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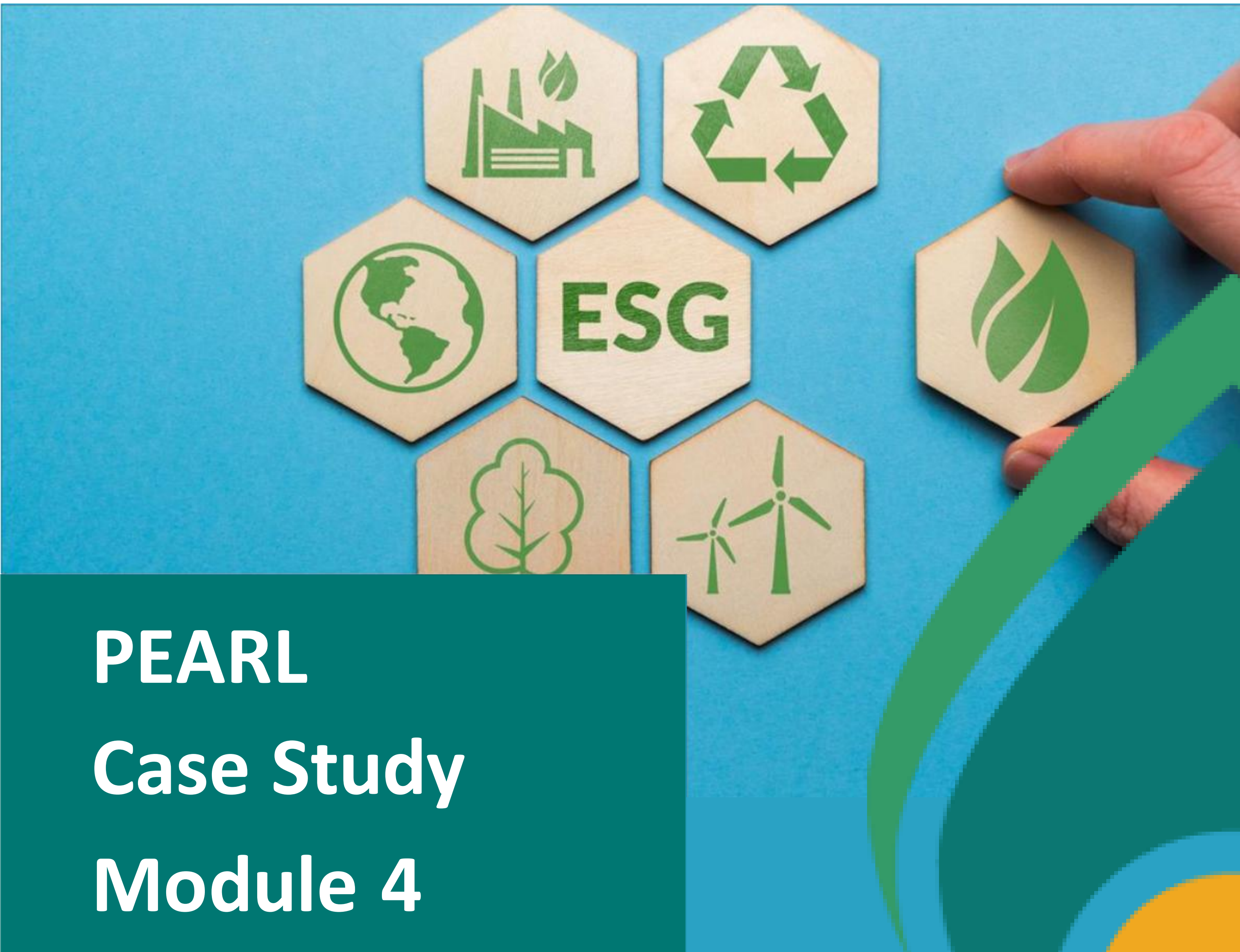
Promoting ESG Awareness
+ Risk Literacy in SMEs



PEARL
Case Study
Module 4
Germany

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Case Study Identification

Case Study Title: Implementing an ESG Strategy in a Regional Hotel Group

Partner Institution: TVW GmbH

Country: Germany

Sector /Industry: Hospitality / Small Hotel Group

SME Profile: SME Profile: The company is a small hotel group operating two small boutique hotels and one small conference venue in a coastal region (all premisses close by / next to each other). It employs 65+ people during the main season and 50 people during the low season. The company is privately owned by a family and managed by an external professional general manager. Its market scope is regional and national, with some international guests during the summer season.

