



GENDER PAY NARRATIVE

March 2018

INTRODUCTION

In light of the recent Government Regulations regarding Mandatory Gender Pay Gap Reporting. Total Reward Group have been engaged to support the gender pay gap reporting requirements for Ryder Ltd as of the 5th of April 2017 snapshot date.



FOREWORD

We are the industry leader in commercial vehicle contract hire, rental, fleet maintenance and Dedicated Delivery Solutions for organisations of all sizes. We operate across North America, the United Kingdom and Asia, with our headquarters located in Miami, Florida.

As an organisation we have a passion for driving change and innovation to better serve our customers by providing them with innovative technologies and solutions. Our vision is to become our customers' preferred and most trusted fleet service partner in Europe.

We care for our people and recognise that they are our greatest asset; through their creativity, diligence and expertise, we are an industry leader, focused on delivering unparalleled customer service and value. We are committed to attracting, developing and retaining the best talent available to ensure we create a workplace where every employee can contribute their full potential in delivering our organisation's business objectives. We want to ensure our workforce is diverse and inclusive, with a culture that remains open, collaborative, professional, respectful and open to embracing difference.

We recognise the implementation of Mandatory Gender Pay Gap Reporting is an important step in terms of transparency to encourage greater equality of opportunity for women in work.

Whilst our Gender Pay Gap Report suggests that we do have some areas where we can do more to support gender equality, we are confident that men and women are paid equally for doing equivalent jobs across our business. By scrutinising the detail to understand the reasons behind the high level numbers, we can form a plan of action which builds on and improves programmes and activities already in place.

We have a mean gender pay gap of 18.83% favouring males, and a median gender pay gap of 20.85% favouring males. These figures are slightly higher than the national figures

reported by the Office of National Statistics and are reflective of the fact that men are over-represented within organisations in the Engineering and Transport industries like Ryder. We know we have a lack of female representation in various STEM (Science, Technology, Engineering and Maths) roles. We recognise this is reflective of the sectors in which we operate and which have traditionally been male-dominated. While this is slowly changing, there are still fewer women than men studying and graduating in STEM subjects at school and university. We are therefore continually looking at ways to encourage more women to view us as a potential employer.

To help improve our pay gap, we will continue to provide access to training and development opportunities to encourage and promote progression into more senior roles. Females currently represent just 20% of our

overall workforce. We have hired over 1,000 employees in the last 3 years, of which 23% were female. Last year 17.5% of employee promotions were female, with 23.5% of those being promoted into management positions.

We continue to ensure our HR policies encourage and support flexible working within the organisation. Our HR team actively supports our diversity message across the organisation by positively influencing and challenging our hiring managers. This ensures they recognise how their individual behaviours and actions impact our overall ability to create an open, fair and inclusive workplace culture.

We know there is still more work to do to encourage more women to join our organisation as we strive towards becoming more gender balanced.

GENDER PAY GAP

Mandatory Gender Pay Gap Reporting applies to all private and voluntary sector employers in England, Wales and Scotland with at least 250 employees as of the 5th of April 2017 snapshot date. Those organisations are required to publicly report their gender pay gap metrics as follows on the government-sponsored website, with the aim of eliminating the gender pay gap:

MEAN GENDER PAY GAP	MEDIAN GENDER PAY GAP	GENDER BONUS PAY GAP
Difference between average hourly earnings of males and females	Difference between median hourly earnings	Proportion of male and female employees receiving a bonus within the 12 month period
MEAN GENDER BONUS GAP	MEDIAN GENDER BONUS GAP	PAY QUARTILES
Difference between average bonus earnings	Difference between median bonus earnings	Insight into career paths

The underlying reason behind the gap is predominantly due to the lower representation of women in more senior management roles. Both the Engineering and Transport industries are typically male-dominated. This is reflected across our organisation from Heavy Goods Vehicle Drivers and Vehicle Attendants through to Managers and our Senior Executive Team. We also know we have a lack of female representation in some of our more highly-skilled STEM (Science, Technology, Engineering

and Maths) roles such as Maintenance Engineers, Technicians and Systems Analysts, which is contributing to our mean pay gap as we have a predominance of qualified male specialists in higher-paid roles. When we look at our internal structure, we have given careful consideration to each of the broad 8 job levels across the company. Our internal analysis shows that while each favour male employees, 3 job levels have a pay gap of less than 10%.

