

Customer Story

How a Telecommunications and Software Company Laid the Foundation for Its ESG Performance





Using Knowledge to Advance ESG Targets

By understanding its ESG position among industry peers, Windstream set a benchmark for improving its ESG targets and communicating sustainability accomplishments to key stakeholders.



Industry

Telecommunications



Region

North America



Sustainability Product

ESG Risk Ratings and
ESG Performance Analytics

"Sustainalytics' ESG Risk Rating allowed us to determine our performance baseline, and helped us identify and close the gaps in our policies and programs."

Mark Reed

Chief Procurement Officer and ESG Operational Committee Member, Windstream





The Challenge

Generating transparency around the company's environmental and social impacts for investors, employees and customers.



The Solution

An ESG Risk Rating helped Windstream identify gaps and set a baseline for improving ESG performance. An ESG Performance Analytics report effectively identified Windstream's sustainability performance against its peers.



The Results

Windstream brought its ESG reporting and disclosures in line with best practices by publishing a robust, GRI-aligned annual ESG report, making public CDP disclosures, and applying to the UN Global Compact.

About Windstream

Windstream Holdings is a privately held communications and software company. Windstream offers managed communications services, including SD-WAN and UCaaS, and high-capacity bandwidth and transport services to businesses across the U.S. The company also provides premium broadband, entertainment, and security services through an enhanced fiber network and 5G fixed wireless service to consumers and small and midsize businesses primarily in rural areas in 18 states.



The Challenge

Develop a Company ESG Performance Baseline

Windstream established a board-level committee in 2020 focused on environmental, social and governance (ESG) factors that could make the company stronger over time. Although the company had been focused on mitigating environmental impacts and using resources more efficiently, there was not a full appreciation or understanding of the importance of disclosure and publicly reporting on all ESG matters. Efforts centered more on the execution of its strategies and less on effectively telling its ESG story.

As its ESG journey continued, Windstream came to realize that transparency around its environmental and social impacts was valued not only by investors, but also by its employees and customers. To help assess its ESG position and performance relative to its industry and peers, and to better communicate this to stakeholders, Windstream contacted Sustainalytics to learn how it could obtain an ESG Risk Rating.

Windstream was
interested in better
understanding its
ESG position and
performance relative
to its industry peers.



The Solution

Understanding ESG Risk for the Company Among Industry Peers

An ESG Risk Rating to Identify Gaps and Set a Baseline for Improving ESG Performance

Sustainalytics' [ESG Risk Ratings](#) service allows companies to assess their ESG performance. The process provides insights into ESG issues that are considered material for the company and how well the company is managing those risks.

Windstream's ESG assessment was calculated according to the ESG Risk Ratings methodology which uses publicly available quantitative and qualitative data as well as information provided by the company (i.e., documentation on ESG policies and programs, data on emissions, resource use, etc.). As per the ESG evaluation process applied to all companies in Sustainalytics' Comprehensive ESG Research universe,¹ Windstream's information was assessed by a sector analyst and the company had an opportunity to offer feedback on the assessment and provide any missing information for consideration.

The ESG Risk Rating provides a company with insights into material ESG issues and how well the company is managing those risks.



¹ Sustainalytics' ESG Research universe comprises companies assessed using the Comprehensive Ratings Framework and the Core Ratings Framework. Companies covered under the Comprehensive Ratings Framework are primarily medium to large cap, publicly traded companies assessed on a broad set of indicators. The Core Framework was created to extend the coverage universe of the ESG Risk Ratings. The Core Ratings Framework is derived from the full ESG Risk Ratings model using a reduced indicator set and is structured to approximate the Comprehensive Framework's outcomes. Thus, the overall ESG Risk Ratings scores for companies evaluated under either framework are directly comparable. Some aspects of the evaluation process (i.e., company feedback) are not available to companies assessed under the Core Ratings Framework.



Sustainalytics' ESG Risk Ratings
Research Process

ESG Performance Analytics Positioning Windstream Against Competitors

Windstream was committed to fully understanding its ESG strengths and weakness and was able to deepen its knowledge with Sustainalytics' ESG Performance Analytics. [ESG Performance Analytics](#) provided a granular analysis of Windstream's ESG Risk Rating performance, showcasing its strengths and weaknesses, and presenting in-depth analysis against five selected peers. With the support of Sustainalytics' designated Performance Analytics team, Windstream identified five telecom companies for comparison, including U.S. competitors and global companies considered ESG leaders in the industry.

The final report and presentation included score and material ESG issue comparisons at the industry and peer levels, management indicator gap analysis, information on expected industry practice, and leading practice examples.

