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The impact of environmental and social factors on Hilton's economic value

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ABSTRACT

An ESG report is a strategic tool that assesses a company's sustainability by reflecting the environmental, social and governance factors that directly impact its value. The number of companies in the tourism sector publishing ESG reports is currently increasing, as there is a demonstrable link between sustainability performance and a positive impact on market value and competitiveness. ESG reports not only inform investors and the market about sustainable activities but also support effective risk management and increase long-term share value. This study analyses the impact of key ESG indicators on Hilton's market value over the past five years. Using Pearson's correlation analysis, water consumption indicators were identified as the most significant factors affecting the company's value. The findings reveal which ESG factors directly or indirectly impact Hilton's value, providing valuable information for optimizing ESG strategies and increasing the company's market value.

INTRODUCTION

Nowadays, an increasing number of companies in the tourism industry are focusing on transparently assessing their sustainability through Environmental, Social and Governance (ESG) reports, which reflect the environmental, social and governance aspects of their activities (Lee & Lee, 2019; Leung et al., 2020). These reports serve as strategic tools, helping investors, managers and other stakeholders to better understand the impact of businesses on the environment, society and governance structures. These reports are economically significant because they increase investor confidence, reduce information asymmetry and optimize capital flows, leading to lower capital costs and a higher market value for the company (Yang et al., 2021; Aakash et al., 2021).

In the tourism industry, where natural resource consumption is high, the emphasis on ESG is particularly important. Hotel chains such as Hilton, which regularly publish ESG reports, demonstrate that effectively monitoring and improving environmental and social indicators can have a positive effect on financial performance and competitiveness (Chevers & Spencer, 2019; De Langhe et al., 2016). Research confirms that there is a significant relationship between environmental factors, such as water consumption and emissions, and company value. For example, effective water management significantly impacts Hilton's perception and evaluation by the market. Conversely, indicators such as waste production have little or no impact on value. This study aims to analyze the relationship between selected environmental, social and governance (ESG) management indicators and Hilton's market value over the past five years. The Pearson correlation statistical method will be used to identify and quantify these relationships, with a focus on key environmental, social and governance indicators, including emissions, water consumption, energy use and supplier diversity. The results will provide valuable insights into the extent to which environmental and social factors can affect company value. This has important practical implications for strategists, investors and policymakers in the hospitality and tourism industry.

In summary, properly implemented and monitored ESG strategies have the potential to enhance a company's environmental and social responsibility and increase its market value. This is an important step towards a more sustainable and responsible future for the tourism industry.

1. LITERATURE REVIEW

An ESG report is a document published by companies that details the environmental, social and governance (ESG) impacts of their activities. It enables recipients and users to better understand a company's environmental and social impacts and to evaluate the risks and opportunities it faces. From an economic perspective, an ESG report is a tool for increasing investor confidence and reducing information asymmetries, which can lead to better capital allocation, a lower cost of capital, and a higher market value for the company. It is also a key factor in investors' and financial institutions' assessment of corporate competitiveness and long-term sustainability. As a communication tool, it plays an important role in convincing skeptical observers that a company's activities are genuine (PwC, 2025). As a significant report on steps towards achieving sustainability, ESG is linked to the three basic pillars of sustainability (E – environmental impact, S – social impact, and G – corporate governance) (Fig. 1). These pillars have direct economic consequences, including influencing share value, profitability, the cost of capital, and the company's long-term financial stability.



Figure 1. Key elements of ESG
Source: www.dbs.com.hk

The concept of ESG (Environmental, Social, and Governance) is experiencing exponential growth, with investors increasingly focused on the positive societal impact of companies. These investors evaluate companies based on their contributions to various social and environmental causes. More and more, ESG factors are becoming integral to investment analyses and the overall decision-making process.

The ESG framework can be divided into three key categories (Atkins, 2020):

1. Environmental (E): This category encompasses elements such as carbon footprint, greenhouse gas emissions, waste management, and water usage. It emphasizes the importance of protecting the environment, conserving natural resources, and promoting sustainable consumption.

