INTEGRATION OF ESG STANDARDS – THE CASE OF THE HOTEL INDUSTRY

Tena VILIPIĆ
Valamar Riviera d.d.
Croatia
E-mail: tenavilipic@gmail.com

Marinela KRSTINIĆ NIŽIĆ
University of Rijeka,
Faculty of Tourism and Hospitality Management,
Croatia
E-mail: marikn@fthm.hr

Maša TRINAJSTIĆ
University of Rijeka,
Faculty of Tourism and Hospitality Management,
Croatia
E-mail: masat@fthm.hr

Abstract

Purpose – Environmental, Social, and Governance (ESG) standards are increasingly shaping modern business practices, forming the foundation for sustainable and responsible management in tourism. This paper aims to examine the level, methods, and effectiveness of ESG standard implementation using examples from the hotel industry.
Methodology – Six hotel groups were analyzed using descriptive and comparative analysis and case studies: Marriott International, Hilton, Arena Hospitality Group, Adriatic Luxury Hotels, Plava Laguna and Valamar Riviera.
Findings – The research results indicate significant differences in the level of ESG integration, with international groups (Marriott, Hilton) leading in a systematic approach, while domestic companies (especially Valamar Riviera) are increasingly focused on sustainability, though they face specific implementation challenges. Environmental sustainability, social responsibility, and transparent management are key components that are being increasingly incorporated into hotel strategies.
Originality of the research – The research confirms that ESG is no longer an added value but a strategic imperative. The conclusions offer recommendations for stronger institutionalization of ESG practices in the Croatian hospitality industry, emphasizing education, linking ESG goals with management structures, and increasing transparency.
Keywords ESG, sustainability, hospitality, social responsibility, governance

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INTRODUCTION

In recent decades, the concept of sustainable development has become central to shaping strategies in the global hotel industry. Increased environmental awareness, social expectations, and regulatory requirements affect the operations of hotel companies, which are increasingly under pressure to introduce sustainable practices. The research problem arises from the need to evaluate the actual degree of integration of ESG (Environmental, Social, Governance) components among hotel companies operating in the Croatian market. This research paper analyzes and compares how selected hotel groups incorporate ESG standards into their business strategies and operations. The aim is to provide analytical insight into the implementation of ESG standards within the hotel industry, with a special emphasis on companies operating in the Croatian market that also have an international presence. The main objective is to analyze the level, scope, and methods of ESG integration in selected hotel companies and to evaluate their strategic approaches to sustainability, social responsibility, and management transparency. Additional objectives include identifying best practices, noting differences between companies, and formulating recommendations for stronger ESG integration in Croatian tourism. Research on ESG in the context of tourism and hospitality has become increasingly prevalent in recent years, especially in international scientific and professional literature. Although there are strategic documents related to energy and climate issues at the national level (Ministry of Economy and Sustainable Development of the Republic of Croatia, 2023), domestic works and analyses focused on ESG integration in the Croatian hotel industry remain limited. Krstinić Nižić and Vilipić (2024) analyzed how environmental and energy management standards can reduce the negative impact of organizations on the environment, and this paper partially continues their previous research (Krstinić Nižić & Vilipić, 2024).

Most available studies focus on individual aspects of sustainability, lacking a comprehensive perspective on all three ESG components. Šverko Grdić and Krstinić Nižić (2023) examined the implementation of sustainable development goals in the Republic of Croatia and recommend further research at the sector level. In this context, this work offers a new contribution by combining a theoretical framework with a concrete evaluation of business practices in a sample of leading hotel companies. The paper employs descriptive analysis, comparative analysis, and case study methods. Descriptive analysis provides an overview of ESG practices in selected companies, while comparative analysis examines differences in implementation among them. Case studies offer detailed insights into individual companies and their strategies. Additionally, desk analysis of secondary data (e.g., ESG reports, corporate websites) and spreadsheet data processing were used to quantitatively present differences in ESG performance.

In the modern business environment, the concept of ESG (Environment, Social, Governance) is increasingly important. This framework enables organizations to assess and improve their non-financial performance, focusing on environmental, social, and governance aspects. ESG criteria extend beyond traditional financial indicators, offering a comprehensive view of the sustainability and ethics of business practices (Financial Times, 2025). The environmental aspect of ESG includes resource management, emissions, and environmental impact. The social aspect addresses relationships with employees, the community, and society at large, including issues such as human rights, diversity, and inclusion. The governance aspect concerns decision-making structures and processes, transparency, and ethical standards within the organization (UNWTO & UNDP, 2018; Olgić Draženović et al., 2023).

Implementing ESG standards enables organizations to identify and manage risks, enhance their reputation, and attract investors who increasingly value sustainability and social responsibility. By adopting ESG practices, companies not only meet regulatory requirements but also contribute to creating a more sustainable and just society (Ballan, 2026). A growing number of investors, consumers, and regulators are demanding transparency and accountability regarding environmental, social, and governance practices. According to the European Commission, more than 60% of institutional investors in the EU integrate ESG criteria into their investment decisions, highlighting the increasing importance of these standards in the financial sector (UNEP, 2005; European Commission, 2025).

