



The Influence of ESG (Environmental, Social, Governance) Criteria on B2C Marketing Strategies in Helsinki's Hotels

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Abstract

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<p>As Helsinki establishes itself as a leader in sustainable tourism, the hospitality sector has begun aligning its marketing strategies with Environmental, Social, and Governance (ESG) standards to meet eco-conscious consumer expectations. The primary aim is to examine how Helsinki hotels are communicating their sustainability and social responsibility initiatives and to evaluate the impact of these messages on consumer behaviour, particularly among eco-conscious travellers. Additionally, it investigates the barriers and opportunities that Helsinki hotels encounter when embedding ESG principles into their branding and marketing communications.</p> <p>The thesis consists of a theoretical and an empirical part. The theoretical framework includes a detailed review of ESG criteria in the context of hospitality, sustainable marketing, and the alignment of ESG initiatives with consumer engagement strategies. Key literature and industry reports published by the hotels provide a foundation for understanding how ESG factors shape consumer behaviour, particularly in eco-friendly travel markets. The empirical section comprises qualitative content analysis of ESG-related marketing materials from select Helsinki hotels and semi-structured interviews with a hotel's manager. The desktop studies and company interviews contributed to creating a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis on specific Helsinki hotels readiness for adopting ESG guidelines while the benchmarking method studied the reporting practices employed by other companies. This multi-method approach offers insights into how hotels in Helsinki are positioning themselves in an increasingly sustainability-driven competitive marketplace as well as the management of challenges such as message coherence and data strategy alignment in ESG marketing.</p> <p>Results from the content analysis and interviews (comparative analysis and SWOT analysis) reveal that while ESG is a priority for Helsinki hotels, inconsistencies in message delivery and data-backed strategy weaken the potential impact of these initiatives on consumer engagement needing further attention. Findings also underscore that hotels which communicate transparent, consistent, and authentic ESG commitments tend to build stronger brand loyalty among environmentally conscious consumers. Barriers identified include limited resources for ESG-specific marketing and difficulties in translating ESG metrics into consumer-facing content. Notably, the benchmarking demonstrated that the ESG framework is not standardized, and each hotels' disclosures may vary in quality and details.</p> <p>This thesis concludes with recommendations to enhance ESG integration in marketing strategies, supporting Helsinki hotels in creating more consistent, data-backed ESG messages. The research provides a roadmap for integrating ESG effectively in hospitality marketing, with potential long-term benefits for Helsinki's image as a sustainable travel destination.</p>
Key words ESG (Environmental, Social, Governance), Hospitality Industry, B2C Marketing Strategies, Sustainability, Consumer Behaviour, Helsinki Hotels.

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1 Introduction

This is a research bachelor's thesis for the Degree Programme in International business in the major specialization of marketing and sales in the Haaga-Helia University of Applied Sciences. The objective of this thesis is to investigate the adoption and integration of Environmental, Social, and Governance (ESG) principles within businesses in Helsinki. The reader can expect to get a comprehensible overview of the adoption and integration of Environmental, Social, and Governance (ESG) principles among businesses in Helsinki, with a particular focus on the hospitality sector.

In this first chapter, the research topic, the delimitation and the topics' relevance or benefits are introduced. Additionally, key concepts relevant to ESG and the Helsinki business context are presented to provide a comprehensive understanding for the reader. This thesis is not commissioned by a specific company though the hotels' researched belong to large cooperations with stable and reliable data sources.

1.1 Background

The adoption of Environmental, Social, and Governance (ESG) practices in companies and organizations is becoming increasingly critical as they strive to align their operations with sustainability goals. In particular, ESG reporting has emerged as a key framework for businesses to disclose their environmental impact, social contributions, and governance practices. (Grewatsch, S. & Kleindienst, I 2017, 383-416; Yong, Chow & Alfian, Ervina & Mustapha, Mohd. 2024.) Companies that effectively integrate ESG strategies into their business models can not only mitigate risks related to climate change and societal concerns but also enhance their financial performance and attract more investments. (Friede, G., Busch, T., & Bassen, A., 2015; Hoang, T. 2018, 65; Stickdorn, Lawrence, PwC Finland 2023).

The author got familiarised with the hotel industry whilst working as a staff member at various hotels and got to experience first-hand the importance of ESG criteria in the industry as well as the interest in ESG reporting stems from a strong academic background in international business, with a focus on sustainability and corporate governance. During the time in this role, the author could learn about the various elements related to the company's updated policies and strategies to implement them and the way their performance and affects are measured. The experience obtained did not just provided new knowledge, but also there were aspects that the author considered that could be improved. However, before proposing further improvements to enhance the integration of ESG factors into their business strategies and provide insights into the specific ways in which hospitality businesses in Helsinki can enhance their ESG reporting practices to align with regulatory

requirements, it is crucial to analyse and understand the current state of ESG and hotel marketing strategies.

As the global focus on sustainability intensifies, businesses in Helsinki are presented with an opportunity to not only contribute to environmental preservation and social development but also strengthen their competitive advantage by implementing effective ESG practices. The hospitality sector specifically encounters unique ESG challenges, such as managing energy consumption, reducing carbon footprints, and improving employee welfare, which makes it an ideal focus area for this study. (Green & Blue 2023.) By analysing current ESG reporting trends and providing actionable recommendations, this thesis intends to provide a roadmap for companies in Helsinki to improve their sustainability efforts and, in turn, their financial performance. (Velte, P 2024.) Given that ESG reporting is a relatively new area of focus within Finnish businesses, this thesis also aims to contribute to the broader academic discourse surrounding sustainable business practices, particularly within the Finnish context. By focusing on the specific challenges and opportunities of ESG adoption within Helsinki's hospitality sector, this research provides a targeted approach to understanding how companies can build resilience and adaptability within the framework of sustainability especially for SMEs. (European Commission, 2022.)

1.2 Research objective and questions

This thesis explores the state of Environmental, Social, and Governance (ESG) practices among companies in Helsinki, with a focus on identifying ways to improve ESG reporting for better alignment with regulatory standards and market expectations. The research question of this thesis is "How do Environmental, Social, and Governance (ESG) criteria influence B2C marketing strategies in the hotels of Helsinki, and what impact does this integration have on consumer behaviour and perceptions?" The research question is divided into investigative questions (IQ) as follows:

IQ 1. What is the current state of ESG reporting practices among companies in Helsinki?

IQ 2. How do regulatory requirements influence ESG reporting standards for companies in Helsinki?

IQ 3. What key challenges do companies face when implementing and measuring ESG initiatives?

IQ 4. How can companies better integrate ESG principles into their overall business strategies?

IQ 5: What actionable recommendations can help companies improve their ESG reporting?

Table 1 below presents the investigative questions, theoretical framework components, research methods and results chapters for each investigative question.

Table 1. Overlay Matrix

Investigative Questions (IQs)	Theoretical Framework Components	Research Methods	Results (Chapter)
IQ 1: What is the current state of ESG reporting practices among hotels in Helsinki?	2.1.2 ESG objectives in business practices 2.1.3 ESG implementation in Helsinki-based companies and hotels	Qualitative analysis: Literature review, analysis of company reports	4.1 Sustainability frameworks in Helsinki hotels
IQ 2: How do regulatory requirements influence ESG reporting standards for companies in Helsinki?	2.1.2 ESG objectives in business practices 2.2 CSR, sustainability, and ESG reporting	Qualitative analysis: Review of regulatory guidelines, interviews with hotels Manager	4.1 Sustainability frameworks in Helsinki hotels
IQ 3: What key challenges do companies face when implementing and measuring ESG initiatives?	2.1.2 ESG objectives in business practices 2.4 Challenges in sustainable marketing	Qualitative analysis: Literature review, Interviews with hotels Manager	4.2 SWOT analysis 4.4 Case Study: Scandic hotels and marketing strategy analysis
IQ 4: How can companies better integrate ESG principles into their overall business strategies?	2.1.2 ESG objectives in business practices 2.3.2 Consumer-centric sustainability initiatives	Qualitative analysis: Case studies, literature review	4.3 Marketing analysis of ESG in Helsinki hotels: Interview 4.4 Case Study: Scandic hotels and marketing strategy analysis
IQ 5: What actionable recommendations can help companies improve their ESG reporting?	2.1.2 ESG objectives in business practices 2.4 Challenges in sustainable marketing	Qualitative analysis: Benchmarking analysis, synthesis of findings	4.3 Marketing analysis of ESG in Helsinki hotels: Interview

1.3 Delimitation

The topic of Environmental, Social, and Governance (ESG) integration encompasses a wide range of strategic and operational considerations, especially as it applies across diverse industries and regions. In this thesis, the scope is specifically focused on the adoption and integration of ESG practices within hotel industry based in Helsinki. This regional focus excludes ESG practices from companies outside Helsinki and narrows the scope to industries prominent in the local economy, particularly hospitality, technology, and construction. Furthermore, the analysis is limited to public reporting and available data on ESG performance within these industries, rather than confidential or internal metrics. This approach helps ensure data consistency and reliability, especially given that this thesis is not commissioned by a single company with access to proprietary information. Additionally, rather than evaluating each ESG component (environmental, social, and governance) in exhaustive detail, the focus is on general practices and frameworks that contribute to comprehensive, standardized ESG reporting.

