



# **Cox Communications Journey to Sustainable Supply Chain Solutions**

**Kris Waters, CMIR**  
**Director, Sustainable Solutions**



Fourth-generation family run  
Founded in 1898 by Governor James M. Cox  
55,000 employees  
\$20 billion in revenue



# Cox Conserves Vision:

We create positive environmental change in our communities by operating in ways that reduce our impact and inspire our employees, customers, suppliers and partners.

Zero Waste  
Challenge

## Cox Conserves Goals:

- Send Zero Waste to Landfill by 2024
- Become Carbon and Water Neutral by 2044



# CCI Environmental Council 3.0 Leadership & Structure

## CCI Environmental Council

**Executive Sponsor:**  
Mark Bowser

**Chair:**  
George Richter

**Facilitator:**  
Kris Waters

### Operational Integration

Paperless Billing – CPE Energy Savings – Sustainable Operations

### Sustainable Supply Chain

Logistics Optimization – Zero Waste Warehouses – SCM Process Impact Map

### Zero Waste To Landfill

Road to Zero Waste – Branding Zero – Investment Recovery

### Social Engagement

Green Ambassadors – Social Media/Diversity – Editorial Calendar



# CCI Sustainable Solutions Team



## Sustaining Value

Conserving today to empower tomorrow



**Tate Duncan**  
Sr. Sustainable  
Solutions Analyst  
Southeast & Central Region



**Jon Green**  
Sr. Sustainable  
Solutions Analyst  
East & West Region



**Ciara Jordan**  
Vendor Manager,  
Sustainable Solutions  
PDC Support



**Kris Waters**  
Director,  
Sustainable Solutions

Supplier  
Sustainability

Executing on the path  
to Zero Waste

Responsible  
Asset  
Monetization

Accessory &  
Component  
Reuse

CCI Environmental  
Council Leadership

### 2018 Focus Areas

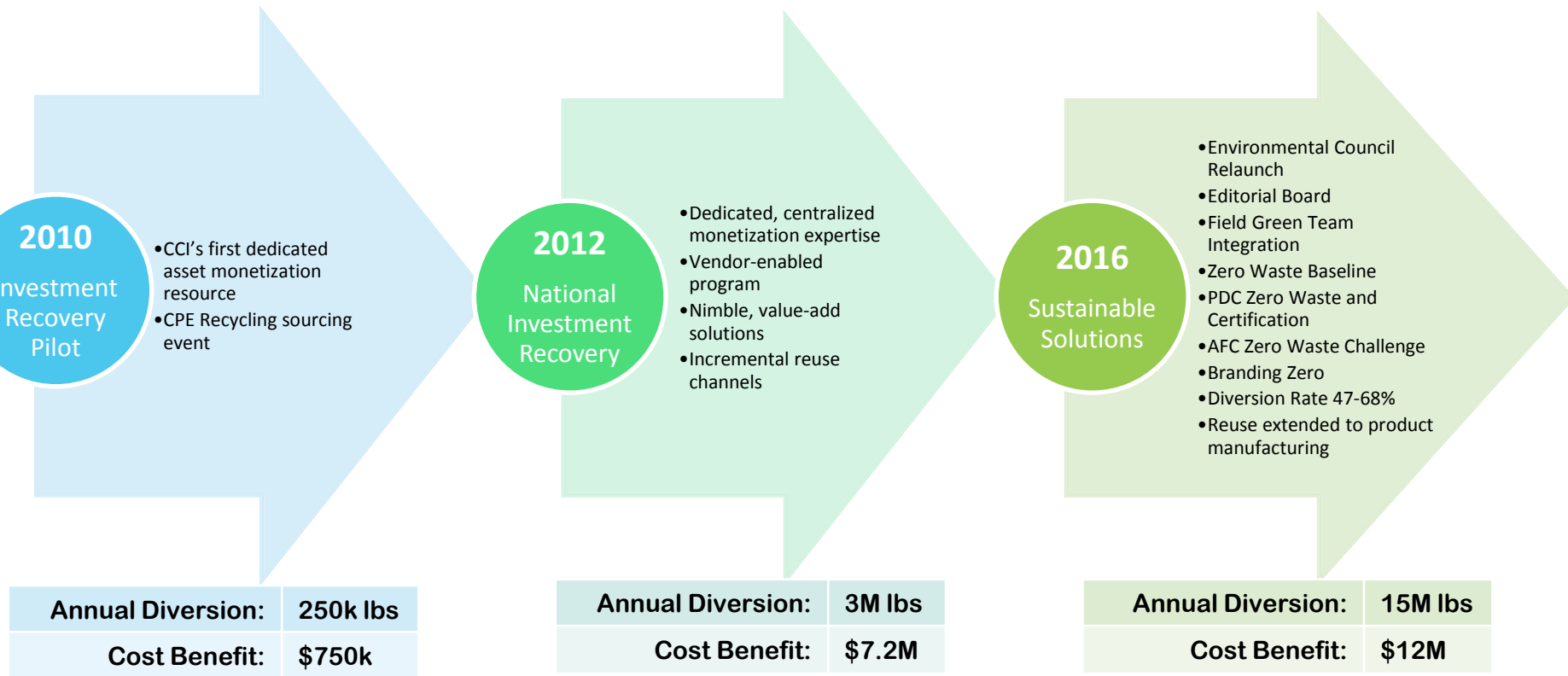
**2017**

**>15M**  
POUNDS OF WASTE  
DIVERTED

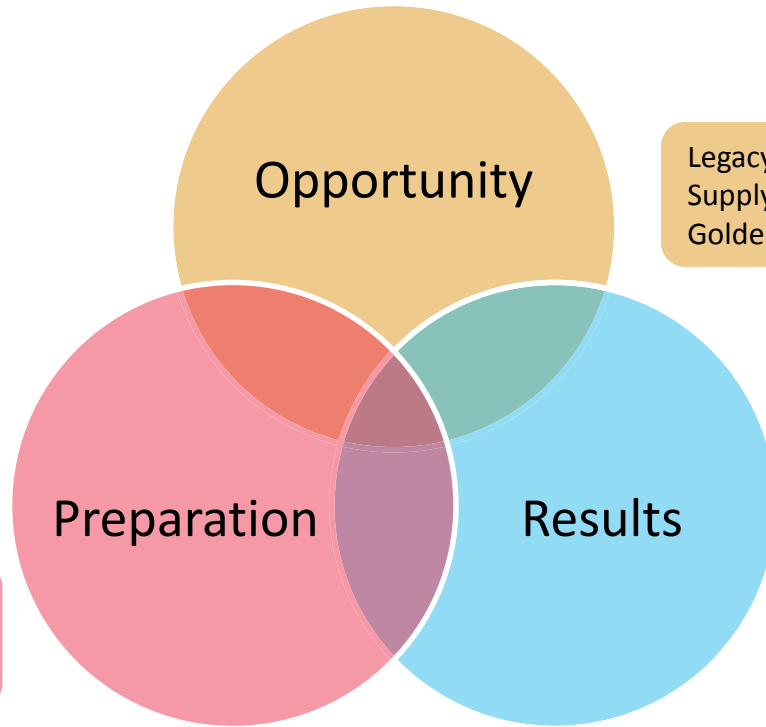
**11K**  
PALLETS OF ASSETS  
DIVERTED

**>\$12M**  
COST BENEFIT

# Looking back...



# How we got here...



Legacy Processes  
Supply Chain Transformation  
Golden Circle

Elevator Pitch & Presentations  
Education/Credentials  
New Capabilities

Hard Work, Early Wins  
Measurement  
Communication



