

FY2017 CORPORATE SUSTAINABILITY REPORT

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# K·COE ISOM: OUR SUSTAINABILITY JOURNEY



K·COE  
ISOM



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ISOM

# Contents

3	Report Information
4	A Message from our CEO
5	Our History and Recent Growth
10	Investment in Our People
16	Commitment to Our Communities
18	Conserving Natural Resources: Our Dedication to the Environment
22	Looking Towards the Future: Our Sustainability Journey
24	Appendix I: GRI Content Index
31	Appendix II: Material Categories and their Boundaries

## REPORT INFORMATION

- K-Coe Isom, LLP includes the following entities in our financial statement: K-Coe Wealth Management, LLC; K-Coe Capital Advisors, LLC; K-Coe Insurance Agency, LLC; AgKnowledge Crop Insurance, LLC; Conservation Easement, LLC; K-Coe Conservation, LLC; Mitigation Services, LLC; Matson and Isom, Inc. (100%); Agrivero, LLC (88.78%); Practical Tax Incentives (51% owner). These entities operate as one firm: K-Coe Isom. Each entity is covered in the report by default.
- The scope of this report is Fiscal Year 2017 (April 1, 2016 - March 31, 2017). This is the first K-Coe Isom sustainability report. We intend to update our sustainability report on a regular basis in the future.
- This report includes data across 19 of our 21 offices. As we acquired Baer & Co in July 2017, it is technically outside the scope of the reporting period and its data is not included in our calculations for FY2017.
- We use a real-time system to track our human resources and employee numbers. As a result, we faced challenges recording year-long data. Reported employee numbers represent the firm on April 1, 2017 (at the conclusion of FY2017).
- This report was prepared in accordance with the GRI Standards: Core Option.
- We chose 'financial control' as the emissions consolidation approach using World Resources Institute and the World Business Council for Sustainable Development Greenhouse Gas Protocol Initiative - A Corporate Accounting and Reporting standard as guidance.
- The Precautionary Principle is not applicable to our organization.
- K-Coe Isom has made every intention to ensure the accuracy of information in this report, but we have chosen not to seek external assurance at this time. It has not been audited and is not guaranteed. This report is not intended to be a solicitation or advertisement for the sale of K-Coe Isom services and does not use specifications, characteristics, uses or benefits, or warranties of any kind, and cannot be relied upon for such purposes. Forward looking statements, opinions, valuations, and estimates provided in this report are based on assumptions and contingencies, which are subject to change without notice. This report was prepared by K-Coe Isom.
- Any questions about this report should be directed to Katie Padilla, Sustainability Manager, at [Katie.Padilla@kcoe.com](mailto:Katie.Padilla@kcoe.com).

## A Message from our CEO



**The past five years have brought a great deal of expansion to K-Coe Isom. In 2013, we increased both our physical footprint and service capabilities by acquiring Vela Environment and AgKnowledge. The merger of Kennedy and Coe and Matson and Isom in January 2015, the acquisition of Stoughton Davidson Accountancy Corporation later in 2015, the acquisition of Schmidt, Bettencourt & Medeiros in 2016, and the acquisition of Baer & Co in 2017 have increased our footprint to 21 offices in seven states.**

We accomplished all this while we continued to work and live our core mission: to make a difference in the lives of our people, our clients, and the world we live in.

As stewards of business success, we take pride in providing our clients full immersion in the various industries we serve. With our roots deep in food and agriculture, we know that transparency, responsible stewardship of resources, and growth management are integral to the success of our organization. Each day we promote sustainability to our clients as an opportunity for strategic growth – a chance to achieve their goals and preserve their business over generations in a manner that is responsible, profitable, and impactful. These are our goals too.

Our first corporate sustainability report showcases how our firm is pursuing those goals. In the pages that follow, you will find an overview of who we are as a firm, our vision, and how we have positioned ourselves to create sustainable impact with the same strategy and dedication that we provide to our clients.

We developed our sustainability strategy by leveraging our most important driving force – our employees. Working closely with staff, we identified the issues that are most important to our clients, our operations, and our communities. Fiscal year 2017 was an important year for our firm as it was our first year gathering and reporting sustainability data; we intend to continue measuring and tracking sustainability data to develop a baseline over the next several years. You'll see our activities reported in the pages that follow.

We look forward to monitoring our sustainability performance consistently in the years to come. Our goal is to integrate these metrics into K-Coe Isom's strategic planning as we continue to improve our operations, because at K-Coe Isom, innovation and responsibility go hand in hand.

Best regards,

A handwritten signature in black ink, appearing to read 'Jeff Wald'.

**Jeff Wald**  
Chief Executive Officer

*Our sustainability vision is to ensure resilience and growth for our firm and our clients.*



A full-page photograph of a lush green cornfield at sunrise. The sun is low on the horizon, casting a warm, golden glow over the scene. In the background, a dark wooden barn with a gabled roof is visible through the misty air. The corn plants in the foreground are tall and healthy, with their long leaves catching the light.

# OUR HISTORY AND RECENT GROWTH



## With origins in communities in Kansas and California, K·Coe Isom offers over 85 years of experience as the nation's leading food and agriculture-focused CPA and consulting firm.

While food and agriculture are at the heart of our firm, comprising two thirds of our business, we also serve clients from the manufacturing, construction, telecommunications, education, and community banking industries.

K·Coe Isom's history of service began in 1932 in Kansas as M.J. Kennedy and Company, which became Kennedy and Coe in 1940, quickly spread across the Midwest and later Colorado. Matson and Isom began in 1955 in California as Robert M. Matson, CPA and grew in 1962 as a result of a new partnership with Howard Isom. Based in Chico, Matson and Isom expanded into Redding in 1989 and into the Sacramento area and Colusa during the past decade.