Lastly, while the study considers relevant policies and regulatory frameworks like the Corporate Sustainability Reporting Directive (CSRD) and the Sustainable Finance Disclosure Regulation (SFDR) (European Commission 2022), the thesis does not delve into the legal compliance or requirement processes that an individual company might face. This delimitation enables a broad yet insightful examination of ESG adoption trends and best practices within Helsinki's business landscape, ensuring relevance to companies across multiple sectors and providing a foundational perspective.

1.4 Benefits

The outcomes of this research will provide companies with a clear understanding of current gaps in their ESG reporting processes, helping them to enhance transparency, build credibility with stakeholders, and improve their competitive standing. By adopting well-defined ESG frameworks, businesses can better meet regulatory standards, which are becoming increasingly stringent. Additionally, these improvements in ESG practices could strengthen a company's attractiveness to investors, boost customer trust, and potentially improve financial performance through enhanced brand reputation and risk management.

For the author, this thesis presents an opportunity to deepen knowledge in the fields of sustainability and corporate governance within the context of international business. This experience may also open pathways for the author's future professional development in the sustainability field, especially as demand rises for professionals knowledgeable in ESG reporting and compliance strategies. Overall, this thesis contributes to the broader understanding of ESG integration within the

Helsinki business community, potentially guiding both local companies and international corporations operating in the region as they navigate the evolving landscape of sustainable business practices.

1.5 Key Concepts

Environmental, Social, and Governance (ESG): ESG refers to a framework that evaluates a company's collective conscientiousness for social and environmental factors. ESG criteria are a set of standards used by socially conscious investors to screen potential investments. This approach encourages companies to act responsibly by focusing on their impact on the environment, their relationships with employees, suppliers, and communities, and their leadership and ethical practices. (European Commission 2022.)

Sustainability Reporting: Sustainability reporting is the process of disclosing an organization's environmental, social, and governance (ESG) performance to its stakeholders. It often includes both qualitative and quantitative data to illustrate how a business manages ESG risks and impacts. This practice has become a standard method for companies to communicate their sustainability efforts and is increasingly regulated within the EU under the Corporate Sustainability Reporting Directive (CSRD). (European Commission, 2022.)

Corporate Social Responsibility (CSR): CSR is a business model in which companies integrate social and environmental concerns into their operations and interactions with stakeholders being more focused on voluntary contributions to social and environmental well-being rather than performance measurement. (McWilliams, Siegel, & Wright 2006.)

Materiality in ESG: Materiality in the context of ESG refers to identifying and focusing on the factors most likely to influence a company's long-term value and the interests of stakeholders. (Sustainability Accounting Standards Board, 2020.)

Sustainable Finance: Sustainable finance involves incorporating environmental, social, and governance considerations into investment decisions to promote sustainable economic growth. This concept has gained importance as investors, regulatory bodies, and stakeholders increasingly prioritize sustainable business practices. (Eurosif 2021.)

2 Theoretical framework

This thesis aims to examine how businesses in Helsinki integrate Environmental, Social, and Governance (ESG) principles into their operations and reporting practices. The focus is on understanding the relationship between ESG strategies and performance while identifying gaps in current reporting methodologies. Figure 1 illustrates the theoretical framework, emphasizing the interconnections between ESG (environmental, social, and governance) dimensions, sustainability reporting frameworks, and operational improvements. These dimensions are interconnected and critical for developing sustainable business practices.

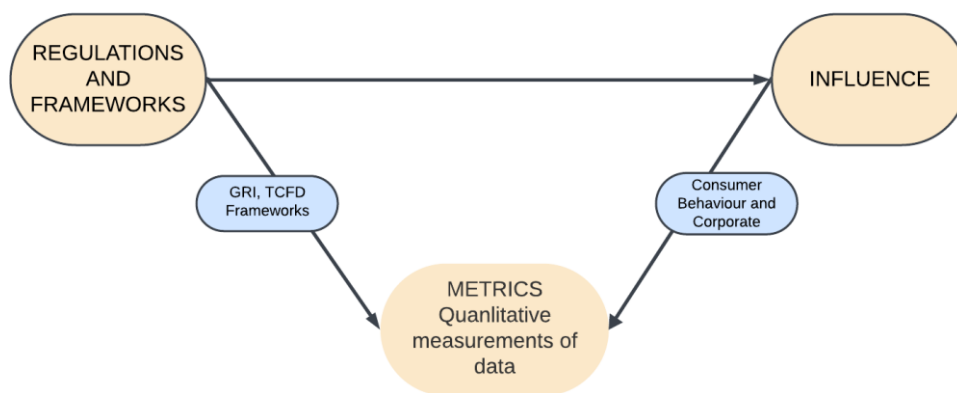


Figure 1. Theoretical framework concept map: linking ESG-frameworks, influence on consumer behaviour and corporate, and metrics.

2.1 Overview of ESG in business operations

This chapter provides an overview of Environmental, Social, and Governance (ESG) principles and their relevance to business operations. Special attention is given to how these principles are integrated into the business practices of companies operating in Helsinki, as ESG is a central focus of this research.

2.1.1 ESG definition

The concept of ESG has evolved significantly in recent decades. Initially emerging from corporate social responsibility (CSR) practices, ESG focuses on specific metrics and standards to evaluate a company's environmental, social, and governance performance. (Passas 2024.) The term "Environmental" refers to how companies manage resources and mitigate their impact on the environment. It encompasses efforts like reducing greenhouse gas emissions, improving energy efficiency, managing waste, and fostering biodiversity. (GRI 2021.) The "Social" dimension highlights

the importance of ethical labour practices, diversity, equity, and inclusion, community engagement, and health and safety standards. (SASB 2020.) Finally, "Governance" addresses a company's corporate structure, including board independence, anti-corruption practices, and transparency in decision-making. (TCFD 2017.)

2.1.2 ESG objectives in business practices

The primary goal of ESG integration is to align business operations with sustainability principles to enhance performance and reduce risks. The concept of ESG integration builds upon Elkington's (1997) triple bottom line approach, emphasizing the interconnection of people, planet, and profit. (Schaltegger et al., 2016.) For ESG systems to be effective and impactful, several critical objectives must be met:

- **Transparency in Reporting:** Providing clear, consistent, and comparable information regarding ESG initiatives, using established frameworks such as GRI and SASB. Transparent reporting allows stakeholders to evaluate the ESG performance of the company. Helsinki-based companies increasingly use globally recognized frameworks such as the Global Reporting Initiative (GRI) or the European Union's Corporate Sustainability Reporting Directive (CSRD). (European Commission 2022.)
- **Risk Management:** Identifying and addressing potential risks related to climate change, social disparities, or governance failures. For instance, Helsinki's harsh winters businesses can develop energy-efficient systems to minimize operational costs and mitigate environmental risk. (Helsinki Energy Challenge 2023.)
- **Regulatory Compliance:** Ensuring adherence to local and international sustainability standards, including the European Union's Corporate Sustainability Reporting Directive. (European Commission, 2022.)
- **Stakeholder Engagement:** Involving investors, employees, and the community in decision-making processes to foster trust and collaboration.
- **Operational Efficiency:** Implementing sustainable practices to improve resource use, minimize waste, and reduce costs while achieving ESG goals.

According to Lozano (2015, 4), ESG integration includes the evaluation of environmental impact, the improvement of social equity, and the adoption of sound governance structures. These activities must be aligned with organizational strategies and tailored to meet stakeholder expectations. Moreover, the scope of ESG-related activities extends beyond the internal operations of a company to include interactions with external stakeholders, such as suppliers, customers, regulators, and communities. (Lozano, 2015, 6.) Effective ESG integration ensures that companies do not

operate in isolation but consider the broader impact of their actions on the environment, society, and their governance ecosystem.

According to Robeco (2017, 8), there are seven steps to integrate sustainability. These ESG principles are not confined to internal operations, they additionally shape investment strategies and external collaborations.