# Tips for driving real change...



## Do your homework...

- Know your business
- Know your audience
- Become the expert – CMIR
- Mind the gap – political pitfalls, sacred cows



## Have a plan

- Know your purpose
- Practice speaking toward it
- Seek and plan for opportunities to promote or share
- Manage your priorities
- Stay flexible



## Get out of your comfort zone

- Projects/support opportunities
- Find mentors and convert them into sponsors
- Work hard, deliver outstanding results
- Learn about other areas of the business – you may find unexpected allies



## Look for alignment opportunities

- Company purpose
- Department purpose
- Major projects
- Business needs/challenges
- Align your solution to the needs and purpose of the business



## Be visible

- Patience and persistence are key
- Lean in – stay positive, assertive, and remember that supporting roles often lead to starring roles
- Tell your story: Practice and hone your speaking and storytelling skills
- Build your personal and team brand
- WARNING: Never surprise your boss in public!



## When you hear “No”, change the question

- Keep your pride in check
- Add capabilities
- Hone your influence skills
- Return to the table when the situation has changed enough to warrant a new proposal



# Refining Our Purpose & Alignment

## Mission:

To empower individuals, teams and organizations throughout Cox Communications to make a positive environmental impact through integrated, world-class sustainable solutions that deliver on the Cox Conserves brand promise.

## Vision:

Cox Communications achieves Cox Conserves goals around waste, water and carbon years in advance of targets, and is recognized throughout Cox Enterprises as the leader in integrating financial, social and environmental sustainability. Cox Conserves values are woven into the very fabric of Cox Communications' culture, and are a default consideration in every decision and at every phase of a product's life cycle.

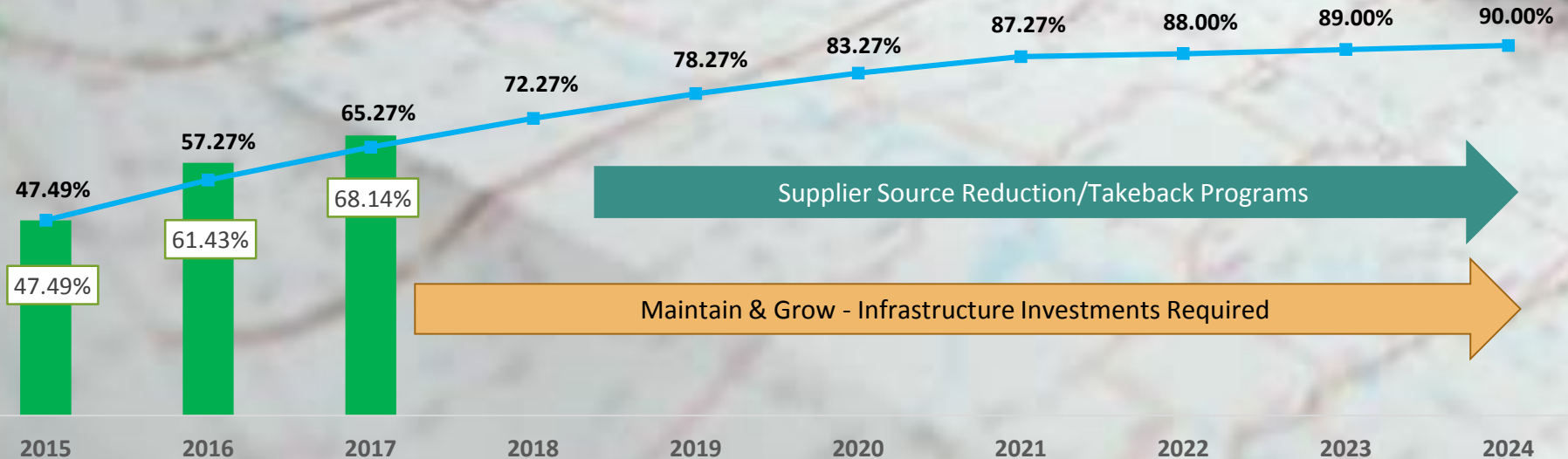


RECOGNIZED AS AN AGILE AND  
DYNAMIC BUSINESS PARTNER,  
ACCOUNTABLE FOR ADDING VALUE  
THROUGH INNOVATIVE  
END TO END SOLUTIONS THAT  
REFLECT THE KNOWLEDGE AND  
EXPERTISE OF A WORLD CLASS  
SUPPLY CHAIN