Company size (micro / small / medium): Small Enterprise

Ownership structure (family-owned, partnership, etc.): Family owned

Market scope (local / regional / international): Regional and national, with seasonal international tourism

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2. Relevant PEARL Curriculum Module(s)

Primary Module: Module 4 – ESG Strategy and Implementation

Secondary / Supporting Modules: Module 3 – ESG Risk Analysis and Materiality Assessment; Module 5 – Reporting, Communication and Branding; Module 6 – Sustainable Financing and Funding Options for SMEs

3. Learning Purpose of the Case

What ESG challenge, decision, or dilemma does this case illustrate?

This case illustrates the transition from ESG awareness and risk identification to practical strategy implementation. The company has already identified several material ESG topics, including energy consumption, food waste, seasonal employment practices, supplier sustainability, guest expectations and governance responsibilities. The central challenge is to convert these priorities into a realistic ESG strategy with policies, actions, measurable targets, responsibilities, KPIs and a governance mechanism.

Why is this case relevant for SMEs?

The case is relevant for SMEs because many companies understand the importance of ESG but struggle with implementation. They may have general ambitions such as "becoming greener" or "being a responsible employer," but these ambitions often remain too vague to guide action. This case shows how an SME can use OKRs, KPIs, PDCA logic, CO_2 data, supplier mapping and internal responsibilities to embed ESG into day-to-day management.

Which competence gaps (knowledge, skills, attitudes) does it address?

The competence gaps addressed include goal-setting, KPI definition, action planning, governance design, CO_2 Scope 1, 2 and selected Scope 3 data collection, supplier control and internal ESG ownership. It also addresses attitudes linked to implementation discipline, shared responsibility and the need to treat ESG as part of business strategy rather than a separate communication exercise.

4. Case Context and Background

Nordhafen Hotels GmbH operates two boutique hotels and a small conference venue in a coastal tourism area. Its business model is based on regional identity, personalised guest experience, local food partnerships and small-scale business events. The company has a loyal customer base and strong seasonal demand, but it also faces rising energy costs, recruitment challenges and increasing expectations from corporate clients who ask for sustainability information before booking events or during stays.

The company's ESG maturity level is medium. It has already implemented some measures, such as towel reuse options, LED lighting in most guest areas, cooperation with local food suppliers and informal employee well-being practices. However, these measures are not part of an integrated ESG strategy. There are no formal ESG policies, no measurable targets and no systematic review process. Sustainability communication on the website is general and not supported by clear data and evidence. The company recently conducted a simplified materiality assessment with support from a local business advisor. The assessment identified five priority topics: energy consumption and emissions, food waste, employee retention and seasonal working conditions, supplier sustainability, and transparent guest and corporate-client communication. The managing director now needs to turn these findings into an implementation plan. The owners support the idea but are concerned about costs. Department heads are willing to contribute but ask for clarity on responsibilities and realistic timelines.

The company has limited financial resources and cannot implement all possible measures immediately. It also lacks specialised ESG software and has only basic data available from invoices, booking systems, supplier records and HR documents. Nevertheless, management wants to create a practical ESG strategy for the next two years that can improve operational efficiency, strengthen market positioning and prepare the company for future customer and financing requirements.

5. ESG Challenge / Problem Statement

The central challenge is moving from ESG priorities to structured implementation. Nordhafen Hotels has identified material ESG topics but has not yet translated them into policies, actions, targets, KPIs and responsibilities. Without this translation, ESG remains dependent on individual motivation rather than embedded management practice.

The company's current ESG activities are fragmented. The maintenance team works on energy efficiency, the kitchen team tries to reduce food waste, HR informally supports staff well-being, and the sales team receives sustainability questions from corporate clients. However, there is no shared roadmap, no measurable objectives and no review mechanism. This creates the risk that improvements are not tracked, responsibilities remain unclear and external communication becomes too vague or potentially misleading.

