for drilling operations. Developing a customized Ryder shop network within the major production areas has supported our growing fleet of specialized trucks and drivers, and our density in targeted areas continues to deepen year over year. "Oil and gas is our past, and will be



Ryder has over 1,000 flatbed tractors and more than 700 flatbed trailers in our fleet supporting customers in the oil and gas, industrial, and metals industries.

our future; it's exciting to play a role in shaping aspects of the industry that has a large impact on our lives," says Michael Plasencia, who first launched Ryder's oil and gas trucking fleet.

Transportation is one of the most dangerous areas of operation within the Oil & Gas industry. The safety concern extends from cities and towns to suppliers, to long stretches of highways, to the well sites themselves. Ryder's stellar safety record is one of the driving forces behind our growth. An extensive training period and driver mentorship program along with a dedicated team of oil and gas safety managers ensures that our drivers are equipped to support the industry's growth while keeping our roads safe.

Customers in the oil and gas sector also seem to appreciate the fact that Ryder offers tiered solutions to support their needs. Solutions range from complete network management of the carrier base, including all shipment planning and execution, to dedicated fleets which guarantee capacity, to completely transactional for-hire trucking services. Our national footprint differentiates us from localized carriers that have dominated the sector. This allows us to flex our capacity to support customer needs, a capability that is important during these boom times, says Mr. Plasencia.

During this rapid expansion, the industry has been restructuring its operations, and logistics teams are being created internally and increasingly leveraged for improvements. "Getting the oil out of the ground as quickly as possible remains a priority. However, over time, the oil and gas industry has placed a greater focus on transportation and logistics as a means to make their operations more efficient and safe, with less of an environmental impact," he says. That shift has led to Ryder allocating more resources to the sector.

As the oil and gas sector has expanded its focus on logistics and transportation, Mr. Plasencia has also seen his own career opportunities grow. Three years ago, he was part of Ryder's Corporate Strategy Group in its Miami headquarters. In 2012, he moved to Houston to develop Ryder's operations for the oil and gas sector.

Customer Case Study: Outsourcing to Ryder Fuels Benefits for Velox



Rigo Diaz
*President and Founder of
Velox Transport*



“I gain peace of mind from having the right experts, safe equipment, and new technology behind us.”

When Rigo Diaz, President and Founder of Velox Transport, talks about leasing his trucks from Ryder, he speaks about how Ryder solutions streamlined his business: “I no longer have the headaches of accounts receivables, parts inventory, and managing maintenance and mechanics.”

Velox is a Miami-based independent carrier serving California, Florida, Oregon, and Washington. Through a Ryder Full Service Lease, the company expanded its fleet with 25 fuel-efficient Freightliner® Cascadia Evolution tractors and 25 refrigerated trailers, for a total of 170 tractors and trailers. With a full service lease, Ryder supplies vehicles according to the customer’s specifications and provides financing, maintenance, and fleet support services, and then manages vehicle disposal to protect customers from residual risk.

In addition to eliminating headaches, Mr. Diaz cites additional benefits. “I gain peace of mind from having the right experts, safe equipment, and new technology behind us.”

The company has also seen significant cost savings. Fuel efficiency has improved from 6.4 miles per gallon in 2009, considered good in the industry, to 8.1 miles per gallon,

which Mr. Diaz pointed out was previously unheard of in the industry.

The Cascadia Evolution tractors are an advantage for recruitment, added Mr. Diaz. “Prospective drivers always ask about the tractors they will be driving, and ours are all new.” Velox has tracked reduction in vehicle downtime of 20%, which puts money in the pocket of drivers since they are spending less time fixing breakdowns and other maintenance delays. Mr. Diaz said that cab comfort, safety features, 24/7 roadside service, and fuel efficiency are all appealing to drivers. As a result, driver turnover has dropped to less than 10%, a dramatic improvement from 80%.

Leasing vehicles from Ryder is also helping Velox grow. Because the Cascadia Evolution tractors have been designated as SmartWay®-certified by the Environmental Protection Agency (EPA), Velox can now target larger customers that require suppliers to have a SmartWay fleet. SmartWay is an EPA program designed to improve energy efficiency and reduce greenhouse gas and air pollutant emissions. With the newer vehicles, Velox is now able to enter California, which requires trucks to be 2009 or newer. “That’s a heck of an advantage to tell our customers,” Mr. Diaz said.

Ryder’s Full Service Lease solution is helping Velox “become a more solvent company,” said Mr. Diaz. The thousands of dollars Velox has saved have been put back into operations – making it possible to hire more sales people and expand to new markets, including opening a new terminal in Jacksonville, Florida at the beginning of 2014.



A Look Ahead

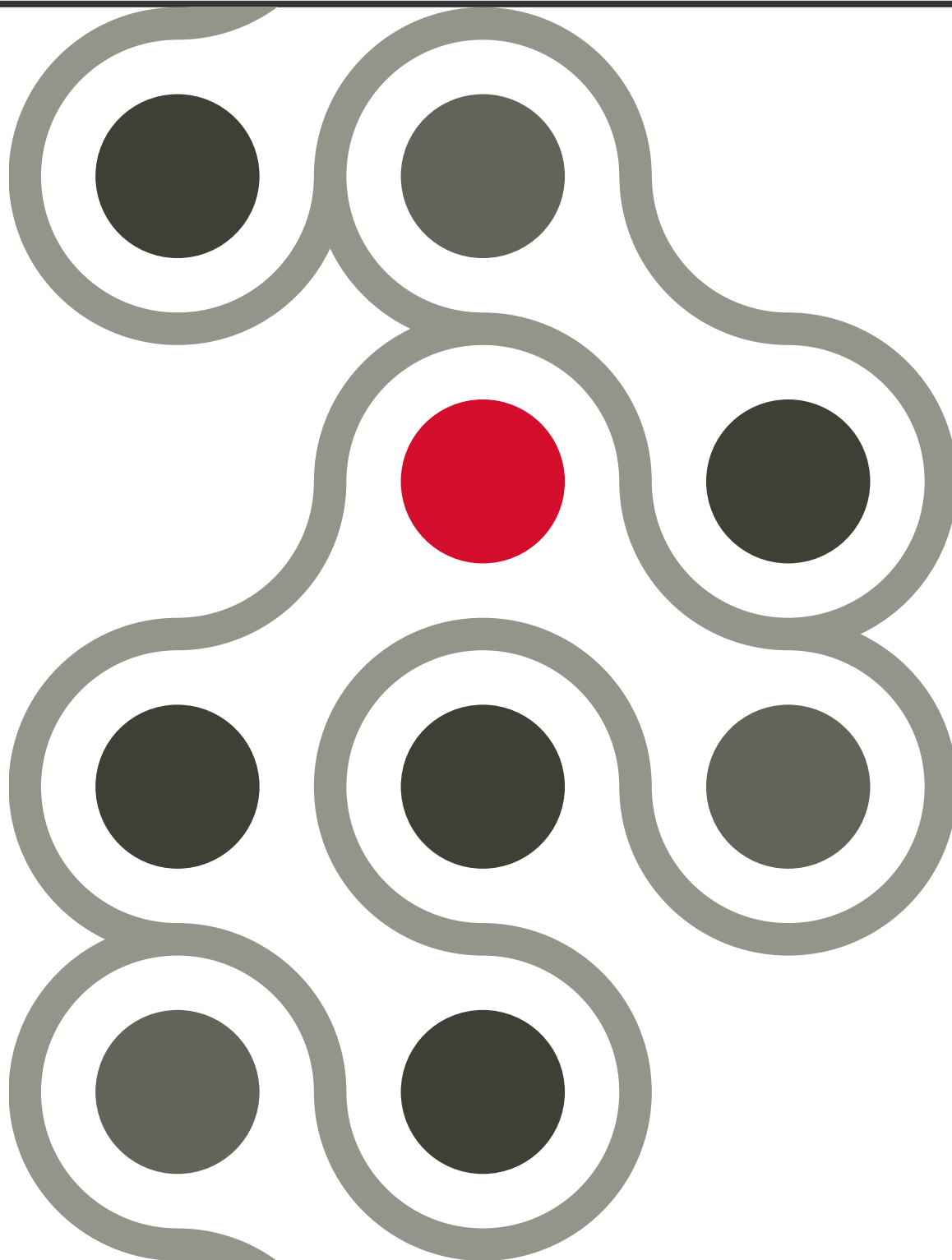
- Implement 2014 Supplier Diversity Goal: \$300 million of our total negotiable spend will be with small and diverse suppliers.
- Develop and expand lower-commitment transaction-based services that make it easier to begin outsourcing to Ryder (i.e. on-demand maintenance).
- Continue to expand our natural gas vehicle offering/infrastructure.
- Target new supply chain market segments like energy, medical, and aftermarket parts.

3

People

Greater Engagement— Dependent on Teamwork

-
- Our Approach
 - Employee Recruitment and Retention are Critical for Excellent Service
 - What Every Employee Wants (We Know Because We Asked)
 - Women in Transportation: Opening Doors, Creating New Opportunities
 - Trucks Designed for Women Could Help Fill the Driver Shortage Gap
 - A Culture of Safety
 - Safety Goals
 - Safety on Board: Technology Advances Vehicle Collision Prevention
 - Ryder's Top Technicians Undergo Rigorous Skills Tests
 - What it Takes to Earn a Driver of the Year Award



Our Approach

We strive to provide a work environment that empowers our employees as individuals, and as a team. This is a place where:

- Diverse perspectives, experiences, and capabilities are highly valued
- New ideas are embraced and celebrated
- Growth doesn't stop
- Contributions always have a home
- Employees are supported with benefits, training, and an inclusive environment

Details about benefits, including healthcare, insurance, family support, retirement and savings plans can be found in the Career section on our [website](#).

Our highest priority is to keep our people safe on the job. Our commitments include operational best practices, training, incorporating technology to improve accident prevention, and engaging all of our employees to work together on safety goals and programs.

Our Safety Management System provides a framework of procedures and standards, utilizing a variety of metrics and indicators. These include both industry standards and more stringent, improvement-focused measures that we

have developed and adopted internally. This helps ensure fact-based, data-driven approaches to preventing injuries and vehicle collisions. We utilize a web-based software system, Safety Tracking and Reporting (STAR), to track our Safety Plan agenda each month to communicate and implement safety related activities. At the local level, Safety Steering Committees guide the day-in, day-out work of keeping safety a top priority. The Committees establish and communicate safety objectives, report to Ryder management on safety performance monthly, and recognize



good safety performance. Another important role for the Committees is fostering a strong sense of accountability and collaboration between co-workers, including employees and managers.

Our key suppliers, who are mainly contracted carriers and agents that manage our customers' shipments on our behalf in markets where we do not have operations, are held to the highest standards, particularly with respect to labor practices and safety records.

Employee Recruitment and Retention are Critical for Excellent Service

Our customers and investors tell us that our 28,900 employees are the critical link for excellent service, customer trust, and profitable growth. We couldn't agree more. Our role as a company is to continually live up to our core values of trust, expertise, collaboration, innovation, and safety. When we do this, we can attract and retain top talent and empower our people to do what is right for our customers, the environment, the company, and society.



Attracting and developing the best people in the industry is one of Ryder's five strategic priorities.

Employee Engagement

One of the keys to engaging employees is to listen to their input. Social media has created new, exciting ways for us to solicit employee ideas and suggestions. For example, our employees now host web-based forums via the internal social media platform Yammer to discuss emerging business issues. By the end of the pilot year in 2013, several hundred employees joined Yammer to connect virtually with each other.

Based on employee feedback from Ryder's 2013 engagement survey, Ryder Voice, we were pleased to learn that we are doing a good job engaging our employees. We also ranked high on customer focus, manager effectiveness, clarity of direction, and pride in the company.

And while we appreciate this positive feedback, employees also let us know where we still had room for improvement. We have focused our efforts in three key areas: resources and support, rewards and recognition, and intra-company collaboration. These are further explained in the essay

"What Every Employee Wants" on [page 23](#). More than 1,300 action plans have been developed to respond to employee feedback.

We also have ramped up our efforts to engage and develop our diverse workforce, particularly with women, an important source of talent that has historically been underrepresented in the trucking and transportation industry. Three years ago, Ryder's Women's Leadership Forum (WLF) was created to bring together 100 women in top positions within Ryder to help them connect and advance within the company. Since then, we've expanded the reach of the WLF to include almost 300 women from middle managers to senior leaders. This program is discussed in this report on [page 24](#). Additionally, we partnered with the Commonwealth Institute to bring their effective Strategies for Success Program from Boston to South Florida. This program partners emerging women leaders with successful women executives for mentoring and development.

Talent Recruitment and Retention

Looking to the future, the entire industry faces the challenges of replacing a workforce that is reaching retirement age and addressing the shortage of commercial drivers and technicians who are vital to our organization. This impending shortage is critical to Ryder because we are currently a large employer with more than 5,000 truck maintenance professionals and more than 6,000 drivers. The situation for drivers has been made more complex by the Federal Motor Carrier Safety Organization's CSA (Compliance, Safety, Accountability) program that requires commercial drivers to be inspected on CSA metrics. Drivers with poor scores will be weeded out of the *continued* →

profession, shrinking the industry's entire pool of available, qualified drivers even further. Therefore, with Ryder's high hiring standards, the pressure to attract drivers to the company is even more critical and competitive. The demand for truck technicians is also competitive.

Because of this talent shortage, in part, we've also increased our focus on the military as a great recruiting pool for new hires. With the help of the U.S. Chamber of Commerce's "Hiring Our Heroes" program, Ryder has hired more than 1,700 veterans for all kinds of positions from 2011 through 2013, exceeding our initial goal of 1,000 hires by the end of 2013.

One of the many ways we reach out to women is through our partnership with Women in Trucking (WIT). Ryder sponsors the annual Salute to Women Behind the Wheel during the Mid-America Trucking Show. We also post career opportunities on the WIT [website](#). In addition, Ryder is involved in an innovative program with the organization, which is seeking to address the challenges that traditional truck design and configurations present for women. This program is discussed in this chapter on [pages 24](#) and [25](#). We also participate with the National Society of Women Engineers' membership and events.

In addition, Ryder is an advisory board member of Howard University's Center for Excellence in Supply Chain Management. Our employees invest time in the classroom connecting with students and sharing business insights, and we attend university-wide career fairs seeking to recruit talented graduates. For professional positions, we partner with organizations that allow us to access this top diverse talent.



Diversity supports Ryder's company values of trust, collaboration, innovation, expertise, and safety.

What Every Employee Wants (We Know Because We Asked)

Ryder must continue to support a culture of inclusion so that all employees feel welcome, connected, and able to advance in their careers.

