

# **Green is the new gold: ESG as a growth driver in hospitality**

The hospitality industry stands today at an inflection point where sustainability is no longer a choice but a necessity. Every day we are seeing the consequences of years of short-term thinking: rising temperatures, extreme weather and growing inequality, and therefore the cost of inaction is no longer hypothetical. Not just travelers but regulators and investors too are increasingly scrutinizing business practices and that's exactly why ESG (Environment, Social and Governance) frameworks are working as powerful levers not just for compliance, but for growth and resilience. The industry, by its very nature, touches numerous ecosystems which are natural, economic, and social. From resource-intensive operations to the cultural footprint in communities, every decision made by a hospitality business can enrich the environments it operates in. While environmental, social responsibility, and ethical governance are no longer fringe priorities, they have become core pillars to guest expectations, investment mandates, and long-term business sustainability.

Environmental leadership: More than just a green tag

Modern hospitality design and operations are increasingly focused on being environmentally conscious. Top hotels are embracing renewable energy solutions like wind farms, solar panels, and energy-efficient upgrades to cut down on fossil fuel use. In coastal and island locations, they're implementing desalination plants, water recycling systems, and low-flow fixtures to tackle water scarcity while still ensuring guest comfort.

Waste management has come a long way. We're now seeing practices like composting organic waste, moving away from single-use plastics, setting up refillable water systems, and even investing in in-house water bottling plants becoming standard in the industry. Plus, smart energy management tools like Building Management Systems, motion-sensor lighting, and HVAC optimisation are helping properties run more efficiently while also cutting down on their carbon footprint.

Innovations like hydroponics, which allow for the growth of fresh herbs and vegetables right on-site, not only cut down on food miles but also promote culinary sustainability. Some properties have taken this a step further by sharing hydroponic solutions with nearby communities, enhancing both food security and local involvement

Since, marine and coastal conservation are also becoming a fundamental part of many leading resorts which operate. A lot of these places are getting involved in coral reef restoration projects, and they're inviting guests to join in through coral planting programs. This not only helps bring biodiversity of marine life back but also highlights important issues within the environment. Plus, there are new initiatives aimed at protecting sea turtle hatchlings, giving guests a meaningful way to get involved while helping to safeguard these at-risk species. It's a wonderful mix of conservation efforts and enriching, educational experiences for everyone who participates.

**Social equity: Empowering communities and teams**

A strong ESG strategy truly puts people first. The hospitality sector has a unique opportunity to uplift local communities, whether through job creation, skill development, or preserving cultural heritage.

Globally, there's a growing emphasis on inclusive hiring, promoting gender diversity, and actively involving individuals with disabilities. By partnering with local governments and NGOs, these commitments can transform into real programs, from internships and apprenticeships for underrepresented groups to structured collaborations with educational institutions.

Cultural integration is making a significant difference in the hospitality industry, as hotels increasingly create platforms to highlight local crafts, cuisine, and traditions. This approach offers guests an immersive experience while supporting artisans and storytellers. Initiatives like guided art workshops, traditional village nights, and artisan partnerships are enhancing guest engagement and helping to preserve invaluable cultural heritage.

## Building a responsible and resilient brand through governance

Effective governance is a bedrock to the ESG initiatives. It's important for every leading hotel to have clear disclosures, ethical procurement practices, robust data privacy measures, and strong oversight from the board to make sure that the sustainability efforts not only make an impact but also are quantifiable.

Nowadays, many players within the hospitality industry are mapping their operations with global standards like the UN Sustainable Development Goals (SDGs) and the Global Reporting Initiative (GRI). As ESG reporting is becoming more structured, stakeholders from institutional investors to the guests demand visibility into metrics that go beyond profit.

Integration of ESG is proving to be a significant business advantage because properties with strong ESG performance enjoy better guest loyalty, reduced operating costs, and a more resilient supply chain. However, as we look ahead, it's clear that "green" is not a marketing narrative, but it's crucial for long-term success in the hospitality industry.