While our firm started out with an accounting focus, we advise our clients on all aspects of their businesses. In 2013, Kennedy and Coe opened offices in the Mississippi Delta, Wyoming, and Washington, DC through the acquisitions of Vela Environmental and AgKnowledge. This expanded our business offerings to

include sustainability, policy, and legislative advising services as well as detailed profit-margin management at the farm, crop, and acre level.

K·Coe Isom was formed on January 1, 2015 through the merger of Kennedy and Coe and Matson and Isom, solidifying our status as the predominant food and agriculture-focused CPA firm in the nation.

In October 2015, K·Coe Isom expanded again, acquiring Fresno, CA-based Stoughton Davidson Accountancy Corporation. This increased our physical presence in California's Central Valley and expanded our services into specialty foods, as well as the engineering and architecture sectors. In November 2016, we opened our sixth California office by acquiring Schmidt, Bettencourt & Medeiros in Turlock, California. In July 2017, we significantly downsized our Yuba City office, opened an office in Davis, CA, and acquired Missouri-based Baer & Co, expanding our physical footprint and business capabilities. We now have 21 offices in 7 states that work to serve over 11,000 clients in 48 states and Washington, DC.

### **JUNE 2013**

Kennedy and Coe acquires Vela Environmental and AgKnowledge

### **OCTOBER 2015**

K·Coe Isom acquires Stoughton Davidson Accountancy Corporation

### **JULY 2017**

K·Coe Isom acquires Baer & Co.

### **JANUARY 2015**

Matson and Isom, Kennedy & Coe merge to become K·Coe Isom

### **NOVEMBER 2016**

K·Coe Isom acquires Schmidt, Bettencourt, & Medeiros





At K-Coe Isom, we strongly believe that sustainability means strategically maximizing the use of natural, human, and economic resources within a changing world, so the families and businesses we serve can remain resilient for future generations.

## K-COE ISOM: A VERY DIFFERENT CONSULTING AND CPA FIRM

At K-Coe Isom today, we are much more than just an accounting firm. In addition to traditional tax and audit services, we offer a number of specialized services to our clients, including:

### AgKnowledge

Gives farms and ranchers access to financial and farm-management wisdom to gain better insights and decisions.

### CFlexO

Flexible finance and accounting service that helps businesses automate processes, secure high-level accounting expertise, and gain valuable inputs to make sound financial decisions.

### Farm Service Agency (FSA) Consulting

Advises producers and guides maximum use of USDA Farm Service Agency (FSA) programs.

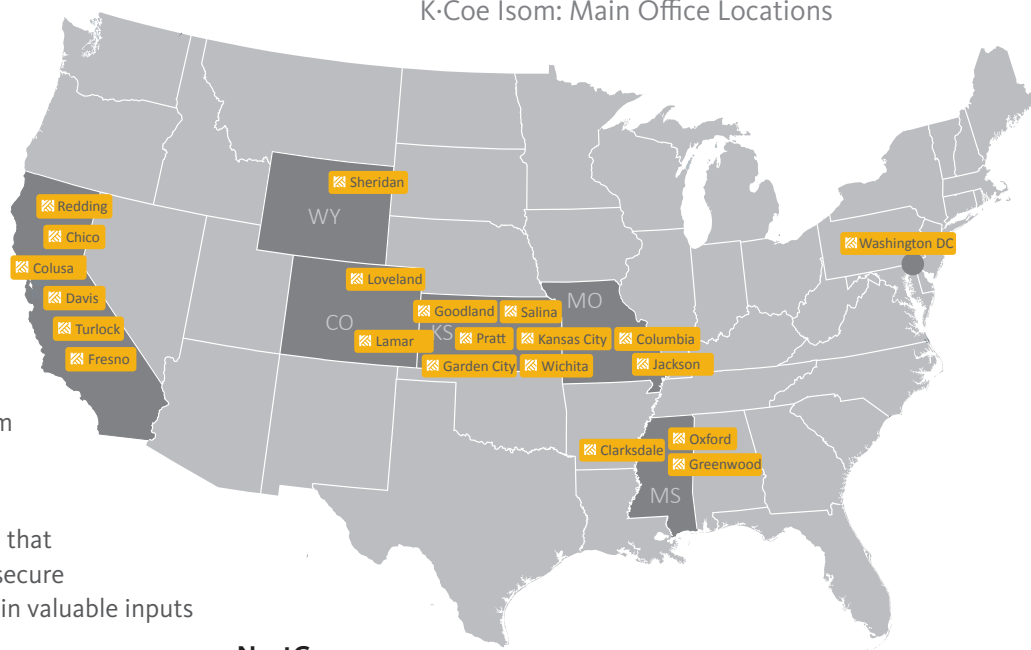
### K-Coe Conservation

Pairs landowners with developers and other conservation buyers for an efficient and targeted private-land conservation system.

### K-Coe People

Provides comprehensive support to businesses by providing leadership training, HR compliance, and talent development solutions.

K-Coe Isom: Main Office Locations



### NextGen

Matches individuals and businesses with the right advisors to help with difficult family situations, estate planning, and succession planning.

### ResourceMAX™

Assesses and measures sustainability metrics unique to a particular company to maximize resource efficiency.

### Sustainability Consulting

Builds customized solutions ranging from strategic sustainability program development to stakeholder partnerships and engagement, as well as sustainability measurement, benchmarking, and reporting.



## What Matters to Us: Stakeholder Engagement and Material Issues

When it comes to sustainability, we focus on what really matters for our business, our clients, and the communities we live and work in. Our employees and our clients are the two most important aspects of our business. To identify the most critical sustainability issues for our current and future operations, we collaborated with our internal stakeholders, including market leaders in the industries where we work. In future years, we plan to expand our engagement process to include external stakeholders as well as update our materiality assessment to reflect changes in our business operations.

