

# CLIMATE ACTION PLAN



## About Expedia Group

Expedia Group™ powers travel for everyone, everywhere through our global platform. Driven by the core belief that travel is a force for good, we help people experience the world in new ways and build lasting connections. We provide industry-leading technology solutions to fuel partner growth and success while facilitating memorable experiences for travelers. We continue to innovate for the travel industry through our three flagship travel brands: Expedia, Hotels.com, and Vrbo.

Our organization is made up of three pillars: Expedia Product & Technology, focused on the group's product and technical strategy and offerings; Expedia Brands, housing all our consumer brands; and Expedia for Business, consisting of business-to-business (B2B) solutions and relationships throughout the travel ecosystem. Together with our partners, we have the opportunity to reimagine a more frictionless, inclusive, and resilient travel industry.





## A WORD FROM...

### **Aditi Mohapatra**

VP OF GLOBAL SOCIAL IMPACT  
& SUSTAINABILITY

Travel broadens horizons, strengthens connections, and changes perspectives, bringing the world closer together. The travel and tourism industry is one of the biggest economic drivers for many communities around the world, and when done responsibly, it creates millions of jobs, supports livelihoods, and conserves local cultures. The industry, moreover, has the potential to protect natural ecosystems, scale green technology deployment, and build resilient communities.

At COP26 in November 2021, the global travel and tourism community came together to launch [The Glasgow Declaration on Climate Action in Tourism](#), which defines a clear and consistent sector-wide message and approach to climate action in the coming decades. Expedia Group became the first global online travel agency (OTA) to sign in April of 2022, committing to support the industry toward the goal of halving its emissions by 2030 and reaching Net Zero as soon as possible before 2050.

We see climate action as a business imperative and the way to ensure a resilient and prosperous industry for generations to come. Our travelers are already demanding more sustainable options, and we expect the environmental impact of their choices to only increase in importance to them. We see an opportunity in sustainability to enhance our brand and capture traveler loyalty, get ahead of Net Zero transition expenditures, and reward travel suppliers who do the same.

From day one, our business has been built on providing trusted information to travelers, connecting them with a wide range of quality travel products and supporting partners and suppliers in meeting our travelers' diverse range of needs. This is likewise where we will anchor our contribution to a Net Zero future.

At Expedia Group, we know that travel is transformative — a true force for good. We also know that the industry must transform to realize a Net Zero future, and we are committed to playing our part.

In this Climate Action Plan, we describe the steps Expedia Group will take to decarbonize our operations and align with a Net Zero future.<sup>1</sup> We have been carbon neutral since 2017,<sup>2</sup> and we are proud to announce that we are now increasing our ambitions and committing to reach Net Zero greenhouse gas (GHG) emissions across our operations by 2040 from a 2022 base year.

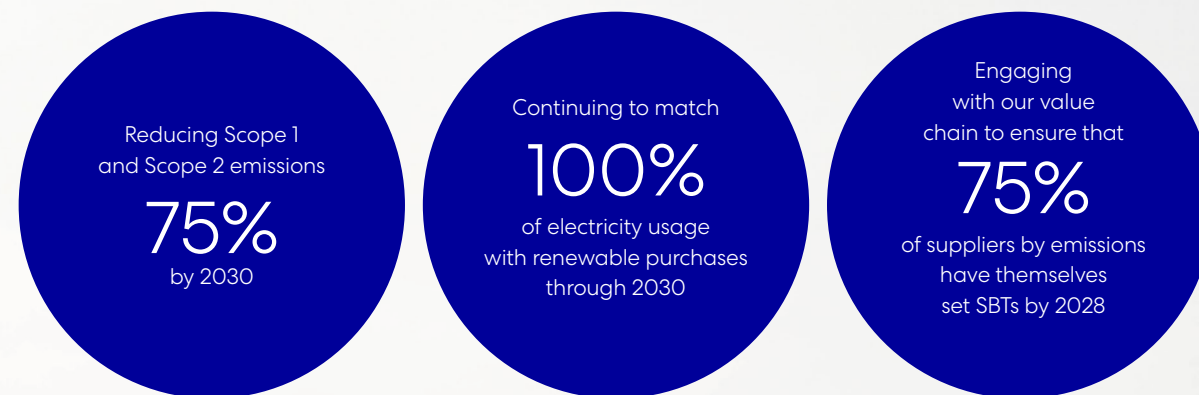
# Expedia Group commits to reach Net Zero emissions by 2040.

<sup>1</sup> Where we refer to Net Zero throughout this document, we mean cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions permanently removed from the atmosphere, in line with the goals of the Paris Agreement. Our climate actions to date are covered in greater detail in our [annual Impact Reports](#).

<sup>2</sup> Carbon neutral claims made in accordance with the standards of the [Carbon Neutral Protocol](#), covering Scope 1, Scope 2, and Scope 3 Categories 5, 6, 7, and 8.

<sup>3</sup> From a 2022 baseline year. Operational emissions encompass our Scope 1 and Scope 2 as well as upstream Scope 3 Categories 1, 2, 3, 5, 6, 7, and 8. Category 4 is not relevant to our operations.

Moreover, we are committing to the Science Based Targets initiative (SBTi) and proposing initial near-term targets of reducing our Scope 1 and Scope 2 emissions 75% by 2030, and of engaging with our value chain to ensure that 75% of our suppliers by emissions have themselves set science-based targets (SBTs) by 2028. We plan to submit these targets to the SBTi for validation next year.<sup>3</sup>



Beyond our operations, we are committed to catalyzing the wider travel industry’s ability to achieve the global goal of halving emissions by 2030 and reaching Net Zero as soon as possible before 2050, as set out by The Glasgow Declaration on Climate Action in Tourism.

These commitments build on the intentions set out in our [Open World™ Social Impact and Sustainability strategy](#), which articulates our mission of advancing a travel ecosystem that is open, accessible, and responsible for all.

The strategy contains three impact pillars:

- Economic Advancement**
- Inclusive Pathways**
- Prosperous Planet**

all of which are tied to the people, places, and communities that make up the travel industry.

The Prosperous Planet pillar of the Open World strategy encompasses our vision for climate and the environment, including how we will position our brand portfolio and technology platform as the sustainable choice for travel search.

Within the Prosperous Planet pillar, Expedia Group has committed to:

- 1. Aligning With a Net Zero Future** — We will decarbonize our own operations and take action to mitigate and adapt to the impacts of climate change on our business.
- 2. Powering Sustainable Journeys** — We will mobilize our partners and peers to innovate sustainable solutions for the future of travel.

To get there, we will prioritize action in the following areas:

### Aligning With a Net Zero Future

**Reduce:** Set and deliver near-term SBT and a 2040 Net Zero goal for our operations.

**Prepare:** Evaluate and integrate climate risks and opportunities into our business.

### Powering Sustainable Journeys

**Empower:** Promote more sustainable travel products across our platform and encourage travelers to choose them via clear, credible, and consistent information on the relative sustainability of travel options.