- Define Beliefs and Goals: Companies must set up clear ESG objectives, ensuring alignment with broader sustainability visions such as Finland’s goal for carbon neutrality by 2030.
- Reputation Risk Management: It involves conforming to norms-based screening processes that guarantee the investments are according to international set standards such as the United Nations Sustainable Development Goals (UN SDGs).
- Focus on Financial Returns: ESG-driven investments are known to yield competitive returns by reducing operational inefficiencies and enhancing brand loyalty.
- Impact Investing: Companies can have best-in-class or impact investing strategies whereby investment decisions are intended to produce measurable environmental and social outcomes.

2.1.3 ESG implementation in Helsinki-based companies and hotels

This chapter delves into the specific ESG implementation practices adopted by Helsinki-based companies and hotels, showcasing the environmental, social, and governance initiatives shaping the hospitality sector and give the overall view in depth of how local organizations explore innovative solutions, such as renewable energy and diversity, that lead towards sustainability to achieve long-term success.

Environmental Initiatives

1. Energy Efficiency:
 - Neste, a leading Finnish energy company, invests heavily in renewable fuels and circular solutions.
 - Local startups like Sulapac develop biodegradable packaging materials, reflecting Helsinki’s commitment to reducing plastic waste.
 - The largest hotels in Helsinki, including Hotel Kämp and Clarion Hotel Helsinki, have invested in energy-efficient technologies, such as LED lighting, smart thermostats, and renewable energy sources, like solar panels. (Helsinki Climate Roadmap 2023.)
2. Waste Management:
 - Scandic Helsinki have embraced waste separation for instance, boasting a recycling rate exceeding

90%, that results in recycling materials properly and to decrease landfill input. Additional efforts by the group lie in "food waste minimization through inventory management and guest education" and by the use of biodegradable amenities and refillable containers. (Scandic Hotels Group 2023.)

3. Water Conservation:

- Such initiatives include low-flow showerheads and linen reuse programmes; hotels encourage their guests to contribute to saving water. The Hilton Helsinki Strand has installed a greywater recycling system, contributing to the decrease in water consumption of all the operations and has recorded 26.5% less water intensity for managed hotels. (Hilton 2023.) Radisson Hotels Responsible Business Report (2023) has taken the initiative to reuse towels which led to approximately 15 litres of water being saved per year.

4. Carbon Neutrality Goals:

- Hotels like Radisson Blu Plaza Helsinki have become carbon-neutral by offsetting the emissions by sponsoring renewable energy projects. (Nordic Swan Ecolabel 2023.) According to Radisson Hotels Responsible Business Report (2023), the hotel has measured 24% carbon reduction per occupied room since 2019.

Social Contributions

1. Diversity and Inclusion:

- Fazer Group emphasizes inclusive labour practices, promoting diversity within its workforce.
- Hotel Kämp has training programs to ease the integration of refugees into the Finnish labour market. In addition, many hotels participate in programs aligned with Finland's Equality Act, ensuring fair treatment and workplace inclusion. (Scandic Hotels Group 2023.)

2. Employee Welfare:

- Employee well-being is a priority, with hotels offering flexible working hours, mental health support, and access to professional development opportunities.
- The Scandic Group runs initiatives to improve work-life balance, recognizing the hospitality industry's demanding nature. (Scandic Hotels Group 2023.)

3. Community Engagement:

- Hotels partner with local organizations to support cultural events, sustainable tourism, and community projects. For example, the Radisson Blu Seaside Hotel collaborates with Helsinki-based NGOs to provide meals and shelter for the underprivileged. (Radisson Responsible Business Report 2023.)
- Other hotels promote locals through sustainable sourcing of food and materials, a factor that contributes to the economic growth of the community members. (Helsinki Climate Roadmap 2023.)

Governance Standards

1. Sustainability Reporting:
 - Multiple hotels, including those part of global chains, such as Hilton and Marriott, publish ESG reports in line with frameworks including the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). These frameworks cover environmental, social, and governance metrics and targets. (GRI 2021.)
 - Locally owned hotels provide sustainability updates through the Green Key Certification, a program that furthers transparency in environmental practices.
2. Anti-Corruption and Ethical Conduct:
 - Governance in Helsinki's hospitality industry is built on compliance with extremely strict anti-corruption laws in Finland and hotels provide anti-bribery training for staff. (Transparency International 2022.)
3. Stakeholder Engagement:
 - Guest surveys are used to refine sustainability initiatives, and local partnerships are guaranteed to align with the values of the community. (Scandic Hotels Group 2023.)
4. Certifications and Accreditations:
 - Many hotels in Helsinki boast credentials like the Nordic Swan Ecolabel that assure remarkably high environmental and governance parameters. (Nordic Swan Ecolabel 2023.)

2.2 CSR, Sustainability and ESG Reporting

The concept of sustainability began gaining significance in the mid-19th century as the social and environmental impacts of industrial activities became more pronounced. By the 1950s and 1960s, mounting concerns about resource exploitation and environmental degradation prompted the introduction of corporate regulations, marking the formal emergence of Corporate Social Responsibility (CSR). (Mosca et al. 2017, p. 18.) CSR encompasses the responsibility businesses hold for their social, economic, and environmental impacts, aiming to meet stakeholder expectations through ethical, legal, and strategic commitments. (Chandler, 2017, pp. 4-7.) These responsibilities manifest in initiatives addressing issues such as labour rights, anti-corruption measures, environmental protection, and community engagement. (Blowfield et al. 2019, p. 24.)

In the 1980s, the United Nations expanded the discourse on sustainability, defining it as meeting present needs without jeopardizing future generations' ability to meet theirs. (UN 2023.) This definition is underpinned by three foundational pillars: environmental, social, and economic sustainability. Together, these pillars guide global efforts, including the UN's 2030 Sustainable Development Agenda (UNDP 2024), which outlines 17 Sustainable Development Goals (SDGs) aimed at fostering social equity, economic growth, and environmental conservation. (Hansmann et al. 2012, p.

451; UN 2023.) From an environmental perspective, businesses are increasingly urged to align their practices with sustainability imperatives. High-profile environmental disasters, such as the Exxon Valdez oil spill in 1989, underscored the financial and reputational risks associated with neglecting environmental responsibilities. These events catalysed the development of sustainability reporting to enhance corporate transparency and accountability. (Gökten 2020, pp. 103-110.) Baldarelli, Del Baldo, and Nesheva-Kiosseva (2020) emphasize that businesses must adopt robust environmental commitments to ensure their long-term viability. They argue that environmental stewardship has become central to maintaining stakeholder trust and addressing regulatory and market demands. (Baldarelli et al. 2020, pp. 1-6.)

ESG (Environmental, Social, and Governance) reporting appeared as a mechanism to disclose sustainability performance, enabling stakeholders to assess corporate accountability in these critical areas. (Peterdy 2023.) Several frameworks, including the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Integrated Reporting Framework (IIRC), have played pivotal roles in standardizing ESG disclosures. (GRI 2023; SASB 2023; IIRC 2020.) The SASB provides industry-specific reporting standards, while the IIRC focuses on principles for integrated reporting, combining financial and non-financial metrics. Recently, these frameworks have been consolidated under the International Financial Reporting Standards (IFRS) Foundation to encourage consistent global reporting practices. (IFRS Foundation 2022.)

Regulatory advancements have also driven the adoption of sustainability reporting. For example, the European Union's Non-Financial Reporting Directive (NFRD) of 2014 mandates large public interest companies to disclose their impacts on human rights, the environment, anti-corruption, and employee welfare. (Boeykens et al. 2022.) However, the absence of universally binding rules has created a fragmented reporting landscape. To address these challenges, organizations like the World Economic Forum, the International Business Council, and the Big Four accounting firms (Deloitte, PwC, KPMG, and EY) have developed standardized metrics aligned with the UN's SDGs to streamline reporting and improve comparability. (Deloitte 2022a, pp. 1-2.)

In conclusion, the evolution of sustainability and CSR reflects a growing recognition of the interconnectedness between businesses and the broader social, economic, and environmental systems in which they operate. As stakeholders demand greater transparency and accountability, the role of ESG reporting continues to grow, providing a critical tool for businesses to communicate their sustainability efforts and align their operations with global sustainability goals. By adopting robust sustainability practices and transparent reporting frameworks, businesses can contribute to a more sustainable future while safeguarding their long-term success in an increasingly complex global landscape.

2.3 The role of sustainability in modern marketing strategies

Sustainability has transformed from a peripheral concept into a core business strategy, particularly in marketing, where it influences consumer preferences, brand positioning, and competitive differentiation. With increasingly rising concerns over sustainability issues among the stakeholders, marketing became a highly relevant platform on which one could communicate corporate responsibility and build consumer loyalty and stimulate sustainable practices down to the supply chain. (Engert et al., 2016; Saeidi et al., 2021.)

