



Reports 2018
Sustainability

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Introduction to sustainability

The MCH Group is a leading international live-marketing company with a comprehensive services network spanning the entire exhibition and event market. It creates effective platforms and provides customised solutions in all the different areas of live marketing – all over the world.

The MCH Group's business activity consists in running the exhibition sites in Basel and Zurich (Venues), staging around 35 of its own exhibitions (Exhibitions) and providing customised services in the fields of marketing consulting, full-service experience marketing and exhibition and event structures (Live Marketing Solutions). In 2018, the MCH Group organised or hosted 945 events and took charge of almost 3,000 projects in the field of live marketing solutions.



Art Basel in Hong Kong

From 2013 to 2016, a sustainability report was drawn up in accordance with the guidelines of the Global Reporting Initiative (GRI – most recently as per the GRI G4 Guidelines, “Core” option). Since 2017, the MCH Group has refrained from GRI certification of its sustainability reporting, the effort involved has become too great.

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

However, the structure and content of the 2018 Sustainability Report are based on those of previous years. In addition to the CEO statement and a description of the aims and the reporting, it is divided up into the sections of Economic, Environmental and Social, with key aspects described in each of these. The Sustainability Report has been drawn up in the context of the 2018 Business Report (Annual Report, Financial Report, Remuneration Report) to which reference is made at different points.

Consultancy, project management and coordination:

Dr. Brigitte Ruetsch, Ruetsch & Partner Consulting GmbH, Bern

Energy and emission figures:

In cooperation with Maria Stoll, Elevate, Zurich

CEO Statement

The overriding objective of the MCH Group is to ensure its long-term business success for the benefit of all its stakeholders. One of the decisive factors for success is economic, ecological and social sustainability. Sustainable thinking and action have shaped the group's more than 100-year history and will also determine the path it adopts in future.

Over the past few years, the MCH Group has undergone a remarkable development in many respects within the national and international exhibition and event sector. It now faces major challenges in having to adapt to the fundamental changes coming about in the classic exhibition and event business. The corporate strategy, organisational structure, public-private partnership and sustainability value are central aspects in this necessary transformation process.



Hans-Kristian Højsgaard

Corporate strategy

The MCH Group's aim is to transform the group's classical live event competence into an integrated experience marketing competence in both the physical and digital fields. It is a matter of striking the right balance between the measures needed to stabilise the company and the investments required for the future.

“ For the MCH Group, economic, ecological 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.
(Excerpt from the MCH Group's Corporate Principles) “

The main strategic thrusts of focusing, internationalisation and digitisation cannot be called into question given the market environment and the industry's development. In autumn 2018, however, the MCH Group conducted an initial prioritisation of the strategic initiatives, putting the focus on those projects that offer the greatest potential for development and success. In the 2019 financial year, the corporate strategy is to be refined and a start made on its implementation.

Organisational structure

The MCH Group's unique network with its three strategic divisions of "Exhibitions" (own exhibitions), "Venues" (third-party events) and "Live Marketing Solutions" (services) plays a key role in the corporate strategy. With the group's own services, it is in a position to increase the share of the added 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.

In the context of the transformation process, the many largely autonomous profit centres that have grown in number as the company has developed in the past are to be merged into an integrated corporate group so as to boost efficiency and better exploit the synergy potential. Specialist competences and support functions are to be bundled and shared to a greater extent throughout the group.

Public-private partnership

The MCH Group is committed to Switzerland as a location and, in particular, to its infrastructure locations of Basel and Zurich as the priority venues for staging its own exhibitions. It thus safeguards the interests of the locations, securing 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 share held by the cantons of Basel-Stadt, Basel-Landschaft and Zurich and also the City of Zurich in its holding company and through the representation of the public sector entities on the Board of Directors. Since the economic impact on the locations is a function of the company's success, the public sector entities support the company's success and profit-orientated alignment. They are in favour of exhibitions being staged in other locations too, as well as the company's expansion into location-independent and/or exhibition-independent activities, provided that these contribute towards the company's success and are not to the detriment of its own locations.

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 community in the form of tax income. The operation of the exhibition sites and the staging of the events are, however, highly intensive in respect of environmental aspects. Great attention thus is thus paid to environmental issues, since these are of particular relevance for the group's local setting.

Corporate success requires a sustainable economic, ecological and social performance. The MCH Group thus endeavours to promote sustainable behaviour in all areas and at all levels and to constantly improve the sustainability indicators.

Hans-Kristian Hoejsgaard
Group CEO a.i.

Aims

Specialist competence and the ability to innovate, resource efficiency and environmental awareness, plus responsible and correct behaviour, are central features of the aims for the three sustainability categories that are briefly set out below.

A strong product and services portfolio and the extensive expertise of the company's employees form the basis for its development. They thus also play a key role for the sustainability targets.



Ilmac

Economic

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

It is setting out to achieve the future-oriented further development of its product and services portfolio and also wishes to contribute to strengthening the exhibition and event industry in this way. It supports national and international industry associations.

The MCH Group stands out on account of its private sector orientation, its group network and the corresponding cooperation model. It endeavours to constantly improve on its resource efficiency in a bid to further strengthen its competitiveness. Investments in infrastructure, operation and the provision of services are performed on the basis of economic and ecological criteria.

“ The MCH Group’s alignment to the requirements of the future is to be characterised by economic, ecological and social sustainability. “

Environmental

The MCH Group invests continuously in the optimisation of its ecological indicators: in the construction and operation of its buildings and systems by increasing energy efficiency, employing renewable energies and reducing emissions; in its logistics through in-house-developed logistics and traffic 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 to increasingly 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.