**Accelerate:** Support suppliers in providing more sustainable offerings and reducing the travel industry’s environmental footprint while enhancing resilience and climate adaptation for destination communities.



## Aligning With a Net Zero Future – Our Actions

**Reduce:** Set and deliver near-term SBTs and a 2040 Net Zero goal for our operations.

### Glasgow Declaration: **Measure, Decarbonize, Regenerate**

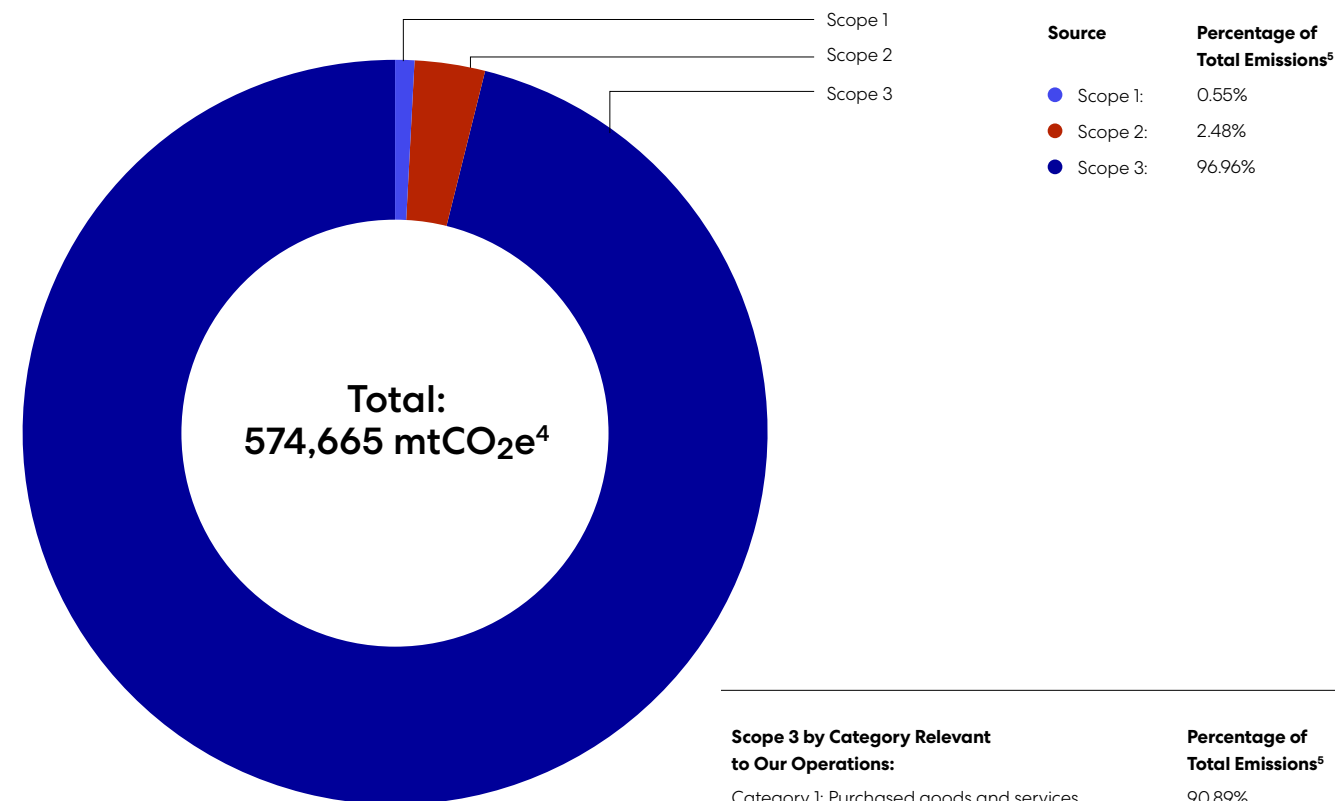
Our climate action journey started in 2017, when we achieved carbon neutral status for our operations. We have since maintained this status through a combination of internal emissions reductions, renewable electricity, and verified carbon offsets. As part of our carbon neutrality commitment, we have matched 100% of our electricity usage with energy attribute certificates since 2020.

With this Climate Action Plan, we are building on our carbon neutral achievement and looking toward a Net Zero goal and the decarbonization of our operations.

In the coming year, we are committing to the SBTi and proposing initial near-term targets for reducing our Scope 1 and Scope 2 emission 75% by 2030 and that 75% of our suppliers by emissions have themselves set SBTs by 2028.

While today we can measure and disclose upstream (operational) Scope 1, 2, and 3 emissions, we recognize that our business, fundamentally, is rooted in the travel booked across our platform — flights, cars, cruises, hotels, vacation rentals, and activities, as well as the services and inventory we pass along to our B2B partners. Measurement is complex, and OTAs lack conventions on appropriate boundary setting; as a result, no major leisure travel platform has disclosed the emissions of such bookings to date. Expedia Group is working with industry partners to improve and align on measurement and disclosure of third-party travel bookings, and we will continue to collaborate and support this work in coming years.

## EXPEDIA GROUP'S 2022 GHG INVENTORY



Scope 3 by Category Relevant to Our Operations:	Percentage of Total Emissions <sup>5</sup>
Category 1: Purchased goods and services	90.89%
Category 2: Capital goods	1.46%
Category 3: Fuel- and energy-related emissions	0.34%
Category 5: Facility waste	0.09%
Category 6: Business travel <sup>6</sup>	2.33%
Category 7: Commute and home-working	1.74%
Category 8: Upstream leased assets	0.10%

<sup>4</sup> Location-based methods used for Scope 2 and Scope 3 Categories 3, 7, and 8.

<sup>5</sup> Some numbers may not add up to 100% due to rounding.

<sup>6</sup> Business travel (air) calculations do not include estimates of the effects of radiative forcing.