# Zero Waste Challenge Diversion

## Roadmap vs. Actuals: Year-End 2017

*Based on 2/18 ZWTL Ranking Report*



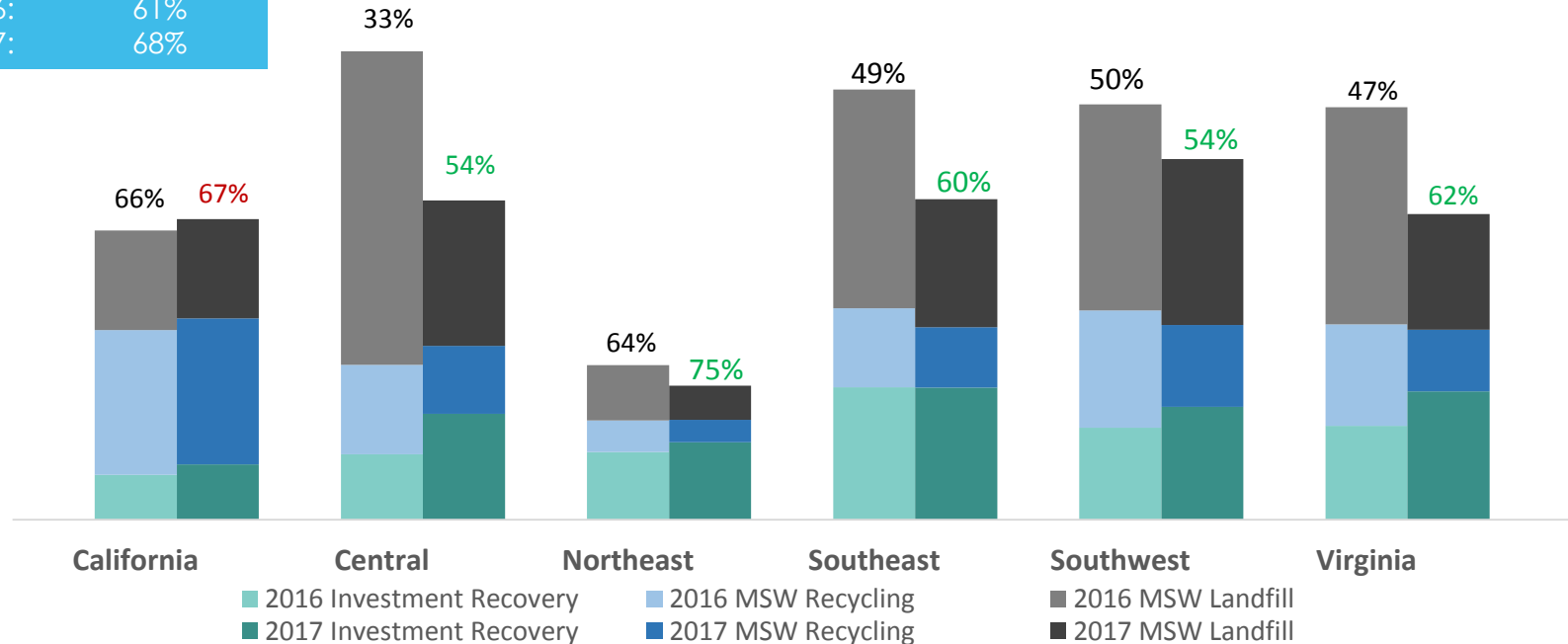
# 2016/2017 Diversion vs. Landfill

Note: Regional diversion rates exclude PDC volumes; PDC volumes included in CCI Diversion Rate



## CCI Diversion Rate

2015: 48%  
2016: 61%  
2017: 68%



# Leading the way...

Cox Communications was participating in the circular economy before most companies knew it existed!

Next steps:

- Sustainable Sourcing
  - Recycled content, refurbishment
- New reuse programs
- Reusable coax reels, tech training



Remotes and remote components



Cords, Power Supplies and Media Cables



Customer Premise Equipment

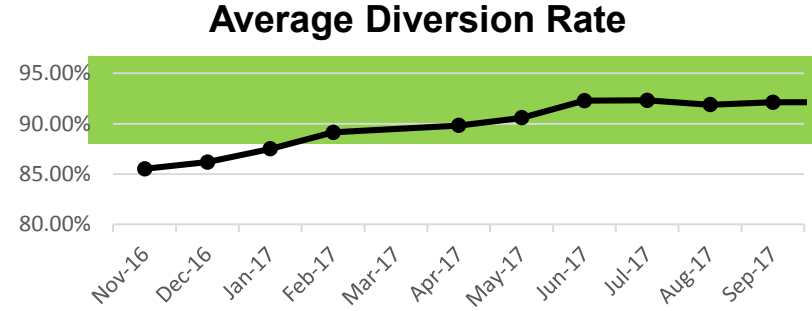
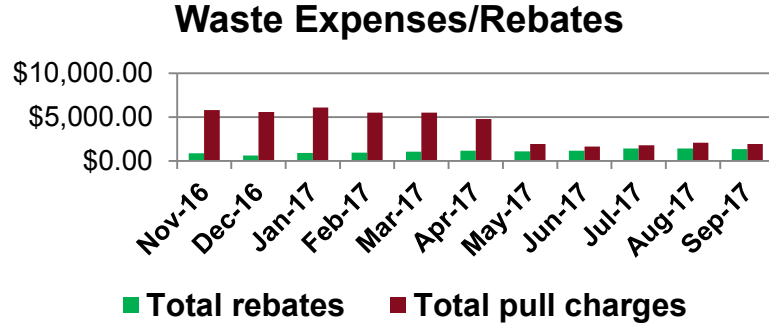
# Building for the Future:

## Zero Waste Distribution Centers

zerowaste

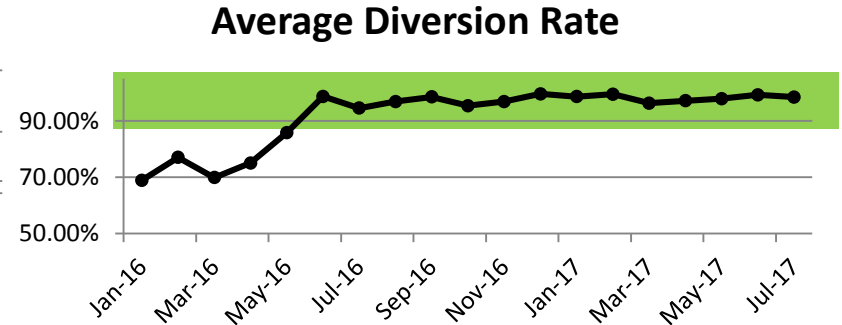
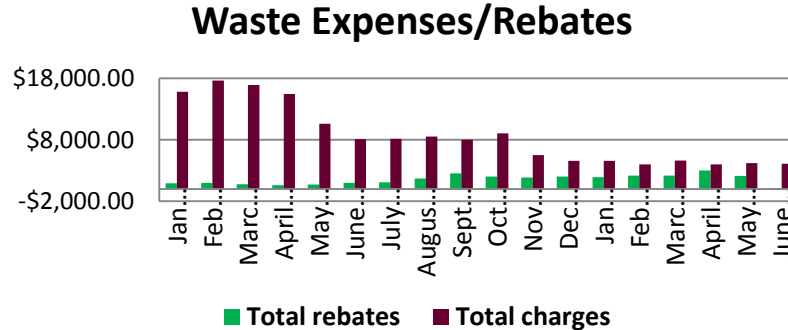
Midwest