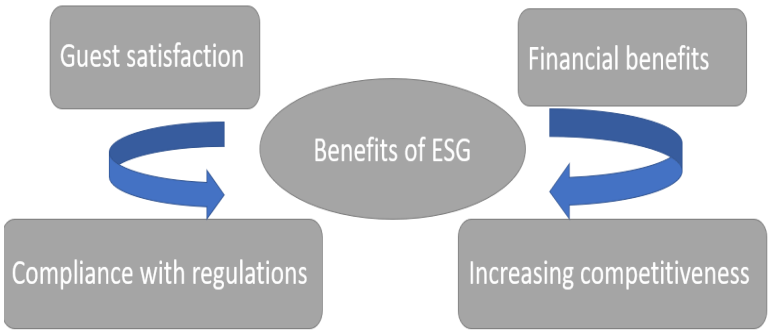
With the introduction of legislative frameworks such as the Regulation on Disclosure of Information Related to Sustainability in the Financial Services Sector (SFDR) and the Corporate Sustainability Reporting Directive (CSRD), the European Union further encourages organizations to transparently report on ESG aspects of their operations (UN 2004). These regulations require financial institutions and large corporations to publish information about the sustainability of their investments and business practices. In addition to regulatory requirements, consumers increasingly prefer products and services from companies that demonstrate social responsibility and sustainability. Organizations that actively communicate their ESG achievements often enjoy greater public trust and a competitive advantage. ESG also plays a key role in achieving the Sustainable Development Goals (SDGs) of the United Nations (UN, 2015). Through ESG practices, organizations can contribute to goals such as climate action, gender equality, and decent work (United Nations Framework Convention on Climate Change, 2025). Thus, ESG is not only a tool for internal assessment and management, but also a means of contributing to global efforts to create a sustainable society (Soares et al., 2026).

The paper is structured in four sections. After the introduction, the literature review addresses key ESG trends in the hotel industry. The research section analyzes five indicators within the environmental, social, and governance (ESG) components. The analysis is followed by a conclusion that discusses the limitations of the paper and provides recommendations for future research. The contribution of the paper lies in examining how ESG standards shape the future of the hotel industry, as well as in offering recommendations on how companies can adapt to new market and societal expectations.

1. LITERATURE REVIEW – ESG TRENDS IN THE HOTEL INDUSTRY

The hotel industry, as one of the most important and sensitive sectors of the global economy, is increasingly subject to pressures and expectations related to sustainable business (Ahmad et al., 2024). Due to its strong connection with the environment, local communities, and human capital, the hotel industry is a sector in which ESG principles find broad and practical application (Yu et al., 2024). Issues such as energy efficiency, waste management, workers' rights, inclusiveness, and corporate transparency are becoming key elements in defining successful hotel operations. The implementation of ESG in the hotel industry goes beyond regulatory obligations and serves as a means of differentiation in the market, creating long-term value and strengthening relationships with stakeholders (Cooper, 2024). Guests increasingly expect socially responsible services, while investors and financial institutions assess sustainability as an important risk factor and growth opportunity (Deng et al., 2025). ESG has thus become an integral part of business strategy, influencing all aspects of hotel operations – from the design and construction of facilities, through supply chains and human resource management, to marketing and user experience (Jung et al., 2025). Today, ESG standards are not only a framework for assessing the sustainability of hotel companies, but also a dynamic set of trends shaping their future, as demonstrated by the analysis of the results (Vilipić, 2025). In the context of rapid changes in society, technology, and the regulatory environment, ESG is increasingly seen as a fundamental criterion for competitiveness, innovation, and responsible management. Hotel companies seeking to maintain market relevance and stakeholder trust increasingly recognize the importance of timely responses to new challenges and opportunities that ESG presents (He et al., 2024). The development of ESG in the hotel industry is not only a response to regulatory requirements and social expectations, but also an opportunity to create added value across multiple business dimensions. Hotels that proactively implement ESG standards often realize numerous benefits beyond reputational impact, including operational efficiency, long-term financial stability, guest and employee loyalty, and greater resilience to market and environmental risks (Yu et al., 2025). In the context of global challenges such as climate change, social inequality, and economic instability, ESG approaches allow hotels to position themselves as responsible actors creating positive effects not only for owners and investors, but also for the wider community. Investments in sustainable technologies and resources often result in cost reductions and greater operational efficiency, while strong social policies contribute to a more stable and motivated staff – a resource that is extremely sensitive and important in tourism. Picture 1 shows the benefits resulting from the application of ESG standards in the hotel industry, from financial and operational to social and strategic. It should be emphasized that ESG is not a cost, but an investment in the sustainable and competitive future of the hotel industry.

