HOSTINGER

Hostinger 2023
Sustainability Report

Three. Two. Online

Table of Contents

Letter from the CEO

When I joined Hostinger over seven years ago, I was deeply inspired by **our mission to bring success to everyone who goes online.** It's more than just a statement – it's a core element ingrained in our culture and daily work principles. It motivates us to improve constantly and guides every decision we make.

Our vision shapes our approach to business. Starting as a small, bootstrapped company, we have expanded our reach to over 150 countries. To better meet the needs of our customers and create even better products and services for them, we started pivoting the brands we manage – joining forces with Zyro, a wholly-owned subsidiary company providing website-building solutions to customers. With Zyro's team expertise, we can take that mission a step further.

With our relentless commitment to innovation, we have developed various tools for online success: fast hosting technology, an intuitive control panel, and an AI-powered website builder. Building a website has become easier and more accessible than ever. To ensure these innovations last, we have also heavily invested in cybersecurity.

Our commitment goes beyond innovation. We understand the importance of protecting our planet for future generations. Various initiatives we've undertaken align with our sustainability goals and recognizing the need for a more significant impact, we launched targeted sustainability projects throughout 2023 and continuously worked on charitable initiatives.

Navigating our path to sustainability has been a learning experience – evaluating the potential for shifting data centers to renewables has been a key focus. When selecting new data centers, prioritizing renewable electricity has become an essential criterion, underscoring our commitment to achieving our sustainability goals despite the challenges.

Looking ahead to 2024, we aim to sustain our growth momentum and continue our investment in AI technology. We see AI as a pivotal opportunity to help entrepreneurs achieve success on the internet more quickly, adding value to our services and enabling us and everyone to focus more intently on sustainability. By leveraging AI, we can optimize resource usage and save time, further aligning with our sustainability commitments. AI has emerged as a central opportunity, yet we continue to provide our customers with intuitive technology and human-centered guidance, ensuring everyone can thrive in the digital landscape.

I encourage every one of you to review our Sustainability Report and share your insights with us. Your input is invaluable to our devotion to collaborative success.

Daugirdas Jankus
CEO at Hostinger

About the Report

Hostinger's 2023 Sustainability Report highlights our current state and progress toward sustainable development, identifies areas that need more attention, and informs stakeholders of our commitment to tackling them in the future. Referring to the Global Reporting Initiative (GRI) standards, this report covers the period from January 1 to December 31, 2023, along with our future commitments.

This report provides materiality assessment disclosures, the scope of which has been expanded to include stakeholder expectations. In some cases, previously disclosed data has been updated due to changes in the calculation methodology or information. Such changes and their reasons are indicated in the relevant sections.

This Sustainability Report covers information from both Hostinger Group's parent company and all of its subsidiaries. Unless otherwise stated, the disclosures in the document refer to all Hostinger Group companies. A detailed report for each subsidiary was not prepared.

The content consists of the latest available information at the time of publication, which has not been formally audited. Hostinger is committed to regular, transparent communication about our sustainability progress. To that end, we will share updates on an ongoing basis through our website and will continue to publish an annual Sustainability Report.

> ✉ If you have questions about this Sustainability Report or Hostinger's sustainable practices, please email **Rūta Grigaliūnaitė (Sustainability Manager)** at sustainability@hostinger.com.

Publication date: 2024 05 06

2023 Highlights

Growth

- Throughout 2023, we have conducted **800 client interviews.**

- The **AI Chatbot** was launched to support our clients.

- Hostinger made it to **FT 1000**: the seventh annual ranking of Europe's fastest-growing companies.

- **W3Techs** recognized Hostinger with multiple accolades, including Web Hosting, Data Center, DNS Server, and Email Server Provider of the Year awards.

- We increased our **Trustpilot score** from 4.5 in 2022 to **4.6** in 2023.

Planet

- **Total renewable energy** share in our data centers **grew by 7%** from 35% to **42%.**

- Our Scope 1 and 2 emissions were **1,522.3 tCO$_2$e**, and for the first time, we also calculated Scope 3 emissions, which totaled **6,761.5 tCO$_2$e.**

- We optimized our HVAC system settings in our Kaunas office, which has helped us **decrease electricity usage** by approximately **44%** on a year-over-year basis.

- Hostinger has been listed in the **Green Web Foundation Initiative.**

- In Lithuania, we moved to the newly built and more efficient **Vilnius office** in March 2023.

People

- Our average Employee Net Promoter Score (**eNPS**) was **65**.

- **Women** held approximately **52%** of our **leadership positions**, while **men** held **48%**. Overall, **women** constituted **44%** of our team, and **men** made up **56%.**

- We introduced **Recharge Leave**, a benefit offering 30 extra days of paid time off to team members with over 5 years of tenure.

- On average, each team member dedicated **21.2 hours** per year to **learning and development**.

About Hostinger

Three. Two. Online

Hostinger is a **global web hosting company** providing a range of hosting services and domain registration to individuals, businesses, and organizations worldwide. Our vision is simple, but it guides all our decisions. **We aim to empower individuals and businesses to unlock their full online potential** with our advanced hosting technology, user-friendly control panel, and AI-powered website builder.

Founded in 2004 as Hosting Media, we were once a bootstrapped company in Kaunas, Lithuania. Our journey is one of innovation, dedication, and a relentless pursuit of excellence. For us, it's not just about hosting websites – it's about providing the tools and support necessary for dreams to become reality.

We understand that every website represents a unique story, a passion, a business venture, or a creative outlet. Therefore, we are committed to delivering exceptional value and professional support, as well as continuously improving our products to ensure our customers' success. Through our unwavering commitment and continuous growth, we saw the opportunity to expand our reach further. To achieve this goal, we officially rebranded the company to Hostinger in 2011.

Since then, Hostinger has experienced remarkable growth and emerged as a [top contender in web hosting services](#).

Hostinger has made it to FT 1000: the seventh annual ranking of [Europe's fastest-growing companies](#). Securing the 513th rank, we are thrilled to have earned our place in this prestigious list for four consecutive years. W3Techs also announced [Hostinger as the winner in various web technology categories](#) – Web Hosting Provider of the Year 2023, Data Center Provider of the Year 2023, DNS Server Provider of the Year 2023, and Email Server Provider of the Year 2023.

By the end of 2023, we proudly served customers from more than 150 countries, establishing a strong presence across different regions to better serve our valued customers. We have subsidiaries in Brazil, the United Kingdom, the United States, Singapore, Cyprus, and Indonesia under the brand Niagahoster. Our offices in Lithuania and Indonesia strengthen our regional presence.

Our Vision, Mission, and Principles

Our Vision

To empower millions of people across the globe to unlock the power of the internet. To do that, we give them the tools to learn, create, and grow online.

Our Mission

To offer easy-to-use hosting services for anyone – whether they're running a personal blog, an online store, or a web development agency. To deliver our promise, we constantly update our server technology, fine-tune our control panel, improve customer support, and find new ways to serve our customers better.

Our Principles

The 10 Hostinger Principles unite and guide us as a company to solve everyday problems and achieve our vision and mission. We focus on the success of our customers and work our way toward it.
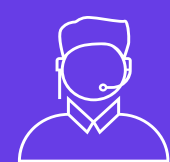
| Customer Obsession | Ownership | Learn and Be Curious | Hire and Develop the Best | Highest Standards | Freedom and Responsibility | Focus | Bias Toward Action | Courage and Candidness | Deliver Results |

Our Services and Brands

Starting the **website journey** can be a daunting task for many users, but at Hostinger, we are dedicated to making it as **easy as possible.**

To achieve this goal, we developed hPanel, a custom–built hosting control panel designed for both beginners and advanced users. Its intuitive interface simplifies website management. And if customers ever need assistance, our 24/7 multilingual Customer Success team is always ready to help through live chat.

Speed matters in business – a fast loading time boosts visitor retention and customer conversion. We ensure maximum performance with one of the industry's leading web servers, LiteSpeed, powering all our hosting services.

In 2023, we introduced and released the Hostinger Content Delivery Network (CDN). After extensive beta testing on over 10,000 websites, it's now fully launched and can improve website performance by up to 40% without any user configuration. Additionally, our LiteSpeed Object Cache integration helps minimize database queries, allowing for quicker site loading on subsequent visits.

However, building a website is just the first step. To succeed online, customers need more than just a website – they need the resources to grow their online presence.

Hostinger provides a **comprehensive range of services** to support our valued customers at every stage of their online journey:

- **Web hosting.** The ideal hosting service for personal projects and small business websites.

- **Website builder.** An AI–powered platform designed to build websites easily and quickly.

- **WordPress hosting.** Optimized to make WordPress websites load faster.

- **VPS hosting.** Best for web developers who need easy–to–scale resources for their projects.

- **Cloud hosting.** An excellent hosting solution for large–scale websites.

- **Hosting for professionals.** Perfect for freelancers or agencies with multiple clients.

- **Domain registration.** A vast choice of domain names at the most competitive price.

- **Email hosting.** Professional domain-based email addresses are perfect for online businesses.

- **000WebHost.** A free web hosting solution for those who want to try their hand at website development.

In addition to the products above, we have worked on incorporating **artificial intelligence (AI)** into our services. One of our initial steps was merging our Zyro brand with Hostinger, which resulted in the in-house website-building platform Hostinger Website Builder. The synergy between the two platforms, along with AI integration, marks a significant advancement in our web-building tools.

- **AI Builder.** Quickly set up a functioning website by providing a brand name, website type, and brief description.

- **AI Image Generator.** Instantly create images by entering specific prompts and choosing the image style.

- **AI Writer.** Generate a website copy that converts visitors into leads and eventually customers.

- **AI Blog Generator.** Build a knowledge-sharing space in just a few clicks.

- **AI SEO.** Improve website performance in search engine results by generating relevant keywords, SEO titles, and meta descriptions.

- **AI Heatmap.** Predict user behavior for more strategic call-to-action placements.

- **AI Logo Maker.** Accessible as an individual tool and within Hostinger Website Builder, this tool generates logos in various styles.

- **AI Domain Name Generator.** Provide brandable names for a wide range of projects.

- **AI WordPress Assistant.** Automate content creation following the best SEO practices.

- **AI Assistant for VPS.** Simplify server management with prompts to generate commands for system configuration.

With a robust web hosting solution, AI-powered website-building platform, and AI-assisted tools, we managed to reach even more users across established and emerging markets worldwide.

Management and Structure

Hostinger is a dynamic, global network of companies propelled forward by the vision and leadership of a dedicated Board. In 2023, the Board included Arnas Stuopelis, Chairman of the Board and Chief Executive Officer (CEO). When Daugirdas Jankus was appointed CEO on October 6, 2023, Arnas Stuopelis remained as the Executive Chair of the Board.

The Board decides on the Company's strategy and other essential decisions on how to scale the business, identify profitable opportunities, innovations, and investments, and consult the CEO and Core Leadership team on various matters.

Our Board is elected according to the Articles of Association of the company and applicable laws. Its members possess a varied portfolio of professional backgrounds and skill sets, allowing them to bring diverse perspectives to the table.

Board Members

Arnas Stuopelis   Eimantas Sabaliauskas   Jochen Dominik Berger   Tobias Mohr   Tomas Okmanas

Hostinger has seven departments:

| Business Operations | Customer Success | Finance | Product | Revenue | Marketing | People |

Each department is led by a Core Leadership Team member who reports to the company's CEO.

The Core Leadership Team, or C-level executives, is a group of high-level managers and executives in charge of the strategic direction, development, and success of Hostinger. Together, they work to ensure that the core business areas operate efficiently while supporting the CEO in driving the organization toward its objectives. They are responsible for the decisions and risk management affecting the whole company.

The Extended Core Leadership Team are managers who are not part of the Core Leadership Team but can gain valuable insights by attending their meetings. Attendance is optional and based on the agenda items being discussed. The team members may be rotated to ensure diverse views from different business functions.

At Hostinger, we are dedicated to minimizing hierarchy and bureaucracy. While our company tree shows who reports to whom, we strive to keep teams effective as we grow. We keep collaboration as flat as possible and empower team members to have ownership over their initiatives. This approach allows us to scale as an organization without sacrificing efficiency or creativity.

