

## Report on Human Rights Risks in Conflict-Affected and High-Risk Areas

RESOLVED: Shareholders request that Expedia assess and report to shareholders, at reasonable expense and excluding proprietary information, on the company's policies and procedures to address the human rights risks associated with business activities in conflict-affected and high-risk areas (CAHRA).

WHEREAS: Expedia Group (Expedia) is one of the world's largest online travel companies, facilitating reservations at nearly 1.6 million properties in 200 countries and territories, including "conflict-affected and high-risk areas" such as China (Xinjiang Uygur Autonomous Region), Democratic Republic of Congo, Israeli-occupied Palestinian territory, Jammu and Kashmir, Lebanon, Moroccan-occupied Western Sahara, Myanmar, Russian-occupied Transnistria (Moldova), and Turkish-occupied Northern Cyprus;

CAHRA are characterized by widespread and gross human rights abuses. Companies with business activities in such areas may cause, contribute to, or be linked with violations of national and/or international law, or fail to uphold voluntary corporate commitments, resulting in heightened risks to local communities, travelers, companies, and shareholders. The United Nations World Tourism Organization highlighted the particular needs of those in CAHRA in its 2017 World Conference on Tourism and Culture;

Companies and investors increasingly view human rights risks as leading indicators that may materially impact company value and investment performance. Companies as diverse as Bank of America, Ford, Microsoft, Nestle, and Unilever have integrated human rights into their determinations of the issues that matter most to their financial performance and shareholders. According to the US SIF Foundation's *2020 Trends Report*, "conflict risk" was the leading environmental, social, and governance criterion among institutional investors representing over \$6 trillion in assets under management;

Multilateral organizations and nation states are developing laws, sanctions, and standards, including pending legislation on mandatory human rights due diligence for all EU countries, to address corporate human rights violations. These regulations create ever-expanding layers of legal, reputational, and financial risk for companies and investors to consider;

To mitigate the business risks associated with operations in CAHRA, many companies adopt human rights policies based on international frameworks, such as the United Nations Guiding Principles on Business and Human Rights. While Expedia's "Modern Slavery Statement" and "Vendor Code of Conduct" mentions the company's respect for human rights, neither policy provides guidance for assessing and addressing the heightened risks, including human rights, associated with business activities in CAHRA.

### SUPPORTING STATEMENT

Shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of conducting an assessment and issuing a report that:

- Discusses the company's process for identifying, assessing and mitigating human rights and corresponding business risks in CAHRA;
- Describe the company's due diligence process for monitoring the enforcement of its existing policies; and
- Assess whether the company should adopt additional policies to avoid unintentionally contributing to violations of human rights in CAHRA.

Shareholders believe that it is in Expedia's best interest, advancing its corporate reputation and mitigating potential risks, to establish policies and procedures that would be applicable to any CAHRA in which the company and its subsidiaries operate.