

Host Europe: Advancing CSR and Sustainability in a Medium-sized IT company

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- Host Europe is the third largest webhosting company in the German-speaking market.
- Founded in 1977 with more than 160 employees catering to 175,000 private and business customers in Germany, Austria and Switzerland
- One among the early investors in “CSR” and “Green IT”
- Product line could be divided into five main segments, Webhosting, Virtual or virtual private server, dedicated server, cloud hosting and managed hosting.
- Customers most preferred vendor because of the high standard, quality and reliability in the highly price sensitive hosting market.

CSR and Sustainability in IT sector

- In recent years, companies from all parts of economy realized the necessity to become a **Good corporate citizen** – As a first step started measuring the their carbon foot print.
- IT Sector is having an Unique position in achieving Sustainability and Corporate Social Responsibility (CSR)
- IT can contribute to reduction of green house gas emission with the help of teleworking and virtual conferences.
- On the Otherhand the major source for emission of CO2 gases is ICT itself.
- 45% of domestic energy will be consumed by ICT by 2020.
- With increasing capability and capacity of Electronics goods, E-waste is the next bothering factor in achieving “Green IT”

CSR and Sustainability at Host Europe

- Invested substantial effort to live up to its CSR and improving sustainability
- In 2009 sustainability was officially introduced as part of the corporate mission statement.
- CSR was developed as an organizational unit
- Already taken steps like developing new energy-efficient green data center, switching to renewable energy, virtualization, Employees and workplace measures, initiatives to improve family friendliness.

Energy and the New Data Centre

- In 2007, the new energy efficient data centre was opened.
- Had PUE of 1.35 which is 1 KWH of effective computing needed 1.35 KWH of energy.
- Compared to earlier requirement, it was 2 KWH energy.
- The data centre has a cold corridors to that absorbs cold air and warm corridors that emit the exhaust air, avoiding the mixing of cold and warm air.
- Up to 17 degree Celsius outside temperature, there was no need of artificial cooling which is 250 days in a year.
- This reduced 30% of the annual energy consumption occurring in the conventional datacenters.
- This has lead to CO₂ saving of 1300 tons per year.

Virtualization

- One more strategy to increase efficiency was Virtualization.
- Virtualization enabled providers to combine several virtual servers in one physical server , allowing better utilization of the existing hardware with many advantages for customer.
- This led to better utilization, capability, flexibility, scalability and reliability of servers in Host Europe.
- Host Europe was one of the largest Virtual server providers, scaling to its increased customer base and the energy utilization being the same.

Employees and Workplace measures

- Employee Friendly measures like, flicker free flat screen systems, adjustable desks and ergonomic workplace and chairs.
- Free courses on health issues, optimal seating positions and individual adjustment of workplaces.
- Staff development - conducting professional training and idea database to share ideas.
- Alternative working schemes, like telework, and opening of daycare centre improved , family friendliness.
- Host Europe engaged in wider community , with means of donations directly and directly by supplying host products for free to charity organizations.
- Blood Donation camps were conducted frequently.