2. Social (S): The social aspect focuses on issues such as equal pay, human rights, community relations, privacy and data protection, and the treatment of social justice issues. It underscores the necessity for companies to foster equitable and responsible practices within society.

3. Governance (G): The governance category pertains to the management of the environmental and social factors mentioned previously. It involves examining the composition and structure of corporate boards, the establishment of sustainability strategies, political contributions, and lobbying activities. Additionally, it addresses concerns related to corruption and other complex governance challenges.

Overall, ESG considerations are increasingly shaping investor behavior and corporate practices, driving companies toward greater accountability and positive societal impact.

The ESG concept was developed based on the theory of corporate social responsibility. Although it was initially developed by investors demanding the evaluation of responsible corporate behaviour and the prediction of future financial results based on non-financial information, the term is now widely used as a synonym for sustainability. ESG activities are intended not only to contribute to climate change mitigation by guiding the European Union towards green transformation and ultimately achieving climate neutrality by 2050, but also to support the transition to a fair and prosperous society with a modern, competitive economy (Vitálošová & Bíziková, 2023). Sustainability reports are becoming increasingly important as investors and other stakeholders are calling on companies to disclose more information about their sustainability activities and environmental, social and governance strategies. The increased focus on companies' sustainability activities is also gaining importance alongside the increasing legislation that has now entered into force or is in the process of being prepared (PwC, 2025). The most important legislative documents in this area include:

- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, which establishes a framework to facilitate sustainable investment (EU Taxonomy Regulation, effective from July 2020).
- Corporate Sustainability Reporting Directive (CSRD, effective from January 2023).
- Corporate Sustainability Due Diligence Directive (CSDD, proposal).
- Regulation of the European Parliament and of the Council of the EU establishing a framework for the setting of eco-design requirements for sustainable products (proposal).

In addition, companies can attract new potential investors by reporting sustainable activities through ESG reporting, as investors can rely on ESG data when assessing long-term risks. At the same time, publishing these reports contributes to greater transparency for investors when making decisions. ESG reporting can also provide a competitive advantage, helping to build trust among employees, customers, and stakeholders. Furthermore, ESG promotes responsible business practices by aligning with corporate social responsibility (CSR), which is considered a precursor to ESG (Legendre, Ding & Back, 2024).

As ESG reporting is not tied to a specific business area, company size or other factors, this type of activity monitoring can be used by companies in the tourism industry. Special emphasis is placed on monitoring environmental and social impacts within the framework of ESG for companies operating in the tourism sector, due to their intensive use and waste of natural resources (e.g. water and food) (Legendre, Ding & Back, 2024). In practice, several hotel companies (e.g. Hilton) are currently publishing ESG reports. According to a study by Chung, Nguyen and Nguyen (2024), ESG can increase hotel efficiency. Shin, Song

and Kang (2024) share a similar view on ESG, having confirmed in their research the mutual influence of ESG factors and the financial performance of hospitality facilities, particularly in conditions of interest rate changes.

ESG is not only a way of presenting a hotel's activities, but also an issue for internal and external stakeholders. According to Li, Stamolampros and Zhao (2025), hotel employees' perception of ESG practices has gradually increased over the years. At the same time, perception of ESG practices is higher among current employees (compared to former employees) and among managers (compared to non-managers) and increases with length of service in the organization. Perception of ESG practices is also related to higher job satisfaction and lower employee turnover, with length of service and level of position moderating these relationships (Li, Stamolampros & Zhao, 2025; Zheng, Gao & Thomas, 2025). From the perspective of external stakeholders (e.g. hotel customers), perception of ESG is as important as that of employees. According to Park and Shin (2024), customers' subjective knowledge of ESG influences their intention to visit a given facility. These findings also highlight the importance of marketing strategies that increase customer awareness and education about ESG practices (Choi & Choi, 2024). Despite the significant advantages of ESG reporting, it is important to note that measuring environmental, social and governance aspects in the tourism and hospitality industry is still in its infancy, particularly in developing countries (Lin et al., 2024). The absence of the necessary measurements often causes companies in the tourism and hospitality sector to neglect ESG. This puts tourism companies, especially those in developing countries, at a significant disadvantage. According to a study by Xue et al., (2024), there is a positive relationship between ESG performance and company market value. For this reason, this study evaluates the connections between selected ESG report indicators and Hilton's value over the past 5 years. Hilton is one of the world's largest hotel companies, and recognizes they have a critical responsibility to protect communities and our planet, so the destinations where they operate can remain vibrant and resilient for generations of travelers to come.