Through our dialog with employees, we are encouraged to learn that they feel engaged, have pride in the company, and that we have good management. But we always have to keep our eyes on the big picture, so we have increased our dialog with employees and reviewed research to determine which factors are most important for current employees, as well as job seekers.

The topics below reflect the issues we've identified as most important to our employees. Many of these topics emerged from Ryder's employee engagement survey, Ryder Voice, conducted in 2013.

Inclusiveness

Ryder must continue to support a culture of inclusion so that all employees feel welcome, connected, and able to advance in their careers. Ryder's Diversity and Inclusion Council has been instrumental in establishing programs that increase visibility of our diverse talent as well as efforts to train and develop our leaders around valuing diversity and the importance of inclusion leadership.



A Ryder warehouse team starts off the day with an employee shift meeting.

Intra-Company Collaboration

Employees asked for us to make it easier to collaborate and communicate with co-workers. Recommendations included an expansion of Yammer as a social media platform to increase interaction, more company-wide meetings so that in-the-field personnel can connect to share best practices and learn from one another, and holding a Leadership Summit for managers.

Work-Life Balance

Ryder recognizes and supports the ideal that employees should have both a rewarding career and a rich family life. This is particularly important among professional truck drivers due to the amount of time traditionally required to be away from home. Our commitment to work-life balance is best demonstrated in our Ryder Dedicated business, where routes are designed locally and regionally so that drivers return to a home base on a daily or weekly basis. This is one of the reasons why Ryder has one of the best driver retention rates in the industry – an annual turnover of one-fifth of what's typical for a long-haul trucking company, based on statistics from the American Trucking Associations.

Sustainability

Two areas of sustainability were cited as sources of pride for employees. One is Ryder's environmental action in the workplace and on the road, fulfilling employees' desires to play a role in environmental stewardship. Another is Ryder's commitment to volunteerism and local philanthropy, two programs that have a long legacy at the company.

As Ryder continues to grow, attention to these issues will help Ryder keep our talent and attract new employees. We continue to listen to their wishes.

Women in Transportation: Opening Doors, Creating New Opportunities

Ryder has always valued the contributions of our female employees...We are investing in them with a variety of programs.

How can Ryder reverse industry trends and create more opportunities for women in transportation and logistics? At a time when there is a chronic shortage of drivers, truck technicians, and logistics professionals, Ryder has decided to tackle this challenge – for values-based and strategic reasons. Philosophically, inclusion is one of our guiding principles. Practically, there is an important opportunity represented by adding more women to the ranks. According to the American Trucking Associations, the industry reports that in 2012 and 2013, it needed 20,000-25,000 more drivers in the U.S. alone.

Our approach to recruiting women is rooted in research. We have partnered with academic institutions and organizations, including Women in Trucking, to determine how to attract, retain, and promote more women. We have consulted our own women employees to gain insight.

Academic and industry research shows that women often face a lack of professional female peers who can share their success stories and mentor them; they are physically disadvantaged by the way trucks are constructed; they face seniority issues that limit upward opportunities in the

short-term until the aging male-dominated labor pool retires; and, they can encounter unwelcoming work environments.

Ryder has always valued the contributions of our female employees. In fact, we have worked with women truck drivers as early as the 1960s. Women continue to represent an important and growing segment of our current and future workforce. We are investing in them with a variety of programs, including:

Ryder Women's Leadership Forum

Created in 2011, this ongoing initiative supports the development of female leaders through networking events, career development programs, and collaborative activities. In 2013, the program was extended from the company's headquarters office in Miami, Florida to key "hubs" in Alpharetta, Georgia, Dallas/Ft. Worth, Texas, and Novi, Michigan.

Cab Ergonomics for Women

Ryder is working with researchers at the University of Wisconsin-Stout, Women in Trucking, and vehicle manufacturers to design and adapt truck cabs and equipment to accommodate the comfort, safety, and physical characteristics of women, as well as smaller-framed men. (See "Trucks Designed for Women Could Help Fill the Driver Shortage Gap" on [page 25](#).)

Partnerships

Ryder has increased our outreach to female talent through partnerships with organizations like Women in Trucking,

whose mission is to encourage the employment of women in the trucking industry, promote their accomplishments, and minimize obstacles faced by women working in the trucking industry; the Commonwealth Institute, founded to help women-led businesses become and stay successful; and The Society of Women Engineers whose vision is to be key to the success of women in engineering and technology.



With Ryder's Lean culture, every employee plays a pivotal role in the drive to eliminate waste and cost.

Trucks Designed for Women Could Help Fill the Driver Shortage Gap

“It’s important for manufacturers to take women’s needs into consideration when designing new vehicles, and we are encouraging all of our major suppliers to do so.”

In 2013, Ryder initiated a partnership with Women in Trucking (WIT), a non-profit organization established to encourage the employment of women in the trucking industry. Together, Ryder and WIT are evaluating how ergonomic truck cab designs and other features can address the unique challenges women face when operating today’s commercial heavy-duty vehicles. On average, a female driver is six inches shorter and 50 pounds lighter than her male counterpart.

As part of this partnership, Ryder will begin to look at deploying these designs in our owned and leased fleet and will help encourage and advise vehicle manufacturers to consider additional design changes.

Our decision was based, in part, on research sponsored by WIT and conducted by Dr. Jeanette Kersten. Dr. Kersten is an Assistant Professor at the College of Operations and Management, and the People Process Culture Chair at the University of Wisconsin-Stout in Menomonie, Wisconsin.

Dr. Kersten surveyed more than 600 female truck drivers to identify truck design needs. The women’s comments



Ellen Voie, President and CEO, Women in Trucking Association, testing the ergonomics of trucks

led to recommendations for more adjustability for seating, steering wheels, foot pedals, and side mirrors, easier access to engine components, better step spacing, and improvements to handrails. “All of these changes would benefit drivers of all genders,” Dr. Kersten pointed out.

“Given the driver shortage and the changing demographics that the trucking industry faces, it’s important for manufacturers to make trucks more female-friendly through moderate design changes,” said Dr. Kersten.

“A well-designed truck not only makes a significant difference in the working conditions for a truck driver, but also affects the safety of the truck driver and other road users,” Dr. Kersten noted in her research. “If the design of the truck cab is poorly fitted to the size and dimensions

of the driver, the road may be less visible, driving controls may be more difficult to reach, and seat belts may be less comfortable and less likely to be used – all of which increase the risk of injury to the driver and others.”

“It’s important for manufacturers to take women’s needs into consideration when designing new vehicles, and we are encouraging all of our major suppliers to do so,” states Scott Perry, VP, Supply Management and Global Fuel Products for Ryder. This is an excellent opportunity to open up the industry to a wider pool of available talent at a time when more professional drivers are needed. “In addition, many of the same design changes will also support the needs of men who are smaller in stature, as well as the growing population of aged male drivers. With the current industry-wide shortage of professional drivers, this is a strategic initiative that can have far-reaching implications for truck fleets.”

Some of the vehicle specifications Ryder is reviewing include:

- Height and placement of cab steps and grab handles
- Adjustable foot pedal height (accelerator, brake, clutch)
- Height of seat belts (shoulder area)
- Visibility of dash gauges
- Electric/hydraulic hood lifting mechanism
- Automated transmission shift lever placement
- Access to the top of the dash
- Better access to oil and coolant check and fill ports
- Easier to use tractor trailer hitching mechanisms

A Culture of Safety

One of the steadfast elements of our employee engagement has been creating a safe working environment. Through collaboration across employee groups, our safety committees engage hourly, union, and management employees to continuously improve our already excellent safety record. The elements of our safety program include:

Safety Management System

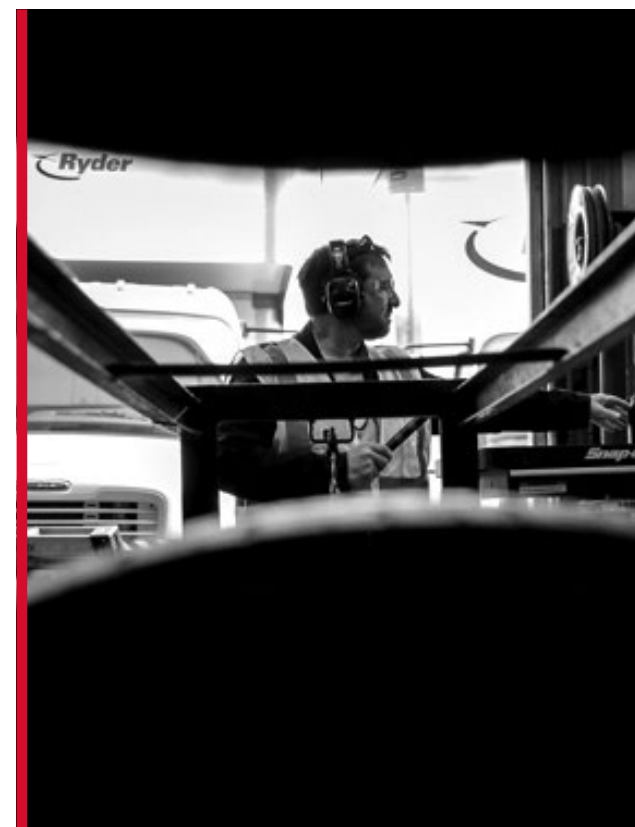
The framework of Ryder's culture includes a Safety Management System that helps employees work safely every day. We measure safety performance using a range of metrics and indicators, including both industry-standard measures and more stringent, improvement-focused measures that we have developed and adopted internally. Our focus is on the prevention of injuries and collisions with particular attention to observation and training. Most of our injuries occur in maintenance facilities and during on-the-road driving operations. Ryder also uses electronic reporting and ongoing audit programs to watch for patterns that could lead to safety issues in the future.

Each year, we develop a series of monthly Operational Safety Plans that focus on specific prevention activities for every location. These activities include safety training, behavior observations, and vehicle and facility inspections. We distribute each new plan throughout the company with a web-based software system, Safety Tracking and Reporting (STAR).

At the local level, Safety Steering Committees guide the day-in, day-out work of keeping safety a top priority.

One of the most important roles of the committees is fostering a strong sense of accountability between co-workers, including both employees and managers. Safety Committees led by the Business Unit Director meet monthly to ensure that Safety Programs are implemented.

At the national level, Ryder complies with the Federal Motor Carrier Safety Administration's (FMCSA) Compliance, Safety, Accountability (CSA) program. This program quantifies the on-road safety performance of commercial trucks, and is used to identify and prioritize high-risk carriers for enforcement interventions, including increased roadside inspections and compliance reviews. The FMCSA's safety measurements include unsafe driving, hours of service compliance, driver fitness, controlled substances and alcohol, vehicle maintenance, hazardous materials compliance, and crash indicators. Our latest scores can be found on the Safety Measurement System page of the FMCSA [website](#). Both our Supply Chain Solutions and our Fleet Management Solutions businesses have scoring systems accessible on this system. These scores are important to our customers as they document their own safety performance. *continued* →



Ryder's safety culture is evident at all levels of the organization.

Policies and Practices

Continually evolving policies and practices are essential to our safety culture. Some of these include:

- “Captain of the Ship” policy, which empowers every employee to be accountable for their safety, such as when road conditions may not be safe for a driver to complete a run or working conditions may not be safe for a technician to perform a task
- Drug and Alcohol policy, which prohibits the use of drugs and alcohol by all our employees, as well as contract workers and supplier personnel who are on our premises or performing any work for Ryder
- Fatigue Management program, which utilizes training, evaluation of work schedules, resources and performed routes, communication processes, and safety reviews to educate drivers about the dangers of operating a vehicle while impaired by fatigue
- Cell phone policies that forbid cell phone use while drivers are operating a company vehicle

Technology

We use technology to increase safety while streamlining related processes such as management supervision and training. Data is utilized to monitor and remedy driver behavior, track equipment performance, and collect information to meet compliance requirements. We also utilize technology to communicate weather conditions and traffic issues directly to our drivers. Other related programs are listed in this chapter.



A safe culture not only protects our employees, but enables us to deliver quality service.

Safety Goals

Ryder's safety goals cover both workplace and on-the-road accidents: employee injuries and vehicle collisions respectively. The metrics we use are defined by the U.S. Occupational Health and Safety Administration (OSHA) and the U.S. Department of Transportation (DOT), which are the most comparable metrics for the logistics and transportation industry.

New Vehicle Collision Goals: Reduce Frequency by 10%

Ryder has one of the lowest vehicle collision rates in the industry, particularly among providers of dedicated transportation services. Nevertheless, collisions do occur and we always seek to eliminate all incidents. Consequently, we have set a new goal to reduce our vehicle collision frequency by 10% by 2016, from our 2013 baseline.

Since 2011, Ryder's vehicle collisions have declined. The slight rise in vehicle collisions from 2012 to 2013, aside from 2012 being a banner year for safety performance, was due to growth (more miles driven equals more risk) and new specialized services that target industries with a higher risk profile, such as those utilizing flatbed trucks.

We intend to improve performance by using advanced driver training methods, leveraging vehicle technology, applying lean continuous improvement concepts, and hiring the best drivers available. We are increasing safety staffing levels to better support field operations and business growth. Ryder is also investing in operating systems to further improve our ability to identify the root causes of accidents.

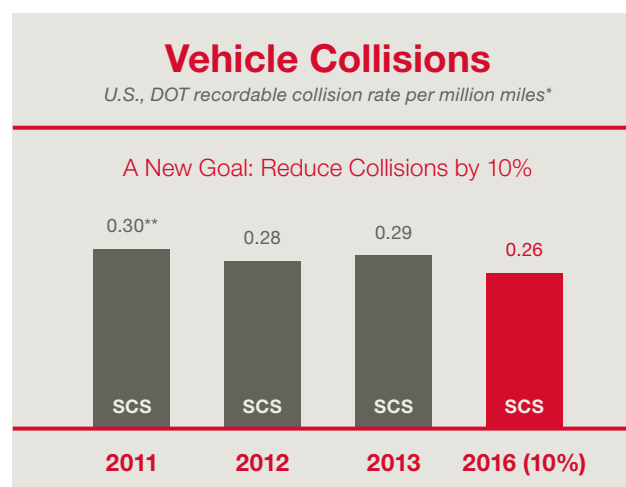
New 2013 Employee Injury Goals

Ryder has set a new injury reduction goal of 8% by 2016, using 2013 as the baseline.

