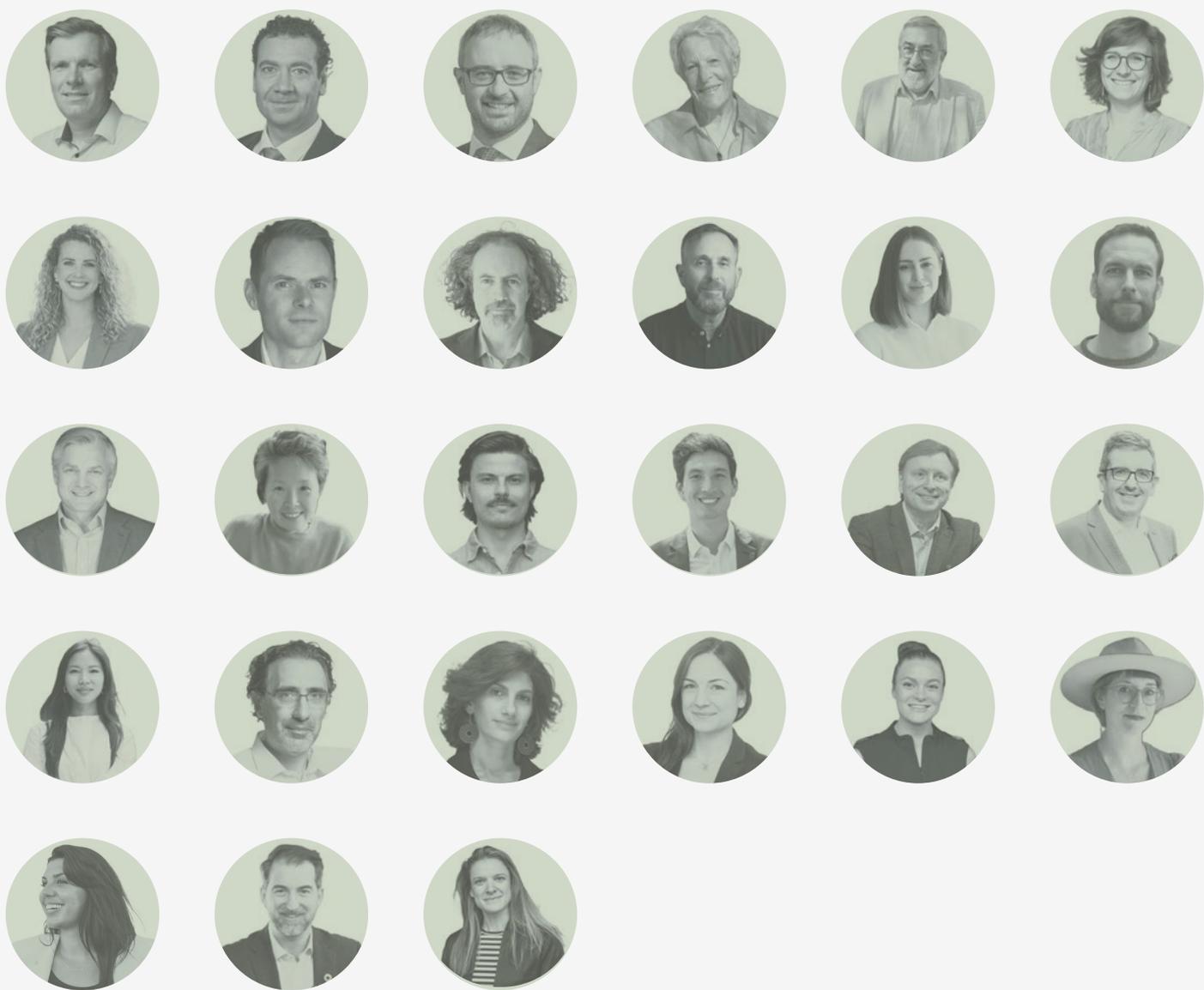


HYB26

Sustainability Edition

The Regenerative Question - What
Hospitality Must Become



The Hotel Yearbook

Foresight and innovation in the global hotel industry



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A Mindset Shift for Resilience and Prosperity in Hospitality

Nature-based solutions

Maribel Esparcia Pérez
COO, Honest Operations

HONEST

Maribel Esparcia Pérez argues that hospitality asset management must move beyond extractive, short-term models toward regenerative, resilient systems that account for climate risk, ecosystem health, and community wellbeing. Using examples like Casa Leonardo and Coron Natural Farms, she shows how regenerative practices can protect asset value, strengthen local resilience, and align with emerging financial and regulatory frameworks.

The future of hospitality is shaped by critical challenges, including geopolitical tensions, climate change, economic fluctuations, digitalization, and the evolving needs and preferences of travelers. In this context, asset management and ownership have two pathways: either a reactive approach to respond to evolving regulations, disruptions, and supply chain shocks, or a proactive approach where businesses and communities collaborate to build resilience and wellbeing. The industry is challenged by the urgency to adapt to a rapidly changing landscape. In the years to come, hotels will experience technology implementation at scale, generational behavioural changes, and diverse guest expectations.