Certified in December 2017



West

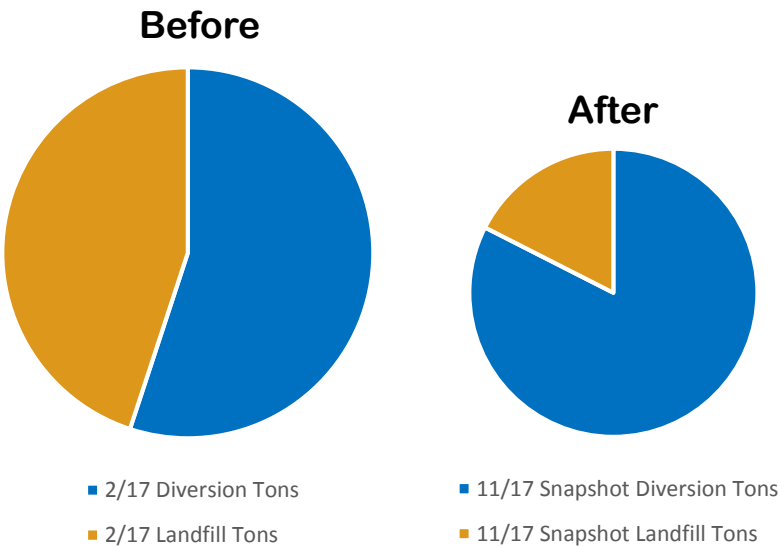
Certified in June 2017



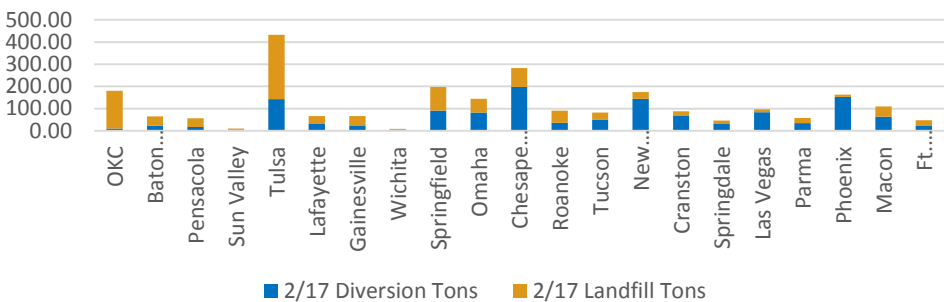
# SCM Sustainability MBO



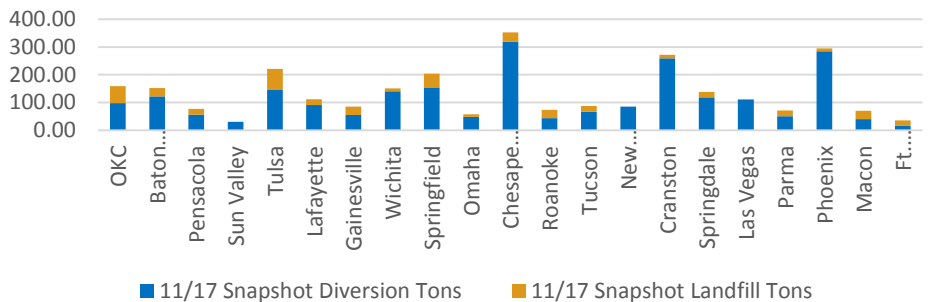
## Total AFC Footprint



## Waste Breakdown by Location: Before



## Waste Breakdown by Location: After





# Zero Waste Challenge



Cox Conserves



Be a

Zero Waste  
hero



# INVESTMENT RECOVERY ASSOCIATION

Promoting Professional Management of Surplus Assets

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**Orlando 2018 Seminar & Trade Show**

***“Gathering Around the Table-  
Entergy Practice Sharing”***

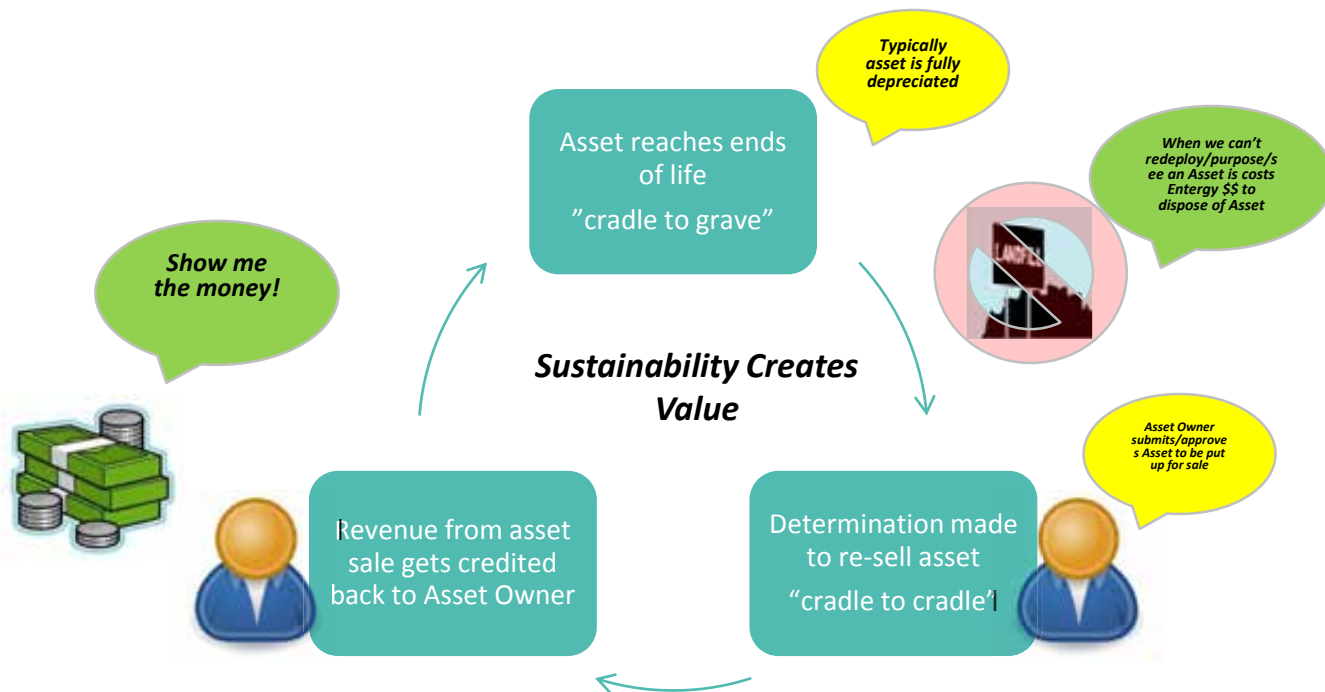
**Mike Atwater, Manager, Supply  
Chain Planning and  
Performance**



