



Cavalier Logistics Corporate Sponsors

President Mr. Tim Holdaway	ADDRESS: 45085 Old Ox Road, Dulles, VA 20166 PHONE: 703-733-4010
Director Mr. Robbie Neilson	ADDRESS: 45085 Old Ox Road, Dulles, VA 20166 PHONE: 703-733-4010

Cavalier Logistics Stakeholders

Vice President Washington DC Mr. Gabe Stanziano	ADDRESS: 45085 Old Ox Road, Dulles, VA 20166 PHONE: 703-733-4010
Corporate Customs Broker Mr. Manny Seligmann	ADDRESS: 45085 Old Ox Road, Dulles, VA 20166 PHONE: 703-733-4010
Chief Sustainability Officer Ms. Cheryl Mugford	ADDRESS: 1350 N Michael Drive, Wood Dale, IL 60616 PHONE: 630-694-1606
General Manager Atlanta Ms. Anne Boone	ADDRESS: 5156 South Ridge Parkway, College Park, GA 30349 PHONE: 770-997-4463
General Manager Charleston Ms. Kathy Morris	ADDRESS: 54 Broad Street #2, Charleston, SC 29401 PHONE: 843-266-9700
General Manager Chicago Ms. Flora Suner	ADDRESS: 1350 N Michael Drive, Wood Dale, IL 60616 PHONE: 630-694-1606
General Manager Dallas Mr. Joe Hillard	ADDRESS: 1722 Minters Chapel, Grapevine, TX 76051 PHONE: 817-329-4120
General Manager Los Angeles Mr. John Rodriguez	ADDRESS: 220 West Ivy Avenue, Inglewood, CA 90302 PHONE: 310-680-2013
General Manager Newark Mr. Michael Hickey	ADDRESS: 250 Sheffield Street, Mountainside, NJ 07092 PHONE: 908-233-0600





June 01, 2011

To our stakeholders:

Cavalier Logistics is in full support of the 10 principles of the Global Compact with respect to Human Rights, Labor, Environment and anti-corruption. Cavalier Logistics is committed to incorporating the Global Compact principles as well as accountability and transparency into the framework of its corporate structure, strategies and overall day to day culture and operations.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Tim Holdaway

Tim Holdaway

President





Human Rights

Cavalier Logistics is in full support for the 30 articles of the Universal Declaration of Human Rights, proclaimed by the United Nations General Assembly in Paris in 1948 as a common standard of achievements for all peoples and all nations. It sets out, for the first time, fundamental human rights to be universally protected. Cavalier encourages you to explore this for yourself by clicking on the following link [Universal Declaration of Human Rights](#).

Written company policy

Cavalier provides each member of staff with a written Employee handbook which clearly sets forth Cavalier's policy on many subjects, including but not limited to, Human Rights, Business ethics and conduct, Workplace, Violence prevention, Health & Safety, Wages, hours and Leave.

Health & Safety

To assist in providing a safe and healthful work environment for employees, customers, and visitors, Cavalier Logistics has established a workplace safety program. This program is a top priority for Cavalier Logistics. Its success depends on the alertness and personal commitment of all.

Cavalier Logistics provides information to employees about workplace safety and health issues through regular internal communication channels such as supervisor-employee meetings, bulletin board postings, memos, or other written communications.

Some of the best safety improvement ideas come from actual Cavalier employees. All Staff are encouraged to raise any ideas, concerns, or suggestions for improved safety in the workplace to their immediate supervisor, or with another supervisor or manager within the company. Reports and concerns about workplace safety issues may be made anonymously if the employee wishes. All reports can be made without fear of reprisal.

Business ethics and conduct

The successful business operation and reputation of Cavalier Logistics is built upon the Principles of fair dealing and ethical conduct of our employees. Cavalier Logistics complies with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct. This policy is extended to our agents, partners and vendors both in the US and internationally.

Workplace Violence Prevention

Cavalier Logistics is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, Cavalier Logistics has adopted many guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises. All employees, including supervisors and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from the premises of Cavalier Logistics. Unless contrary to state law. Conduct that threatens, intimidates, or coerces another employee, a customer, or a member of the public at any time, including off-duty periods, will not be tolerated.