Picture 1: **Benefits arising from the application of ESG standards**



Source: Authors

Figure 1 presents several benefits of implementing ESG standards, such as increased guest satisfaction, as ESG practices enhance the overall customer experience through personalized and responsible services (Sustainable Travel Report, 2023). Financial benefits include that hotels with high ESG standards attract impact investors who invest in sustainable companies, facilitating access to capital on more favorable terms (McKinsey & Company, 2025). Regulatory compliance is another benefit, as ESG reporting is increasingly a prerequisite for participation in international certification programs and public funding competitions (Velaoras et al., 2025; EC CSRD, 2025). Increased competitiveness also results from ESG adoption, driving innovations in service offerings and operational processes, which improves overall efficiency and stakeholder value (WTTC, 2025). The paper continues with an analysis of all three ESG dimensions in the hotel industry. In environmental sustainability, hotels are increasingly investing in energy-efficient technologies, digital solutions for resource management, and carbon footprint reduction (Khusenova, 2025). In the social dimension, there is a focus on diversity and inclusion, employee mental health, local engagement, and socially beneficial initiatives (Lee et al., 2025). In governance, trends include greater transparency, enhanced risk management, and integrating ESG objectives into reward and decision-making systems (Lee & Min, 2025). The following analysis does not describe temporary practices but rather permanent guidelines that are transforming how hotel companies define success, impact the environment and society, and manage their businesses. This analysis will provide a deeper understanding of how ESG is evolving in practice and how it addresses the needs of modern consumers, employees, investors, and regulators.

2. RESEARCH ANALYSIS - INTEGRATION OF ESG COMPONENTS AMONG HOTEL GROUPS

To specifically examine the level of ESG standards implementation in the hotel sector, it is necessary to analyze the actual practices of hotel groups operating at both national and international levels. Although the ESG framework provides universal principles, its operational application varies significantly among companies, depending on their size, business strategy, geographical reach, and corporate culture. This section evaluates the integration of ESG components among six leading hotel companies: Marriott International, Hilton, Arena Hospitality Group, Valamar Riviera, Plava Laguna, and Adriatic Luxury Hotels. These companies were selected for their market influence, diverse management models, and combination of international and regional operations, allowing for a balanced and representative comparison. The analysis covers key ESG dimensions – environmental responsibility, social engagement, and corporate governance – using indicators such as sustainability strategies, social initiatives, reporting systems, stakeholder engagement, and other relevant factors. The goal is to identify best practices, observe patterns and differences, and provide a basis for understanding the maturity of the ESG approach in the Croatian and international hotel industry.

Table 1: **Overview of analyzed hotels by brands, destinations, and countries of operation**

Company	Brands	Destination	Countries of operation
Marriott International	Marriott Hotels, Sheraton, Ritz-Carlton, Moxy, Westin, Autograph Collection, AC Hotels, Residence Inn, JW Marriott itd.	Global: USA, Canada, UK, France, Italy, Spain, China, Japan, UAE etc.	130+ countries
Hilton	Hilton Hotels & Resorts, DoubleTree, Canopy, Conrad, Hampton, Waldorf Astoria, LXR, Homewood Suites itd.	Global: USA, UK, France, Germany, China, Japan, UAE, Croatia (Zagreb, Split, Rijeka, Dubrovnik)	120+ countries
Arena Hospitality Group	Park Plaza, art'otel, Radisson Collection, Arena Hotels & Apartments, Arena Campsites	Croatia (Pula, Medulin, Zagreb), Germany (Berlin, Köln, Nürnberg), Hungary (Budapest), Serbia (Beograd), Austria (Nassfeld)	Croatia, Germany, Hungary, Serbia, Austria
Adriatic luxury hotels	Hotel Excelsior, Bellevue, Dubrovnik Palace, Kompas, Grand Villa Argentina, Villa Orsula, Glavić, Sheherezade	Croatia (Dubrovnik)	Croatia
Plava Laguna	Plava Laguna Hotels, Apartments & Resorts	Croatia (Poreč, Umag, Rijeka, Dubrovnik)	Croatia
Valamar Riviera	Valamar Collection, Valamar Hotels & Resorts, Places by Valamar, Sunny by Valamar, Valamar Camping	Croatia (Poreč, Rabac, Krk, Rab, Dubrovnik, Makarska, Hvar), Austria (Obertauern)	Croatia, Austrija

Source: Reports of the analyzed companies; author's processing.

Table 1 provides an overview of the business activities of six hotel companies across four key dimensions: company name, associated hotel brands, main destinations where they operate, and countries of presence. Among international chains, Marriott International and Hilton stand out for their global presence in more than 120 countries and their extensive portfolio of brands, which includes luxury, business, and economy hotels. Regional companies such as Arena Hospitality Group, Valamar Riviera, Plava Laguna, and Adriatic Luxury Hotels are primarily focused on the Croatian market, with selective international operations (for example, Arena Hospitality in Austria, Germany, and Hungary, and Valamar in Austria). This overview clearly highlights the differences in business strategies, ranging from global diversification to regional specialization and a focus on coastal tourism. In the modern hotel industry, integrating ESG (Environmental, Social, Governance) standards is becoming essential for sustainable and responsible business practices. Hotel groups increasingly recognize the importance of aligning their operations with environmental standards, social responsibility, and transparent management. However, the level and manner of ESG implementation vary among companies, depending on their strategies, resources, and market positions. The following is a comparative analysis of ESG integration among selected hotel groups, structured around three key components:

- **Environmental component (E):** Assesses how hotels manage their environmental impact, including energy efficiency, waste management, and the use of renewable energy sources.
- **Social component (S):** Examines the hotel's engagement with employees, the community, and society at large, including diversity and inclusion policies and social initiatives.
- **Governance component (G):** Analyzes the corporate governance structure, transparency, ethical practices, and compliance with regulatory requirements.