# Challenges

- Entergy (as well as the Utility Industry) is undergoing significant transformation across the Enterprise (and in Supply Chain)
- Resources are committed to strategic initiatives resulting in a lack of dedicated resources for non-essential activities (those resources that are available are also running operations)
- Investment Recovery traditionally looked at as a non-essential/low value add activity
- Plant Managers/Demolition Team leaders perceive Investment Recovery work as “getting in the way” of key demo activities – prefer that the demo vendor “do the work/take on the risk”

# ***Build a Business Case - The “Sustainability” Value Proposition of Investment Recovery Services (IRS) - Current State***



# Build a great team-Investment Recovery Services (IRS)

**Justin McCabe** is the IRS Program Manager within Supply Chain at Entergy where he is leading a group of 4 in the Investment Recovery function. Justin has been with Entergy for 3 years. Before coming to Entergy, he was a Plant Manager for Commercial Metals Company Recycling Division where he had oversight of purchasing, operations and marketing/selling scrap metals across the world. Justin is heavily involved in the community and volunteers as a youth leader at church, in the Boy Scouts of America and coaches baseball at the local high school.

**Christopher “Wyatt” Davis** is the IRS Sr. Specialist for the Nuclear Northeast. Wyatt joined the IRS Team in 2016 after completing an extensive 3 year FUKUSHIMA Project for Entergy. Wyatt brings over 30 years of nuclear mechanical and supply chain experience to the Team.

**Luanne Neeb** is the IRS Specialist responsible for handling the processes related to the employee bid board and other administrative processes for this group. She processes all payments for equipment sold through the investment recovery process including E-bid payments, fleet auctions and other large sales through contracted vendors. Luanne spent several years as an Executive Assistant during her 35 years with the company in Marketing, Accounting & Finance, Legal Services, Internal Audit, and Supply Chain.



# ***Stakeholder Engagement Critical for Success***

- CSO stands behind IRS
- CSO Engagement with key leaders (e.g. Nuclear and Fossil) – top down strategy to promote IRS – *Show me the money!*
  - Business case value is there, for every \$3M in IRS sales – could impact stakeholder investment returns/EPS by 1 cent
  - Dedicated resource focused on Nuclear Plant IRS Opportunities
  - Partnering with Fossil Decommissioning team
- Up to 100% of IRS sales go back to the asset owner
  - Asset owner can choose to donate some of the assets to local communities/organizations
- Partner with Social Responsibility, Environmental Policy, Corporate Communications and Investor Relations

# ***IRS – Integral Part of Supply Chain Strategy***

**New 2020 Strategy Team Formulated to focus on Supply Chain Sustainability and Supplier Diversity** (*Cross functional team that includes strategic sourcing, diversity and a non-Supply Chain SME from the Environmental Strategy and Policy organization*)

## **Key Focus Areas**

- Active engagement in Alliance and IRA
- Sustainability and Supplier Diversity focus in Supplier Engagement/Performance Management
- Investment Recovery Services (IRS) Activities socialized and promoted through the company through the dedicated IRS team AND the Sustainability Strategy Team

**New for 2018: IRS is part of new Supplier Relationship Management and Warehouse/Inventory and Logistics Strategy teams**



# Key Success Factors and Results

## *-Across Entergy*

### *Socialization and Collaboration*

Members of Supply Chain 2020 strategy team participate in D&I Councils and Employee Resource groups to promote Investment Recovery Services, Supplier Diversity and raise awareness about Enterprise Sustainability; Enterprise wide Bid Board Campaign