2.3.1 The shift toward sustainability in marketing

In this modern world, consumers increasingly consider sustainability and ethics in making purchase decisions. This has changed the way businesses incorporate ESG issues into marketing strategies. Organisations demonstrate their commitment to sustainability to gain the attention of environmentally responsible consumers so that brand equity and consumer trust can be enhanced. Marketing strategies that align with sustainability also help mitigate reputational risks, especially in industries with high environmental and social impacts. (Chandler 2020, pp.78.) According to Blowfield and Murray (2019, 56), sustainability entails the creation of value for both customers and society at large, and for the environment. Such dual value creation underscores the principles of sustainable development by emphasizing how profitability is to be equated against wider gains in societal and ecological well-being.

2.3.2 Consumer-centric sustainability initiatives

Sustainability-centred marketing strategies tend to lean towards consumer education and involvement. Businesses run campaigns that communicate their sustainable behaviour, such as reducing carbon footprints, moving towards circular economy principles or ensuring sourcing is ethical. In this way, businesses will deliver on the growing demand for transparency and integrity in their operations. For example, interactive marketing campaigns can showcase supply chain transparency, emphasizing fair trade practices and environmentally friendly materials (Deloitte 2022b). In addition, those brands who consider consumer engagement in their sustainability journey — encouraging recycling through rewards programs or providing consumers with eco-friendly alternative choices — boost loyalty and differentiation. A study by McKinsey & Company and NielsenIQ (2023) found that 60% of consumers are willing to pay a premium for sustainable products, demonstrating the financial benefits of integrating sustainability into marketing strategies. The research further backed up that products making ESG-related claims accounted for 56 percent of all growth—about 18 percent more than would have been expected given their standing at the beginning of the five-year period: products making these claims averaged 28 percent cumulative growth over the

five-year period, versus 20 percent for products that made no such claims. In terms of the CAGR, products with ESG-related claims enjoyed a 1.7 percentage-point premium relative to those without, which is substantial in the context of a mature, modestly growing industry. Hence, proving that products making ESG-related claims therefore account for nearly half of all retail sales.

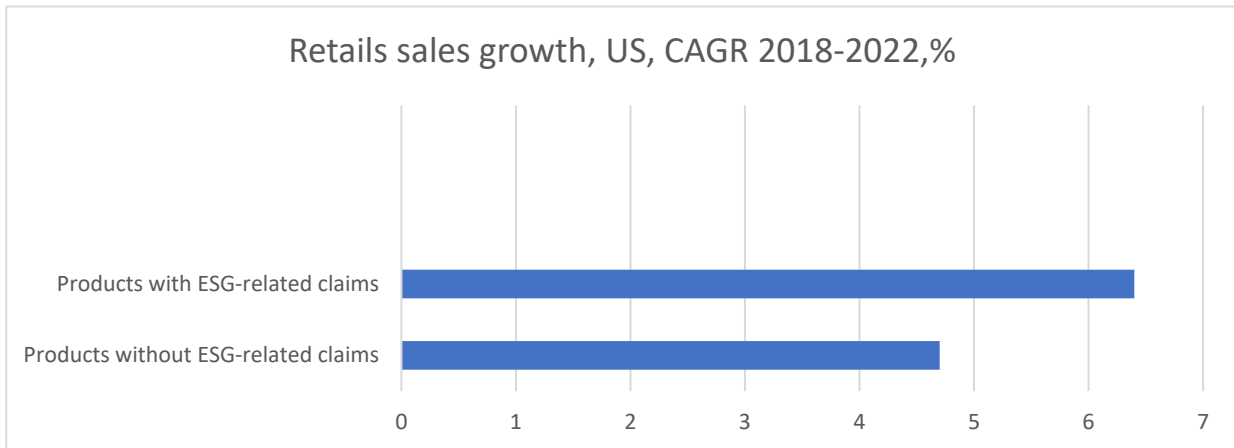


Figure 2. Difference in ESG-related claim sales in retail

2.3.3 Digital marketing and sustainability

The rise of digital marketing has created new opportunities for promoting sustainability. Social media platforms, email campaigns, and content marketing allow companies to share their sustainability stories effectively. Interactive content, such as behind-the-scenes videos of sustainable production processes or data-driven infographics highlighting ESG performance, helps convey authenticity and builds emotional connections with the audience. (Kotler & Keller 2020, 345.) Moreover, digital tools allow for more precise targeting and segmentation, thereby minimizing waste in marketing efforts by following the lines of sustainability. For instance, programmatic advertising minimizes resource use by delivering highly targeted ads to the right audience; this minimizes excess ad spend and its resultant environmental impact. (Hansmann et al. 2012.)

2.4 Challenges in sustainable marketing

Despite its potential, sustainable marketing faces challenges. Greenwashing—where companies exaggerate or falsely claim environmental benefits—poses a significant threat to consumer trust. This not only erodes consumer trust but also diminishes the credibility of genuinely sustainable businesses. (Aij & Sutikno 2015.) Businesses must establish value for sustainability claims by means of competent evidence and verify international reporting frameworks such as the Global Reporting Initiative (GRI) or the Task Force on Climate-Related Financial Disclosures (TCFD) (GRI 2023). Furthermore, implementing sustainability-focused strategies often

requires a re-evaluation of traditional marketing tactics, which may involve higher initial investments. For example, switching to biodegradable packaging or adopting ethical sourcing practices can increase costs, but these expenses are often offset by long-term brand loyalty and reduced regulatory risks. (Boeykens et al. 2022.)

Helsinki's consumers are among the most environmentally conscious in the world, with elevated expectations for businesses to demonstrate genuine sustainability efforts. Businesses in Helsinki must adopt internationally recognized frameworks such as the Global Reporting Initiative (GRI) or Finland's own EcoCompass certification to validate their claims. However, compliance with those standards is labour and resource-intensive and may be expensive, more so for SMEs that dominate businesses in Helsinki. (EcoCompass 2023.) Transitioning to biodegradable or recyclable packaging can require not only higher material costs but also retooling of production processes and ethical sourcing of raw materials often involves partnering with certified suppliers, which can be more expensive than conventional alternatives. There are factors to consider for the reasons it can be difficult for SMEs to adopt a more ESG-oriented approach which might be the cost challenges in sustainable practices, consumer scepticism and education, balancing profitability with sustainability goals, navigating regulatory complexities, market readiness and cultural expectations, technological and resource limitations, and adapting to rapidly changing consumer behaviour.

3 Research Methodology

This chapter outlines the methodology used to conduct the research presented in Chapter 4. It details the research design phases, data collection methods, and analysis techniques, ensuring alignment with the investigative questions outlined in Chapter 1. This structured approach ensures that each phase builds upon the previous ones to derive actionable insights and recommendations.

3.1 Research design

The research utilises a mono method qualitative research design and aims to explore the integration of Environmental, Social, and Governance (ESG) principles in the marketing strategies of Helsinki-based hotels. The primary objective includes evaluating current ESG practices, identifying challenges, assessing the effectiveness of frameworks, and providing recommendations for improvement. The design process is divided into four distinct phases, each addressing specific investigative questions (IQs). The research relies on primary data from semi-structured interviews with hotel managers and secondary data from a comprehensive literature review. The qualitative research design aligns with the exploratory nature of the study, which aims to understand how ESG principles are implemented in Helsinki-based hotels. (Saunders, Lewis, & Thornhill 2019, 184.)

Figure 3 illustrates the research design process. The first phase involved conducting a comprehensive literature review to establish a theoretical foundation for the study. Topics explored include sustainable marketing, ESG reporting frameworks, and their relevance to hospitality businesses in Helsinki. This phase addressed IQ1 by providing an overview of concepts essential to understanding the ESG integration process. Key frameworks such as the Global Reporting Initiative (GRI) and Finland's EcoCompass certification were analysed to contextualize the challenges and opportunities for hotels. (GRI 2023; EcoCompass 2023.) In the second phase, data was collected to examine the current state of ESG practices in Helsinki-based hotels. Semi-structured interviews conducted with hotel managers were gathered to gain insights on ESG practices, challenges, and opportunities and to understand the integration of ESG principles. Secondly, literature review of publicly available sustainability reports, certifications, and marketing materials were utilised as desktop research. The third phase involved organizing and analysing the data collected in Phase 2. Qualitative data from interviews and document analysis were examined using thematic analysis, identifying recurring patterns and trends. This phase 3 addressed IQ2, IQ3 and IQ4. Finally, the last phase is number 4, in which conclusions recommendations were tailored to address the challenges faced by Helsinki-based hotels and improve the integration of ESG principles into their marketing strategies. The conclusions also provided answers IQ5.