Cavalier Logistics will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. Cavalier Logistics encourages employees to bring their disputes or differences with other employees to the attention of their supervisors, Management or the Owner before the situation escalates into potential violence.

Hours, wages and leave

Cavalier Logistics believes that its work conditions, wages, and benefits offered to its employees are fair and competitive, and provide for a good standard of living. Cavalier is fully aware of the minimum wages outlined in the United States and ensures all employees are adequately compensated with above minimum wages, and compensation paid is sufficient for the position held by the individual employee. Cavalier also ensures all employees are provided sufficient compensation of overtime and sufficient vacation time and sick leave.

If employees have concerns about work conditions or compensation, employees able to voice those concerns to their supervisors. Our experience has shown that when employees deal openly and directly with supervisors, the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that Cavalier Logistics amply demonstrates their commitment to employees by responding effectively to employee concerns.

How Cavalier responds to and deals with Human rights violations and incidents

Cavalier Logistics is committed to all employees. Part of this commitment is encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response from the company's supervisors and management.

Cavalier Logistics strives to ensure fair treatment of all employees. Supervisors, managers, and employees are expected to treat each other with mutual respect. Employees are encouraged to offer positive and constructive criticism. If employees disagree with established rules of conduct, policies, or practices, they can express their concern through the problem resolution procedure. No employee will be penalized, formally or informally, for voicing a complaint with the company in a reasonable, business-like manner, or for using the problem resolution procedure.

If a situation occurs when employees believe that a condition of employment or a decision affecting them is unjust or inequitable, they are encouraged to make use of the problem resolution procedure which is clearly outlined on the employee handbook.

Not every problem can be resolved to everyone's total satisfaction, but only through understanding and discussion of mutual problems can employees and management develop confidence in each other. This confidence is important to the operation of an efficient and harmonious work environment.

Specific Goals for Human Rights for the upcoming year

Cavalier Logistics have drafted a policy outlining the Global Compact principles on Human Rights. This policy will be shared with business partners and suppliers to show Cavaliers dedication to the United Nations Global Compact, and to request that all business partners and suppliers to adhere to the policy. Cavalier Logistics will further investigate what it can do as an organization to support all Human Rights issues within its internal operation and externally. Cavalier will continue to further develop its employee





handbook to ensure all aspects of the Global Compact are adhered to, and Cavalier will seek to offer additional resources and Awareness raising or training of employees on Human Rights.

Labor

Written company policy

Cavalier Logistics is strongly against any form of forced labor, Child labor and employment discrimination. Cavalier provides each member of staff with a written Employee handbook which clearly sets forth Cavaliers policy on many subjects, including but not limited to, Equal Opportunity, Disability Accommodation, and Employee Benefits.

Equal Employment Opportunity

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at Cavalier Logistics are based on merit, qualifications, and abilities. Cavalier Logistics does not discriminate against any person because of race, color, creed, religion, sex, national origin, disability, age, genetic information or any other characteristic protected by law (referred to as "protected status"). This nondiscrimination policy extends to all terms, conditions and privileges of employment as well as the use of all company facilities, participation in all company-sponsored activities, and all employment actions such as promotions, compensation, benefits and termination of employment.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor. Employees can raise concerns and make reports without fear of reprisal.

Disability Accommodation

Cavalier Logistics is committed to complying fully with the Americans with Disabilities Act (ADA) and applicable state law, and to ensure equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis. Hiring procedures are designed to provide persons with disabilities meaningful employment opportunities. Pre-employment inquiries are made only regarding an applicant's ability to perform the duties of the position. Reasonable accommodations for qualified individuals with known disabilities will be made unless to do so would be an undue hardship. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual. Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in Compensation) as well as in job assignments, classifications, organizational structures, position descriptions, lines of progression and seniority lists. Leave of all types will be available to all employees on an equal basis. Cavalier Logistics is also committed to not discriminating against any qualified employees or applicants because they are related to or associated with a person with a disability. Cavalier Logistics will follow any state or local law that provides individuals with disabilities greater protection than the ADA. This policy is neither exhaustive nor exclusive. Cavalier Logistics is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

Employee Benefits

Eligible employees at Cavalier Logistics are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, state disability, and unemployment insurance) cover all