These comparisons provide a deeper understanding of how different companies approach sustainability and responsible business, and how their strategies impact competitiveness and long-term sustainability in the hospitality sector. The data analyzed in the tables are sourced from publicly available ESG reports and official corporate sources of the six hotel companies examined: Marriott International (ESG Report, 2023), Hilton (Travel with Purpose Report, 2023), Arena Hospitality Group (Sustainability Report, 2023), Jadranski Luxury Hotels (Sustainability Report, 2023), Plava Laguna (Annual Report, 2023), and Valamar Riviera (Integrated Annual Report and Sustainable Business, 2023). The data refer to the most recent available reports from 2022 and 2023, and, where indicated, include goals set for 2025 or 2030, such as those for decarbonization or the use of renewable energy sources. For this paper, five indicators were randomly selected from each component.

2.1 Environmental component

The following indicators were selected from the environmental component:

Table 2: **Comparison of Greenhouse Gas emissions (GHG) reduction targets**

	Marriott	Hilton	Arena Hospitality	Adriatic Luxury Hotels	Plava Laguna	Valamar Riviera
GHG emissions	-24.6% since 2016., net zero target by 2050	-45% since 2008, SBTi targets	-16% in 2023, reduction target by 2040	Energy efficiency measures, reduction targets	Scope 1 i 2 in development, strategy in development	-72% 72% per room compared to 2015; joined SBTi initiative

Source: Reports of the analyzed companies; author's processing.

Greenhouse gas emissions refer to the release of gases that contribute to the greenhouse effect, and thus to global warming and climate change (IPCC, 2021). Table 2 presents a comparative overview of activities and goals related to the reduction of greenhouse gas (GHG) emissions for six major hotel companies operating in Croatia and globally. Most of the analyzed companies have set specific decarbonization goals, with Hilton and Valamar Riviera standing out for ambitious emission reductions compared to reference years and participation in the "Science Based Targets" (SBT) initiative. Other companies, such as Plava Laguna and Adriatic Luxury Hotels, are developing strategies or have implemented individual energy efficiency measures. This overview indicates varying levels of maturity in the approach to climate responsibility among the observed entities.

Table 3: **Comparison of goals for increasing the use of renewable energy sources (RES)**

	Marriott	Hilton	Arena Hospitality	Adriatic luxury Hotels	Plava Laguna	Valamar Riviera
Renewable energy source (RES)	2.1% RES, goal 30% by 2025	100% RES in many location	Solar power plants, green energy	Solar preparations, energy systems	Solar power plants, €1.5 million investment	100% electricity from RES, goal of 15% of own solar power plants by 2026.

Source: Reports of the analyzed companies; author's processing.

Table 3 presents the level of implementation of renewable energy sources (RES) in the operations of hotel companies. Hilton and Valamar Riviera already use 100% electricity from RES at many locations, while other companies, such as Plava Laguna and Arena Hospitality, have invested in solar power plants as part of their transition to sustainable energy. Marriott has set a quantified target of 30% by 2025, while Adriatic Luxury Hotels is in the development phase of its energy systems. These data indicate the active involvement of hotels in the global transition to clean energy, with varying levels of maturity and investment strategies.

Table 4: **Water consumption comparison**

	Marriott	Hilton	Arena Hospitality	Adriatic Luxury Hotels	Plava Laguna	Valamar Riviera
Water	-6.3% intensity, risk tools	-26.5% consumption intensity	Monitoring system, saving equipment	-7.9% per guest	0,28 m³/night, Membrane Bioreactor (MBR) system	0,55 m³ per room; optimization system, water recycling

Source: Reports of the analyzed companies; author's processing.

Table 4 presents the efforts of hotel companies in water management as part of a broader sustainability framework and the use of renewable energy sources. Companies employ various strategies, including quantified targets for reducing consumption intensity (Hilton, Adriatic Luxury Hotels), technical solutions such as optimization and recycling systems (Valamar Riviera), and MBR membrane bioreactor systems for water purification (Plava Laguna). Some hotels, such as Marriott and Arena Hospitality, focus on monitoring tools and energy-saving equipment. These data indicate the growing importance of sustainable water management in the hotel industry. Table 4 presents the efforts of hotel companies in water management as part of a broader sustainability framework and the use of renewable energy sources. Companies employ various strategies, including quantified targets for reducing consumption intensity (Hilton, Adriatic Luxury Hotels), technical solutions such as optimization and recycling systems (Valamar Riviera), and MBR membrane bioreactor systems for water purification (Plava Laguna). Some hotels, such as Marriott and Arena Hospitality, focus on monitoring tools and energy-saving equipment. These data indicate the growing importance of sustainable water management in the hotel industry.

Table 5: **Comparison of waste produced**

	Marriott	Hilton	Arena Hospitality	Adriatic Luxury Hotels	Plava Laguna	Valamar Riviera
Waste	-45% waste, -50% food	-63.7% intensity, recycling	Recycling, composting, GRI 306	17 types of waste, plastic removed	2.300 t of recycling, 17 types of waste	Recycling rate 53%; composting 347 t of biowaste, elimination of single-use plastics

Source: Reports of the analyzed companies; author's processing.

