



GENDER PAY NARRATIVE

April 2019

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 2019 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. A year into our journey towards a more gender balanced organisation, we have built upon the action plan we established to improve our programmes and activities already in place.

We have a mean gender pay gap of 24% favouring males and a median gender pay gap of 27.4%. These figures are only slightly higher than the national figures reported by the Office of National Statistics, 2018 and are in line with the 22% mean pay gap for the Science and Engineering Sector as reported by New Scientist, 2019. This gap is reflective of the fact that men are over-represented within organisations in the Engineering and Transport industries like Ryder.

We are pleased that we see positive year on year trends in the form of a narrower mean gender bonus gap and only a very marginal increase at the median. We also observe a narrower median bonus gap which continues to be in favour of females, with a slight increase at the mean in favour of males. Encouragingly, we see increased female bonus participation. This is evidence of the effort we have already invested in providing access to

training and development opportunities to our entire workforce to encourage and promote progression across the organisation.

Females currently represent 21% of our overall workforce. Last year we hired 78 females, 16% of employee promotions were female, with 53% of those being promoted into management positions.

In our third reporting year, the work undertaken by our Diversity Steering Group continues as we strive towards making Ryder a fair and balanced workplace. A number of internal work streams, coupled with thought leadership from our US parent, have identified key initiatives to be implemented over the next 12 months. We have increased the proportion of female candidates identified for new roles as a direct result of appointing a recruitment partner over the last year, who has been actively focused on developing alternative pipelines.

We launched a "light-touch" mentoring approach last year and will be introducing a female mentoring programme across the organisation later this year to nurture potential senior management capability.

We continue to ensure our HR policies encourage and support flexible working within the organisation and are working to ensure that what we have in place works for everyone. Our HR team actively supports our diversity message across the organisation by positively influencing and challenging our hiring managers to ensure they recognise how their individual behaviours and actions impact our overall ability to create an open, fair and inclusive workplace culture.

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 continually looking at ways to encourage greater female representation across the organisation and are committed to maintaining the momentum we have experienced over the last year, as we strive towards a more gender balanced organisation.

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 2019 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 QUANTILES
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 in our organisation. Both the Engineering & Transport industries are typically male-dominated. This is reflected across our organisation, recognising the majority of our roles are sourced from these sectors. We know we have a lack of female representation in some of our more highly-skilled STEM roles which is contributing to our pay gap as we have a predominance of qualified male specialists in higher-paid roles.

We are confident that men and women are paid equally for doing equivalent jobs across our business. When we look at our internal structure of nine broad job levels across the company, encouragingly we see that two favour female employees and two job levels have a pay gap of less than 10%.

While females currently represent 21% of our overall workforce, we are pleased that 19% of our Senior Management and Executive roles are currently being undertaken by females, up from 14% last year.

As of the 5th April 2018 payroll, our mean gender pay gap stood at: **24%** currently favouring males

▶

with our median gender pay at **27.4%** currently favouring males

These are slightly above the national mean (17.1%) and slightly above the national median (17.9%) as reported by the Office of National Statistics, 2018.

YEAR ON YEAR COMPARISON

We are pleased that we see positive year on year trends in the form of a narrower mean bonus pay gap mean with a very marginal increase at the median. This is evidence of the effort we have already invested in providing access to training and development opportunities to our entire workforce to encourage and promote progression across the organisation.

	2019	2017	% DIFFERENCE
MEAN GENDER PAY GAP	23.96%	18.8%	... ▲ 6.15%
MEDIAN GENDER PAY GAP	27.37%	20.9%	... ▲ 6.37%

BONUS PAYMENTS AND PARTICIPATION

Our mean bonus gap currently stands at:

26.50% favouring males, with our median bonus gap continuing to favour females at **51%**

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 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. Only those in more senior positions are eligible for a bonus under the annual management incentive. 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.