For FMS, we intend to identify potential opportunities to reduce ergonomic-related injuries through the use of new tools and equipment and modification of work tasks. We will continue to improve new employee training programs to ensure injury prevention, and we will develop more

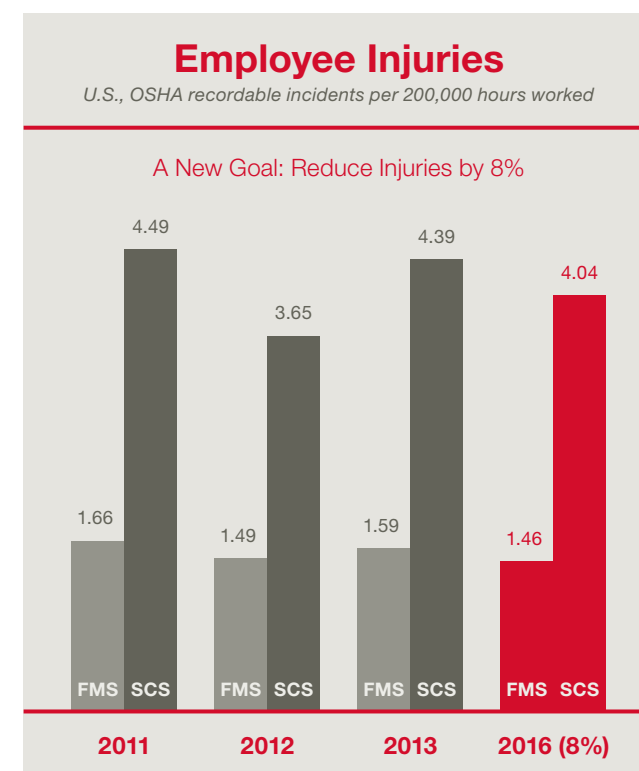
leadership initiatives and training to ensure that Ryder's safety culture is sustained.

For SCS, we will reduce injuries by implementing safety action plans recommended by Ryder's Flatbed Safety Council and by using our continuous improvement process to identify injury trends, observe injury causes, promote brainstorming of safety improvements, and share best practices.



* All numbers are for the U.S. only because the DOT is a U.S. government agency. This is a re-labeling from our 2011 CSR, in which we erroneously included both U.S. and Canada operations.

** This 2011 DOT recordable collision rate differs from what was included in Ryder's 2011 and 2012 Reports, due to roadside inspections being reported late.



Safety on Board: Technology Advances Vehicle Collision Prevention

Ryder utilizes a variety of on-board, wireless, and web-based technologies to help make the roads safer for all of us.

- Vehicle sensors signal when faulty equipment needs attention for repairs, maintenance, or replacement. Technicians receive a trouble code remotely and can then direct the driver to the closest repair shop.
- Telematics technology can optimize routes, not only for efficiency, but for safe driving conditions as well.
- Forward-looking and in-cab cameras identify risky driver behavior.
- Ryder's new vehicle safety package provides audible and visual warnings to drivers if they drift outside of their lane or are following another vehicle too closely. Adaptive cruise control maintains a 3.5 second following distance combined with active braking when sensors identify that a collision is imminent. The safety package is now standard for new trucks purchased for our Supply Chain Solutions business beginning in 2013.
- Web-based safety training on injury and collision prevention, as well as regulatory compliance, is required for all Ryder drivers on a monthly and quarterly basis. All new hires are required to participate in either classroom or web-based new hire safety orientation.

Vehicle technologies aren't just provided on trucks operated by Ryder. Customers who lease their fleets from Ryder can also enjoy the benefits of advanced technology.



A Ryder technician uses a wireless interface to quickly diagnose the electronic system of a customer vehicle.

Ryder's Top Technicians Undergo Rigorous Skills Tests

Ryder's Top Technician Recognition Program highlights the value Ryder places on our vehicle technicians, the importance of technical training for ensuring quality maintenance of the company's managed fleet of nearly 200,000 vehicles, and a commitment to quality customer service for Ryder's 14,400 lease and maintenance customers. Eligible participants advance through three increasingly demanding rounds of challenging written and hands-on tests. Seven finalists then compete at Ryder's annual Top Tech competition.



Ryder 2013 Top Tech winner, Jonathan Timmons.



Ryder 2013 Top Tech finalist, Stephen Radford.

In 2013, Ryder's Top Technician winner was Jonathan Timmons from Sumter, South Carolina, who won a GMC Denali pick-up truck and a cash prize. The second place winner was Robert Gonzalez from Plant City, Florida; Rick Morra, from Hanford, California, finished third.

Ryder's 2012 Top Technician winner Christopher Barnett, from Crittenden, Kentucky, went even further to win the industry's biggest technician competition. He was named TMC SuperTech Grand Champion in 2012. (TMC SuperTech is a national competition sponsored by the American Trucking Associations' Technology and Maintenance Council.) The TMC SuperTech competition, which gathered 130 technicians representing businesses from across the country, consisted of a daylong test with 17 hands-on skills stations to test an array of general truck maintenance and troubleshooting skills, as well as electronic diagnostics applications, and safety and environmental practice tests. Mr. Barnett's consistently high scores in each event earned him a first place finish for the overall competition.

In addition to Mr. Barnett winning the top spot, three other Ryder technicians ranked among the top ten winners in the overall competition at the 2012 TMC SuperTech: Robert Gonzalez, Plant City, Florida, won fifth place; Michael Bogard, Appleton, Wisconsin, won seventh place; and Timothy Peters, Hickory, North Carolina, won eighth place. Ryder technicians also won three station events: David Berdovic for tires and wheels, Michael Bogard for starting and charging engines, and Robert Gonzalez for steering and suspension.

What it Takes to Earn a Ryder Driver of the Year Award

Millions of collision-free miles driven. Professionalism. Commitment to customer service.

These are the characteristics that each Driver of the Year shares. Ryder's Driver of the Year award is one of the company's longest running and most prestigious recognition programs. The annual award is presented to three honorees, selected after a rigorous review process by a committee that includes Ryder customers, executives, safety experts, and professional drivers. "These drivers have a long track record of being hard-working, safety-conscious, customer-focused, and community-minded across their entire careers," said Robert Sanchez, Ryder Chairman and Chief Executive Officer.

2013 Winners



Charles Braun was the Driver of the Year for Ryder's Supply Chain Solutions business. Drivers are an important part of Ryder's Supply Chain Solutions offering. They ensure that customers get their products to stores or raw materials to manufacturing plants, safely and on time, every time. Mr. Braun drives for one of Ryder's automotive accounts based in Orlando, Florida. He was recognized for driving 2.1 million preventable collision-free miles over his 22 years with Ryder, and a total of 3.3 million preventable collision-free miles over the course of his impressive 34-year professional driving career.



Craig Vorwaller was the Driver of the Year for the Ryder Dedicated service offering. Ryder Dedicated drivers are responsible for operating specialized equipment, unique product handling, running complex routes, and meeting rigorous service level agreements. Ryder Dedicated drivers have a special responsibility when they represent Ryder customers, as they often wear uniforms with Ryder customer logos and drive vehicles emblazoned with customer brands. Mr. Vorwaller drives for a beverage company account based out of Salt Lake City, Utah. He was recognized for driving over 2 million miles without an injury over a 22-year period.



Wyman Watts was the Driver of the Year for Ryder's Fleet Management Solutions business. Mr. Watts works for a Ryder lease customer in the chemicals sector out of Columbia, South Carolina. The customer relies on Ryder to provide the well-maintained, safe vehicles that Mr. Watts drives each and every day. He was recognized for driving 3.8 million collision-free miles over his 38-year professional driving career.

2012 Winners

James Estep was selected as Ryder's Supply Chain Solutions Driver of the Year. Mr. Estep drives for a Ryder automotive account based in Roanoke, Texas. At the time of his recognition, in addition to remaining injury free, he had driven 2.5 million preventable collision- and violation-free miles during his 22 years with Ryder, and a total of 3 million preventable collision- and violation-free miles over the course of his impressive 36-year professional driving career. Mr. Estep was also selected as the Truck Rental and Leasing Association's 2012 Driver of the Year, a tremendous industry honor.

James Hendrix was selected as the Ryder Dedicated Driver of the Year. Mr. Hendrix drives for a telecommunications account based out of Suwanee, Georgia. At the time of his recognition, he had been with Ryder for 16 years, and, during his 42-year professional driving career, he had driven over 2 million miles without a preventable collision, violation, or injury.

Terry Elliot was named Driver of the Year for Ryder's Fleet Management Solutions business segment. Mr. Elliot drives for a Ryder customer out of Siloam Springs, Arkansas. At the time of his award, he had been employed by our customer for 33 years and had driven 5.6 million collision- and violation-free miles over his 39-year professional driving career.

A Look Ahead

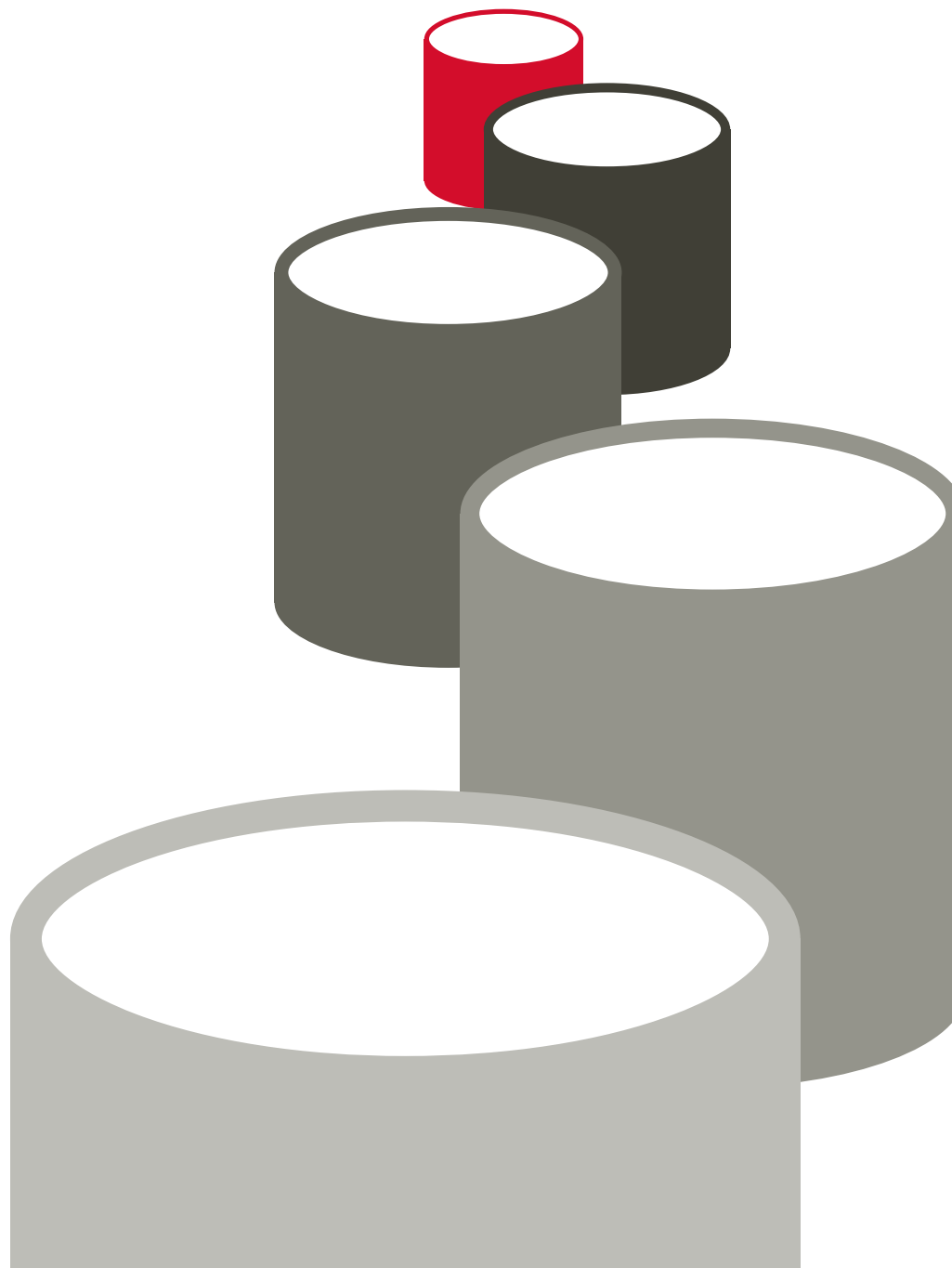
- Resurvey the employee population, while also expanding the survey reach to include additional countries in which we have employees.
- Develop initiatives with African-American business organizations to help retain and recruit a diverse workforce. Partners include prestigious organizations such as 100 Black Men and the National Society of Black Engineers.
- Expand our Women's Leadership Forum to more key Ryder locations to create networking and collaboration opportunities.
- Expand our recruiting efforts for women which will include participating in the Society of Women Engineers Annual Conference and Career Exposition. An estimated 7,000 engineering professionals and students are expected to attend this international event in Los Angeles, CA in October 2014.
- Expand our hiring efforts to target disabled veterans and the spouses and caregivers of veterans.
- Implement a new applicant tracking system which will follow candidates as they reach various mileposts, such as a Commercial Drivers License or technical certifications.
- Implement two new safety goals: 1) Reduce vehicle collision frequency by 10% by 2016, from our 2013 baseline, and 2) Reduce employee injury frequency by 8% for both FMS and SCS by 2016, from a 2013 baseline.

4

Environment

Broader Reporting— Stepped Up Initiatives

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- Our Approach
 - Current Programs and Recent Initiatives
 - Emission Reporting
 - Emissions Performance and Targets
 - Supporting the Technology of Advanced Fuel Vehicles
 - Customer Case Study: Golden Eagle Relies on Ryder for its CNG Delivery Fleet



Our Approach

As a fleet management and supply chain solutions company, Ryder recognizes that the movement of goods and materials has direct and indirect impacts on the environment. As a well-resourced and experienced leader in our field, we believe we have a unique opportunity and ability to continually reduce the environmental impacts of our operations and those of the tens of thousands of customers we serve. The most material environmental issues that Ryder is addressing are fuel consumption, vehicle emissions, facility energy use, and automotive waste management.

In this chapter, we discuss environmental impacts associated with the vehicles that we own and operate, those that we lease to customers, and the vehicles operated by third party carriers that we use to supplement our and our customers' fleets. We also include our headquarters, administrative operations, and maintenance and warehouse facilities in this discussion.

Our operations involve storing and dispensing petroleum products, primarily diesel fuel, which is regulated under environmental protection laws. We also recover and recycle automotive waste, our most significant waste source, safely and responsibly. Our goal is to eliminate or mitigate the effect of such substances on the environment and we continually upgrade our operating facilities and implement new programs to reduce environmental impacts.