Table 5 presents the approaches to waste management in hotel companies, focusing on waste reduction, recycling, and composting. Hilton and Marriott report significant reductions in waste and food waste, while Valamar Riviera achieves a recycling rate of 53% and composts large amounts of biowaste. Plava Laguna and Adriatic Luxury Hotels systematically manage more than 17 types of waste, and Arena Hospitality highlights compliance with the GRI 306 standard (Global Reporting Initiative, 2025). The table demonstrates the increasing trend of responsible waste management as part of ESG strategy.

Table 6: **Comparison of the number of certificates by company**

	Marriott	Hilton	Arena Hospitality	Adriatic Luxury Hotels	Plava Laguna	Valamar Riviera
Certificates	28.8% certified, target 100%	ISO 14001, LEED	ISO 14001, Green Key, Travelife	ISO 14001, Travelife, GBAC	ISO 14001, 50001, Blue Flag	ISO 14001, 50001, 45001, 14064, EU Ecolabel, Travelife, Blue Flag, HACCP

Source: Reports of the analyzed companies; author's processing.

Table 6 provides an overview of relevant environmental and sustainability certificates held by leading hotel companies. Marriott reports that 28.8% of its facilities are certified, with a goal of reaching 100%. Hilton and most other companies hold internationally recognized certificates such as International Organization for Standardization (ISO) 14001, LEED, or Green Key, which align with the European Union's Green Deal plan (B-Advancy, 2025; EC Green Deal, 2025; Green Key, 2025). Valamar Riviera stands out with a wide range of certificates, including the EU Ecolabel and ISO 14064. The report confirms that most analyzed hotels actively invest in standardizing sustainability through recognized quality and environmental efficiency standards.

2.2 Social component

Five indicators were selected from the social component to ensure even distribution across each component. The following indicators were chosen:

Table 7: **Health and safety measures**

	Marriott	Hilton	Arena Hospitality	Adriatic Luxury Hotels	Plava Laguna	Valamar Riviera
Health and Safety	Be Safe program, global standards	Platform LightStay, education	Safety system for all workers	ISO 45001, systematic reviews	ISO 45001, committees, 54 injuries	ISO 45001; safety and training systems

Source: Reports of the analyzed companies; author's processing.

A comparison of the hotel groups shows that all companies prioritize employee health and safety, but their approaches differ in the degree of standardization and scope of implementation. Marriott and Hilton use global programs – Marriott through the Be Safe initiative and Hilton through its digital platform LightStay, which also includes education. Arena Hospitality relies on its own safety system, while Adriatic Luxury Hotels, Plava Laguna, and Valamar Riviera emphasize certification according to the ISO 45001 standard (Occupational Health and Safety Management Systems, 2025). Valamar also implements education systems and internal mechanisms, while Plava Laguna uses safety committees and publicly reports the number of injuries. This indicates a higher level of systematic organization and transparency in Valamar and Plava Laguna compared to the less formalized approaches of Arena Hospitality and Adriatic Luxury Hotels.

Table 8: **Comparison of hotels by presentation of diversity and inclusivity**

	Marriott	Hilton	Arena Hospitality	Adriatic Luxury Hotels	Plava Laguna	Valamar Riviera
Diversity and inclusiveness	47% women in management	72% ethnic diversity, Employee resource groups (ERGs) Charter	statistics by gender and age	50% women, 78% local	53% women, representative in supervisory board	53% women in the total workforce; Charter on diversity, education on inclusion

Source: Reports of the analyzed companies; author's processing.

Table 8 presents the diversity and inclusion indicators for six hotel companies. It compares data such as the proportion of women in management, ethnic diversity, representation of the local workforce, and the presence of formal policies and initiatives (e.g., diversity charters or working groups). Hilton stands out for its focus on ethnic diversity and the existence of employee resource groups (ERGs), while Marriott reports that 47% of its management positions are held by women. Regional companies such as Valamar, Plava Laguna, and Adriatic Luxury Hotels also demonstrate high representation of women (50–53%) and local workforces, along with the implementation of documents and initiatives supporting diversity. Arena Hospitality is notable for maintaining statistics by gender and age.

Table 9: **Overview of employee training by company**

	Marriott	Hilton	Arena Hospitality	Adriatic Luxury Hotels	Plava Laguna	Valamar Riviera
Employee training	Leadership development programs	40 hours/year, Lead@Hilton	~25 hours per year	International internships	11 hours per employee	163.660 hours total; 36 hours average per employee

Source: Reports of the analyzed companies; author's processing.

Table 9 presents data on employee education and professional development in hotel companies. It includes information such as the number of training hours per employee per year, the existence of structured programmes, and the overall scope of education. Valamar Riviera leads with 163,660 total hours of education, averaging 36 hours per employee. Hilton provides 40 hours per employee per year through the Lead@Hilton programme, while Marriott highlights its leadership development programmes. Regional companies such as Plava Laguna and Arena Hospitality report fewer hours per employee (11 to 25 hours), while Adriatic Luxury Hotels emphasise international practices.

