

Title:

Beyond Compliance: Evaluating the Strategic Value of GreenGlobe Certification Under the CSRD (ESRS S1 standard) using a document-based comparative analysis

Abstract (149 words)

This study investigates the value of voluntary sustainability certifications, specifically the Green Globe certification, concerning the EU's European Sustainability Reporting Standards (ESRS), with a focus on ESRS S1 – Own Workforce.

Using a qualitative case study of a Green Globe-certified five-star hotel in Europe, the research conducts a document-based comparative gap analysis to assess the alignment between existing workforce-related sustainability practices and the legally mandated disclosure requirements under ESRS S1.

The findings reveal that while the hotel has established a policy framework that complies with legal obligations in areas such as working conditions and basic rights, significant gaps persist due to the absence of formal performance targets and clear metrics. The results underscore the need for hotels, particularly SMEs, to move beyond certification checklists and strategically embed workforce-related metrics into their sustainability agendas.

Recommendations are provided to support stronger ESRS S1 alignment, enabling improved transparency, stakeholder trust, and long-term resilience.

Keywords (max 5)

Hotel, ESG, certificate, Green Globe, ESRS

Paper type:

Empirical

Contents

Abstract (149 words) 1

Keywords (max 5) 1

Paper type: 1

Introduction 3

Background 4

 Know-how: Green Globe certificate 5

 Know-how: ESRS S1 6

Methodology 7

Preliminary findings..... 8

Discussion 9

Conclusion..... 11

References 11

Introduction

The hospitality industry forms a cornerstone of economic activity and employment, carrying significant responsibility for both environmental and social sustainability. As stakeholder expectations around corporate responsibility grow, voluntary sustainability certifications have expanded considerably and are now commonly used tools to communicate sustainable practices. However, these certifications often emphasise environmental criteria, while social aspects, particularly those related to an organisation's own workforce, remain underrepresented (Dias et al., 2024; Velaoras et al., 2025). As of 2024, the global travel and tourism industry contributed approximately 10% of the world's total GDP and offers 1 out of 10 jobs globally (WTTC, 2025). This figure encompasses the industry's direct, indirect, and induced economic impacts. The hospitality sector faces the dual challenge of managing rising costs and meeting sustainability goals. Hotels increasingly recognise that adopting green practices and renewable energy solutions contributes to the sustainability agenda and can improve brand reputation and competitiveness in a market defined by environmental consciousness (Nižić et al., 2017; Ghimire et al., 2023), but they face many challenges.

This issue becomes even more urgent as workforce demographics shift. Generation Z, projected to comprise nearly one-third of the global workforce by 2030, strongly values diversity and inclusion, work-life balance, mental and physical health, and purpose-driven employment (Oliver Wyman Forum, 2023). In an industry already affected by labour shortages (HOTREC, 2022) and where various stressors impact many hospitality jobs (Saito et al., 2025), the hospitality industry must rethink its approach to workforce management. Rather than making superficial adjustments to human resource policies, there is a growing need to embed workforce-related considerations into the core of business strategy and address them through a sustainability lens. Prioritising employee well-being, which became a recognised driver of improved performance and long-term organisational success, underscores the importance of this strategic shift.

In response to these sustainable developments, the European Union introduced the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). These regulations cover environmental, social, and governance (ESG) matters and, through ESRS S1 Own Workforce, establish a framework for reporting on workforce-related topics. This includes transparency around working conditions, equal treatment and opportunities, and other work-related rights (EFRAG, 2023). The ESRS can and should be seen as an impulse to enhance social performance (Farzam et al., 2023). Due to CSRD's nature (not to mention the Omnibus proposal), small and medium-sized enterprises (SMEs) in the hospitality industry remain outside the initial

legal scope. They are also often unaware of or unprepared for its disclosure requirements. These companies commonly rely on voluntary certification schemes (Pommier & Engel, 2021), which typically do not match the breadth or depth of the CSRD. Although not legally bound to comply, SMEs are facing growing stakeholder pressure, including from current and prospective employees, to increase transparency and good practices (WWTC, 2017).

This gap is particularly significant considering a competitive labour market, evolving stakeholders, new generations' expectations, and shifting regulatory frameworks. As a result, there is a clear need to assess the extent to which voluntary certification frameworks, such as GreenGlobe, GreenKey or B Corp etc, align with the disclosure standards outlined in the ESRS. This study aims to identify shortfalls in workforce-related reporting between voluntary certification programs and the new EU's legally ESRS standards. Based on these findings, it provides practical recommendations for how small and mid-sized hotels can improve alignment with broader disclosure standards, which are often about strategy making, so ultimately, they could strengthen the workforce-related social performance, while continuing to pursue business success.