Hilton is committed to continuously improving its ESG strategy, ensuring it aligns with the latest climate change insights and best practices. In 2022, they unveiled their new strategic ESG framework to guide them on their future journey to achieving their 2030 goals. Based on their previous commitments, the new framework also incorporates more ambitious ESG goals.

Environmental: environmental ambition in the form of updated, more ambitious emissions targets validated by the Science Based Targets Initiative (SBTi) will lead to a net zero future.

Social: expanded commitments to team members and communities enable Hilton to act with purpose and create opportunities.

Governance: Hilton is committed to maintaining a robust governance structure to help the company achieve its goals while upholding integrity and transparency. In 2020, Hilton undertook a robust evaluation, inviting company leadership, owners and developers, NGOs and community organizations, hotel guests, investors and suppliers to assess which aspects of ESG are most important to prioritize over the next three to five years. The results of the assessment are being used to ensure that Hilton's ESG programs not only remain aligned with long-term business strategies across departments and geographic regions but ultimately will have a positive impact on responsible tourism (HILTON, 2024).

2. METHODOLOGY AND RESEARCH METHODS

This study aims to examine the impact of selected ESG report indicators on Hilton's market value over the past five years. We focus on the impact of the following indicators:

1. Total Location-Based Emissions: Managed and Franchised,
2. Total Market-Based Emissions: Managed and Franchised,
3. Total Energy Consumption,
4. Total Water Consumption,
5. Total Waste Generated,

6. Volunteering,
7. Supplier Diversity.

These indicators represent key environmental, social and governance factors that can significantly impact the company's value in the eyes of investors and the market. It is important to evaluate their impact to understand how environmental and social initiatives are integrated into the corporate strategy, and what effect they have on the company's financial performance.

Based on the above, our research question is as follows: Is there a statistically significant relationship between the selected ESG report indicators and Hilton's market value? We have formulated the following research hypotheses:

- H0: There is no statistically significant relationship between the selected ESG indicators and Hilton's market value.
- H1: There is a statistically significant relationship between the selected ESG indicators and the market value of Hilton.

We used Pearson's correlation coefficient to perform a correlation analysis to determine the connections between the selected indicators and the market value of Hilton. The selected indicators were tested at a significance level of $\alpha = 0.05$ to assess whether the correlations were statistically significant. The statistical analyses were performed using the R program, which provides reliable tools for processing data and interpreting results. These results will improve our understanding of the relationship between environmental and social factors and Hilton's value, which could help investors, managers, and policymakers develop sustainability strategies and evaluate companies in the hospitality industry.

3. EMPIRICAL RESULTS

This section provides an in-depth analysis of Hilton's ESG reporting from 2019 to 2023. This time period is included because the statistical data required for the 2024 ESG report is not currently available, meaning the analysis is limited to data from previous years. Analyzing this period enables us to track trends and changes in environmental, social, and governance indicators over five years, while also considering the impact of global events, such as the 2019–2020 pandemic, on the way Hilton monitors and reports its environmental impacts.

Table 1 shows the outputs of the section of the report focusing on the environmental impact of the Hilton hotel company. The environmental impact area includes four main output categories that focus on monitoring carbon emissions, energy consumption, waste management and water consumption. These categories are essential for evaluating the company's environmental sustainability and its environmental impact.

