

2020
Oregon Benefit Corporation
and Certified B Corp Annual Report

coates kokes

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Letter from the president

Consider this an invitation of sorts.

With this document, we are publishing our latest B Corp Annual Report. It provides a window into our world including the tribulations and the triumphs over the last year or so of our journey to improve the social and environmental fabric of our communities. Of course, the aim is do this while maintaining, if not also improving, the bottom line of our entrepreneurial enterprise that this past October celebrated its 42nd birthday.

As many others have said, 2020 was a year like no other. We address that more fully in the Reflections section near the back of this report. Still, there were opportunities to go along with the challenges and we invite you to take a look at the way we've approached these times and the progress that we've made toward our mission.

For sure, we still have work to do and more ways to contribute, but we see ourselves as part of a larger community. If you're reading this, you're probably part of our community too. As such, we welcome your feedback and input.

If you're one of our clients—thank you. Whether financially or by the nature of your work, it is your patronage that allows us to use our time, treasure and talent as a force for good. We appreciate the trust you invest in us, and this report reflects an additional take on how we're trying to maximize your returns. Perhaps there's never been a more important time to be in the communications business. In recent years, the world seems to have evolved to a modern-day Tower of Babel. Our products are empathy, understanding and yes, the persuasive power of perspective. We're looking forward to solving some of these challenges ahead. And we're glad to be in the company of others who share some of those same ideals.

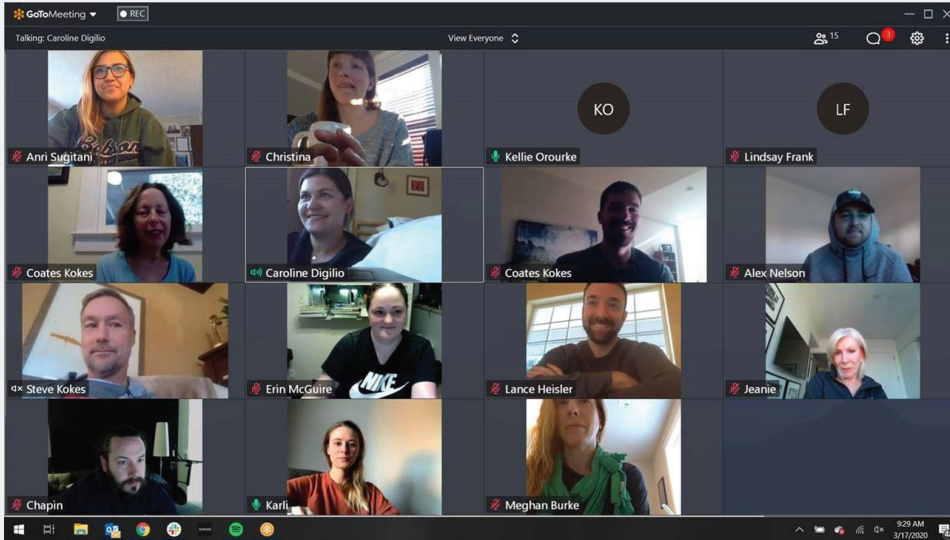
If we haven't had the time to collaborate, let's talk. There's lots of important work to do.

Cheers.



Steve
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Mission statement and ownership