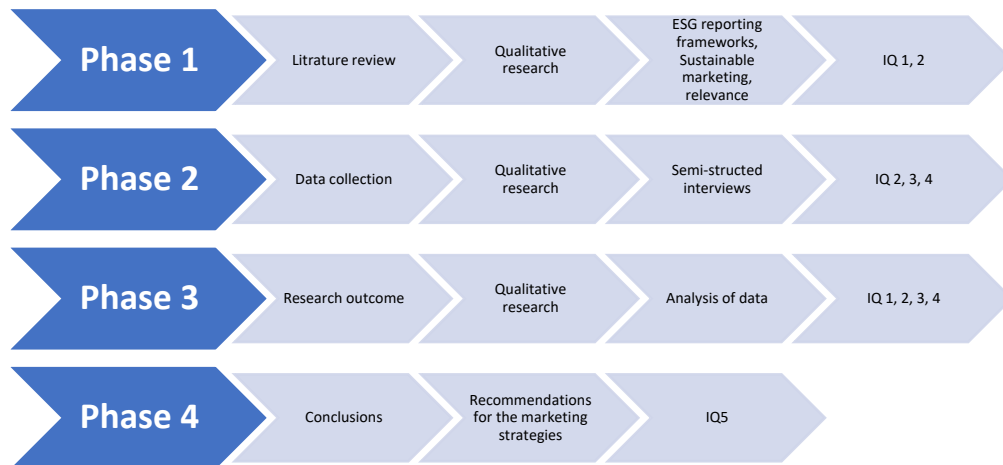


Figure 3. Research design

3.2 Data collection and analysis

Data collection consisted of primary and secondary data. The primary data source were the semi-structured interviews conducted with hotel's managers specifically in the housekeeping department targeting individuals directly involved in sustainability, marketing, and operations. The interviews focused on the implementation of ESG frameworks such as EcoCompass and the challenges faced in aligning marketing strategies with sustainability goals and consisted of open-ended questions ensuring flexibility while maintaining focus on key research questions. The interviews were semi-structured, allowing for flexibility in exploring topics while ensuring all critical aspects were covered. Table 2 illustrates the relationship between the investigative questions and some questions asked during the interview. These identified the recurring themes relating to the challenges of ESG adoption and effective marketing strategies. Ethical standards were maintained throughout the research process to ensure the integrity and reliability of findings. The purpose of the study was explained to all participants, and participation was completely voluntary, and the interviews were anonymised. The participants were informed of the uses of their information, and for this reason, they could withdraw at any stage.

Table 2. Relation of IQs to interview questions

Interview Question	Investigative Questions (IQs)
Q1: How would you describe the role of ESG in your hotels or housekeeping department overall strategy? What outcome do you seek out of it?	IQ 1: What is the current state of ESG reporting practices among hotels in Helsinki?

Q3: In your opinion, how do ESG practices influence the brand perception of your hotel?	IQ 2: How do regulatory requirements influence ESG reporting standards for companies in Helsinki?
Q14: What are the primary challenges your hotel encounters in implementing or promoting ESG practices?	IQ 3: What key challenges do companies face when implementing and measuring ESG initiatives?
Q12: Based on consumer feedback and data, what aspects of the hotel's ESG practices resonate most with guests?	IQ 4: How can companies better integrate ESG principles into their overall business strategies?
Q15: Are there specific opportunities that you believe could strengthen your ESG efforts in the near future?	IQ 5: What actionable recommendations can help companies improve their ESG reporting?

The secondary data was collected via publicly available resources, including sustainability reports, marketing campaigns, and certain frameworks. This analysis provided a basis for evaluating transparency and compliance with recognized standards like the GRI. The population for this research includes two primary groups, hotel management (housekeeping department) and consumers which are individuals aged 18–60 residing in Helsinki or visiting the city.

3.3 Research Planning

The research work was conducted in three well-defined phases, each with its respective activities that contributed to accomplishing the results of this work. These phases span from the initial theoretical framework up to data collection and analysis and final conclusions. The first phase, which began in early September 2024, focused on building the theoretical foundation of the study. It began with a review of extensive literature for three weeks. In this, key topics would be discussed: sustainable marketing, ESG principles, and how these principles are integrated within the hospitality industry in Helsinki. The literature review was done based on globally recognized frameworks such as the Global Reporting Initiative (GRI) and EcoCompass, together with peer-reviewed articles and case studies. (GRI 2021; EcoCompass 2023.) Phase 2 began in early October 2024 and involved gathering and analysing data to answer the research questions. Interviews were conducted to understand the ESG implementation and integration of sustainability into marketing strategies. The insights collected during these interviews were useful in finding challenges such as

resource limitations and scepticism among consumers.

Furthermore, document analysis was done on publicly available resources, including sustainability reports and marketing campaigns, to validate and triangulate findings from the interviews (Saunders et al. 2019). The final phase, in mid-November 2024, was the synthesis of those findings into actionable recommendations for hotels based in Helsinki. Recommendations based on how sustainability in marketing can be enhanced by finding ways to overcome some of the identified challenges and effective communication of sustainability efforts with consumers. The research process was completed with an integrative final presentation of the thesis that presented a theoretical framework, data analysis, and strategic recommendations.

4 Results

This chapter presents an analysis of the current state of sustainable marketing practices in Helsinki-based hotels and associated challenges. First, the sustainability marketing framework used by specific companies is analysed for an in-depth understanding of its implementation, key elements, and stakeholders involved. Next comes the introduction of the operational mix of sustainable marketing strategies, outlining the associated challenges and consequences that affect the financial and ecological performance of the hotel. Finally, the chapter presents an evaluation of the hotels' current methodologies for assessing and reporting sustainability efforts.

4.1 Sustainability frameworks in Helsinki hotels

Adoption of sustainability frameworks, such as the EcoCompass certification and Global Reporting Initiative (GRI) Standards, has become increasingly prevalent among Helsinki-based hotels. These frameworks contribute to aligning the hotels with internationally accepted standards of sustainability, help address customer expectations and assure compliance with local and global regulations. (EcoCompass 2023; GRI 2023.) The research revealed that most hotels rely on a structured process for implementing sustainability frameworks.

Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) is one of the most widely recognized frameworks for sustainability reporting providing a comprehensive set of ESG standards for organizations. (GRI 2023.) GRI Standards are categorized into three series—Universal, Topic-specific, and Sector Standards—allowing businesses to focus on the aspects most relevant to their operations. There is an emphasis on stakeholder-centric approach as well as aligns with additional frameworks like the UN Sustainable Development Goals (SDGs) and the Task Force on Climate-Related Financial Disclosures (TCFD), enhancing its utility for integrated reporting.

Nordic EcoLabel (Swan)

The Nordic EcoLabel, usually referred to as the Swan label, is the most trusted ecolabel in the Nordic region. It is a highly trusted ecolabel certifying products and services, including hotels, which adhere to strict requirements on the environment, quality, and health. Introduced by the Nordic Council of Ministers, the Swan label provides the benchmark for sustainability in the region. It evaluates the entire lifecycle of a product or service, from raw material extraction to disposal, and for hotels specifically, the criteria encompass energy efficiency, water conservation, waste management, and environmentally friendly cleaning products.

EcoCompass

EcoCompass is a Finnish certification targeted particularly for SMEs and municipal organizations. It provides practical tools for enhancing environmental management, aiming to achieve national sustainability goals. EcoCompass is in line with international standards like ISO 14001 but has been simplified to meet the resource constraints of smaller organizations. EcoCompass incorporates Finnish environmental regulations and aligns with local sustainability priorities and covers waste management, energy efficiency, procurement practices, and carbon footprint reduction.

Table 3 illustrates a comparative analysis of the three respective frameworks that Helsinki-based hotels select based on their specific needs.

Table 3. Comparative Analysis of GRI, Nordic EcoLabel and EcoCompass

Criteria	Global Reporting Initiative (GRI)	Nordic EcoLabel	EcoCompass
Scope and Target Audience	Global framework for businesses of all sizes, ideal for large, multinational companies.	Primarily targets consumer-facing industries like hospitality in the Nordic region.	Tailored for Finnish SMEs and municipal organizations.
Focus Areas	Comprehensive ESG coverage.	Precise environmental criteria with a lifecycle perspective.	Environmental management: waste reduction, energy efficiency, and procurement.
Stakeholder Engagement	Emphasis on stakeholder inclusivity via materiality assessments.	Limited engagement during certification but fosters high consumer trust.	Moderate engagement with advisory support from EcoCompass experts.
Consumer Recognition	Low: Primarily an internal and investor-focused reporting tool.	Very high: Strong trust and recognition among Nordic consumers.	Moderate: Recognized within Finland but less visible internationally.