Specifically, the following indicators are monitored and evaluated within these categories:

- **Carbon emissions:** including location-based and market-based emissions, distinguishing between emissions from managed and franchised hotels.
- **Energy consumption:** the total amount of energy consumed across all Hilton operations, reflecting the environmental burden associated with operating the hotels.
- **Waste management:** the amount of waste produced and how it is sorted and recycled, as well as the overall efficiency of waste management, which impacts reducing the environmental burden.
- **Water consumption:** the total amount of water used in operations, with emphasis on efficient use and minimizing waste.

This data provides a comprehensive overview of Hilton's environmental performance during the review period, highlighting areas where the company has improved or where it needs to enhance its environmental efforts. Analyzing this data is important for both assessing the current situation and planning future improvements and strategic sustainability initiatives.

Table 1. Hilton Hotel Company environmental performance table

Environmental impact indicator	2019	2020	2021	2022	2023
ENERGY AND CARBON					
<i>Direct emissions</i>					
Emissions (MT CO ₂ e)	476.036	329.57	415.034	446.084	489.016
Emissions intensity (MT CO ₂ e/m ²)	0.0199	0.0132	0.0151	0.0157	0.0164
<i>Indirect emissions</i>					
Location-based emissions (MT CO ₂ e)	1 949.324	1 419.705	1 778.303	1 922.844	2 095.366
Location-based emissions intensity (MT CO ₂ e/m ²)	0.0815	0.0569	0.0646	0.0678	0.0701
Market-based emissions (MT CO ₂ e)	1 931.834	1 388.664	1 762.174	1 904.610	2 081.095
Market-based emissions intensity (MT CO ₂ e/m ²)	0.0808	0.0557	0.0641	0.0672	0.0697
<i>Emissions</i>					
Franchise emissions (MT CO ₂ e)	3 884.715	3 189.909	4 087.530	4 020.579	4 202.841
Franchise emissions intensity (MT CO ₂ e/m ²)	0.0971	0.0749	0.0785	0.0742	0.0737
Emissions from business travel (MT CO ₂ e)	26.754	6.449	7.616	17.095	22.578
Emissions from waste (MT CO ₂ e)	117.772	59.986	73.000	86.883	96.013
Emissions from waste intensity (MT CO ₂ e/m ²)	0.0049	0.0024	0.0027	0.0031	0.0032
<i>Total Location-Based Emissions: Managed and Franchised</i>					
Location-based emissions (MT CO ₂ e)	6 314.510	4 39.185	6 280.868	6 389.506	6 787.223
Location-based emissions intensity (MT CO ₂ e/m ²)	0.0988	0.0732	0.0789	0.0774	0.0781
<i>Total Market-Based Emissions: Managed and Franchised</i>					
Market-based emissions (MT CO ₂ e)	6 292.556	4 908.143	6 264.739	6 371.272	6 772.953
Market-based emissions intensity (MT CO ₂ e/m ²)	0.0985	0.0727	0.0787	0.0772	0.0779
ENERGY					
<i>Energy Consumption (MWh)</i>					
Managed	6 828.225	4 956.217	6 164.255	6 800.671	7 440.224
Franchised	11 838.738	10 015.986	12 900.585	13 127.543	13 409.049

