



May 22, 2015

H.E. Ban Ki-moon  
Secretary-General  
United Nations  
New York, NY 10017

Dear Mr. Secretary-General,

Since June 2010 Cavalier Logistics has been a proud member of the United Nations Global Compact Initiative. I am pleased to once again confirm Cavalier's support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

At Cavalier we understand that the strength of our corporate culture is directly linked with the advancement of a sustainable and inclusive global economy. As such, Cavalier greatly values our participation with the United Nations Global Compact and expresses this once again by submitting our annual Communication on Progress (COP). Our intention in submitting this COP is to demonstrate our efforts over the past year in implementing the ten Principles.

We support public accountability and transparency and therefore will continue to report on our activity annually according to the Global Compact COP policy. Additionally, we are committed to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Tim Holdaway", with a long horizontal flourish extending to the right.

Tim Holdaway  
President

## Human Rights

### *Description of Practical Action*

Cavalier is in full support of the Universal Declaration of Human Rights. As an equal employment opportunity company we take very seriously our commitment to nondiscrimination in our hiring process. Cavalier clearly outlines our hiring practices in our Company Handbook and we maintain an audit and reporting system to determine overall compliance with our equal employment opportunity mandates. As part of our commitment to this overall process we seek to ensure that all aspects of employment including recruitment, selection, compensation, benefits promotion and termination processes remain free of illegal discrimination based upon race, color, religion, sex, national origin, disability or protected veteran status. As part of our recruiting process we actively seek to advertise our open positions to the disabled and veteran communities.

To promote and foster a healthy work environment for our employees Cavalier participates in yearly employee harassment prevention training with additional training given to the management team. We believe that all our employees have a right to a discrimination and harassment free workplace and actively work toward that goal.

As a company we highly value our employees' work life satisfaction and have sought to reward employees with recognition programs such as Employee of the Quarter and Employee of the Year awards. Our employees have voiced their appreciation of these programs and are pleased that the company they work for recognizes their achievements.

Cavalier operates in a global environment - our industry requires us to engage partners throughout the world. While we cannot have full control over our suppliers and vendors, Cavalier does its utmost to inform our partners of our standards and policies regarding human rights and labor and require them to provide us with confirmation of understanding and compliance with such 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*

While Cavalier stresses the importance of competitive wages and benefits, disability accommodations and equal opportunity to all of its employees, we take most seriously the health and safety of our staff. As a logistics company a significant percentage of our employees are warehouse workers and drivers. As these positions have a higher risk of injury Cavalier has taken several precautions to protect these two groups of employees. Our warehouse workers are provided hardhats, gloves and protective glasses and are trained in emergency response in circumstances of evacuation or a hazardous spill. Over the past few years we have instituted many safety initiatives for our drivers that include a three part video series covering safety factors including but not limited to avoiding collisions, speed and space management, extreme weather driving, vehicle inspection, driver fatigue and rollovers. In an attempt to encourage our drivers to be safety conscious, last year Cavalier implemented a biyearly Safety Performance Award. Additionally, we have mounted every truck with onboard electronic logging devices that monitor and report our drivers' hours of duty as well as their location on GPS. This technology allows Cavalier to monitor hard braking or accelerations, idle time and speed. A major benefit is that this has led to a decline in driver fatigue.

In addition to the regular safety training our employees receive Cavalier staff are able to submit Non Conformance Reports (NCRs) should they have any safety concerns that they would like to bring to the attention of upper management. All submitted NCRs are reviewed by the management team, a decision is made on a correction and a member(s) of staff is assigned the task of implementing the correction.

Cavalier continues its important practice of requiring our vendors and agents to complete questionnaires and successfully navigate our approval process. Additionally, our vendors and agents are provided notifications of our standards and policies regarding labor and require them 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*

Cavalier continually challenges itself when it comes to the very important issue of environmental protection. A sustainable society is something that we all should be aiming for and Cavalier

proudly plays its part. Over the last few months we have completed the transition to a new operating platform which was created in-house. The Enterprise Management Software (EMS) has been rolled out to all of Cavalier's offices. This system allows for production of e-air waybills as well as plane paper air waybills negating the use of the 6-ply air waybills. While Cavalier is still early in the transition process we are expecting a 55% reduction in paper usage. This number will increase as the airlines adopt the e-air waybill format.

The introduction of EMS across all Cavalier offices has also allowed for internal and external messaging to be conducted electronically which further reduces unnecessary usage of paper products. As EMS is a web-based system it allows interaction with multiple hardware and software protocols which has reduced Cavalier's need to purchase hardware assets further reducing our carbon footprint.

Lastly, in an ongoing process, Cavalier continues to upgrade our motor vehicle fleet with newer, more environmentally friendly equipment.

#### *Measurement of Outcomes*

In our continued effort to contribute to the wellbeing of our shared environment and reduce our carbon footprint Cavalier has significantly reduced our usage of paper products, rationalized our need for hardware assets and lowered our fuel usage.

### **Anti-Corruption**

#### *Description of Practical Action*

As a globally operating corporation Cavalier understands the importance of fostering a transparent, open and honest work environment. Our company's anti-corruption policy is very clearly defined and is distributed to all new employees upon hire. Additionally, it is distributed to all existing employees yearly. All employees, officers and directors of Cavalier are held to the highest standards and are required to adhere to a strict code of ethics. Cavalier does not do business with any organizations that are known to be corrupt.

#### *Measurement of Outcomes*

Over the last year Cavalier has distributed our anti-corruption policy to our worldwide partners and suppliers asking that they too adhere to such policy. This is done on an annual basis. Our vendor and agent assessment includes a very rigorous anti-corruption section with a requirement that an officer of the company complete and sign a document stating that they understand and will comply with our policy. 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.