**Stakeholder Engagement Process:** In early 2017, we engaged nearly 20 internal stakeholders within our firm, representing 11 offices, all staff levels, and diverse functional roles. Our stakeholders helped to inform our sustainability strategy and offered insight into our firm's sustainability priorities and opportunities for improvement. It is important to us that our internal stakeholders are excited about and engaged with the firm's sustainability.



*"Sustainability not only shows our ability to use resources wisely, but also demonstrates our ability to remain viable in a changing industry. By benchmarking different aspects of our organization now, we will be better informed when making future business decisions."*

**Lisa Becker**

Senior Associate  
Chico, CA



**Materiality Assessment Process:** Following our stakeholder engagement process, we performed a materiality assessment to determine which sustainability issues are most important to K-Coe Isom.

We measured issues based on the results of stakeholder engagement, the extent to which they are addressed by K-Coe Isom's current operations, and their relevance to the agriculture industry and other markets where we work. Based on these criteria, each issue was determined to be a Primary or Secondary material issue to the firm and separated based on its Boundary (See Appendix II).

In future years, we strive to track and measure metrics based on each issue that is considered material. The results of our materiality assessment are presented in the table below<sup>1</sup>. In this first iteration of our sustainability report, we report on issues in both priority levels of our materiality assessment.

Our FY2017 report does not address every primary material issue. As a private company, we have chosen not to disclose certain sensitive information at this time. However, by completing this assessment, we are better able to prioritize where to focus our sustainability efforts in the coming years to maximize our future impact and reporting abilities.

**MATERIAL ISSUES TO K-COE ISOM, FY2017**

Primary Material Issues:	Secondary Material Issues:
Economic Performance	Energy Consumption
Risk Management	Waste
Economic Longevity	Employee Diversity
Employee Well-Being/Development	Greenhouse Gas Emissions
Community Involvement/Philanthropy	Water Use
Agriculture Industry Status/News	Employee Benefits/Rights
	Market Presence

<sup>1</sup> Appendix 1 further informs which GRI metrics are covered and explains any data gaps in the report.



# INVESTMENT IN OUR PEOPLE



At K·Coe Isom, we know that being sustainable involves managing our own growth and vision as we meet the growth needs of our clients.

We believe that being sustainable is smart business; to do sustainability 'right,' we have to reduce risk while increasing profit. This enables our business to thrive. Our revenue in FY2017 was over \$64 million; as we grow our presence within U.S. and international markets, we have ambitious growth goals for the next decade. We believe dynamic economic growth is impossible without a focus on our people, our communities, and the environments in which we work.

## Our Structure

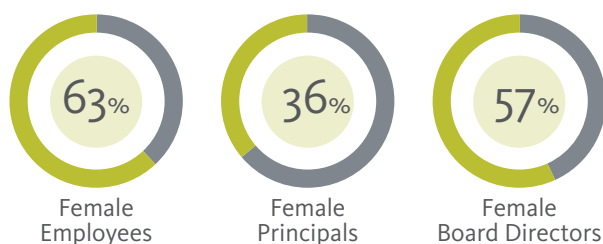


K·Coe Isom operates as a Limited Liability Partnership (LLP) governed by a 7-member Board of Partners who serve 3-year terms. Our Board is currently made up of 4 women and 3 men who have dedicated themselves and their careers to bettering the firm. In June 2017, we elected our first-ever female Chairperson of the Board, **Kathleen Walton**.

Strategic direction is created and approved by our CEO and Board of Partners, and it is implemented by our firm Leadership Team. These bodies act as the mapmakers of the firm, using risk analyses and market conditions to make decisions regarding our economic growth, geographic expansion, and which services we provide to our clients.

### OUR TALENT AND DIVERSITY

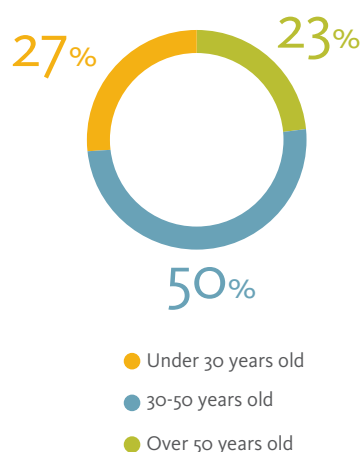
K·Coe Isom is an equal opportunity employer. We seek out the most qualified applicants across a diverse pool of candidates. Our people are from different places, have different backgrounds, and bring unique perspectives and a wide variety of skills to the table. With over 350 employees on staff, we strive for diversity whenever possible: in professional and educational background, professional role, geographic location, and age. Over 60% of our employees, over 50% of our Board of Partners, and over one third of our principals and partners are women, compared to the industry average of just 17% women partners in larger CPA firms<sup>2</sup>.



*K·Coe Isom doubles the industry average for women in leadership*

<sup>2</sup> Franzel, Jeannette M. "Leadership in Public Accounting firms: Why So Few Women?" Eighth Annual Washington Women Speak: How Women Leaders Succeed in the Washington, DC Ecosystem.

Employees by Age, FY2017



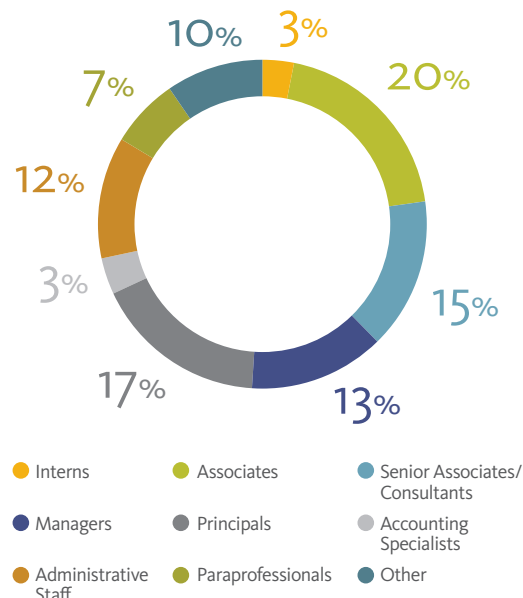
We provide a variety of job positions to attract candidates at different stages of their careers and grow our own talent pool.