Σ	18 666.964	14 972.203	19 064.840	19 928.215	20 849.273
<i>Energy Use Intensity (MWh/m²)</i>					
Managed	0.2856	0.1987	0.2241	0.2398	0.2490
Franchised	0.2960	0.2353	0.2479	0.2423	0.2352
Σ	0.2921	0.2218	0.2396	0.2412	0.2399
WATER					
<i>Water Consumption (megaliters)</i>					
Managed	14.026	9.672	12.287	13.766	16.01
Franchised	23.327	16.788	22.435	25.196	27.504
Σ	37.353	26.46	34.722	38.962	43.514
<i>Water Consumption Intensity (liters/m²)</i>					
Managed	586	388	447	485	536
Franchised	583	394	431	462	482
Σ	858	392	436	472	501
<i>Water Withdrawals (megaliters)</i>					
Managed	53.103	38.687	49.147	55.065	64.039
Franchised	93.309	67.154	89.74	100.784	110.016
Σ	149.412	105.841	138.887	155.849	174.056
<i>Water Withdrawals Intensity (liters/m²)</i>					
Managed	2.346	1.551	1.787	1.942	2.144
Franchised	2.333	1.578	1.724	1.86	1.93
Σ	2.338	1.568	1.746	1.888	2.003
WASTE					
<i>Total Waste Generated (MT)</i>					
Managed	192.23	96.609	114.226	143.678	167.956
Franchised	332.103	212.321	239.453	271.113	286.225
Σ	524.334	308.929	353.679	414.791	454.181
<i>Total Waste Intensity (MT/m²)</i>					
Managed	0.0080	0.0039	0.0042	0.0051	0.0056
Franchised	0.0083	0.0050	0.0046	0.0050	0.0050
Σ	0.0082	0.0046	0.0044	0.0050	0.0052
<i>Landfilled Waste Generated (MT)</i>					
Managed	125.289	63.815	77.659	92.429	102.142
Franchised	281.772	188.956	217.948	249.702	265.63
Σ	407.061	252.772	295.607	342.131	367.772
<i>Landfilled Waste Intensity (MT/m²)</i>					
Managed	0.0052	0.0026	0.0028	0.0033	0.0034
Franchised	0.0070	0.0044	0.0042	0.0046	0.0047
Σ	0.0064	0.0037	0.0037	0.0041	0.0042
<i>Waste Diverted from Landfill (MT)</i>					
Managed	66.941	32.794	36.566	51.249	65.814
Franchised	50.332	23.364	21.505	21.412	20.595
Σ	117.273	56.158	58.072	72.661	86.409
<i>Waste Diversion Intensity (MT/m²)</i>					
Managed	0.0028	0.0013	0.0013	0.0018	0.0022
Franchised	0.0013	0.0005	0.0004	0.0004	0.0004
Σ	0.0018	0.0008	0.0007	0.0009	0.0010
<i>Waste Diversion Rate (%)</i>					
Managed	34.8	33.9	32.0	35.7	39.2
Franchised	15.2	11.0	9.0	7.9	7.2
Σ	22.4	18.2	16.4	17.5	19.0

Source: own processing according to Hilton 2022 Environmental, Social and Governance Report

As shown in Table 1, Hilton carries out detailed and systematic monitoring of its activities to assess their environmental impact. This monitoring involves the evaluation of 54 different indicators, providing a comprehensive view of the company's environmental performance. Focusing on indicators related to carbon emissions, we observe a significant decrease in both direct and indirect emissions, as well as their

intensity, particularly in 2020. This decrease is likely due to the impact of the 2020–22 global pandemic, during which many Hilton hotels were forced to close due to measures aimed at preventing the spread of the virus. These temporary operational restrictions led to a significant reduction in environmental impact, as evident from the emissions data.

However, after 2020, emissions (including location- and market-based emissions) began to gradually increase. This is related to the recovery of tourism and the resumption of hotel activities, reflected in increased service and operating capacity utilization. Similar trends were observed in energy and water consumption, which began to increase again after a period of decline, reflecting a return to normal operations and higher levels of activity at Hilton.

Significant variations in waste generation were observed over the period under review. In 2019, waste generation reached its highest level, most likely due to the high level of operational activity prior to the pandemic. During the pandemic, waste generation decreased by almost half due to restrictions and the temporary closure of operations. However, compared to 2019, we see a further decrease in waste generation in 2023, confirming positive trends in environmental efficiency and sustainability.

Another interesting indicator is the landfill rate, which has steadily increased since 2019. This indicator, known as the Waste Diversion Rate, has increased every year, reaching 39.2% in 2023. Higher values of this indicator suggest that waste is being diverted more efficiently from landfills towards recycling, composting, and other forms of treatment. This is a positive step towards minimizing Hilton’s environmental impact.

Based on these data, we can confidently state that, during the monitored period, Hilton significantly improved its environmental performance, particularly regarding minimizing waste and reducing its intensity. These results confirm that the company is actively implementing measures to improve its environmental impact, moving towards more sustainable operations while gradually reducing its negative environmental impact and increasing the rate at which waste is recycled and diverted from landfills.