In 2018, the MCH Group introduced a new Code of Conduct which supports employees in adopting a legally and ethically correct and responsible form of behaviour. In the framework of the Baselworld Watch and Jewellery Show, the group is committed to protecting intellectual property and fair trade. Together with a large number of experts, the group has developed the “Art Market Principles and Best Practices”. This constitutes a “Code of Conduct” for customers of Art Basel.

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 future development.

Reporting

With its sustainability reporting, the MCH Group wishes to strengthen its dialogue with its key stakeholder groups, since the latter have a decisive influence on the company's economic, ecological and social performance and are also affected by this.

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 assessments and decisions of stakeholders.



Berufsmesse Zürich

Since the stakeholder groups are not only interested in the company's economic performance but also have a particular interest in energy consumption and emissions reporting, as well as in the details of company management (corporate governance, code of conduct, compliance), corresponding weight is given to these aspects in the 2018 sustainability report.

The Executive Board and the Board of Directors of MCH Group Ltd. approve the sustainability report prior to publication in each case.

Sustainability aspects

Economic

Economic performance

Indirect economic impacts

Corporate strategy

Environmental

Energy consumption

Emissions

Social

Employment

Corporate Governance

“Code of Conduct”

“Art Market Principles and Best Practices”

Brand protection

Protection of intellectual property

Anti-corruption

Compliance

Stakeholders and key aspects

Customers

Organisers, exhibitors, visitors to exhibitions and events, clients ordering live marketing solutions

Aspects

Economic performance, corporate strategy, market protection, protection of intellectual property, “Art Market Principles and Best Practices”

Local setting

Hotels and restaurants, public transport companies, police, political authorities and organisations, business, tourist and environmental associations, neighbours

Aspects

Indirect economic impacts, energy, emissions

Suppliers

Construction and ancillary trades, energy, logistics, safety, equipment suppliers, marketing and communication, fittings, technical equipment

Aspects

Economic performance, indirect economic impacts, corporate governance

Partners

Official partners of the MCH Group (logistics, catering, cleaning, etc.)

Aspects

Economic performance, indirect economic impacts, corporate governance

Associations

Exhibition and event industry associations (national, international)

Aspects

Economic performance, employment, corporate governance

Shareholders

Public entities and private shareholders

Aspects

Corporate governance, corporate strategy, economic performance,

Media

Daily/weekly media and specialist media (print, radio/TV, online)

Aspects

Economic performance, corporate strategy, corporate governance

Competitors

Exhibition and event sector (national and international)

Aspects

Economic performance, corporate strategy, corporate governance

Human resources

Management, employees, freelancers

Aspects

Economic performance, employment, code of conduct

Economic

The MCH Group's business activity consists in running the exhibition sites in Basel and Zurich (Venues), staging around 35 of its own exhibitions (Exhibitions) and providing customised services in the fields of marketing consulting, full-service experience marketing and exhibition and event structures (Live Marketing Solutions). In 2018, the MCH Group organised or hosted 945 events and took charge of almost 3,000 projects in the field of live marketing solutions.

The reporting year 2018 saw a substantial financial loss and a number of personnel changes in the company's top-level operational management. At the same time, however, it witnessed the launch of the requisite stabilisation and transformation process.



Swissbau

Despite the decline in trade fair business, sales increased to CHF 522.8 million in the 2018 financial year through the growth in the Live Marketing Solutions segment. A loss of CHF -17.6 million has, however, resulted from operating activities. Added to this come extraordinary depreciations of CHF -132.3 million for the further value adjustment required on the exhibition buildings and special charges for restructuring measures totalling CHF -40.5 million, all of which lead to a group loss of CHF -190.4 million.

“ The MCH Group has initiated the necessary stabilisation and transformation process. ”

The MCH Group is undergoing a far-reaching transformation process that has been made necessary by the fundamental changes in the exhibition and event industry. The aim of the transformation process is to convert the group's classical live event competence into an experience marketing competence in both the physical and digital fields. In summer 2018, the MCH Group defined and initiated the roadmap for the necessary transformation process. After prioritising the strategic initiatives and implementing initial restructuring measures, the corporate strategy will be redefined in the course of 2019 and a start made on its implementation.

In the past year, CEO René Kamm and three further members of the Executive Board left the company. In September 2018, Hans-Kristian Hoejsgaard took over the operational management of the group on an interim basis. In summer 2019, Bernd Stadlwieser will take over the reins as new CEO.

Details business year 2018:

[Annual Report 2018](#)

[Financial Report 2018](#)

Key figures

Group Income Statement in CHF million	2018	% of income	2018 before special measures	% of income	2017	% of income	2017 before special measures	% of income
Operating income	522.8	100.0	522.8	100.0	493.3	100.0	493.3	100.0
Exhibitions	275.2	52.6	275.2	52.6	294.9	59.8	294.9	59.8
Venues	38.5	7.4	38.5	7.4	36.9	7.5	36.9	7.5
Live Marketing Solutions	209.1	40.0	209.1	40.0	161.5	32.7	161.5	32.7
EBITDA	4.0	0.8	28.5	5.5	43.8	8.9	61.5	12.5
EBIT	-182.1	-34.8	-9.3	-1.8	-104.0	-21.1	16.1	3.3
Group loss / profit	-190.4	-36.4	-17.6	-3.4	-110.0	-22.3	10.0	2.0

Group Balance Sheet in CHF million	31.12.2018	% of total assets	31.12.2017	% of total assets	31.12.2016	% of total assets
Current assets	250.0	50.2	259.9	37.8	356.9	39.0
Non-current assets	248.2	49.8	428.3	62.2	559.1	61.0
Assets	498.2	100.0	688.2	100.0	916.0	100.0
Liabilities	441.3	88.6	454.5	66.0	477.1	52.1
Shareholders' equity	56.9	11.4	233.7	34.0	438.9	47.9
Equity and Liabilities	498.2	100.0	688.2	100.0	916.0	100.0
Net debt in CHF million	2018		2017		2016	
31.12.	148.7		130.7		69.1	