**There are nine different categories of employee positions at our firm,** and each category comprises no more than 20% of the firm's total workforce. Having a diverse workforce helps us ensure we provide the right advice and services, at the right times, for our clients.

Recognizing the rapidly changing direction of the accounting profession, demand for business advisors of all types is growing. 55% of our current professional workforce are not CPAs, showing our dedication to becoming a full-service business advisory firm that does more than just accounting.

We also employ a variety of different external consultants to assist in enhancing our traditional and innovative services. In FY2017, we engaged the expertise of 13 external consultants to better serve our clients.

Employees by Position Type, FY2017



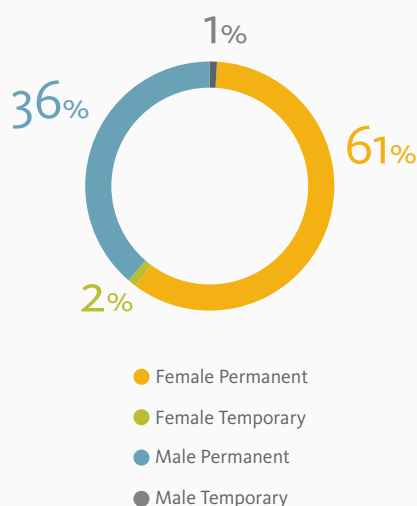
## PROMOTING A SUCCESS-FRIENDLY WORKPLACE

At K-Coe Isom, we strive for our employees to have the flexibility that life demands. We believe that by offering flexible working options, we can improve employee engagement and retention. We employ people on both temporary and permanent employment bases, and we offer part-time and full-time working options.

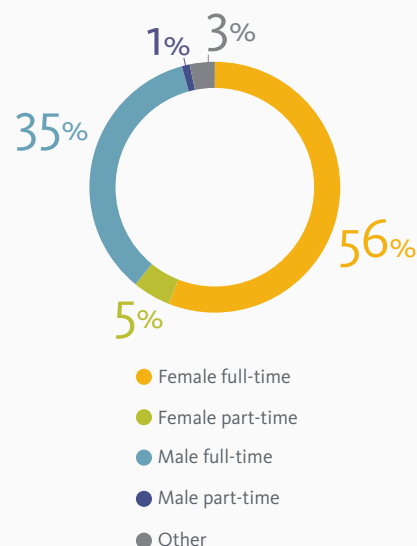
Most of our temporary work base stems from our competitive internship program. We offer both tax season and summer internships that give students challenging and meaningful opportunities to experience the business world firsthand.

Our interns assist with consulting projects, preparing tax returns, and audits. We have a reputation for giving our interns a first-class experience that broadens their knowledge base and provides exposure beyond the classroom. This approach benefits the firm in the long-term by attracting high levels of talented employees.

Employees by Employment Type, FY2017



Employees by Labor Type, FY2017





# We invest in our employees through training and career development.

We support our employees as they work to learn, grow, and succeed at all stages of their careers. New employees engage in an orientation process and receive training that focuses both on technical and interpersonal skills – all delivered through a mix of self-study, classroom, and remote formats.

Uniquely, our firm also pairs each staff member with a **talent advisor** who provides them with on-demand coaching, mentoring, and guidance. Through our quarterly review process, each employee solicits feedback from their peers, supervisor, and supervisees, which is then discussed with their supervisor and talent advisor. But we believe that career development involves more than just quarterly reviews.

Our talent advisors meet with our employees on a regular basis to monitor progress, identify professional development opportunities, discuss project and career goals, provide coaching and feedback, and assist with skill development throughout their growth in the firm. Talent advisors are one of many ways we demonstrate our commitment to helping our employees achieve their career goals.

In addition, we invest in our talent by supporting our employees in **achieving and maintaining professional certifications**.



Eligible employees are reimbursed up to \$3,000 annually for professional development costs, including tuition for college courses or degrees, non-CPA professional designation or certification study materials or review courses, and CPA certification exam study materials or review courses. The firm also covers the cost of any professional dues, certifications, and permit fees incurred by employees based on the number of hours they work. Once certified, we encourage all of our accountants to join the Association of International Certified Professional Accountants (AICPA).

We also offer **custom training programs** we've designed for all levels of employees. For example, we are proud to offer several intensive leadership programs for leaders of various experience levels.

Our “MITCH” program accelerates future leaders who are passionate about transforming our firm culture from one based on traditional client compliance relationships to one based on meaningful advising partnerships. MITCH participants work with mentors and coaches to refine their advising skills. Our Business Advisor Mentorship (BAM) program provides unique accelerated development opportunities to associates and senior associates within the firm. Through mentorship and formal training, ‘BAMmers’ participate in development experiences designed to impact their thinking beyond just the accurate preparation of tax returns or financial statements. As we expand our service offerings, we continue to develop new training programs to help our people evolve their client advisory skills.

We believe these investments are well worth it. They drive employee engagement, retention, and development. This momentum allows us to better serve our clients and encourages our employees to strive for high achievement in their careers.



## HEALTHY, HAPPY EMPLOYEES

K-Coe Isom is dedicated to ensuring the health, well-being, and financial security of our employees and their families. All permanent employees are eligible to enroll in our insurance offerings, which include major medical, dental, and vision insurance. Other benefits include:

- Health savings account
- Group life insurance
- Voluntary life and short term disability coverage
- Long term disability insurance
- Supplemental voluntary insurances
- Cafeteria plan and flexible spending accounts
- Identify theft protection
- Employee assistance programs

We want our employees to prioritize their health and well-being because happy, healthy employees do great work for our clients and our firm. To promote health and well-being among our staff, we invest in a variety of initiatives including:

- **Wellness:** Each of our offices appoints a staff member to a firm-wide Wellness Committee. The committee meets monthly to discuss and implement wellness initiatives across the firm. The committee provides an annual wellness budget to each office for qualifying activities. This year, for example, our Wichita office participated in the Wichita Corporate Challenge.
- **Travel:** We know that travel takes its toll on our employees and their families. That's why we offer a rewards system for monetary compensation or additional paid time off for eligible employees who are away from home on firm business for more than 25 nights per year.
- **Retirement:** We believe in investing in our employees' futures. That's why all eligible employees are offered a 401(k)/profit sharing plan (PSP), allowing employees to make 401(k) and Roth 401(k) contributions through payroll deduction. The firm can also make profit sharing contributions to employees who have met certain conditions. The average firm contribution over the last five years is 7%.