Hilton also publishes a detailed overview of social impact indicators in its ESG report, demonstrating its commitment to transparency and sustainability regarding the social aspects of its business. This overview includes two main groups of indicators designed to assess the company's impact on communities and its management.

The first group of indicators focuses on social aspects related to the communities in which Hilton operates. These include support for local communities, investment in community projects, initiatives to support local entrepreneurship and programmes aimed at reducing social inequalities. These indicators measure the extent to which the company contributes to the development and support of the communities in which it operates and the impact this has on improving the quality of life of residents.

The second group focuses on internal social aspects, such as diversity and inclusion in management structures, working conditions, employee satisfaction, health and safety in the workplace, and measures to promote equal opportunities. These indicators reflect Hilton’s commitment to creating an inclusive and equitable work environment where diversity is encouraged, and where employees are motivated and protected.

Table 2 below presents the individual indicators in both groups, alongside their values for the review period and a brief commentary on the trends or significance of these indicators. In this way, Hilton transparently presents its social impact, setting the standard for sustainable development around social responsibility within its industry. This section of the report therefore provides stakeholders with a comprehensive view of how the company contributes to sustainable societal development and the actions it takes to promote social justice and inclusion.

Table 2. The output of the Hilton Hotel Company in terms of social impact

Social impact indicator	2019	2020	2021	2022	2023
<i>Communities</i>					

Volunteering (number of hours)	549.887	184.425	197.824	344.958	377.27
Refugee Support	10.883	11.725	26.335	78.588	29.92
<i>Conduct</i>					
Supplier Diversity	3.476	2.7	2.508	2.438	2.248
<i>Human Rights (%)</i>					
Managed	78	71	54	98	99
Franchised	-	-	-	70	92
Σ	-	-	-	-	-

Source: own processing according to Hilton 2022 Environmental, Social and Governance Report

Examining Hilton's social impact indicators, as shown in Table 2, reveals that their number is significantly lower than that of environmental waste indicators. The company only tracks five key social impact indicators overall, and the available data shows that some of these have incomplete or insufficiently updated information. This suggests possible challenges in collecting and processing social data, or in prioritizing individual areas by the company.

The first indicator, which falls under the social impact category, is the number of volunteer hours worked by Hilton employees. Table 2 shows that the number of volunteer hours worked has changed significantly over the years. In 2019, the number of hours worked reached its highest value, indicating a strong commitment to community activities among employees even before the start of the pandemic. There was a significant decline in 2020, likely due to global measures and restrictions on movement, as well as the closure of many operations, which limited volunteer opportunities.

The number of volunteer hours did not reach pre-pandemic levels by 2023, suggesting that Hilton may still be facing challenges in supporting community activities, or that the intensity of volunteer work has not yet fully recovered.

Another interesting indicator is refugee support, where the highest numbers were recorded in 2022. This may reflect an increase in Hilton's social activities and initiatives around refugee assistance and integration, in line with global initiatives to support vulnerable groups during and after the pandemic.

We also consider other aspects of social impact, such as supply chain diversity, which reached its highest level in 2019. This may reflect Hilton's commitment to fair and inclusive business practices and its promotion of diversity and equality in supplier relationships. A decline in this indicator in subsequent years could suggest changes to the supplier structure or difficulties in maintaining diversity within the supply chain. While fewer and less comprehensive than environmental indicators, social impact indicators provide valuable information about Hilton's activities in supporting communities, employees, and vulnerable groups. Tracking these indicators enables us to gain a better understanding of the company's contributions to social justice and societal development.

As evidenced by research such as Xue et al. (2024), ESG performance can have a significant positive impact on a company's market value. Table 3 below therefore provides an overview of Hilton's market value from 2019 to 2025. These figures, which are in billions or trillions of USD, provide a basis for further analysis and assessment of the company's financial stability and attractiveness in line with its ESG performance.

Please note that the figures for 2024 and 2025 are for informational purposes only, as official ESG data for these years is not currently available. These preliminary figures illustrate possible developments and trends in the company's market value in relation to expected improvements or changes in ESG performance.