Main Research Question:

- How can a Green Globe-certified hotel bridge the gap between its existing voluntary workforce-related practices and ESRS S1 – Own Workforce disclosure standard?

Therefore, the objective of the study is twofold: first, to examine the extent of alignment between the Green Globe certification criteria and the ESRS S1 disclosure requirements; and second, to assess which elements of ESRS S1 are addressed by the specific hotel through its existing practices included in the Green Globe certification.

Background

The HTH Career Fair held on March 20, 2025, featured a prominent session titled “The ‘S’ from ‘ESG’: Social Sustainability Framework: A Necessity or Just a Trend?” led by Dr M. Ratkai. The session focused on the increasing importance of the social dimension within Environmental, Social, and Governance (ESG) frameworks. As businesses face mounting pressure to act responsibly both environmentally and socially, Dr. Ratkai explored how organizations are, or should be, evolving in their approach to recruiting, retaining, and developing future leaders. The discussion also examined the potential need for a dedicated social sustainability certificate, highlighting the gap in current certification practices, which primarily address environmental concerns (Ratkai, 2025).

This initiative is part of and a continuation of a broader project (MV.KIEM.01.040), co-financed by the Dutch Research Council (NWO), to enhance awareness and understanding of sustainability-related obligations. The event was timely, given the ongoing implementation of the EU's Corporate Sustainability Reporting Directive (CSRD). Presentations and supporting materials emphasized how the CSRD affects (or does not affect) different entity types, with phased reporting obligations depending on company size and scope. Particularly relevant were insights into social metrics covered under ESRS S1, which include health and safety, employee satisfaction, and inclusion of vulnerable workers, issues deeply connected to social sustainability and legal compliance.

A key recommendation emerging from the event is for companies to integrate social sustainability into their core strategy proactively. This includes conducting thorough double materiality assessments, engaging with internal stakeholders like Works Councils and confidential counsellors, and capturing feedback through tools such as employee satisfaction surveys and exit interviews. Organisations should begin aligning their practices with the ESRS guidelines under the CSRD, even where disclosure requirements are not mandatory, to stay ahead and build a robust, inclusive workplace culture.

So what is the difference between mandatory and voluntary reporting? The goal of corporate environmental and social reporting is to gain societal approval and legitimacy, as well as enhance transparency and traceability for the firm's operations. As a result, firms that have produced sustainability reports in the previous year will typically reissue them the following year. Three factors that influence these reports are:

- (1) legislation/regulation, a.k.a obligation,
- (2) showcasing non-financial and financial performance and
- (3) company governance/culture, a.k.a. voluntary reporting (including certificates).

Know-how: Green Globe certificate

The Green Globe Certification Standard encompasses 44 criteria supported by over 380 compliance indicators, structured around four key themes: Sustainable Management, Social/Economic, Cultural Heritage, and Environment. Out of these 44 criteria 10 of them specifically address aspects related to an organization's own workforce (Table 1), focusing on employee well-being, development, and equitable practices. Given that the study focusing on ESRS S1, only these latter ones would be included into this manuscript.

Table 1: Workforce-Related Criteria in the Green Globe Certification (as defined by GreenGlobe)

| Criteria No. | Criteria |
|--------------|--|
| A.1 | Implementation of a sustainability management system |
| A.2 | Regulatory Compliance |
| A.3 | Employee training |
| A.9 | Health and safety |
| A.10 | Disaster Management & Hazard Prevention |
| B.6 | Exploitation |
| B.7 | Equal rights in the recruitment of staff |
| B.8 | Worker protection |
| B.9 | Basic services |
| B.10 | Local livelihoods |

Source: GreenGlobe

By integrating these workforce-related criteria and actions, organizations not only align with the Green Globe Certification requirements but also foster a sustainable and supportive work environment.

Know-how: ESRS S1

The European Sustainability Reporting Standards (ESRS) were formally adopted in 2023 as part of the Corporate Sustainability Reporting Directive (CSRD) framework. Among these, ESRS S1 – Own Workforce provides the reporting standard related to a company’s direct employees and non-employee workers whose work is controlled by the undertaking. ESRS S1 is designed to capture the undertaking’s material impacts, risks, and opportunities related to its own workforce. It includes structured disclosure requirements grouped under thematic subtopics such as Working Conditions, Equal Treatment and Opportunities for All, Other Work-Related Rights, and Workforce Composition. These are preceded by general disclosures (e.g., policies, actions, and metrics) and connected to cross-cutting standards that align with overarching principles like double materiality and stakeholder engagement (EFRAG, 2023a).