Ease of Implementation	Complex: Demands significant resources, technical expertise, and long-term commitment.	Moderate: Strict criteria can pose challenges, especially for older establishments.	Easy: Cost-effective and supported by practical tools for SMEs.
Cost	High: Substantial investment in data collection and reporting.	Moderate to high: Certification and audits involve significant costs.	Low to moderate: Accessible for smaller businesses.
Long-Term Impact	High: Improves transparency, reduces risks, and enhances global reputation.	High: Boosts lifecycle efficiency and regional competitive advantage.	Moderate: Focused on operational improvements within Finland.
Best Suited For	Large/global organizations aiming for comprehensive ESG disclosure.	Nordic businesses seeking strong consumer trust and environmental branding.	Finnish SMEs with resource constraints.
Global/Regional Fit	Universally applicable across industries and geographies.	Regional focus on Nordic countries, highly effective in those markets.	Regional focus on Finland's environmental regulations.
Primary Benefit	Comprehensive transparency and stakeholder trust.	Consumer-facing sustainability branding and lifecycle impact.	Practical, actionable improvements for SMEs.

Consequently, the author finalized certain key insights from the frameworks and the application of them to hotels in Helsinki. GRI, is best suited for globally operating hotels in Helsinki or hotels that want to expand and aim to align with international sustainability standards and enhance transparency for stakeholders. Nordic EcoLabel is an ideal to attract environmentally conscious Nordic consumers to hotels in Helsinki and furthermore, EcoCompass, is an excellent choice for small and medium-sized hotels focused on practical, cost-effective environmental management.

4.2 SWOT analysis for Helsinki hotels using frameworks in marketing strategies

4.2.1 Strengths

Helsinki hotels benefit significantly from the adoption of sustainability frameworks, with each offering unique advantages for crafting effective marketing strategies. The GRI (Global Reporting Initiative) provides a globally recognized platform for reporting sustainability efforts to support a hotel's claim of transparency and accountability to global travellers and corporate customers. By leveraging GRI reports, hotels are able to craft compelling sustainability stories to communicate to eco-conscious consumers. (GRI 2023.) It is highly valuable, especially in the case of marketing conferences, events, and business stays where transparency and global ESG alignment are paramount. The Nordic EcoLabel (Nordic Swan) is a highly trusted certification recognized across Nordic and European countries. Its visibility provides a marketing edge by appealing to environmentally conscious travellers, particularly those from Nordic countries, who prioritize eco-friendly accommodations. (Nordic Swan 2023.) Featuring these certifications in marketing materials creates a perception of quality and reliability, enhancing consumer trust. Similarly, the EcoCompass framework, firmly rooted in environmental goals in Finland, provides localized benefits by appealing to a sense of regional accountability and green initiatives. This is well in line with the green city branding of Helsinki, further strengthening regional campaigns and situating EcoCompass-certified hotels as key Finnish contributors in the sustainability movement. (EcoCompass 2023.)

4.2.2 Weaknesses

GRI, while comprehensive and globally recognized, can be very data-intensive, hence not always easy to translate into consumer-friendly marketing material. It may alienate a casual traveller who does not readily understand or appreciate the details of an ESG reporting system with intricacies. (Jamil 2024, 30-42.) In addition, the high initial investment to adopt GRI can strain marketing budgets for smaller hotels. Regarding the Nordic EcoLabel, strict certification and costs related to that will delay marketing campaigns or exclude smaller hotels from participating. Its regional focus may also reduce its relevance for global markets, requiring additional efforts to emphasise its value to international visitors. EcoCompass, though effective for domestic campaigns, suffers from limited recognition outside Finland and thus offers less value for attracting foreign tourists. Operational focus on processes rather than end-consumer achievements makes it less adaptable to engaging marketing content.

4.2.3 Opportunities

GRI compliance puts hotels in a strategic position to attract corporate clients and events from international markets by demonstrating leadership in sustainability. By highlighting ESG transparency,

they tap into the growing demand for sustainable business travel packages and eco-conscious conferences (Boeykens et al. 2022) and it is highly relevant to Helsinki as it the city has positioned itself as a hub for innovation and sustainability. EcoCompass is an excellent fit for Helsinki's positioning as a sustainable city and opens avenues for hotels to engage with local tourism and green travel initiatives. By advocating for the sustainability of its regions, hotels can reach out to the local tourists and further support the Finnish tourism sector's duty to provide ecotours. (My Helsinki 2023.) Nordic EcoLabel certification allows hotels to target Nordic and European markets effectively, where environmental certifications are highly valued. Cross-promotional partnerships with Nordic-certified food suppliers, transport services, and cultural institutions can create integrated marketing campaigns that emphasise sustainability. (Nordic Swan 2023.)

4.2.4 Threats

GRI's detailed reporting requirements can lead to accusations of greenwashing if hotels overstate their achievements or fail to provide transparent evidence for their claims. (Jamil 2024, 30-42.) In addition, since there can be other eco-labels with broader scopes, including social sustainability metrics, Nordics EcoLabel may become diluted in market positioning. Stringent application processes and excessive costs may further discourage smaller hotels from pursuing it, thereby generally limiting its wider diffusion and marketing potential.

4.3 Marketing analysis of ESG in Helsinki hotels: Interview

The adoption of ESG practices within the hospitality industry is increasingly influencing marketing strategies, shaping brand differentiation, and driving consumer engagement. This analysis, based on interviews with managers of a well-established hotel in Helsinki, will have a close look at the marketing implications of ESG integration and presents a comprehensive view of strategies, challenges, and opportunities, supported by relevant data.

ESG as a Marketing Pillar

ESG initiatives are a critical component of a hotel's marketing strategy and is used as a tool to improve brand reputation and consumer trust. The respondent pointed out that the hotel effectively publicizes its environment and social-related initiatives to guests in various communication touch-points, such as through in-room signage, websites, and social media. These efforts aim to connect with the preferences of environmentally sensitive travellers while building a positive brand image. According to Booking.com (2023), 76% of global travellers prioritize eco-friendly accommodations, while 43% actively seek hotels with sustainability certifications. 41% of Millennials and Gen Z consumers, significant portions of the travel market, would pay more than 30% extra for sustainable travel experiences. (EuroMonitor, 2023.) These statistics underscore the importance of embedding

sustainability into marketing campaigns to capture growing consumer interest. A survey conducted by FloWater (2023), Figure 4 shows that nearly six out of ten travellers would prefer to stay at hotels where sustainable practices are prioritized as well as Figure 5 illustrates that more than 30% would be willing to pay more. However, it should be noted that the survey represents one data point.



Figure 4. Flowater Survey (2023).

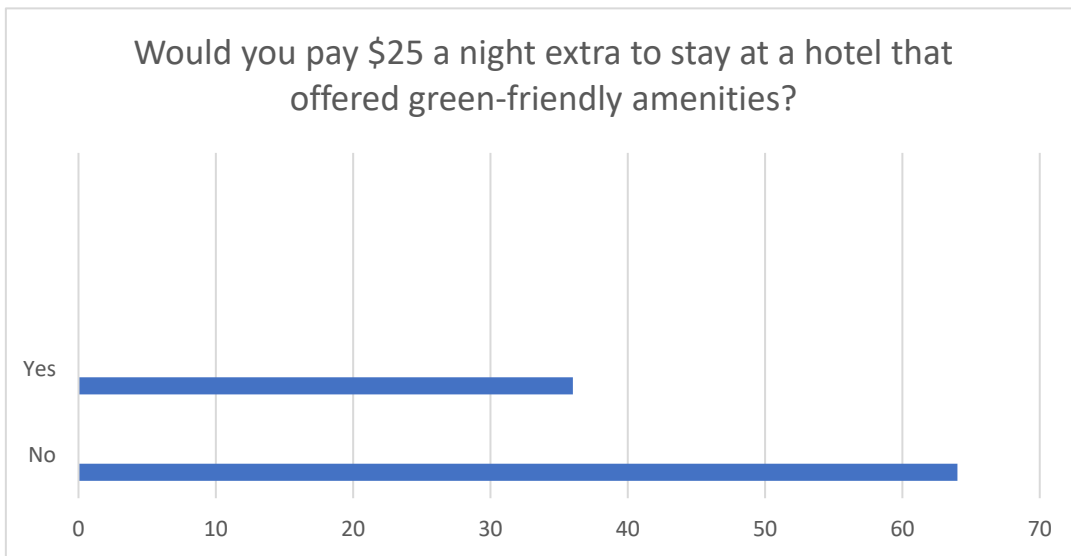


Figure 5. Flowater Survey (2023).