### *Reporting, Reporting, Reporting*

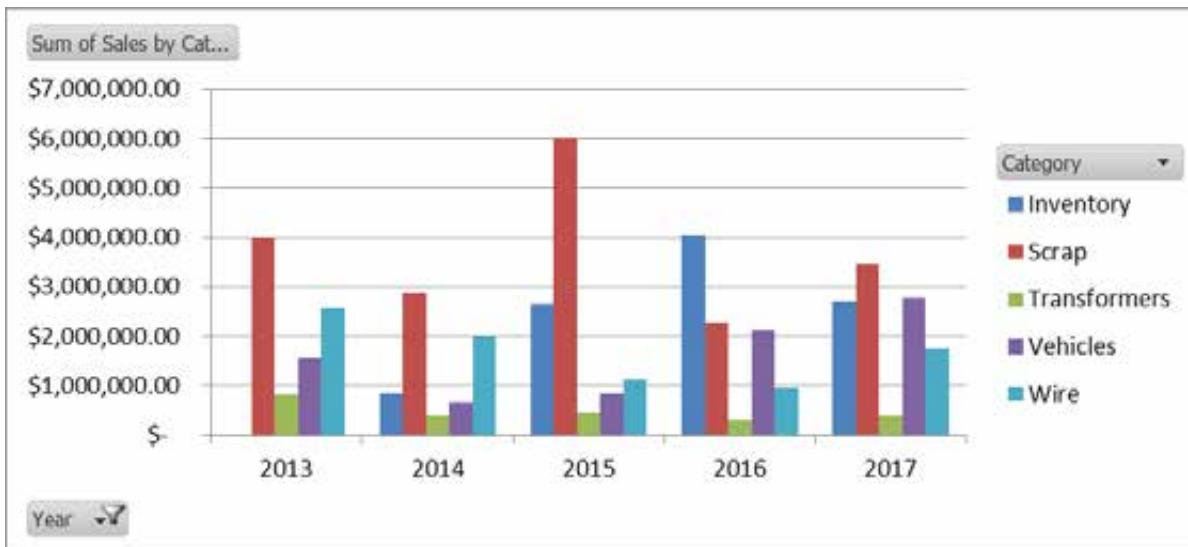
Increased overall performance of Sustainability Maturity Model, Dow Jones Sustainability Index and EPRI Sustainability Metrics through collaboration with Social Responsibility, Investor Relations, Corporate Communications and Environmental Strategy Teams

### *Business Justification-further visibility for IRS at the top level of the company*

Created business case to implement Chief Sustainability Office and Enterprise Sustainability Governance Board (has visibility at OCE Level)

# Results – “Show Me the Money”

## - Sales Data by Category – 2013 - 2017

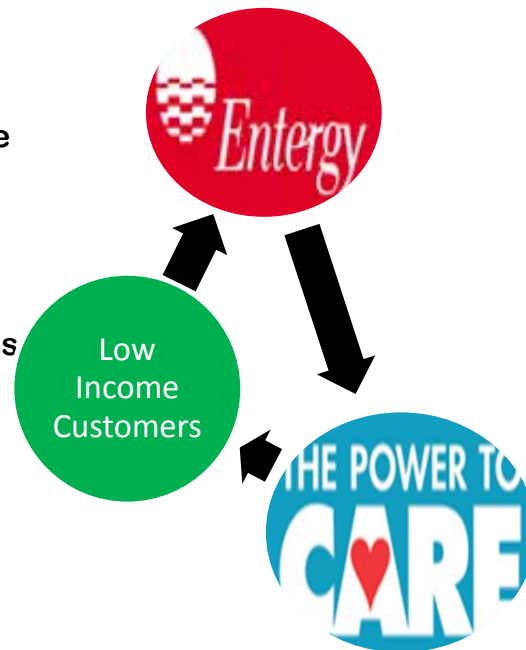


Sum of Sales by Category	Sales by Category						
Year	Inventory	Scrap	Transformers	Vehicles	Wire	Grand Total	
2013		\$ 3,993,021.20	\$ 827,081.42	\$ 1,553,170.61	\$ 2,578,577.78	\$ 8,951,851.01	
2014	\$ 832,783.90	\$ 2,887,506.10	\$ 396,544.87	\$ 655,345.30	\$ 2,002,028.39	\$ 6,774,208.56	
2015	\$ 2,661,842.82	\$ 6,024,462.95	\$ 456,058.77	\$ 832,320.97	\$ 1,117,725.69	\$ 11,092,411.20	
2016	\$ 4,060,559.34	\$ 2,264,227.68	\$ 306,354.43	\$ 2,114,930.45	\$ 936,690.92	\$ 9,682,762.82	
2017	\$ 2,696,109.14	\$ 3,478,615.12	\$ 397,127.39	\$ 2,768,842.07	\$ 1,757,030.43	\$ 11,097,724.15	
Grand Total	\$ 10,251,295.20	\$ 18,647,833.05	\$ 2,383,166.88	\$ 7,924,609.40	\$ 8,392,053.21	\$ 47,598,957.74	

# Business Case Example

## *Entergy Bid Board*

- Launched new employee bid board in investment recovery
- Partnered with Corporate Social Responsibility (they are in the process of hiring an associate to help promote and manage the social aspects of the program)
- Proceeds go to the Power to Care program to provide bill pay assistance to help low income customers
- Program benefits Entergy (bills get paid) and avoids additional costs (disconnect/reconnect, customer service and collection calls)
- Looking to expand the program as part of 2020 Strategy





INVESTMENT RECOVERY SERVICES

# E-BID

ENTERGY EMPLOYEE BID BOARD

New Look with  
User-Friendly  
Screens

New Search  
Button for Better  
Browsing

Set Up  
Personalized  
Alerts for  
Specific Items

Use Your  
Mobile Device  
to Submit and  
Monitor Bids

Now You  
Can Pay By  
Credit Card

Receive  
Automatic Text  
or Email Alerts  
When Outbid

Check for new items for sale at: **[bidboard.entergy.com](http://bidboard.entergy.com)**.  
Contact us at: **[investrec@entergy.com](mailto:investrec@entergy.com)**.

Watch for special auction items benefiting

THE POWER TO  
**CARE**



# Entergy Bid Board

E-Bid offers an opportunity for employees to purchase various company-owned items that have been declared surplus or obsolete. Response to the new application has been outstanding, with more than 3,700 registered users, resulting in an asset recovery of over \$150,000 by the end of 2017.

For the first six months of 2017, the previous Bid Board was utilized by 278 bidders. After implementation, E-Bid had an 314 additional bidders utilizing the system. Bid activity increased from a max of 49 bids for a single item to a max of 87 bids for an item. The average recovery per transaction increased from \$704 to \$1,275 per item.

In March 2018, additional enhancements to E-Bid will include:

- ☐ Auto Bidding – This feature will allow bidders to enter the maximum amount they are willing to pay for an item. The system will automatically place their bids, preventing them from having to manually enter multiple bids while competing with other bidders.
- ☐ Extended Bidding - Allows users to continue bidding on an item after the stated closing time as long as there are bids being received within one minute of the auction closing time.

Investment Recovery Services anticipates that the implementation of these features will increase bid activity, resulting in higher dollar recoveries per item.



**\$84** current bid

**Description:**  
New Orleans Pelicans' Official NBA Warm-Up Jacket, Autographed by Davis Appling, #41, Autographed, authenticity certificate provided. Donated by Patty Roldanberger. Proceeds from this auction item will benefit the Power to Care Fund.