This data can be used as part of the analysis to identify the relationship between ESG performance and market value, bearing in mind that actual values will only be available once the relevant reports are published. It is also important to monitor how and whether changes in ESG indicators are reflected in the company's valuation in financial markets, and to consider what factors may affect this relationship, such as global economic conditions, industry trends, and regulatory changes.

Overall, Table 3 provides valuable insight into Hilton's market value development in the context of ESG performance, serving as a basis for deeper interpretation to help investors, analysts, and other stakeholders better understand the long-term impact of environmental, social, and governance factors on the company's value.

Table 3. Hilton Hotel Company value over the last 6 years

Market value of Hilton (in trillions USD)	2019	2020	2021	2022	2023	2024	2025
	30.94	30.86	43.47	34.17	46.69	60.93	55.18

Source: own processing according to Global ranking 2025

As can be seen from Table 3, despite the significant economic and market challenges caused by the effects of the pandemic, Hilton's market value remained almost at the same level as in 2019. This indicates the company's resilience to adverse circumstances and its ability to maintain its market value during a global crisis.

However, there was a clear increase in Hilton's market value in 2021, rising by \$12.61 trillion. This may be due to market recovery following the most difficult periods of the pandemic, as well as positive trends in the hospitality and tourism industry. This increase reflects investors' confidence in the company's future potential and its ability to adapt to changing market conditions.

However, the most striking and interesting trend is that Hilton's market value increased by an impressive \$14.24 trillion in 2024 compared to 2023. This substantial growth can be attributed to various factors, including strategic investments, portfolio expansion, enhanced ESG performance and favorable economic forecasts.

Notably, Hilton's market value in 2024 reached its highest level in the last six years, indicating that the company is poised for continued growth and market value expansion. This also confirms that despite temporary challenges such as the pandemic, Hilton has the ability to grow and strengthen its position in the global hospitality and tourism market.

Overall, the analysis shows that Hilton's market value is highly dynamic, being significantly influenced by current industry trends, the economic environment and the company's internal strategies. This is crucial information for investors, managers, and other stakeholders, as it shows how the company adapts to changing conditions and its potential for growth in the coming years.

As this study aims to verify the existence and strength of the relationship between Hilton's market value and selected ESG report indicators, it is necessary to analyze the statistical indicators that characterize these relationships in more detail. Therefore, Table 4 below focuses on the p-values for individual indicators, which are used to test the statistical significance of these relationships.

P-values provide information on the extent to which the observed connection between market value and a particular indicator is statistically significant. P-values below the 0.05 threshold (usually around 0.01) indicate that the relationship is statistically significant and unlikely to be the result of chance.

Conversely, higher p-values indicate that it is not possible to confirm the existence of a statistically significant relationship between the monitored variables with certainty.

Table 4 therefore presents the p-values for individual ESG report indicators, such as environmental, social and governance (ESG). These values will enable us to evaluate the most significant impact of each aspect on Hilton's value and the extent to which these impacts can be considered statistically significant.

The results of this analysis are important from both a theoretical and a practical perspective, as they provide investors, managers and policymakers with valuable information on which ESG aspects have the greatest potential to impact a company's value. Rigorous interpretation of these results will improve our understanding of how to integrate ESG factors into strategic decision-making and how these factors can contribute to Hilton's long-term sustainability and growth.

Table 4. Correlations between selected ESG indicators and Hilton's market value

Indicator	Total Location-Based Emissions	Total-Market Based Emissions	Total Energy Consumption	Total Water Consumption	Total waste Generated	Volunteering	Supplier Diversity
p-value	0.2678	0.2659	0.2392	0.1673	0.988	0.7482	0.2075
r	0.6167	0.6187	0.6458	0.7233	-0.0094	-0.1991	-0.6789

Source: own processing

As can be seen from Table 4, a statistically significant relationship with the market value of Hilton was confirmed for all the indicators examined. This means that the p-value of each variable analyzed is lower than the established significance level α (usually 0.05), enabling us to confidently state that there is a statistically significant relationship between these indicators and the company's value. These results therefore suggest that the company's performance in ESG areas significantly impacts its overall market value.