Table 10: **Engagement of hotel companies in local communities**

	Marriott	Hilton	Arena Hospitality	Adriatic Luxury Hotels	Plava Laguna	Valamar Riviera
Community engagement	$30 million in donations, 1.6 million volunteer hours	377,000 million volunteer hours	Donations, partnerships	Donations, sports/cultural projects	Donations, sports events	"Fine brunch" projects, kindergartens, tree planting, local events

Source: Reports of the analyzed companies; author's processing.

Table 10 presents the activities and contributions of hotel companies to local communities through donations, volunteering, and partnerships. The emphasis is on measurable contributions, such as volunteering hours and donation amounts, as well as programs focused on social responsibility. Marriott stands out with $30 million in donations and 1.6 million volunteer hours, while Hilton reports 377,000 volunteer hours. Regional companies (Arena Hospitality, Adriatic Luxury Hotels, Plava Laguna, and Valamar Riviera) focus on donations and support for cultural and sports events. Valamar Riviera also implements specific social projects, such as "Marende fine", kindergarten initiatives, and tree planting, which demonstrate an active and sustainable approach to the local community.

Table 11: **Overview of involvement in the fight for human rights**

	Marriott	Hilton	Arena Hospitality	Adriatic Luxury Hotels	Plava Laguna	Valamar Riviera
Human rights	1 million people educated	Training on human trafficking (99%)	Policies, ESG questionnaires for suppliers	UN declarations, included in procurement	UN principles, grievance system	UN Global Compact member; ESG evaluation of suppliers

Source: Reports of the analyzed companies; author's processing.

Table 11 presents the measures and practices hotel companies are adopting to protect and promote human rights, particularly through employee education, procurement procedures, and compliance with international standards. International chains such as Marriott and Hilton are notable for their extensive training programs – Marriott reports training over a million people, while Hilton provides anti-trafficking training to up to 99% of its employees. Regional companies, such as Valamar Riviera and Plava Laguna, emphasize compliance with UN principles and participation in international initiatives such as the UN Global Compact (UN Nations Global Compact, 2025). Arena Hospitality uses ESG questionnaires for suppliers, while Adriatic Luxury Hotels implements UN declarations through its procurement policy.

2.3 Governance component

From the governance component, five selected indicators were also analysed.

Table 12: **Overview of ESG structure in hotel companies**

	Marriott	Hilton	Arena Hospitality	Adriatic Luxury Hotels	Plava Laguna	Valamar Riviera
ESG structure	Multi-level ESG structure	ESG committee	ESG working group	Sustainability teams by department	Supervisory Board and sustainability committees	Sustainability and digitalization committee; ESG strategy until 2026.

Source: Reports of the analyzed companies; author's processing.

Table 12 presents the organizational structure of ESG management. It focuses on formal bodies, working groups, and levels of responsibility within the company that address sustainability and ESG strategy. Marriott reports a multi-level ESG structure, while Hilton has a dedicated ESG Committee. Regional companies are developing similar systems: Valamar Riviera has established a Sustainability and Digitalization Committee and adopted a separate ESG strategy, while Plava Laguna has committees within the Supervisory Board and for sustainability. Adriatic Luxury Hotels highlight the presence of sustainability teams within departments, and Arena Hospitality uses an ESG working group. All companies demonstrate the existence or development of organizational support for ESG, with varying levels of formality and integration into corporate governance.

Table 13: **Methods to prevent corruption**

	Marriott	Hilton	Arena Hospitality	Adriatic Luxury Hotels	Plava Laguna	Valamar Riviera
Anti-corruption	Global anti-bribery policy	Hotline, code, education	Zero tolerance, training	Ethics code of procurement	Internal control, zero tolerance	Code of conduct; zero tolerance, training

Source: Reports of the analyzed companies; author's processing.

Table 13 presents the policies and tools that hotel companies use to combat corruption, focusing on ethical standards, employee education, and mechanisms for reporting irregularities. Marriott implements a global anti-bribery policy, while Hilton uses a hotline, a code of conduct, and education as preventive measures. All regional companies report a "zero tolerance" approach to corruption – Valamar Riviera and Arena Hospitality additionally provide training, and Plava Laguna relies on internal supervision. Adriatic Luxury Hotels place particular emphasis on the code of ethics in procurement. All companies apply basic anti-corruption measures, with varying levels of institutionalization and transparency.

Table 14: **Ways of reporting**

	Marriott	Hilton	Arena Hospitality	Adriatic Luxury Hotels	Plava Laguna	Valamar Riviera
Reporting	GRI, SASB, TCFD, Assurance	GRI, SASB, TCFD	GRI, CSRD preparation	GRI, ISO standards	GRI, EU taxonomy	GRI, EU taxonomy, PwC audit, HR PSOR (Croatian Business Council for Sustainable Development) evaluation

Source: Reports of the analyzed companies; author's processing.