45085 Old Ox Road Dulles VA 20166-2336 T:703-733-4010 F:703-707-0651

For suggestions or further information regarding Cavalier's commitment to the UNGC, contact
ungc@cavlog.com

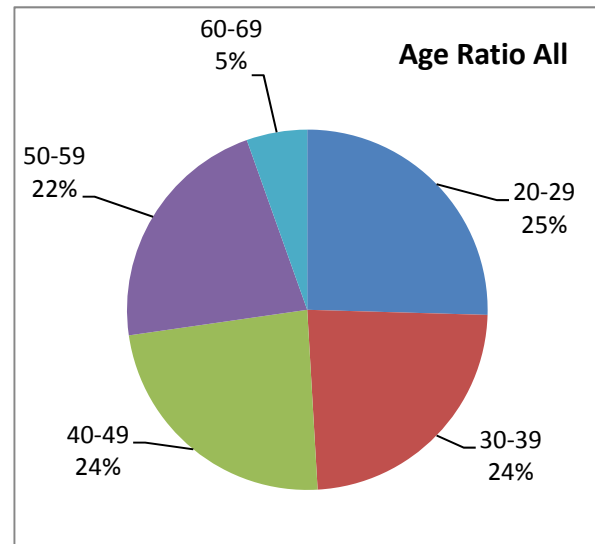
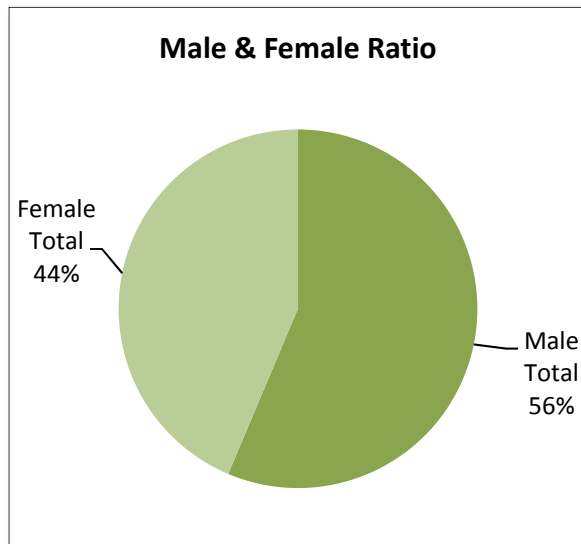