## Aligning With a Net Zero Future — Our Actions

**Prepare:** Evaluate and integrate climate risks and opportunities into our business.

### *Glasgow Declaration:* **Measure**

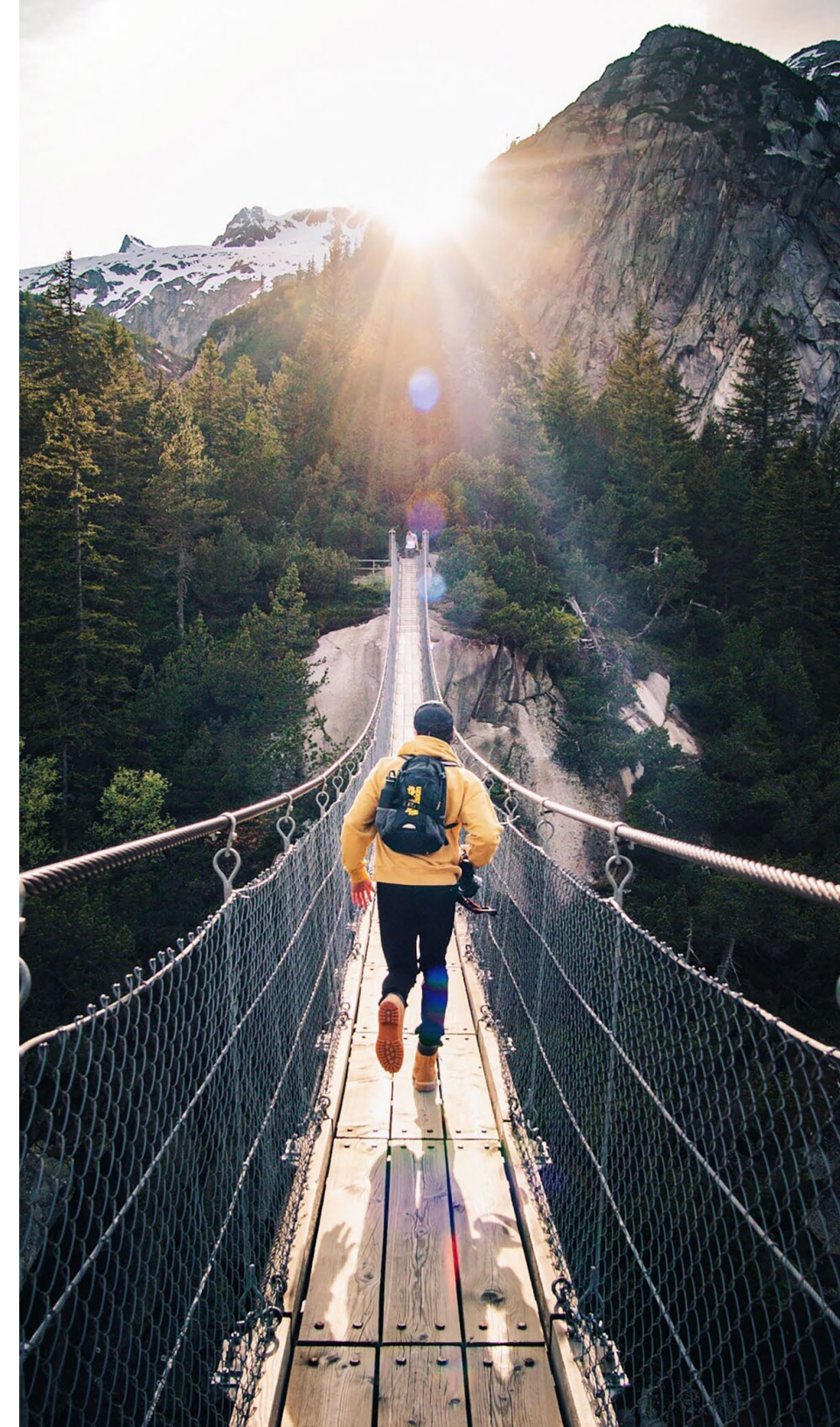
To align our business with a Net Zero future, we need to understand the implications of physical and transitional climate risks and opportunities, such as increases in extreme storm events and wildfires that disrupt trips and damage travel infrastructure, or the potential for a long-term reduction in the viability of certain travel destinations due to factors such as extreme heat or sea-level rise.

As part of the development of this Climate Action Plan, we completed a companywide screening process, engaging internal leaders from across the business in workshops to evaluate a variety of risks. We identified the highest-priority risks to Expedia Group's business as extreme storm conditions (physical risk) and shifting consumer preferences (transition risk). We then quantitatively analyzed these two risks and our potential future exposure to them across multiple climate-change scenarios and time horizons, as well as global decarbonization scenarios.

Our modeling indicated that climate change will likely result in increased extreme storm risk under any warming scenario. These events, such as hurricanes and tropical cyclones, have the potential to impact revenue across many product types — lodging, flights, cruises, car rentals, and activities — as well as to disrupt the everyday productivity of Expedia Group employees.

The analysis also revealed that Expedia Group could face a risk from shifting consumer preferences stemming from an increased demand for sustainable travel options or a perception of travel as an environmental harm. We may also see changes in travel destination preferences and seasonality trends due to the impacts of climate change, which could both result in reduced revenue if not effectively managed.

To mitigate these risks and realize related opportunities, we are committed to empowering travelers to act more sustainably through better information and enhanced eco-conscious travel options, as well as supporting our supply partners in meeting this demand. We are working with the wider travel industry to develop more reliable, customer-centric services to support and handle various customer requests from climate-vulnerable locations around the globe in the event of these climate-driven extreme weather occurrences. Finally, we are setting and delivering on decarbonization targets and assessing the exposure of key operational locations to identify opportunities for enhanced resilience while engaging with and supporting our travel suppliers around the world to likewise do the same, so we can mitigate our industry's contribution to GHG emissions. This is an important and ongoing body of work as we look to the future of our business.



## OUR SEATTLE HEADQUARTERS

In 2019 we opened our Seattle, Washington, campus, which was designed with sustainability at the forefront. We transformed the 40-acre waterfront area — part of which was formerly an industrial area — bringing in soil and native plants and grasses to restore nature and create coastal meadows.

### **Our Seattle headquarters boasts 25%–40% better energy efficiency than the median building in Seattle.**

In 2021, thanks to our investments in enhanced efficiency, sustainable materials, and emissions and waste reductions, the campus was awarded Leadership in Energy and Environmental Design (LEED) Gold certification. Both the remodeled existing structures and the newly constructed buildings boast approximately 25%–40% better energy efficiency than the median building in Seattle. Emissions are further reduced thanks to 250 kW of solar panels installed on the roof. Our goal is to rank in the top 25% of all corporate headquarters in the U.S. on energy and water performance.

To tackle the emissions associated with our employees' commutes, we run a shuttle and facilitate bicycle use with bike trails leading directly to campus and over 400 bicycle parking spaces. We also offer a cash benefit to employees who commute via bike, walking, or public transit, giving cash back in paychecks for each commute using one of those methods.

Since opening, we have worked with local landscape architects to create an array of outdoor environments — from meadows and courtyards to a mile-long beachfront. Planting on-site is divided into eight unique zones, each intended to evoke a different native Washington landscape and reflective of a typical Puget Lowland coniferous forest. These native plants conserve water, reduce maintenance costs, provide habitat for wildlife, support pollinators, protect soils, purify the air, mitigate flooding, reduce temperatures in urban areas, and support erosion control.



An on-site apiary provides a welcoming space for bees, while a vegetable garden provides fresh local produce that is used by our campus dining services. The campus is also one of the first to obtain Salmon-Safe Certification, which aims to ensure Pacific salmon can thrive in west coast watersheds and recognizes our headquarters as a net-positive contributor to local watershed and ecosystem health.