We have a long-standing commitment to sound environmental practices that reduce risk and also build

value for our customers and us. We have a history of adopting "green" designs and processes because they are efficient, cost effective transportation solutions that improve our bottom line and bring value to our customers. We have maintained an environmental mission statement since 1991 and have updated and expanded it periodically as operations, business, and customer needs have changed. Our environmental policy reflects our commitment to supporting the goals of sustainable development, environmental protection, and pollution prevention in our business. We have adopted proactive environmental strategies that have advanced business growth and continue to improve our performance in ways that reduce emission outputs and environmental impact. Our environmental team works with employees to develop and administer programs in support of our environmental policy and to help ensure that environmental considerations are integrated into all business processes and decisions.



Ryder has 260 natural gas vehicle trained technicians and tens of millions of miles of natural gas vehicle operating experience.

Ryder's Environmental Management System (EMS) incorporates elements of the global ISO 14001 standards, along with other industry environmental best practices that are unique to our operations and services. Ryder's EMS is designed to:

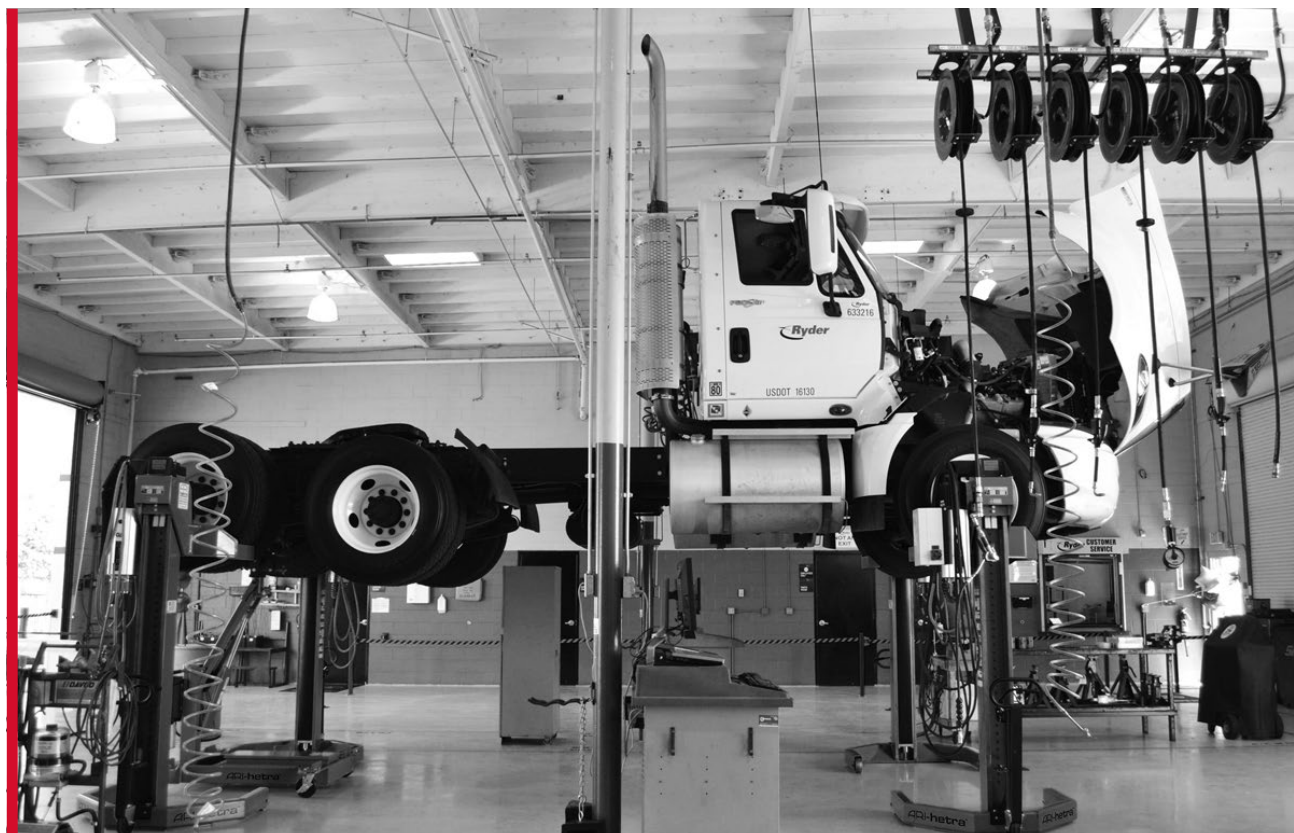
- Identify and control environmental impacts associated with business activities
- Continually improve environmental performance
- Revise objectives based on identified or potential environmental impacts *continued* →

EMS also establishes the basis for customer-specific EMS programs that conform to the ISO Standard. We have achieved ISO 9001 and 14001 certification or conformance at customer sites in U.S., Canada, Mexico, and the U.K.

This chapter details our sustainable business practices, and performance and strategies to improve energy use, reduce fuel costs, and decrease overall carbon emissions. We have voluntarily reported these results since 2008 through the Carbon Disclosure Project (CDP), disclosing direct and indirect emissions resulting from our operations. (These reports are publicly available on [Sustainability page](#) of our website.) Data disclosed in this CSR includes information that has been updated since our last 2013 CDP submission, reported in June 2014. We have also included location numbers to provide context for shifts in gross numbers year to year, where relevant.

In establishing appropriate environmental objectives and targets for our wide range of business activities around the world, we focus on (1) the needs of our customers; (2) the communities in which we provide services; and (3) relevant laws and regulations. We regularly review and update our environmental management procedures, and information regarding our environmental activities is routinely disseminated throughout Ryder.

In 2012, we substantially expanded our environmental sustainability reporting with the publication of our 2011 Corporate Sustainability Report that included enhanced disclosures, as well as new metrics related to our environmental performance for the years 2009 through 2011. This report covers current years 2012 and 2013.



Our preventive maintenance services help keep vehicles running as efficiently as possible.

Current Programs and Recent Initiatives

Advanced Fuel Investments

We invest in advanced fuels, associated infrastructure, and advanced fuel vehicles – to diversify our fuel sources, to address concerns about oil security and availability, and to pave the way toward even lower carbon emissions and future fuel technologies. We work closely with policy makers, local and national government entities, regulators, vehicle manufacturers, local community leaders, and energy companies to develop economically and operationally feasible ways to introduce advanced fuel vehicles into our customers' fleets – with a current emphasis on natural gas.

All together, natural gas investments totaled more than \$85 million between 2010 and 2013, which includes fuel stations, maintenance facilities, and vehicles. The investment totals for vehicles in 2012 and 2013 were \$4.5 million and \$3.8 million, respectively.

For more information about our commitments, see "Supporting the Technology of Advanced Fuel Vehicles" on [page 43](#).

Fuel Conservation

The following is how Ryder conserves fuel and improves efficiency:

- Preventive vehicle maintenance programs that insure the vehicle is operating at its most efficient levels
- Tire management ensures appropriate inflation levels
- Ryder FleetCare provides customers with web-based access to fleet data to identify opportunities for improvement

- Ryder integrates the EPA's SmartWay® fuel conservation strategies in to customer solutions
- Ryder makes a growing fleet of more fuel-efficient vehicles available for customers, including natural gas vehicles
- Ryder supports the North American Council for Freight Efficiency as it develops specifications that will lead to improved fuel efficiency, such as progressive shifting, gear-down protection, direct drive transmissions, trailer skirts, and low-rolling resistance tires

Ryder leverages onboard telematics technology to drive fleet efficiencies, manage fuel consumption, and reduce emissions. We have installed PeopleNet on approximately 3,000 vehicles in our Supply Chain Solutions fleet, which we operate. We also help customers reduce emissions significantly through our RydeSmart® telematics technology, which is installed on over 30,000 vehicles in our Fleet Management Solutions leased equipment, operated by customers. The metrics that we collect from these technologies also help us manage route design and driver behavior, and provide valuable data collection required for the SmartWay program.

More information about fuel conservation programs and results can be found in our 2013 and 2014 Carbon Disclosure Project [submissions](#).

Supplier Engagement

Ryder's environmental strategy extends to our supply partners and we engage suppliers based on their sustainability and climate change performance. In fact,

every supplier we work with is required to disclose their environmental practices. In 2012, Ryder introduced a sustainability scorecard, which is used to assess the performance of strategic suppliers. In 2012, 26 of our suppliers were screened using these criteria, and 21 were screened in 2013. The scorecard includes questions such as:

- Describe your company's effort to identify environmental impacts associated with the products/services you supply.
- Do you have a sustainability strategy to address the environmental impacts identified? If so, please describe.
- Does your company have short or long term targets for its sustainability initiatives? If so, describe how progress is evaluated and reviewed regularly.
- How does your company collect data to measure its environmental impacts and sustainability initiatives? Describe processes, software or systems used.
- Does your company have a process in place to evaluate or re-engineer its manufacturing and/or supplier distribution network to incorporate more sustainable alternatives?
- Does your company report its progress on environmental impacts and sustainable initiatives to the public? If so, where and how?

The responses to these and other questions are then evaluated as part of the selection process, ranking each supplier as "exceptional", "meets expectations", or "needs improvement."

Additionally, because Ryder purchases approximately \$4.6 billion in outside transportation services, we include SmartWay participation as a prominent factor within our selection process when evaluating carrier partners. The SmartWay Transport Partnership *continued* →



A Ryder technician using Personal Protective Equipment when fueling a liquefied natural gas truck.

encourages participants to measure, reduce, and report their carbon emission profiles. This process is critical to Ryder because we now incorporate carbon metrics into our Transport Management customer reports, calculating the carbon footprint of our customers' operations based on metrics such as "per ton mile" and "average weight per mile." As of 2013, SmartWay carriers account for 89% of all freight miles managed by Ryder. This carrier management program was one of the reasons why Ryder won the SmartWay Excellence Award in 2013.

Ryder also works closely with commercial vehicle manufacturers for adaptations and design modifications that promote fuel efficiency. These features include sensors,

materials, and designs that lower weight and improve aerodynamics and engine enhancements, among others.

Customer Solutions

We understand that the customers who use our vehicles and facilities can benefit directly from our environmental efforts and expertise. One of the most impactful ways for us to address climate change and improve environmental performance is to create carbon reduction opportunities for our customers. Many of our customers increasingly consider and need to quantify the direct and indirect impacts associated with their greenhouse gas emissions. We view improving fuel efficiency, and reducing the associated carbon emissions and costs, as a key business strategy.

Consequently, we have been increasing our "green" supply chain management and fleet options. Efforts include optimizing truck loads, using the right size vehicle for the right loads, engineering our distribution networks to reduce handling and distance, minimizing engine idling and unscheduled stops, implementing speed control, avoiding hard braking, and using backhaul strategies to ensure that our trucks are as full as possible to avoid "empty miles."

Our customers can also take advantage of vehicle technologies we offer that reduce fuel use through better routing, preventive maintenance, more efficient loading and operations, re-engineering to optimize fleets and distribution networks, and driver training. We provide emission reporting tools that allow our customers to gauge the greenhouse gas (GHG) emissions associated with the transportation of their goods. Ryder also helps customers reduce emissions significantly through our RydeSmart® technology, which is installed on much of our Fleet Management Solutions lease and rental equipment. RydeSmart is a full-featured GPS fleet location, tracking, and vehicle performance management system that lets customers know where their fleet is at all times. Vehicles and driver behaviors can easily be monitored from a central location. The technology helps customers operate more efficiently, use less fuel, and emit fewer emissions. Quantitatively, this telematics technology is designed to deliver up to a 10-15% reduction in fuel consumption through improved routing, driving habits, and reduction of unauthorized use and idle time. Through the RydeSmart telematics technology, this reduces approximately 12,616 tonnes of CO₂ emissions annually. Ryder full service lease units that are equipped with RydeSmart achieved a 10% reduction in vehicle speeding and hard braking, and a 10% reduction in reduced idling, resulting in 0.1 gallons/mile fuel savings improvement.

continued →

Solid Waste Reduction and Renewable Energy

In collaboration with our primary waste management supplier, we are increasing the ways that Ryder's waste is used for renewable energy production. In 2013, we diverted approximately 45% of the solid waste collected from Ryder facilities to landfills that convert waste to energy or to a renewable energy source for fleet vehicles and electricity.

Recycling and Reuse

We operate a variety of recycling and reuse programs to ensure that our waste is properly managed. These include automotive and electronics waste, cardboard, and paper recycling. Automotive waste is the most significant waste stream because of our large fleet. Waste includes mechanical fluids, solvents, automotive fillers, and filters.

In 2013, through our automotive waste recycle and reuse program, Ryder recycled 2.9 million gallons of used oil, 107,000 million gallons of oily water, 12,500 drums of used oil filters, 46,740 gallons of solvent, and 99,000 automotive batteries. Of the 430,395 replacements for original tires that Ryder purchased in 2013, 57% were retreads, which means less waste for the landfill and fewer emissions from the manufacture of new tires.

Cardboard and paper recycling is most prevalent in our warehouse operations. Electronic waste includes primarily computers and other information technology equipment, which is managed and disposed of with the help of national and regional recycling partners who are all compliant with Responsible Recycling Practices and/or e-Stewards® standards. *continued* →

Automotive Waste Stream Recycling

U.S. and Canada

Automotive waste volumes fluctuate based on our vehicle count and business growth.

	2011 ⁴	2012	2013
Volume¹ (gallons)	2,872,499	2,868,623	2,996,741
CO₂e Metric Tonnes Avoided²	22,388	23,200	23,276
Passenger Vehicle Emissions Equivalent³	4,264	4,419	4,433
Tree Conservation Equivalent³	580,202	601,248	603,216

¹ Total volume of oil, oily water, automotive waste filters, and solvents recycled.

² Metric tonnes avoided through closed loop recycling of used oil and solvents versus burning for one-time energy use.

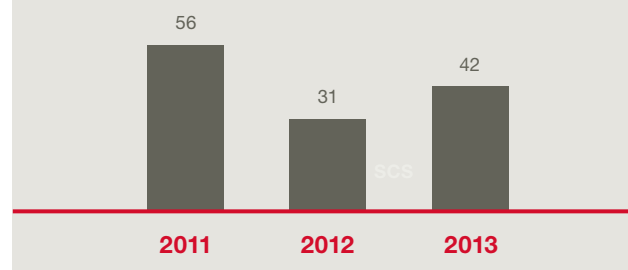
³ Equivalents from [EPA Calculator \(CO₂e\) 2009-2010](#).

⁴ 2011 numbers have been revised since the last Ryder Corporate Sustainability Report due to improved metrics provided by our waste recycling suppliers.