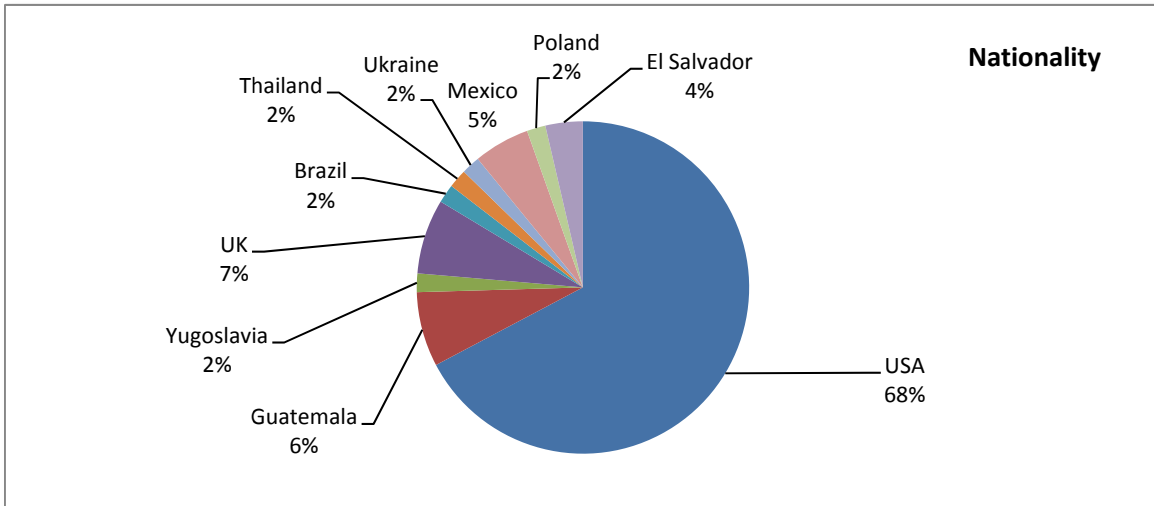
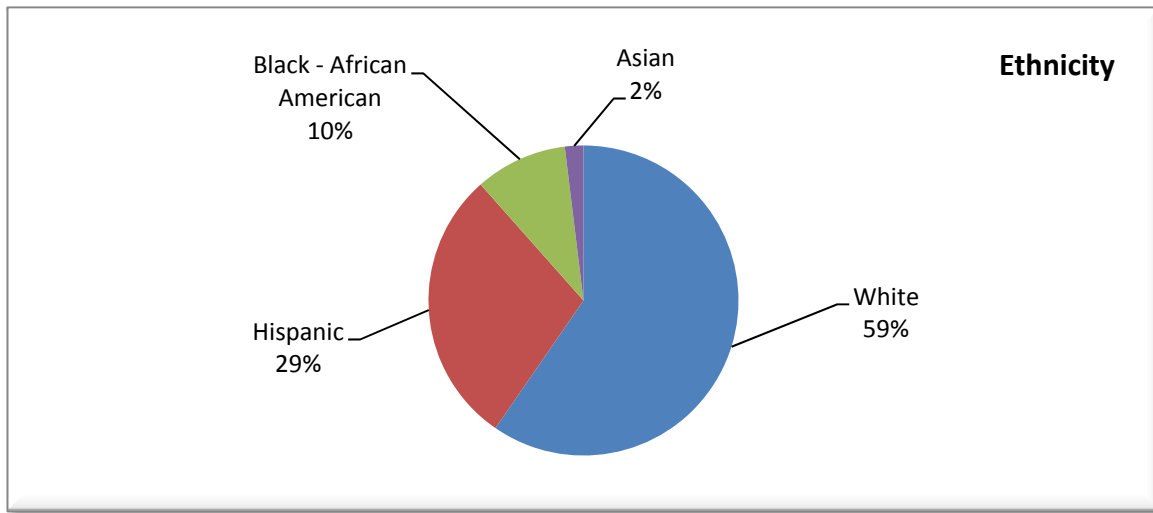
employees in the manner prescribed by law. Benefits eligibility is dependent upon a variety of factors, including employee classification. The following benefit programs are available to eligible employees:

- Medical and Dental Insurance
- Life Insurance
- 401(k) Savings Plan
- Vacation Benefits
- Holidays
- Workers' Compensation Insurance
- Sick Leave Benefits
- Time Off to Vote
- Bereavement Leave
- Jury Duty
- Witness Duty
- Benefits Continuation (COBRA)
- Employee Assistance Program

Cavalier Demographics

Cavalier is proud of the fact that it has a wide demographic of employees; each and every employee brings a great deal of diversity and are happy to share cultural experiences and ideas.





Specific Goals for Labor for the upcoming year

Cavalier Logistics will produce a policy outlining the Global Compact principles on Labor. This policy will be shared with business partners and suppliers to show Cavalier's dedication to the United Nations Global Compact, and to request that all business partners and suppliers adhere to the policy.

Cavalier Logistics will further investigate what it can do as an organization to support all Labor Rights and labor issues within its internal operation and externally. Cavalier will continue to further develop its employee handbook to ensure all aspects of the Global Compact are adhered to, and Cavalier will seek to offer additional resources and Awareness raising or training of employees on Labor issues and Labor rights.



ENVIRONMENT

Cavalier Logistics is committed to caring for and improving the environment in many ways such as recycling, reforestation, Truck efficiency, reusable products,

Recycling

Cavalier Logistics has implemented recycling in its corporate office in Dulles VA. With the corporate office being the largest of the organization, it seemed fitting to start the recycling endeavor here. Strategically placed around the office are paper collection cabinets and a larger bin is located in the warehouse. These are emptied periodically; the paper is shredded and then sent off to be recycled. Additionally, in the staff kitchen are two other recycling bins, one for aluminum cans and one for glass and plastic bottles, and lastly, in the warehouse is a large dumpster for cardboard recycling. All members of staff are strongly encouraged to utilize the recycling bins.

Upon review and great success of the recycling program at the corporate office, Cavalier Logistics is now rolling this initiative out to all the other station. Each station will initially be provided with paper collection cabinets and upon evaluation of each station, it will determine if further recycling options are feasible.