Table 14 presents the standards and practices hotel companies use to report on ESG aspects of operations, including international frameworks, regulatory preparations, and independent verifications. International chains Marriott and Hilton use the most widely accepted reporting frameworks: GRI (Global Reporting Initiative), SASB (Sustainability Accounting Standards Board), and TCFD (Task Force on Climate-related Financial Disclosures). Marriott's reports are additionally verified through external audit (assurance). Regional companies are gradually introducing EU standards: Arena Hospitality and Valamar Riviera are preparing for CSRD (Corporate Sustainability Reporting Directive), while Valamar already includes the EU taxonomy and uses PricewaterhouseCoopers (PwC, 2025) for audit and evaluation by the Croatian Business Council for Sustainable Development. Plava Laguna and Jadranski Luxury Hotels apply GRI and additional standards such as ISO and the EU taxonomy.

Table 15: **ESG targets in salaries**

	Marriott	Hilton	Arena Hospitality	Adriatic Luxury Hotels	Plava Laguna	Valamar Riviera
ESG targets in salaries	Partially integrated	Partially integrated	Not included	Not mentioned	Not directly included	Partially included (e.g. through ESG investments and performance)

Source: Reports of the analyzed companies; author's processing.

Table 15 shows the extent to which ESG objectives are integrated into the reward and bonus systems of hotel companies. The focus is on incorporating sustainability and social responsibility into models for assessing managerial performance. International companies such as Marriott, Hilton, and Valamar Riviera partially integrate ESG objectives into rewards, for example, through ESG investments or specific metrics. In contrast, Arena Hospitality and Plava Laguna do not directly include ESG objectives, while Adriatic Luxury Hotels do not mention any link between ESG and the salary system. This dimension reveals varying levels of maturity among companies regarding the connection between financial incentives and sustainable business.

Table 16: **Stakeholder engagement approach**

	Marriott	Hilton	Arena Hospitality	Adriatic Luxury Hotels	Plava Laguna	Valamar Riviera
Stakeholder engagement	Transparent communication	LightStay alati, ankete	Surveys and dialogue	Community engagement	Public investments and local partnerships	ESG workshops, employee, customer, supplier, public body surveys

Source: Reports of the analyzed companies; author's processing.

Table 16 presents the methods and extent of stakeholder involvement in the operations of hotel companies, including communication with local communities, employees, customers, and partners. Valamar Riviera adopts the most comprehensive approach to inclusion, organizing ESG workshops and conducting surveys among employees, guests, and suppliers. Marriott prioritizes transparent communication, while Hilton utilizes the LightStay sustainability tracking tool and engages in two-way communication through surveys. Regional companies, such as Arena Hospitality and Adriatic Luxury Hotels, rely on surveys, dialogue, and engagement with the local community. Plava Laguna undertakes public investments and partnerships with local stakeholders, thereby strengthening the regional ESG context.

Table 17: **Summary of all ESG components by hotel companies**

Company	Ecological sustainability	Social responsibility	Management
▲**Marriott International**	High – global decarbonization strategies, GRI/TCFD reports	High – global diversity and volunteering programs	High – independent supervisory boards, linking ESG goals to salaries
▲**Hilton**	High – detailed emissions reduction targets, LightStay tool	High – ERG groups, volunteering and human rights training	High – ESG committees, transparency and strategy
●**Arena Hospitality**	Medium – individual initiatives, system under development	Medium – local initiatives and employee statistics	Medium – ESG working group, initial reports
▲**Valamar Riviera**	High – Introduction of renewable sources, green construction	High – community projects, education and labor rights	High – ESG committee, connection with management, external audits
●**Plava Laguna**	Medium – investments in energy efficiency, but without a clear strategy	Medium – local involvement and support for sports	Medium – existing committees and controls, without integration into rewards
▼**Adriatic Luxury Hotels**	Limited – selective practices, no systematic strategy	Medium – employee rights and inclusion, limited initiatives	Low – reliance on internal policies, no strategic framework

Source: Reports of the analyzed companies; author's processing.
Legend: high implementation of ESG components (▲), low implementation of ESG components (▼), medium implementation of ESG components (●)

Table 17 provides a comparative summary of the integration of ESG standards into the operations of six hotel companies across three key components: environmental, social, and governance. International chains Marriott and Hilton stand out for their high level of implementation in all components, with developed decarbonization strategies, global social initiatives, and transparent management systems. Valamar Riviera demonstrates a similar level of maturity, particularly in environmental investments and corporate governance. Arena Hospitality Group and Plava Laguna are at an intermediate stage in developing ESG practices, while Adriatic Luxury Hotels show limited implementation, especially in the environmental and governance areas. The comparison highlights a clear distinction between global and regional players and confirms the importance of a strategic approach to achieving comprehensive ESG integration.

The research in this paper demonstrates significant differences in the level, methodology, and depth of ESG standard implementation among the hotel groups analyzed. International companies such as Hilton and Marriott exhibit a high level of ESG integration through institutionalized structures, measurable goals, certifications, and globally recognized reporting standards. In contrast, domestic companies such as Valamar Riviera and Plava Laguna, although less internationally connected, display a strong commitment to sustainability, particularly in environmental initiatives and local community engagement. Companies such as Arena Hospitality Group combine international and local practices, while Adriatic Luxury Hotels show selective implementation, mainly within the framework of social responsibility. The common factor among all the companies observed is the growing awareness of the importance of ESG as a key element of long-term competitiveness. However, differences in the depth and systematic nature of their approaches indicate the need for further standardisation, education, and incentives to achieve more complete integration of ESG into all business segments. ESG in the Croatian hotel industry remains in an evolutionary phase, with a few leaders and many opportunities for improvement in the coming period.

