

2012 Communication on Progress Cavalier Logistics

Statement of continued support by the Chief Executive Officer

May 24, 2012

To our stakeholders,

I would like to take this opportunity to reaffirm that Cavalier Logistics is in full support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

We are pleased to report that, as outlined in this Communication on Progress, Cavalier Logistics continues to advance those principles through our actions as we strive to fully integrate the Global Compact into our business strategy, culture and daily operations. We commit to share this information with our stakeholders using our primary channels of communications.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Tim Holdaway', with a stylized, cursive script.

Tim Holdaway
President

Human Rights

Description of Practical Action

Further to our stated goals of 2012 Cavalier has implemented an external questionnaire and approval process specifically designed for overseas vendor and agents. We also have provided notification of Cavalier's standards and policies regarding human rights and labor and require agents and vendors to provide us with confirmation of understanding and compliance with these standards.

Measurement of Outcomes

To date, Cavalier has not received any complaints of human rights violations. Senior management and our human resources department, through our company policies and frequent communication with our employees, continually ensure that our employees and stakeholders are treated fairly and equally.

Labor

Description of Practical Action

Further to our stated goals of 2012 Cavalier has implemented an external questionnaire and approval process specifically designed for overseas vendors and agents. We also provided notification of Cavalier's standards and policies regarding human rights and labor and require agents and vendors to provide us with confirmation of understanding and compliance with these standards.

Measurement of Outcomes

Cavalier has a range of Human Resources policies outlined in our company handbook which support best practice in terms of labor. No labor rights violations have been reported by employees or others during this reporting period.

Environment

Description of Practical Action

Tremendous progress has been made by Cavalier over the past few years to implement practices that have reduced the negative impact of our organization on the environment. Further to that end, Cavalier intends to implement the following actions/policies:

- Transition to a paperless operating environment. This process has begun and we expect it to be complete by summer 2014
- Continue transitioning all equipment to SmartWay approved partners or affiliates
- During company events, when the use of disposable plates and cutlery is unavoidable, we will use only environmentally friendly, biodegradable products.
- Cavalier is also taking into consideration the following action: using only recycled ink cartridges and paper; creating a voluntary environmental awareness education program to help employees implement projects at home and at work; replacing all cleaning products with environmentally friendly products; obtain an assessment of the environmental footprint and impact of the company; create a written company policy on environmental issues including prevention and management of environmental risks.

Measurement of Outcomes

Cavalier was able to achieve several of the goals we set for ourselves over the past year. These accomplished goals include:

- Paper recycling initiative has been rolled out to all stations. Each station has been provided with paper collection cabinets. Ongoing evaluation will determine if further recycling options are feasible.
- Cavalier has implemented a new company policy that gives extra car allowance to sales employees who purchase hybrid vehicles.
- All of our kitchen appliances have been replaced with Energy Star rated efficiency appliances.
- Light sensors have been installed in our warehouse and offices at our headquarters and we are in the process of accomplishing the same in all of our stations. We also encourage all employees to turn off lights, computers, printers, etc. when not in use.

As we improve our knowledge and capabilities, we will continue to strive for environmental excellence in our responsible use of resources and application of environmental practices.

Anti-Corruption

Description of Practical Action

Having been in business for over a quarter century, Cavalier Logistics takes its long-standing reputation very seriously. To that end, Cavalier provides education and literature to all of our employees regarding our anti-corruption policy. All staff members are required to adhere to a strict code of ethics.

As we are a global company, we are in the process of distributing our anti-corruption policy to our worldwide partners and suppliers and ask that they too adhere to such. Cavalier is also currently updating our vendor and agent assessment to include a more rigorous anti-corruption section including a requirement for an officer of the company to complete and sign a document stating that they understand and will comply with our policy.

In the year ahead Cavalier will be creating protocol to guide staff should they ever be confronted with extortion or bribery.

Measurement of Outcomes

Cavalier has not experienced any cases of corruption within the past year. There have been no reported cases of attempted bribery or conflict of interest.