Nine rain gardens facilitate rain absorption and help reduce run-off pollution into neighboring waters. The main entry water feature is supplied using reclaimed rainwater from the roof surface, reducing potable water use. A new meeting space, made of natural materials and featuring a green roof, creates a biophilic haven for employees and biodiversity alike. Finally, we have developed on-site parklands, which are open to the public and enjoyed by diverse members of our Seattle community.



**Native plants conserve water, reduce maintenance costs, provide habitat for wildlife, support pollinators, protect soils, purify the air, mitigate flooding, reduce temperatures in urban areas, and support erosion control.**





## Powering Sustainable Journeys — Our Actions

**Empower:** Promote more sustainable travel products across our platform and encourage travelers to choose them via clear, credible, and consistent information on the relative sustainability of travel options.

*Glasgow Declaration:* **Measure, Collaborate**

Our booking platform and technologies connect millions of travelers with millions of global suppliers across a range of travel products — flights, cars, cruises, hotels, vacation rentals, activities, and packaged trips. The strength of our inventory allows us to democratize travel for everyone, everywhere, and our company is rooted in our ability to provide clear and trustworthy information to travelers.

We are committed to providing our travelers with clear, credible, and consistent information on the sustainability-related attributes and practices of travel providers, with the goal of making lower-carbon travel and tourism products a preferred choice across our platform and eventually the default for the global industry.

**Sustainability is a priority for many travelers, and there are real business opportunities for suppliers offering climate-friendly travel options.**

We know that today's travelers seek experiences that are more than just about relaxation or exploration. We increasingly hear that travelers expect travel options in line with their values, and that consumers are increasingly aware of the impact travel can have on natural ecosystems, economies, and individuals, both locally and globally.

In an April 2022<sup>7</sup> survey by Expedia Group, half of 11,000 global respondents said they would pay more to make their trip more sustainable, and 70% said they were willing to sacrifice some aspect of convenience to do so. This indicates that the environment is truly a priority for many travelers and shows that there are real business opportunities for suppliers offering more sustainable products.

However, that study also revealed that, while 90% of consumers already look for sustainable options when traveling, 70% of them feel overwhelmed and confused in navigating available options and starting the process of becoming a more sustainable traveler.

# 90%

of consumers already look for sustainable options when traveling

# 70%

of consumers feel confused in navigating sustainable travel options

We recognize that the climate challenge must be tackled with speed, scale, and collaboration. To ensure travelers can feel confident in their choices and empowered to book lower-carbon options, we are aligning with industry standards and best practices for sustainability data and communications, including using methodologies developed collaboratively with our peers through the Travelyst Coalition.

Equipped with robust, industry-aligned methodologies, Expedia Group is working with our global supply partners to share with travelers the many ways they're already reducing their environmental impact, lowering emissions, and supporting regenerative ecosystems and resilient communities with their travel products.

<sup>7</sup> Expedia Group Media Solutions — *Sustainable Travel Study*. April 2022. Poll conducted of 11,000 consumers age 18+ from 11 global markets between February 11 and March 6, 2022.



In 2022, we began capturing a range of sustainability features from hotel and lodging partners, reflecting their adoption of everything from waste-reduction measures, energy-saving features in rooms, renewable electricity, water-efficient showers, plant-based menu options, energy-efficiency technologies, and many more. One such feature, the availability of on-site electric vehicle charging, is already a popular search filter for accommodations.

In 2023, we began leveraging the open-source [Travel Impact Model](#) to display information about estimated flight emissions in certain geographies. Additional product features under consideration include further highlighting the sustainable amenities and third-party eco-certifications of accommodations and adding hybrid and electric vehicle filters for car rentals.

We are excited to continue innovating and enhancing the sustainability information we provide to travelers. Moreover, the climate information and methodologies we implement on our own sites will also become available to the travelers making bookings via our Expedia for Business partners such as travel agents, API clients, and private-label partners, widening our impact and driving further industry alignment.

Going forward, we'll leverage our global brands and strong track record of innovative marketing and traveler engagement to tell the story of sustainable travel while implementing new ways of encouraging travelers to select more sustainable options. By positioning Expedia Group's technology platform and services as the sustainable choice for travel search, we will boost awareness and build trust and loyalty. We'll continue to expand the information we have on the relative sustainability of our full range of travel options — hotels and vacation rentals, flights, cars, cruises, activities, and packages — to ensure our travelers can book with confidence, no matter their trip.

**Expedia Group is committed to continuing to innovate and enhance the sustainability information we provide to travelers.**



## Powering Sustainable Journeys — Our Actions

**Accelerate:** Support suppliers in providing more sustainable offerings and reducing the travel industry’s environmental footprint while enhancing resilience and climate adaptation for destination communities.

*Glasgow Declaration: **Decarbonize, Collaborate, Finance, Regenerate***

As we develop this Climate Action Plan in 2023, we see that the global travel industry is not yet on track to halve its emissions by 2030 and reach Net Zero as soon as possible before 2050.<sup>8</sup> Moreover, Expedia Group recognizes that we need to enable a diverse supply of truly low-carbon and sustainable travel options to meet the expressed demand of our travelers.

### **The global travel industry is not yet on track to halve its emissions by 2030 and reach Net Zero as soon as possible before 2050.**

While many travel suppliers are already pursuing ambitious climate agendas, the challenges are myriad — today, some sectors such as aviation and cruises lack the proven, market-ready technologies at scale needed to truly decarbonize. Many small and independent operators of hotels, vacation rentals, and activities need capacity-building to know where to begin. And even larger hotel chains or car rental companies may need additional financing and innovative business models to adopt more sustainable technologies and practices. Issues

like regulatory uncertainty and a lack of credible, standardized data and methodologies can compound these barriers.

Expedia Group is in the early phases of exploring our role in catalyzing the availability of more sustainable travel and tourism options. We know that the same alignment around data and methodologies that supports travelers in confidently booking low-carbon travel likewise supports suppliers in offering those options, as it makes it clear to them what’s expected and helps them disclose and report on their actions to date.

One initial example of how we can accelerate travel suppliers’ abilities to offer low-carbon options is seen in our partnership with the Travel Foundation, a nonprofit dedicated to ensuring that global tourism has a positive impact on destinations. We are jointly developing a first-of-its-kind online curriculum with training and practical guidance on climate and sustainability tailored specifically to Destination Marketing and Management Organizations (DMOs), such as tourist boards and visitors’ bureaus.

### **Expedia Group is committed to enabling a diverse supply of truly low-carbon and sustainable travel options to meet the expressed demand of our travelers.**

This program will serve to build climate fluency among DMO staff, equipping them to drive change across their destinations, including by supporting the sustainability journey of smaller travel entrepreneurs and local businesses in their communities. The program will also enable the creation of destination-specific, Glasgow Declaration-aligned Climate Action Plans and empower the DMOs to apply a climate lens to daily tourism management, planning, and decision-making.