2018	Number	Exhibitors	Visitors	GEA ¹⁾	Duration ²⁾
Exhibitions	31	6 937	1 363 519	775 695	150
MCH exhibitions					
Messe Basel	10	2 982	542 265	405 411	45
Expo Beaulieu Lausanne	6	1 278	183 400	108 765	34
Messe Zürich	9	1 766	328 114	137 160	38
Other locations	6	911	309 740	124 359	33
Venues	939	12 462	2 075 476	1 081 206	850
All events					
Exhibitions	68	11 372	1 508 281	1 039 549	218
Messe Basel	17	3 940	660 334	508 541	63
Expo Beaulieu Lausanne ³⁾	14	1 795	237 673	166 125	58
Messe Zürich	37	5 637	610 274	364 883	97
Hall rentals & events	24		108 100		
Messe Basel	8		45 500	29 980	66
Expo Beaulieu Lausanne ³⁾	2		5 600	12 940	9
Messe Zürich	14		57 000	65 000	37
Conferences & room rentals	490	1 090	142 195	41 657	632
Congress Center Basel	189	1 090	138 995	41 657	332
Conference rooms Messe Zürich	301		3 200		300
Musical Theaters	357		316 900		
Musical Theater Basel	184		159 600		
Theater 11 Zürich	173		157 300		

1) Gross exhibition area in m ²

2) No. of days (without assembly/dismantling)

3) As per 1 July 2018, the MCH Group transferred responsibility for the operation and marketing of the Lausanne exhibition site to the Fondation de Beaulieu

2018	Projects	in Switzerland	abroad
Live Marketing Solutions	2 971	1 212	1 759
Marketing Consulting	74	74	0
Strategy & Conception	20	0	20
Event Management	55	50	5
Exhibitions & Event Construction	1 910	198	1 712
Multimedia	912	890	22

Corporate strategy

Over the past few years, the MCH Group has intensively driven forward its growth strategy of diversification, internationalisation and digitization, especially with numerous acquisitions in the fields of “Collector Events” (regional art fairs, Masterpiece London) and “Live Marketing Solutions” (MC²) and also with a range of development projects (including Art Basel Cities and Grand Basel). These strategic initiatives were prioritised in the autumn as part of the necessary stabilisation and transformation of the company.

The priorities that were set: the globally leading position of Art Basel is to be further strengthened through the focus on existing shows and the development of further initiatives. Masterpiece London is to be expanded internationally, with Hong Kong marking the first move. The new concept required for Baselworld is being worked on intensively with the exhibitor committees. The MCH Group will also be investing in the further development of its successful exhibitions that are geared primarily to the Swiss market and will be examining new topics and formats. In the Live Marketing Solutions Division, the group’s competences and the range of services it offers in the field of strategy and concept are to be further expanded.

The initiative aimed at developing a portfolio of regional art fairs will not be pursued any further. The MCH Group intends to sell its investments in Art Düsseldorf and the India Art Fair. The concept for Grand Basel is being verified. The classic general consumer fairs of Muba, Züspa and Comptoir Suisse are to be discontinued. In addition, on 31.12.2018, Winkler Livecom AG in Wohlen was sold to the management of the multimedia company and a private investor.

In the current 2019 financial year, the corporate strategy is to be thoroughly reviewed and redefined. The restructuring process which was launched in 2018 already is being continued in parallel to the ongoing strategy process and will be aligned to its result. The aim is to bundle and share specialist competences and support functions to a greater extent across the group, thus ensuring that the corresponding synergy potential can be better exploited.

Value chain

On the exhibition and event market, the first link in the value chain is the organiser, who needs the appropriate infrastructure for holding their events, together with various additional 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.

Value chain & provision of services



Within this value chain, the MCH Group provides a broad range of services, which can differ 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 its own 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, and the facility services are generally provided by regional suppliers.

Indirect economic impacts

Exhibitions, congresses and events generate a major direct and indirect economic benefit. A number of studies on the economic impact of exhibitions show that exhibition companies 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 it participates in an exhibition goes into the exhibition organiser's coffers. Some 75 to 80% of expenditure goes to different suppliers and service providers.

If the results of these studies are extrapolated to the current figures for the MCH Group, then the following estimates can be derived. Exhibitors and visitors together spend some CHF 3 billion each year on their participation in an MCH event, with CHF 2 billion of this being spent in Switzerland. 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%). In Switzerland, these initial effects trigger overall sales of some CHF 5.5 billion as direct and indirect follow-on effects. The associated added value corresponds to around 30,000 jobs and tax income of some CHF 400 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 effect 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.

Environmental

The MCH Group invests continuously in the optimisation of its ecological indicators, including in its buildings and systems, in logistics and in the production of stands and equipment. The company promotes the environmentally aware behaviour of its employees at their workplace and provides the necessary resources for further reducing the burden on the environment.

The MCH Group is the owner of the exhibition sites in Basel and Zurich. Its reporting on energy consumption and emissions is thus focused on these exhibition grounds. As “production locations”, these account for the biggest share of the company in respect of energy efficiency and emissions and are thus of major relevance for the environment. A further focus is on the exhibition and stand structures supplied by Expomobilia, whose sustainability strategy and sustainability measures are important for a large number of customers.



Giardina

Messe Basel and Messe Zürich

Photovoltaic systems

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 each year into the grid of the Industrielle Werke Basel (IWB), which took over the system in 2014. The MCH Group also supports the "Wettstein 21" platform, which was 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 delivers around 180,000 kWh electricity each year. The roof space was made available free of charge.

Since 2009 a photovoltaic system with a panel area of 1,200 m² and an output of 150,000 kWh per year has been in operation on the roof of Messe Zürich.