**Condition:** New - never been used.

**Time left:** Auction ended on 7/21/17 at 8:59:06 pm EDT



**Power to Care Items** are specialty donated items, such as a signed Pelicans Jacket, are being auctioned to benefit Entergy's low income program. A business case is being developed to propose using the proceeds from other asset sales to benefit this program.



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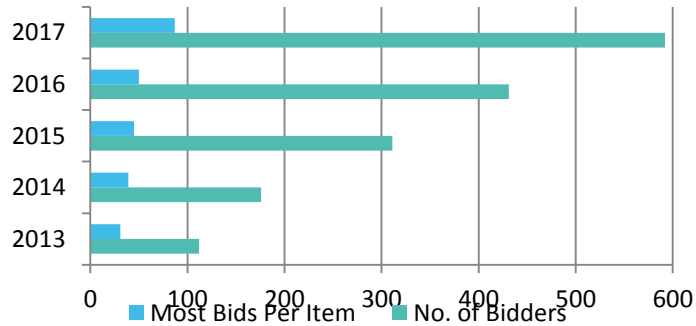
# Entergy E-Bid– *New Enhancements/Partnership with Social Responsibility*

- Implementing a “rewards points” program
  - System enhancement that will allow bidders to use “points” to offset their final (winning) bid
  - Points can be based on number of volunteer hours an employee can accumulate (e.g. 1 point for every volunteer hour logged)
  - Points system is very configurable
  - Points can be used for Power to Care Items or regular bid board items (provided asset owner allows points to be credited towards the sale of a winning bid)
- Private Auctions
  - Custom auctions for items that can be targeted to certain groups (e.g. Community Connectors/volunteers)

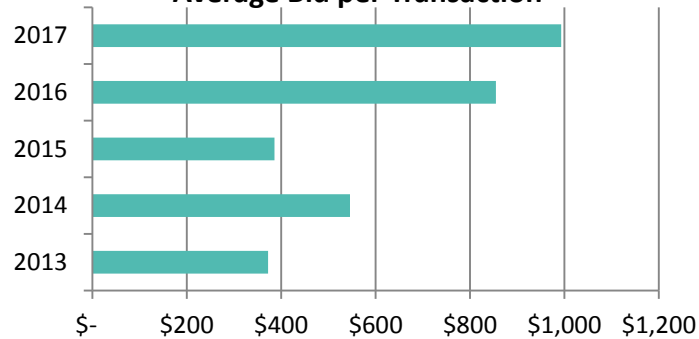




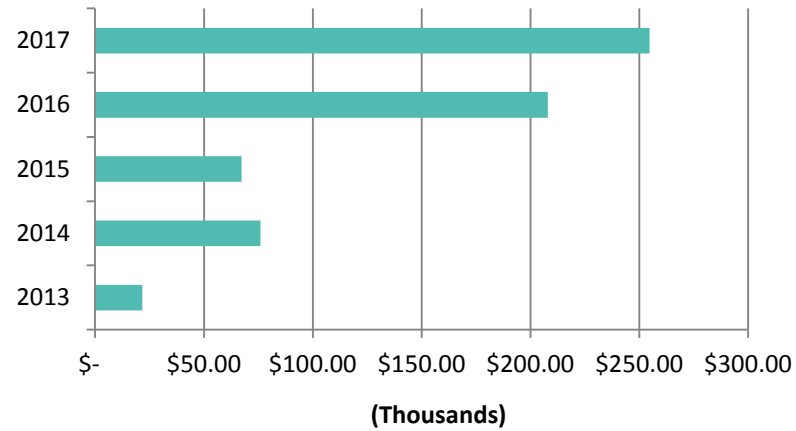
### Employee Bid Board Activity



### Employee Bid Board Average Bid per Transaction



**Employee Bid Board  
Total Asset Recovery Dollars per Year**



# Investment Recovery Services Benchmark Tracking System

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
	Category	Current Practices	Goal	Current Level	Projected Level	Notes/Next Step												
1	Sustainability practices in the IR Bid Process		Sustainability in the competitive bidding process	1	2	Work with Environmental group and 5 Year Strategy team												
2	Sustainability practices in the IR Bid Process		Impacts related to processing recycling commodity by-products	1	2	Contact scrap vendors with survey and work with them on possible improvement												
3	Sustainability practices in the IR Bid Process		Impacts related to processing commodities for sale and recycling - processing location/domestic or other	1	2	Survey scrap vendors to get percentage of domestic vs overseas shipments												
4	Sustainability practices in the IR Bid Process		Use of diverse vendors (Tier 1, 2) to process and manage IR commodities	1	2	Need to understand this more.												
5	Sustainability practices in the IR Bid Process		Include environmental and legal groups for developing waste and recycling contracts, performing environmental audits	1	2	Env group handles waste contracts, incorporate questions in next round of bidding.												
6	Measurement of waste reduction and recycling improvement		Report all weight and revenue to Corporate Sustainability Team, Environmental Team	3	3	Make list of items to report for vendors	Level	Current	Projected									
7	Alignment of IR with other SC functions		Buy back options for used/new products; right-sizing of packing, logistical improvements	1	2	Initiate discussion with procurement group to get more info.	1	8	3									
8	Alignment of IR with other SC functions		Better material planning to reduce excess	1	1	Need to understand this more.	2	1	5									
9	Alignment of IR with other SC functions		Facilitate the reuse/redeployment of materials internally and externally	3	4	Policies currently in place in Fleet, Nuclear Ops, Power Gen, etc.	3	4	3									
10	Alignment of IR with organizations outside of SC and/or company		Engaging and educating employees on IR for waste reduction and recycling improvement	2	3	Continue training and getting support from upper Supply Chain and Ops management	4	0	2									
11																		