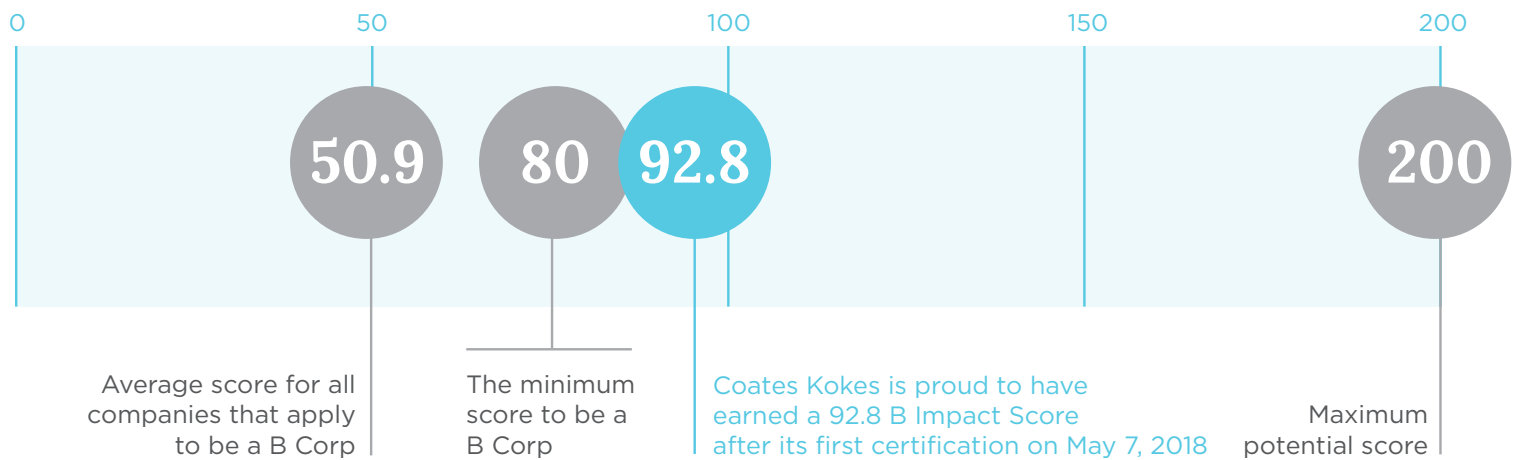


Rather than the typical “Madison Avenue” stereotype, Coates Kokes believes communications should be a force for good: This work can help activate social causes, speed adoption of environmentally friendly technologies and practices, change negative behaviors and help bring people together.

Good isn’t something you just try on. Good is built with a deliberate, sustained effort. But good is also contagious. Delivering good work and working with good clients has a way of attracting more good workers and more good clients. Sure, our industry has evolved. But it’s not that complex. Sometimes people want the whole narrative, sometimes they don’t have the bandwidth and they need a shorter version. #condensed. But through it all, we’ve stayed true to a core tenet—the desire to work with partners who build, preserve, heal, and bring people together. We’re proud to hang our hats on that, on working for good. We’ve been privileged to have good partners, and we have grown right along with them. We were never in this for fleeting glory. We’re in it for good.

Coates Kokes is a woman-owned business certified by the State of Oregon with three partners: founder and CEO, Jeanie Coates; president and strategic director, Steve Kokes; secretary/treasurer and vice president of operations, Lindsay Frank.

Measuring impact and activities



Governance:

25.5 points earned out of 49.6 possible points. 51% earned.

Key ongoing activities:

Coates Kokes continues our commitment to social and environmental responsibility by integrating our sustainability practices into new employee hiring, including a written whistleblower policy in the employee handbook, and an annual review of our social and environmental performance by our board of directors.

CK is further committed to B Corp structure and values by registering as an Oregon Benefit Corporation and mission-locking our articles of incorporation.

Opportunities for growth:

Coates Kokes is discussing holding an annual staff meeting to discuss the state of the agency and establishing a written code of ethics.

Workers:

25.5 points earned out of 49.6 possible points. 51% earned.

Key ongoing activities:

Coates Kokes supports our employees by offering a competitive health care plan, a retirement plan with employer matching, and fitness event rebates. When employees are in the office, CK offers additional health and wellness benefits like sit-to-stand desks for most employees, walking meetings, and an on-premises gym and fitness classes.

In 2019 and 2020, CK continued our independent training program with employees studying design software, learning new media software, taking webinars, attending conferences, and training new employees for a combined total of 1,109.25 hours (581.75 in 2019 and 527.50 for 2020) of training during standard work time.

CK also hosted all-staff events to learn about crisis management and to watch socially-focused documentaries, such as Minding the Gap, Fyre Fraud, and The Social Dilemma. During our weekly staff meetings, employees shared quarantine tips and industry trends with the group.

Additionally, CK instituted its formal exit interview policy in 2020.

Opportunities for growth:

Coates Kokes is considering an employee suggestion box/feedback mechanism and a formal work from home policy, pending the mandatory work-from-home policy due to COVID-19 ending.



On-site gym



Staff training program

Community:

28 points earned out of 54.8 possible points. 51% earned.