MEAN BONUS DIFFERENCES



No. Receiving a bonus
127

% Bonus Distribution
52.3%



No. Receiving a bonus
670

% Bonus Distribution
73.1%

MEDIAN BONUS DIFFERENCES



No. Receiving a bonus
127

% Bonus Distribution
52.3%



No. Receiving a bonus
670

% Bonus Distribution
73.1%

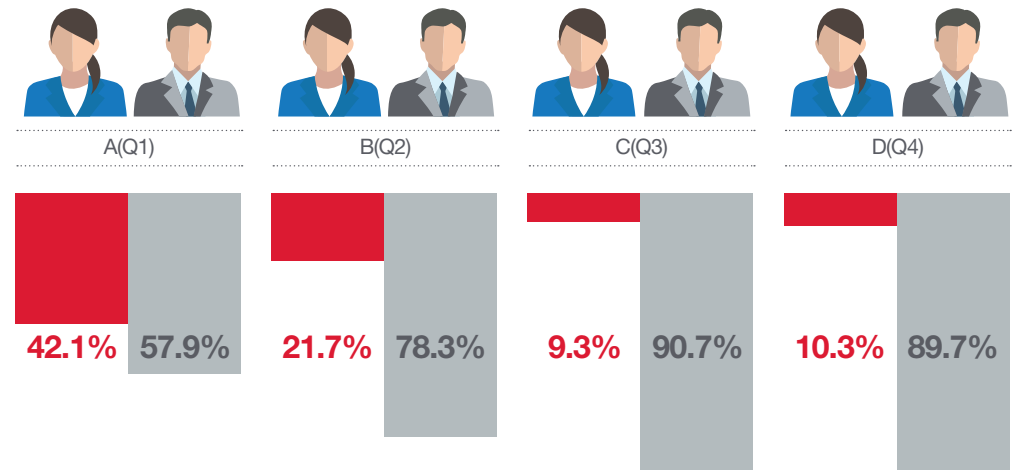
We are also pleased to see a narrower median bonus gap with a very marginal increase at the mean. Encouragingly, we see increased female bonus participation.

	2018	2017	% DIFFERENCE
MEAN GENDER BONUS GAP	34.96%	32.9%	... ▲ -8.71%
MEDIAN GENDER BONUS GAP	-27.17%	-93.47%	... ▼ -23.83%

CAREER PATHS AND EARNINGS

Our gender distribution by quartiles, as defined by the regulations, show us that female employees are under-represented in the top 3 pay quartiles, although are better represented in the lowest pay quartile.

GENDER DISTRIBUTION BY PAY QUARTILES



In our third year reporting our gender pay gap we are pleased with positive year on year trends in the form of a narrower mean bonus gap which is sustained when we look across three year data. We understand the lessons why we see a gender pay gap and are committed to actively managing the differential as we try to move towards a more gender balanced workforce.

Our HR philosophy is to attract and retain high calibre individuals and to leverage their unique talents to enable us to become our customers' preferred and most trusted fleet service partner in Europe.

We continue to actively create an environment where everyone is motivated to develop and progress through innovative HR policies and practices and an encouraging environment. We proactively keep in touch with those on Maternity to provide a source of support and guidance and are pleased that we saw a 79% return rate in 2019.

We ensure that all our HR policies and tools proactively support flexible working across the organisation as we believe that these policies encourage our talented and driven employees to deliver results and in turn advance their careers in our organisation. In 2019 we approved 88% of flexible working requests.

We recognise the motivational importance of positive senior role models to inspire confidence and success and we are proud that over 11% of our senior management roles are occupied by females. We acknowledge that our strategy needs to evolve to ensure that we attract a higher proportion of females into our organisation and that we actively ensure our hiring managers reflect our strategic approach to diversity.

We continue to adopt more proactive recruitment approaches and have recently refreshed our recruitment branding with new inclusive employer branding imagery. We are pleased that the appointment of our new recruitment partner in the last year has delivered a greater gender balance in potential candidates presented which has proactively reduced bias from our candidate selection. We continue to develop alternative pipelines as we proactively engage with the in-active portion of the job market – evidenced by our recent attendance at a Careers Transition fair - to target service leaders. We continue our partnership with local schools and colleges, promoting STEM subjects in education and offering career advice to prospective new hires.

We recognise that the nature of the 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, actively targeting females for specific contracts which best fit school commitments.

Employee Development is a key focus within our organisation and we are committed to making the most effective use of the talent, skills and abilities of our employees. Our training programmes continue to support achievements

and success for all our colleagues. As part of this we run an apprenticeship programme designed to build our internal engineering capability and have 10 – 12 apprenticeships a year and we are proactively encouraging women to join at this entry level. These programmes showcase our level playing field for engagement.

We have revamped our talent management processes and operate a female mentoring programme across the organisation to nurture potential senior management capability.

We constantly develop and improve our HR policies and practices to encourage and promote the development and progression of all our employees. We will continue to leverage technology to help us identify areas of our organisation that need renewed focus to drive continuous improvement relating to gender equality.

Building on our values of trust, innovation, collaboration, expertise and safety, we will continue to work with all of our employees, and regardless of ethnicity, gender, age, disability, religion or sexual orientation, provide them with opportunities to build their confidence and help them in reaching their full potential.



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. We will continue to leverage technology to help us identify areas of our organisation to focus to drive continuous improvement relating to gender equality.

BUILDING ON OUR VALUES OF

**TRUST, INNOVATION,
COLLABORATION,
EXPERTISE AND SAFETY,**

We will continue to work with all of our employees, and regardless of ethnicity, gender, age, disability, religion or sexual orientation, provide them with opportunities to build their confidence and help them in reaching their full potential.