CORE MEMBERS

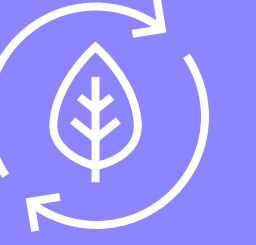|	
Daugirdas Jankus	Chief Executive Officer (CEO)
Aivaras Šimkus	Chief Operating Officer (COO)
Darius Grigorjevas	Chief Customer Officer (CCO)
Domantas Beržanskis	Chief Finance Officer (CFO)
Giedrius Zakaitis	Chief Product Officer (CPO)
Ieva Jacunskienė	Chief Revenue Officer (CRO)
Kristina Strimaitė	Chief Marketing Officer (CMO)
Milena Žilinskaitė	Chief of Staff (COS)
Sofija Čelutkienė	Chief People Officer

CORE MEMBERS BY GENDER

♂ Male **5**
♀ Female **4**
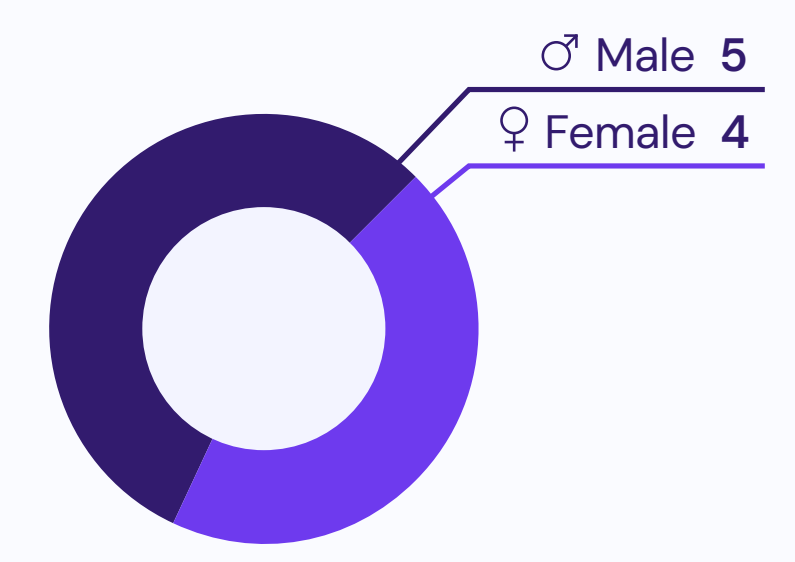
CORE MEMBERS BY AGE

27–35: ♀ Female **4** ♂ Male **3**

36–45: ♂ Male **2**

0 1 2 3 4 5 6 7 8
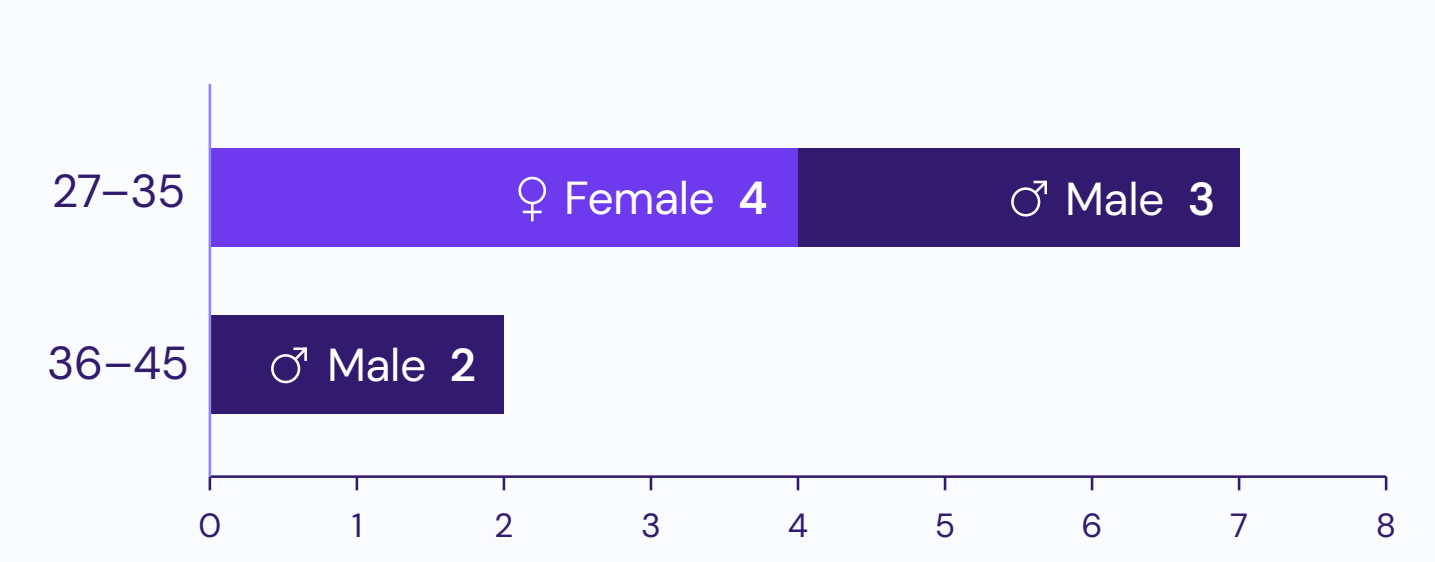
Numbers represent 2023 structure and data

Sustainability

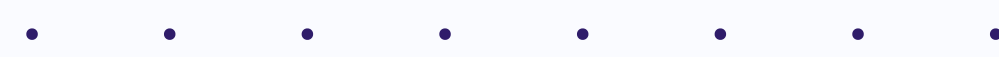# Sustainability at Hostinger

Hostinger's sustainability efforts aim to minimize negative environmental, social, and governance impacts generated by the company and enhance our positive contribution in the most relevant areas. Our second Sustainability Report marks a significant step in our journey towards sustainable development.

To ensure effective coordination of our sustainability management, we have a dedicated Sustainability Manager, Rūta Grigaliūnaitė. Reporting to the COO, the Sustainability Manager develops and executes a comprehensive sustainability strategy that covers environmental, social, governance (ESG), and economic impacts, opportunities, and risks. This process is overseen by senior management and includes planning stakeholder engagement activities, conducting materiality assessments, organizing yearly and quarterly planning sessions, and creating a 6–pager sustainability strategy narrative document.

Our approach to sustainability planning emphasizes transparency and accountability through the Objectives and Key Results (OKR) framework, which is utilized across the entire company. This framework engages every team member in the planning process, including core members and the CEO. Furthermore, sustainability performance is monitored by tracking key performance indicators (KPIs) and other health metrics on a monthly, quarterly, and yearly basis.

By implementing these elements, Hostinger can establish a robust sustainability function that drives sustainable practices throughout the organization.

Stakeholders and Materiality Assessment

Collaboration and **close relationships with stakeholders** are **essential for creating inclusive, informed**, and **effective decision–making processes** that address the complex challenges we face today. It is also important to ensure responsible management of Hostinger's sustainability impacts. Thus, we aim to develop the company's sustainable initiatives, taking into account the needs and expectations of our stakeholders.

We engage with stakeholders through various communication channels to gather feedback on our policies and practices and address their interests, concerns, and issues. Hostinger has also established whistleblower channels, enabling team members, customers, business partners, suppliers, and other stakeholders to report violations of our policy principles, seek assistance, or voice concerns. Upon identifying a possible negative incident related to environmental, social, or governance aspects, the designated responsible team members must analyze the incident and implement corrective actions to remedy the harm caused.

Throughout the upcoming years, we will strengthen stakeholder engagement strategies to gather all the relevant feedback from our key stakeholders on planning and executing our sustainability efforts.

| STAKEHOLDERS	HOW WE ENGAGE	
Shareholders and investors	• Board meetings	
Team members	• Slack • One-on-one meetings • Team meetings • Team member surveys • Town Hall meetings	• Feedback dot tool • Internal documents and handbook • Company events • OKR review meetings
Management	• Weekly and monthly meetings • OKR review meetings • All-directs meetings	• Company events • Leadership narrative meetings
Customers	• Client interviews • Customer Success • Hostinger Tutorials • Hostinger Academy	• Hostinger Blog • Webinars and podcasts • Conferences • Surveys
Suppliers	• Individual meetings • Email and phone communication • Various events, conferences	
Regulators and governments	• Corporate website • Finance statements • Sustainability Report	
Communities	• Corporate website and publications • Various events and partnerships • Social media	
Industry peers	• Knowledge-sharing sessions • Conferences	

In 2023, we conducted a materiality assessment to identify and evaluate the environmental, social, governance, and economic impacts of Hostinger's operations. This evaluation was based on 2021's Global Reporting Initiative (GRI) standards, and it revealed positive and negative impacts that are currently happening or may potentially occur. We based this Sustainability Report on the insights from this assessment.

Our materiality analysis involved four steps:

01. **Understanding the company's sustainability context.** We analyzed sector-relevant and industry-specific standards, such as the Green Web Foundation, Climate Neutral Data Centers Pact, SASB Standards (Software and IT Services, as well as Internet Media and Services), and relevant peers. Doing so has allowed us to discover the impacts commonly associated with our sector.

02. **Identifying the impacts.** We gathered multiple sources to compile a list of Hostinger's potential environmental, social, governance, and economic impacts – including ones related to human rights. The sources include stakeholders' expectations of our sustainability development, market and sector trends, European Union (EU) regulations and directives, the company's strategy, organization culture, and overall sustainability context. The list consisted of actual and potential impacts, reflecting negative and positive, short-term and long-term, and reversible and irreversible impacts.

03. **Assessing the impact significance.** We evaluated the list of impacts based on their severity, defined by scale, scope, and irremediability. We then assigned a 0 to 5 score for each category – the higher the score, the more severe the impact. The concept of scale refers to how serious a negative or positive impact is or can potentially become.

04. **Prioritizing the most significant materials to report.** We prioritized the materials based on their average scores in terms of scale, scope, irreversibility, and likelihood, where applicable. We also evaluated positive and negative impacts separately. Only those with scores exceeding 3 (for positives) and 8 (for negatives) were included in the report.
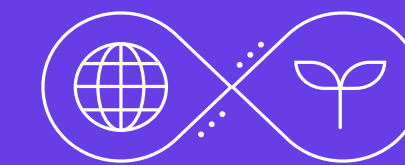
Based on our assessment, this **Sustainability Report contains the following material topics:**

- Climate change
- Circular economy
- Socioeconomic impact
- Health and safety
- Well-being
- Diversity and equal opportunities
- Training and education
- Social responsibility
- Data and cyber security
- Content safety
- Business ethics
- Supply chain

Planet

Climate Change

As a company, **we acknowledge our crucial role in mitigating climate change**, a global challenge intricately linked to the emission of greenhouse gasses. Every action counts, and that's why we've already integrated practices into our day-to-day operations that help minimize negative environmental impacts. From utilizing renewable energy sources in our data centers to optimizing energy efficiency, we are actively seeking to reduce our carbon footprint.

To make informed decisions in reducing our greenhouse gas emissions (GHG), we have conducted Scope 1 and 2 GHG emission calculations, and, for the very first time, we added Scope 3 calculations. Our emissions were calculated according to the Greenhouse Gas Protocol with the assistance of our partners.

Scope 1 refers to emissions from company-owned and controlled resources, encompassing emissions from company operations such as fuel combustion in owned vehicles or fugitive emissions like gas leaks from cooling systems. For Hostinger, while we do not own any vehicle fleets, we did encounter fugitive emissions from the cooling systems at our Indonesian office, which resulted in **0.2 tCO$_2$e**.

Meanwhile, **Scope 2** covers emissions that the company causes indirectly through the purchase or use of energy. This included our office spaces and servers electricity usage in DCs.

Following the GHG Protocol, we report our Scope 2 emissions using two approaches – **market-based** and **location-based**. The first one calculates the emissions from electricity the company has chosen, while the latter accounts for the energy consumption's average emission intensity, whether renewable or not.