Each thematic subtopic in ESRS S1 , for example, within the “Working Conditions” theme, DRs include disclosures about working time, health and safety, and social protection. The “Equal Treatment” theme includes DRs related to diversity, inclusion, and non-discrimination, while “Other Work-Related Rights” addresses elements like freedom of association and collective bargaining. Finally, “Workforce Composition” requires disclosing

data on the number, type, and geographic location of workers, as well as employment relationships (EFRAG, 2023b). These structured layers ensure both qualitative and quantitative insights into how companies manage and impact their workforce, forming a key part of sustainability due diligence under the ESRS framework (Table 2).

Table 2: Example for own workforce from EU standard (ESRS S1)

| Standard | Topic | Subtopic | Sub-subtopics |
|----------|---------------|---------------------------|---|
| ESRS S1 | Own workforce | Other work-related rights | Child labour, Forced labour, Adequate housing, Privacy |

Source: ESRS S1 standard

Methodology

This research employs a qualitative, case study methodology to examine the alignment between workforce-related sustainability practices, voluntary certificates such as Green Globe and ESRS reporting standards within the hospitality sector. The case selected for this study involves a five-star European hotel certified by Green Globe. This case was chosen because it exemplifies a small-to-medium-sized enterprise (SME) in the hospitality industry that has voluntarily adopted a third-party sustainability certification, providing a relevant context for investigating the relationship between voluntary practices and regulatory expectations.

The study's objective is to assess how the hotel's existing workforce-related sustainability policies correspond with the disclosure requirements outlined in the European Sustainability Reporting Standards (ESRS), specifically ESRS S1 – Own Workforce, under the Corporate Sustainability Reporting Directive (CSRD) as per the RQ.

The research adopts a document-based comparative gap analysis as its primary method. Data were collected from publicly accessible and internal sources, including Green Globe certification criteria, sustainability reports, codes of conduct, website content, and other relevant corporate documents that address workforce practices. These materials serve as the empirical foundation for evaluating the hotel's current level of disclosure on workforce-related sustainability issues. The analytical strategy is based on a deductive content analysis using the structure and categories defined in ESRS S1. For an example of the ESRS S1 topic-subtopic and sub-subtopic see Table 2. The subtopics and sub-subtopics outlined

in the S1 standard were used as a coding framework. Each disclosure item within the ESRS S1 framework was systematically compared with the hotel's existing practices. The degree of alignment was classified as fully addressed, partially addressed, or not addressed, thereby allowing for the structured identification of disclosure gaps.

Preliminary findings

The evaluation of workforce-related sustainability practices at the hotel demonstrates that it has taken meaningful steps to establish a strong foundation of policies in line with legal requirements. These policies cover a broad range of sustainability areas such as working conditions, equal treatment and opportunities, and other fundamental work-related rights. While these policies reflect a basic commitment to sustainable labour practices, the analysis reveals that the hotel has not yet embedded formal performance targets or metrics into its sustainability approach. This shortcoming makes it difficult to gauge progress or ensure consistency with the European Sustainability Reporting Standards (ESRS) S1.

In examining the company's alignment with ESRS S1, findings show that the hotel fully aligns with the standard in only five out of fourteen assessed sub-subtopics. Eight areas show partial alignment, while three areas demonstrate no alignment at all. The areas of full alignment include adequate wages and collective bargaining, indicating a certain level of institutional commitment. However, substantial gaps remain in other areas critical to workforce well-being and inclusivity, such as gender equality, the inclusion of persons with disabilities, and broader diversity in the workplace (Table 3).

Table 3: ESRS S1 standard (column 1) vs GreenGlobe standard (column 2) and their alignment based on a case study (column 3)

| Working conditions | Green Globe | Alignment |
|--|-------------|-----------|
| Secure employment (S1-11) | B8, A2 | Partially |
| Adequate wages | B8, A2 | Fully |
| Social dialogue (S1-8) | A2 | Partially |
| Engagement (S1-2) | A2, B10 | Partially |
| Collective bargaining (S1-8) | A2 | Fully |
| Work-life balance | - | Partially |
| Equal treatment and opportunities for all | | |
| Gender (S1-16) | B7 | - |
| Training and skills (S1-13) | A3, B2 | Partially |
| Disabilities (S1-12) | - | - |
| Incidents and harassment (S1-17) | - | Partially |
| Diversity (S1-9) | B7 | - |
| Other work related | | |
| Child labour | B6 | Partially |
| Forced labour | - | Partially |
| Adequate housing | - | - |
| Privacy | - | - |

Further scrutiny of specific ESRS S1 sub-topics paints a more detailed picture of the hotel's performance. For example, while the hotel meets expectations in areas like adequate wages and collective bargaining, it only partially aligns with requirements related to secure employment, employee engagement, social dialogue, and training opportunities. Other areas, including work-life balance and the prevention of child and forced labor, remain inadequately addressed. Particularly concerning is the absence of any action on topics such as adequate housing, employee privacy, and the inclusion of people with disabilities, issues that are integral to responsible and inclusive employment practices.