Moreover, with tourism being such an important economic driver for many communities around the world, a destination’s ability to recover from destructive events and become more resilient in the face of climate change is vital to their overall prosperity, and in turn to the future of the travel industry. When disaster strikes, we look to respond quickly, using our resources,

time, and expertise to support communities in need. We therefore partner with and support diverse global actors who offer the needed local expertise to best respond to disaster events and support communities in building longer-term recovery and resilience.

By providing financial and other support to nonprofit organizations working to build sustainability awareness and capacity among tourism and travel providers, particularly where this work focuses on small businesses, we work to ensure that the future of sustainable travel is also equitable, diverse, and inclusive, in support of all three pillars of our Open World impact strategy.

Travel and tourism are inherently place-based: Every trip has a destination, and positive travel experiences hinge on vibrant, prosperous destinations. Enabling more sustainable, climate-ready destinations and accelerating destination-specific emissions-mitigation efforts is but one way Expedia Group supports the goal of a Net Zero travel industry. We are actively scoping these and other pathways to engage with our supply and Expedia for Business partners, and we anticipate ramping up this work significantly in coming years.

<sup>8</sup> Travel Foundation — *Envisioning Tourism in 2030 and Beyond 2023*.

## LOOKING AHEAD

This Climate Action Plan outlines our vision for a Prosperous Planet and responsible travel industry. By realizing this vision, we will build a climate-ready Expedia Group and position our brand portfolio and technology platform as the sustainable choice for travel search.

This plan represents the first instance of our company measuring the GHG emissions associated with our Scope 3 purchased goods and services and capital goods categories, conducting a climate risk assessment, and outlining an overall vision and associated list of actions for how we will contribute to the goals of the Glasgow Declaration and support the travel industry in reaching Net Zero emissions as soon as possible before 2050.

In the year to come, we plan to build on the foundation set out in this document by:

- Establishing an internal, cross-functional Net Zero working group
- Submitting our near-term targets to the SBTi for validation
- Continuing to procure 100% renewable electricity for our operations worldwide
- Developing a detailed Net Zero roadmap that outlines how we will achieve our interim and long-term targets
- Integrating a climate lens into the strategic planning processes and key performance indicators of relevant teams
- Advancing our work with the wider travel industry to identify innovative opportunities for Expedia Group to facilitate the Net Zero transition

Our Board of Directors and its Executive Committee — composed of our Chairman & Senior Executive and Vice Chairman & CEO — provide insight, feedback, and oversight on our ESG initiatives, including those related to climate change. Corporate responsibility priorities and implementation are led by our Global Social Impact & Sustainability team, with oversight from our Vice President of Global Social Impact & Sustainability. Additional leadership support is provided by our Chief People, Inclusion, & Diversity Officer, who updates our Board of Directors annually, or as needed, on ESG initiative progress. In the future, these updates will include progress against our climate targets.

The steps we are taking now will further inform the longer-term direction of this Climate Action Plan, which we will continue to evolve and update with transparency in the years to come. We will measure and report publicly on progress against interim and long-term targets and implementation goals, as well as on actions being taken, in our annual Global Impact and ESG reports.<sup>9</sup>



<sup>9</sup> Expedia Group Annual Impact Reports.

## EXPEDIA GROUP TCFD INDEX

As part of Expedia Group's Climate Action Plan, we have detailed our alignment to the Task Force on Climate-related Financial Disclosures (TCFD). TCFD recommendations are organized into four pillars that allow for a consistent, standardized approach to analyzing climate-related risks and opportunities: (1) Governance, (2) Strategy, (3) Risk Management, and (4) Metrics and Targets. Expedia Group's TCFD response represents our efforts toward implementing the recommendations of the TCFD.

TCFD Pillar	Recommended Disclosure	Expedia Group Response
<p><b>Governance:</b> Disclose the company's governance around climate-related risks and opportunities.</p>	<p>Describe the board's oversight of climate-related risks and opportunities.</p>	<p>Our Board of Directors and its Executive Committee — composed of our Chairman &amp; Senior Executive and Vice Chairman &amp; CEO — provide insight, feedback, and oversight on various ESG initiatives. Our Chief People, Inclusion, &amp; Diversity Officer updates the Board of Directors annually, or as needed, on ESG initiative progress. Updates to the Board of Directors may include climate-related risks and opportunities that may materially affect Expedia Group.</p>
	<p>Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>Implementation of ESG priorities, including climate-related risks and opportunities, is led by our Global Social Impact &amp; Sustainability team, with oversight from our Vice President of Global Social Impact &amp; Sustainability and leadership support by our Chief People, Inclusion, &amp; Diversity Officer and a dedicated ESG Steering Committee, composed of senior executives across key corporate functions. The ESG Steering Committee meets quarterly and discusses ESG strategic implementation, which may include climate-related risks and opportunities that may materially affect Expedia Group.</p>
<p><b>Strategy:</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the company's businesses, strategy, and financial planning where such information is material.</p>	<p>Describe the climate-related risks and opportunities the company has identified over the short, medium, and long term.</p>	<p>The TCFD identifies two categories of climate-related risks: transition risks and physical risks. Transition risks are those associated with transitioning to a lower-carbon economy, particularly the policy, legal, technological, and market changes that may require mitigation and adaptation. Physical risks can be event-driven (acute) or longer-term shifts in climate patterns (chronic).</p> <p>To supplement our existing Enterprise Risk Management (ERM) processes, we conducted a companywide climate-related risk screening process in 2022 to identify, assess, and quantify Expedia Group's climate-related transition and physical risks, as well as corresponding opportunities. The scope of the assessment was global and engaged cross-functional operational senior executives to establish a detailed understanding of how Expedia Group addresses climate-related risks.</p> <p>The climate-related transition and physical risks that were screened align with the TCFD's identified climate-related risk categories. The susceptibility of Expedia Group to the climate-related risks in terms of preparedness, severity, and likelihood was assessed across three time horizons: short term (before 2030), medium term (2030 to 2050), and long term (beyond 2050). Climate-related risks were prioritized based on the scope of their impact and Expedia Group's ability to control them. The tables on the following pages exhibit Expedia Group's identified climate-related risks and opportunities and discuss their potential impact based on TCFD guidelines.</p>

**TCFD Pillar**

**Recommended Disclosure**

**Expedia Group Response**

Continued

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**Table 1:** TCFD Transition and Physical Climate-Related Risk Categories Assessed

