



**Reports 2017**  
Sustainability

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# Introduction to sustainability

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, which was founded in Basel in 1920 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 MCH Group's business activity covers the running of the exhibition sites in Basel, Lausanne und Zurich (Venues), the organisation of around 40 MCH exhibitions (Exhibitions) and the provision of customised services in the fields of strategic and conceptual marketing, marketing consulting, event management, exhibition and event structures and multimedia (Live Marketing Solutions). In 2017, the MCH Group organised or hosted around 1,000 events and took charge of more than 2,800 projects in the field of live-marketing solutions.



Giardina 2017

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

In terms of its structure and contents, the 2017 Sustainability Report is based on the sustainability reports of the past four years. In addition to the CEO statement, a description of the aims and the reporting, it is divided up into the sections of Economic, Environmental and Social, with key aspects being described in each of these. The Sustainability Report has been drawn up in the context of the 2017 Business Report (Annual Report, Financial Report, Remuneration Report) to which reference is made at different points.

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). The MCH Group is dispensing with GRI certification of its sustainability report this year, since the associated technocratic outlay has become excessive.

The 2017 Sustainability Report is only being published online. No printed copies are available.

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# CEO Statement

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 basic 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 collaborations and acquisitions.

**“ The MCH Group is well-positioned in both strategic and operative terms. The strategy of diversification, internationalisation and digitisation is being intensively pursued. ”**

The MCH Group's unique network with its three strategic divisions of Exhibitions (own 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-added 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.



René Kamm, Group CEO

## «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 economic impact on the group's locations is conditional upon its success. The public-sector entities thus support the success-oriented and profit-oriented alignment and the strategy of the MCH Group. ”

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 conditional on the group'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 triggered by its activities ultimately benefits the local 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. 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.

**“ The MCH Group strives to promote sustainable behaviour and to constantly improve its sustainability indicators. ”**

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  
Group CEO

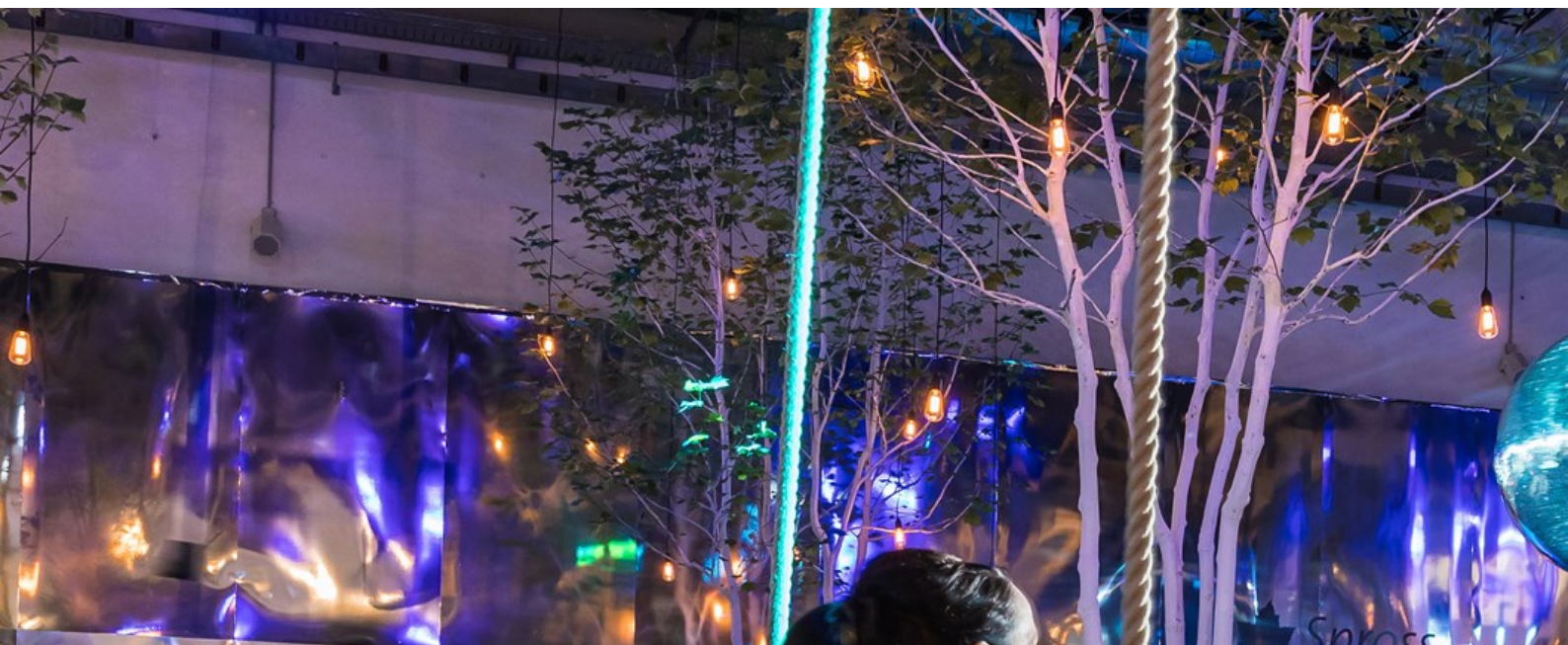


# Aims

With the implementation of its corporate strategy for the further expansion of 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.