Wichita Corporate Challenge Participants

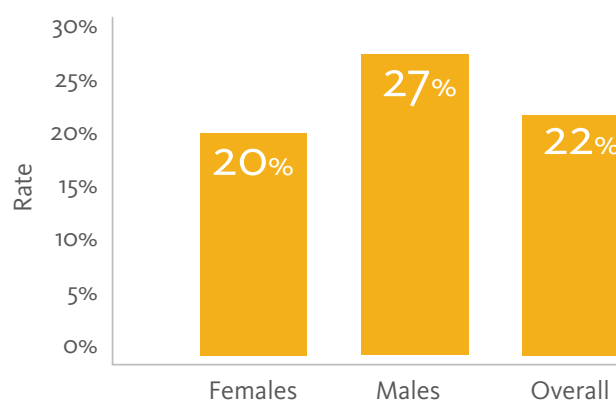




## RETAINING TOP TALENT: TURNOVER WITHIN THE FIRM

Our overall turnover rate in FY2017 was approximately 22%. Statistics show that public accounting firms typically experience elevated levels of employee turnover following major mergers and acquisitions<sup>1</sup>. As we expand in size and geography, our services and professional capabilities continue to grow, and our number of employees continues to expand. We are excited about the future of our firm and the employees that choose to embrace our vision and commitment to client service. Our turnover rate has historically hovered around 15% (2008-2013 average), and we fully expect it to fluctuate from year to year.

Turnover Rates by Gender, FY2017



<sup>1</sup> Deloitte: *Retention After a Merger – Keeping your employees from “jumping ship” and your intellectual capital and client relationships “on board.”*





# COMMITMENT TO OUR COMMUNITIES





Our firm is proud to live in and work with communities ranging from the heartland of America to our nation's capital in Washington, DC.

Our commitment to strong ethics and integrity goes beyond just our business; we strive to be an active and positive influence in the communities that we live in. Our employees are involved with over 130 local organizations, and we aim to increase our community involvement each year.

In FY2017, K-Coe Isom donated \$521,366 to local charitable organizations. Our firm is also highly involved in various community initiatives, including the Salina (Kansas) Relay for Life and the Wichita Chamber of Commerce Membership Drive.







# **CONSERVING NATURAL RESOURCES: OUR DEDICATION TO THE ENVIRONMENT**



Just as our clients strive to sustain their land and businesses for generations to come and maximize their use of resources, we seek to improve our efficiency and sustain our business.

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Measuring the environmental impact of our offices is an initial step of our sustainability journey. This year, our firm began tracking and measuring our use of utilities across our offices. We identified several opportunities to enhance the process in the future to improve the ease and accuracy of reporting on this data across our offices.

### EVERY DROP COUNTS: CONSERVING WATER RESOURCES

With 21 offices across the U.S., including a significant presence in water-scarce states like California, Colorado, and Kansas, we feel it is essential to use water in a responsible manner. We estimate our FY2017 water consumption to be approximately 84.6 cubic meters per employee, equivalent to about 600 loads of laundry. 100% of our water is sourced from the municipalities in which we operate, so we are committed to monitoring, tracking, and improving our water use. We know that our water efficiency is a key opportunity for improvement and are working to create strategies to be more efficient in the future.

### OPTIMIZING AND CONSERVING ENERGY

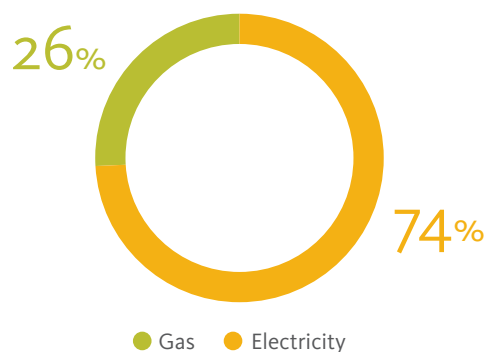
Energy use is directly tied to electricity, which we need to operate our computers, power and heat our offices, and connect with our colleagues and clients across the U.S. It is important to K-Coe Isom to help our employees conserve energy within our offices. Although we lease all of our office spaces – many of which we share with other businesses – we still do our part to improve our energy efficiency.

Our office spaces use energy in the forms of natural gas and electricity. We use natural gas to heat our offices in the winter and electricity to power our technology, light our buildings, and cool our offices during the summer.

Our estimated total FY2017 energy usage between those two sources was approximately 29.9 gigajoules per employee, 74% of which came from electricity<sup>5</sup>. Our total energy use per employee is equivalent to just 61% of the energy required to power a family home for one year!

However, we are committed to further reducing this number by exploring additional energy-saving practices in the coming years. Using energy efficient lighting, computer monitors, and auto-shut off lighting are just some of the ways we conserve electricity in our offices.

Our Energy Use by Source, FY2017



<sup>5</sup> Because we lease many of our office spaces, utility data for some offices and months was unavailable in FY2017. As such, we have normalized the data that was available to make an estimate for our firm-wide usage.



At this time, our energy use calculations exclude energy consumed at our firm's data center. Our modern data center utilizes the latest virtualization technology, which enables us to replicate information between our data center and our off-premise disaster recovery site.