Discussion

The Green Globe Certification held by the hotel appears to provide a basic layer of compliance. Nevertheless, the certification's scope is relatively superficial when it comes

to workforce-specific social sustainability issues. It lacks the depth required to support robust alignment with ESRS S1. Consequently, the hotel falls short in several essential categories such as promoting gender diversity in leadership roles, ensuring workplace accessibility for disabled employees, and addressing systemic issues like discrimination and harassment. These gaps highlight the limitations of relying solely on general sustainability certifications in achieving comprehensive workforce sustainability.

The absence of measurable goals and transparent monitoring systems emerges as a primary barrier. Internally, the lack of clear accountability structures and underdeveloped human resource strategies may be contributing factors. Externally, the relatively limited pressure from industry-wide frameworks and certification bodies like Green Globe could also be enabling complacency. The following chapter will delve into these issues further, aiming to uncover root causes and broader implications not only for the hotel but also for similar actors in the hospitality sector.

Green certificates represent a significant advancement beyond mere compliance with existing environmental legislation. They serve as formal endorsements of an entity's commitment to sustainable practices, encompassing areas such as energy efficiency, waste management, and responsible sourcing. These certifications, such as LEED (Leadership in Energy and Environmental Design), BREEAM (Building Research Establishment Environmental Assessment Method), and Green Key, not only reinforce compliance with regulatory frameworks but also align with the rising consumer demand for environmentally responsible options. Research indicates that businesses obtaining such certifications can enhance their marketability and profitability, thereby demonstrating that green initiatives can offer a competitive advantage in sectors like hospitality and commercial real estate (Kaithlin, 2024; Gil-Ozoudeh et al., 2024; Jayantha & Chan, 2019). For instance, green certification has been shown to lead to a premium in property values and rental income, underscoring the economic benefits of adopting sustainable practices beyond what legislation requires (Leskinen et al., 2020; Jayantha & Chan, 2019).

Furthermore, green certifications address the limitations of legislative measures by promoting higher standards of environmental stewardship. Many legislations set baseline requirements that companies must meet; however, green certifications encourage businesses to exceed these minimal thresholds, thus fostering a culture of continuous improvement in sustainability efforts. Some businesses may pursue green certification not just for compliance but to strategically position themselves within a growing market that values sustainability. This is evident in studies that explore how certifications like ISO 14001 can drive greener innovations and improve organizational legitimacy (Boiral & Henri, 2012; Liao & Yang, 2023). As companies increasingly recognize the importance of signaling

their environmental commitments, sometimes referred to as "green signaling", the impact of these certifications will likely continue to grow, representing a proactive, market-driven approach to environmental management that goes far beyond the constraints of regulatory compliance (Matisoff et al., 2015; Matisoff et al., 2014; Eskerod & Đurić, 2018).

Conclusion

In conclusion, while the hotel has laid down the groundwork for legally compliant and policy-driven workforce sustainability practices, it faces significant challenges in translating those policies into measurable and impactful action. The partial and uneven alignment with ESRS S1 reflects both structural and strategic shortcomings that must be addressed if the hotel is to become a leader in sustainable workforce practices. The next stage of analysis will therefore focus on identifying actionable steps to close these gaps and improve alignment with evolving European sustainability standards.

References

Boiral, O. and Henri, J. (2012). Modelling the impact of iso 14001 on environmental performance: a comparative approach. *Journal of Environmental Management*, 99, 84-97.

<https://doi.org/10.1016/j.jenvman.2012.01.007>

Dias, F., Lavaredas, A. M., & Esteves, P. (2024). What Is the Value of an Environmental Certification Label in Tourism Industry? Is It Worth the Effort? *Sustainability*, 16(19), Article 19. <https://doi.org/10.3390/su16198587>

EFRAG. (2023). *ESRS S1 Own Workforce – Basis for Conclusions*.

https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/BFC_ESRS%20S1%20Own%20workforce.pdf

EFRAG. (2023a). *ESRS 1 General Requirements*. European Financial Reporting Advisory Group. <https://www.efrag.org/lab6>

EFRAG. (2023b). *ESRS S1 Own Workforce*. European Financial Reporting Advisory Group. <https://www.efrag.org/lab6>

Eskerod, P. and Đurić, J. (2018). Motivations for and comparisons of green certificates within the hotel industry. *Universal Journal of Management*, 6(6), 179-189.

