



Windstream's Path to Understanding and Communicating its ESG Performance

Corporate Solutions
Customer Spotlight



THE OPPORTUNITY

Develop company ESG performance “baseline” and opportunities for improvement

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 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

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.

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.



THE SOLUTION

ESG Risk Rating and ESG Performance Analytics from Sustainalytics

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 universe¹, Windstream's information was assessed by a sector analyst and the company had an opportunity to provide any missing information for consideration.



"Companies like Windstream who have been doing great work but are new to public ESG reporting, may be concerned with potential reputational risk or embarrassment from this level of disclosure. Working with Sustainalytics to establish our ESG Risk Rating gave us our performance baseline, showed us where we had gaps in our policies and programs, and helped us understand how to close them."

— MARK REED, CHIEF PROCUREMENT OFFICER AND ESG OPERATIONAL COMMITTEE MEMBER

Windstream was committed to fully understanding its ESG strengths and weaknesses 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.

Components of ESG Performance Analytics



¹Sustainalytics' 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.



THE OUTCOME

“You don’t need to re-invent the wheel when it comes to communicating ESG”

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.

“Our engagement with Sustainalytics was all about being educated. We learned that there are a number of very easy and straight-forward things companies can do to more clearly and effectively communicate their ESG positions and commitments. Quite frankly, we also discovered a number of things that we are now doing to drive not only improvements on the ESG front, but that are also saving the company money.”

— MARK REED

Windstream’s ESG Journey



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.

“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



About Sustainalytics Corporate Solutions

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.



Are you interested in better understanding your company's ESG performance and how it compares to your peers?
Learn more about the services covered in this Customer Spotlight by clicking or scanning the QR codes below.



[ESG Risk Ratings for Companies](#)



[ESG Performance Analytics](#)



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