The evolution from the early days, when the hospitality industry began to consciously realize the externalities caused by the hotel activity and the corporate social responsibility movement, has now expanded into a comprehensive structure, especially in multinational companies, franchises, and multi-destination brands. Furthermore, more business schools and academia have incorporated sustainability as a critical subject in tourism and hotel management degrees and master's studies. These advancements and the infrastructure created around (certification bodies, international associations, and activism) allowed progress; however, systems and industry dynamics have not changed at the pace needed. The hospitality sector depends on an extractive model and systems that are causing irreversible damage to destinations and ecosystems. Accelerating change is required to rethink systems and adopt change management approaches focused on regeneration. An example of a lodging leading by example is [Casa Leonardo](#) where the team created *Gratitude Pallars* to maximise impact prevention measures (avoid and minimise) over corrective measures (restoration and offset), balancing development priorities with the conscious use of natural resources. They created micro-reserves managed under the guise of private nature reserves with biodiversity and heritage conservation projects. Another example presented recently by Susana Santos de Cardenas: *"In the tourism hotspot of Coron, Palawan, Coron Natural Farms (CNF) demonstrates that regenerative resilience is the ultimate safety net against global disruption. Regarding sovereignty and food security, the CNF established a circular food security net that sustained the community even when global imports stalled."*

The perception that an extractive model is more affordable than regenerative systems is due to the externalities caused by asset activity not being accounted for in most EBITA and P&Ls. Regeneration is not merely about creating life, but also about preserving it in communities and ecosystems around the assets. It should not be forgotten that human and planetary health are inseparable, and this not only sharpens our sense of urgency, but a mindset shift and understanding allow hospitality leaders to change the agenda on how we operate, invest, and develop hotels.

For instance, if transactions of assets in coastal areas are analysed, is the real value of a property like it is assumed to be once we factor in physical, reputational, and transitional climate-related risks? If we use [IPCC projections](#), a potential climate-related discount can be applied due to water-related physical risks to the asset and the operations (such as sea level rise (SLR)). It can represent millions in hidden costs. [An example of imminent risk in the European hotels market is that assets in 68 regions are projected to experience high or extremely high water stress, containing 2.19 million hotel rooms \(36.1% of EU capacity\). Exposure is highly concentrated in Mediterranean countries.](#) Often, obtaining place-based data is critical for the hotel industry to understand and measure local impacts and challenges. Only context-based data helps us to build the agenda. The [European Central Bank](#) has now embedded climate and nature-related risks into core financial risk frameworks, confirming that, for instance, water-related risks are among the most material for the euro-area economy and strengthening climate risk data for credit entities.

At the asset level, crisis-proof operational resilience is fundamental. The risks present a threat to living systems, local communities, and economies. A lack of contingency plans can leave an asset non-insurable. Only the costs of extreme weather events are estimated to be [143 billion per year attributable to climatic change](#). How do we replenish and rebuild ecosystems with our hotel operations? How do we ensure asset proof and resilience to extreme weather events, pandemics and other social and economic risks in the coming years? From the last World Economic Forum Risk Report, [extreme weather leading short-term concerns, biodiversity loss, and critical change to earth systems dominate the upcoming years.](#)

One of the main challenges is to scale best practices. Current standards and reporting frameworks often have a tick box exercise that lacks local understanding and accountability for all the risks and peculiarities of the place (such as indigenous voices or local traditions). Assets whose value increases over time will be those that demonstrate resilience and proactivity in creating life within communities, protecting local culture and tradition, as well as ensuring business continuity and climate resilience. Hospitality relies on the restoration of ecosystems for security and long-term tourism in destinations. Data is clear, creating resilience through nature-based solutions is the way forward, and risks are measurable. The cost of inaction has already been paid in asset valuations, changes in weather patterns, economic disruption, supply chain shocks, and the slow erosion of guests' and the workforce's trust. [Trends such as longevity](#) and the importance of wellness also focus on creating life and helping to create human experiences that are transformed for the better. [GlobeScan's recent research](#) on healthy and sustainable living has found that health is now the strongest driver of sustainable behavior change. Regarding workforce best practice, the sector has to ensure talent stability and access to dignified living conditions, such as fair employment and affordable housing for staff and overall building social legitimacy through cooperation with local communities and developing strong climate adaptation so the hotel and its surrounding territory become more resilient to inevitable changes and impacts.

Evolving holistic frameworks such as Edmans's framework (Grow the Pie book) for "*radical responsibility*" introduce critical elements such as purpose as a value driver, instead of viewing social initiatives as a cost, Edmans highlights their potential to drive value, integration with strategy, responsibility is woven into a company's core strategy and operations, aiming stakeholder welfare, improve guest' lives, provide employees with a healthy and enriching workplace, preserve ecosystem services, and lastly, use an evidence-based approach, especially when measuring asset performance considering local context and data. Therefore, the hotel business ecosystem stakeholders are encouraged to create partnerships to work together, locally and globally, to drive innovation and expand the collective mindset to enable wellbeing and prosperity for all.



“Show me only chemical-free,
bed bug-safe hotels.”



What becomes searchable
becomes bookable.