TCFD Risk Category	TCFD Risk Sub-Category	Description	Time Frame	
Transition	Policy & Legal	Increased pricing of GHG emissions Enhanced emissions-reporting obligations Mandates on and regulation of existing products and services	Enhanced policies and regulations could impact the travel industry through making travel more costly or requiring shifts to lower-carbon transportation.	Medium to Long Term
	Technology	Costs to transition to lower-emissions technology	Uncertainty of the cost of technological innovations that support the energy transition to a low-carbon economy, resulting in rising costs of energy and carbon instruments or require investment into low-carbon technology.	Medium Term
	Market	Uncertainty in market signals	Uncertain shifts in supply and demand for travel could cause consumers and investors to allocate capital on travel differently or invest in travel less altogether.	Medium Term
	Reputation	Shifts in consumer preferences	Customers could switch to a different brand if Expedia Group cannot supply more sustainable travel options or choose to travel less if there are uncertain perceptions of Expedia Group's contribution to the transition to a low-carbon economy.	Short to Medium Term
Physical	Acute	Increased severity of extreme weather events	Increased acute weather events could damage offices and impact employees' ability to work from home. These events could also cause increased customer cancellations and damage to vacation rental supply.	Medium to Long Term
	Chronic	Rising mean temperatures	As temperatures rise, Expedia Group may be impacted through rising energy costs, customers changing their travel behaviors, and chronic damage to infrastructure at key destinations.	Long Term
		Changes in precipitation patterns and extreme variability in weather patterns	Increased drought and water stress from variability in precipitation patterns may negatively impact tourism in already high-risk areas through negative community perception and impacts to the health and safety of travelers.	Long Term
		Rising sea levels	Increased coastal flooding from sea-level rise may damage key destinations as well as vacation rental supply.	Long Term

## TCFD Pillar

## Recommended Disclosure

## Expedia Group Response

Continued

Continued

**Table 2:** TCFD Climate-Related Opportunities Categories Assessed

TCFD Opportunity Category	Description	Time Frame
Resource Efficiency	Efficiency of Expedia Group's operations such as data centers and offices.	Short to Medium Term
Energy Source	Expedia Group's use of lower-emission sources of energy and participation in the carbon market.	Short to Medium Term
Products and Services	Uncertain shifts in supply and demand for travel could cause consumers and investors to allocate capital on travel differently or invest in travel less altogether.	Medium Term
Markets	Expedia Group's access to new customers through industry group initiatives and climate action leadership.	Medium to Long Term
Resilience	Expedia Group's ability to continue to do business and offer travel in the midst of climate-related risks through resilience planning and reliability of services.	Medium to Long Term

As a part of our companywide climate-related risk screening process, stakeholders identified, analyzed, and prioritized the considered climate-related risks and opportunities to understand the range of potential impacts on our operations and identify key areas that may require climate action.

**Priority Transition Risk: Shifts in Consumer Preferences**

Expedia Group is already seeing our travelers requesting more sustainable travel options, and we expect sustainability to only increase in importance to consumers. Therefore, if Expedia Group does not act to respond to this shift in consumer preferences, then we could miss the climate-related opportunity to maintain our leadership in this space. Conversely, as the climate changes, there will be some key destinations within our portfolio that are more exposed to physical impacts than others, so it is strategically important for our team to understand what destinations are more vulnerable and offer viable, alternative future travel options.

To better understand this dynamic market and reputational transition risk for Expedia Group, we conducted an analysis with two key components — a vendor sustainability analysis and a destinations vulnerability analysis.

The vendor sustainability analysis was conducted because Expedia Group's ability to offer more sustainable travel solutions to consumers is dependent on the commitments and actions of our global supply partners. Therefore, we analyzed the future climate-related risk to Expedia Group of increased consumer demand for more sustainable travel through understanding the current sustainability commitments of our top suppliers by supply within key product types. To do so, we developed bespoke qualitative shifting preference scenarios combined with public research to create case studies of the magnitude of impact of increasing consumer demands. We evaluated the current public sustainability commitments of top supply partners with the assumption that the current status of brands' public sustainability commitments is reflective of future sustainability maturity. This analysis provided Expedia Group with an overview of priority partners and product lines to further enhance our engagement strategy around. We found that our efforts to continue to engage and prioritize suppliers that are committing to decarbonization will be essential in mitigating Expedia Group's future climate-related risk exposure.

TCFD Pillar	Recommended Disclosure	Expedia Group Response
Continued	Continued	<p>The destinations vulnerability analysis captures the risk of consumer preferences shifting due to increased physical impacts from climate change on top destinations. Top destinations for Expedia Group travelers were mapped to their Köppen Climate Zones to categorize and understand their future vulnerability to the impacts of climate change. The future vulnerability of these climate zones to climate-related risk was profiled using Intergovernmental Panel on Climate Change (IPCC) data (NEX-GDDP &amp; LOCA climate data) and the World Wildlife Fund (WWF) Risk Filter tools.</p> <p>To capture the range of possible shifts in demand, three scenarios of physical climate change were used to consider the magnitude of climate-related physical risk: a moderate warming, high warming, and very high warming scenario, aligned with the scenarios used for our climate-related physical risk analysis. Across the warming scenarios, as the magnitude of global warming increases, we assume increasing traveler sensitivity to the climate-related risk and thus higher likelihood of a response to the risk (i.e., not visiting that location). This sensitivity to the physical impacts of climate change and likelihood of responding to the climate-related risk determines whether or not the destination could be at risk in the future. This analysis assumes that current top destinations are representative of future top destinations for Expedia Group. We found that many current top travel destinations may experience increased harmful impacts from climate change, and therefore our role in supporting these communities in building long term resilience is critical.</p> <p><b>Priority Physical Risk: Acute, Increased Severity of Extreme Weather Events</b></p> <p>Extreme storm events, such as hurricanes and tropical cyclones, have the potential to impact revenue across many product types — lodging, flights, cruises, car rentals, and activities — as well as disrupt everyday productivity of Expedia Group employees.</p> <p>To assess the extreme weather events risk exposure for key Expedia Group locations under multiple warming scenarios, 41 key Expedia Group locations, representing high business importance and a broad geographical coverage, were analyzed for the following metrics:</p> <ul style="list-style-type: none"> <li>• Change in extreme precipitation events (50-year and 100-year events)</li> <li>• Change in flood risk (100-year discharge)</li> <li>• Coastal flooding risk due to increases in sea level rise and storm surge</li> <li>• Current tropical cyclone risk</li> </ul> <p>Scenario analysis modeling was completed for Socio-Economic Pathways 1-2.6 (representing a below 2°C warming scenario), 2-4.5 (representing a 2°C–4°C warming scenario), and 5-8.5 (representing an above 4°C warming scenario). These three scenarios were used to evaluate the various climatic impacts in 2030 and 2050 “future worlds” scenarios. Increased extreme storm event risk exposure could lead to increased cancellations and decreased bookings and sales due to the damage they could cause to key travel destinations. Therefore, business implications tied to future extreme storm events were based on sales, cancellation rates, and gross bookings, leveraging historical data of past hurricane impacts on vacation rentals (e.g., Hurricane Ian, Hurricane Dorian, etc.).</p>