Giardina



# Economic

With its marketing platforms and solutions, the MCH Group wishes to contribute towards 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 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 conducted on the basis of economic and environmental criteria.

**“ 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. (excerpt from the MCH Group's Corporate Principles) ”**

# 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 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.

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.

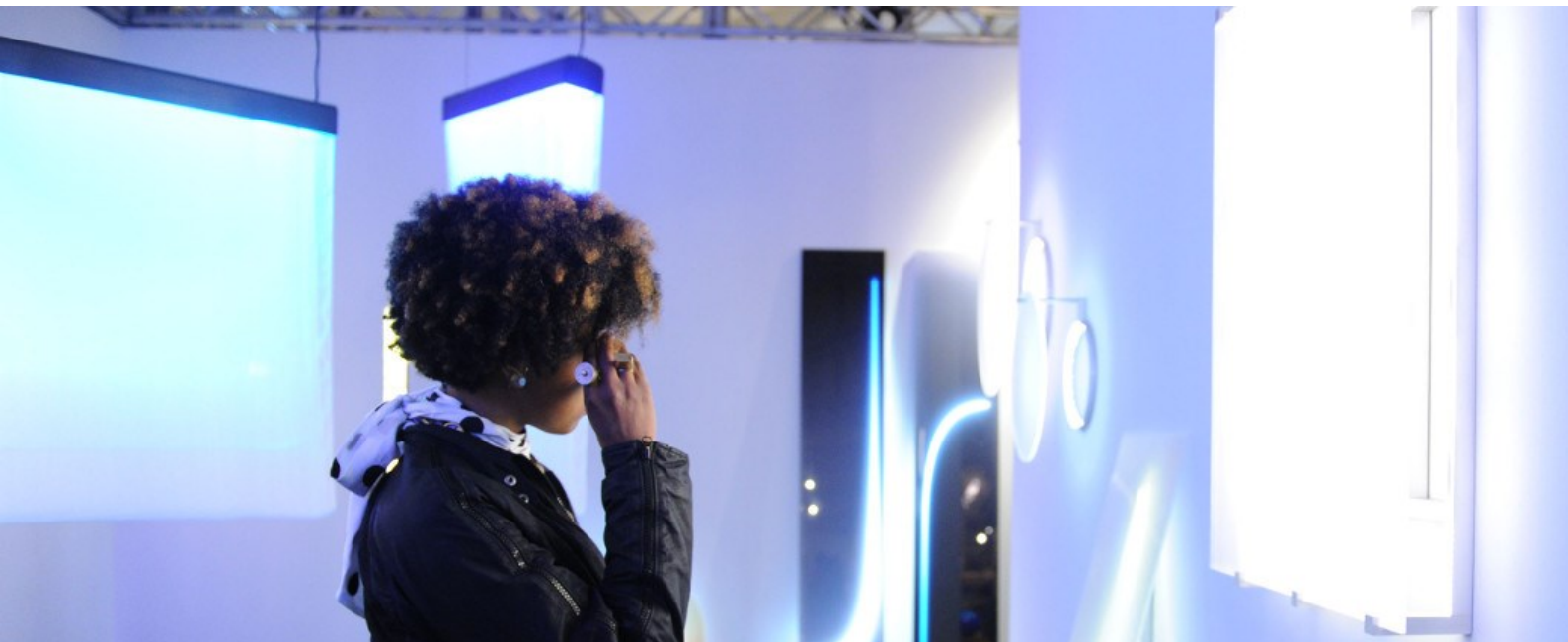
The MCH Group has some 250 registered trademarks and constantly conducts proactive checks on the protection they afford. In addition to this, the group is committed to protecting intellectual property and fair trade in the framework of the Baselworld Watch and Jewellery Show. Together with a large number of experts, the group has developed the "Art Market Principles and Best Practices". This constitutes a "Code of Conduct" for customers of Art Basel.

# Reporting

With its sustainability report, 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 it.

In defining the contents of the report, the MCH Group proceeds as follows:

1. **Definition of the aspects:** In preparing the report, the aspects to be covered are determined in consultation with representatives of the internal and external stakeholder groups. The focus here is on the relevance of the aspects for the stakeholder groups.
2. **Prioritisation:** Key criteria adopted in the prioritisation of topics are the significance of their economic, ecological 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 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.