Electronic Waste Stream Recycling

U.S. and Canada (tons)

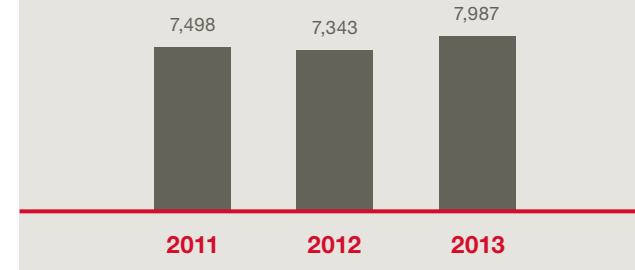
Electronic volumes are reduced due primarily to server consolidation and virtual storage.



Paper and Cardboard Recycling*

U.S. and Canada (tons)

Paper and cardboard volumes fluctuate based on SCS customer production.



* This data includes only large warehouse operations where cardboard and paper use is the highest among Ryder's facilities.

Facilities and Energy Use

We pay particular attention to opportunities associated with energy use since these represent a large operational cost, emission impact, and there are good opportunities to reduce. For example, in 2012, we began a pilot Energy Challenge to reduce 10% of energy at 23 select (highest energy use) Ryder locations (U.S. and Canada) over a six-month period. The Energy Challenge engaged employees to develop best practices for energy reduction at Ryder facilities and top performers were acknowledged and rewarded. In the pilot year, electricity was reduced by 5.5%, avoiding 0.593 gigawatt hours and saving \$101,179. Environmental energy managers received monetary incentives for energy reduced through conservation programs. Top performers were also eligible for luncheons/cookouts and recognition plaques.

As a result of these successes, the Energy Challenge program was expanded to include 57% of Ryder's facilities with a 2017 goal to reduce energy consumption 10% below the 2012 baseline.

In 2009, Ryder began converting facilities from energy-intensive metal halide lighting fixtures to efficient fluorescent technology, which is 90% more energy efficient. This initiative not only reduces energy use, but it also improves illumination and working conditions for our employees. Since 2009, 198 projects have been completed or are in progress, 19 projects were completed in 2012 and 41 in 2013. Because lighting upgrades occurred at different times, we do not have data available on an annual savings basis for each project initiative in 2012 and 2013. But we estimate that the overall energy efficiency reduced

electricity by 31% from improvements and saved more than \$25,000 in 2012 and \$31,000 in 2013 for the 19 and 41 projects, respectively.

Additional details about our carbon impact, efforts to address climate change, and environmental impacts are in our 2013 and 2014 Carbon Disclosure Project [submissions](#).

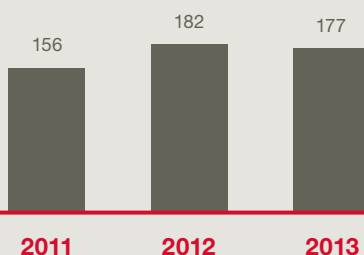
Water Use

Water use for Ryder is primarily associated with vehicle washing. We wash our vehicles at Ryder facilities and wastewater generated is managed using reuse, recycle, and pre-treatment discharge solutions.

Electricity Use

Enterprise, U.S. and Canada (gigawatt hours)*

Electricity use is down due to conservation and FMS shop lighting upgrades.

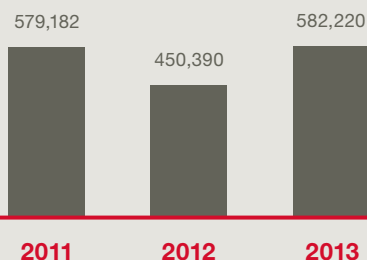


* 2011 data includes 710 locations; 2012 data includes 766 locations; 2013 data includes 731 locations

Natural Gas Use for Facility Heating

Enterprise, U.S. and Canada (thousands of cubic feet)*

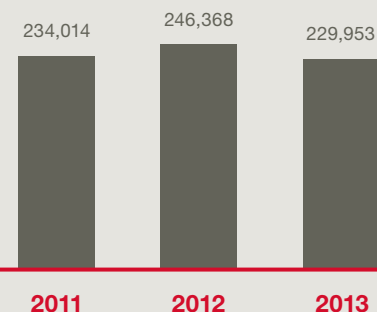
Harsh winter weather increased natural gas use in 2013.



* 2011 data includes 568 locations; 2012 data includes 567 locations; 2013 data includes 557 locations

Water Use

Enterprise, U.S. and Canada (thousands of gallons)*



* 2011 data includes 585 locations; 2012 data includes 611 locations; 2013 data includes 585 locations

Emission Reporting

In our Carbon Disclosure Project submission and this report, we have substantially expanded our greenhouse gas (GHG) emissions reporting, particularly in the area of Scope 3 (indirect) emissions. We recognize that due to Ryder's business model, we have a significant Scope 3 footprint and potential impact. Expanding Scope 3 emission sources reporting allows for improved management and reductions.



Ryder operates two public/private natural gas fueling stations in Southern California.

For Ryder, Scope 3 represents the largest portion of our GHG profile, and is primarily linked to the fuel we sell to customers who are leasing our vehicles in the U.S. and Canada. The expansion of Scope 3 sources means that we are more accurately reflecting our total impact. We are including not only the vehicles we operate, but also those that we lease to our customers. This in turn enables our customers to better monitor and manage their own impact. Extensive details about our 2013 Scope 3 profile is outlined in our most recent 2014 Carbon Disclosure Project [submission](#).

Previously, we reported Scope 3 emissions for employee business travel only. In this report, we have added four other Scope 3 categories following GHG Protocol guidelines, and are considering adding more in the future. These four categories were deemed most relevant to Ryder's business. These additions have taken our Scope 3 emissions from 18,838 metric tonnes of CO₂e in 2011 to 8,435,830 metric tonnes in 2013.

Scope 1 for Ryder covers all operations owned and controlled by Ryder, including natural gas combustion at Ryder facilities and fuel use in Ryder owned and operated vehicles for the U.S. and Canada. Scope 2 includes purchased electricity at owned or leased locations in the U.S. and Canada and international operations in Mexico, Singapore, and at 36 sites in the U.K. For both Scopes 1 and 2, emissions associated with 30 U.K. facilities, all China facilities, and 114 leased U.S. facilities were excluded because the impact on our emissions total is not substantial and/or accurate data is not available. Stationary Scope 1 and 2 represent approximately 19% of total emissions; Scope 2 represents 15% of total. For Scope 1, data covers "operational control," which excludes lease and rental vehicles. Our Scope 1 and 2 data continues to be refined as we routinely add more operations in more areas and streamline data collection. For that reason, our gross emissions numbers may rise at a faster rate than our business growth would otherwise indicate.

2011-2013 GHG Emissions

in metric tonnes of CO₂e

	2011	2012	2012 (corrected data)	2013
Scope 1	471,321	600,218	598,987	642,001
U.S.	468,137	545,336	544,744	582,279
Canada	3,184 ¹	54,178	53,883	59,560
U.K.	N/A	705	359	162
Scope 2²	88,643	106,483	113,155	110,257
U.S.	85,781	97,669	98,005	95,107
Canada	2,863	1,677	1,489	1,761
Mexico	N/A	4,090	7,594	7,331
Singapore	N/A	3,047	3,049	3,049
U.K.	N/A	N/A	3,018	3,010
Scope 3	18,838	760,051	1,893,630	8,435,830
Category 3: Fuel- and energy-related activities (not included in Scope 1 & 2) ³	N/A	N/A	N/A	108,564
Category 4: Upstream transport and distribution non-owned products	N/A	N/A	N/A	2,459
Category 6: Business travel ⁴	18,838	18,678	16,123	15,612
Category 11: Use of sold product ⁵	N/A	741,373	1,877,507	1,847,048
Category 13: Downstream leased assets ⁶	N/A	N/A	N/A	6,462,147

N/A – Not reported.

¹ In 2011, Canada was not included in Scope 1 emissions.

² This data covered 710 locations in 2011, 766 in 2012, and 731 in 2013.

³ Upstream emissions associated with fuel Ryder consumes in their U.S. and Canadian supply chain operations.

⁴ Reductions are attributable to significant progress reducing air miles traveled.

⁵ Downstream emissions – end use of goods and services sold by Ryder.

⁶ Downstream emissions from Company leased assets, the combustion of fuel used in vehicles that Ryder leases to its Customers in the U.S. and Canada.

Emissions Performance and Targets

In 2009, Ryder's baseline year, Scope 1 and 2 emissions were 570,110 metric tonnes of CO₂e. Scope 1 mobile emissions increased in 2012 and 2013 due to expanded reporting scope and because of the increase in miles driven. Scope 2 emissions increased in 2012 and 2013 mainly due to the addition of U.K. facility data and Scope 1 stationary emissions increased due to cold weather.



A Ryder liquefied natural gas tractor.

Positive developments in 2013 included a reduction in refrigerant use in trucks, which reduced emissions. The Energy Challenge program, launched in 2012 to address electricity use in facilities, was continued in 2013 for greater impact. Total emissions reductions achieved are 5,953 metric tonnes of CO₂e, compared with the 2009 FMS Scope 1 and 2 baseline of 84,028 metric tonnes and 2020 target of 16,806 metric tonnes. Progress cited represents 35% toward the target.

Ryder also has an intensity target: to reduce metric tonnes of CO₂e per unit of service (one unit of "service" equals one FMS vehicle). Our 2020 target is 0.72 with a 2009 baseline of 0.94 metric tonnes of CO₂e per unit of service. In 2012, our CO₂e per unit of service was 99,105*, and in 2013 it was 100,265*. In 2013, we achieved an emissions intensity of 0.78 metric tonnes of CO₂e/unit, hitting 83% of the 2020 target. In 2012, the intensity metric was 0.72.

* Ryder-owned vehicles (lease and rental excluding contract services)

Emissions Reduction Targets

With an eye toward reducing our emissions, we have set both absolute and intensity-based performance targets:

- The intensity target for Fleet Management Solutions (FMS) is to reduce emissions by 20% by 2020 per unit of service provided. This target is measured by calculating FMS business Scope 1 and Scope 2 emissions divided by our total number of FMS vehicles, described as our "unit of service provided." By reducing emissions per unit by 20% below 2009 intensity, we will achieve an absolute emission reduction of 16,806 metric tonnes of CO₂e* (or a 22.9% reduction overall).
- The absolute target is to reduce energy consumption at our facilities by 20% below 2009 levels by 2020. It will include a minimum of 57% of Ryder facilities.

* The term "CO₂e" stands for "carbon dioxide equivalents," which means it includes all gases named in the Greenhouse Gas Protocol, including CO₂, CH₄ and N₂O.

Supporting the Technology of Advanced Fuel Vehicles

Scott Perry, VP, Supply Management and Global Fuel Products



“Our unique business model enables us to convert more U.S. fleets to natural gas and realize the benefits of this domestic energy source.”

The future of transportation requires new ways to effectively manage fuel, which is by far the largest recurring operating cost of the industry. So Ryder has spent years collaborating with private fleets, original equipment manufacturers, fuel providers, and government agencies to find better alternatives to traditional diesel fuel.

In 2010, Ryder created our own Alternative Fuels Council to study the issue. The options are complex. Commercially viable alternatives to diesel will need to produce less carbon emissions, be consistently available, and be affordably priced.

For now, in the U.S. and Canada, Ryder's most viable alternative to diesel fuel is natural gas. It is clean, efficient, cheap, and abundant, and new engine and emissions technologies are coming on to the market.

At the end of 2013, Ryder operated 500 compressed natural gas (CNG) and liquefied natural gas (LNG) vehicles. Since Ryder began adding natural gas vehicles in 2010, the fleet has displaced more than 3 million gallons of diesel fuel

with domestically produced, low-carbon CNG and LNG fuel. That's equivalent to the reduction of 559,000 metric tonnes of CO₂.

As a provider of full service lease, commercial rental, and dedicated transportation services, our unique business model enables us to convert more U.S. fleets to natural gas and help more businesses realize the benefits of this domestic energy source.

- Our rental and leasing model enables businesses to “test” the new technology with less downtime and risk.
- We can leverage our knowledge of emerging fleet technologies, government rebates and tax incentive programs to help reduce natural gas vehicle costs for customers.
- We have an established North American maintenance and fueling network and are adding to our natural gas infrastructure every year. By the end of 2013, we had ten natural gas facilities across six states.
- Our team has technical expertise and training to maintain complex new technologies like natural gas vehicles.
- We work closely with manufacturers to provide feedback on performance so that they continue to improve their next generation of vehicles.
- We maintain a culture of safety to ensure the safe operation, maintenance, and fueling of natural gas vehicles.

continued →

We will continue to act as a convener, an investor, and a collaborator to support the adoption of this low-emission choice, and to help overcome barriers to its expansion. Below, we outline our leadership and collaborative efforts:

A Growing Fueling Infrastructure

At the end of 2013, Ryder had ten natural gas fueling and maintenance facilities and two natural gas fueling stations operating. We have five more natural gas maintenance facilities planned in 2014 and more in 2015.

The benefits of these investments go beyond just Ryder's bottom line. For example, we are part of a \$38.7 million Natural Gas Vehicle Project completed in 2013, in conjunction with the San Bernardino Associated Governments (SANBAG), that created two publicly accessible natural gas fueling stations in Orange and Fontana, California. These are the first natural gas fueling stations in our North American network to serve both the general public, along with Ryder's lease and rental customers. The SANBAG project created more than 400 jobs and is projected to displace an estimated 1.5 million gallons of diesel fuel annually with U.S.-produced natural gas.

Vehicle Purchases

In 2013, Ryder had approximately 500 natural gas vehicles. These include light-, medium-, and heavy-duty CNG and LNG vehicles that are available for lease or rent. We have more vehicles on order for delivery in 2014.

In 2013, our advanced alternative fuel fleet reached a 15 million mile milestone from our first deployment in 2010, which is evidence that natural gas vehicles can be efficiently and economically operated in a commercial space. Ryder has specially-trained technicians to maintain the vehicles,

and, as a result, the mechanical reliability of these vehicles is comparable to traditional vehicles.

Supplier Engagement

We work directly with vehicle manufacturers (original equipment manufacturers – OEMs) to design and build vehicles that are commercially viable. We use our own capital to buy these vehicles, and where available, we leverage government incentives to improve our customers' return on investment. By operating our vehicles successfully, we help build confidence in the marketplace so that the industry can reach the scope and scale required to increase production and reduce the unit costs. Looking ahead, we intend to bring our OEM suppliers together to share ideas and knowledge about how these vehicles can be improved for commercial use.

Customer Adoption

In 2011, Ryder introduced the Flex-to-Green lease program. Through this program and our full service lease programs, customers can add low-emission, advanced-fuel vehicles to their fleets and test them in their own operations before making a major purchase commitment. We believe this type of innovation helps move the economy in a more sustainable direction by giving customers cost-effective, risk-adjusted ways to make positive environmental choices that are also good for their business.