TCFD Pillar	Recommended Disclosure	Expedia Group Response
Continued	Describe the impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning.	<p>By conducting climate-related scenario analysis, Expedia Group was able to explore the plausible future impacts across a range of scenarios (SSP1-2.6, SSP2-4.5, and SSP5-8.5). Expedia Group evaluated the impacts across priority destinations and product lines for both climate-related physical and transition risks.</p> <p><b>Business and Strategy:</b></p> <ul style="list-style-type: none"> <li>• <b>Operations</b> <ul style="list-style-type: none"> <li>– Physical climate and weather-related disruptions inform our risk mitigation strategies and costs at our facilities globally. For example, we are building resiliency into our data management through investing in geographic diversification for both our cloud services and data center infrastructure. This investment is meant to mitigate any physical risk posed to our ability to continue operating our platform at all times.</li> <li>– To inform our Climate Action Plan and our understanding of our climate-related risks associated with global decarbonization, we expanded our greenhouse gas (GHG) inventory in 2022 to include emissions arising in the supply chain of the goods and services we purchase to support our business operations, which provides a more complete picture of our operational Scope 1, 2, and 3 emissions. Using this information, we are building on our carbon neutral achievement and looking toward Net Zero through decarbonization of our operations.</li> <li>– For energy consumption at both our leased and owned facilities, we are investing in additional renewable energy credits (RECs) and may seek more impactful renewable procurement opportunities in the future. Additionally, we purchase verified carbon offsets on an annual basis for the required categories of our GHG footprint, as per the Carbon Neutral Protocol.</li> </ul> </li> <li>• <b>Supply Chain</b> <ul style="list-style-type: none"> <li>– As part of our Climate Action Plan to mitigate our climate-related risk associated with our supply chain, Expedia Group will work with our global supply partners to capture the many ways they are already reducing their environmental impact, lowering emissions, and supporting regenerative ecosystems and resilient communities with their travel products. To mitigate our climate-related transition risk, it is important to continue working with our global supply partners across our range of travel products to better understand their exposure to the physical impacts of climate change as well as how they are working to decarbonize their products, which will in turn reduce the climate-related transition risk associated with offering their products to our customers.</li> <li>– In 2022, we began capturing a range of sustainability features from hotel partners, reflecting their adoption of sustainability initiatives such as waste reduction, double glazing on windows, energy-saving features in rooms, renewable electricity procurement, water-efficient showers, plant-based menu options, and many more. One such feature, electric vehicle charging, is already a popular search filter on our platform.</li> <li>– We seek to continue to expand the sustainability information we have on our range of travel products — hotels and vacation rentals, flights, cars and cruises, activities, and packages — to ensure we are providing this information to our travelers.</li> </ul> </li> <li>• <b>Products and Services</b> <ul style="list-style-type: none"> <li>– Our travelers are already demanding more sustainable travel options, and we expect sustainability to only increase in importance to consumers. Our strategic response to this demand is integral in recognizing these changes as an opportunity for our business rather than experiencing and viewing these changes as a future climate-related risk. We see an opportunity in sustainability to enhance our brand and capture traveler loyalty, get ahead of Net Zero transition costs, preserve capital by investing in increased efficiencies, and reward travel suppliers who are doing the same, creating a more resilient industry.</li> <li>– As an online travel agent (OTA), Expedia Group does not own or operate the destinations and accommodations our customers visit and stay at, nor do we directly transport our customers to and from their destinations. Rather, through our booking platform, we connect travelers with global suppliers across a range of travel products — flights, cars, cruises, hotels, vacation rentals, activities, and packaged trips. We therefore have an important role and specific opportunity to influence traveler selections, with the goal of making more sustainable, lower-carbon travel and tourism products the preferred choice across our platform, and eventually the default for the global industry. Not providing our customers with this information in their selection of travel may result in reputation risk, as customers may view that Expedia Group is not able to supply more sustainable travel options or a market risk as travelers could choose to travel less.</li> <li>– To meet customers' evolving preferences in travel, Expedia Group is in the process of evaluating the development of more sustainable products and services for customers looking for more sustainable and lower-emissions travel in the medium term. These could range from "green search" options to dedicated carbon-neutral travel packages for various locations around the globe to partnering with eco-tourism firms. Our vision to bring the world within reach through a customer-centric mindset will inspire the development of these products and services.</li> </ul> </li> </ul>

## TCFD Pillar

## Recommended Disclosure

## Expedia Group Response

Continued

Continued

- **Investment in R&D**

- As a technology company, our data centers and cloud loads represent a key opportunity for positive impact. Most of Expedia Group's data center needs are now fulfilled by third-party cloud service providers. This migration to the cloud from private data centers has resulted in drastic improvements to our server utilization rates, increasing efficiency and reducing energy use and emissions accordingly.

**Financial Planning:**

Each year since 2017, costs attributed to calculating our GHG inventory and achieving carbon neutrality through a combination of purchasing RECs and carbon offsets are budgeted and included in our financial planning, as this is part of Expedia Group's annual commitment.

Additionally, the global travel industry has a myriad of challenges it faces to decarbonize. One of the ways in which Expedia Group is committed to acting as a catalyst to accelerate the availability and adoption of more sustainable travel and tourism options is through providing financial and other support to nonprofit organizations working to build sustainability awareness and capacity among tourism and travel providers, particularly where this work focuses on small businesses.

Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Through our approach to analyzing climate-related risk, Expedia Group aims to establish a resilient understanding of our future in the face of the uncertainty climate change brings. The climate-related risk assessment, conducted cross-functionally across our stakeholders, provided the qualitative data required to understand Expedia Group's position in the climate-related risk landscape. By conducting scenario analyses, we gathered the quantitative information necessary to understand the climate-related risk exposure of our global business, as well as the travel industry, which we interface with at large.

In our extreme storm physical risk analysis, we performed analyses for multiple climate metrics because extreme storms are a weather phenomenon of low-pressure weather systems of swirling clouds and thunderstorms, which can gain energy from warm tropical waters. Weather refers to short-term conditions of the lower atmosphere whereas climate refers to atmospheric changes over longer periods of time — 20 years or more. Climate models include projected changes in climate metrics at locations, but do not forecast how these metrics may interact with weather systems as the climate changes. Therefore, to understand extreme storm risk exposure, we combined climate metrics with current vulnerability metrics such as projected flood risk and current tropical storm risk scores.

We analyzed multiple scenarios, when available, for each metric to explore how different assumptions about critical driving forces can yield very different outcomes, thus allowing us to better understand and assess the range of potential climate-related risks, opportunities, and uncertainties. The following scenarios were accounted for in each metric:

- **Extreme Precipitation:** We examined the median (50th percentile) and upper extreme (95th percentile) of approximately 30 downscaled NASA Earth Exchange Global Daily Downscaled Projections (NEX-GDDP-CMIP6) models across three future world scenarios (SSP 1-2.6, SSP 2-4.5, and SSP 5-8.5).
- **Flood Risk:** Using WWF's Water Risk Filter, we considered historical and future trends of flooding for an optimistic (below 2°C), a current state (2°–4°C), and a pessimistic (above 4°C) scenario.
- **Coastal Flooding:** The analysis looked at the median (50th percentile) and upper extreme (95th percentile) of NASA climate data across the same future world scenarios.
- **Tropical Storms:** Using WWF's Biodiversity Risk Filter, we captured the current exposure of locations to tropical cyclones based on historical data, topography, terrain roughness, bathymetry, and predicted maximum wind speed (50-year return period).