Art Basel Miami Beach

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 2017 sustainability report.

## Sustainability aspects

### Economic

Economic performance

Indirect economic impacts

Corporate strategy

### Environmental

Energy consumption

Emissions

### Social

Employment

Brand protection

Protection of intellectual property

"Art Market Principles and Best Practices"

Corporate Governance

"Code of Conduct"

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

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Suppliers

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

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Aspects

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Economic performance, indirect economic impacts, corporate governance

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Partners

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

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Aspects

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Economic performance, indirect economic impacts, corporate governance

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Associations

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Exhibition and event industry associations (national, international)

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Aspects

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Economic performance, employment, corporate governance

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Shareholders

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Public entities and private shareholders

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Aspects

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Economic performance, corporate strategy, corporate governance

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Media

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

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Aspects

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Economic performance, corporate strategy, corporate governance

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Competitors

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Exhibition and event sector (national and international)

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Aspects

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Economic performance, corporate strategy, corporate governance

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Human resources

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Management, employees, freelancers

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Aspects

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Economic performance, employment, code of conduct

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# Economic

The MCH Group was able to increase its sales in the 2017 financial year by comparison to previous years. Various special measures, however, led to an extraordinary group loss. In the past year, a number of key strategic initiatives have been implemented or launched. The strategy of diversification, internationalisation and digitisation is being intensively pursued.

The MCH Group's business activity covers the running of the exhibition sites in Basel, Lausanne and Zurich (Venues), the organisation of around 40 MCH exhibitions (Exhibitions) and the provision of customised services in the fields of strategy and conception, marketing consulting, event management, exhibition and event structures and multimedia (Live Marketing Solutions). In 2017, the MCH Group organised or hosted around 1,000 events and took charge of more than 2,800 projects in the field of live-marketing solutions.



Baselworld



Despite 2017 being a weak year in terms of exhibition cycles and despite the declines that have come about in the national exhibition and event business, sales in the 2017 financial year were increased by 12% over the previous year, to stand at CHF 493.3 million. The group profit from ordinary business activity is CHF 10.0 million. Due to special measures – extraordinary depreciation on the exhibition halls in Basel and special provisions for structural optimisations in the national exhibition and event business – a loss of CHF 110.0 million has resulted. In the light of the balance sheet that has been strengthened over the past few years, the company is in a position to absorb these special measures. The balance sheet is strong and healthy.

“ The MCH Group is strong and well-positioned. The corporate strategy is taking effect and is being intensively further pursued. ”

The MCH Group took measures at an early stage to diversify, internationalise and digitise its business activity. Over the past few years, the “Live Marketing Solutions” section has been expanded and the group’s international position greatly strengthened through the acquisition of the American MC<sup>2</sup> company in the 2017 financial year, in particular. Additional future-oriented initiatives were started last year, with the expansion of the group’s international position in the art market through new initiatives including “Art Basel Cities” and the holding acquired in ART DÜSSELDORF, and also the development of the group’s “Collector Events Strategy” with the launch of Grand Basel and the acquisition of Masterpiece London. As of 1 January 2018, the MCH Group has aligned its organisational structure to the implementation of its corporate strategy to an even greater extent.

Details business year 2017:

[Annual Report 2017](#)

[Financial Report 2017](#)

## Key figures

Group Income Statement in CHF million	2017	% of income	2017 before special measures	% of income	2016	% of income	2015	% of income
Operating income	493.3	100.0	493.3	100.0	440.3	100.0	418.9	100.0
Exhibitions	294.9	59.8	294.9	59.8	332.9	75.6	296.5	70.8
Venues	36.9	7.5	36.9	7.5	41.9	9.5	43.9	10.5
Live Marketing Solutions	161.5	32.7	161.5	32.7	65.5	14.9	78.5	18.7
EBITDA	43.8	8.9	61.5	12.5	89.0	20.2	85.3	20.4
EBIT	-104.0	-21.1	16.1	3.3	41.6	9.5	40.1	9.6
Group loss / profit	-110.0	-22.3	10.0	2.0	34.3	7.8	30.9	7.4

Group Balance Sheet in CHF million	31.12.2017	% of total assets	31.12.2016	% of total assets	31.12.2015	% of total assets
Current assets	259.9	37.8	356.9	39.0	322.0	35.2
Non-current assets	428.3	62.2	559.1	61.0	592.3	64.8
<b>Assets</b>	<b>688.2</b>	<b>100.0</b>	<b>916.0</b>	<b>100.0</b>	<b>914.3</b>	<b>100.0</b>
Liabilities	454.5	66.0	477.1	52.1	506.4	55.4
Shareholders' equity	233.7	34.0	438.9	47.9	407.9	44.6
<b>Equity and Liabilities</b>	<b>688.2</b>	<b>100.0</b>	<b>916.0</b>	<b>100.0</b>	<b>914.3</b>	<b>100.0</b>
Net debt in CHF million	2017		2016		2015	
31.12.	130.7		69.1		91.9	