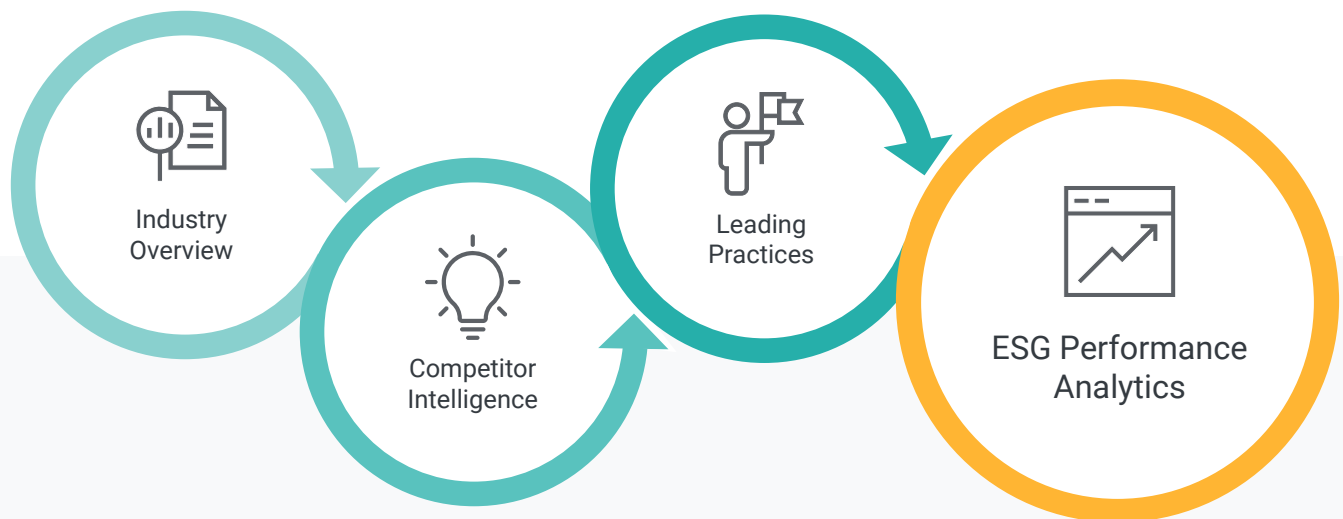




The Results

Roadmap to ESG Success

For Windstream, the process was an eye-opener both in understanding the company's starting point and what it needed to do to improve its ESG performance. With the ESG Risk Rating and ESG Performance Analytics report, the company learned that it compared quite well against its U.S. peers, but also saw that even industry leaders in the U.S. are operating below global best practice.

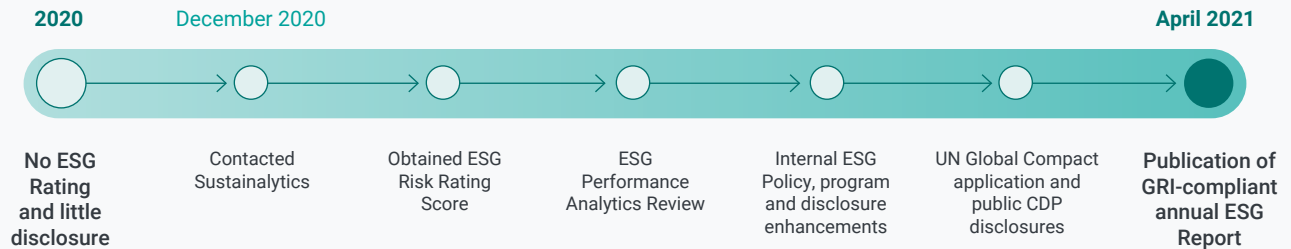


Overview of the Components Assessed in the ESG Performance Analytics Process

The process also helped Windstream realize that ESG disclosure does not need to be daunting or overwhelming. Sustainalytics provided real-world best-practice examples and introduced Windstream to several international reporting frameworks recognized by investors and regulators globally. In a few short months, Windstream went from no ESG rating and minimal disclosure, to publishing a robust GRI-aligned annual ESG report, publishing public CDP disclosures and applying to the UN Global Compact.

By understanding its current ESG position and learning from its peers, Windstream created a roadmap for continued improvements towards ESG targets and communicating those accomplishments to key stakeholders.

Windstream's ESG Journey



Timeline of Windstream's ESG Journey

"This isn't just about Windstream, this is about saying: 'Look, effective ESG reporting can be done,' and by the way it can be done by companies like us who are new to the world of ESG disclosures in a very short amount of time."

Mark Reed
Chief Procurement Officer and ESG Operational Committee Member, Windstream



Get in Touch With Sustainalytics Corporate Solutions

EMEA:

(+44) 20 4526 5640

inquiries.EMEA@sustainalytics.com

APAC:

(+65) 6329 7596

inquiries.APAC@sustainalytics.com

Americas:

(+1) 347 630 9308

inquiries.Americas@sustainalytics.com

Japan:

(+81) 3 4567 0198

inquiries.Japan@sustainalytics.com



Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 25 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 800 staff members, including more than 300 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit www.sustainalytics.com

