

Environmental + Corporate Social Responsibility

Covario is committed to corporate social responsibility, supporting programs that help make the world a better, safer and greener place to live, work and do business.

Covario has implemented various environmental initiatives that encourage leadership and participation in the community for the good of us all.

Covario's environmental policies, procedures and employee programs help ensure the conservation of natural resources while minimizing any detrimental environmental impact from our operations, including waste reduction, energy savings, water conservation and recycling.

We strive to purchase products that are eco-friendly, re-usable, recyclable and do not harm the environment. The company is currently moving toward EPA Energy Star compliant office equipment, replacing antiquated equipment that is not in compliance.



Energy Savings + Water Conservation

Our energy conservation policy and practices are meant to ensure:

- Equipment does not need to be powered on when not in use is turned off
- When old computers and other equipment are no longer useful, all e-waste and hazardous materials are properly disposed of or recycled where possible, as in the case of printer toner cartridges
- We procure the most energy efficient electrical equipment
- Consumption of energy for work-related purposes is minimized, including efforts to reduce unnecessary business travel

In this regard, we have standardized on laptop computers powered by Intel® Core processors, which according to the manufacturer use 20% less energy than PCs based on competitive chips.

We also made a special effort to locate our new San Diego corporate office space in a facility that is operated by a member of the U.S. Green Building Council and was awarded Silver Certification for LEED® Existing Buildings in 2011.

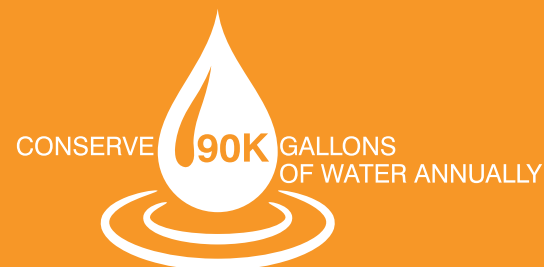
The building and surrounding property feature low water use plants, such as Star Jasmine and Rhipirolepis, resulting in greater sustainability without sacrificing the beauty of the landscape. The irrigation controllers are operated by an automated system that manages the moisture requirements for the landscape on a daily basis by specific plant, soil type and weather conditions, relaying the information via satellite each day to the specific irrigation controller. In addition, reclaimed water is used to irrigate the landscaping. Inside the building, numerous water saving efforts are in place, including the installation of high-efficiency plumbing fixtures, enhanced water treatment technologies in place at the cooling tower, and water detection devices throughout – allowing timely response to water leaks. Clearly, water is a precious commodity, especially in the southwest.

The facility, which is named La Jolla Centre, has consistently received the Energy Star label since its construction and ranks in the top 20th percentile of all buildings nationally for energy efficiency. This has been achieved as a result of several energy saving programs, including a partnership with SDG&E and the Demand Response initiative – an innovative program that requires a reduction in kWh consumption during high-peak usage times and upgrading water source heat pumps to eco-friendly, high-efficiency units. The new units have more efficient motors and electrical components, and use the new more eco-friendly R410 refrigerant.

Beyond this, Covario takes pride in the progress we've made in the growth of our telecommuting workforce. More than 33% of our employees now work from home, reducing their auto fuel consumption, as well as the amount of office space and power consumption in our offices.

With these efforts and more, Covario and our employees conserved about 90,000 gallons of water and 50,000 kilowatt hours of energy. We also now recycle about 120 ink cartridges and 900 batteries annually, contributing to savings of about \$3,000 a year in office supplies.

In addition, we reduced work-related travel by 21% over the course of the year, saving our employees countless gallons of gasoline for commuting and airport trips.





Waste Reduction

Another area we have addressed is the reduction of paper use through:

- Utilizing electronic distribution of documentation
- Automated time reporting and paperless payroll systems
- Facilitating meetings with remote participants by Web, voice and video conferencing
- Conducting financial and legal transactions online whenever possible
- Providing Covario ceramic mugs and reusable water bottles to all employees, reducing waste from paper cups while saving costs
- Placing recycling bins at all office workstations
- Participating in annual e-waste days for Covario and other facility tenants

Through these efforts and more, **the company has avoided using at least 150,000 sheets of paper**, helping to save hundreds of trees along the way.