CONCLUSION

The introduction of ESG (Environmental, Social, Governance) standards in business has become an essential element of the modern hotel industry. This paper demonstrates that ESG is no longer merely a trend, but a necessity for long-term sustainable business, competitiveness, and compliance with regulatory requirements. Through a theoretical framework and detailed analysis of six hotel groups – Marriott International, Hilton, Arena Hospitality Group, Jadranski Luxury Hotels, Plava Laguna, and Valamar Riviera – the paper examines different approaches to integrating ESG into business strategies. The analysis shows that global hotel chains such as Marriott and Hilton are leading in systematic and deeply integrated ESG policies. Their practices include specific decarbonisation targets, certified sustainability standards, developed management policies, a high degree of transparency in reporting, and a direct link between ESG goals and managerial reward systems. In contrast, domestic companies display varying levels of ESG adoption – from high integration in the case of Valamar Riviera to more selective approaches in the cases of Jadranski Luxury Hotels and Plava Laguna, which nonetheless show significant progress, especially in environmental and social components.

One of the most important findings is that ESG standards, although still unevenly applied, are receiving increasing attention among hotel companies in Croatia. The areas of environmental sustainability (use of renewable energy sources, emission reduction, waste management) and social responsibility (employee safety, education, community engagement) are particularly prominent. Managing ESG remains a challenge, especially in linking it to corporate governance and reward systems. The paper also highlights the importance of the European Union regulatory framework, particularly directives such as CSRD and the EU taxonomy, which significantly influence sustainability reporting and strategic planning practices (EC CSRD, 2025; EC NFRD, 2025). Although Croatian hotel companies are only beginning to adapt to these requirements, it is clear that ESG reporting and management will no longer be optional, but legally and market-mandated aspects of business.

As a contribution, a comparative analysis of ESG practices in six hotel groups enabled the identification of good practices, areas for improvement, and concrete guidelines for stronger ESG integration in the Croatian hotel industry. Recommendations include strengthening institutional structures for ESG, linking ESG objectives with management rewards, increasing transparency in reporting, and collaborating with stakeholders and local communities.

In conclusion, the integration of ESG standards in the hotel industry is not merely a tool for reputation or compliance, but a fundamental strategy for building resilient, responsible, and long-term sustainable tourism businesses. Although global chains are leaders in this area, Croatian companies have shown significant potential and readiness for transformation, which can ensure their competitiveness in the increasingly demanding tourism market.

While the development of ESG in the hotel industry is increasingly recognised as a necessary step towards sustainable and responsible business, its implementation is not without challenges. Establishing effective ESG policies requires deep structural change, engagement at all organisational levels, and alignment with often complex regulatory, operational, and financial requirements. The hotel industry, due to its heterogeneity and exposure to seasonality, is particularly sensitive to challenges associated with the long-term implementation of ESG measures.

The main obstacles include the lack of standardised indicators and methodologies, limited measurement and reporting capacities, and sometimes low awareness of the strategic importance of ESG among stakeholders in small and medium-sized enterprises. Additionally, balancing short-term financial goals with long-term sustainable investments can be difficult, especially during periods of economic instability or reduced tourism activity. Despite the many advantages, the implementation of ESG standards in the hotel industry faces several challenges. Chief among these are the high initial costs of investing in green infrastructure, technologies, and employee education. Although these investments bring long-term savings, many hotels, especially small and medium-sized ones, lack sufficient financial capacity for the initial transformation of their business. Another challenge is the lack of standardization in the collection and reporting of ESG data. Different certification systems, criteria, and methodologies make it difficult to compare and align with international practices. Hotels often encounter difficulties in monitoring and documenting sustainability-related key performance indicators (KPIs) (Global Sustainable Tourism Council, 2025).

The seasonal nature of many hotel operations further complicates the planning and implementation of long-term ESG strategies. During off-season periods, lower revenues can affect the sustainability of investments in ESG initiatives. Additionally, seasonal employees often do not receive comprehensive sustainability training, reducing the overall effectiveness of ESG implementation. Another significant challenge is changing the awareness of employees and guests. ESG requires a cultural transformation within the organization, including education, motivation, and engagement of employees at all levels. Furthermore, guests sometimes do not show interest in participating in sustainable practices (e.g., reusing towels, separating waste), which can reduce the effectiveness of hotel initiatives. Successful integration of ESG into the hospitality industry requires strategic planning, management support, continuous education, and cooperation with relevant institutions and certification bodies. In the long term, overcoming these challenges enables greater resilience, efficiency, and competitiveness for hotels.

This paper has several limitations, such as the research methodology; for example, only some indicators were analyzed because the scope of the paper does not allow for a more extensive analysis. The compatibility of the methodology and data with ESG standards can also be questioned, as previously mentioned as a challenge when comparing indicators. Future research should include a larger sample and conduct in-depth interviews with relevant stakeholders to obtain a more objective picture of the presented data.

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