Tailored Messaging Strategies

The interview revealed that the hotel employs specific messaging to communicate its ESG efforts effectively. Each theme targets a distinct audience segment, enhancing the relevance of the campaigns. Slogans such as "Stay Green, Stay Clean" zero in on eco-friendly initiatives that put a

focus on waste reduction, energy efficiency, and water conservation. These messages appeal to environmentally conscious guests who value sustainable practices as 65% of guests are most likely to make bookings for those accommodations that showcase green certifications front and centre (Booking.com, 2023). Messages such as "Supporting Local Communities" demonstrate the hotel's commitment to community projects and fair labour policies. This tactic appeals to those guests who consider ethical business operation and local involvement significant. Messages such as "Your Stay, Your Impact", which encourage guests to take part in the sustainability efforts, like recycling or choosing light housekeeping services, would give guests a shared responsibility.

Marketing Channels for ESG Communication

Han et al. (2011) found that if a hotel prioritizes environmental sustainability, guests are more likely to share a positive word of mouth about it. Ham & Han (2013) suggested that the promotional activities in the hotel businesses can be conducted while targeting the potential consumers since investing in the green initiatives would be beneficial for the property in the long term. It was also found that the guest's emotions had a positive relationship with word of mouth promotion for hotels. (Sukhu et al., 2018.) The interview responses highlighted several channels used to promote ESG initiatives. Each channel has unique advantages in reaching specific audience segments. In-room signage provides immediate visibility and educates guests about eco-friendly practices, such as reusing towels or conserving water. According to Font and McCabe (2023) reported that well-designed in-room prompts increased eco-friendly participation rates among guests by 63%. The hotel website serves as a central platform to display certifications, sustainability reports, and detailed information about ESG initiatives. On social media platforms like Instagram and LinkedIn, the storytelling of ESG practices is amplified. The hotel websites' play the role of key communicator for ESG, showcasing certification, sustainability reports, stories, and much more appealing to the eco-tourism segment. Other channels like Instagram are used as visual storytelling catalysts. This is reinforced by Font and McCabe (2023), who identify digital transparency in sustainability marketing, and Jones, Hillier, and Comfort (2022), who identify the role of digital media in building trust that increases direct bookings. In their conclusions, they particularly highlighted the potential of the websites and social media to nurture the engagement.

Application of ESG practices in hospitality has a micro impact on consumer buying behaviour. The interview highlights positive guest feedback on initiatives such as waste reduction and energy conservation. However, challenges like inconsistent recycling efforts emphasize the importance of thorough internal processes and employee training. (Font & McCabe, 2023.) It shows that customers booking hotels labelled as sustainable and environmentally friendly, are more likely to stay at the properties again, being the likelihood of 22%. (Jones et al., 2022.) Positive online reviews for

sustainable hotels, driven by eco-conscious travellers, further solidify the correlation between ESG and consumer advocacy. (Cohen et al., 2023.) The interview results correlate with the earlier findings. It is the eco-certificates that are going to influence the booking decisions of guests as they often are the ones mentioned by guests to boost their confidence in the choice of the hotel or accommodation.

Opportunities and Challenges for ESG-Driven Marketing Growth

The strategic integration of ESG into marketing opens opportunities for improving brand equity and guest engagement. Notably personalized marketing using guest data to create personalized ESG messages is quite effective. For example, adopting renewable energies to environmentally conscious people should make it more applicable and increase engagement. (Font & McCabe, 2023.) Collaboration campaigns with eco-focused influencers would also expand the reach, demonstrated by campaigns that achieve 40% higher engagement. (Jones et al., 2022.) Using tailor-made marketing and gamification in a tactical manner reigned in as actionable suggestions from the interview. For instance, the hotel brand could customize a specific initiative, such as local biodiversity support programs, indicated in the communications according to guest demographics.

The interview acknowledged greenwashing risks; participants underscored that ESG actions should be clearly and authentically communicated to avoid scepticism. (Cohen et al. 2023.) The interviewees also identified resource constraints, such as a lack of personnel training in ESG communication, which again supports the findings of Gössling & Hall (2022) on budgetary strains for smaller establishments. Additionally, according to Khatter (2023), most small and medium-sized businesses within the hospitality industry view environmental initiatives as cost-intensive and fail to recognize their long-term benefits.

Conclusion

ESG is not only a moral imperative but also a strategic advantage in the hospitality industry. By cultivating transparency and meeting the growing consumer demand for sustainability, ESG efforts greatly improve guest engagement, loyalty, and advocacy. Authentic and measurable ESG allows hotels to command trust and differentiate themselves in an increasingly competitive market. However, the success of these strategies depends on consistent implementation, effective communication, and alignment with brand values. Strategic integration of ESG in marketing would not only meet current guest expectations but also position hotels as leaders in sustainable tourism, securing their brands for the future. For example, the communication of selected environmental actions with targeted messaging is more likely to appeal to environmentally concerned travellers, while gamification-based initiatives engage guests directly with sustainability. This dual approach fosters

both emotional and practical connections, amplifying guest satisfaction and repeat business. (Gössling & Hall, 2022; Jones et al., 2022.) Moreover, the effect of marketing on ESG cascades down to operational efficiencies. For instance, energy conservation or waste reduction practices lessen environmental footprints while making stakeholders and guests alike appreciate how much an organization is fiscally responsible. Staff training and internal engagement initiatives thus indoctrinate the concept and values of ESG into the operations, minimizing contradictions in practice and thus improving the sense of authenticity. (Font & McCabe, 2023.) The risks, such as greenwashing, underline the importance of communicating verifiable and transparent practices. Providing granular information about certifications or achievements builds credibility and addresses consumer scepticism. (Cohen et al. 2023.) The last set of challenges includes resources allocated to internal buy-in, which cannot be overcome without solid internal frameworks and the organizational commitment to sustainability.

In conclusion, ESG practices are a paradigm shift in the way hospitality businesses engage with consumers, employees, and stakeholders. It's more than just a marketing makeover; sustainability has been sewn into the operational DNA of organizations as a means of ensuring relevance, resilience, and success in a rapidly changing industry landscape. These insights provide actionable guidance for hotels to effectively integrate ESG principles into their business models while remaining attuned to evolving consumer preferences and global sustainability goals.

4.4 Case Study: Scandic Hotels and Marketing Strategy Analysis

Scandic Hotels is one of the biggest hotel chains in the Nordic region, passionately committed to sustainability and corporate social responsibility. Over time, Scandic has embedded the aspect of sustainability into its business model and marketing strategies, reflecting its commitment to environmental responsibility and long-term economic success. This case study will look at how Scandic Hotels uses Nordic Eco-Label to shape its marketing strategies, and how these strategies contribute to the company's competitive advantage. (Scandic Hotels 2023.) The Nordic Ecolabel is a trusted symbol of environmental responsibility. It is an official certification from a government-endorsed body in the Nordic countries, which ensures that Scandic Hotels meet extremely ambitious standards for environmental sustainability. Amongst the extensive measures taken to achieve such a certification, there are those referring to energy efficiency, reduction of waste, and also ethical sourcing practices. For consumers, the Nordic Ecolabel offers assurance that a third-party assessment of Scandic has been conducted and that it meets elevated levels of environmental standards. This enhances customer confidence—a prime ingredient in developing loyalty and strong brand reputation.

As consumer interest in sustainability grows, particularly among eco-conscious travellers, the Nordic Ecolabel gives Scandic a distinct competitive edge in the hospitality industry. Hotels that carry the Nordic Ecolabel are recognized as leaders in environmental stewardship, and, therefore, more appealing to consumers with a growing interest in sustainability within their travel choices. This ecolabel makes Scandic different from competitors who do not have as strong an environmental focus, positioning it as the brand of choice for customers in the market for sustainable and responsible accommodation options. Scandic Hotels can communicate the Nordic Ecolabel in its marketing to amplified commitment for sustainability and responsible tourism. The ecolabel becomes central in its branding, used in marketing materials, online platforms, and advertisements as well as enhances not just the reputation of Scandic but also fosters operational improvements. Achieving the ecolabel requires hotels to implement energy-efficient systems, reduce waste, and optimize water usage—practices that often result in significant cost savings. By adopting more sustainable practices, such as reducing energy consumption or using environmentally friendly cleaning products, Scandic can lower its operational costs in the long term. However, more on the consumer side, the Nordic region, and most especially Scandinavian consumers, have extremely grand expectations for sustainability. This is an important market with growing numbers of travellers who demand environmentally friendly companies. For Scandic, it's also crucial to meet consumer expectations in these markets. When Scandic gets the Nordic Ecolabel, it meets the values of its target customers, thereby remaining relevant in an increasingly sustaining market where sustainability is a big decision-making factor. Moreover, this helps the company penetrate a market segment willing to pay a premium for sustainable services.