“ Of the overall energy requirements of the exhibition sites in Basel and Zurich, 87.8% are met by renewable energies. “

Minergie certificate

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 resource-saving generation of the necessary heat and refrigeration energy. All 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.

Logistics

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 to support this system. All journeys made to transport goods to and from the exhibition site must be registered in advance for a specific time slot. Drivers are required to proceed to a checkpoint, from where their lorries will be directed to the delivery zone of the hall in question at the specified time, via a specified route. The vehicle then has to be unloaded/loaded within a set 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 management

Waste disposal at the events is organised according to the "polluter-pays" principle, with waste being sorted and disposed of in the correct manner.

Transport

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.

Exhibition & Event Structures – Expomobilia

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

“ Expomobilia designs and implements exhibition and event structures that have a long life and can be re-used many times. “

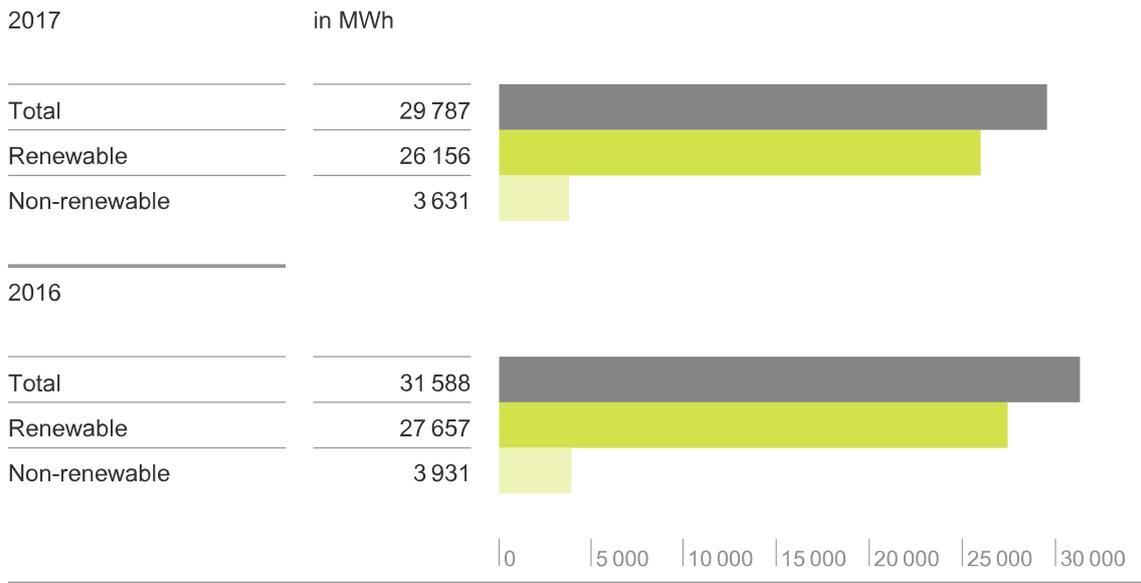
Expomobilia operates two photovoltaic systems at its sites in Effretikon and Fehraltorf with a total surface area of 3,000 m². These generate approximately 435 MWh per year. Since 2014, Expomobilia has covered its entire electricity requirements with Swiss green electricity obtained from FAIR POWER, 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.

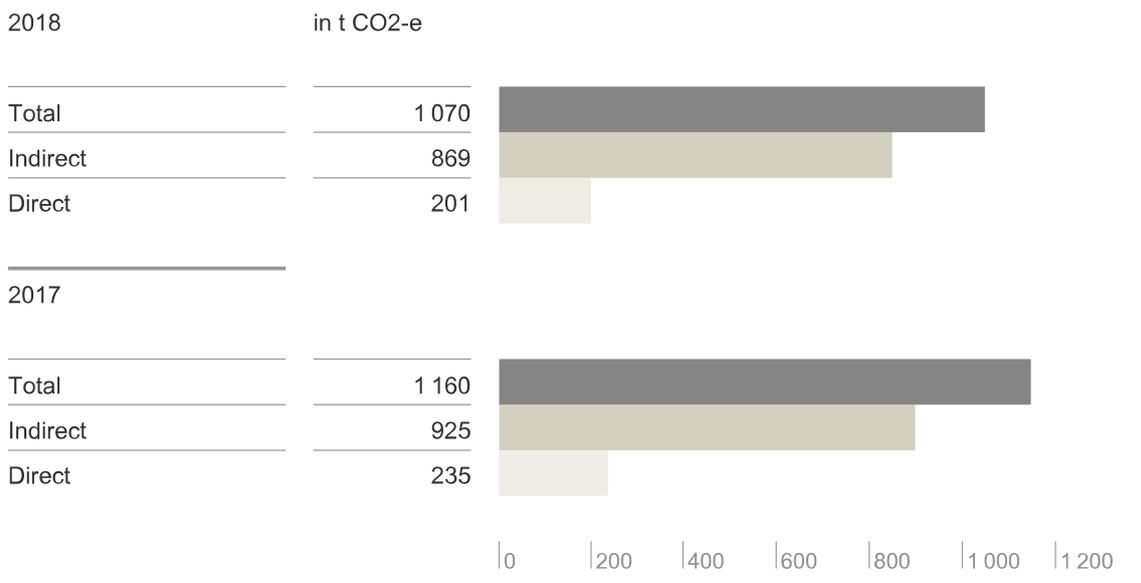
Energy consumption and emissions

Messe Basel and Messe Zürich (including administration buildings)

Energy consumption Messe Basel and Messe Zürich



Emissions Messe Basel and Messe Zürich



Overall energy consumption at Messe Basel and Messe Zürich in 2018 fell by 5.7% compared with 2017 (2018: 29,787 MWh; 2017: 31,588 MWh) and emissions fell by a total of 7.8%. This is not due solely to the number of events (2018: 54 exhibitions; 2017: 56 exhibitions).

Compared to 2017, the number of heating degree days fell by around 10%, which is reflected in the reduction in district heating and heating oil consumption at both locations. In the case of emissions, the direct emissions (heat) have fallen, in particular. These are 14.5% lower than for 2017.

Of the overall energy requirements at the exhibition sites in Basel and Zurich, 87.8% are met by renewable energies (total: 29,787 MWh, of which 26,156 MWh are renewable).

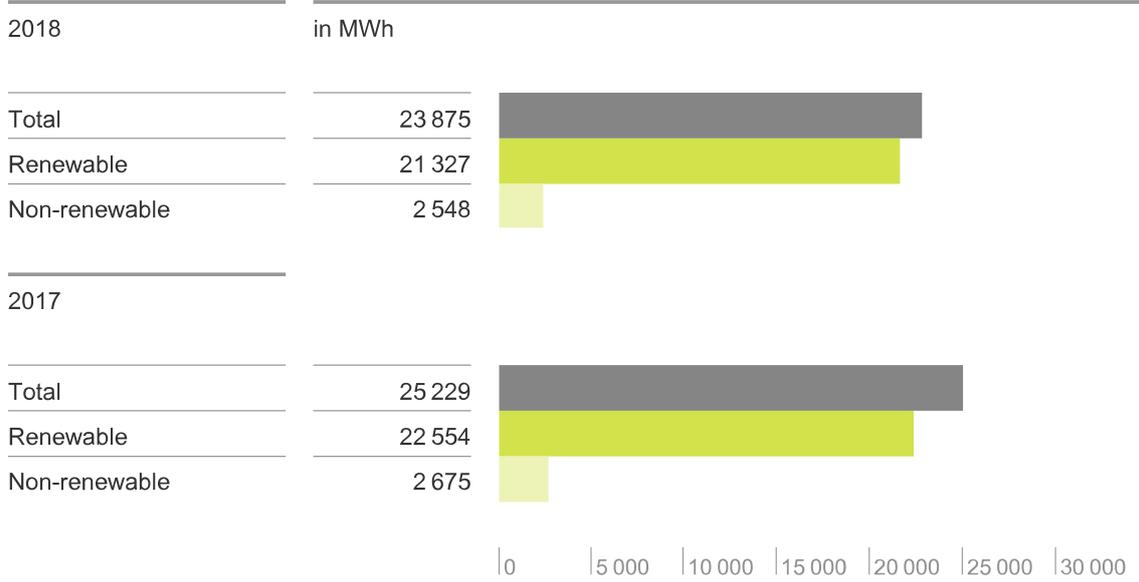
Messe Basel

Messe Basel has exhibition space totalling 141,000 m², of which 122,000 m² is in the two main halls 1 and 2. The Congress Center Basel also belongs to Messe Basel, with 25 rooms and capacities for up to 5,000 people, as does the Musical Theater Basel which seats 1,500. 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 Minergie Label BS-054.

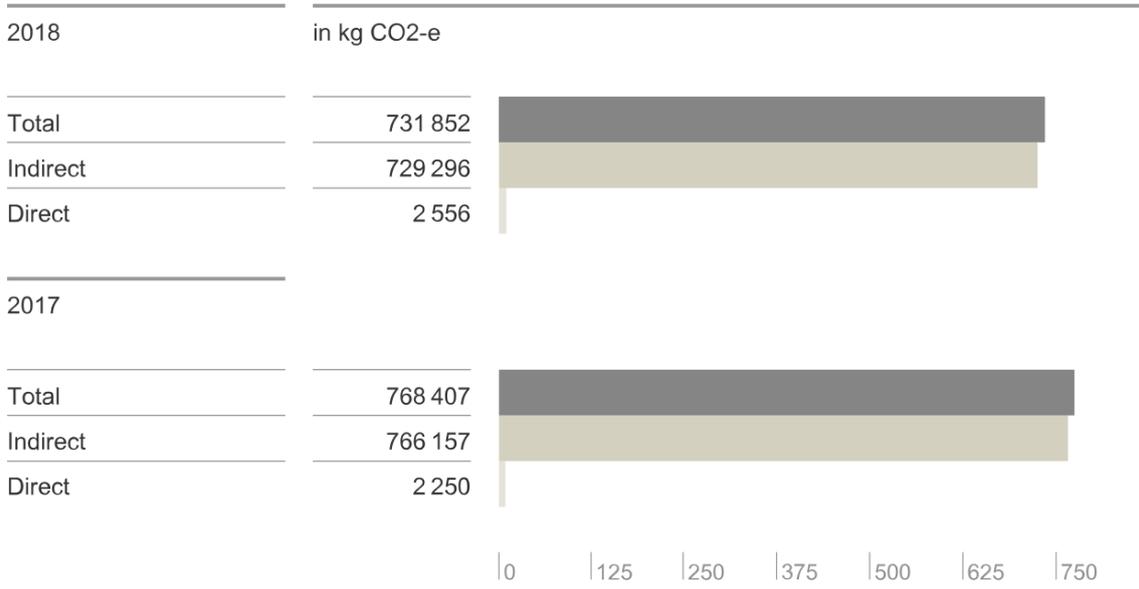
Key Figures	2018	2017
Exhibitions	17	21
Exhibitors	3 940	4 881
Visitors	660 334	747 865
m ² exhibition area	508 541	501 719
Other events	381	358
Visitors	344 095	370 437

Energy and emissions

Energy consumption Messe Basel (without administration)



Emissions Messe Basel (without administration)



Energy consumption at the exhibition location of Basel in 2018 fell by 5.4% compared with 2017 (2018: 23,875 MWh; 2017: 25,229 MWh).

Emissions in 2018 fell by 4.8% compared with 2017 (2018: 731,852 kg CO₂-e; 2017: 768,407 kg CO₂-e).

Direct emissions increased in 2018 (13.6%), due to higher oil consumption for the emergency power systems (2018: 2,556 kg CO₂-e; 2017: 2,250 kg CO₂-e).

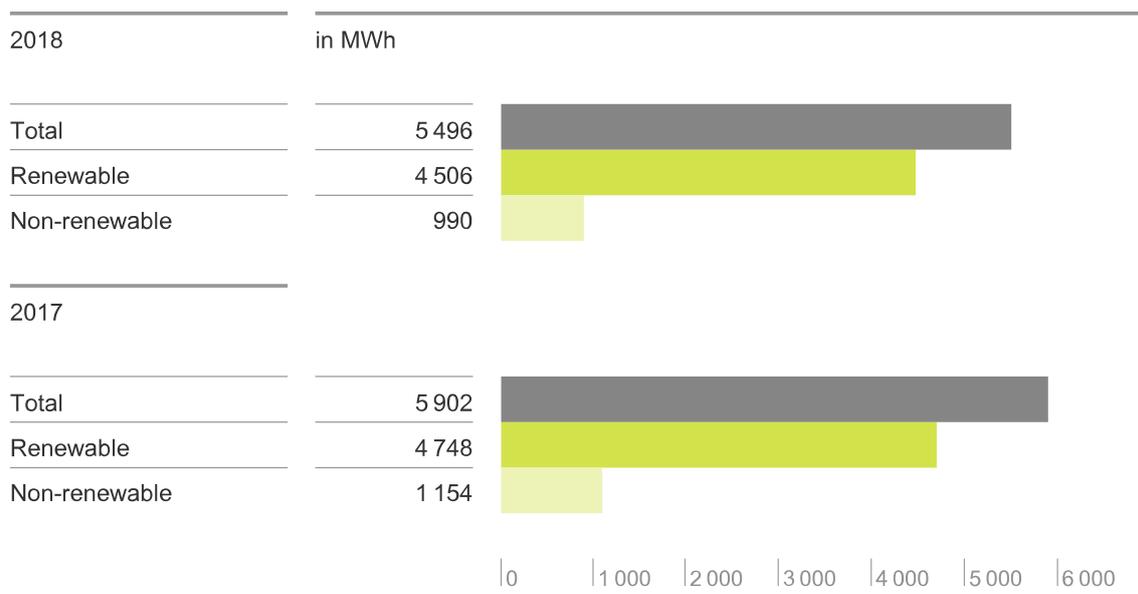
Messe Zürich

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, totals around 3,000 m². The main building additionally has seven smallish conference rooms for 30 to 80 people. Messe Zürich also includes Theater 11 Zürich seating 1,500. The main exhibition building, which was commissioned in its present form in 1998, is characterised by its operational functionality, which is reflected in a very high capacity utilisation. Since the 2016 reporting year, Hall 9 has been made available to the Asyl Organisation Zürich (AOZ) for the accommodation and care of around 250 refugees.

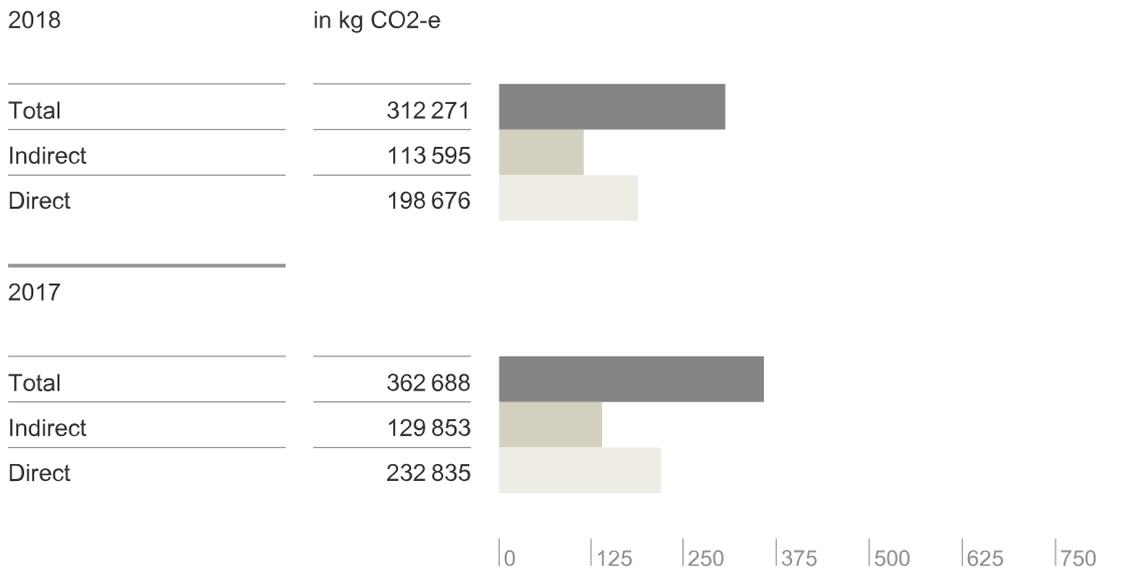
Key Figures	2018	2017
Exhibitions	37	35
Exhibitors	5 637	5 675
Visitors	610 274	609 713
m ² exhibition area	364 883	360 643
Other events	488	501
Visitors	217 500	211 660

Energy and emissions

Energy consumption Messe Zürich



Emissions Messe Zürich



Energy consumption at Messe Zürich fell by 6.9% (2018: 5,496 MWh; 2017: 5,902 MWh). For emissions, an overall decline of 13.9% was recorded in 2018 (2018: 312,271 kg CO2-e; 2017: 362,688kg CO2-e). Indirect emissions (electricity) fell by 12.5% and direct emissions (heat) by 14.7%. Reductions have been registered in the consumption of heating oil, petrol and district heat, in particular.

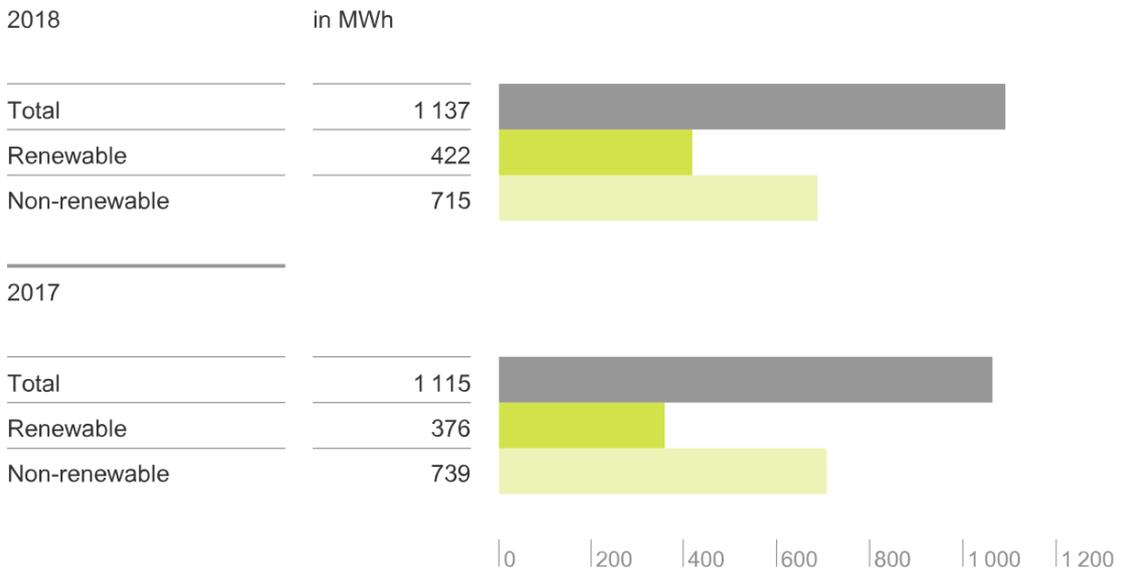
Expomobilia

Expomobilia, which was founded in Switzerland in 1973, specialises in exhibition stands and event structures – in their design, concept, production and assembly. The production operations, from the inscription workshop through to the metalworking unit are all located under a single roof and closely networked with each other. In 2018, Expomobilia implemented 343 projects, 198 of which were in Switzerland (2017: 307 / 220). Most of these projects involved the full range of services, from design through to production and assembly.

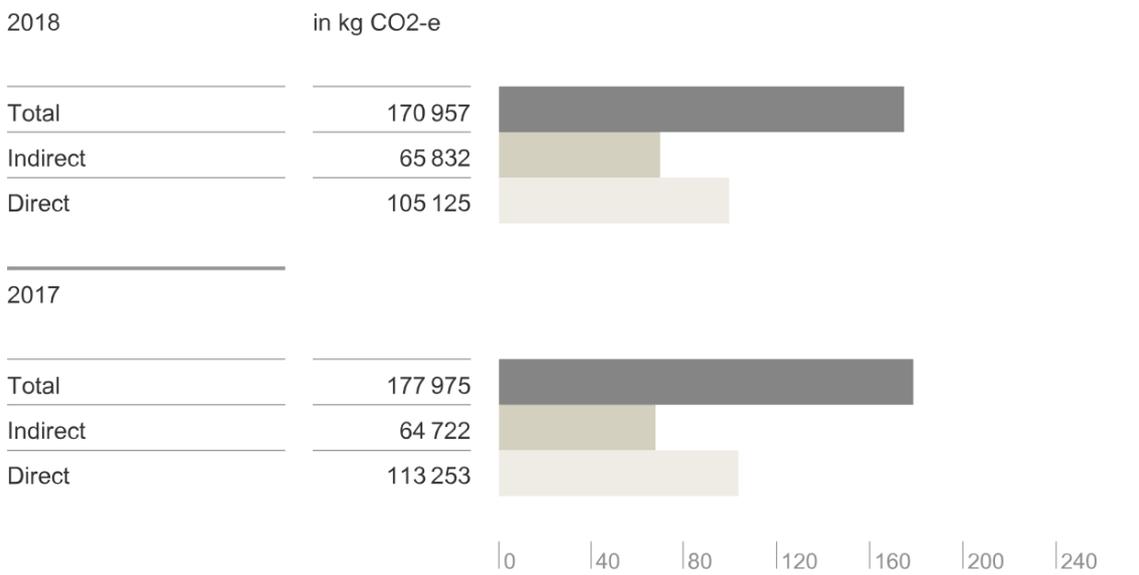
In 2018, Expomobilia AG was renamed MCH Live Marketing Solutions AG. The business unit and the brand of Expomobilia will continue to exist within the new company.

Energy and emissions

Energy consumption Expomobilia



Emissions Expomobilia



Energy consumption at Expomobilia increased by 2% in 2018 (2018: 1,137 MWh; 2017: 1,115 MWh). The electricity consumption rose (12%). Emissions in 2018 fell by 3.9% (2018: 170,957 kg CO₂-e; 2016: 177,975 kg CO₂-e). The main reason for this is the considerable reduction in the amount of emission-intensive heating oil used (-13%).

Social

The MCH Group subscribes to the fundamental values of a democratic state governed by the rule-of-law and a free market economy. The MCH Group regards compliance with the statutory provisions and the application of serious business practices as a matter of course. It assumes its responsibility to society and all its stakeholders.

The group's assumption of its obligations towards its local communities and the economic impact of its business activity are set out in the chapters [Aims](#) and [Economic](#). 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.



Swissbau

Employment

At the end of the 2018 reporting year, the MCH Group had a total of 1,011 employees on permanent contracts and 1,074 employees and assistants on temporary contracts. During the reporting year, employee numbers within the group thus increased by eight permanent employees (0.8%). These employment figures include Winkler Livecom that was sold on 31.12.2018.

Employees on permanent contracts/Companies	31.12.2018			31.12.2017		
			Total			Total
MCH Group Ltd.			28			24
MCH Swiss Exhibition (Basel) Ltd.			353			341
MCH Swiss Exhibition (Zurich) Ltd.			30			30
MCH Beaulieu Lausanne SA			18			34
MCH Global Ltd.			3			5
MCH Live Marketing Solutions AG ¹⁾			107			91
Reflection Marketing AG			13			8
Rufener Events Ltd			20			29
MC ²⁾ Group			363			364
Winkler Livecom AG ²⁾			76			77
Total			1 011			1 003

Hierarchy levels/Gender	31.12.2018			31.12.2017		
	Male	Female	Total	Male	Female	Total
Board of Directors MCH Group	9	2	11	8	3	11
Executive Board MCH Group	6	0	6	5	0	5
Management subsidiaries	14	3	17	19	2	21
Managerial staff	125	45	170	117	44	161
Employees	478	340	818	488	328	816
Total ³⁾	632	390	1 022	637	377	1 014

Nationalities/Gender	31.12.2018			31.12.2017		
	Male	Female	Total	Male	Female	Total
Switzerland	250	161	411	260	174	434
Germany	79	45	124	74	37	111
France	6	14	20	11	12	23
Italy	6	5	11	5	4	9
Austria	0	5	5	0	4	4
Great Britain	8	9	17	4	10	14
USA	244	106	350	250	98	348
Hong Kong	2	15	17	0	12	12
China	2	4	6	1	3	4
India	10	8	18	6	7	13
Other	16	16	32	18	13	31
Total	623	388	1 011	629	374	1 003

1) In November 2018, Expomobilia AG was renamed MCH Live Marketing Solutions AG

2) Winkler Livecom AG was sold as of 31.12.2018

3) Including the Board of Directors of MCH Group

The MCH Group conducted a voluntary consultation procedure in the framework of the restructuring process and drew up a social plan with employee representatives. The social plan will support employees who lose their jobs for structural and organisational reasons in the course of the ongoing transformation process. This is aimed at alleviating the consequences of the job loss and making the redundancies as socially compatible as possible. The benefits of the social plan include compensation based on age and length of service and the provision of support for the employees in finding a new job.

Corporate 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 – namely its Statutes and Regulations, as well as its information and control instruments – include all the essential principles to ensure that the management, supervision and transparency of the company are in accordance with good corporate governance.

The MCH Group differs on one key point from many other companies quoted on the SIX Swiss Exchange: under the terms of its Statutes, the listed holding company MCH Group Ltd. is a joint stock company with the participation of public sector entities as per Art. 762 of the Swiss Code of Obligations. This means inter alia that the Cantons of Basel-Stadt, Basel-Landschaft and Zurich, and also the City of Zurich, have the right to appoint delegates to the Board of Directors.

Details of Corporate Governance
[Annual Report / Corporate Governance](#)

Code of Conduct

In 2018, MCH Group introduced a new Code of Conduct which supports employees in adopting a legally and ethically correct and responsible form of behaviour. The Code sets out what the MCH Group, as an employer, expects of its employees and serves as a guide for the decisions taken in day-to-day business.

All the employees of the MCH Group and all those working on behalf of the MCH Group are obliged to comply with the Code of Conduct. Violations of the Code of Conduct are investigated and can entail consequences. These can be disciplinary measures or termination of the employment contract or may lead to civil or criminal law proceedings being instigated against the person in question or, indeed, against the employer.

The Code of Conduct describes the values and culture of the MCH Group and is based on the Corporate Principles and Core Behaviours. It sets out guidelines in respect of the local setting, bribery and unfair advantages, gifts and invitations, conflicts of interest, the award of contracts, competition and anti-trust law, inside information and insider trading, data protection and behaviour towards coworkers. It also describes the procedure to be adopted in the event of alleged or actual infringements.

Art Market Principles and Best Practices

Art Basel has made additions to its Exhibitor Regulations and defined a series of principles that set out Art Basel's expectations of its exhibitors in respect of their responsibility towards artists, suppliers of works of art, buyers and their industry. At the same time, a new process has been defined for potentially criminal actions.

The Art Market Principles and Best Practices have been developed in cooperation with legal and art market experts from all over the world. These comprise, firstly, Best Practice Guidelines, which set out recommended professional standards for the exhibitors. Compliance with these standards is applied as a criterion by the Selection Committee when assessing applications to participate in the show. Secondly, the Legal Compliance Process defines the procedure to be adopted in the event of an exhibitor engaging in criminal acts in conjunction with their activities on the art market.

With these additions to the Exhibitor Regulations, Art Basel wishes to make a contribution towards strengthening the international art market that is based on trust and provides support for the artists. These Art Market Principles and Best Practices are being applied for the first time in assessing the applications for participation in Art Basel Miami Beach 2018.

Brand protection

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.

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

Protection of intellectual property

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 more than 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 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 1,100 companies that have been RJC-certified in the meantime guarantee compliance with the corresponding ethical, human rights, and social and ecological principles.

Anti-corruption

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. These are based on clear-cut criteria that are set out in the Exhibition Regulations. 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 2018, 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 2018, no proceedings were brought against the MCH Group on account of anti-competitive practices or the formation of cartels or monopolies.



MCH Group
Global Live Marketing

Reports 2018

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and French. The German version is
legally binding. 22 march 2019