Besides enhanced redundancy and recoverability, this virtualization dramatically reduces our power consumption by reducing the number of physical servers required. We are actively pursuing cloud technology to enable us to meet the needs of the firm and our clients. This will allow us to grow and make changes in a more agile and proactive manner as well as further reduce our energy use. Future tracking of data center energy use will allow us to better assess our improvements as we continue to enhance our technology and streamline our data storage.

## GREENHOUSE GAS EMISSIONS

Generating electricity (via coal-burning or other types of power plants) and burning natural gas contribute to greenhouse gas emissions (GHGs). Since our company does not generate any energy onsite at our locations, Scope 1 GHG emissions do not apply to our business<sup>6</sup>. However, we do use utility-provided natural gas and electricity, both of which contribute to Scope 2 emissions.

We know that using energy efficiently throughout the firm and doing our part to be environmentally conscious is extremely important, and we are continuing to focus on energy efficient options and business practices that will improve our impact over time.

*We estimate our Scope 2 FY2017 emissions to be 5.0 metric tons of CO<sub>2</sub> emissions per employee<sup>7</sup>, which is less than half of the emissions from an average home in a year<sup>8</sup>.*

<sup>6</sup> Referencing the International Panel on Climate Change (IPCC)'s Scopes of Greenhouse Gas Emissions.

<sup>7</sup> This estimate does not include energy usage from K-Coe Isom data centers.

<sup>8</sup> Calculations were made by using the U.S. EPA GHG Equivalency Calculator.





## WASTE NOT: IMPORTANCE OF WASTE MANAGEMENT TO K•COE ISOM

Like most businesses, our firm creates waste as a by-product of the supplies and materials we use.

With over 350 employees on staff, we understand the importance of integrating waste reduction strategies into our growth, operations, and decision-making. As a growing firm, we're committed to responsible innovation in our business operations. Therefore, we are committed to monitoring and reducing our footprint through the following company-wide initiatives:

- **Computers:** We operate a technology recycling program where we offer old computers to our employees at half price when we buy new ones, reducing the amount of electronic waste that might otherwise be recycled or sent to a landfill.
- **Paper:** Reducing paper use was one of our first firm-wide commitments to sustainability. Half of our firm implemented paperless tax processes in 2001 and our tax software and processes are now 100% paperless across all offices. We continue to scale this approach in our non-tax processes across the firm. In addition, since the merging of Kennedy and Coe and Matson and Isom in 2015, the majority of our employee training has been paperless.
- **Recycling:** Nearly all of our offices offer recycling bins for cans and bottles. Our Washington, DC office collects Keurig cups and sends them back to the company through the "Grounds to Grow On" campaign, which converts the recovered K-cup pods into useful alternatives such as compost and energy, while simultaneously reducing landfill waste.





# LOOKING TOWARDS THE FUTURE: OUR SUSTAINABILITY JOURNEY



FY2017 served as the first year  
we tracked our firm-wide  
sustainability performance.

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In future years, we aim to enhance our data collection, which will give us a more comprehensive snapshot of our footprint and understanding of how management practices, such as occupying a LEED-certified building<sup>9</sup> in Loveland, Colorado affects our resource use.

FY2018 is proving to be an exciting and progressive year at K-Coe Isom. Moving forward, our firm commits to increasing transparency, both internally and externally with respect to our growth, efficiency, and human resources. We are ready for the challenges and opportunities ahead.

**WE ARE EXCITED ABOUT OUR SUSTAINABILITY JOURNEY!**



K • C O E  
I S O M

<sup>9</sup> LEED Certified for Commercial Interiors

## APPENDIX I: GRI CONTENT INDEX

Disclosure	Completion	FY2017 Data	Explanations	Page Number(s)
<b>General Disclosures</b>				
<b>Organizational Profile</b>				
102-1: Name of the organization	Full	K·Coe Isom, LLP		3
102-2: Activities, brands, products, and services	Full	Company Activities: K·Coe Isom helps sustain and grow business operations.  Brands, products, and services: Tax/Audit, AgKnowledge, CFlexO, FSA Consulting, Federal Affairs, K·Coe Conservation, NextGen, ResourceMAX, Sustainability.		3, 7
102-3: Location of headquarters	Full	Our CEO is located in our Loveland, CO office; however, we have no formal company headquarters.		Appendix I
102-4: Location of operations	Full	At this time, our company only has offices in the United States.		7
102-5: Ownership and legal form	Full	Limited Liability Partnership (LLP)		11
102-6: Markets served	Full	Geographic Locations: K·Coe Isom has offices in 7 states but serves clients around the country, some of whom operate internationally.  Sectors: K·Coe Isom helps sustain and grow business operations for clients in food and agriculture, manufacturing, construction, telecommunications, education, and community banking.  Customers: With over two-thirds of our business involved in the food and agriculture sector, the firm primarily serves producers, input suppliers, processors, packagers, distributors, biofuel manufacturers, equipment dealerships, landowners, lenders, and agencies and policy organizations that support food & ag.		3, 6, 7
102-7: Scale of the organization	Partial	Total number of employees: 368;  Total number of offices: 21 (including our recent acquisition of Baer & Co and the addition of our Davis, CA office).  Net sales for FY2017: \$64,304,542.79;  Quantity of service provided: 11,190 clients served in FY2017.	K·Coe Isom is choosing not to report total capitalization due to the sensitive nature of these data; however, these numbers are tracked internally.	6, 7, 11