In 2023, Hostinger rented office spaces in Lithuania (Vilnius and Kaunas) and Indonesia (Yogyakarta) business centers and had 10 active DCs on co-location agreements. According to current market-based approaches, all of our offices and 5 DCs operate on renewable energy, resulting in **0 tCO$_2$e.**
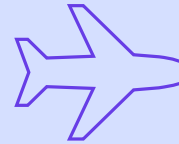
The total emissions of Scope 2 amounted to **1,522.3 tCO$_2$e** when calculated using a market-based approach and **1,660.1 tCO$_2$e** using the location-based method.

Meanwhile, **Scope 3** emissions are other indirect emissions that occur outside the company's direct control in the value chain, both upstream and downstream. In our analysis, we included emissions from purchased goods and services, capital goods, fuel and energy related activities, waste generated in operations, and business travels and team member commuting. This inclusion was based on a comprehensive mapping of GHG emission categories relevant to our reporting.

Our Scope 3 emissions totaled **6,761.5 tCO$_2$e**. The distribution across different areas is presented in the table on the right.

SCOPE	CATEGORY	tCO$_2$e/year	% of total
Scope 1	Company facilities	0.2	0.0%
	SCOPE 1*	0.2	0.0%
Scope 2	Purchased electricity & heating, market-based	1,522.3	18.4%
	Purchased electricity & heating, location-based	1,660.1	
	SCOPE 2 (MARKET-BASED)**	1,522.3	18.4%
Scope 3	1 – Purchased goods and services	2,508.7	30.3%
	2 – Capital goods (servers, IT equipment, long term-assets)	3,072.3	37.1%
	3 – Fuel and energy related activities (market-based)	347.2	4.2%
	5 – Waste generated in operations	4.3	0.1%
	6 – Business travel	645.4	7.8%
	7 – Team member commuting	183.5	2.2%
	SCOPE 3	6,761.5	81.6%
	Total carbon footprint (tCO$_2$e/year)	8,284	100%

Find more information about the calculations in Appendix 1.

* Our method for categorizing Scope 1 emissions has changed from our approach in 2022. Based on advice from our greenhouse gas (GHG) emissions calculation partners, we now classify emissions from leased cars and the fuel used during business trips by team members under Scope 3, rather than Scope 1.

** Due to methodological changes in GHG calculations, the Scope 2 results for 2022 were not included in this report.

1 tCO$_2$e = 🚗 6000 km = ✈ ≈6200 km

As a point of comparison, **1 tCO$_2$e** is roughly equal to the emissions of driving around 6000 kilometers in a diesel car or a single passenger flying ≈6200 kilometers – more specifically, a one-way trip between Frankfurt and New York.

Climate Change

Offices

By conducting a GHG emission assessment, we were able to pinpoint ways to reduce emissions in our own operations and make better choices regarding energy procurement and efficiency measures.

Electricity from Kaunas, Vilnius, and Yogyakarta offices together accounted for 8% (132 tCO$_2$e) of the company's Scope 2 location-based emissions.

Even though **market-based emissions result** in **0 tCO$_2$e**, we understand the need to lessen our electricity consumption and enhance efficiency in order to further minimize negative environmental impact. Therefore, we have come up with several initiatives in 2023 that helped bring us closer to this goal:

- In Lithuania, we moved to the newly built and more energy-efficient Vilnius Cyber City office in March 2023.

- We optimized our HVAC system settings in our Kaunas office, which helped us decrease electricity usage by approximately 44% on a year-over-year basis in this office.

- We have installed around 100 motion sensors at the Kaunas office to reduce unnecessary electricity usage.

- For the Yogyakarta office, we have bought renewable electricity certificates (RECs) that cover our energy consumption for the entirety of 2023. It certifies that we own about 60 megawatt-hours (MWh) of electricity generated from a renewable energy resource.

- At the end of 2023, we signed an agreement to convert our Vilnius office's food waste into renewable electricity at Green Genius biogas plants. By processing sorted food and coffee waste into renewable energy and biofertilizers, we aim to reduce emissions.

Cyber City, Norbert Nukaj photo, 2023
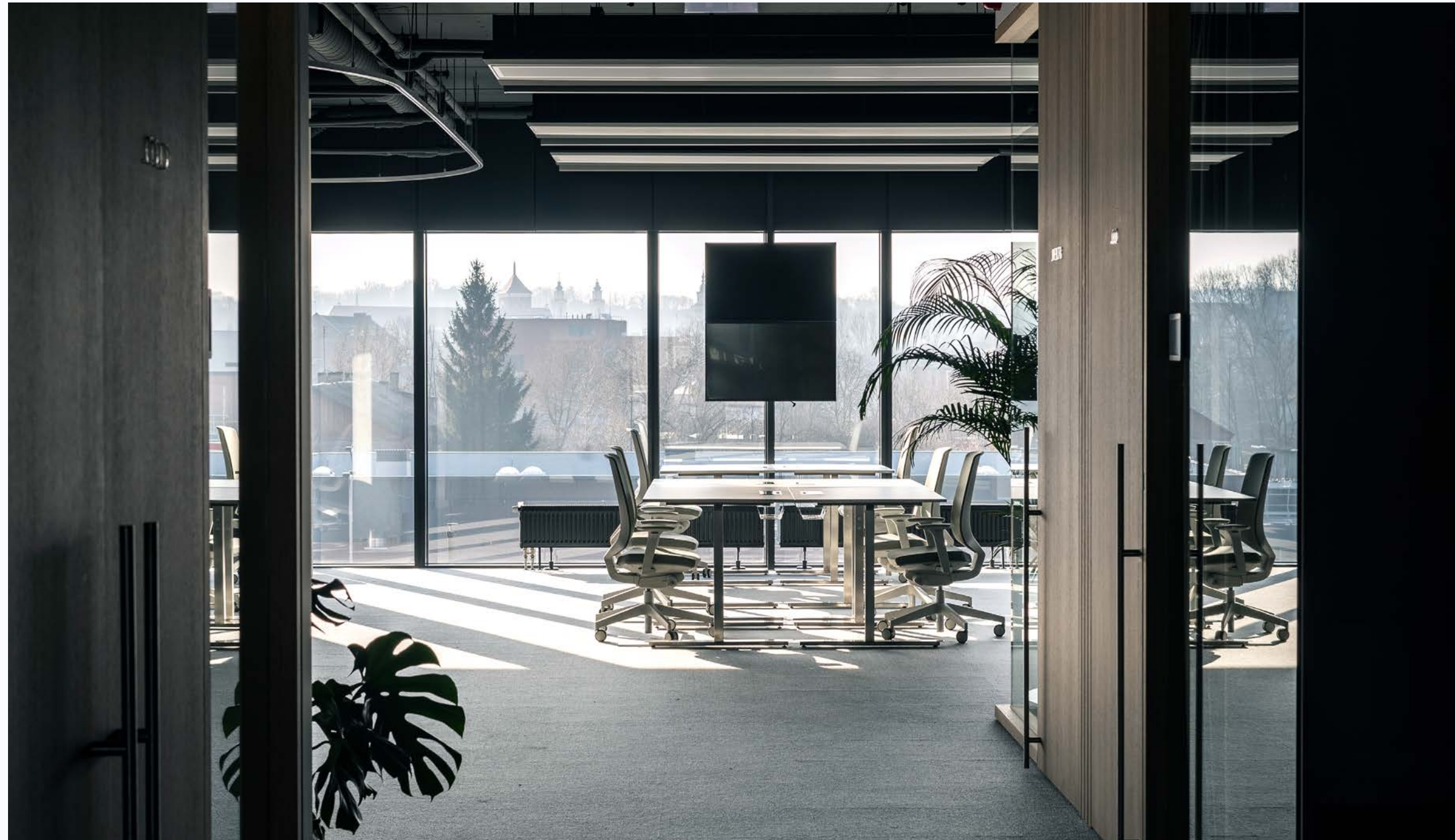
Hostinger Kaunas office, Lukas Mykolaitis photo, 2020

Hostinger Vilnius office, Norbert Nukaj photo, 2023

Our **Kaunas office** has a **"Good"** certificate from the **Building Research Establishment Environmental Assessment Methodology (BREEAM)** New Construction – demonstrating the building's quality, performance, and sustainability credentials.

Our **Vilnius office in Cyber City** has received an **"Excellent"** rating from **BREEAM International New Construction.** We are currently in the process of acquiring the BREEAM Post–Construction Certification, which will be completed in 2024. The building is also undergoing a Fitwel assessment, a green building certification system. We took Fitwel's main requirements into account when designing and constructing our office.

Data Centers

Our data centers (DCs) account for the majority of our Scope 2 market–based emissions, as our offices use renewable electricity. However, since we don't own our DCs, our influence in improving energy efficiency practices is limited. Therefore, our most recent emissions reduction plans for scope 1 and 2 involve a strategic analysis of our DCs.

Our approach includes identifying which DCs can transition to renewable energy sources and alternative strategies. For instance, we're redirecting new server deployments to existing DCs powered by renewable electricity. Additionally, we're setting new selection criteria for future DCs, aiming to make choices that contribute to market–based emissions reductions.

In 2023, five out of ten data centers (Phoenix, Vilnius, Manchester, São Paulo, and Paris) were powered by renewable energy sources. This accounted for 42% of our total data center energy usage, marking a 7% increase from the previous year when it stood at 35%. We also revised our criteria for establishing new DCs – now requiring that they operate on 100% renewable electricity. As a result, we entered into a contract with the Boston data center and initiated operations at the Paris data center, both of which are powered by renewable energy sources.

While our DCs are necessary to serve our business and customers' needs, we are acutely aware of the considerable energy consumption and greenhouse gas (GHG) emissions associated with their operation. In line with our commitment to becoming more energy efficient, we began to use power usage effectiveness (PUE) as a metric to measure the efficiency of our data centers.

In 2023, our power usage effectiveness (PUE) ratios resulted in between 1.3 and 1.75, making an average of 1.54. According to Uptime Institute's Global Data Center Survey 2023, the average PUE for data centers worldwide in 2023 was 1.58. The survey also found that the average PUE for new data centers in 2023 was 1.45.

In the upcoming years, we are going to work with DC providers more closely to evaluate possibilities to reach and keep up with the industry average. Also, new data centers being considered for inclusion in Hostinger must provide their PUE value, and we will also evaluate alternative solutions in the area. This approach enables us to select data centers with PUE values that either meet or exceed established benchmarks. Better yet, it allows us to go with data centers that have a higher PUE with a documented improvement plan.

* **PUE** is a metric that **measures the ratio of the total power** consumed by a data center **to the power used by the IT equipment** within the data center. PUE is expressed as a ratio; the lower the value, the more energy–efficient the data center is. Currently, a value of 1.5 has been proposed as the benchmarking standard for the industry.

Climate Change

Supplier Engagement

To address our Scope 3 emissions, we are planning a **comprehensive strategy that involves engaging with our key suppliers** to gather accurate emission data, enhance our emission estimation, and establish a collaborative approach to reducing emissions across our entire value chain.

Our initial focus will be on engaging with our suppliers who contribute to the highest emission categories. This will involve establishing direct partnerships with these suppliers to collect detailed emission data on their operations. This data will be used to refine our own Scope 3 emission estimates, replacing the previous proxy calculations that relied on monetary value emission factors.

By obtaining direct emission data from our key suppliers, we can significantly improve the accuracy of our Scope 3 emission estimates. This improved transparency will allow us to identify more precise emission hotspots and prioritize reduction efforts where they can have the most significant impact.

We will work closely with our material suppliers to develop and implement emission reduction strategies tailored to their specific operations. This collaboration will leverage our collective expertise and resources to achieve meaningful emission reductions across our value chain. Based on the data gathered from our suppliers and the emission reduction strategies developed, we will create a comprehensive GHG reduction plan for Scope 3.