Looking across three possible future scenarios enhances our resilience by providing an overview of conditions Expedia Group's business could be susceptible to from a lower warming scenario (SSP 1-2.6) to a higher warming scenario (SSP 5-8.5).

For both key elements of our climate-related transition risk analyses, we developed bespoke scenarios based on public research to create case studies of the magnitude of impact which these market and reputational risks may have. This was done because we believe at this time, robust datasets that accurately capture projected future shifts in consumer demand or reputational impacts of negative perception of travel do not exist. To account for the uncertainty that climate change brings, bespoke scenarios which represent a range of plausible futures were analyzed. Within these analyses, publicly available data on existing trends were leveraged to extrapolate for business implications using Expedia Group specific data wherever possible.

The uncertainty accounted for in both our climate-related transition and physical risk analyses allows for Expedia Group to test the agility and resilience of our strategy in the face of climate change and demonstrates the strategic importance of establishing a resilient climate strategy today. Insights from these analyses allow us to identify key opportunities to integrate climate-related considerations into our long-term strategy via tracking of identified metrics, effective risk management, and setting impactful targets.

TCFD Pillar	Recommended Disclosure	Expedia Group Response
<p><b>Risk Management:</b> Disclose how the company identifies, assesses, and manages climate-related risks.</p>	<p>Describe the company's processes for identifying and assessing climate-related risks.</p>	<p>Our assessment of climate-related risks involves identifying and assessing the potential impacts of climate change with key cross functional stakeholders, as well as our third-party consultants.</p> <p>In 2022, we completed a companywide climate-related risks and opportunities screening process to examine climate-related transition and physical risks and associated opportunities relevant to our business. The assessment is part of a broader effort to better understand our climate-related risk and opportunity exposure and to inform resiliency planning. Internal stakeholders from across our business were engaged in workshops to analyze a variety of relevant climate-related risks across short-, medium-, and long-term horizons. The stakeholder group assessed sixteen relevant climate-related physical and transition risks, which were then prioritized in line with our ERM process to understand which climate-related risks have the greatest scope of impact, how they are currently managed, and opportunities to further strengthen resilience. The metrics used to analyze the impact and preparedness of Expedia Group for the climate-related risks align with the metrics used in Expedia Group's ERM program. Following the prioritization process, the likelihood of these climate-related risks having a substantive impact was assessed via scenario analysis due to the uncertainty associated with climate-related risks.</p>
	<p>Describe the company's processes for managing climate-related risks.</p>	<p>Climate-related risks are prioritized via our climate screening and scenario analyses processes. Materiality determinations are made after modeling via scenario analysis and understanding the financial and strategic implications of priority climate-related risks.</p>
	<p>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management.</p>	<p>In 2022, we completed a companywide climate-related risks and opportunities screening process to examine climate-related transition and physical risks and associated opportunities relevant to our business. The assessment is part of a broader effort to better understand our climate-related risk and opportunity exposure and to inform resiliency planning. Internal stakeholders from across our business were engaged in workshops to analyze a variety of relevant climate-related risks across short-, medium-, and long-term horizons. The stakeholder group assessed sixteen relevant climate-related physical and transition risks, which were then prioritized in line with our ERM process to understand which climate-related risks have the greatest scope of impact, how they are currently managed, and opportunities to further strengthen resilience. The metrics used to analyze the impact and preparedness of Expedia Group for the climate-related risks align with the metrics used in Expedia Group's ERM program.</p>
<p><b>Metrics &amp; Targets:</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<p>Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>Expedia Group uses different metrics to understand our exposure to physical and transition climate-related risks and opportunities. Our climate risk assessment strategy has identified key additional metrics to track in order to understand our future exposure to climate-related risks.</p> <p>For climate-related physical risks, this includes tracking the impact that climate-related events have on different travel products and destinations to better understand the resilience of our travel solutions for consumers. Expedia Group has historically tracked the impacts of climate events on vacation rentals through understanding the total canceled bookings, total lost gross booking value, and total value of lost listings when a climate event such as a major hurricane impacts a region. We intend to continue to build this dataset for all travel product types that we offer and for various types of climactic events to better understand the future possible impacts of climate change on travel.</p> <p>Climate-related transition risk metrics include our operational energy efficiency and consumption, our carbon footprint, the cost of RECs and carbon offsets, and the GHG emissions associated with travel booked on our platforms. Much of our transition risk exposure sits in our supply chain with our key partners and their offering in terms of low-carbon travel options. Therefore, it will be important for Expedia Group to both track changes in customer demand for more sustainable travel options as well as understand in better detail what the impacts of our key partners are so that we can communicate that to our customers. Expedia Group is working with industry partners to improve and align on measurement and disclosure of third-party travel bookings, and we will continue to collaborate and support this work in coming years.</p>

TCFD Pillar	Recommended Disclosure	Expedia Group Response
Continued	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<ul style="list-style-type: none"> <li>• Scope 1: 3,178 mtCO<sub>2</sub>e</li> <li>• Scope 2: 14,269 mtCO<sub>2</sub>e</li> <li>• Scope 3: 557,218 mtCO<sub>2</sub>e               <ul style="list-style-type: none"> <li>– Category 1 – Purchased Goods &amp; Services: 522,338 mtCO<sub>2</sub>e</li> <li>– Category 2 – Capital Goods: 8,391 mtCO<sub>2</sub>e</li> <li>– Category 3 – Fuel- &amp; Energy-Related Activities: 1,980 mtCO<sub>2</sub>e</li> <li>– Category 5 – Waste Generated in Operations: 496 mtCO<sub>2</sub>e</li> <li>– Category 6 – Business Travel: 13,401 mtCO<sub>2</sub>e</li> <li>– Category 7 – Employee Commuting &amp; Work from Home: 10,016 mtCO<sub>2</sub>e</li> <li>– Category 8 – Upstream Leased Assets: 596 mtCO<sub>2</sub>e</li> </ul> </li> </ul>
	Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.	We achieved carbon neutral status in 2017 and have maintained it ever since. Beginning in 2020, we also purchased RECs each year equivalent to the consumption of our global offices to achieve another milestone: 100% powered by renewable electricity. We are the first major OTA to sign the Glasgow Declaration on Climate Action in Tourism. We have published a Climate Action Plan, including science-aligned targets for our operations, to reach Net Zero by 2040, with an interim target of reducing our Scope 1 and Scope 2 emissions 75% by 2030. We have also committed to continue sourcing 100% renewable electricity annually through 2030 and that 75% of suppliers by emissions will set science-based targets by 2028.

