

## **Code Protecting Children 2013 – Expedia**

**WHEREAS:** Each year more than two million children are exploited in the global commercial sex trade, some as young as five years old. The average age is 14. Child sex tourism (CST) is the practice of foreigners sexually exploiting children in another country. It is an organized multi-million dollar industry that includes tour guides, websites and brothel maps.

Problem countries include Cambodia, Thailand, Costa Rica, Mexico, Dominican Republic, Brazil and India but also include events that happen in the United States. At least 32 countries have extraterritorial laws that allow the prosecution of their citizens for CST crimes committed abroad, including the U.S.

The International Hotel & Restaurant Association, the U.S. Department of State's Office to Monitor and Combat Trafficking in Persons, the International Labor Organization, and the United Nations, all have issued reports or statements suggesting that tourism areas may be a source of demand for child prostitution. As early as 2005 the Office to Monitor and Combat Trafficking in Persons issued a fact sheet on CST directly encouraging tourism companies to address this problem.

We believe a company associated with incidents of Child Sex Exploitation could suffer substantial negative impacts in terms of reputation and adverse publicity. We believe commercial advantages may accrue to our company by adopting an effective policy addressing the commercial sexual exploitation of children. Expedia describes itself as part of the tourism industry and thus, we believe, is exposed to potential risks to its reputation.

In 2012, Sabre Holdings, a travel technology company and parent of such on line booking tools as Travelocity, signed on to "The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism" [www.thecode.org](http://www.thecode.org).

The Code is sponsored by ECPAT, a network of organizations around the world, including tour operators, hotels, airlines and service organizations. The Code contains six criteria:

- Statement of company policy on commercial sexual exploitation,
- An overview of employee education and tourism personnel training,
- Supplier contracts stating a common repudiation of CSEC,
- Plan for communicating information to travelers
- Methods for informing local "key persons" at travel destinations, and
- An annual progress report.

**RESOLVED:** The shareholders request the Board of Directors to adopt a human rights policy including prohibition of sexual exploitation of minors and to report, at reasonable cost and omitting proprietary/confidential information, implementation of this policy to shareholders by November 2013.

**Supporting Statement:** We believe Expedia's policies should be comprehensive, transparent and verifiable and address the provisions of "The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism" [www.thecode.org](http://www.thecode.org) that are relevant to Expedia's business.