We aim to contribute to **sustainable development** in our operations and conduct our business activities **responsibly** and **ethically**, in line with the belief that all businesses should do the same. Therefore, in 2023, Hostinger has developed the Third Party Code of Conduct to align the engagement of its Third Parties in environmental, social, and governance (ESG) practices with Hostinger's values and establish standards of conduct that they are expected to follow. This Code applies to Hostinger suppliers, vendors, service providers, consultants, partners, and any other third parties that conduct business with or on behalf of Hostinger or provide goods or services to Hostinger (Third Party). It's just a first step to align our values with our third parties' values.

Awareness Raising

'Darom Hike', Vilnius, 2023

Our commitment to addressing the environmental challenges involves a continuous process of **identifying areas where our operations impact the environment** and implementing practical measures to minimize these effects, thereby contributing to a more sustainable future. On top of that, we are working on raising awareness on the topic.

One of our initiatives is to encourage customers throughout our cooperation to make environmentally informed decisions. With the recent hPanel improvement, we now provide clear indicators for DCs powered by renewable energy. This allows our valued customers to opt for DCs that align with sustainable energy practices.

Another standout moment for us in 2023 was receiving the Green Web Foundation Initiative's seal of approval as a certified green hosting provider. We are now listed in the Green Web Directory and introduced in the innovative Green Web Check tool, enabling clients to verify if their websites are powered by renewable energy sources. This allows our customers to download or embed a customized Green Web Badge on their sites.

We are working on raising environmental awareness among our team members as well. One small example is local train trips, one of the most environmentally friendly travel options as our recommended mode of transportation. In 2023, our team members made over 2,000 train trips for both business and commuting purposes.

On September 2 in Vilnius and on September 16, 2023, in Kaunas, we organized two hikes integrated with the Darom national environment initiative, a community–led effort to clean up litter in nature. During our hikes, we collected various waste, including plastics, bottles, and tires. This served as a reminder of the importance of cleaning up after ourselves for the environment.

Another highlight was our Cycle to Work challenge in August 2023. The International Cycle to Work Day is often celebrated in early August, and we took advantage of this movement to raise awareness about the health and environmental benefits that cycling provides. We challenged our team members to commute to the office by cycling and prepared special prizes for the three winners who cycled the most distance.

Circular Economy

The circular economy is all about **maximizing resource efficiency** – whether by prioritizing energy efficiency, reducing waste generation, extending equipment's lifespan, optimizing resource use, or all of the above. Hostinger is committed to supporting these principles wherever possible and contributing to a more sustainable and efficient use of resources.

To this end, we established a server disposal procedure in 2023, ensuring decommissioned servers and switches are responsibly reused or recycled. This procedure includes criteria for selecting ISO 14001–certified vendors who must demonstrate their commitment to reclaiming and recycling valuable materials and provide data on material volumes reused or recycled.

In 2023, **100%** of our **servers** and **switches were disposed** of according to our procedure.

We have also focused on raising awareness for circular economy topics among our team members. In 2023, we created a Hostinger Market Slack channel where our team members are encouraged to sell and purchase second hand items.

In the same spirit, we organized a flea market event at our Vilnius and Kaunas offices on November 15 and at our Yogyakarta office on December 20, 2023. At these events, our team members set up their stalls of preloved items, giving them a second life. We also worked on finding a new home for our old merchandise reserves at the Hostinger Flea Market. This initiative raised awareness that we all have unused items that could be valuable to others.

In 2024, we will continue evaluating possibilities on how Hostinger can further contribute to the circular economy.

Flea Market event, Vilnius, 2023

People

Creating Social Value

2 Million Customers event, Vilnius, 2023

At Hostinger, we're committed to fostering a high-performing and thriving culture guided by our principles. We understand that individuals perform at their best when they feel their best. That's why we focus on their training, well-being, and overall growth. By promoting a meritocratic culture that values talent and results over gender, age, or nationality, we ensure equal opportunities for everyone on our team.

Beyond our team members, we see our role in generating socioeconomic benefits for our broader community, especially our customers. We believe that by offering reliable, accessible, and innovative digital solutions, we can help entrepreneurs, small businesses, and individuals achieve their goals, thus contributing to economic development and reducing digital divides. As a customer-centric company, we understand that the quality of our services directly impacts the experiences of those who trust us with their online presence. Therefore, we are committed to delivering exceptional value, providing top-notch support, and continuously improving our products to ensure our customers' success.

To reinforce this commitment, our team members actively engage in initiatives such as Meet the Client and client interviews, focusing on better understanding and enabling our customers. These efforts not only strengthen our relationships but also ensure we remain closely aligned with our customers' needs and aspirations, underscoring our dedication to fostering a supportive and inclusive environment for all stakeholders.

Socioeconomic Impact

In 2023, Hostinger continued to empower more users and entrepreneurs to unlock the power of the internet. We broke multiple records throughout the year, reaching more than **5.3 million websites** across the globe.

Customer satisfaction has also improved. **Our score on Trustpilot**, an online review platform, increased from 4.2 in 2021 to 4.5 in 2022 to **4.6 in 2023**.

Besides offering our clients an easy-to-use product, we also support them with plenty of resources to make the most out of their hosting and websites, such as:

- **24/7 customer support.** If a client needs help, they can contact our Customer Success team via live chat. The service is available in English, Lithuanian, Ukrainian, French, Portuguese, Spanish, Indonesian, Thai, Vietnamese, Chinese, and Arabic.

- **Knowledge base.** Our Help Center has a comprehensive collection of content to assist clients with solving hosting-related errors.

- **Hostinger Tutorials.** We offer how-to guides, tips and tricks, and tool recommendations to manage websites, grow online businesses, and optimize marketing efforts. We also have an email newsletter subscription so readers can receive weekly updates on our latest content.

- **Hostinger Academy.** A YouTube channel dedicated to educating users on how to get started with their web hosting, manage their websites, and solve errors along the way. Besides English, the videos are available in Portuguese, Spanish, French, Hindi, Indonesian, Italian, Dutch, and Arabic. Today, the Hostinger Academy channel has 221,000 subscribers and counting.

- **Hostinger WordPress plugin.** WordPress users can install this plugin to receive guidance on how to build their WordPress website.

- **Hostinger Blog.** This is where we share the latest updates on Hostinger products, the success stories of Hostinger customers, and sneak peeks of our team.

- **AI Assistants.** Customers, equipped with our cutting-edge AI assistants, can solve any issues related to website development quickly.

In addition to paid services, we are dedicated to providing opportunities for individuals to learn, experiment, and build their online presence without any financial investment. Our **free hosting platform, 000Webhost,** is the perfect place for aspiring creators to begin unleashing their potential. At the end of 2023, 000Webhost hosted over **2.1 million websites.**

Woof Yoga, Kaunas, 2023

Our focus on ensuring a seamless customer journey has led to positive outcomes, such as increased active subscriptions and higher customer ratings. Thus, at the end of 2023, we kickstarted the Meet the Client initiative, which has been a part of our ongoing commitment to foster a deeper connection with our clients.

In December 2023, we had the privilege of meeting David, Dovydas, and Gabrielė, the minds behind Woof Yoga, a unique yoga experience in Kaunas, Lithuania. Their journey commenced modestly, with just five sessions per month. Yet, within a mere six months, Woof Yoga had evolved into a thriving enterprise, sometimes hosting multiple sessions each night.

The Woof Yoga website became an instrumental tool to streamline session bookings and management, affording the team more time and energy to enhance the yoga experience itself. David spoke highly of the website's user-friendly maintenance and our exceptional support team.

In addition to meeting our clients, we also spread the word about their success stories. Through our client testimonials project, we listen to their experiences and write about how they reach their goals with Hostinger products. This project also allows us to encourage more people to take the brave step and bring their ideas online with us.

One of the success stories comes from Jarrott Brown, a deputy sheriff running a landscaping and lawn mowing company called Diplomatic Lawn Care as a side gig. At first, he faced several challenges as he was entering a saturated local market for landscaping services. By using Hostinger AI Builder and its integrated SEO tools, Jarrott successfully promoted his services, increasing brand awareness through his company's website from 75% to 80%.

Hostinger is also proud to support Climbingvan's Charlie and Dale in scaling their off-grid electrical system business. The new and upgraded website, built with WordPress and hosted on Hostinger, contributes significantly to the business's success. It can handle more than 60,000 visits a month and accounts for 34% of the sales of The Van Conversion Bible. Climbingvan is also committed to sustainability, with 1% of its revenue allocated to implementing solar energy in community organizations and planting a tree for every book sold.

Learn more about our Meet the Client initiative and discover their success stories.

Explore our archive of Customer Spotlight and Migration Stories, as well as other Client Stories on Hostinger Blog.

Health

Hostinger consists of talented and hardworking individuals who go above and beyond to serve our valued customers daily. To ensure they perform at their best, we strive to prioritize their needs at all times. All team members can access various physical well-being benefits, some of which are applicable company-wide or in specific locations.

Company-Wide Physical Well-Being Benefits

- **Additional health insurance.** Eligible team members can get health coverage for various outpatient and inpatient treatments. The availability varies according to the team member's site.

- **Sports initiatives.** These aim to promote an active and healthy lifestyle among our team members. Hostinger has multiple communities dedicated to specific activities, like padel, basketball, volleyball, and more. We also launch sports challenges year-round with rewards to encourage team member participation.

- **Health seminars and workshops.** To further support our team members' physical well-being, we invite external experts to discuss topics like emotional resilience, healthy living, mindfulness, and work-life balance.

Site-Specific Physical Well-Being Benefits

- **Sick days.** Depending on where the team member is based, they can take between one to two days of company-paid sick leave. If they need more time to recover, they can request extra days with a doctor's note attached.

- **Mental health consultation.** To help team members cope with stress, anxiety, or burnout, Hostinger has partnered with a psychology clinic to offer one-on-one counseling.

- **Annual health checks.** Every year, the Lithuanian office organizes blood tests, offering team members the chance to have a medical screening.

- **Gympass.** Available to Brazilian team members, this platform allows access to various physical fitness apps and gyms.

- **Gym.** The Cyber City office in Vilnius features an on-site gym with modern fitness equipment and facilities. With diverse exercise options, including strength training, cardio, and yoga, our gym promotes physical well-being at work while catering to various individual preferences. We encourage our team members to utilize this facility to support a healthy lifestyle and enhance productivity.

Hostinger Summerfest, 2023

Well–Being

In addition to benefits for physical well–being, Hostinger provides various ways to care for team members' social, emotional, and financial well–being.

Here's a list of benefits applicable to all Hostinger team members.

Company-Wide Well–being Benefits

APPRECIATION AND RECOGNITION	SOCIAL EVENTS	FINANCIAL
• **Appreciation gifts.** Hostinger sends gifts to recognize team members with exceptional performance and celebrate special occasions, like weddings and graduations. • **Anniversary gifts.** Every time a team member celebrates a work anniversary, they will receive a special recognition gift. • **Recharge leave.** Team members who have been with Hostinger for over 5 years are eligible to get extra paid time off for 30 calendar days. • **Ambassadorship program.** Team members can get prizes by promoting Hostinger on social media, participating in conferences, referring qualified candidates, and more. • **Employee referral program.** Team members can join the referral program by submitting their friends or acquaintances as referrals. If they're successfully hired and all referral criteria are met, they'll receive a referral bonus.	• **End-of-quarter events.** Special events celebrating Hostinger's quarterly achievements. • **Team buildings.** Every department and team can organize activities that promote bond and solidarity among members. • **Team lunches.** We encourage team members to get to know each other while enjoying a delicious meal covered by Hostinger. • **Lunch or coffee mates.** Three to four team members are chosen randomly to get a meal or snack paid for by the company and get to know each other in a call. • **Workations.** Short for 'work vacation,' it refers to when teams can work at a location of their choice and have the expenses paid by the company. • **All-directs meetings.** To maintain transparency and discuss key business updates, Core Leadership Team members and their direct reports hold quarterly off-site meetings.	• **Product and service discounts.** Team members get various exclusive offers from fitness centers, restaurants, entertainment venues, and more. • **Employee Stock Options.** The most exceptional, top-performing team members can be granted a certain number of company stock options.

Site–Specific Well–Being Benefits

Hostinger also offers additional benefits to fulfill our team members' social, emotional, and financial needs, depending on their location.