And, since Covario is essentially a search engine marketing agency and, through its Rio SEO business unit, a software automation company, our products and services are all accessed online with no packaging requirements – leaving behind virtually no carbon footprint.



Employee Engagement + Client Support

With respect to our employees, it delights us all – through our internal employee Culture Club – to have created a quarterly “eco-vario” e-newsletter, which has the overall goal of keeping the environment top of mind both during the workday and when our employees are at home. The e-newsletter offers helpful hints for being green, environmental news updates, and updates on eco-events in San Diego, Chicago, and other regions of employee concentration.

An example of one such eco-event was the 26th Annual California Coastal Cleanup Day, where Covario employees took a day out of their weekend to help clean up San Diego’s Mission Beach. At our employees’ initiative, our Covario e-tail shop even offers organic and sustainable bamboo T-shirts.



On the client front, we are helping Solar City promote its new energy efficiency audit program that is being offered to consumers in the San Francisco Bay Area in conjunction with One Block off the Grid (1BOG), a consumer advocacy group for residential renewable energy.

Covario also won an IAB MIXX Gold Award for the year’s best search marketing campaign together with Adobe Systems. Working with this client, Covario co-launched the “Connect and Conserve” initiative to promote Adobe’s latest Web conferencing, e-learning and online collaboration solution as a green technology that helps reduce costs and improve work productivity. As part of the successful campaign, Adobe donated \$300,000 to schools around the country to help them “go green.”

Like many environmentally-conscious companies these days, to celebrate the Holidays we now send paperless e-cards to customers, associates and business partners. And in the spirit of giving back to the environment, our e-cards have included recent contributions to preserving ocean mammals and the gift of planting 200 trees in the names of our valued clients and dedicated employees.



Societal Initiatives

In addition to our environmental initiatives, Covario – as a leading provider of search engine marketing services – takes the position that there is no search more important than the search for a missing child or one that leads to a good home for a neglected or abused pet.

The company's management and employees annually contribute approximately \$70,000 in cash donations, marketing services and proprietary software to the National Center for Missing and Exploited Children, the San Diego Helen Woodward Animal Center and the Arizona Humane Society.

For example, Covario is a media sponsor of a child safety education program that the National Center for Missing and Exploited Children is conducting in conjunction with Old Navy stores nationwide. We are also helping to raise additional money for the Center and other worthy nonprofit organizations in connection with our participation at the SMX East (Search Marketing Expo) search industry conference.

Previously, we took advantage of the annual SMX event to raise money for the Susan G. Komen for the Cure breast cancer support organization. Our employees have also been enthusiastic contributors to Becky's House, a shelter for abused women in the San Diego region, as well as Toys for Tots, Habitat for Humanity and the San Diego Food Bank.



Through an integrated search marketing and social media campaign, we recently helped the Arizona Humane Society meet its annual "Pet-a-thon" fundraising goal largely due to a 42% increase in online traffic to the organization's website from the prior year!



ARIZONA HUMANE SOCIETY®

In addition, our employees created a "Howl-o-ween Team" to raise money for the Helen Woodward Animal Center by trick-or-treating for donations. We've also contributed to SPOT, which stands for Saving Pets One at a Time.





Global Citizenship

As a global citizen with a growing portfolio of international business, Covario provides pro-bono SEO services to the International Mental Health Research Organization, which raises money for brain disease research to help find cures for schizophrenia, depression and bipolar disorder.

After the 2010 earthquake in Haiti, Covario employees donated 1,160 pairs of shoes (about nine pairs per employee) to Haitians affected by the disaster in partnership with the non-profit organization Soles4Souls.

Covario constantly strives to enhance our facilities, upgrade our resources, train our workforce, and improve our operations in an ongoing effort to be more environmentally friendly and socially responsible, while supporting marketing programs that help our customers achieve the same.





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