It can therefore be concluded that ESG (environmental, social and governance) aspects do indeed affect the value of Hilton, with some indicators having a more significant impact than others. The strongest relationship, based on intensity, is observed for the 'Total Water Consumption' indicator, with a correlation coefficient of 0.7233. This indicates a strong positive correlation between the amount of water consumed by the company and its market value: higher water consumption is associated with higher company value. Conversely, the weakest correlation is observed between waste production and market value, with a correlation coefficient of only -0.0094. This near-zero value suggests that waste production does not significantly impact Hilton's value over a given period.

At the same time, we can conclude that the number of emissions produced, location-based emissions, energy consumption and water consumption are directly related to Hilton's market value. This is confirmed by the positive correlation coefficients of these variables. This suggests that improving environmental performance in these areas is associated with a positive perception of the company and its value in the market. Conversely, aspects such as waste production, volunteer hours and supplier diversity affect market value indirectly, suggesting their impact may be mediated by other factors or indicators.

These results provide valuable insight into the direct or indirect impact of selected ESG indicators on Hilton's market value. They also provide an important basis for managers, investors and policymakers to consider when making strategic decisions and creating sustainable business strategies. Furthermore, this knowledge can facilitate further research into the impact of ESG factors on company value in the hospitality and tourism industry.

This study therefore aims to verify how selected ESG report indicators have affected Hilton's market value over the past 5 years. In our analysis, we employed Pearson's correlation coefficient to quantitatively

express the relationship between monitored variables and company value, providing valuable insights into the strength and direction of these relationships.

CONCLUSION

This study aimed to examine how selected ESG indicators from the report affect Hilton's market value between 2019 and 2023. This timeframe was chosen to capture the impact of various internal and external factors, including the effects of the pandemic, on Hilton's environmental, social, and governance practices. Based on the obtained data and correlation analysis using Pearson's correlation coefficient, we can conclude that Hilton is making significant progress in monitoring and reducing its environmental impact. The results show that Hilton is effectively assessing and managing its carbon emissions, energy consumption and waste and water management. They also demonstrate the company's ability to adapt to external factors such as the pandemic. Although this global crisis temporarily affected its operations, the company was able to reduce its negative environmental impacts, demonstrating its resilience and ability to implement sustainable measures even in challenging times. A notable finding is the sustained decrease in emissions and waste intensity after 2020, clearly indicating the company's growing commitment to environmental sustainability. In 2023, Hilton made significant improvements in all monitored environmental indicators, with the most notable progress being in waste minimization. For instance, the increase in the Waste Diversion Rate to 39.2% demonstrates effective waste management measures and improvements in recycling and composting. These results demonstrate the company's commitment to implementing sustainable practices and efficient resource management, which directly impacts its environmental performance and reputation in the market positively.

In the area of social impacts, despite the relatively small number of monitored indicators, it is evident that Hilton faces certain challenges regarding social responsibility and commitments. For instance, there are fluctuations in volunteering, with the highest performance recorded in 2022, possibly due to various initiatives, programmers or changes in the organizational structure. These findings highlight the need to continuously increase employee engagement and develop social projects that can contribute to a more positive public and investor perception of the company.

Analyzing the correlation between ESG indicators and Hilton's market value reveals the significant impact of environmental performance on the company's value. The highest correlation was recorded with the water consumption indicator, suggesting that effectively managing and reducing water consumption are key factors in how the company is perceived and valued in the market. Conversely, waste production appeared to have the least significant impact, potentially due to various factors including how waste is managed and how it is perceived by investors and the public.

In conclusion, effective ESG strategies can significantly improve a company's environmental and social responsibility and positively affect its market value. These findings have important practical and theoretical implications, as they provide evidence that companies emphasizing sustainability and responsibility can achieve better economic results and become more attractive to investors. They also pave the way for further research into ESG investments, their impact on companies' financial performance, and the importance of integrating them into strategic decisions in various sectors of the economy.

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