As of the 5th April 2017 payroll, our mean gender pay gap stood at:

18.83%
currently favouring males

▶

with our median gender pay at

20.85%
currently favouring males

These are both slightly above the national mean (17.4%) and median (18.4%) as reported by the Office of National Statistics, 2017.

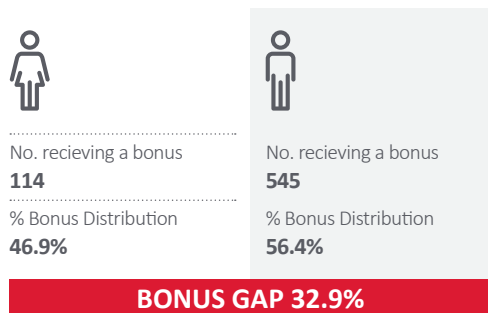
GENDER PAY GAP CONTINUED

We are confident all our HR processes and practices ensure that men and women are paid equally for doing equivalent jobs.

Our mean bonus gap currently stands at:

32.94% favouring males, with our median bonus gap favouring females at **-93.47%**

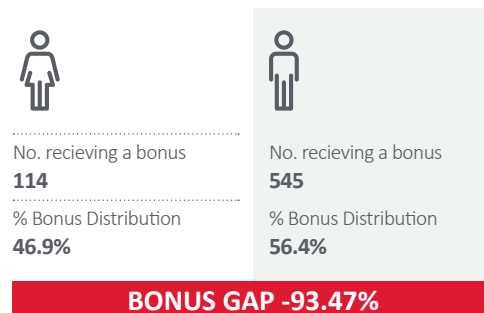
MEAN BONUS DIFFERENCES



This indicates that the data set is distorted with a much wider range in the bonus amounts found in the male data set than in the female data set. This, together with the fact that we have a higher number of male employees receiving a bonus, contributes to the difference between the mean and median bonus gap.

There is a large variation in bonus payments as we operate a number of discretionary role-specific performance-related bonus

MEDIAN BONUS DIFFERENCES



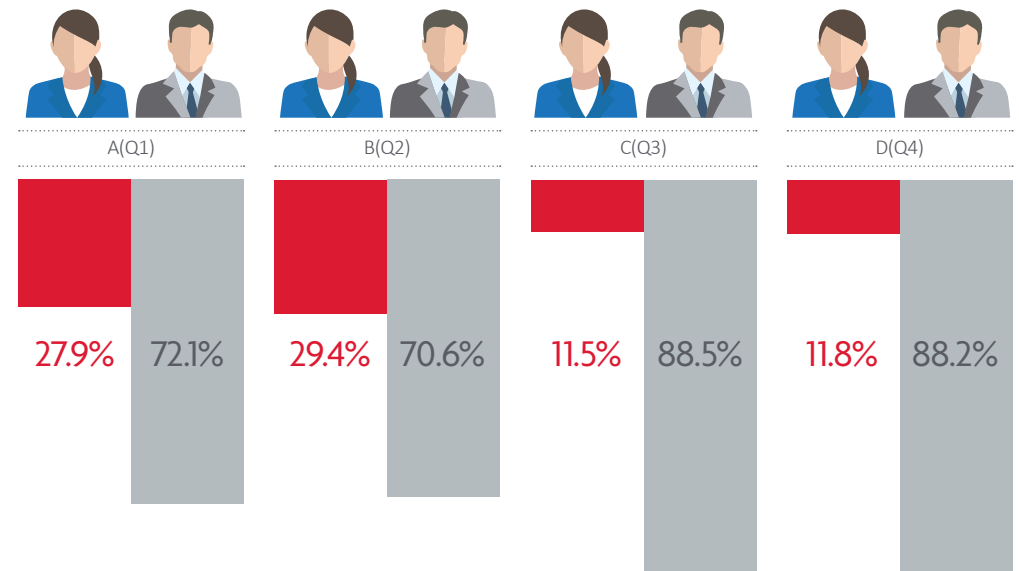
plans. These pay out on either a monthly or quarterly basis, including sales incentives, technicians' incentives, rental sales incentives as well as a driver's incentive plan. Our annual management incentive performance-related plan takes account of company and individual performance.