<https://doi.org/10.13189/ujm.2018.060601>

Ghimire, B., Muneenam, U., & Techato, K. (2023). Renewable energy use in green hotels for sustainability: a systematic review. *International Journal of Energy Economics and Policy*, 13(6), 618-627. <https://doi.org/10.32479/ijeep.14521>

Gil-Ozoudeh, I., Iwuanyanwu, O., Okwandu, A., & Ike, C. (2024). The impact of green building certifications on market value and occupant satisfaction. *International Journal of Management & Entrepreneurship Research*, 6(8), 2782-2796.

<https://doi.org/10.51594/ijmer.v6i8.1466>

HOTREC. (2022, September 19). Labour shortages in the hospitality sector: Forward-thinking and practices sharing. HOTREC – Hospitality Europe.

https://www.hotrec.eu/en/policies/labour_shortages_in_the_hospitality_sector_forward-thinking_and_practices_sharing.html

Jayantha, W. and Chan, H. (2019). Environmental certification schemes and property values: evidence from the hong kong prime commercial office market. *International Journal of Strategic Property Management*, 23(2), 81-95. <https://doi.org/10.3846/ijspm.2019.7434>

Kaithlin, J. (2024). Green certification and its impact on hotel marketability and profitability. *Journal of Modern Hospitality*, 3(2), 39-51. <https://doi.org/10.47941/jmh.1959>

Leskinen, N., Vimpari, J., & Junnila, S. (2020). A review of the impact of green building certification on the cash flows and values of commercial properties. *Sustainability*, 12(7), 2729. <https://doi.org/10.3390/su12072729>

Liao, G. and Yang, S. (2023). Analysis of the influence mechanisms of environmental management system certification on the green innovation of enterprises: the exogenous shock effect of environmental protection tax. *Modern Economy*, 14(05), 649-670.

<https://doi.org/10.4236/me.2023.145036>

Matisoff, D., Noonan, D., & Flowers, M. (2015). Competition and green signaling: the case of leed. *Academy of Management Proceedings*, 2015(1), 15717.

<https://doi.org/10.5465/ambpp.2015.15717abstract>

Matisoff, D., Noonan, D., & Mazzolini, A. (2014). Performance or marketing benefits? the case of leed certification. *Environmental Science & Technology*, 48(3), 2001-2007.

<https://doi.org/10.1021/es4042447>

Nižić, M., Grdić, Z., & Endres, R. (2017). Energy sustainability and its impacts on Croatian tourism. *Croatian Economic Survey*, 19(2), 83-104. <https://doi.org/10.15179/ces.19.2.3>

Oliver Wyman Forum. (2023). A-Gen-Z Report.

<https://www.oliverwymanforum.com/content/dam/oliver-wyman/ow-forum/template-scripts/a-gen-z/pdf/A-Gen-Z-Report.pdf>

Pommier, B., & Engel, A. M. (2021). Sustainability reporting in the hospitality industry. *Research in Hospitality Management*, 11(3), 173–175.

<https://doi.org/10.1080/22243534.2021.2006937>

Ratkai, M. (2025). Social sustainability framework: Own workforce KPIs. A necessity or just a trend? [presentation]. DOI 10.13140RG.2.2.23187.80160

Saito, H., Brozović, D., & Baum, T. (2025). Well-being of hospitality employees: A systematic literature review. *International Journal of Hospitality Management*, 124, 103955.

<https://doi.org/10.1016/j.ijhm.2024.103955>

Velaoras, K., Menegaki, A. N., Polyzos, S., & Gotzamani, K. (2025). The Role of Environmental Certification in the Hospitality Industry: Assessing Sustainability, Consumer Preferences, and the Economic Impact. *Sustainability*, 17(2), 650.

<https://doi.org/10.3390/su17020650>

World Travel & Tourism Council. (2025). Economic impact research. Retrieved May 6, 2025, from <https://wttc.org/research/economic-impact>

WWTC. (2017, October 15). Environmental, Social & Governance Reporting in Travel and Tourism: 1. Background on Sustainability Reporting.

<https://researchhub.wttc.org/product/environmental-social-governance-reporting-travel-and-tourism-background-sustainability-reporting>