As the national natural gas fueling infrastructure expands, we expect to see more customers interested in CNG and LNG fleets and we will purchase more vehicles as demand grows. In addition to our own expanding natural gas maintenance network, we currently operate a natural gas maintenance facility exclusively for a customer on their premises, a model that we expect to see more of in the future.

Policy Making

The economic viability of investing and operating natural gas vehicles today is, in many instances, dependent on supportive government regulation and financial incentives. Ryder has supported advocacy efforts on behalf of tax incentives and grants for the development and use of alternative vehicle technologies.

In 2012, Ryder collaborated with policy makers in California, Texas, and other U.S. states on advanced fuel legislation. These efforts contributed to legislation and incentives that further supported our 2012 and 2013 investments in fueling infrastructure.

Ryder has worked extensively with federal, state, and local entities to promote policies and regulations that facilitate natural gas operations. The previously mentioned SANBAG project in California created a public/private partnership forged between the U.S. Department of Energy, California Energy Commission, Southern California Association of Governments, South Coast Air Quality Management District, San Bernardino Associated Governments (SANBAG), and Ryder.

From the start of our natural gas program in 2010, Ryder has leveraged \$22 million in government incentives. This funding is being used to offset the cost of acquiring vehicles, retrofitting maintenance facilities, and for the construction of two natural gas fueling stations in California. All of these projects are helping to build the scope and geographic reach needed to make natural gas a viable alternative fuel for the future.

Customer Case Study: Golden Eagle Relies on Ryder for its CNG Delivery Fleet



Bill Osteen

Senior Vice President of
Operations at Golden Eagle



"Ryder went the extra mile. They visited our operations, advised us along the way, and were always willing to explore anything we wanted to look at."

Nearly five years ago, Arizona-based beer distributor Golden Eagle began the search for a more environmentally-friendly fuel source. With Ryder, they investigated cooking oil, electric vehicles, propane-power, and hybrids but, in time, compressed natural gas (CNG) was chosen. Today, the company has converted 100% of its Tucson delivery fleet to CNG, serving more than 60% of their customer base. This fleet is leased from Ryder.

"CNG vehicles produce 95% less particulate matter, 80% less nitrogen oxide, and provide a reduction of 23% in greenhouse gas emissions when compared to diesel engines," said Bill Osteen, Golden Eagle's Senior Vice President of Operations. The move has created real business advantages through fuel cost savings, lower maintenance requirements, and even from royalties derived from fuel sold at a CNG fueling station set up on Golden Eagle's property by a local power utility. "It's not easy for a private company to get an economic payback from sustainability goals, but this has been a win-win," said Mr. Osteen.

Another benefit is employee enthusiasm. "Our employees love it, especially those assigned to loading the trucks in the warehouse. CNG is quieter than diesel and the exhaust isn't smelly." For drivers, the vehicles' "Clean and Green" branding draws attention and comments from the public and customers. "It's a source of pride for drivers," he added.

Mr. Osteen has advice for other companies considering adopting CNG for their fleets. "You need to get good partners because you can't do it on your own." He praised the local Clean Cities program, the utility company that built the fueling infrastructure, and Ryder as the partners for leading to the project's success. "Ryder went the extra mile. They visited our operations, advised us along the way, and were always willing to explore anything we wanted to look at," he said. Ryder also worked with manufacturers to purchase the right vehicles for Golden Eagle's operations. "This partnership approach isn't new," Mr. Osteen added. Golden Eagle has been a Ryder customer for 43 years.

Osteen's last piece of advice is to be patient: "Count on it taking longer than you think, but it's absolutely worth it."



A Ryder technician fueling a compressed natural gas vehicle in Southern California.

A Look Ahead

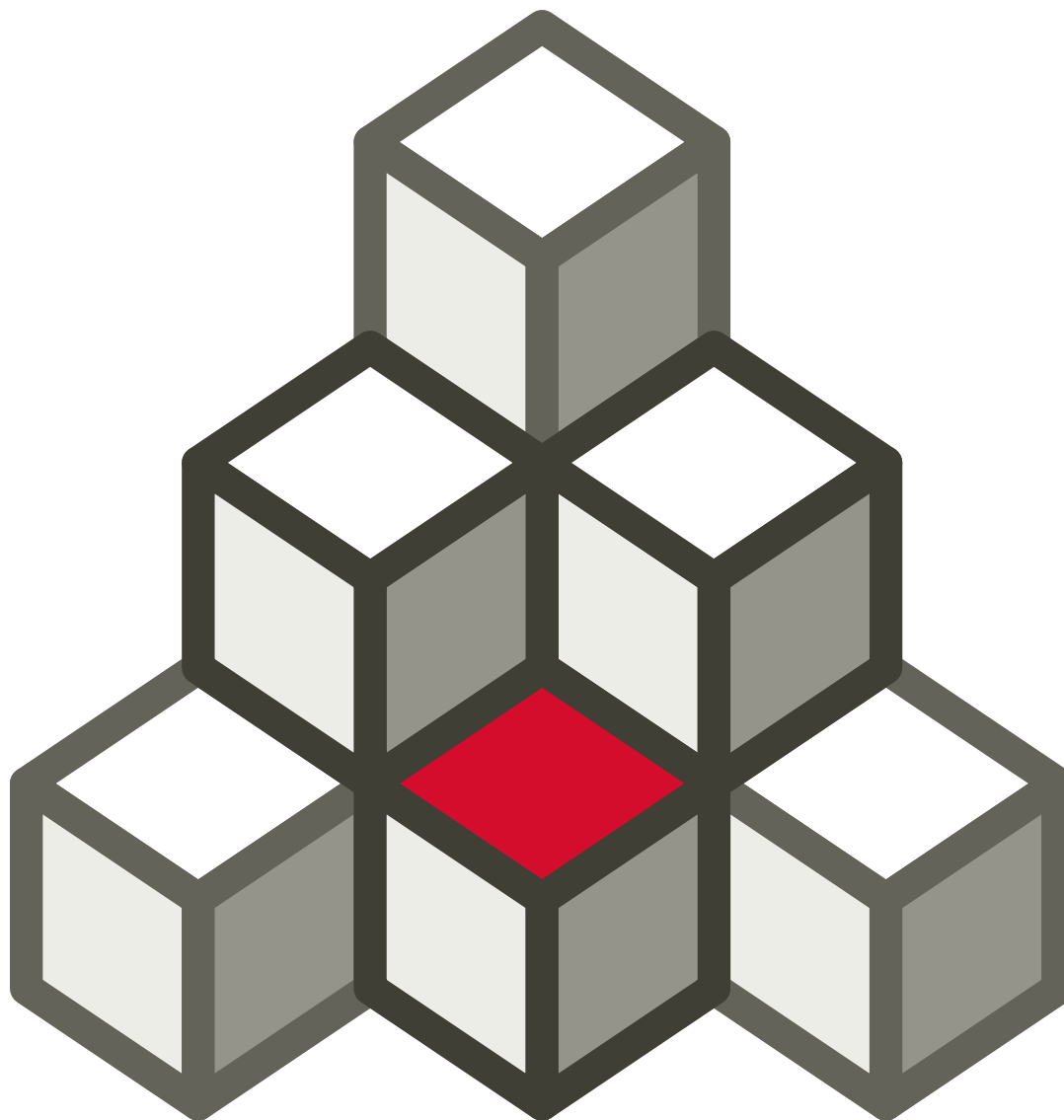
- Implement a New Intensity Goal: Reduce emissions by 20% by 2020 below 2012 baseline for our Fleet Management Solutions operations.
- Implement an Absolute Goal: Reduce energy consumption by 20% below 2009 by 2020. It will include a minimum of 57% of Ryder facilities.
- Increase Ryder investments in natural gas infrastructure, with planned expansions in Salt Lake City, Utah; Fulton, Georgia; Santa Fe Springs, California; Fort Worth, Texas; Corona, California; Eagan, Minnesota; and Grapevine, Texas. In addition, 30 facilities are being upgraded and more natural gas vehicles are on order.
- Extend our Energy Challenge program to 600 additional facilities in the next 5-10 years. The program targets a minimum of 57% of Ryder's facilities with a goal to reduce energy consumption by 20% below 2009 levels by 2020.
- Complete retrofits at 30 Ryder locations per year, reducing electricity use 20-30% at those locations.
- Continue to develop new customized metrics to quantify GHG reductions associated with transportation efficiencies.

5

Governance

Higher Standards— Ensuring Integrity

-
- Our Approach
 - Board Profile and Structure
 - Board Oversight and Responsibility for Economic, Environmental, and Social Topics
 - Shareholder Engagement
 - 2012–2013 Notable Considerations: Changes in Executive and Board of Directors Governance
 - Ensuring a Corporate Culture of Integrity



Our Approach

Good governance is a material issue for Ryder. We need good management, a strong governance structure, and crystal-clear principles to uphold a culture of integrity that ensures our long-term sustainable success. Flaws in integrity can lead to theft, corruption, unlawful diversions of Ryder's assets, business continuity disruptions, employee compromises, constraints on our ability to operate in important marketplaces, and can erode the trust that our customers place in us as critical links in their supply chains.

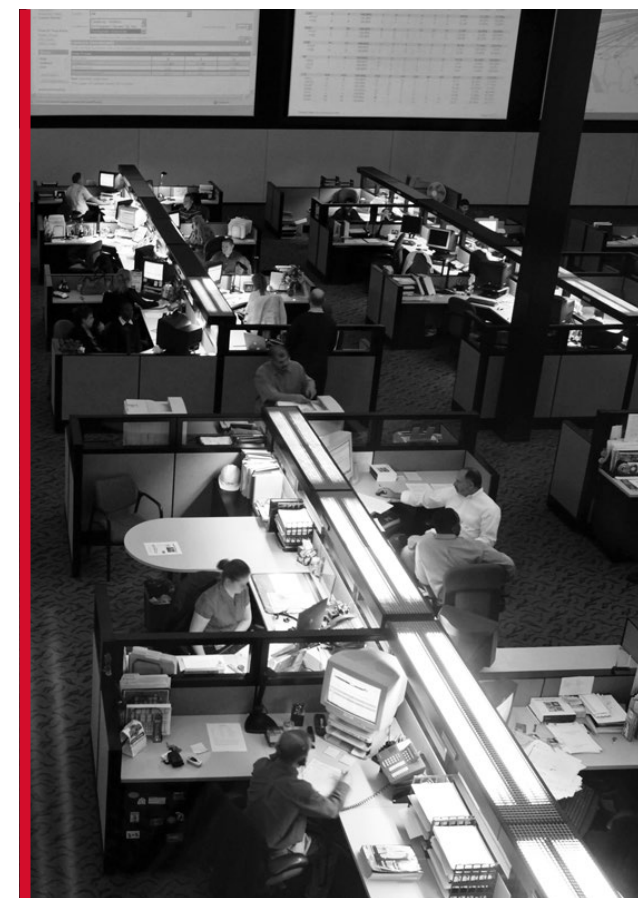
Ryder devotes considerable resources to ensure that our culture of integrity is steadfast and that our employees and suppliers understand their responsibility to uphold our high standards of ethics and lawfulness. This includes clear documentation via our Principles of Business Conduct, recurrent training to reinforce these requirements, monitoring and auditing procedures, and a robust reporting and enforcement program to identify violations and concerns.

Beginning in 2012, and extending into 2014, we have proactively updated our Principles of Business Conduct and expanded training to more levels of employees and across more geographies. Details of this program are detailed in "Ensuring a Corporate Culture of Integrity" on [page 55](#).

The Principles of Business Conduct applies to our officers, employees, and Board members and cover all areas of professional conduct including conflicts of interest,

confidentiality, compliance with law, and mechanisms to report known or suspected wrongdoing. The Principles of Business Conduct include a Code of Ethics applicable to our Chief Executive Officer, Chief Financial Officer, and senior financial management. Any changes to these documents will be posted on our [website](#). Any waivers to our Principles of Business Conduct for Board members or our executive officers, granted by the Governance Committee, will be posted on our [website](#) and may be disclosed in a [public filing](#) made with the Securities and Exchange Commission.

A Corporate Risk Steering Committee reviews and prioritizes risks, including ethics and compliance issues, and ensures that appropriate parties are informed about updates and changes in policies. This committee is comprised of senior managers from the following departments: Audit, Corporate Communications, Compliance, Corporate Accounting and Finance, Human Resources, Information Technology, Legal, Operations, and Health, Safety and



Ryder Transportation Management Center, Ft. Worth, Texas

Security. Our Corporate Compliance Team executes the committee's decisions and priorities and is responsible for updating management, executive leadership, and the Board of Directors on specific issues as needed.

Board Profile and Structure

Our Board of Directors is Ryder's highest body responsible for good governance. The Board is comprised of twelve directors, eleven of whom are independent under Ryder's director independence standards in our Corporate Governance Guidelines and the New York Stock Exchange's (NYSE) corporate governance listing standards.

The Board undertakes a review of director independence annually and our independent directors meet regularly in an outside directors' session without management present as a part of each regularly scheduled Board meeting.

Board Leadership

Our only inside director is our Chairman and Chief Executive Officer (CEO), Robert E. Sanchez. Ryder combines the positions of Board Chair and CEO because we believe the CEO, as a company executive, is in the best position to fulfill the Chair's responsibilities, including those relating to identifying emerging issues facing Ryder, communicating essential information to the Board about Ryder's performance and strategies, and setting agendas for Board meetings. To mitigate any potential disadvantages of a combined CEO and Chair, the Board has a strong Lead Independent Director role, currently held by E. Follin Smith. Ms. Smith's role is to facilitate and strengthen the Board's independent oversight of company performance, strategy and succession planning, and to uphold effective governance standards.

Board Composition

Ryder seeks directors who possess the highest standards of personal integrity and interpersonal and communication skills, are highly accomplished in their fields, have an understanding of the interests and issues that are important to our shareholders, and are able to dedicate sufficient time to fulfilling their obligations as a director. Our directors make up a diverse body in terms of age, gender, ethnic background, and professional experience, but engender a cohesive body in terms of Board process and collaboration. Currently, three of our directors are women (including our Lead Independent Director/Corporate Governance and Nominating Committee Chair and Audit Committee Chair). One director is African-American and two are Hispanic (one of whom is our Chairman and CEO and the other is our Finance Committee Chair). Information regarding each director's tenure, experience, and commitments is included in the [March 17, 2014 Proxy Statement](#), pages 5-8.

Board Selection Process

Generally, when searching for new Board members, the Governance Committee retains experienced director search firms to find individuals that meet the qualifications

established by the Board. The Governance Committee also considers recommendations from other Board members, senior management and, under certain circumstances, our shareholders. The process for nominating and selecting directors is described in the [March 17, 2014 Proxy Statement](#), page 9.