2017	Number	Exhibitors	Visitors	GEA <sup>1)</sup>	Duration <sup>2)</sup>
<b>Exhibitions</b>	<b>29</b>	<b>7 001</b>	<b>1 536 302</b>	<b>837 927</b>	<b>143</b>
MCH exhibitions					
Messe Basel	12	3 797	646 235	401 189	58
Expo Beaulieu Lausanne	5	1 266	235 879	103 731	31
Messe Zürich	7	1 216	321 188	111 035	32
Miami Beach, Hong Kong	5	722	333 000	221 972	22
<b>Venues</b>	<b>941</b>	<b>13 265</b>	<b>2 260 657</b>	<b>1 079 563</b>	<b>550</b>
All events					
<b>Exhibitions</b>	<b>75</b>	<b>12 650</b>	<b>1 670 765</b>	<b>1 052 402</b>	<b>256</b>
Messe Basel	21	4 881	747 865	501 719	81
Expo Beaulieu Lausanne	19	2 094	313 187	190 040	70
Messe Zürich	35	5 675	609 713	360 643	105
<b>Hall rentals &amp; events</b>	<b>29</b>		<b>104 575</b>		
Messe Basel	9		65 300		
Expo Beaulieu Lausanne	7		7 795		
Messe Zürich	13		31 480		
<b>Conferences &amp; room rentals</b>	<b>456</b>	<b>615</b>	<b>131 867</b>	<b>27 161</b>	<b>294</b>
Congress Center Basel	164	615	128 087	27 161	294
Conference rooms Messe Zürich	292		3 780		
<b>Musical Theaters</b>	<b>381</b>		<b>353 450</b>		
Musical Theater Basel	185		177 050		
Theater 11 Zürich	196		176 400		

1) Gross exhibition area in m<sup>2</sup>

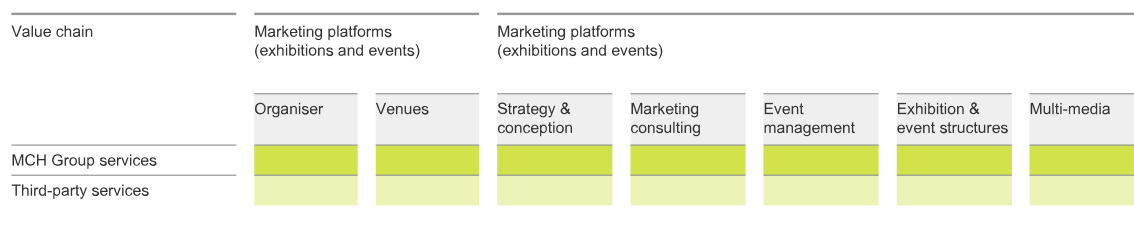
2) No. of days (without assembly/dismantling)

2017	Projects	in Switzerland	abroad
<b>Live Marketing Solutions</b>	<b>2 803</b>	<b>1 054</b>	<b>1 749</b>
Strategy & Conception	4	0	4
Marketing Consulting	84	81	3
Event Management	44	26	18
Exhibitions & Event Construction	1 917	220	1 697
Multi Media	754	727	27

# 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 and provision of services



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.

## Indirect economic impacts

The fairgrounds 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.

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 into the exhibition organiser's coffers. 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 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 overall sales of some CHF 6 billion as direct and indirect follow-on effects. The associated added value corresponds to around 35,000 jobs and tax income of some CHF 500 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.

## Corporate strategy

The corporate strategy of the MCH Group, which has been consistently pursued for more than ten years now, is aimed at stable and healthy growth. It takes into account the declines in the national exhibition and event market as well as the challenges of digital transformation.

The MCH Group's growth strategy is focused on the following strategic thrusts:

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Diversification of the range of products and services offered in the field of marketing platforms (exhibitions and events) and marketing solutions (live marketing solutions).

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Boosting the international nature of the product and services portfolio.

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Development of digital offerings to complement and extend the live-marketing business.

In the 2017 financial year, the MCH Group implemented and launched a large number of strategic initiatives in order to further diversify, internationalise and digitise its business activity. These included organic initiatives with the launch of Grand Basel, among other things, and also takeovers, with the acquisition of the American MC<sup>2</sup> group and holdings in Masterpiece London and ART DÜSSELDORF.

The implementation of its strategy is being pursued as the group's number one priority. The most important strategic initiatives:

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The MCH Group is intending to expand its position in high-quality international collectors' markets with new, curated B2C platforms. The collector events strategy is based on four pillars: Art Basel (including new initiatives such as "Art Basel Cities"), Grand Basel, a new event for outstanding automobiles (to be expanded in the USA, