



MCH Group
Global Live Marketing

Sustainability Report 2016

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Sustainability means satisfying present-day economic, environmental and social needs without restricting the possibility for future generations to satisfy their needs.

Introduction

The MCH Group has its roots in the “Schweizer Mustermesse” (Swiss Sample Fair) which was established in Basel in 1916 and in the Schweizer Mustermesse Cooperative that was founded in 1920 in Basel for purposes of running the fair. The MCH Group is now a leading international live-marketing company with a comprehensive services network spanning the entire exhibition and event market.

The company group with its head office in Basel takes in the exhibition companies in Basel, Lausanne and Zurich which not only run these exhibition venues but are also responsible for staging some 40 MCH Group exhibitions. The MCH Group also owns a number of companies in the field of live marketing solutions (overview on page 8).

The MCH Group’s current exhibition portfolio (including non-annual exhibitions) takes in around 90 MCH and third-party exhibitions with some 18 000 exhibiting companies and 2 100 000 visitors. The live marketing solutions companies operate all over the world and implement around 1 800 projects each year.

The holding company MCH Group Ltd. with its head office in Basel is a joint stock company with the participation of public sector entities as per Art. 762 of the Swiss Code of Obligations. It is listed on the SIX Swiss Exchange (Domestic Standard).

Information on the MCH Group:
> www.mch-group.com

For the 2016 business year, the MCH Group is publishing its fourth detailed report on sustainability. The report has been compiled “in accordance” with the GRI G4 Guidelines – “Core” option.

The group’s sustainability reporting takes in the present sustainability report with the GRI content index and an annex with detailed information on individual aspects. It has been drawn up in the context of the 2016 Annual Report to which reference is made at different points.

The 2016 Sustainability Report and its Annex are only published online. They are available on the MCH Group website:
> www.mch-group.com
under “MCH Group”/“Sustainability Report”
and under “News”/“Reports”

CEO Statement

René Kamm
CEO MCH Group



The overriding objective of the MCH Group is to ensure its long-term business success for the benefit of all stakeholders. Its economic success essentially rests on two fundamental pillars: on the one hand, on the further development of the company on the basis of a clear strategy and, on the other hand, on the link between public and private interests that is a characteristic feature of the company's shareholders and its management.

Corporate strategy

The corporate strategy of the MCH Group is aimed at continuous, stable growth. The main focus of the growth strategy is on the further expansion of the products and services offered in the field of the marketing platforms (exhibitions and events) and marketing solutions (live marketing solutions), the further boosting of the international nature of the portfolio and the development of digital offerings to supplement and extend the group's live-marketing business. The further development of the group is to be achieved both organically and through selective cooperation and acquisitions.

The MCH Group's unique network with its three strategic divisions of "Exhibitions" (MCH Group exhibitions), "Venues" (third-party exhibitions) and "Live Marketing Solutions" (services) plays a key role in the implementation of the strategy: through the synergies that result with the group's own services, it is possible to increase the share of the value chain in the exhibition business. At the same time, the bespoke marketing solutions allow new market potential to be tapped in the national and international exhibition and event market.

Public Private Partnership

The MCH Group is committed to Switzerland as a location and, in particular, to its infrastructure locations of Basel, Lausanne and Zurich as the priority venues for staging its own exhibitions. In this way, it safeguards the interests of the locations and secures the major economic effects that the group's activities trigger for the exhibition and congress sites.

The protection of the interests of these locations is ensured through the 49-percent holding of the cantons of Basel-Stadt, Basel-Landschaft and Zurich and also the City of Zurich in its holding company and through the representatives of the public entities on its Board of Directors. Since the economic impact on the locations is a function of the company's success,

the public entities support the company's success-oriented and profit-oriented alignment. They are in favour of exhibitions being staged in other locations too, as well as the expansion of location-independent and/or exhibition-independent activities, insofar as these contribute towards the company's success and are not to the detriment of its own locations.

The MCH Group is under the management of the Board of Directors and Executive Board of its holding company. This ensures the efficient management of the group as a whole and secures optimum implementation of the integrated cooperation model for the individual divisions. As a listed company, the MCH Group also adheres to the provisions of relevance to corporate governance in the current legislation and in the directives issued by the SIX Swiss Exchange.

Sustainability

The MCH Group's corporate activity has a high sustainability value. Its marketing platforms and solutions contribute to the success of a large number of companies and different industries. The major economic impact instigated by its activities ultimately benefits the local community in the form of tax income.

Exhibitions bring together supply and demand at a specific point in time and in a specific place. This time and location-based concentration has key advantages for all the partners involved and also makes sense from the environmental angle in that it obviates the need for a large amount of travel all over the globe. The operation of the exhibition sites and the staging of the events are, however, highly intensive in respect of environmental aspects. In the context of sustainability reporting, great attention is thus paid to environmental issues, since these are of particular relevance for the group's local setting.

Over the past few years, the MCH Group has developed remarkably in many respects within the national and international exhibition and event sector. Sustainability is one of the decisive factors for this success, since it presupposes sustainable economic, environmental and social performance. The MCH Group constantly strives to promote sustainable behaviour in all areas and on all levels, to constantly improve its sustainability indicators and to assume a leading position in its industry in respect of sustainability too.

René Kamm,
CEO MCH Group



100-year history

On 15 July 1916, the government of the Canton of Basel-Stadt declared itself “fundamentally in agreement with the staging of a Swiss Sample Fair”. The first Swiss Sample Fair was held in Basel from 15 to 29 April 1917 already – as the predecessor of the current “Muba”, which was staged for the 100th time in 2016.

The founding of the Swiss Sample Fair marks the birth of the current MCH Group. The Swiss Sample Fair changed its name to Messe Basel and, in 2001, was merged with Messe Zürich (founded in 1945) to form Messe Schweiz. This latter company was renamed MCH Group Ltd. in 2009. The name change reflected the fact that in previous years the company had expanded its business activity and started to build up a range of services extending beyond the exhibition industry.

Both with the merger of the exhibition companies in Basel and Zurich and the associated listing on the stock exchange, and with the development and expansion of its “live marketing solutions” business activities, the MCH Group has set off in new directions in the 21st century which were not a customary feature of the industry up until then. And, with the implementation of its growth strategy, it has considerably expanded its market position both nationally and internationally over the past ten years or so.

With Messe Basel, the MCH Group has the biggest and most modern exhibition and congress venue in Switzerland, “flanked” by the two exhibition locations of Zurich and Lausanne. It organises the world's most important exhibitions in the fields of art and watches/jewellery. Its exhibition portfolio also includes a large number of nationally leading fairs in the fields of construction, hotels/catering and consumer goods. Its extensive range of services, which it delivers worldwide and throughout the entire exhibition and event market, ranges from strategic consultancy, via event management, right through to exhibition and event structures and multimedia technology.

Sustainability

Objectives

With the implementation of its corporate strategy for further expanding its national and international market position, the MCH Group also wishes to assume a leading role with regard to sustainability in the exhibition and event industry.

A growth strategy and a strong market position, stability through the structurally anchored partnership of private enterprise and the public sector, a major economic impact, horizontal and vertical synergy effects within the group network and good corporate governance: these are factors that characterise the MCH Group and, at the same time, underline the fundamental sustainability of the company in terms of its business model and its development.

These factors also have a key influence on the objectives and strategic approaches that are summarised below for the different sustainability categories.

Economic

With its marketing platforms and solutions, the MCH Group wishes to contribute towards strengthening the corresponding industries together with their national and international clientèle. It is noted for the exceptional quality of its products and services, which it achieves through its specialist competence and capacity to innovate, its thorough knowledge of the industries, its strong customer orientation and its ability to anticipate market changes.

As market leader, it is also working towards the future-oriented further development and strengthening of its own exhibition and event sector. It is playing a pioneering role in various ways, such as with its private-sector orientation, its group network and the corresponding cooperation model, and also in the strategic and conceptual further development of its product and services portfolio. It supports national and international industry associations.

The MCH Group endeavours to constantly improve on its resource efficiency in a bid to further strengthen its competitiveness. Investments in infrastructure, operations and the provision of services are performed on the basis of economic and environmental criteria.

Environmental

The MCH Group invests continuously in the optimisation of its ecological indicators: in the construction and operation of its buildings and systems through increasing energy efficiency, employing renewable energies and reducing emissions; in its logistics through in-house-developed logistics and transport concepts and, as far as possible, underground delivery to reduce the burden on the environment and the local neighbourhood; in the production of stands and equipment through the selection of materials, energy-efficient production and also climate-neutral offers.

The company wishes to further promote the environmentally aware behaviour of its employees at their workplace and make available the necessary resources for further reducing the burden on the environment. Ecological aspects are increasingly to play a decisive role in the selection of suppliers and materials, giving precedence to suppliers from the local region and suppliers who can furnish the corresponding proof of sustainability, for example.

Social

The MCH Group wishes to assume its social responsibility. It subscribes to the fundamental values of a democratic state governed by the rule-of-law. It respects human dignity and the values of other cultures. It regards compliance with the statutory provisions and the application of serious business practices as a matter of course.

The MCH Group's employees are offered attractive working conditions, building on a success-orientated culture of motivation and personal responsibility. They are supported in their further development through in-house and external initial training and continuing education programmes.

In addition to a number of sponsorship commitments, the MCH Group supports a range of institutions and organisations in the social, cultural and community fields, with no expectation of receiving anything in return.

The MCH Group has some 250 registered trademarks and constantly conducts proactive checks on the protection they afford. In addition to this, the group is committed to protecting intellectual property and fair trade in a unique manner in the framework of the Baselworld Watch and Jewellery Show.

For the MCH Group, economic, environmental and social sustainability is a key success factor and thus of major importance for strategic decisions. The group promotes sustainable behaviour in all areas and at all levels.

Report contents and reporting
(G4 – 18, G4 – 23, G4 – 25, G4 – 26)

With its sustainability report as per the GRI guidelines, the MCH Group wishes to strengthen its regular and systematic dialogue with its key stakeholder groups, since these have a decisive influence on the company's economic, ecological and social performance and are also affected by this. The stakeholder groups are also involved in determining the report content and its implementation.

In the run-up to the first sustainability report for the 2013 business year, the MCH Group defined the internal and external stakeholder groups to be included in the sustainability reporting process. These stakeholder groups include the following: management and employees, shareholders, customers, partners and suppliers (see page 8).

In defining the report content and its corresponding implementation, the MCH Group follows the procedure recommended by the GRI:

1. Identification: In preparing for the report, representatives of the internal and external stakeholder groups take part in meetings and individual talks and also in surveys in order to determine the aspects to be covered. The focus here is on the relevance of the aspects and their portrayal in the report.

2. Prioritisation: In prioritising the aspects, importance is attached to taking up topics that satisfy the criteria of materiality and reportability for the internal and external stakeholders. Key criteria adopted in the prioritisation of topics are the significance of their economic, environmental and social impacts both inside and outside the company and their influence on the assessments and decisions of the stakeholders.
3. Validation: The inputs of all the stakeholder groups are taken into account for defining and implementing the report content. The Executive Board and the Board of Directors of MCH Group Ltd. approve the sustainability report prior to its publication in each case.
4. Review: After publication of the report, the content is reviewed together with the stakeholder groups involved, and the results of the review are channelled into the preparations for the next report.

In preparing for the first sustainability report for the 2013 business year, the aspects to be covered by the reporting were discussed in meetings and individual talks with representatives of the internal and external stakeholders. These discussions regarding the relevance and substance of the aspects to be covered by the report have been continued periodically.

The stakeholder groups concerned confirm that the aspects selected are of great relevance, such as the company's economic performance for customers and shareholders, its economic impacts and emissions for the local setting, and its employment for the group's employees (Overview and Relevance see pages 8 and 9).

Since they are particularly interested in energy consumption and emissions reporting and also in details of the MCH Group's employees, a corresponding focus is placed on these aspects in the 2016 sustainability report too.

The stakeholders involved rate the MCH Group's publication of a sustainability report as highly positive. Sustainability reporting is greatly appreciated by various categories of customer – including congress organisers and customers in the live marketing solutions field. These customers are increasingly asking for a sustainability report. The report is thus assuming ever-greater importance for the internal stakeholder groups too.

Overview

Company (G4–17)	Products and services	Sustainability aspects (G4–19)
<p>MCH Swiss Exhibition (Basel) Ltd.</p> <p>MCH Swiss Exhibition (Zurich) Ltd.</p> <p>MCH Beaulieu Lausanne SA</p>	<p>Exhibitions approx. 40 MCH Group exhibitions (international and national trade fairs & consumer shows)</p> <p>Venues Messe Basel Messe Zürich Beaulieu Lausanne</p>	<p>Economic</p> <ul style="list-style-type: none"> – Economic performance – Indirect economic impacts <p>Environmental</p> <ul style="list-style-type: none"> – Energy consumption – Emissions <p>Social</p> <ul style="list-style-type: none"> – Employment – Training and education – Local communities – Anti-corruption – Anti-competitive behaviour – Compliance (competition) – Protection of intellectual property, trade mark protection – Product and service labelling – Customer privacy – Compliance (customer data)
<p>MCH Global Ltd.</p> <p>Reflection Marketing AG</p> <p>Rufener Events Ltd</p> <p>Expomobilia AG</p> <p>Winkler Multi Media Events AG</p>	<p>Live Marketing Solutions Strategy & Conception</p> <p>Marketing Consulting</p> <p>Event Management</p> <p>Exhibition & Event Construction</p> <p>Multi Media</p>	
Stakeholders (G4–24)		
<p>Customers</p> <p>Local setting</p> <p>Suppliers</p> <p>Partners</p> <p>Associations</p> <p>Shareholders</p> <p>Media</p> <p>Competitors</p> <p>Employment</p>	<p>Organisers, exhibitors, visitors to exhibitions and events, those ordering live marketing solutions</p> <p>Hotels and restaurants, public transport companies, police, political authorities and organisations, business, tourist and environmental associations, neighbours</p> <p>Construction and ancillary trades, energy, logistics, safety, equipment suppliers, marketing & communication, fittings, technical equipment</p> <p>Official partners of the MCH Group (logistics, catering, cleaning, etc.)</p> <p>Exhibition and event industry associations (national, international)</p> <p>Public entities and private shareholders</p> <p>Daily/weekly media and specialist media (print, radio/TV, online)</p> <p>Exhibition and event sector (national and international)</p> <p>Management, employees, freelancers</p>	

Boundary of the report within the organisation (G4–20)
 Materiality of the aspects (✓)

	Company	Products and services
Economic performance	✓	
Indirect economic impacts	✓	
Energy consumption	✓	✓
Emissions	✓	✓
Employment	✓	
Training and education	✓	
Local communities	✓	✓
Anti-corruption	✓	
Anti-competitive behaviour	✓	
Compliance (competition)	✓	
Protection of intellectual property, trade mark protection	✓	✓
Product and service labelling	✓	✓
Customer privacy	✓	✓
Compliance (customer data)	✓	✓

Key aspects for stakeholders (G4–27)
 Top 3

Customers	Indirect economic impacts Product and service labelling Protection of intellectual property, trade mark protection
Local setting	Indirect economic impacts Local communities Energy, emissions
Suppliers	Economic performance Indirect economic impacts Local communities
Partners	Economic performance Indirect economic impacts Local communities
Associations	Economic performance Training and education Compliance (competition)
Shareholders	Economic performance Indirect economic impacts Local communities
Media	Economic performance Indirect economic impacts Local communities
Competitors	Economic performance Indirect economic impacts Protection of intellectual property, trade mark protection
Employees	Employment Economic performance Product and service labelling

Further information on the stakeholders and on the determination and relevance of the sustainability aspects may be found in the Annex on pages 6 – 8.

Economic

Key figures 2016

Events		Income statement	CHF million
MCH and third-party exhibitions	74	Operating income	440.3
Exhibitors	15 733	Exhibitions	332.9
Visitors	1 959 465	Venues	41.9
Exhibition space m ² gross	1 273 986	Live marketing solutions	65.5
Congresses	24	EBITDA	89.0
Various hall/room rentals	538	EBIT	41.6
Performances Musical Theater	295	Group profit	34.3
<hr/>			
Projects		Balance sheet	CHF million
Marketing consulting	67	Total assets	916.0
Event management	75	Equity	438.9
Exhibition and event structures	317	Liabilities	477.1
Multi-media	1 320		
<hr/>			
Employees (on permanent contracts)		Share price	CHF
as per 31.12.2015	618	as per 31.12.2015	62.50
as per 31.12.2016	632	as per 31.12.2016	69.10

Details of business activity and the 2016 financial year may be found in the Annual Report 2016:
> www.mch-group.com
under "News"/"Reports"

In the light of these factors, the MCH Group rates the 2016 result as gratifying. While the key figures show that the difficult environment is having a negative impact on the course of business, they also underline the fact that the MCH Group is in a position to successfully master these major challenges.

Taking the average figures for the period from 2005/06 to 2015/16, the MCH Group has been able to more or less double its operating income, and increase its EBIT by more than 80 %. The share of income from services compared with income from hall rental (floor space rental) rose from around 50 % to more than 65 % over this same period. The MCH Group has thus clearly expanded its market position both nationally and internationally.

No statistics are available for 2016 as yet. In the previous 2015 financial year, 40 % of all exhibitions in Switzerland were staged at the MCH locations of Basel, Lausanne and Zurich. These accounted for 40 % of the exhibiting companies, 30 % of visitors and 37 % of the occupied surface area at all the exhibitions held in Switzerland. Measured in terms of the sales of Swiss exhibition companies in the 2015 financial year, the MCH Group had a market share of 67 %. The group profit achieved by the MCH Group represented more than 80 % of the profit achieved by all the exhibition companies in Switzerland. As in previous years, the MCH Group in 2015 once again ranked fifth amongst the world's leading exhibition companies in terms of sales. Sources: Expo-Event, Statistik 2015, AUMA, Review 2015.)

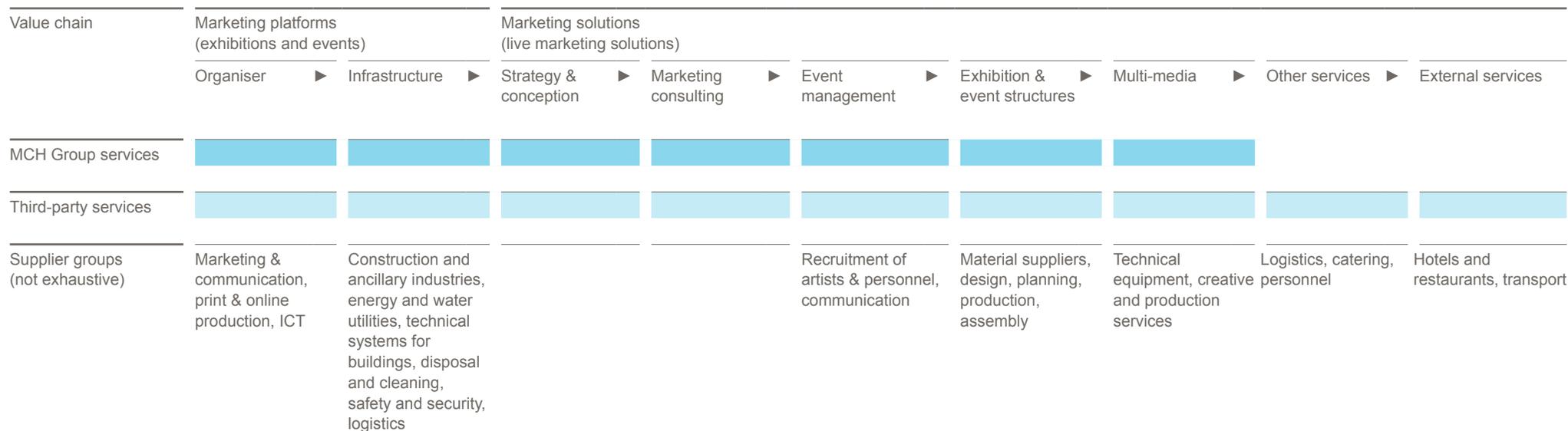
Economic performance

With operating income of CHF 440.3 million, the consolidated income statement of the MCH Group for 2016 shows an EBIT of CHF 41.6 million (9.5 %) and a group profit of CHF 34.3 million (7.8 %).

Operating income is 5.1 % above 2015 (CHF 416.4 million), the EBIT has risen by 3.7 % compared with 2015 (CHF 40.1 million) and the group profit is 11.0 % above the result for 2015 (CHF 30.9 million).

When drawing comparisons with previous years, it must be borne in mind that 2016 was a year with a busy exhibition schedule which included Swissbau, plus the Ilmac and Holz fairs that are only held every three years. In addition, the economic setting has noticeably deteriorated compared with previous years, in particular on account of the strength of the Swiss franc.

Value chain, provision of services and supplier groups



Services network

On the exhibition and event market, the first link in the value chain are the organisers, who need the appropriate infrastructure for holding their events, together with various other services, which are referred to as marketing solutions here. The suppliers of these marketing solutions, however, not only provide their services to the organisers but, above all, to the individual actors involved in the events in question (for example, exhibitors at fairs and sponsors for sporting events). The individual players within the value chain are frequently suppliers to the upstream service providers and place orders with the downstream service providers.

Within this value chain, the MCH Group provides a very broad range of services, which can, however, differ greatly from case to case. The MCH Group's services can fundamentally always be provided by third parties too, and customers are free to choose their suppliers.

For MCH exhibitions at the group's own locations, the MCH Group provides the services of organiser and infrastructure operator. For MCH exhibitions at other locations, the group provides solely the services of the organiser. For third-party exhibitions, the MCH Group's services are chiefly restricted to providing the infrastructure. For both MCH and third-party exhibitions, the MCH Group is also able to provide individual marketing solutions for the exhibiting companies, such as in the field of stand construction. The MCH Group not only provides its live marketing solutions services at exhibitions but is also active in the entire live marketing market, including in other types of corporate events and in the fields of culture and sport.

In cases where the MCH Group itself provides services, the extent to which it makes use of the supplier groups can also vary greatly. With infrastructure, for example, the range of services provided by the MCH Group is concentrated primarily on facility management; the facility services are generally provided by regional suppliers.

Product and service quality

In addition to its unique services network, the MCH Group also stands out on account of its top-quality products and services. This quality forms the basis for its decisive success factors: the high industry relevance of the fairs and events as marketing platforms and the high level of customer satisfaction with the individual services provided.

These success factors can be measured inter alia by the group's strong customer loyalty (renewed attendance at the next exhibition as an exhibitor/visitor and renewed orders placed in the services field) and success in customer acquisition (new exhibitors for the exhibitions and new customers for services). On the basis of these factors, the MCH Group's events and services are generally noted for achieving a high level of customer satisfaction. This is particularly the case with the internationally leading shows in the fields of art and watches/jewellery and amongst numerous key customers in the live marketing solutions field.

Expansion of the group's national and international market position through strategic initiatives to extend the range of services offered and to boost its internationalisation and digitisation.

Strategic challenges

With a view to the overriding aim of sustainably ensuring the company's success, the MCH Group regards it as crucial to push ahead with implementing its strategy through selectively targeted initiatives and projects.

The MCH Group's strategic thrusts of further expanding its range of services and boosting its internationalisation and digitisation have to be viewed against the backdrop of the company earning most of its operating income in Switzerland, where it already has a very strong market position and where only limited potential exists for further growth. At international and global level, (further) consolidation is taking place in industries of importance for the MCH Group and it will be necessary to offset this.

The digitised world constitutes another huge challenge given that, in years to come, "digital natives" are going to become the key decision-makers. It is thus indispensable to anticipate the changes, requirements and opportunities of the upcoming digital generation in good time and to exploit the corresponding potential for supporting and complementing the live marketing business.

The MCH Group actively took up these challenges in the course of the 2016 reporting year and successfully implemented several individual projects related to its strategic initiatives.

Expansion of Live Marketing Solutions

In January 2016, the MCH Group set up the MCH Global AG company to boost and focus its strategic and conceptual competence within the Live Marketing Solutions division and to link this with its implementation competence. In this way, the MCH Group, acting as a general contractor, can offer big and globally operating companies and organisers one-stop-shop solutions in the field of live marketing. The focus here is not only on corporate events (exhibitions, roadshows, sponsoring, etc.) but, in particular, on big occasions such as national and world exhibitions or major sporting events.

To reinforce the group's global presence in the live marketing solutions field, a subsidiary was set up in Shanghai and branches in Dubai and Astana in the second half of 2016. The Astana branch has been set up in conjunction with the Expo Astana 2017, where Expomobilia has been awarded the contract for constructing the Swiss Pavilion.

Strengthening the group's position on the global art market

Expanding the MCH Group's market position on the global art market is a further pillar of the corporate strategy. The "Global Art Market Strategy" takes in two strategy elements that are being implemented in two different business units:

With different initiatives, such as "Art Basel Cities" (partnerships with selected cities for launching new art events), the publication of the "Global Art Market Report" and the further development of the digital platform, Art Basel is to be further developed so that it is not only the world's leading art show but also the world's leading art market platform. The first partnership for "Art Basel Cities" has been concluded with the Argentinian capital, Buenos Aires.

In Spring 2016, the MCH Group adopted its strategic initiative of building up a new portfolio of leading regional art fairs independently of Art Basel. The aim of this commitment is to strengthen the regional art markets and, ultimately, the art market as a whole too. At the same time, the MCH Group can participate in the success of the regional art fairs. Since September 2016, the MCH Group has had a 60.3 % holding in Seventh Plane Networks Pvt. Ltd., in New Delhi, which is responsible for the India Art Fair. In February 2017, it acquired 25.1 % of art.fair International GmbH in Cologne, the company that is organising the new ART DÜSSELDORF art fair. Talks are ongoing with other potential partners.

The locations benefit in different ways from the MCH Group's entrepreneurial success – and especially through the major economic effects that exhibitions and events trigger.

Indirect economic impacts

The fair grounds in Basel (since 1917), Lausanne (since 1919) and Zurich (since 1945) are historically anchored in their locations and have developed there over time, accompanied by the corresponding commitment of the public, which is reflected inter alia by the holdings of the local public entities in the MCH Group. The MCH Group's main activities are focused on these locations. Its commitment to these locations is also underlined through the investments it makes there. The MCH Group invested CHF 430 million in the new hall complex in Basel which was completed in 2013. With this new complex, the group now has the infrastructure to ensure that the big shows – and especially Baselworld – can continue to be staged in Basel in future too.

Exhibitions, congresses and events generate a major direct and indirect economic benefit. A number of studies show that exhibitions produce indirect returns that are eight to ten times greater than their own turnover. Only 20 to 25 % of the expenditure incurred by an exhibiting company when they participate in an exhibition goes to the exhibition organisers. Some 75 to 80 % of the expenditure goes to different suppliers and service providers. This has been shown by a large number of studies on the economic impact of trade fairs.

If the results of these studies are extrapolated to the current figures of the MCH Group, then the following estimates can be derived. Exhibitors and visitors together spend some CHF 3.5 billion each year on their participation in an MCH Group event at the locations of Basel, Lausanne or Zurich.

This expenditure goes to the construction and ancillary industries (20 %), the hospitality industry (30 %), public transport operators (16 %), the retail trade (6 %) and different service providers (28 %). These initial effects trigger sales of some CHF 7.3 billion as direct and indirect follow-on effects, resulting in an added value of some CHF 3.4 billion. This corresponds to around 40 000 jobs and tax income of some CHF 570 million for the confederation, cantons and communes.

There are also other effects that cannot be expressed in figures: in particular, the positive impact of successful exhibitions as marketing platforms for the industry in question and the positive impact of successful participation for the exhibiting companies.

At the locations at which exhibitions and congresses are staged, they frequently have a "lighthouse effect" for tourism through their reach and appeal which are transmitted to the city or country in question. The Basel region, for instance, benefits from the fact that the globally leading events of Baselworld, Art Basel in Basel, Art Basel in Miami Beach and Art Basel in Hong Kong carry the name of their "home city" throughout the world.

Exhibitions – and especially consumer shows – frequently have a social function too. The opening ceremonies of Muba, Züspa and the Comptoir Suisse, for example, are regional social events where representatives of the world of business, politics, culture and sport all meet up.

Influence of climate change

Climate change does not constitute a direct risk for the business activity of the MCH Group.

Regulatory risks can have a direct influence on the MCH Group's financial result in that they can lead to rising costs (such as in the procurement of energy or in infrastructure maintenance). An increase in the cost incurred by exhibitors for taking part in an exhibition (such as for stand construction or mobility) can similarly have an impact on the MCH Group in that it leads to exhibitors reducing their exhibition budgets accordingly or dispensing with participation in an exhibition altogether.

The possibility of offering new technologies, products and services in a bid to resolve the challenges associated with climate change does, however, also open up opportunities for the MCH Group. Changes always generate a need for information. They thus supply "content", which the MCH Group, as an exhibition organiser, can use for the corresponding further development of its marketing and communication platforms.

Environmental

Reporting in the environmental category is focused on the exhibition grounds in Basel, Zurich and (to a limited extent) in Lausanne. As production locations, these account for the biggest share of the company in respect of energy efficiency and emissions and are thus of great relevance for the environment. A further focus is on the stand construction company Expomobilia, whose sustainability strategy and sustainability measures are of relevance for a large number of customers.

Adjusted report boundaries (G4 – 22)

While the MCH Group is the owner of the exhibition sites in Basel and Zurich, it runs Expo Beaulieu as a tenant of the infrastructure. The exhibition site in Beaulieu Lausanne is owned by the Fondation de Beaulieu. At the start of 2016, the MCH Group ceased operating the Congrès de Beaulieu and the Théâtre de Beaulieu, as planned. Since 2016, it has concentrated on the exhibition business in Lausanne and on running the exhibition halls.

As the MCH Group has only been renting and managing a part of Beaulieu Lausanne since 2016, the report boundaries and figures are no longer comparable with those of the previous year. On account of the changes in the tenancy situation, not all the data for the 2016 reporting year is available as yet.

The MCH Group's own locations – Basel and Zurich – are now depicted in the introductory overview (without Beaulieu Lausanne).

Messe Basel and Messe Zürich

Messe Basel and Messe Zürich cover their entire electricity requirements with electricity from the Industrielle Werke Basel (IWB). IWB electricity is 100 % renewable energy that is mainly generated with IWB's own power plant capacities from Swiss hydropower, photovoltaics, wind power and biomass.

For the new complex at Messe Basel that was completed in 2013, great value was attached to attaining the maximum possible energy efficiency. The new complex satisfies stringent energy standards in respect of both the insulation of the shell and the resource-saving provision of the necessary heat and refrigeration energy. All the heating, ventilation and refrigeration systems are operated only when required, and the majority of the waste heat generated is used.

The Basel-Stadt Minergie certification agency has awarded the new Messe Basel complex the BS-054 Minergie label, which was developed especially for the new exhibition hall building at Messe Basel. In addition to this, the target values of SIA Standard 380/4 are met with regard to lighting and ventilation/air-conditioning.

A photovoltaic system was installed on the roof of Hall 1 in Basel in 1999 already, making it possible to use solar energy. Vegetation was also planted on the roof in conjunction with this. The panels have an area of 1 900 m² and an output of 215 000 kWh per year. A system four times this size was set up on the green roof of the new Messe Basel complex which was completed in 2013. This photovoltaic system, which was installed in cooperation with an investor, feeds approximately 1 080 000 kWh electricity into the grid each year via the Industrielle Werke Basel (IWB). The MCH Group also supports the "Wettstein 21" platform, which is responsible for the installation of a further photovoltaic system on the roof of the Congress Center Basel. This was completed at the end of 2014 and will deliver around 180 000 kWh electricity each year.

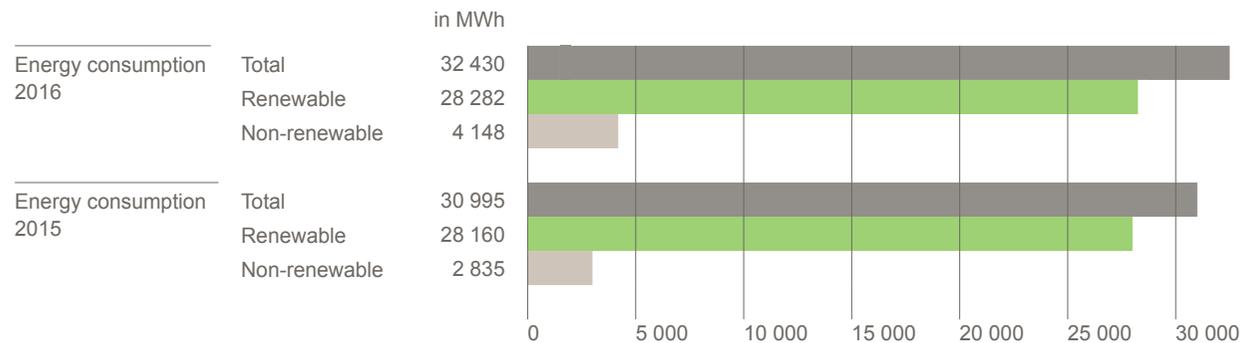
In 2009, a photovoltaic system with a panel area of 1 200 m² and an output of 150 000 kWh per year was put in place on the roof of Messe Zürich.

The MCH Group continually invests in optimising energy efficiency and in minimising environmental emissions at its exhibition sites in Basel and Zurich. The existing systems at the MCH Group locations are being constantly optimised in terms of efficiency and energy-saving.

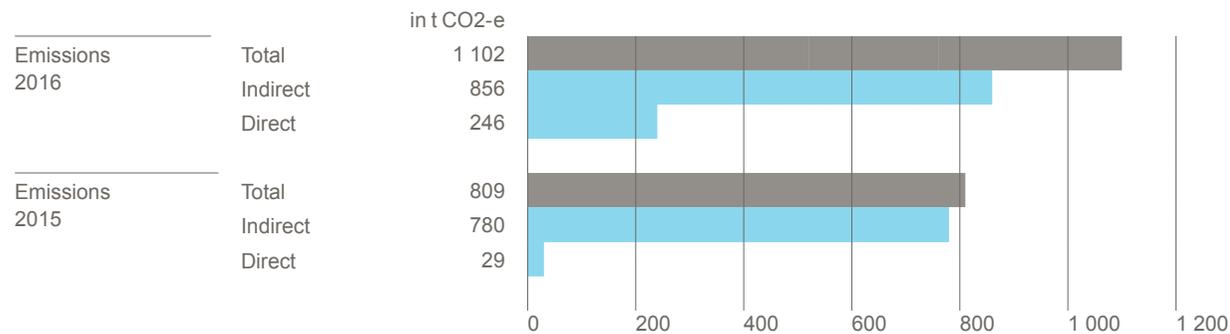
Delivery traffic to the MCH Group's exhibition and congress site is steered via a checkpoint-based system. An online logistics tool has been developed in Basel which supports this measure. All journeys to transport goods to and from the exhibition site must be registered in advance already for a specific time slot. Drivers are required to drive to a checkpoint, from where they are directed to the delivery zone of the hall in question at the specified time and via a specified route. Their vehicle must then be unloaded/loaded within a specific period of time. To ensure that this process can be steered in the optimum manner, all movements on the exhibition site are performed by Messe Basel's logistics partner.

Waste disposal at the events is organised according to the "polluter-pays" principle, with waste being sorted and disposed of in the correct manner. The MCH Group promotes the use of public transport to its events by offering a range of special tickets in partnership with SBB RailAway and Deutsche Bahn DB.

Energy consumption Messe Basel und Messe Zürich



Emissions Messe Basel und Messe Zürich



Energy and emissions Messe Basel and Messe Zürich

Energy consumption at the group's own exhibition centres in Basel and Zurich (including the administrative building) totalled 32 430 MWh in 2016. Of the total energy consumed 87% was renewable energy. The emissions totalled 1 102 t CO₂-e.

Energy consumption has increased by 5% compared with the previous year. While consumption of renewable energy has only risen slightly, the use of non-renewable energy has undergone a sharp increase of 46%. The emissions have thus similarly undergone a pronounced increase of 36%.

While the values at Messe Basel are of the same order of magnitude as the previous year – despite the busier exhibition schedule – energy consumption and emissions have increased greatly at Messe Zürich. One reason for this is the changed use of Hall 9, which was in operation for 366 days as accommodation for refugees (previous year only 15 days), with a major impact on energy consumption (heating oil and electricity) and emissions.

Exhibition and event structures

Expomobilia places great value on ensuring that stand structures have a long life and can be re-used many times over. This it achieves inter alia by using a wide range of materials incorporating re-usable or biologically degradable components, as well as lights equipped with long-life bulbs which consume only a small amount of electricity.

Expomobilia operates two photovoltaic systems at its sites in Effretikon and Fehraltorf with an overall surface area of 3 000 m². These generate approximately 435 MWh per year. Since 2014, Expomobilia has covered its entire electricity requirements with Swiss green electricity obtained from FAIR POWER, an independent green electricity specialist. The FAIR POWER certificate guarantees that this electricity has been generated ecologically and is fed into the grid for Expomobilia. The CO₂ share from hydroelectric power generation is fully offset by the Fair Recycling Foundation.

Expomobilia acquires the heat it needs for its company buildings from the district heating network run by the Canton of Zurich's electricity utility.

Details of the energy consumption and emissions at Messe Basel, Messe Zürich, Beaulieu Lausanne and Expomobilia may be found on pages 16 – 19. Details of energy consumption and emissions are included in the Annex on pages 9 – 13.

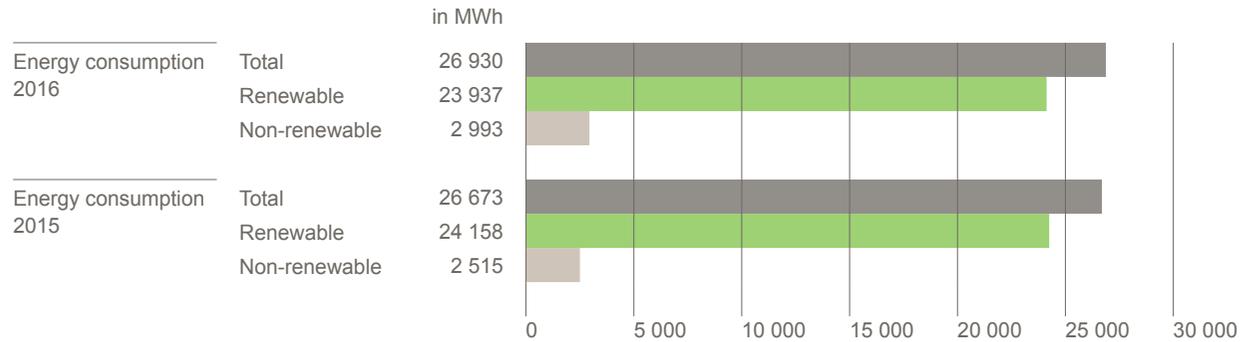
Messe Basel

Messe Basel has exhibition space totalling 141 000 m², of which 122 000 m² is in the two main halls 1 and 2. Messe Basel also takes in the Congress Center Basel with 25 rooms and capacities of up to 5 000 persons and the Musical Theater Basel with 1 500 seats.

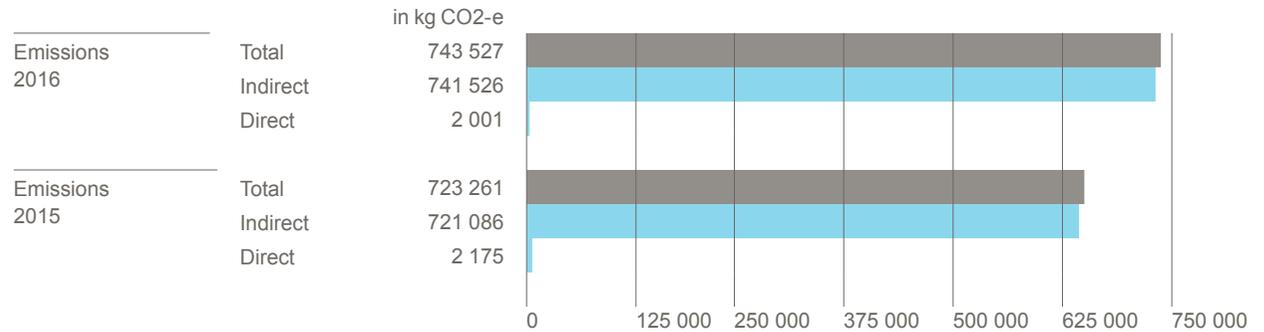
The north section of Hall 1 was brought into operation in 1999 and the south section in 2013. The entire complex satisfies stringent functional and operational requirements. The new complex brought into operation in 2013 is certified with the BS-054 Minergie Label.

Key figures	2016	2015
Exhibitions	25	21
Exhibitors	7 065	4 915
Visitors	877 722	716 871
m ² exhibition area	668 623	458 230
Other events	354	551
Visitors	334 828	599 030

Energy consumption Messe Basel



Emissions Messe Basel



Energy and emissions

Emissions from electricity consumption in the previous year, 2015, have had to be revised slightly upwards in retrospect. The electricity supplier adjusted the electricity mix retrospectively for 2015 (guarantees of origin). The adjustment meant that the share of Swiss hydropower increased from 85 % to 96 % and no guarantees of origin were purchased for foreign wind and solar power.

Energy consumption at Messe Basel in 2016 was virtually unchanged compared with the previous year and only increased slightly, even though the reporting year was a year with a busy exhibition schedule.

Emissions increased by 3 % in 2016. This increase is due primarily to the indirect emissions. The main reason for the rise in indirect emissions is the 13 % increase in district heat, which varies as a function of the number and type of events. The emissions for electricity consumption in 2016 are based on the electricity mix for 2015, since the 2016 electricity mix is not available at the time of publication.

Messe Zürich

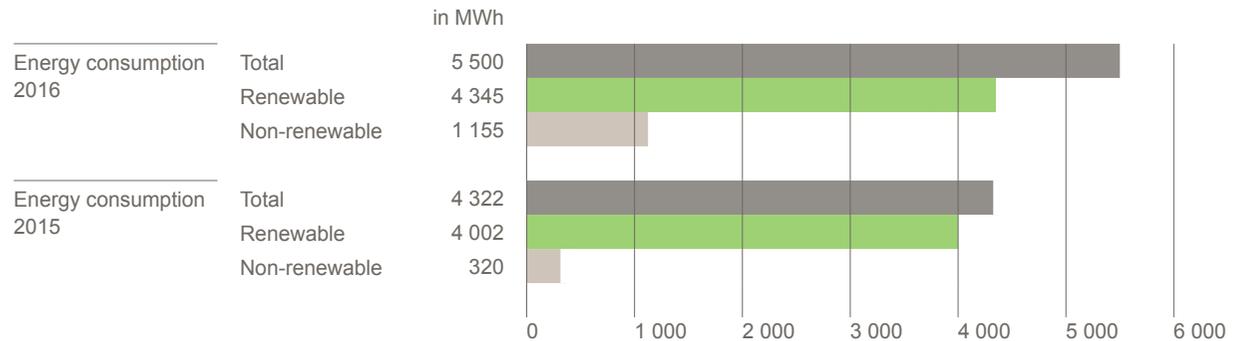
Messe Zürich has exhibition space totalling 30 000 m². Some 27 000 m² are located in Halls 1 to 7 in the main building, while the separate hall, Hall 9, has some 3 000 m². The main building additionally houses seven smallish conference rooms for 30 to 80 people. Messe Zürich also includes Theater 11 Zürich which seats 1 500.

In the 2016 reporting year, Hall 9 was made available to the Asyl Organisation Zürich (AOZ) for the accommodation and care of around 250 refugees.

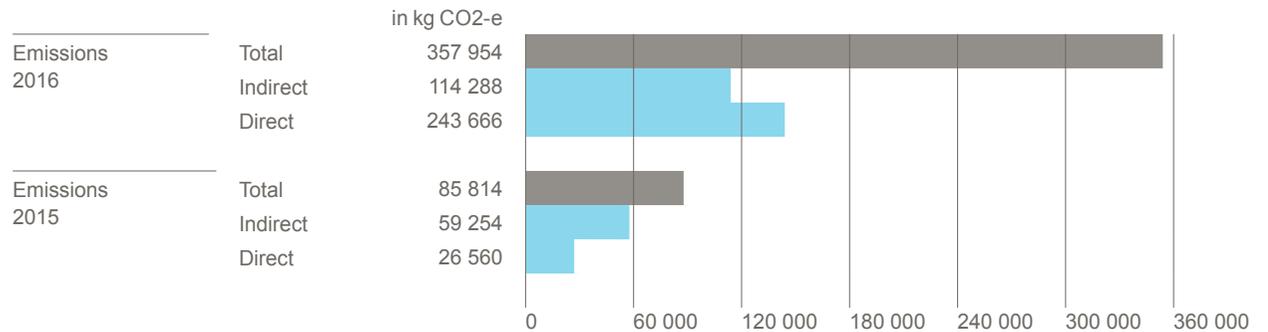
The main exhibition building, which was commissioned in its present form in 1998, is characterised by its operational functionality, which is reflected in its very high capacity utilisation.

Key figures	2016	2015
Exhibitions	30	35
Exhibitors	5 985	6 029
Visitors	586 634	593 567
m ² exhibition area	346 469	359 612
Other events	456	411
Visitors	184 500	182 300

Energy consumption Messe Zürich



Emissions Messe Zürich



Energy and emissions

Emissions from electricity consumption in the previous year, 2015, have had to be revised slightly upwards in retrospect. The electricity supplier adjusted the electricity mix retrospectively for 2015 (guarantees of origin). The adjustment meant that the share of Swiss hydropower increased from 85 % to 96 % and no guarantees of origin were purchased for foreign wind and solar power.

Energy consumption increased by 27 % in 2016 compared with the previous year. Pronounced increases have been registered especially in electricity consumption (by 19 %), while the share of non-renewable energies has risen more than threefold and the consumption of heating oil tenfold.

This is due largely to the intensive – and changed – use of Hall 9 compared with 2015. Emissions have thus also risen accordingly, increasing threefold compared with the previous year. This is also because far more non-renewable energy was used, since more gas and oil was consumed due to the low temperatures. Even if the electricity consumption has risen dramatically, this has scarcely affected emissions due to the low emission factor for electricity.

The emissions for electricity consumption in 2016 are based on the electricity mix for 2015, since the 2016 electricity mix is not available at the time of publication.

Beaulieu Lausanne

The exhibition site in Beaulieu Lausanne is owned by the Fondation de Beaulieu. Since 2009, the MCH Group has been operating the Beaulieu Lausanne exhibition site as a tenant, on behalf of the owner. At the start of 2016, MCH Group ceased operating the Congrès Beaulieu Lausanne and the Théâtre Beaulieu Lausanne, or the “Bâtiment Principal” (main building), and handed it over to new operators. Since then, MCH has been concentrating on the exhibition business and on running the North and South Halls and, where necessary, additional halls in the main building (1, 6 and 7).

The key figures for 2015 and 2016 are not directly comparable in the case of “other events”.

Expo Beaulieu Lausanne has a total exhibition area of 30 000 m², 11 000 m² of which is in the South Halls completed in 2011.

Key figures	2016	2015
Exhibitions	16	23
Exhibitors	2 124	2 364
Visitors	311 609	324 718
m ² exhibition area	176 922	200 528
Other events	47	206
Visitors	38 520	159 043

Energy and emissions

Since the MCH Group has been renting and managing just the exhibition halls as of 2016, the report boundaries and figures are no longer comparable with those of the previous year. In view of the realignments in conjunction with the new rental situation, not all the data is available for the 2016 reporting year. The figures for district heat in the rented halls are missing, in particular. Since these consumption figures are not yet available, it is also not possible to calculate the emissions from district heat consumption.

In view of the changed situation and the non-comparability with the previous year, plus the fact that the data is not complete, no graph has been included of the energy consumption and emissions.

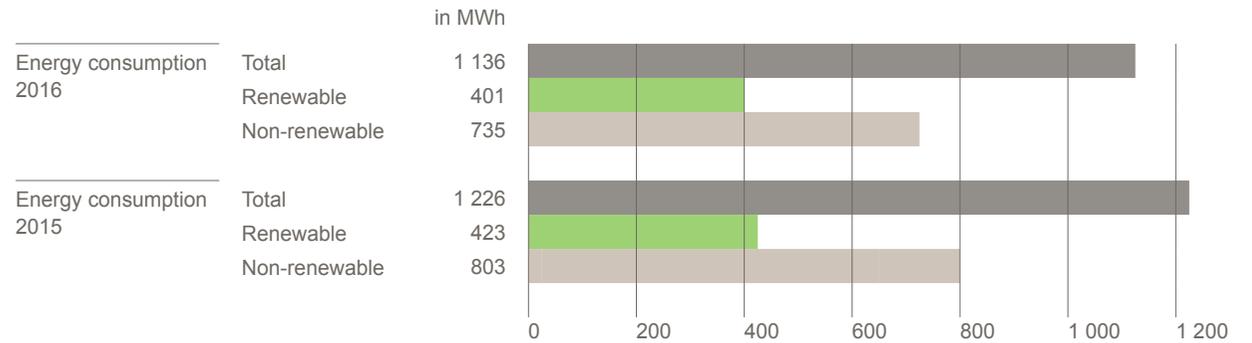
Calculations based on the available data give the following values for 2016:

Total energy consumption: 1 901 MWh, of which 100 % is from non-renewable energy sources.

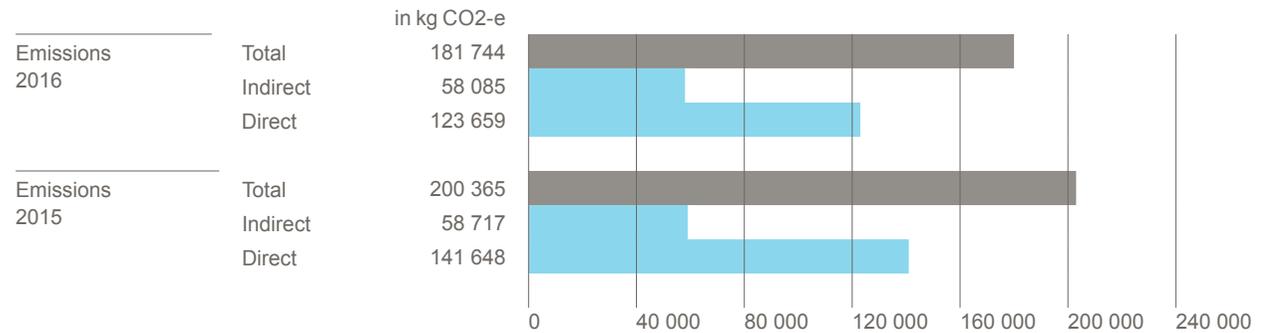
Total emissions: 569 647 kg CO₂-e, of which 91 % are indirect and 9 % direct emissions.

In future years, it should once again be possible to provide a complete report of the energy consumption and emissions in the halls used by the MCH Group.

Energy consumption Expomobilia



Emissions Expomobilia



Expomobilia

Expomobilia, which was founded in Switzerland in 1973, is specialised in the construction of exhibition stands and event structures – design, concept, production and assembly. The production operations, from the inscription workshop through to the metalworking shop are all located under a single roof and closely networked with each other.

In 2016, Expomobilia implemented 317 (2015: 350) projects, of which 267 (2015: 283) were in Switzerland. Most of these projects involved the full range of services, from design through to production and assembly.

Energy and emissions

The figures for Expomobilia's electricity consumption in 2014 and 2015 have been revised upwards. More accurate and complete figures are available now that they can be accessed via the digital portal. This has created a sound basis for the future.

The share of non-renewable energy – namely heating oil – has fallen by 8 % overall by comparison to the previous year. The main reason for this decline is the less intensive occupation of the location. The fall in petrol consumption is due to the reduction in the number of company cars. Electricity consumption has similarly fallen somewhat.

Direct emissions are 13 % lower than the previous year. The reason for this is the lower consumption of non-renewable energy. The reduced electricity consumption only has a slight impact on indirect emissions (emission factor).

The core behaviours of the MCH Group: passion, professionalism, entrepreneurial spirit, agility, trustworthiness.

Local community

The MCH Group is committed to institutions that promote the economy and business locations by actively and transparently supporting them through its membership and/or partnership in specific projects (see Annex, page 4).

On political issues directly affecting the company, the MCH Group publicly expresses its points of view. It does not get involved in political discussions that do not affect the company or its business activity.

The economic impact of the MCH Group's business activity and the assumption of its obligations towards its local communities are described in the "Economic" chapter (page 13).

The MCH Group is reluctant to take on sponsoring commitments, since it is dependent on contributions from the public purse for big infrastructure investments and is itself a partner of sponsors at a large number of events. It makes a distinction between sponsoring commitments that involve the provision of corresponding (communicative) services in return and support which is provided without any expectation of receiving anything in return. In both cases, what it provides can be financial contributions, services and/or the supply of materials (Location Partner).

The financial contributions and the materials and services that the MCH Group provided to different organisations in 2016 had a total value of some CHF 300 000.

Protection of intellectual property

The MCH Group's brands constitute a significant enterprise value. Brand protection provides legal security and is a clear indication that the intellectual property rights of the corresponding brand belong to the MCH Group and are also protected by the group. At present, some 250 word and picture brands are registered for the MCH Group at the Swiss Federal Institute of Intellectual Property (IGE) in Bern.

Corporate Legal & Management Services checks the IGE report on the registered brands each week. In the event of brands of the MCH Group being violated, the protection afforded by these brands is enforced by legal means.

The MCH Group is a member of "Stop Piracy", the Swiss anti-counterfeiting and anti-piracy platform that was set up by the Federal Institute of Intellectual Property in 2005. For 30 years, the MCH Group has been committed to the protection of intellectual property in the context of the Baselworld Watch and Jewellery Show and supports the fight against counterfeited and pirated goods. At Baselworld, anyone who considers that their intellectual property rights have been violated through the presentation of an object at the show can have recourse to the show's own arbitration board – the Baselworld Panel. The arbitration board decides within a single working day whether the rights to a design, brands, patents of invention or copyright-protected works have been violated.

The Baselworld Watch and Jewellery Show is an official supporter of the Responsible Jewellery Council (RJC). The RJC campaigns for responsible practices in the jewellery industry – from the mining of the precious metals, via their processing, right through to the retail trade. The more than 700 companies that have been RJC-certified in the meantime guarantee compliance with the corresponding ethical, human-rights, and social and ecological principles.

Employment

At the end of the 2016 reporting year, the MCH Group had a total of 632 permanent employees. The number of employees thus increased by 14 permanent employees in the reporting year (2.3%). This number includes employees at all the companies wholly owned by the MCH Group. It similarly includes India Art Fair (IAF), in which the MCH Group has had a majority holding since 2016.

The MCH Group offers its employees attractive working and employment conditions for the standard wages on the market. A bonus system commensurate with the different company levels ensures that a large number of employees benefit from the success of the group as a whole and the individual business units, on the one hand, and from the attainment of their personal targets, on the other hand, the latter being agreed on in a discussion with their supervisor.

Employees on permanent contracts/Companies	31.12.2016		31.12.2015	
MCH Group Ltd.		25		24
MCH Swiss Exhibition (Basel) Ltd.		320		306
MCH Swiss Exhibition (Zurich) Ltd.		29		29
MCH Beaulieu Lausanne SA		34		46
MCH Global Ltd. (since 2016)		3		0
Reflection Marketing AG		11		8
Rufener Events Ltd		27		24
Expomobilia AG		93		96
Winkler Multi Media Events AG		90		85
Total		632		618

Hierarchy levels/Gender	31.12.2016		31.12.2015	
	Male	Female	Male	Female
Board of Directors MCH Group	8	3	9	2
Executive Board MCH Group	5	0	5	0
Management subsidiaries	17	3	14	2
Managerial staff	99	40	97	39
Employees	245	223	250	211

Nationalities/Gender	31.12.2016		31.12.2015	
	Male	Female	Male	Female
Switzerland	269	176	275	176
Germany	53	33	54	28
France	11	8	11	8
Italy	3	4	4	4
Austria	1	2	2	1
USA	2	3	2	1
China	2	19	1	16
India	7	5	0	0
Other	16	18	17	18

Time spent on further training (hours)	2016		2015	
	Male	Female	Male	Female
Senior management	71	0	50	0
Management	540	88	303	351
Employees	799	324	458	738

Under the lead of Human Resources, the Executive Board and senior management have formulated the competences, values and conduct that the employees of the MCH Group are to strive for. These are set out in the following core behaviours: passion, professionalism, entrepreneurial spirit, agility and trustworthiness. The newly formulated “Corporate Culture” is geared to the company’s future-oriented development. The core behaviours serve as a guideline in the recruitment process for new employees. They have also been channelled into the agreed targets and individual performance assessment process in a number of companies.

Training and education

Employees are constantly supported in their further personal and professional development through internal training and continuing education programmes, as well as through financial support for attending external courses and training sessions.

Further details on employment and on training and education may be found in the Annex, on pages 2 – 4 and 13 – 14.

Governance

The MCH Group adheres to the provisions of relevance to corporate governance in the current legislation, in the directives issued by the SIX Swiss Exchange and in the rules of conduct contained in the Swiss Code of Best Practice. The company's basic fundamentals include all the essential principles to ensure that the management, supervision and transparency of the company are in accordance with good corporate governance.

Details of Corporate Governance may be found in the 2016 Annual Report:

> www.mch-group.com
“News”/“Reports”

Corruption

Exhibition and event organisers are fundamentally subject to a certain passive risk of corruption. In the exhibition business, it is possible, for example, for exhibiting companies and suppliers to want to obtain advantages (stand positioning, receipt of orders, etc.) by the corresponding means. Corrupt behaviour of this type would have a considerable influence on the configuration of an exhibition, impairing its quality and ultimately jeopardising its existence

An anti-corruption agreement has been part of the General Terms of Employment of the MCH Group since 1992 and this is signed by all employees as part of their contract of employment.

The provisions governing the admission of exhibiting companies provide protection against the risk of passive corruption. Admission is based on clear-cut criteria that are set out in the Exhibition Regulations. They also include criteria that have to be fulfilled by the exhibitor, such as the observance of human rights. For Art Basel, where the selection of the exhibitors to be admitted to the show is performed by an international committee, a two-stage admission procedure has been introduced with the possibility of an appeal.

Compliance

In the course of 2016, there were no suspicious circumstances which would have necessitated a check on the group's business locations or business practices with regard to an increased risk of corruption. There were no confirmed cases of corruption.

Compliance with the anti-trust law and the provisions of the Swiss Federal Competition Commission is actively supported and ensured by Corporate Legal & Management Services. In 2016, no proceedings were brought against the MCH Group on account of anti-competitive practices or the formation of cartels or monopolies.

No fines or other penalties were issued to the MCH Group in 2016 on account of violations of laws, regulations or rules of conduct

- with regard to the impact of products and services on the safety and health of people;
- in respect of the sale of banned or disputed products and services;
- in conjunction with advertising, sales promotion and sponsoring activities;
- with regard to violating the private sphere of customers and the loss of customer data;
- regarding the provision and use of products and services.

GRI G4 Content Index

DMA Disclosures on Management Approach
GRI No. Details of or reference to report(s)/page(s)

SR = Sustainability Report
AN = Annex to the Sustainability Report
AR = Annual Report
FR = Financial Report
RR = Remuneration Report

General Standard Disclosures

Strategy and analysis

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AR 8-9, 14-15

Organizational profile

G4-3 SR 29
G4-4 SR 8
AR 12-13
G4-5 SR 29
G4-6 AR 20-41, 45
G4-7 AR 47-49
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Relevant aspects and report boundaries

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G4-18 SR 7
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AN 5
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Stakeholder engagement

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G4-25 SR 7
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AN 6-8

Report boundaries

G4-28 Reporting period: 01.01.2016 - 31.12.2016
G4-29 Publication of the last report: 17.03.2015
G4-30 Reporting cycle: annually
G4-31 SR 29
G4-32 SR 3, "Core"
G4-33 No external assurance

Governance

G4-34 AR 50-61

Ethics and Integrity

G4-56 SR 4-6, 20-21

Economic

Economic performance

DMA Significance of the aspect:
 The overriding objective of the MCH Group is to ensure its long-term business success for the benefit of all stakeholders. The MCH wishes to expand its leading market position as a live marketing company both nationally and internationally by strengthening and developing its national and international exhibition portfolio and diversifying into the provision of exhibition-related services. In so doing, it is giving consideration to its economic, ecological and social sustainability targets.

Measures, procedures, competencies:
 The targets are anchored in the strategy as well as in the organisation, processes and structures. Measures for implementing the strategy have been defined and ensure its target-orientated implementation. The MCH Group regards itself as a contemporary, attractive employer. The social benefits are commensurate with, or above, the statutory requirements. The company has a comprehensive risk management which is audited on a regular basis by the highest-level control body. The Board of Directors checks the strategy and its implementation and also the economic performance.

Result:
 The MCH Group reports on the company's financial result in an annual and first-half report. The company's first report on its sustainability performance was issued for 2013. Reporting is performed annually. The company, together with its economic performance and sustainability performance, is developing in line with the quantitative and qualitative targets. The Board of Directors is the highest-level management and control body for the strategy and the attainment of the economic targets.

G4 – EC1	SR	10 – 13, 20	Omission
	AR	7 – 9	None
	FR	4 – 5	
G4 – EC2	SR	13	None
G4 – EC3	FR	11, 20 – 21	None
G4 – EC4	FR	12, 28	None

Indirect economic impacts

DMA Significance of the aspect:
 Exhibitions, congresses and events generate a major direct and indirect economic benefit. The MCH Group is committed to its infrastructure locations and, through its business activity, ensures that they benefit from the key economic effects (knock-on effects) associated with this, strengthening them in the competition between locations. It cultivates the public private partnership, which is structurally anchored in the group.

Measures, procedures, competencies:
 The MCH Group safeguards the interests of the locations and secures the major economic effects that the group's activities trigger for the exhibition and congress sites. The protection of the interests of these locations is ensured through the 49-percent holding of the cantons of Basel-Stadt, Basel-Landschaft and Zurich and the City of Zurich in its holding company and through the representatives of the public entities on the group's Board of Directors. At the same time, the MCH Group supports a wide range of associations and organisations in the regions in which it is based. Key issues regarding impacts on the environment or traffic (logistics for exhibitions, for example) are addressed through the integration of the locations.

Result:
 Studies have shown that exhibitions have a "knock-on effect" at the location in question that is eight to ten times greater than their own turnover (positive impacts). The measures implemented and the impact of the infrastructure on the environment are set out in detail under the aspects of "Energy" and "Emissions". Expedient cooperation has been established with the public authorities.

G4 – EC7	SR	10 – 13, 20 – 22	Omission
			None
G4 – EC8	SR	10 – 13, 20 – 22	None

Environmental

Energy

DMA	<p>Significance of the aspect: The MCH Group has substantial infrastructure at its exhibition locations of Basel, Lausanne and Zurich. The production facilities account for by far the biggest portion of the company's energy consumption and emissions and are thus of great relevance for the company and its surroundings.</p> <p>Measures, procedures, competencies: The MCH Group invests constantly in the optimisation of its energy efficiency and the minimisation of environmental emissions in its infrastructure as well as during its operations and production. The head of the "Venues" Division is responsible for the exhibition infrastructure at MCH Group.</p> <p>Result: Messe Basel – the biggest of the MCH Group's three exhibition locations – had by far the highest overall energy consumption in 2016, at 26 398 MWh. Of the energy used for electricity and district heating, 89 % comes from renewable energy sources. Photovoltaic systems are installed at Messe Basel and Messe Zürich which supply some 1 625 MWh energy per year. In 2016, the stand construction company, Expomobilia covered its entire electricity requirements with Swiss green electricity obtained from FAIR POWER, an independent green electricity specialist.</p>
G4 – EN3	<p style="text-align: right;">Omission</p> <p>SR 14 – 19 Beaulieu Lausanne: It is not possible to determine data on district heat consumption, since the consumption figures cannot be accessed (new rental arrangements).</p> <p>AN 9 – 10</p>

Emissions

DMA	<p>Significance of the aspect: The MCH Group has substantial infrastructure at its exhibition locations of Basel, Lausanne and Zurich. The production facilities account for by far the biggest portion of the company's energy consumption and emissions and are thus of great relevance for the company and its surroundings.</p> <p>Measures, procedures, competencies: The MCH Group invests constantly in the optimisation of its energy efficiency and the minimisation of environmental emissions in its infrastructure as well as during its operations and production. Within the MCH Group, the head of the "Venues" Division is responsible for the exhibition site, while the head of the "Live Marketing Solutions" Division is in charge of initiatives and measures in the services companies.</p> <p>Result: The CO2 emissions at Basel – the biggest and most energy-intensive exhibition site – are lowest by comparison to the other exhibition sites. Of the energy used for electricity and district heating, 89% comes from renewable energy sources.</p>
G4 – EN15	<p>SR 14 – 19</p> <p>AN 11 – 12</p>
G4 – EN16	<p>SR 14 – 19</p> <p style="text-align: right;">Assurance None Omission</p> <p>Beaulieu Lausanne: It is not possible to calculate emissions from remote heat consumption, because the consumption figures are not available (cf. G4-EN3).</p>
	<p>SR 12 – 13</p>

Social

Further training and diversity

DMA Significance of the aspect:
 The MCH Group strives to achieve an exceptional quality of products and services over the entire length of the value chain which sets it apart from the competition (Baselworld, Art Basel). The specialist competence of its employees is one of the mainstays for this. The MCH Group supports its employees in their further development through in-house and external training and education programmes.

Measures, procedures, competencies:
 The MCH Group endeavours to recruit, train and further develop highly-qualified employees. The MCH Group attaches great importance to employees with specialist knowledge (industry knowledge, marketing, communication, stand construction, etc.) and promotes the corresponding further training programmes. The HR officers are in charge of this at group and company level (employee qualifications, development planning, further training offers, etc.).

Result:
 The competence of the group and its group companies is expanded through the annual further training programmes. The MCH Group is seen as an attractive employer by (potential) employees (individual development, career opportunities).

			Omission
G4 – LA9	SR	21	None
GA – LA12	SR	21	
	AN	13 – 14	

Local communities

DMA Significance of the aspect:
 The MCH Group's presence at its locations has key impacts on society and the local communities. It strengthens the locations in economic terms in the competition between locations (positive impacts). At the same time, the MCH Group and the locations work together closely on matters of traffic (logistics) and also infrastructure and its operation.

Measures, procedures, competencies:
 The MCH Group safeguards the interests of the locations and secures the major economic effects that the group's activities trigger for the exhibition and congress sites. At the same time, the MCH Group supports a wide range of associations and organisations in the regions in which it is based. Key issues regarding impacts on the environment or traffic (e.g. logistics during exhibitions) are addressed through the integration of the locations.

Result:
 The MCH Group sets itself apart through its responsible approach to the impacts of the exhibition sites on the local community. All the locations and their interests are safeguarded through their representatives on the Board of Directors. Expedient cooperation has been established with the public authorities.

			Omission
G4 – SO1	SR	13, 20 – 22 / 100 % of the exhibiton locations	None
G4 – SO2	SR	13, 20 – 22	None

Anti-corruption

DMA Significance of the aspect:
 Exhibition and event organisers are fundamentally subject to a certain passive risk of corruption. Corrupt behaviour of this type would have a considerable influence on the configuration of the products, impairing their quality and ultimately jeopardising their existence.

Measures, procedures, competencies:
 An anti-corruption agreement has been part of the General Terms of Employment of the MCH Group since 1992 and this is signed by all employees as part of their contract of employment. The provisions governing the admission of exhibiting companies provide protection against the risk of passive corruption.

Result:
 There were no cases of corruption in 2016.

			Omission
G4 – SO3		None, since no suspicious circumstances	None
G4 – SO4	SR	22 / 100 %	None
G4 – SO5		None	None

Anti-competitive behaviour

DMA	<p>Significance of the aspect: Compliance with the legal provisions is of key importance for the MCH Group (governance, reputation, stakeholders).</p> <p>Measures, procedures, competencies: Compliance with the anti-trust law and the provisions of the Swiss Federal Competition Commission is actively supported and ensured by Corporate Legal Services.</p> <p>Result: In 2016, no proceedings were brought against the MCH Group on account of anti-competitive practices or the formation of cartels or monopolies.</p>	Omission None
G4 – SO7	SR 22/none	

Compliance (competition)

DMA	<p>Significance of the aspect: Compliance with the legal provisions is of key importance for the MCH Group (governance, reputation, stakeholders).</p> <p>Measures, procedures, competencies: Compliance with the anti-trust law and the provisions of the Swiss Federal Competition Commission is actively supported and ensured by Corporate Legal Services.</p> <p>Result: No fines or other penalties were issued to the MCH Group in 2016 on account of violations of laws, regulations or rules of conduct</p>	Omission None
G4 – SO8	SR 22/none	

Protection of intellectual property, trademark protection (own aspect)

DMA	<p>Significance of the aspect The MCH Group is committed to the protection of intellectual property and fair trade through responsible development. Special importance is attached to the protection of intellectual property (anti-piracy). For this reason, an aspect of our own – with 4 indicators – has been developed in the Sustainability Report.</p> <p>Measures, procedures, competencies: The MCH Group is a member of “Stop Piracy”, the Swiss anti-counterfeiting and anti-piracy platform that was set up by the Federal Institute of Intellectual Property in 2005. For 30 years, it has supported the fight against counterfeited and pirated goods through a unique arbitration board for the Baselworld Watch and Jewellery Show.</p> <p>Result: For its commitment in this respect, the Global Anti-Counterfeiting Group (GACG) presented the show management of Baselworld with the 2010 GACG Award, the so-called “Trophée de l’Authentique”. The Baselworld Watch and Jewellery Show is an official supporter of the Responsible Jewellery Council (RJC). The RJC campaigns for responsible practices in the jewellery industry – from the mining of the precious metals, via their processing, right through to the retail trade.</p>	
G4 – SO+1	Reason why this indicator is of special significance. SR 5 – 6, 20	
G4 – SO+2	Details of the cases processed involving the protection of intellectual property on the occasion of exhibitions. SR 5 – 6, 20	
G4 – SO+3	Number of trademarks and statements on the significance of trademark protection. SR 5 – 6, 20	
G4 – SO+4	Statements on the measures taken against piracy which serve to protect trademarks. SR 5 – 6, 20	

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The Sustainability Report of the
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