Disclosure	Completion	FY2017 Data	Explanations	Page Number(s)
102-8: Information on employees and other workers	Full	Female permanent: 225; Female temporary: 6; Male permanent: 133; Male temporary: 4; Female full-time: 206; Male full-time: 129; Female part-time: 18, Male part-time: 3. Other: 12. Externally Contracted Consultants: 13. We experience an increase in temporary employees in the summer due to internships.	We use a real-time system to track our human resources and employee numbers. Thus, we faced challenges recording year-long data. Our reported employee numbers are representative of the firm on April 1, 2017 (at the conclusion of FY2017).	12
102-9: Supply chain	Full	K-Coe Isom is a business services firm that works with clients to achieve their growth, operational, and functional goals.		6, 7
102-10: Significant changes to the organization and its supply chain	Partial	In November 2016, we opened our sixth California office by acquiring Schmidt, Bettencourt & Medeiros in Turlock, California. In July 2017, we significantly downsized our Yuba City office, opened an office in Davis, CA and acquired Missouri-based Baer & Co. We now have 21 offices in 7 states.	K-Coe Isom is choosing not to report changes in the share capital structure due to the sensitive nature of these data;  Supply chain changes: The firm does not track this information at this time.	6
102-11: Precautionary principal or approach	Full	K-Coe Isom does not apply the Precautionary Principal or approach.		3
102-12: External initiatives	Full	K-Coe Isom does not subscribe to any externally-developed economic, environmental, or social charters, principles, or other initiatives.		Appendix I
102-13: Membership of associations	Full	All of our accountants are encouraged to become members of the Association of International Certified Professional Accountants.		13
<b>Strategy</b>				
102-14: Statement from senior decision-maker	Full	See "A Message from Our CEO"		4

Disclosure	Completion	FY2017 Data	Explanations	Page Number(s)
<b>Ethics and Integrity</b>				
102-16: Values, principals, standards, and norms of behavior	Full	See a description on our website at <a href="http://www.kcoe.com/mission-vision/">http://www.kcoe.com/mission-vision/</a>		Appendix I
102-17: Mechanisms for advice and concerns about ethics	Full	It is the firm's policy that all professional personnel be familiar with, and adhere to, relevant ethical requirements of the AICPA contained in the Code of Professional Conduct, the applicable states' Board of Accountancy, and the state CPA societies in discharging their professional responsibilities. Furthermore, it is the policy of the firm that, for engagements subject to Government Auditing Standards, issues by the Comptroller General of the United States and other applicable regulatory agencies, all professional personnel be familiar with, and adhere to, the relevant ethical requirements included in those standards, including any that may be more restrictive. Any transaction, event, circumstance, or action that would impair the firm's independence or violate the firm's relevant ethical requirements policy on an audit, attestation, review, compilation, or other accounting services, subject to the standards of the AICPA Auditing Standards Board or the AICPA Accounting and Review Services Committee is prohibited.		Appendix I
<b>Governance</b>				
102-18: Governance structure	Full	<p>K-Coe Isom, LLP is organized as a limited liability partnership board whose members have staggered 3-year terms. Elections are held prior to term expirations. This board, in turn, elects a Chief Executive Officer. The Chief Executive Officer is responsible for management of the firm within the provisions of the broad firm policies established by the Board and for creation and management of other firm policies.</p> <p>The CEO appoints a Leadership Team, who assists him or her in management of business operations and implementation of strategic direction of the firm.</p>		11



Disclosure	Completion	FY2017 Data	Explanations	Page Number(s)
<b>Stakeholder Engagement</b>				
102-40: List of stakeholder groups	Full	We engaged nearly 20 internal stakeholders within our firm, representing 11 offices and all levels and diverse functional roles.		8
102-42: Identifying and selecting stakeholders	Full	In early 2017, stakeholders were chosen via internal recommendations and/or interest in sustainability.		8
102-43: Approach to stakeholder engagement	Full	As this is our firm's first corporate sustainability report, we engaged stakeholders for one round of interviewing. As we continue to track our progress as a firm, we plan to reach out to stakeholders on a regular basis. Stakeholder engagement was undertaken specifically as a part of the report preparation process.		8
102-44: Key topics and concerns raised	Full	<p>Topics and response: The three topics most commonly raised through stakeholder engagement were energy use, waste generation/disposal, and community involvement (all stakeholder groups). K·Coe Isom responded to these key concerns by addressing them in our materiality analysis.</p> <p>Stakeholder groups: Our stakeholder engagement process focused primarily on internal stakeholders. The three topics listed above were raised by a majority of these stakeholders.</p>		9
<b>Reporting Practice</b>				
102-45: Entities included in the consolidated financial statements	Full	In addition to K·Coe Isom, LLP, our entities include: K·Coe Wealth Management, LLC; K·Coe Capital Advisors, LLC; K·Coe Insurance Agency, LLC; AgKnowledge Crop Insurance, LLC; Conservation Easement, LLC; K·Coe Conservation, LLC; Mitigation Services, LLC; Matson and Isom, Inc. (100%); Agrivero, LLC (88.78%); Practical Tax Incentives (51% owner). All entities included in K·Coe Isom's consolidated financial statements are covered by the scope of this report.		3

Disclosure	Completion	FY2017 Data	Explanations	Page Number(s)
102-46: Defining report content and topic boundaries	Full	<p>Report boundaries: In this first iteration of our sustainability report, we have reported on issues in both priority levels of our materiality assessment. Due to concerns over confidentiality, data gaps, or infeasibility of tracking at this time, our FY2017 report does not address every primary material issue. As a private company, we have chosen not to disclose certain sensitive information at this time.</p> <p>Reporting Principles: This report follows the GRI Reporting Principles to the best of our ability.</p>		3, 9
102-47: List of material topics	Full	<p>Primary Material Issues: Economic Performance, Risk Management, Economic Longevity, Employee Well-Being/ Development, Community Involvement/ Philanthropy, Agriculture Industry Status/News.</p> <p>Secondary Material Issues: Energy Consumption, Waste, Employee Diversity, Greenhouse Gas Emissions, Water Use, Employee Benefits/Rights, Market Presence.</p>		9, Appendix II
102-50: Reporting period	Full	Our firm's most recent full fiscal year - from April 1st, 2016 through March 31st, 2017		3
102-52: Reporting cycle	Full	This is the first iteration of K·Coe Isom's corporate sustainability report, but we intend to report on a more regular basis in the future.		3
102-53: Contact point for questions regarding this report	Full	Any questions about this report should be directed to Katie Padilla, Sustainability Manager, at <a href="mailto:Katie.Padilla@kcoe.com">Katie.Padilla@kcoe.com</a> .		3
102-54: Claims of reporting in accordance with the GRI Standards	Full	This report has been prepared in accordance with the GRI Standards: Core Option.		3
102-55: GRI content index	Full	See "Appendix I: GRI Content Index"		Appendix I