Board Committees

Our Board has four standing Committees: Audit, Compensation, Corporate Governance and Nominating, and Finance. Each Committee is comprised solely of independent directors and has the authority to retain independent advisors and consultants. We have adopted charters for each Committee that comply with the NYSE's corporate governance listing standards, applicable provisions of the Sarbanes-Oxley Act of 2002, and U.S. Securities and Exchange Commission rules. Each charter sets forth the specific responsibilities of each Committee and provides for a periodic review of the charter and the Committee's performance. The charters are available on our [website](#).

Board Conflicts

All transactions between Ryder and a Board member or senior executive are subject to review, approval, and ratification by our Corporate Governance and Nominating Committee. In considering whether to approve a related person transaction, the Committee considers the following factors: whether the terms of the transaction are fair to Ryder and on the same basis that would apply if the transaction did not involve a related person, whether there are business reasons to enter into the transaction, whether the transaction would impair the independence of an outside director, and whether the *continued* →

transaction would present an improper conflict of interest for any of our directors or executive officers, taking into account the size of the transaction, overall financial position of the director, executive officer, or related person, nature of the director's, executive officer's, or related person's interest in the transaction, and the ongoing nature of any proposed relationship, as well as any other factors deemed relevant by the Committee. There were no related person transactions during 2013.

Board and Executive Compensation

The key objective of the compensation program for our Board is to align the interests of the Board with those of our shareholders. In addition, our Board compensation program is designed to attract directors that have the necessary skills, experience, and character to fulfill their responsibilities. A description of our Board compensation program is included in our [March 17, 2014 Proxy Statement](#), page 48.

The primary objective of our executive compensation program and policies is to attract, develop, retain, and motivate high quality executives who possess diverse skills and talents. We believe this program and the policies in place establish Ryder as a premier employer and ultimately increase shareholder value. Our compensation program is designed to: align the interests of our executives and our shareholders; balance both short- and long-term interests of our shareholders through pay-for-performance principles; incentivize executives to promote long-term, sustainable, and profitable growth and encourage appropriate risk-taking; and reward individual performance and contribution. The Compensation Discussion and Analysis section of our [March 17, 2014 Proxy Statement](#), pages 21-51, and the accompanying Executive Compensation Tables, pages 38-48, describe the components and structure of our executive

compensation program as well as related governance policies and procedures.

The Compensation Committee's management and its independent compensation consultant all play an integral role in the determination of executive compensation program, practices, policies, and decisions. On an annual basis, our independent directors (on recommendation from our Compensation Committee) approve the compensation package for our CEO. The Compensation Committee reviews and approves the compensation packages for our

other executive officers. The Committee's consultant reports directly to the Committee, performs no other work for Ryder, and is independent. The Committee's compensation consultant provides comparable data and independent advice on compensation trends and best practices; offers recommendations, insights and perspective; and evaluates and advises the Committee on risks associated with our executive compensation program. A detailed description of the process for determining compensation, including the role of the Committee's independent consultant, is set forth in our [March 17, 2014 Proxy Statement](#), pages 22-50.



Management meeting at the Ryder Transportation Management Center, Ft. Worth, Texas

Board Oversight and Responsibility for Economic, Environmental, and Social Topics

The Board of Directors' Corporate Governance and Nominating Committee is responsible for overseeing public policy, public affairs, and corporate responsibility. The Committee Charter delegates oversight to the Governance Committee for our Principles of Business Conduct; environmental, health, and safety programs; diversity initiatives; charitable giving; and government relations.



The Board receives strong support from Ryder's second-highest governance body, the executive leadership team. The team is comprised of the Chief Executive Officer, Chief Financial Officer, Chief Legal Officer, Chief Administrative Officer, Chief Marketing Officer, and the Presidents of our Fleet Management Solutions and Supply Chain Solutions business segments.

On governance, environmental, and social topics, the Board relies on our Chief Legal Officer who is responsible for environmental, health and safety, and government affairs. In fulfilling its oversight responsibilities, the Governance Committee receives reports at least annually on these areas from the Chief Legal Officer and key leaders on his team. These reports include a review of external factors and developments, an update on the performance of Ryder programs, including key performance metrics, where applicable, the status of new key initiatives, including the expected impact, and future plans or strategies. At these meetings, the Committee provides guidance and feedback and makes requests of senior executives regarding environmental and social topics.

Annually, the Board holds an all-day strategy meeting with the executive leadership team and other members of senior management to review Ryder's strategic plan. The Board also receives updates on the strategic plan throughout the year.

Our Board is responsible for oversight of Ryder's enterprise risk management (ERM) program. Our ERM program was developed under the direction and supervision of our Chief Legal Officer and Chief Financial Officer with the assistance of external experts, and is managed by our *continued* →

Global Compliance Officer and Senior Vice President of Internal Audit, all of whom provide updates on risk to the Board and Committees on a regular basis. All significant risks identified by our ERM program are communicated and discussed with the Board and/or one or more of the Committees. For example, Ryder's ERM process calls for all risks that may have a material impact on our financial statements or disclosures to be brought before the Audit Committee. Risks involving capital structure or access to capital are discussed with the Finance Committee. We communicate risks associated with executive compensation and benefit programs to our Compensation Committee. The Governance Committee receives reports from management on governance and reputational risks that are identified through our ERM program.

Political Contributions

Ryder has established a policy addressing the governance of corporate political contributions to candidates, parties, and organizations as allowed under federal and state laws. Among other provisions, the policy includes strict approval procedures for contributions and the reporting of those contributions to Ryder's Board of Directors on an annual basis. The policy is part of our Principles of Business Conduct, which are available [online](#).

Ryder's policy does not allow Ryder to make corporate contributions directly to federal candidates or political parties. However, Ryder may make contributions to candidates and parties as allowed under various state laws. Corporate contributions are made to candidates and/or organizations with the following qualifications: (1) the political candidates and/or organizations are legally qualified as such under applicable law and (2) demonstrate one or more of the following: (a) a clear understanding of the impact of government policies on Ryder's ability to compete

in the marketplace; (b) the candidate's voting record and/or pro-business philosophy supports the company's position on key legislative issues; (c) the candidate has a legitimate chance to be elected, given sufficient financial support; and (d) the candidate represents a district which includes Ryder employees or facilities and/or serves on key legislative committees.

Ryder also contributes to trade associations and other tax-exempt organizations. Ryder's primary purpose in joining groups such as the Truck Renting and Leasing Association and the American Trucking Association is for the business, technical and industry expertise that these organizations provide, not for political purposes. Ryder continues to believe that our membership in business and trade associations that may engage in political activity is not necessarily representative of the corporate positions of Ryder. We do monitor the appropriateness and effectiveness of the political activities that the most significant trade associations to which we belong undertake, but our corporate positions do not align with all positions taken by trade associations.

When we do engage in political activities, these activities are subject to robust internal controls and oversight to ensure that they are conducted in accordance with the law and in furtherance of Ryder stockholders' interests. In our view, constructive participation in the political process and communication with governmental organizations about our business views are important means of enhancing stockholder value and fostering good corporate citizenship.

Shareholder Engagement

Ryder maintains open communications with our shareholders through hotlines, investor meetings, facility tours, earnings calls, direct communications, letters, emails, online information and reports, and shareholder proposals.

Shareholders and other interested parties wishing to communicate with our independent directors as a group can do so through an external toll-free hotline number, which is available on the Corporate Governance page of our [website](#), or by mail. In addition, anyone with concerns about our accounting, internal controls, or auditing matters can communicate directly to members of our Audit Committee. All of these communications procedures can be accessed on our [website](#).

In 2012 and 2013, we renewed our commitment to engage our shareholders in a more informal and consistent manner to ensure that we understand and are considering and addressing any specific concerns they may have. Specifically, we reached out to some of our largest shareholders, representing 70% of our shareholder base, to solicit their feedback, concerns, and recommendations regarding governance and compensation matters. The substance of shareholder discussions are shared with the Board. Taking into account the best interest of Ryder's shareholders and the company, the Board considers feedback provided by shareholders and, where appropriate, makes changes to Ryder's Governance profile. For more detail on the changes the Board made to its supermajority

provisions to respond to the shareholder proposal, see the "2012-2013 Notable Considerations" on [page 54](#).

Shareholder "Say on Pay" Vote

In 2013, we were pleased that over 95% of our shareholders approved of the compensation of our named executive officers as part of our annual advisory "Say on Pay" vote. On an ongoing basis, we review the governance and voting policies to better understand how our compensation practices align with shareholder policies and whether there are any areas where they differ. Given the strong "Say on Pay" voting results in 2011, 2012, and 2013, as well as positive feedback from our largest shareholders, we did not seek to make any significant changes to our overall executive compensation program in 2013.



Ryder's 2013 Shareholder Meeting at the company's Headquarters in Miami, FL.

2012-2013 Notable Considerations: Changes in Executive and Board of Directors Governance

In 2013, Ryder continued to align our interests with the interests of our shareholders. Highlighted below are some of the key actions and decisions (discussed in depth in our [March 17, 2014 Proxy Statement](#), see pages 48–51).

Changes to Long-term Incentive Program (LTIP)

In 2013, the Compensation Committee largely retained the overall design of the LTIP, but made revisions to further align its program results with Ryder's financial performance, reflect current market practice, more appropriately align Ryder's performance relative to our peers, and encourage retention.

Increase in Stock Ownership Requirements

In 2013, stock ownership requirements were increased so that the CEO must own Ryder stock or stock equivalents (including any unvested restricted stock rights) having a value equal to at least four (rather than two) times his annual base salary, and that select senior executives must own Ryder stock or stock equivalents having a value equal to at least two (rather than one) times their base salary. This ensures that CEO and executive compensation is closely tied to Ryder's financial performance.

Adoption of Policy Prohibiting Pledging or Use of Margin Accounts

In 2013, we amended our Insider Trading Policy to formally prohibit our executive officers and Board members from using margin accounts or pledging Ryder securities as collateral for a loan. At the time we amended our policy,

no executive officers or Board members held any securities in a margin account or had pledged Ryder securities as collateral for a loan. All executive officers and Board members remain in compliance with this policy.

Director Annual Elections

In 2013, Ryder proposed amendments to our Articles of Incorporation and By-Laws to provide for annual director elections beginning in 2016 in response to a 2012 advisory shareholder proposal. In response to proposed amendments, the proponent withdrew its 2013 proposal on the same issue and the amendments were overwhelmingly approved by shareholders.

Resolution to Change Elimination of Supermajority Vote Provisions

At our 2013 Annual Meeting, a shareholder proposal was submitted to a vote requesting that the Board take the steps necessary so that each voting requirement in the Articles of Incorporation and By-Laws that calls for greater than a simple majority (supermajority) vote be eliminated and replaced with a majority of votes cast standard. The shareholder proposal received the support of 49% of shares outstanding, which is less than the majority of shares outstanding required for the Board to consider the proposal

as having passed. However, given the level of shareholder support, the Board reconsidered this issue and engaged with some of our largest, long-term shareholders to get their feedback. The Board then determined to amend the Articles of Incorporation and the By-Laws to eliminate eight of the nine supermajority vote provisions, preserving only the supermajority vote required to amend the provisions in the Articles of Incorporation and By-Laws prohibiting shareholder action by written consent.

After careful consideration of the issue, the Board determined to preserve this one supermajority provision because the ability to act by written consent has been used historically as an abusive or coercive tactic. Allowing shareholders to act by written consent, potentially without the typical notice and disclosure requirements for shareholder meetings, provides hostile investors with self-interested agendas the ability to act quickly, opportunistically, and without the involvement of other shareholders or Ryder. The Board does not believe that the ability to act by written consent presents an additional meaningful right for shareholders to influence and respond to actions by management given that shareholders already have the ability to call a special meeting at any time with only 10% of outstanding stock.

Ensuring a Corporate Culture of Integrity

Celeste Lipworth, VP and Global Compliance Officer



“The new Principles of Business Conduct...were developed over several years with our human resources, operational teams, and subject matter experts, with oversight of our top levels of executives.”

A recent survey by the Ethics Resources Center reported good news when it comes to business conduct. Workplace misconduct is at an historic low, 41%, down from 45% in 2011 and from the record high of 55% in 2007. The organization reports, “the dip in misconduct may reflect a greater corporate emphasis on ethics through training, communications, and other measures.” The report goes on to say “Culture is a powerful antidote.” Ryder is playing our part in maintaining these positive trends.

We recognize that a culture of integrity requires constant review, updates, and front-line reinforcement of expectations. As a consequence, we continue to reiterate our own commitment to a culture of integrity. In 2011, we announced our plans to train 100% of our salaried and hourly workforce in the U.S. and Canada, compared to a calculated benchmark rate of 84%, based on data compiled by an independent third party industry leader in compliance training.

In 2013, we began to refresh our Principles of Business Conduct. By the end of 2014, we plan to roll out the new Principles and a comprehensive training program that includes every level of employee, key suppliers, and other third party providers. The program has been extended as part of the new hire orientation and to hourly employees to ensure that our values are presented as early as possible to those starting a Ryder career.

The new Principles of Business Conduct, and its associated communications materials and programs, were developed over several years with our human resources, operational teams, and subject matter experts, with oversight of our top levels of executives. It is written in a way to make it relevant to all employees in all geographies, using simple words, and more “Q&A” providing real life illustrations of our Principles at work. The new Principles of Business Conduct will be translated into various languages to accommodate our global workforce. We also added sections that encompass concerns about data privacy, social media, and expanded language about conflicts of interest. This update focuses on the “why’s” as much as the “what’s” – pivoting from the old way of addressing ethical breaches that just said “You shall not...” to empowering employees with more knowledge to make better decisions.

Of course, the effort doesn’t stop at creating a document called “Principles of Business Conduct.” We are adding ways for employees to more easily report concerns, both electronically and in writing, all while protecting their anonymity. These access points, including Helpline numbers and websites, are also available to the public. During 2013, we enhanced our global supplier risk assessment program to include due diligence, annual certification, *continued* →

training, and audits. The process works. In 2013, three suppliers were flagged for termination when we determined that they lacked a robust ethical culture.

Processes and documents are important. But it's up to our employees and suppliers to choose behaviors that reflect our culture of integrity. We continue the work to support them.



Ryder's updated Principles of Business Conduct was written and produced based on feedback from employees.

A Look Ahead

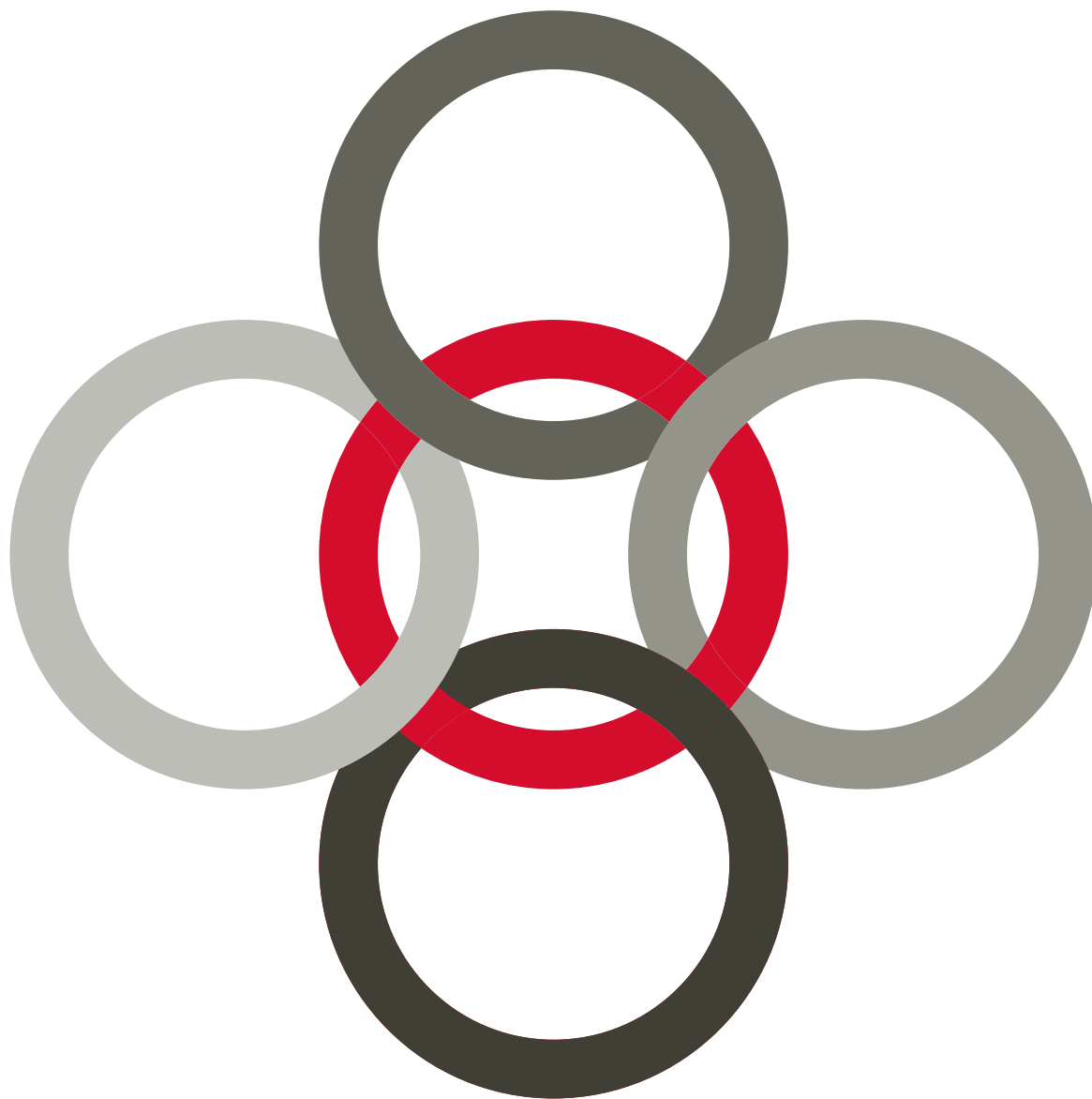
- Rollout our new Principles of Business Conduct in multiple languages across all employee groups along with a customized online training module to train our employees on the POBC.

6

Community

Stronger Communities— Key Partnerships

-
- Our Approach
 - Charitable Giving
 - Welcome Home, Soldier. Ryder Hires 1,700 Veterans.



Our Approach

Ryder has a long legacy of contributing services, dollars, volunteers, and expertise to non-profits of all kinds, whether in health and welfare, disaster relief, civic, cultural, or education. Through Ryder System, Inc. and our company-funded Ryder Charitable Foundation, our total charitable contributions were \$1.8 million in 2012 and \$1.87 million in 2013.



The American Red Cross is Ryder's national charitable partner.

Charitable Giving

In 2012, employees in the South Florida area, where Ryder is headquartered, pledged \$235,000 to United Way – that employee pledge was matched by Ryder with an additional contribution of \$290,000 for a total of more than \$525,000 (up from \$483,000 in 2011). In 2013, Ryder employees increased their pledge to \$245,000, which was matched by an increased Ryder contribution of \$310,000, for a total of \$555,000.

In addition to individual grants to non-profits in areas of health, human services, and education, Ryder is increasingly focusing our charitable giving to multi-year commitments that align giving with organizations that address social and community needs in keeping with our mission and values. Examples of these types of engagements include:

- **The American Red Cross:** Ryder made a \$1 million three-year commitment as an Annual Disaster Giving Partner in 2009, and renewed that commitment in 2013 with another \$1 million over four years as a Disaster Responder Partner.
- **Big Brothers Big Sisters:** Once a month, students from the inner city high school, where company founder Jim Ryder graduated in 1932, visit Ryder's headquarters in Miami to meet with their individual mentors for lunch, inspiration, education, and exposure to the corporate career environment. In 2012, 49 students were paired with their Ryder volunteer mentors and in 2013, the total rose to 63 pairings of Ryder volunteers and students.
- **The Miami Science Museum:** In 2010, Ryder pledged \$300,000 over 5 years to support a hands-on transport/logistics exhibit to educate children about the field of transportation and logistics.
- **Camillus House (Hunger/Homelessness) in Miami, Florida:** In view of Ryder's role as a major provider to the food & beverage and housing industries, in 2011, Ryder committed \$250,000 through 2016 to provide food, housing, and job skill development for those in need in the South Florida community.
- **St. Thomas University in Miami:** In 2013, Ryder pledged \$300,000 to create an endowed scholarship in honor of former Chairman and CEO Gregory T. Swinton. The scholarship acknowledges both Mr. Swinton's personal background as the first generation of his family to graduate from a four-year college, as well as Ryder's role as an employer of many first generation Americans. The scholarship will be available to candidates who

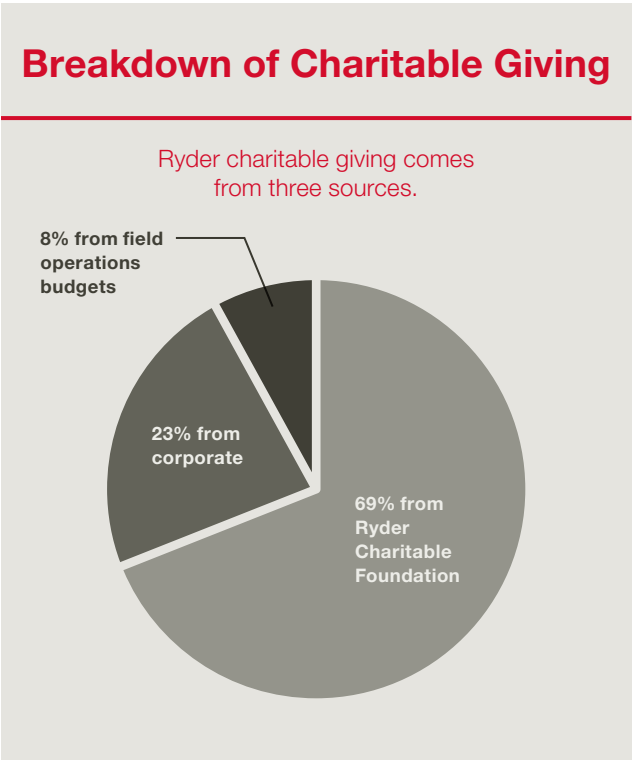


Ryder is a national partner of the American Red Cross.

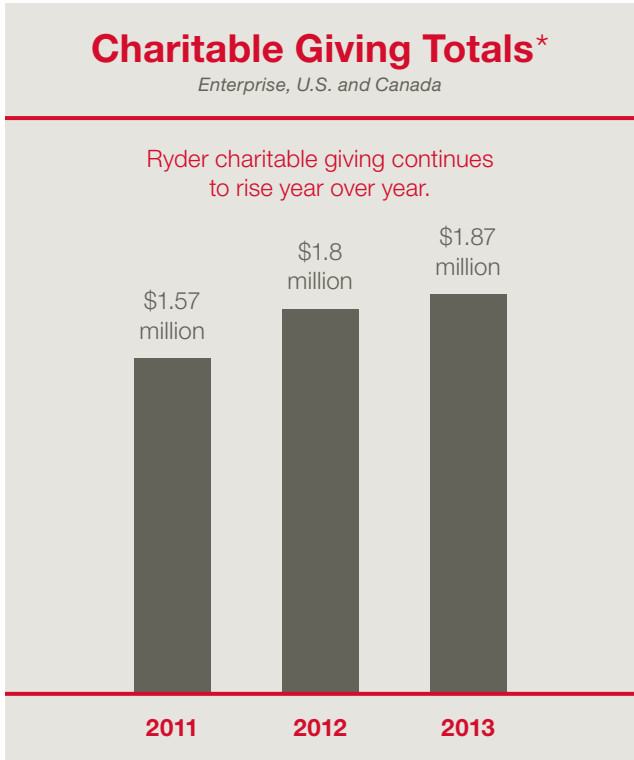
demonstrate a financial need, who are first-generation Americans, and are the first generation of their family to attend college.

- **National Historical Museum of the U.S. Army:** In recognition of Ryder's role as a significant recruiter and employer of military veterans, and as a past recipient of multiple awards for employment policies that go "Above and Beyond" what is required for employees serving in the National Guard and Army Reserves, Ryder pledged \$150,000 in 2012 to fund the "World War II Soldiers' Stories" exhibit at the soon-to-be-built museum near Washington, D.C. *continued* →

The Ryder Charitable Foundation also matches contributions of up to \$1,000 per employee to accredited universities and colleges. In 2012 and 2013, more than 85 individual matches were made, totaling over \$130,000 in grants to support the needs of more than 50 different colleges and universities.



In addition to financial support, Ryder employees are also community leaders through their service as board members for many of the organizations that Ryder supports, such as the American Red Cross, the United Way, Big Brothers Big Sisters, the Commonwealth Institute (women’s initiatives), the Cystic Fibrosis Foundation, Easter Seals, Truckers Against Trafficking, and the Association of Cuban Engineers.



Ryder employees volunteering at a food drive in Philadelphia.

* Figures do not include the dollar value of in-kind contributions, employee funded donations, employee volunteer hours, employee hours and expenses related to service on non-profit boards of directors, donated consulting expertise, donations made by Ryder operations outside the U.S., or the value of discounted services provided to non-profits.

Welcome Home, Soldier. Ryder Hires 1,700 Veterans.

Our new goal is to hire another 2,000 veterans by 2017.

In tough times, job seeking is always a challenge. But for U.S. veterans, the challenges are even greater. How do they find an employer that values their military skills and sees how those skills can be leveraged in a civilian workplace?

“With the large troop draw down, there is a ‘ready-now’ pool of talented experienced labor,” said Kirk Imhof, Group Director of Diversity and Inclusion, “And it’s our patriotic duty to hire them,” he added.

Since 2010, when we joined as a founding member of the U.S. Chamber of Commerce’s Hiring Our Heroes program, Ryder has hired more than 1,700 veterans. The initial goal, set in 2010, was 1,000 by the end of 2013. With veterans now representing approximately 10% of our employee population, our new goal is to hire another 2,000 by 2017.

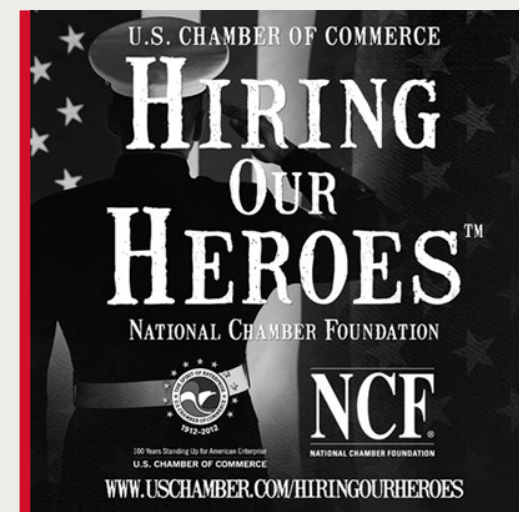
In 2012, the company launched a new military recruiting [website](#) to help veterans easily match their military skills with open positions at Ryder. On our Military website, veterans can access an automated feature to search for jobs according to their specific Military Occupation Specialty (MOS) or Military Occupation Code (MOC). Once a veteran enters his or her MOS or MOC into Ryder’s search engine, it will automatically filter the search to display open positions

at Ryder that specifically match that job code. The website also enables veteran applicants to search for jobs by geography, keyword, or job title.

As a result of these outreach efforts, Ryder veterans work as technicians, logisticians, warehouse and distribution managers, and truck drivers. We continue to recruit at job fairs around the country and through the Hiring Our Heroes [website](#).

We are proud to have received public recognition for our recruitment and hiring efforts. In 2013, VeteransPlus, a non-profit veterans advocacy group, awarded Ryder Charitable Foundation its first Foundations in Support of Heroes (F.I.S.H.) Award. The award recognizes organizations that help foster financial literacy among military personnel and veterans.

In 2014, we plan to continue our veteran outreach, recruitment, and family support efforts. We are expanding our recruitment efforts to attract disabled veterans, adding the Wounded Warrior Project as a new source of recruits. We will launch a new on-boarding process and mentoring program (assigning Ryder employees as “buddies”) to help ex-military employees experience a smooth transition into the Ryder workforce. In 2014, Ryder will add veteran spouses to our recruitment outreach.



Since 2010, Ryder has hired more than 1,700 veterans.



Veterans make up 10% of the company's U.S. workforce.

A Look Ahead

- Commit to a 2014 corporate pledge of \$335,000 to the United Way, matching a record pledge of \$255,000 by Ryder South Florida employees in 2013 — for a total of \$590,000 in support.
- Expand Ryder's United Way campaign beyond South Florida to include coordinated employee giving campaigns at Ryder "hub" locations in greater Atlanta, Georgia; Dallas/Ft. Worth, Texas; and greater Detroit, Michigan.
- Implement a new goal to hire 2,000 more veterans by 2017. Relationships with non-profit veterans groups will help to support outreach for recruiting.
- Benchmark other corporate giving programs to consider modifications to further align and enhance Ryder's giving strategy in 2014 and 2015.