## Legend

1 Not Started

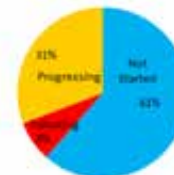
2 Initiating

3 Progressing

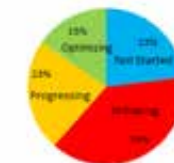
4 Optimizing

5 Leading

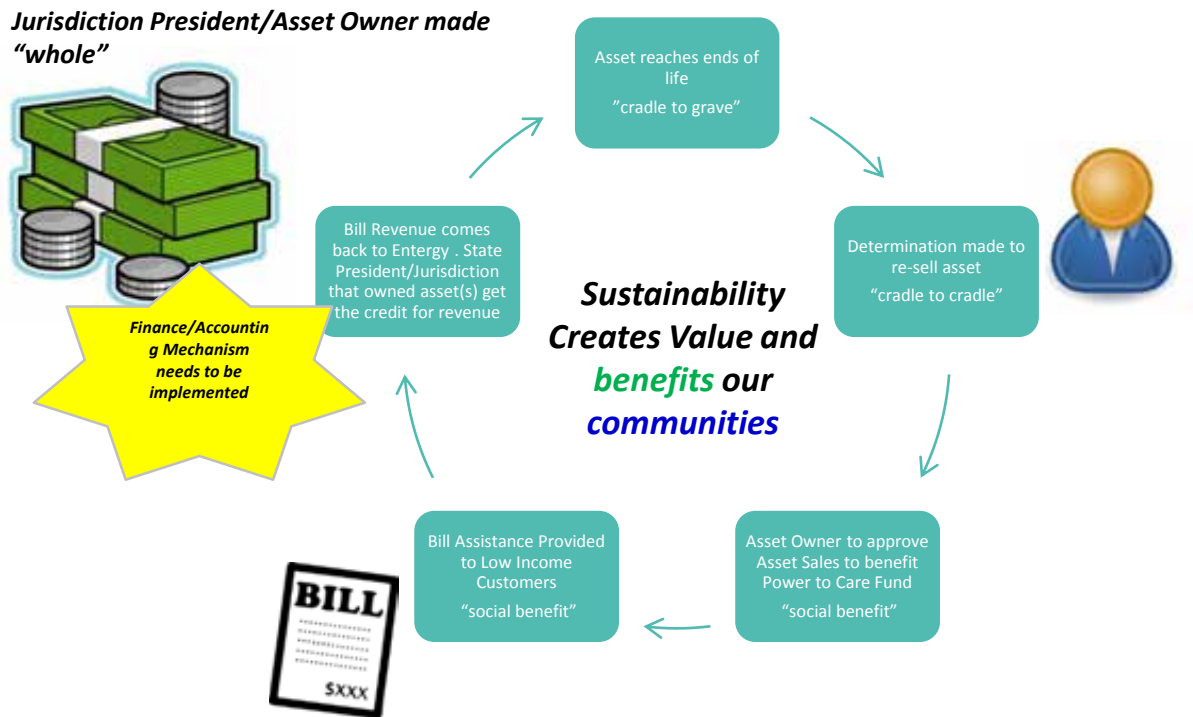
## Current Levels



## Projected Levels



# The “Sustainability and Social” Value Proposition of Investment Recovery Services (IRS) - *Future State*



## Challenges



- Entergy leadership feels that IRS proceeds can be applied elsewhere in the company, where the company “most needs to money”
- There are regulatory constraints/hurdles to overcome
- Asset Owner doesn’t want to give up the credit
- For Fossil demolitions, there is an issue around the difference between Capital vs O&M expenditures and credits that could occur during the project. The overall project cost is a capital project and is included in to the rate base for the rate payers to cover. The scrap credit received in the past and current projects decreases that capital cost.
- Fundraising can be costly and labor intensive

## Opportunities



- If the State President that owns the asset gets the credit back through Power to Care/Bill revenue –they are made 100%; IRS tracking mechanism in place to track funds by State President
- Develop a financial mechanism that credits the asset owner from an in-kind financial donation to Power to Care that could offset Incentive Targets at End of Year
- For Fossil demolitions, credit the sales from IRS to Power to Care – then revenue can be credited back to Jurisdictional President budget and stop there (Financial/Accounting treatment)
- Leverage the volunteer program to help with fundraising events

## Other Benefits

If we can funnel a portion of IRS sales to fund low income initiatives we will create other benefits for the company:

- Program can be showcased in PR campaigns
- Exposure of program benefits to state, local, federal regulators
- Annual report/shareholders
- Talking point for recruiting millennials



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 **Entergy**



# Entergy is a *thought leader*, a utility to “*watch in this space*”

36 36

- Entergy participates in the Electric Utility Industry Supply Chain Sustainability Alliance (EUISSCA) and the Investment Recovery Association.
- We recently presented our concept at an annual EUISSCA conference the annual Investment Recovery Conference
- The other member utilities are very interested in monitoring the success of this program and potentially implementing something similar at their utility.

**What if**.....other Utilities adopted this– the collective power of these utilities could reach 500,000 customers (or more....)

		5 Utilities	10 Utilities
IRS Sales Credited to Power to Care/Other US Utility Programs	\$10,000,000	\$ 25,000,000.00	\$ 50,000,000.00
80% allocated to offset bills	\$8,000,000	\$ 25,000,000.00	\$ 50,000,000.00
20% "seed money" allocated to increased Power to Care fund	\$2,000,000	\$ 25,000,000.00	\$ 50,000,000.00
Additional \$1M raised from seed money	\$1,000,000	\$ 25,000,000.00	\$ 50,000,000.00
New value	\$11,000,000	\$ 25,000,000.00	\$ 50,000,000.00
Number of Customer Benefitting from program (based on \$100 Utility Bill)	110,000	250,000	500,000



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# The future....

- Integrate Supply Chain Sustainability/Investment Recovery and Supplier Diversity awareness into New Employee Orientation and Intern programs
- New Enterprise Environmental and Sustainability Lead Team/Committee
- Launch Corporate wide sustainability assessment pilots/programs
- Implement Investment Recovery, Sustainability and Diversity Supplier Excellence initiatives (SPM/recognition)
- Implement annual e-Recycling events with Employees and Suppliers in conjunction with Earth day/week, etc.
- Partner with Employee Resource groups to sponsor joint community outreach events (e.g. Mississippi School recycling program/ACT tutoring...)
- Explore additional Supplier engagement and partnership opportunities Continue engagement in Alliance and Investment Recovery Association
  - Facilitate supplier practice sharing sessions
  - Additional engagement in development of standards/best practices

# Thank you!

*Questions??*