The company needs a realistic ESG implementation system that fits an SME context. It must define what should be achieved, how progress will be measured, who is responsible, what budget is available and how management will review and adjust actions over time.

6. Data, Evidence, and Inputs

Nordhafen Hotels compiles simplified data for the previous year. Total electricity consumption across the three sites was 365,000 kWh. Heating consumption was equivalent to 210,000 kWh, mainly from natural gas and district heating. Company-owned vehicles used 3,200 litres of diesel for local transport and supplier/guest pickups. Kitchen estimates suggest that around 4.5 tonnes avoidable food waste has been produced. Laundry services are outsourced, but the company has no detailed or tracable information yet on the environmental practices of the provider – esp. not broken down to the hotel group.

The company employs 65 people in the high season and 48 in the low season. Staff turnover in housekeeping and kitchen roles was 28% in the previous year. Exit interviews suggest that main reasons included seasonal workload, limited career progression and unpredictable schedules. Two minor workplace accidents were recorded, both related to slips in kitchen and service areas. Training records are incomplete, and only managers have received formal leadership training.

Supplier data shows that the company has 31 recurring suppliers. Ten are local food and beverage suppliers, five provide cleaning and hygiene products, four are technical service providers, and the remainder provide textiles, office supplies, booking services and maintenance materials. Only six suppliers have shared sustainability-related information. Corporate clients (important for business events and increasingly also with regard ot business trips) increasingly ask whether the hotel can provide information on energy use, waste reduction, local sourcing and employee practices.

Management agrees to focus on three strategic ESG objectives for the first two-year cycle. The first is to reduce environmental impact from energy and food waste. The second is to improve employee retention and working conditions. The third is to strengthen responsible sourcing and transparent communication. The budget for the first year is limited to €22,000, excluding staff time. This budget must cover energy audits, staff training, monitoring tools, waste reduction measures and supplier engagement.

7. Suggested Tools from the PEARL Toolbox

The PDCA Template for ESG Governance can be used to create a structured implementation cycle. In the Plan phase, Nordhaven defines ESG objectives, measures, responsibilities and budget. In the Do phase, it implements energy audits, food waste tracking, scheduling improvements and supplier engagement. In the Check phase, it reviews KPIs quarterly. In the Act phase, it adjusts measures based on evidence and lessons learned.

The Framework for ESG Goals can help translate broad ESG ambitions into measurable objectives and key results. For example, the objective "Reduce the environmental impact of hotel operations" can be supported by key results such as reducing electricity consumption per guest night by 10%, reducing avoidable food waste by 25%, and switching 40% of purchased electricity to renewable energy within the defined period.

The ESG Key Metrics Overview for SMEs can support the selection of practical indicators. Relevant indicators include electricity consumption per guest night, heating consumption per square metre, food waste per occupied room, employee turnover, training hours per employee, percentage of key suppliers screened for ESG information and percentage of corporate client requests answered with evidence-based ESG data.

The CO_2 Footprint Overview for SMEs can be applied to estimate Scope 1 and Scope 2 emissions from heating, vehicles and purchased electricity, as well as selected Scope 3 categories such as purchased food, outsourced laundry, waste and employee commuting where data is available. The company can start with approximate calculations and improve data quality over time.

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9. Expected Learning Outcomes

After working on this case, which KSAs will learners be able to develop?

(Aligned with Related competences (ref.PEARL framework)

After working on this case, learners will be able to explain how an SME can move from ESG risk and materiality findings to an actionable ESG strategy. They will understand the difference between general ESG intentions and structured implementation based on policies, actions and targets.

Learners will be able to formulate practical ESG objectives and key results for an SME. They will learn how to convert broad priorities such as reducing emissions, improving employee well-being or strengthening responsible sourcing into measurable targets with timelines, responsible persons and clear indicators.

Learners will develop the ability to select appropriate ESG KPIs for a hospitality SME. They will be able to connect environmental indicators such as energy use, heating consumption and food waste with social indicators such as staff turnover, training and working conditions, as well as governance indicators such as supplier screening and documented responsibilities.

Learners will understand how the PDCA cycle can be used as a governance mechanism for ESG implementation. They will recognise that ESG strategy requires regular review, corrective action and continuous improvement rather than one-off measures.

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