LITHUANIAN TEAM MEMBERS	INDONESIAN TEAM MEMBERS	BRAZILIAN TEAM MEMBERS
• **In–office refreshments.** To keep team members energized throughout the day, Hostinger offices provide snacks for various dietary needs. • **Friday breakfast.** We provide our team members with the much–loved tradition of Friday Breakfast at both our Vilnius and Kaunas offices.	• **In–office refreshments.** To maintain our team members' energy levels throughout the day, our Indonesian site offers various complimentary drinks and snacks catering to different dietary preferences. • **Food and internet allowance.** We send vouchers to team members for meal purchases and internet services, along with their monthly salary.	• **Food and internet allowance.** Every month, Hostinger sends vouchers for team members to purchase meals and pay for their internet services, along with their monthly salary.

At Hostinger, we continuously assess our Employee Net Promoter Score (eNPS) to gauge team satisfaction and loyalty while also identifying opportunities for improvement. In 2023, we limited our eNPS surveys to Q1 and Q2, recognizing the need to revise the questions, process, and frequency. An updated survey is scheduled for Q1 2024.

Our 2023 eNPS averaged 65 out of 100.

This score suggests that the majority of our team members view Hostinger as an exceptional workplace. It's important to note that according to AIHR, the average eNPS score for IT companies stands at 26. An eNPS of 26 is deemed 'good,' indicating a positive disposition where a significant percentage of team members would recommend their workplace to friends and colleagues. Scores of 50 and above are classified as 'excellent'.

Diversity and Equal Opportunities

With hundreds of team members across **46 countries** and counting, Hostinger has always embraced **global remote working**.

As an international brand, **collaborating with individuals from different cultures and backgrounds is crucial.** Again and again, we've seen how diversity and inclusion introduced out-of-the-box thinking that led Hostinger to success. The more local market insights we gain, the better we understand and serve our customers.

We also recognize that diversity, equity, and inclusion (DEI) are the cornerstones of a thriving workplace where everyone feels respected and valued, regardless of their background or identity. To help our team members succeed, we aspire to nurture a multicultural work environment where everyone feels heard and has access to equal opportunities – regardless of location or cultural background. This is one of the driving forces behind our Hostinger Principles. Regardless of personality or cultural traits, every team member can refer to the same 10 principles to set goals, make decisions, and complete tasks.

Even though there were no confirmed incidents of discrimination in 2023, we constantly aim to strengthen the management of equal opportunities. For example, we provided an exclusive session with Rugilė Trumpytė, CEO of the Lithuanian Diversity Charter, to our team members. During the session, team members delved into the importance of DEI, challenged their own biases, and discussed real-life cases on how to behave better in DEI situations.

To highlight the importance of diversity, equity, and inclusion, we have also educated our team members in a fun and accessible way via comics that have been placed on TVs and internal communication channels.

Moreover, we have an **Equal Rights Policy.** This document defines the principles of Equal Rights, establishes monitoring procedures, provides measures for preventing violations, sets guidelines for investigating violations, and outlines the consequences for team members who violate the policy.

We also acknowledge the importance of compensation and career opportunities in creating workplace equality. That's why we have a comprehensive **Salary Philosophy** to guide all managers in evaluating their direct reports' salaries based on:

- How a person's behavior is aligned with Hostinger Principles

- What organizational output they generate

- Their professional competencies

- Company's performance and achieved results

- Competencies market value

OKR Q4 Closing party, Vilnius, 2023

TEAM MEMBERS BY NATIONALITY

Venezuelan **1.6%**
Ukrainian **1.4%**
Maroccan **1.6%**
Lithuanian **40.6%**

Algerian **1%**
Argentinian **2.3%**
Brazilian **12.1%**
Colombian **1.6%**
Filipino **3.2%**
Indian **1%**
Indonesian **25%**
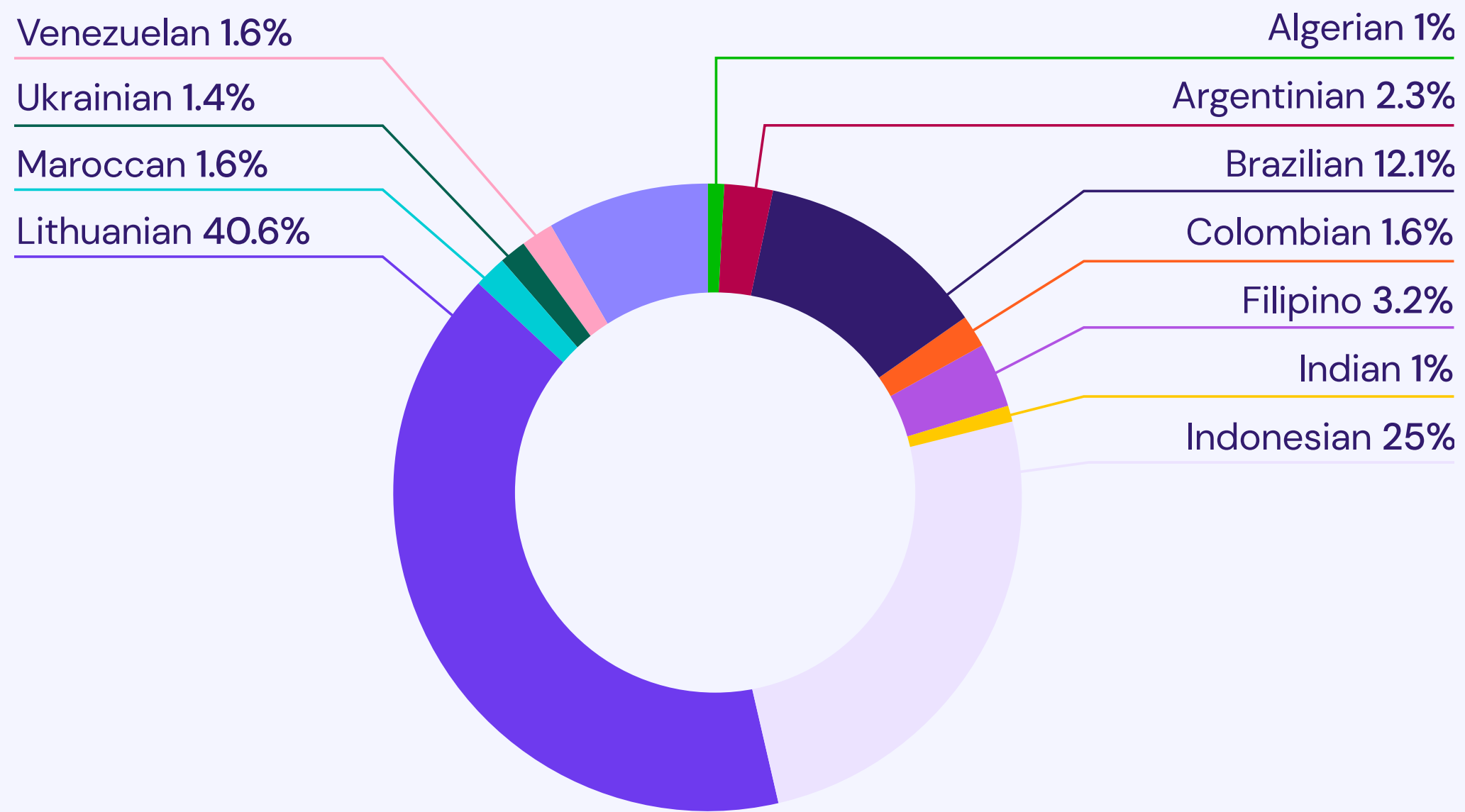
We have **team members across 46 countries**, with the largest portion holding **Lithuanian** (40.6%), **Indonesian** (25%), and **Brazilian** (12.1%) nationalities. Another group of team members holds Filipino (3.2%), Argentinian (2.3%), Colombian (1.6%), Moroccan (1.6%), Ukrainian (1.4%), Algerian (1%), and Indian (1%) nationalities. The remaining team members (8.2%) represent nationalities from 35 other countries.

According to a Deloitte analysis, **32.9%** of team members in large technology companies are **women**. In 2023, our team composition remained stable from the previous year, with women comprising 44% and men 56%.

Notably, there has been a shift in leadership dynamics; 52% of leadership positions are now held by women, up from 44% in 2022. Men now hold 48% of leadership roles compared to 56% in 2022. This distribution of leadership opportunities between genders is primarily the result of our organization's restructuring efforts. Leadership positions are defined as roles in which an individual manages at least one other team member. According to McKinsey & Company's "Women in the Workplace 2023" report, in a typical company, men hold 60% of manager-level positions, while women occupy 40%, indicating that in our company, opportunities are accessible to everyone, irrespective of gender.

Training and Education

At Hostinger, we want to be the best workplace for **self-motivated, self-aware, self-disciplined, and self-improving people**. To support them to Learn and Be Curious, we make it a priority to offer development resources and opportunities that ultimately contribute to their achievements.

Team member satisfaction comes down to three main components – they need to have a sense of personal accomplishment, fulfillment, and excitement as a professional. To ensure team members improve in their current roles and expand their impact, we built a new performance management ecosystem in 2023 called the Peak Performance Pulse, which was launched at the beginning of 2024. The purpose of this performance management system is to give clarity and transparency to every team member's performance and fuel their development.

The Peak Performance Pulse is designed to help each Hostinger team member be accountable for their performance and fully own it. In parallel, it is also set to help foster Hostinger's unique culture and Principles.

hAIckathon event, Kaunas, 2023

To ensure effective evaluation, these are the tools that support Peak Performance Pulse:

- **Self-reflection tool.** Within this tool, team members write a comprehensive self-review of their performance in vital areas from the previous quarter.

- **Performance Pulse tool.** After team members complete the self-reflection of their performance, managers are invited to evaluate the performance of their direct reports.

- **1on1's with the manager.** Every team member and their leader will engage in 1on1 meetings regularly, with pre-planned agendas focusing on personal well-being, work updates, and growth opportunities.

- **Feedback Dot tool.** We use the Feedback Dot tool to send and request feedback among team members, fostering discussions on skill improvement. In 2023, we exchanged over 17,000 feedback dots and made more than 6,000 requests for feedback.

- **Manager's 360-degree feedback tool.** Conducted at least once a year, this tool aims to provide a holistic view of a manager's performance. It involves collecting input from direct reports, peers, managers, and self-assessment.

- **Team effectiveness assessment tool.** This tool aims to assess team performance within the company by collecting effective feedback from members on various aspects of their effectiveness.

- **Calibration session.** This tool provides an opportunity to gather valuable perspectives, ensuring consistency, fairness, and objectivity in assessing team member performance across various teams and departments.

Office life, Vilnius, 2023

We acknowledge that **ongoing development is vital to ensure high performance**. Therefore, at Hostinger, we provide learning opportunities and resources to help team members improve their skills and achieve their goals.

- **Manager's Academy.** A leadership development program, providing a practical application and insights into what leadership behaviors are expected at Hostinger. It covers topics like decision-making, OKR planning, delegation, stakeholder management, feedback, etc.

- **Case study sessions.** A practical workshop based on real Hostinger situations. Managers can exchange experiences, discuss different solutions, and have an opportunity to practice real conversations. Case study sessions cover topics such as underperformance, the skill/will matrix, etc.

- **People Think Tank.** These 3–4 hour long discussions are dedicated to aligning on Hostinger Principles and other people-related topics. They require extensive preparation from the participants, who are expected to engage in pre-reads and extensive discussion.

- **Learning days.** Team members can dedicate an equivalent of one day each month or one hour a day to learning that benefits their position.

- **Training sessions upon request.** We deliver a number of training solutions for teams based on their particular needs. These are either delivered by our own internal trainers or with help from external experts. We often run workshops on team effectiveness, PrinciplesYou, DiSC, and feedback.

- **#FridayHacks.** Designed to promote company growth and feature both internal and external facilitators, these sessions cover a wide range of topics. They vary in time and format, including live, hybrid, and fully online sessions.

- **English language courses.** These courses are designed to improve English proficiency and confidence in using the language.