Key ongoing activities:

Coates Kokes contributed 456 hours of volunteer time from 2019 to 2020, 129.75 and 326.25 hours respectively. This time included cooking classes with the Oregon Food Bank, participation on local committees such as the Cascade AIDS Project junior board and a BLD PNW (B Corp Leadership Development—Pacific Northwest conference), multiple activities with the University of Oregon, and a company-wide day of reflection for Juneteenth.

In addition to volunteer hours, Coates Kokes contributed pro bono services to existing clients, including Catholic Schools Endowment Foundation; State of Safety, a gun violence prevention nonprofit; and Cascadia Behavioral Healthcare, a mental health and addiction nonprofit, among others. CK's contributions allow our mission-driven clients to extend the scope of their projects, while staying on the limited budget of a nonprofit.

CK matched employee's charitable contributions for a total of \$534.00 in 2019 and \$680.00 in 2020, including the Beyond Black Community Development Corp., Oregon Food Bank, and the Eco School Network. This program typically sees 31% to 38% staff participation.

CK's board members also signed Business for a Better Portland's petition for Fair and Safe Elections.

Opportunities for growth:

Quarantine due to COVID-19 thwarted Coates Kokes' goals for 100% employee participation in the volunteer program and plans to participate in the B Corp Day of Service in March 2020. CK is still wanting to pursue these initiatives when quarantine has been lifted.

CK also wants to encourage a higher level of participation in the employer-matched charitable contributions.



Environment:

9.8 points earned out of 19.6 possible points. 50% earned.

Key ongoing activities:

Coates Kokes works out of a LEED Gold certified building with low-flow faucets and waterless urinals, energy-efficient lighting, Energy Star® certified appliances, and a comprehensive recycling program with paper, cardboard, plastic and glass recycling, and composting. One of the company's partners drives an electric car, which is financed by the company.

In 2019 and 2020, Coates Kokes implemented a lunch policy that focuses on supporting fellow B Corps, BIPOC-owned companies, and vendors that participate in GO Box. CK is proud to have achieved the Sustainability at Work Gold certification from the City of Portland. In addition to our own sustainability efforts, CK also continued its work with environmentally-minded organizations, such as Friends of Frog Ferry, a local initiative for carbon-saving ferry service on the Willamette and Columbia rivers, and Energy Trust of Oregon, an organization that promotes energy efficiency and renewable energy.



Opportunities for growth:

Coates Kokes' goals include establishing work-from-home sustainability recommendations and continuing work with environmentally-minded clients.

Customers:

18.5 points earned out of 26.4 possible points. 70% earned.

Key ongoing activities:

Our clients tend to fit into one of four categories:

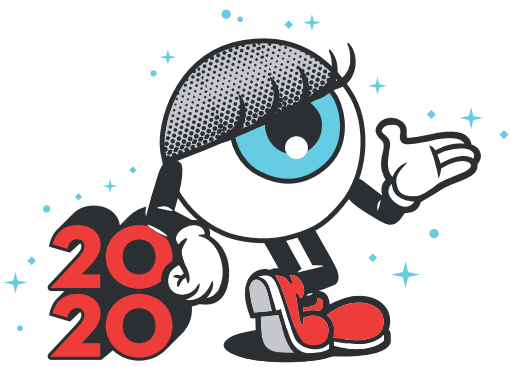
1. Mission-driven public agencies, such as Oregon Health Authority, Metro, and Oregon Health Insurance Marketplace.
2. Nonprofit clients, such as Central Eastside Industrial Council, an urban development organization; and Willamette View, a 501(c)3 senior-living community in Portland.
3. For-profit clients at various stages of moving toward B Corp activities, such as Blue Water Wealth and Killian Pacific, who are in the process of certification.
4. Employee-initiated, cause-based work, such as video development and production for the Black Resilience Fund.

In the past two years, Coates Kokes added new mission-driven and nonprofit clients, including the Cascadia Behavioral Healthcare, Central Eastside Industrial Council, Multnomah County Health Department, Blue Water Wealth, Oregon Department of Agriculture, and Oregon Health Authority's excessive alcohol prevention campaign and the state health improvement plan. As a result, CK has increased the percentage of revenue from cause-based clients.

Opportunities for growth:

CK will draft and publish a formal publicly available data and privacy policy.