It is noted that female employees are more generally occupying office based roles, and only those in more senior positions are eligible for a

bonus under the annual management incentive. In contrast, a higher number of male employees are engaged in roles which are eligible to participate in a number of different bonus plans, with a greater range of value of bonus payments. This results in the median bonus for males being significantly less than that for females.

As an equal opportunities employer, all our permanent employees at eligible job levels, irrespective of their position, age, gender or ethnicity, are eligible for bonus.

GENDER DISTRIBUTION BY PAY QUARTILES



Our gender distribution by quartiles, as defined by the regulations, show us that female employees are significantly underrepresented across four quartiles.

This is our first year reporting our gender pay gap and we know that we need to further explore the numbers, understand the data and identify what actions are required to ensure that we make real, sustained progress to manage any gender pay gap and reflect a truly gender balanced workforce.

Our HR philosophy is to secure the best talent available for roles across the organisation and ensure that all our employees are treated fairly and consistently. We have recently invested in a new recruitment partner to drive a more collaborative approach so that we can better understand the candidate experience and ensure a greater gender balance in potential candidates, as well as securing a diverse range of external candidates from different backgrounds. As part of this, we actively partner with local schools and colleges, promoting STEM subjects in education and offering career advice to prospective new hires.

We recognise that the nature of our shift working patterns of some of our roles, particularly Heavy Goods Vehicle Drivers, can detrimentally impact on the ability of parents to balance both family and career and we continue to ensure our HR policies and practices encourage and support flexible working within the organisation.

We recognise that our HR strategy needs to evolve to ensure that we attract a higher proportion of females into our organisation.

Employee development is a key focus and a priority within our organisation. As part of this, we operate an apprenticeship programme designed to build our internal engineering capability and have 10 – 12 apprenticeships a year, proactively supporting them in their career development. We have been recognised for our commitment to good talent development practices by being awarded the National Asian Apprenticeships Large Employer of the Year Award in 2017. Moving forward, we will explore how we can better encourage women to join our organisation at this entry level.

Through our annual review process, our employees are provided with timely feedback and the opportunity for regular career development discussions. As part of this, we actively encourage our employees to consider different role experiences as they progress their careers within our organisation.

We operate an informal mentoring programme across different parts of the organisation and we will continue to nurture potential senior management capability.

Centralising our head office support functions has provided us with a greater opportunity to facilitate talent moves across a number of teams. To support our performance culture, we have proactively implemented bonus arrangements for a very significant proportion of our workforce and we also now have more formalised pay structures in place. We regularly review our existing benefit arrangements to ensure they remain externally competitive and internally fair.



I can confirm that the data and information contained in this report is accurate and in line with the mandatory requirements.



Catherine Steel
Human Resources Director

We constantly develop and improve our HR policies and practices to encourage and promote the development and progression of all our employees.



Building on our values of **trust, innovation, collaboration, expertise and safety**, we will continue to work with all of our employees. Regardless of gender, age, colour, religious belief, nationality, ethnic origin, social background, sexual orientation, marital status or disability. We will provide them with opportunities to build their confidence and help them in reaching their full potential.