For Scandic Hotels, the Nordic Ecolabel is part of the B2C marketing strategy helping the company capitalize on the growing demand for sustainable travel options. As sustainability keeps gaining momentum in consumer behaviour, it indeed places Scandic Hotels in a strategic position to reinforce its brand image, ensure customer loyalty, and live up to the lofty expectations of travellers both intra-Nordic and extra-Nordic. (Ho, C., Tsai, B., Chen, C., & Lu, M. 2020.) Through strategic use of the Nordic Ecolabel in its marketing campaigns, Scandic can not only appeal to the environmentally conscious traveller but also contribute to the long-term success of sustainable tourism.

5 Discussions

This concluding chapter summarises the main aspects presented in the report, highlighting the key findings, recommendations, discusses reliability, validity, and relevance and limitations of the research. The conclusions conclude with the author reflecting on her own learnings.

5.1 Key Findings

This thesis aimed to investigate the current state of ESG communication practices within the hospitality industry, focusing specifically on hotels that integrate sustainability efforts into their marketing strategies. Through a thorough literature review and semi-structured interviews, the study explored key elements of ESG, including communication channels, consumer behaviour, and the effectiveness of sustainability marketing. Central to the review were certain factors such as in-room signage, website content, and email campaigns, all adding up to more guest engagement and higher brand perception. Key performance indicators regarding booking rates and customer loyalty have also been discussed in order to evaluate the influence of these ESG efforts.

The findings highlighted two main conclusions. First, effective ESG communication through consistent and transparent messaging significantly improves guest engagement and loyalty, as manifested in higher booking rates and positive online reviews. Second, resource allocation challenges and the potential for greenwashing were recognized as two of the principal barriers to effective ESG marketing. The absence of standardized ESG disclosures and inconsistent implementation of sustainability practices within hotels creates further complexity in communicating efforts to guests. This study highlights that authenticity and sound internal processes play a pivotal role in the successful implementation of ESG-driven marketing strategies in the hospitality sector. The findings also underline the need to overcome potential greenwashing risks, as guests turned out to be wary of unverified sustainability claims. Furthermore, while ESG practices offer a competitive advantage for the hospitality marketing mix, such efforts must be genuine, sustained, and strategically communicated. In practice, overcoming the limitations of resource constraints, lack of standardization, and greenwashing will be paramount to achieving the full potential of ESG-driven marketing in hospitality.

5.2 Recommendations

The analysis of the findings reveals that hotels must prioritize authentic, transparent, and consistent communication of their sustainability practices. To achieve this, ESG claims should be supported by verifiable actions since consumers are increasingly aware of greenwashing tactics. Such transparency can be easily facilitated with the help of digital platforms: websites present detailed

sustainability efforts, while social media amplify the message using engaging visual content. By leveraging real-time data, hotels can improve the relevance of their ESG marketing, tailoring messaging to eco-conscious guests, thus fostering a deeper connection and engagement. Moreover, hotels need to invest in modernizing their internal processes, especially regarding data collection and analysis, to ensure more accurate and efficient forecasting. Personalized marketing based on guest preferences can make ESG initiatives feel more relevant to the individual, strengthening brand loyalty. This approach also requires strengthening internal training of staff to align all levels of the organization with sustainability goals. Consistency in executing these initiatives is essential for building guest trust and fostering repeat business.

The author additionally recommends investing in gamification as this can provide a fun and interactive experience to engage guests in eco-friendly practices, such as recycling or conserving energy. Influencer and sustainable brand partnerships will help to amplify ESG messages, while their reach increases. This becomes particularly efficient in the niches of eco-tourism markets where voices can be trusted and help add weight to the claims of sustainability. Finally, hotels must recognize the challenges associated with limited resources, particularly for SMEs. Hotels can achieve better improvement in sustainability by focusing on and prioritizing those ESG practices that would have the most impacts without overextending finances. Sharing resources and expertise will help mitigate these challenges, along with industry partners. As hotels take strategic positions in aligning business goals with ESG issues, they can achieve the twin benefits of not just good sustainability performance but also ensuring a long-term competitive edge in emerging eco-sensitive markets.

5.3 Reliability, Validity, and Relevance

The reliability of the findings is embedded in the extensive data collection methods adopted, which include theoretical frameworks, case studies, and interviews. The theoretical framework is based on reliable sources, including recent literature and industry reports. However, since ESG practices and their impacts are constantly evolving, some data may reflect industry trends rather than fixed standards. This limitation was addressed by focusing on companies with strong reputations in sustainability, ensuring the validity of the external analysis. The validity of this study is underpinned by adherence to current ESG frameworks and the most up-to-date industry practices. In this process, updated sources were prioritized in research to make sure that the latest trends and data were integrated into the research. Moreover, the use of real-time reports and examples from well-established companies made the analysis reliable based on valid data. Since ESG regulations change with time, the validity of these findings is intact since the principles and recommendations will still apply to on-going trends.

The relevance of the findings is particularly strong, considering the increasing global emphasis on sustainability. As more consumers demand eco-friendly and socially responsible practices from businesses, the hospitality industry's focus on ESG initiatives is more crucial than ever. Interviews with industry professionals underscored the growing importance of sustainable practices in customer decision-making, reflecting the relevance of the study for companies aiming to remain competitive. It also has future relevance, since it provides recommendations which are not only in line with the present practices but are in anticipation of the emerging direction of ESG. This research, therefore, offers valuable, actionable insights for hotels in the pursuit of improving their ESG practices while staying ahead of industry trends. The relevance goes beyond the immediate findings to suggest sustainable growth strategies and contribute to the broader discourse on sustainability in the hospitality sector.

5.4 Reflections

The author views this project as a learning curve for the understanding of ESG practices in the hospitality industry and their impact on consumer behaviour. At the beginning of this project, the author did not have much idea about ESG concepts, but after in-depth research and application, she learned how sustainability could bring about customer engagement, loyalty, and brand differentiation.

The author encountered challenges in obtaining timely and reliable data, particularly from external sources and acknowledges the importance of having a broader pool of interviewees and contingency plans to ensure more robust data collection in the future. The process has also brought into sharp relief the importance of real-world examples as a way of bridging theoretical concepts with practical applications, which makes complex ideas more comprehensible and internalisable. In addition to overcoming research challenges, the author cherished the learning from the industry examples of successful ESG implementation. This experience deepened her understanding of how sustainable marketing strategies impact brand identity, offering valuable lessons for her professional growth. The author now feels more equipped to explore ESG in future academic and career opportunities, especially in sustainable business practices and corporate responsibility.

Overall, the author developed stronger research, communication, and analytical skills through the project. She recognizes the importance of effective data management and communication in conducting successful research, and these lessons will be instrumental in her future academic and professional endeavours.

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Appendices

Appendix 1. Interview with Scandic's branch company Manager X

1. How would you describe the role of ESG in your hotels or housekeeping department overall strategy? What outcome do you seek out of it?
2. Which ESG aspect (environmental, social, or governance) is most significant for your hotel, and why?
3. In your opinion, how do ESG practices influence the brand perception of your hotel?
4. What are some of the primary environmental initiatives the hotel has put in place (e.g., energy saving, waste reduction)?
5. Could you outline key environmental initiatives the hotel has adopted
6. How do you measure the success of these environmental efforts? Energy & Water Use: Reductions in consumption per guest night.
7. Could you share some of the social responsibility initiatives that the hotel participates in or promotes?
8. How are your hotel's ESG initiatives communicated to guests? Which channels do you find most effective?
9. What type of messaging is most commonly used in promoting these initiatives, and what's the rationale behind it?
10. Have you noticed any changes in guest interest or loyalty tied to your ESG marketing efforts?
11. Based on guest feedback, what level of interest do you observe among guests in your ESG initiatives?
12. Based on consumer feedback and data, what aspects of the hotel's ESG practices resonate most with guests?
13. Have you seen any impact on booking behaviour or guest satisfaction related to your ESG practices? If you have any metrics, please feel free to do so!
14. What are the primary challenges your hotel encounters in implementing or promoting ESG practices?

15. Are there specific opportunities that you believe could strengthen your ESG?
16. What long-term ESG goals does the hotel have?
17. How do you see the hotel's ESG practices evolving in the next few years?
16. Is there anything else about your hotel's ESG approach that you'd like to share?
17. Are there any questions you feel are particularly important for guests to understand your commitment to ESG?