- **Learning management system.** We use a platform that hosts various Hostinger-related learning materials, such as our Principles, new joiner onboarding, product knowledge, and cybersecurity training.

- **Online courses.** Hostinger provides team members access to digital learning platforms like Udemy, Reforge, and BitDegree to develop their hard and soft skills. In addition, we offer memberships and subscriptions to various article sites like Harvard Business Review, The Economist, etc.

- **Physical and digital books.** Team members can request the purchase of a book, borrow one from our library, or access a digital version or audiobook using the company's Scribd and Everand accounts.

- **Business trips and conferences.** Team members who want to attend conferences relevant to their positions can request tickets, transportation, and accommodation from the company.

- **Guild events.** These are knowledge-sharing sessions where team members or external speakers can discuss their expertise. Currently, we have guild events for design, content, tech, and AI.

Additionally, we have created an **hour-tracking system** for training and education in 2023. This allowed us to get better insights into the training distribution at Hostinger. In 2024, we plan to enhance our training and education hour-tracking system and establish a benchmark to guide our objectives.

21.2h
Average training hours per team member

23.4h
Average training hours per female team member

19.3h
Average training hours per male team member

* Such categories were included in the calculation:

- E-learning completion (courses completed in learning management).
- Internal training participation (any type of training conducted internally or from another company).
- External training (participation in training provided by an external party paid by the company).
- Conference participation (attending conferences paid by the company).

Regarding sustainability training and awareness raising, we began the **Hostinger Sustainability Task Force** initiative to gather enthusiasts and brainstorm ideas for a more sustainable business operation. Through a couple of collaborative meetings, we've brainstormed a range of initiatives aimed at elevating sustainability awareness among our team members.

Here are the highlights of our initiatives:

- **Earth Day.** In April, we conducted an Earth Day session where we explored the meaning behind the environmental movement and why we celebrate it. We also covered the concept of sustainability and how each of us can contribute towards creating a more sustainable world. The issue of greenwashing, how to spot it, and other controversies surrounding sustainability efforts were discussed, too.

- **The "How to Make Your Everyday Life More Sustainable" Webinar.** In May, we discussed the principles of circular economy and explored actionable recommendations that can be seamlessly integrated into our everyday routines. Topics ranged from mindful consumption of food and clothing to adopting eco-friendly travel practices, all aimed at fostering a more environmentally conscious lifestyle.
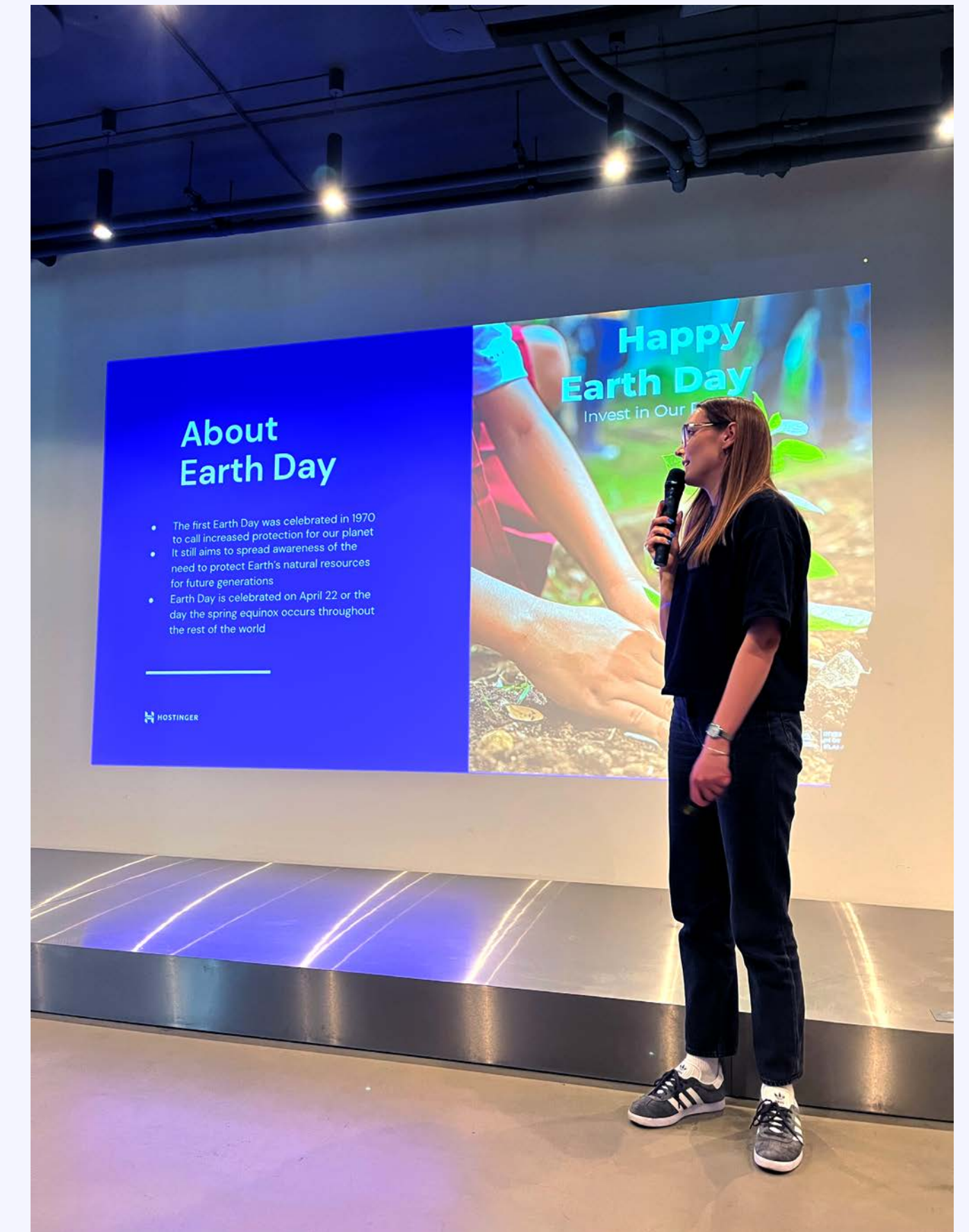
Earth Day event, Kaunas, 2023

Social Responsibility
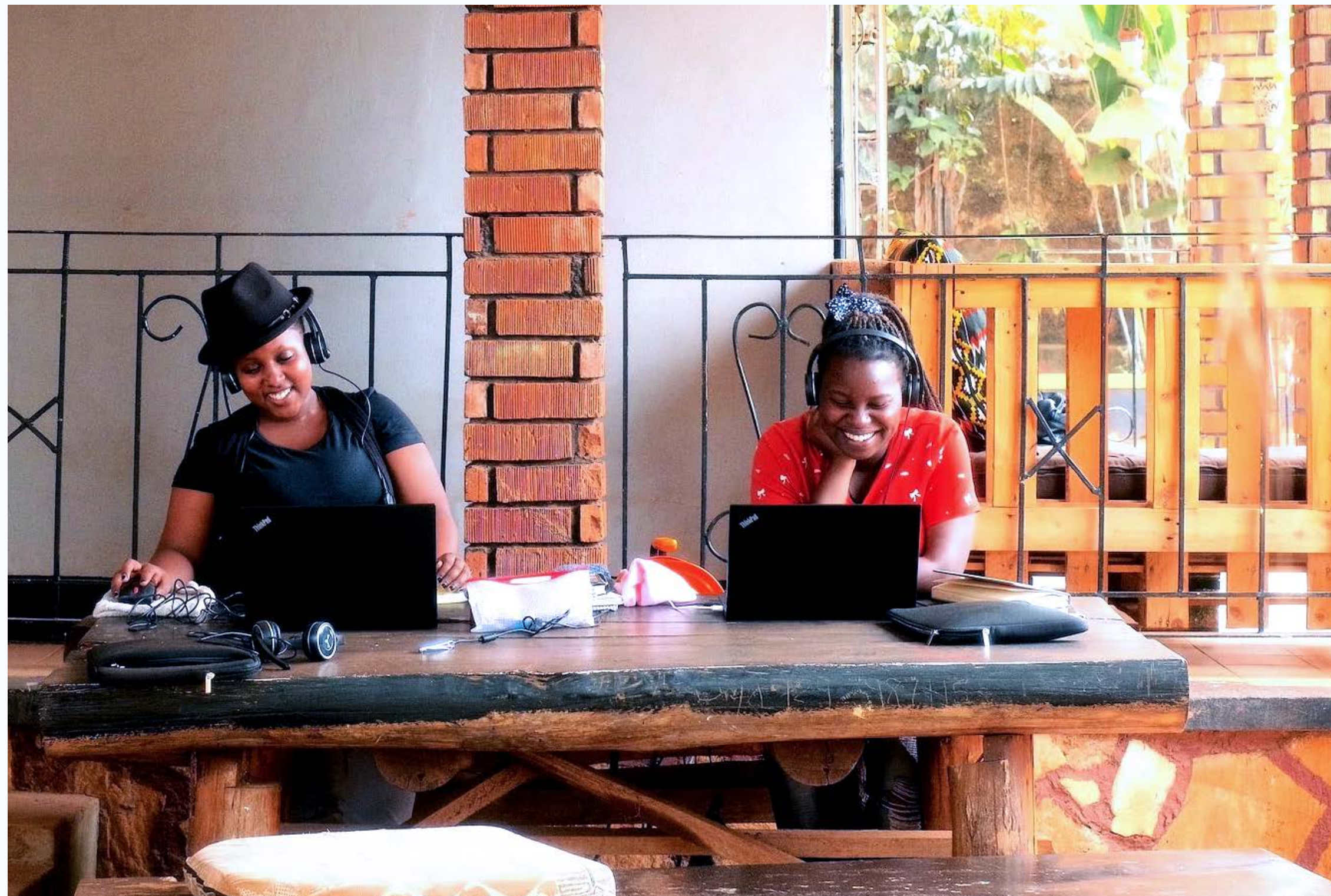
Groundbreaker Talents, 2023

At Hostinger, **we recognize that our responsibilities extend beyond profits and bottom lines.** Our commitment to social responsibility runs deep, and it's ingrained in our culture. This section of the report sheds light on our efforts to make a positive impact on society. As we navigate the complex landscape of social responsibility, our goal is not just to meet ethical standards but to set new benchmarks and inspire positive change in the industries we serve.

Here are the highlights of our social responsibility initiatives in 2023:

- We continued our **support for Ukrainians** with a donation of **€26,000** to the **VšĮ Mėlyna ir Geltona.** In 2023, we also committed to donating **€24,000** to the **Ukrainian refugees'** organization to provide humanitarian aid and to scale up the production of FPV (first-person view) drones, essential weapons on the battlefield.

- We have maintained our **partnership with Groundbreaker**, supporting their program, **Groundbreaker Talents** – full-time residential scholarships in Software Engineering tailored to enable young women from financially constrained communities in Uganda. Hostinger, alongside other companies, contributes funding, mentors, and guest speakers to the program, fostering the next generation of talents in IT.

- We have supported the **Unicorns LT Association** in organizing the national IT Exam with a **€4,500 donation.** Intended for school children, IT professionals, and everyone interested in IT, we contributed to making IT more accessible to all by fostering a greater understanding and interest in the sector.

- **In Indonesia,** we contributed nearly **€10,000** in donations through **local foundations** for various programs, including free meal buffets, school trips, and student day celebrations.

Governance

Our Approach to Governance
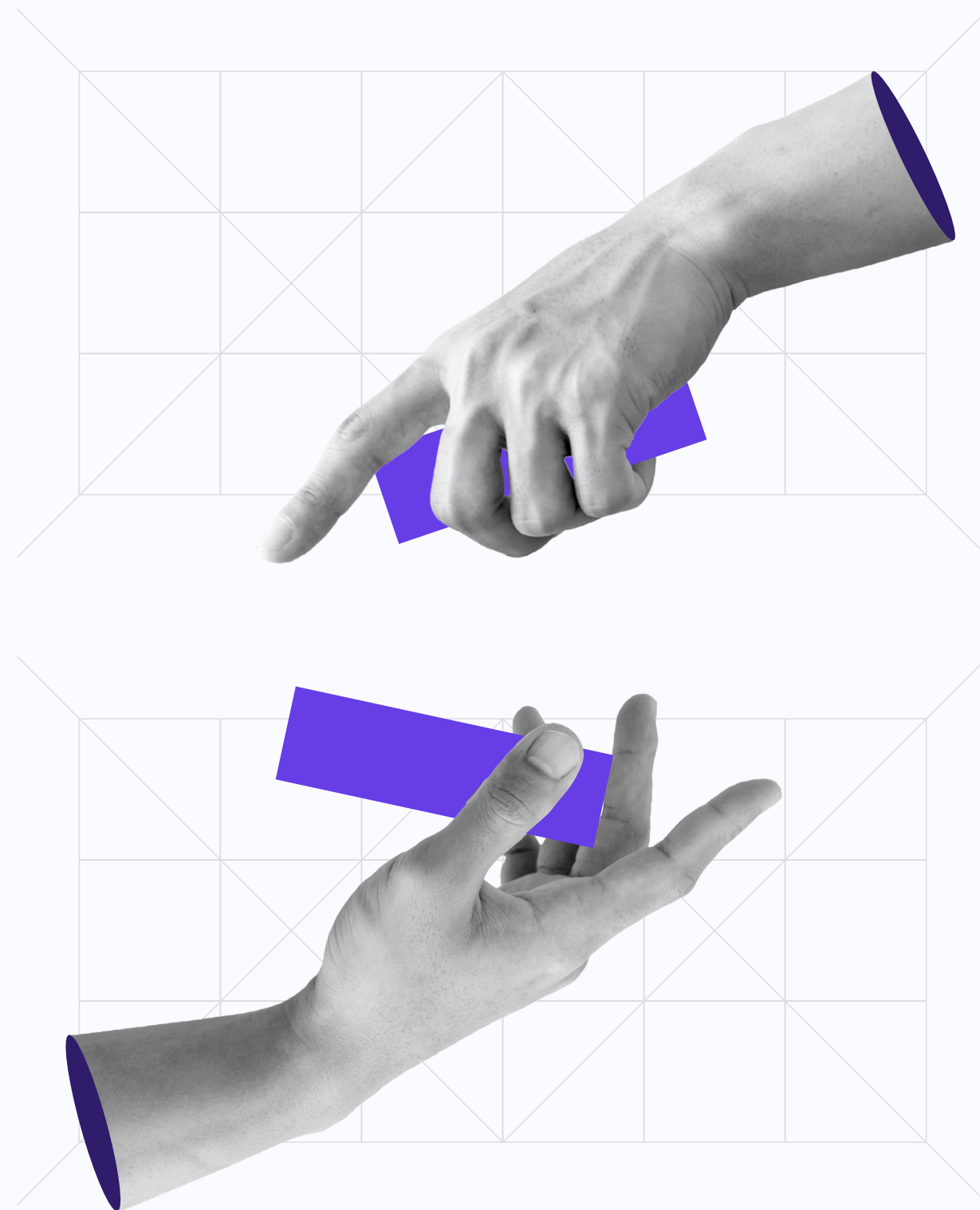
Hostinger's governance culture is built on the principles of freedom and responsibility. We believe in giving our team members the autonomy to make decisions and take ownership of their roles. Nevertheless, this freedom comes with a strong emphasis on guidance, training, and adherence to established policies and procedures.

As our company expands, we recognize the increasing importance of maintaining clear and effective governance to ensure that our operations remain efficient, compliant, and aligned with our values and objectives. Through ongoing training and the development of comprehensive policies and procedures, we empower our team members to navigate the complexities of our evolving business landscape while upholding the highest standards of governance. This balanced approach allows us to foster a culture of accountability, innovation, and responsible decision-making as we continue to grow and thrive.

Data and Cyber Security

Millions of people have chosen to launch their websites with Hostinger. Every day, we strive to keep their sites private, safe, and secure from cyber threats to maintain their trust.

Navigating the current cybersecurity landscape can be challenging. A single error can severely affect the data of our customers, team members, and, consequently, our entire company. At Hostinger, we have a proactive Cyber Security team dedicated to preventing the worst from happening. We prioritize transparency, safeguarding our users' data, and staying up-to-date with industry developments.

We take a cross-functional and risk-based approach to cyber security and user privacy. Every quarter, we constantly set goals, track key performance indicators to improve our security and monitor our progress in reaching them.

Due to security reasons, we cannot disclose every single technical detail, but we will share key information on how we've enacted these security measures.

Operational Security Measures

- An **in-house cyber security department** keeps our day-to-day operations secure at all times.

- **Security incidents** and **access management** procedures are established.

- **The best industry practices**, including OWASP Secure Coding practices, are followed to ensure the utmost security of our products.

- **Risk assessment** processes are in place to evaluate **third parties** we will work with.

- Team member **access** to certain systems is **limited to a need-to-know basis**.

- Our systems are being **monitored 24/7**.

- Regular **risk assessments** are conducted with our teams to identify the possible risks in the company.

- **Security awareness training** is conducted regularly for all team members.

- Team members' security awareness is evaluated through **phishing and social engineering campaigns**.

- **Internal policies and procedures** were implemented to support information security, including: Personal Data Breach Management Policy; Personal Data Protection Policy; Data Subject Request Procedure; Data and Document Retention Policy; Cookie Policy; Rules of Processing and Use of Personal Data; Privacy Policy; Password Protection Policy; IT Security Policy; Team Member Personal Data Protection Policy; Security Awareness Training Policy.

Technical Security Measures

- Infrastructure is regularly scanned for vulnerabilities with **automated tools.**

- **Manual penetration testing** is conducted for all product releases.

- **Data** on workstations is **encrypted.**

- An established **bug bounty program.** Our services are continuously tested for vulnerabilities by multiple security researchers worldwide.

- Public-facing servers are safeguarded with a **web application firewall** (WAF).

- **Two-factor authentication** is enabled on all applicable systems.

- Servers are protected with appropriate **anti-malware** solutions.

- **Modern endpoint detection and response** (EDR) solution is used to protect workstations from malware and other threats.

- Our servers are safeguarded by a **firewall.** Access to our servers is only permitted from trusted networks.

- All of our databases are encrypted with **secure hashing algorithms.** Our **data** is **backed up** regularly.

- **Automation** is used to manage infrastructure changes and ensure all servers have the same security configuration.

- Workstation **OS** and **software updates** are **centrally managed.**

- **Static code analysis tools** are used to detect potentially vulnerable code.

- An **MDM solution** is used to ensure the security configuration of our workstations.

Security Frameworks

In 2023, **we did not identify significant leaks, theft,** or **loss of customer data.** We constantly adapt our security measures to improve our company and hosting security. We follow the latest and best security industry standards and practices to protect our customers' information and comply with local laws and regulations, like GDPR.

In 2024, we are aiming for information security, cybersecurity, and privacy protection EN ISO/IEC 27001:2017 standards to verify that we have a sound information security management system.

Content Safety

Our company prohibits hosting harmful content that promotes, encourages, or engages in violence or other illegal activities.

We value both Freedom and Responsibility – freedom of expression is essential for innovation, but we also understand our responsibility to prevent harmful content that could negatively impact others. We take complaints and feedback from stakeholders seriously to maintain our principles and positive relationships with relevant parties.

Find our content safety philosophy in our Terms of Service (ToS). Examples of harmful content that violate our Terms of Service are those promoting, encouraging, or engaging in violence or any illegal activity, such as, but not limited to:

⊗   Child pornography or the exploitation of children

⊗   Terrorism

⊗   Violence against people, animals, or property

⊗   Sale or distribution of prescription medication without a valid prescription

⊗   Infringes on intellectual property rights of another customer or any other person or entity

To ensure the best service possible, we periodically review our Terms of Service and policies.

Moreover, Hostinger has a dedicated Abuse and Compliance team. Whenever they receive a complaint, they will review it carefully and promptly to determine whether it violates Hostinger's Terms of Service and policies. If so, they will decide on the appropriate response, including informing the client to make the necessary changes, service suspension, or termination, among other measures.

> ⚠ We accept abuse forms via email at abuse@hostinger.com. In 2023, our team responded to over **218,647 abuse reports.**

Business Ethics

Hostinger is committed to **upholding ethical business practices.**
To achieve this, we have established principles, communication channels,
and tools to encourage a culture of ethical behavior.

- **Hostinger Principles.** At Hostinger, team members at all levels refer to the 10 principles to approach their tasks and make everyday decisions.

- **Transparency.** Our company moves and grows fast. Even so, size and hierarchy should never get in the way of effective processes and communication – especially regarding important decisions. We strongly encourage all members to communicate questions and decisions in their teams through public communication channels rather than private messages. Doing so fosters diverse perspectives, promotes collaboration, prevents misalignment, and discourages a culture of secrets, suspicion, and politics.

  In 2021, 18.67% of all Slack messages were sent via public channels. The number increased to 27.64% in 2022, and in 2023, it reached 28.68%.

- **Hostinger Handbook.** To keep all team members aligned with the company principles and procedures, we have a comprehensive handbook that covers all the standards,

principles, and norms at Hostinger and its departments. All team members can use it to find a wide range of information, such as company structure, product offerings, brand book and style guide, salary philosophy, financial reporting, and more. Currently, it comprises more than 3,900 pages.

- **Policies.** These are rules and procedures that every team member must follow, including the handbook and the aforementioned cybersecurity policies. Our company also implements the Equal Rights Policy, which upholds gender equality and non–discrimination principles; the Prevention of Violence and Harassment at Work Policy; the Remote Work Policy; the Whistleblower Policy; procedures for managing conflicts of interest; and updated internal work rules.

- **Training.** Through our internal training channels, including our learning management system, we offer diverse educational opportunities to empower our team members with the knowledge and skills they need to excel in their roles. In 2023, we enhanced our training

initiatives with comprehensive data regulation policies and a security training, reflecting our commitment to safeguarding sensitive information and upholding data privacy standards. We also provided training modules on violence prevention, harassment awareness, and addressing workplace mobbing, fostering a respectful work environment in line with our values of inclusivity, respect, and ethical conduct.

- **Risk management.** Our Chief Risk Officer and his team continuously work to prevent risks from becoming incidents. They are responsible for creating Hostinger's risk map, crafting mitigation plans, and developing processes for timely risk identification and incident management, among other tasks. We also strive to foster a risk culture and awareness across the entire organization by conducting risk self–assessments, holding workshops, and enacting internal policies. The ultimate goal is to ensure every team member can make decisions based on the company's potential financial, security, and safety risks.

- **Anti-corruption.** At Hostinger, we are deeply committed to maintaining a culture of integrity and transparency. While our current practices uphold these values, we believe in continually strengthening our stance against corruption. In 2023, we initiated the development of an anti-corruption policy, which is set to be implemented in 2024. Our dedication to this cause stems from our ethical and moral responsibility to ensure fair competition, prevent market distortion, and uphold the public's trust. We are proud to report that our management assessment from 2023 revealed no confirmed incidents of corruption or anti-competitive behavior.

- **Conflicts of interest.** In 2023, we have prepared a Procedure for Avoiding and Declaring Conflicts of Interest – a comprehensive and detailed description of actions that should be taken in such situations. The purpose of this policy is to enhance transparency and trust while preventing any potential conflicts of interest that could impact our company's confidential information and trade secrets. The procedure for handling conflicts of interest among Board members is in the company statutes.

- **Whistleblower and critical concerns management.** The whistleblowing channel aims to prevent unethical and fraudulent behavior in the company. It allows all team members and other third parties to call attention to any serious and illegal wrongdoing within Hostinger. We ensure the safety and anonymity of whistleblowers or individuals reporting breaches or possible misconduct. In 2023, we didn't receive any reports that would qualify as whistleblowers.

- **Supply chain.** As an international company, we place a high priority on compliance with global and local regulations across our legal entities. For instance, we have implemented strict restrictions on our business relationships with partners and customers from countries sanctioned by OFAC, the UN, and the EU. Due to the war in Ukraine, Hostinger has ceased operations in Russia and Belarus, too. In line with this stance, we do not support registrations from sanctioned regions, and payments made using cards originating from these countries are not accepted.

Our commitment to responsible financial practices is clearly outlined in our company handbook. It covers comprehensive policies and procedures regarding the use of company funds, which aim to mitigate potential business and financial risks effectively. In 2023, we took proactive steps to assess our compliance with GDPR, privacy, and safety standards. We also conducted thorough evaluations of all significant purchases that carried high data security risks.

In 2023, we introduced the Third Party Code of Conduct. This code is designed to align the practices of our third-party associates with Hostinger's core values, particularly in the areas of environmental, social, and governance (ESG) principles. It sets clear standards of conduct that our suppliers, vendors, service providers, consultants, partners, and other third parties engaged in business with or on behalf of our company are expected to adhere to. This marks just the initial step in Hostinger's ongoing efforts to align our values with third-party partners.

Appendix

GRI Content Index

Statement of use	Hostinger has reported the information cited in this GRI content index for the period 2023.01.01–2023.12.31 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD AND DISCLOSURE		LOCATION
GRI 2: GENERAL DISCLOSURES 2021		
1. The organization and its reporting practices		
2-1	Organizational details	Hostinger, UAB. Private limited company. Jonavos g. 60C, LT–44192 Kaunas. p. 7
2-2	Entities included in the organization's sustainability reporting	All financial reporting entities of Hostinger are also included in this sustainability report. p. 4
2-3	Reporting period, frequency and contact point	p. 4
2-4	Restatements of information	pp. 18–19
2-5	External assurance	p. 4
2. Activities and workers		
2-6	Activities, value chain and other business relationships	pp. 9; 47
2-7	Employees	p. 56
2-8	Workers who are not employees	p. 56

3. Governance

2-9	Governance structure and composition	pp. 11-12
2-10	Nomination and selection of the highest governance body	pp. 11-12
2-11	Chair of the highest governance body	p. 11
2-12	Role of the highest governance body in overseeing the management of impacts	p. 14
2-13	Delegation of responsibility for managing impacts	p. 14
2-14	Role of the highest governance body in sustainability reporting	p. 14
2-15	Conflicts of interest	p. 47
2-16	Communication of critical concerns	p. 47
2-17	Collective knowledge of the highest governance body	pp. 24; 39
2-18	Evaluation of the performance of the highest governance body	The highest governance body does not have a formal process for evaluating its performance in overseeing the management of impacts on the economy, environment, and people.
2-19	Remuneration policies	p. 34
2-20	Process to determine remuneration	p. 34
2-21	Annual total compensation ratio	This information is not disclosed in this report due to applicable confidentiality restrictions.
2-22	Statement on sustainable development strategy	p. 3

4. Strategy, policies and practices

2-23	Policy commitments	pp. 25; 34; 43-47
2-24	Embedding policy commitments	pp. 25; 34; 43-47
2-25	Processes to remediate negative impacts	p. 15

2-26	Mechanisms for seeking advice and raising concerns	pp. 15; 47
2-27	Compliance with laws and regulations	During the reporting period in 2023, Hostinger did not have any significant instances of non-compliance with laws and regulations.
2-28	Membership associations	Association Chambre de Commerce Franco-Lituanienne Association of the Registrar Stakeholder Group Lietuvos duomenų apsaugos pareigūnų asociacija Personalo valdymo profesionalų asociacija Young Presidents' Organization Unicorns Lithuania

5. Stakeholder engagement

2-29	Approach to stakeholder engagement	p. 15
2-30	Collective bargaining agreements	Hostinger does not have a collective agreement with team members.

GRI 3: MATERIAL TOPICS 2021

3-1	Process to determine material topics	p. 16
3-2	List of material topics	p. 16
3-3	Management of material topics	The management principles for material topics are described in sections that represent material topics.

ECONOMIC TOPICS

GRI 205: ANTI-CORRUPTION 2016

205-3	Confirmed incidents of corruption and actions taken	p. 47

GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 47

ENVIRONMENTAL TOPICS

GRI 305: EMISSIONS 2016		
305-1	Direct (Scope 1) GHG emissions	pp. 18-19; 53
305-2	Energy indirect (Scope 2) GHG emissions	pp. 18-19; 53
305-3	305-3 Other indirect (Scope 3) GHG emissions	pp. 18-19; 53
305-4	GHG emissions intensity	pp. 18-19; 53

SOCIAL TOPICS

GRI 401: EMPLOYMENT 2016		
401-1	New employee hires and employee turnover	p. 55
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	pp. 31-32
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
403-6	Promotion of worker health	p. 30
GRI 404: TRAINING AND EDUCATION 2016		
404-1	Average hours of training per year per employee	p. 39
404-2	Programs for upgrading employee skills and transition assistance programs	pp. 36-38
404-3	Percentage of employees receiving regular performance and career development reviews	pp. 37-38
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016		
405-1	Diversity of governance bodies and employees	pp. 12; 54; 57
GRI 406: NON-DISCRIMINATION 2016		
406-1	Incidents of discrimination and corrective actions taken	p. 33

Calculation Methodologies

The **carbon footprint** represents the **total volume of greenhouse gas emissions** resulting from Hostinger's day-to-day operations. The emissions accounting is based on the international **GHG Protocol** Corporate Accounting and Reporting Standard, as well as the Corporate Value Chain (Scope 3) Accounting & Reporting Standard.

The assessment considered all significant greenhouse gasses listed in the Kyoto Protocol – carbon dioxide (CO_2), methane (CH_4), nitrogen oxide (N_2O), hydrofluorocarbon compounds (HFCs), perfluorocarbon compounds (PCFs), sulfur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). The climate impact is expressed in carbon dioxide equivalent (CO_2e) per tone.

Hostinger's carbon footprint was measured through GHG inventory analysis and emission calculations, following these steps:

- Mapping Hostinger's operations and supply chain.

- Identifying GHG emission categories relevant for reporting.

- Assessing GHG emissions, including Scope 1, Scope 2, and Scope 3 emissions (Upstream indirect emissions, as well as Downstream indirect emissions associated with the use of Hostinger's services).

We employed the operational control consolidation approach, which means the company accounts for 100% of the GHG emissions over which it has operational control. It does not consider GHG emissions from operations where it owns an interest but lacks operational control.

To conduct the most precise analysis, both qualitative and quantitative data on Hostinger's operations were considered:

- Information about the company's main activities, geographic locations, and structure.

- Details of the company's operational processes.

- Invoices for purchased products, services, and materials.

- Invoices for resource consumption, e.g., energy, water, waste.

- Accounting information on cost reports, e.g., business trips.

Emission factor selection is guided by the GHG Protocol's general data quality guidelines. The criteria for company activity data suggest selecting data that are most representative in terms of technology, time, and geography, as well as being complete and reliable. These criteria are similarly applied when choosing emission factors, with a preference for source- or facility-specific factors over more generic ones—this calculation aims to include the emission factor that most closely represents the activity data across these criteria.

Professional databases such as Ecoinvent v3.8, the Estonian Climate Ministry GHG Calculation model and EF dataset, the UK Government GHG Conversion Factors for Company Reporting 2023 dataset, IEA, and EXIOBASE datasets, reports, and scientific literature were utilized to identify the impact of processes occurring outside the company (e.g., production of inputs).

Team Members

Team members			2022		2023	
			Female, %	Male, %	Female, %	Male, %
	All team members		43.9	56.1	43.9	56.1
Team members by age	18–26	All team members	41.2		39.0	
		By gender	20.5	20.8	19.0	20.0
	27–35	All team members	51.3		52.4	
		By gender	21.3	29.9	22.4	30.0
	36–45	All team members	7.1		8.3	
		By gender	2.0	5.1	2.5	5.8
	46–55	All team members	0.3		0.3	
		By gender	–	0.3	0.0	0.3
	56–64	All team members	0.1		–	
		By gender	–	0.1	–	
Team members by seniority	Trainee*	All team members	1.5		1.7	
		By gender	0.8	0.7	0.8	0.9
	Junior	All team members	28.1		22.5	
		By gender	12.8	15.3	10.7	11.8
	Mid	All team members	28.8		38.5	
		By gender	13.0	15.8	16.7	21.8
	Senior	All team members	25.1		32.3	
		By gender	10.6	14.5	13.4	18.9
	Super Senior**	All team members	4.0		4.8	
		By gender	1.5	2.5	2.3	2.5
	N/A***	All team members	12.6		0.1	
		By gender	5.3	7.3	–	0.1

*   Trainee is only used for Customer Success specialists during their first month to evaluate its seniority.
** Super Senior is applicable only to Customer Success specialists.
*** Not applicable (N/A) is used in cases where team members didn't have associated seniority level.

New team members			2022		2023	
			Female, %	Male, %	Female, %	Male, %
		All team members	47.1	52.9	47.1	52.9
New team members by age	18–26	All team members	53.1		52.4	
		By gender	27.8	25.3	26.7	25.7
	27–35	All team members	40.2		41.8	
		By gender	16.9	23.3	17.5	24.3
	36–45	All team members	6.4		5.8	
		By gender	2.2	4.2	2.1	3.8
	56–64	All team members	0.2		–	
		By gender	0.2	–		
New team members by region	Lithuania	All team members	26.0		29.5	
		By gender	11.3	14.7	10.6	18.8
	Indonesia	All team members	32.2		24.3	
		By gender	18.2	14.0	18.5	5.8
	Brazil	All team members	1.1		14.7	
		By gender	0.9	0.2	5.8	8.9
	Cyprus	All team members	40.4		30.8	
		By gender	16.7	23.8	11.0	19.9
	UK	All team members	0.2		0.7	
		By gender	–	0.2	0.35	0.35

Team members	2022		2023	
	Female, %	Male, %	Female, %	Male, %
	43.9	56.1	43.9	56.1
Permanent	39.6	54.0	39.9	54.9
Temporary	4.3	2.1	4.0	1.2
Full-timers	43.6	55.5	42.8	53.7
Part-timers	0.3	0.7	1.2	2.3

Team members	2022					2023				
	Lithuania, %	Indonesia, %	Brazil, %	Cyprus, %	UK, %	Lithuania, %	Indonesia, %	Brazil, %	Cyprus, %	UK, %
	37.6	35.5	5.3	21.5	0.1	41.5	24.9	12.0	21.22	0.3
Permanent	37.5	29.1	5.3	21.5	0.1	41.5	20.0	11.8	21.2	0.3
Temporary	0.1	6.4	0.0	0.0	0.0	0.0	5.0	0.2	0.0	0.0
Full-timers	37.3	35.4	5.3	20.9	0.1	40.3	24.9	11.3	19.7	0.3
Part-timers	0.3	0.1	0.0	0.6	0.0	1.3	0.0	0.7	1.5	0.0

Leading team members*			2022		2023	
			Female, %	Male, %	Female, %	Male, %
		All team members	43.6	56.4	51.5	48.5
Leading team members by age	18–26	All team members	18.4		17.2	
		By gender	8.4	10.1	11.2	6.0
	27–35	All team members	64.8		62.7	
		By gender	29.6	35.2	32.8	29.9
	36–45	All team members	16.2		19.4	
		By gender	5.6	10.6	7.5	11.9
	46–55	All team members	0.6		0.7	
		By gender	–	0.6	0.0	0.7
Leading team members by seniority	Lithuania	All team members	61.5		75.4	
		By gender	25.1	36.3	35.8	39.6
	Indonesia	All team members	26.8		7.5	
		By gender	10.6	16.2	5.2	2.2
	Brazil	All team members	3.9		6.0	
		By gender	6.1	1.7	4.5	1.5
	Cyprus	All team members	7.8		11.2	
		By gender	1.7	2.2	6.0	5.2

* Leading team members are the ones who have people reporting to them, even if it's just one person.

If you have questions about this Sustainability Report
or Hostinger's sustainable practices, please email **Rūta Grigaliūnaitė
(Sustainability Manager)** at <u>sustainability@hostinger.com</u>.

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