We will continue to focus our new business and our pro-bono efforts in the four categories noted above, as the outcome of our work supports and produces benefits for underserved populations within our community.



Reflections on a year like no other

If you've ever thought that B Corp certification and operation was a sideshow, or a "with a side of fries" kind of thing, 2020 proved that the values of B Corp need to be right at the core of all future business in this country. From social justice protests to unprecedented Oregon wildfires, and from misinformation campaigns spurring civil divide to the disproportionate toll of the pandemic on disadvantaged populations, the environmental and social ills of our society came to roost.

The silver lining perhaps is that the business case for B Corp values could not be clearer. Clients and customers of all types are demanding not just these values but the practices that make them a reality.

Unfortunately, in the short-term that doesn't mean that the floodgates of business just opened up. First, we operate in a market where there are several B Corp Certified communications firms. A larger factor was the pandemic's squeeze on the economic realities and confidence of our clients.

Those first few months in the spring were especially tough as it seemed like everything went on hold. While we've had to put a sharp focus on the bottom line, the agency was able to get through this year largely whole and poised for growth. We didn't have any layoffs, and we adapted well to the work-from-home environments, thanks in part to some technological investments we made in home office settings.

The fact that so many in-person events were cancelled did have a negative effect on our volunteer activities. As a team, our volunteer hours were down and some of the team just didn't have any kind of volunteer project this year. We aim to reset that in 2021.

On the upside, our time devoted to training—including training related to social and environmental issues—continued near our all-time high from 2019. Largely, those activities were still available over Zoom.

In the uncertainty of the year that just passed, it seemed that one component of success was simply sticking together and lifting each other up. We were deliberate in tending to the spirit of the agency whether it was through virtual "Fridays at 4," a socially distanced summer party in a park, a remote group activity for our holiday "gathering" or the recent Inauguration watch party. Sometimes it was just a matter of checking in on each other to make sure the strains of the day weren't too overwhelming. Culture is the foundation of operating the business with purpose front and center, and that leaves us optimistic about the future.

Finally, as a privately owned, locally operated small business, 2020 made it very clear that we are dependent on and a contributor to a community of main street businesses, regional governments and local non-profits. Together, they are the ecosystem that we're part of. They're essential to our health and wellbeing, literally and financially. Accordingly, with B Corp activity and business in general, our focus and priority will remain close to home.

Looking forward



Even though the impact of the pandemic still looms large, there are signs of fresh starts all around—a new Administration, the arrival of vaccines, and client projects moving forward. With these, we're forecasting increasing optimism by the time we transition from winter to spring. Yes, there will still be a distance to travel on the path to recovery, but making our way through 2020 gives us confidence in our ability to meet the challenges, and the opportunities of 2021.

We'll be going through recertification this year in late spring and early summer, and that work is already well underway. Typically, this process provides opportunities to enact a few more B Corp-focused policies or actions to further contribute to solutions or to mitigate the problems on our communities' social and environmental fronts.

2020 has reset the expectation for companies to operate for the benefit of more than the short-term, financial bottom line. In a way, the past year essentially proved that B Corp provides the right blueprint for business.

This report has outlined some of the specific steps we plan to add to our list of B Corp activities for 2021, putting more of the lessons we've learned into practice. We're on the right track. It's just time to go faster.

To that end, we still believe some of the biggest impact we make comes from the strategy, storytelling and support we provide for our clients who are themselves benefiting the community. From public health to waste reduction, and from energy efficiency to community development, it is advancement of their missions that is the ultimate achievement of our mission.

Similarly, we're looking for opportunities to work with other B Corp-certified enterprises in 2021, both in terms of clients and suppliers. We're invested in this community.

The way business is conducted has changed. Some of these changes in the way we collaborate and make space for each other are here to stay. From our client teams and within our own ranks we look forward to hearing more from new voices, rounding out a symphony of perspective.

Finally, we want to support our city. Portland has been a great place to live and work, but downtown has taken a toll from the events of the past year. Yes, some aspects of the way we work have probably changed forever, but we believe in the creative power of a vibrant downtown. It's fertile ground for ideas and entrepreneurship, and we are looking to do what we can to help bring it back.

Here's to seeing each other in person... soon.



coates kokes

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