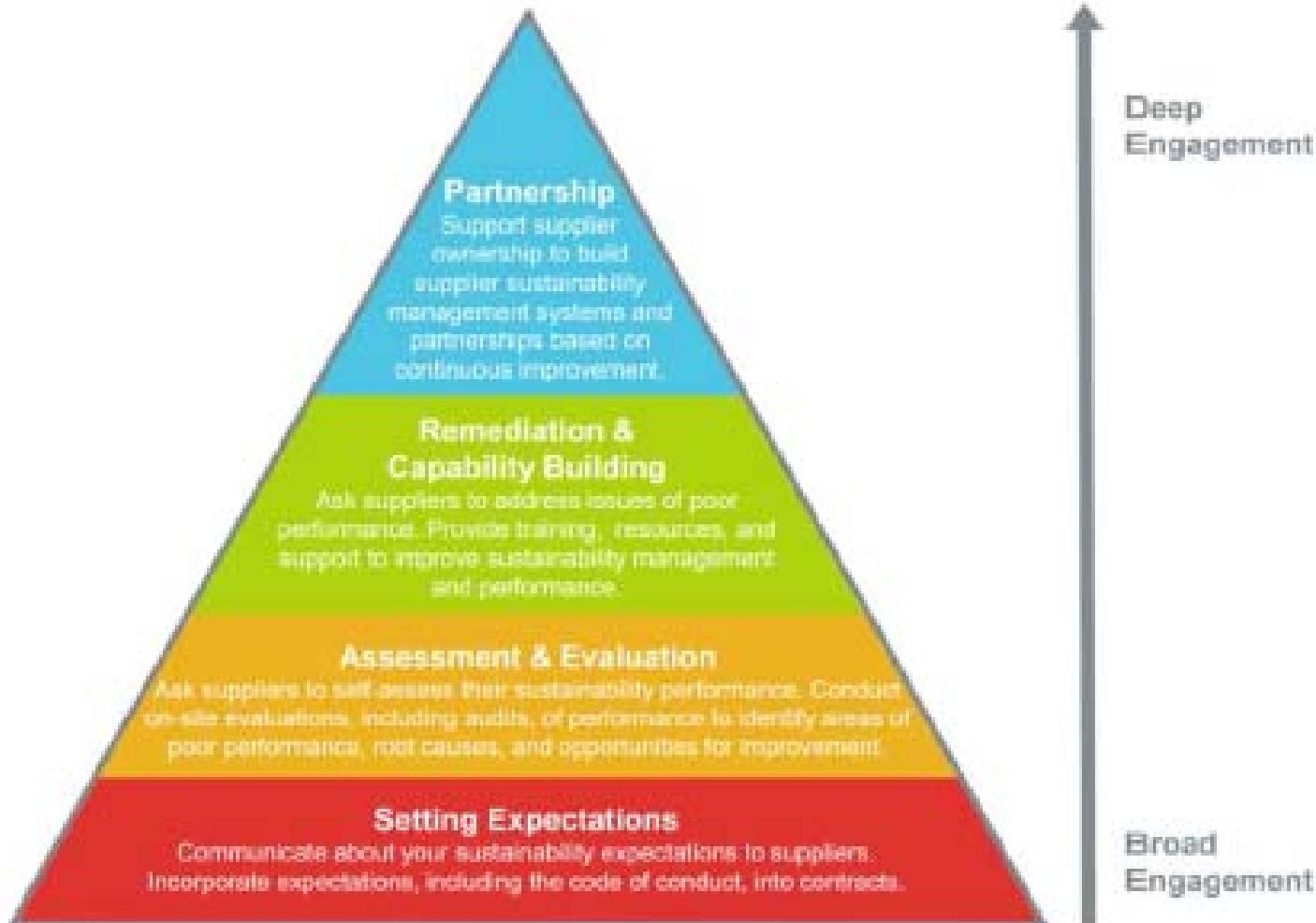
Challenges ahead for Host Europe

- Low proportion of women currently working for company
- Employee awareness of ecological issues
- Obtaining energy efficiency certification
- Improve transparency and accountability in the supply chain
- Has not yet acted on Digital Divide

Digital Divide

- Host Europe has not done anything in regards to the digital divide. The digital divide is a sustainability issue affecting corporate social responsibility. It refers to “unequal access to computers and the Internet by different groups of people that can be classified based on gender, income, age or location” (Hahn, 2010, p. 4). This includes imbalances in physical access to ICT infrastructure and in capabilities and resources or necessary skills to use their technologies (Hahn, 2010, p. 4). The digital divide can be relevant to developed countries, especially for the poorest of the poor in developing countries (Hahn, 2010, p. 4). Host Europe can address this problem by implementing the concept of serving the bottom of the pyramid.
- A way to further improve the social aspects of sustainability is to implement measures that would serve the bottom of the pyramid.

What would an complete CSR engagement look like ?



CSR Benefits



Value

Where should big corporations be spending their CSR resources?

Value	Purpose	Impact	Benefits
CSR as value creation 	Innovative and promotes sustainable business model	Fundamental strategic and operational impact	<ul style="list-style-type: none">• Shared value (business – institutions and communities)• Promote competitiveness and innovation• Promotes a sustainable business model• Integrates business into the community• Develops Human Capital (key in developing countries)• Incorporated into the Business Strategy
CSR as risk management 	Compliance	Medium to high strategic and operational impact	<ul style="list-style-type: none">• Mitigates operational impact• Mitigates operational risks• Supports external relationships
CSR as corporate philanthropy 	Providing funding and skills	Little strategic and operational impact	<ul style="list-style-type: none">• Corporate Philanthropy and sponsorships• Short-term benefits / not always sustainable• Limited funds available• Impact diluted because limited budget is allocated to many charities• Corporate competencies and other business assets not fully utilized.• Misalignment between business and social responsibility strategies and functions.• Result in minimal social and business impact of social programmes.

CSR components



What kind of measure could be introduced to further improve ecological and social aspect of sustainability without jeopardizing economic success ?

- Engaging with corporations on their business strategies to reduce risk due to climate change through stakeholder engagements and shareholder resolutions & calling on governments to pass strong climate and energy policies that will spur low-carbon investments, new jobs and transition us to a clean energy economy
- Introduction of comprehensive training programs to empower the employees about ecological sustainability & CSR.
- Introduction of environmental sustainability and green supply chain management practices.

Thank You !