Disclosure	Completion	FY2017 Data	Explanations	Page Number(s)
<b>Environmental Disclosures</b>				
<b>Energy Consumption</b>				
302-3: Energy intensity	Full	<p>Energy intensity ratio: 29.90 gigajoules/employee;</p> <p>Denominator: Sum of employees present at each office for which we had utility information;</p> <p>Energy included: Electricity, gas/heating (firm does not consume energy through steam, cooling, or on-site renewable energy sources);</p> <p>Scope: Within the firm's operational offices, with the exception of its data centers.</p>		19
<b>Water Consumption</b>				
303-1: Water withdrawn by source	Partial	<p>Surface water: 0 gallons;</p> <p>Ground water: 0 gallons;</p> <p>Rainwater: 0 gallons;</p> <p>Municipal water: 84.6 cubic meters/employee;</p> <p>Our water use was normalized for offices that did not have utility information by presenting as an intensity that incorporates usage data and a summed denominator only for employees present at each office for which we had water information.</p>	K-Coe Isom does not currently track wastewater usage.	19
<b>GHG Emissions</b>				
305-4: GHG emissions intensity	Partial	<p>GHG emissions intensity ratio: 5.0 metric tons of CO<sub>2</sub>/employee.</p> <p>Denominator: Sum of employees present at each office for which we had energy information;</p> <p>Scope: Energy indirect (Scope 2) from our operational offices (not our data center) only. K-Coe Isom does not produce Scope 1 emissions in its business model; and the firm does not currently track Scope 3 emissions.</p>	K-Coe Isom does not currently track the specific gases included in the GHG emissions it produces. Calculations were made without emissions factors by using the U.S. EPA GHG Equivalency Calculator.	20

Disclosure	Completion	FY2017 Data	Explanations	Page Number(s)
<b>Social Disclosures</b>				
<b>Employee Benefits, Rights, and Diversity</b>				
401-1: New employee hires and employee turnover	Partial	<p>New female hires: 42; New male hires: 40; New hires that are under 30 years old: 47; New hires that are 30-50 years old: 24; New hires that are over 50 years old: 11. Numbers are as of 4/1/17.</p> <p>Departing female employees: 61; Departing male employees: 43; Departing employees that are under 30 years old: 37; Departing employees that are 30-50 years old: 34; Departing employees that are over 50 years old: 33. Numbers are as of 4/1/17.</p> <p>Overall turnover rate for female employees: 19.7%; Overall turnover rate for male employees: 26.8%; Overall turnover rate for all employees: 21.9%. Numbers are as of 4/1/17.</p>	Due to the time-intensive nature of our human resources tracking system, we have chosen not to include total number of hired and departing employees by office (region), hiring rates by gender or age group across the year nor turnover rates by age group or region.	15
401-2: Benefits provided to full-time employees	Full	See "Healthy, Happy Employees"; we consider a significant location of operation to be one of our 21 offices.		14
404-2: Programs for upgrading employee skills and transition assistance programs	Partial	See "We Invest in Our Employees through Training and Career Development."	K-Coe Isom does not offer transition assistance programs	13
404-3: Percentage of employees receiving regular performance and career development reviews	Partial	<p>Female employees: 292; Male employees: 180;</p> <p>*Number of employees receiving performance reviews includes those individuals who have left K-Coe Isom during FY2017.</p>	Due to the time-intensive nature of our human resources tracking system, we have chosen not to include percentages across the fiscal year.	Appendix I
405-1: Diversity of governance bodies and employees	Full	<p>Governance Body</p> <p>Females: 4; Males: 3;</p> <p>Under 30 years old: 0;</p> <p>30-50 years old: 4;</p> <p>over 50 years old: 3</p> <p>Employees</p> <p>Females: 231; Males: 137;</p> <p>Under 30 years old: 98;</p> <p>30-50 years old: 186;</p> <p>over 50 years old: 84</p>		11, 12



Disclosure	Completion	FY2017 Data	Explanations	Page Number(s)
<b>Economic Disclosures</b>				
<b>Economic Performance</b>				
201-1: Direct economic value generated and distributed	Partial	Total revenue for FY2017: \$64,304,542.79	K-Coe Isom is choosing not to report economic value distributed or retained, as well as EVG&D separations, because of the sensitive nature of these numbers. These metrics are tracked internally.	11
205-3: Incidents of corruption and corrective actions taken	Full	Number of confirmed incidents: 0; Public legal cases regarding corruption: 0.		Appendix I

## APPENDIX II: MATERIAL CATEGORIES AND THEIR BOUNDARIES

Primary Material Issues	Impact Boundary
Economic Performance	Within the firm
Risk Management	Within the firm
Economic Longevity	Affects/is affected by business relationships
Employee Well-Being/Development	Within the firm
Community Involvement/Philanthropy	Affects/is affected by business relationships
Agriculture Industry Status/News	Affects/is affected by business relationships

Secondary Material Issues	Impact Boundary
Energy Consumption	Within the firm
Waste	Within the firm
Employee Diversity	Within the firm
Greenhouse Gas Emissions	Within the firm
Water Use	Within the firm
Employee Benefits/Rights	Within the firm
Market Presence	Affects/is affected by business relationships

Note: The impact boundary describes where the impacts of each issue occur. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.



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