Cavaliers Carbon offset & Reforestation Program / CAVCORP

Many companies are wrestling with the task of reducing their carbon foot print. Cavalier Logistics has designed a program that can assist with this daunting task and aid in the reforestation of The Atlantic Forest in Brazil.

1 mature tree stores approximately 13kg of CO₂ a year, depending on size, species, age, location etc. A passenger car getting 28mpg, driving 15000 miles in a year using regular unleaded gas produces 4752kg of CO₂ a year - 366 trees are needed to offset the emissions. A straight truck that uses diesel, averaging about 7.8mpg and covering 75000 miles in a year produces 97630kg of CO₂ in a year - 7510 trees are needed to offset the emissions.

The Atlantic Forest in Brazil is considered one of the most endangered tropical forests in the world. Only 12 percent of the original area (about the size of the US Eastern sea boarder from Maine to South Carolina) remains, and only 7 percent of that is well conserved. Forest restoration projects are essential to rebuilding the Atlantic Forest, and many other forests around the world.

There are several organizations in support of reforestation, one such organization is The Nature Conservancy's Plant a Billion Trees campaign. Cavalier has joined forces with this organization and is offering customers and staff the ability to make donations directly through Cavalier's website and Cavalier will match all donations. In addition to general donations, Cavalier is providing the option for customs to register with the **CAVCORP** and an agreed fee will automatically be added to monthly statements for every shipment handled by Cavalier. Cavalier will match all contributions made through the **CAVCORP**, and Cavalier will help customers calculate the carbon footprint of shipping their freight. As an example, 5000Lbs of freight travelling 500 miles produces 192kg of CO₂ - 15 trees are needed in order to offset the emissions.





Cavalier Logistics Truck Efficiency

Cavalier utilizes fuel additives in its trucks which allow for the use of Ultra Low Sulfur Diesel fuel. These additives also improve MPG, reduce emissions and extend the life of fuel filters.

Cavalier Logistics is now a Member of the EPA's SmartWay Transportation Program, Cavalier Logistics is proudly working towards environmentally cleaner, more fuel efficient transportation options. All equipment is being transitioned to SmartWay approved partners or affiliates.

Reusable Products

Cavalier Logistics has provided all staff with ceramic coffee cups and reusable water bottles (BPA Free Plastic), staff are no longer allowed to use paper cups or single use plastic cups. Further to this initiative, Cavalier is seeking to replace all single use paper/plastic plates and plastic cutlery in the coming months.

Future Initiatives/goals for the Environment

With Cavalier's commitment to the United Nations Global Compact environmental principles, many additional ideas and strategies are being discussed and presented to the corporate Managers. Cavalier's goal is to implement as many of these as possible over the next twelve months and beyond. Some of these ideas are listed below;

Recycle Ink cartridges / use only recycled paper / diverting to a paperless office environment with new systems and technology / encourage staff to turn off lights, computers, printers etc when not in use / create an environmental awareness education program- a voluntary program that Cavalier can help to encourage staff to implement projects at home and work etc, / Replace all Cleaning Products with environmentally friendly products in all its offices / replace old kitchen appliances with energy star rated efficient appliances / obtain an Assessment of the environmental footprint and impact of the company / create written company policy on environmental issues, including prevention and management of environmental risks / replace propane with Electrical Fork Lifts / Install Light sensors in all Warehouses and offices.

Anti-Corruption

Cavalier Logistics is currently taking action in order to effectively review the policies of all business partners and suppliers with regards to Anti-Corruption. *Cavalier is in full support of the FCPA - Foreign Corrupt Practice Act* www.fcpa.us and has a written policy which it will distribute to all business partners and suppliers, requesting they adhere to the policy.

Future Initiatives/goals for Anti-Corruption

Distribute a written company policy of zero-tolerance for corruption, bribery and extortion. Create Protocol to guide staff in situations where they are confronted with extortion or bribery, provide education and literature to all staff regarding Anti-Corruption and Cavalier's policy. We will update our vendor and agent assessment to include a more rigorous Anti-Corruption section. Included in this section will be a requirement for an officer of the company to complete and sign a document stating that they understand and will comply with our policies

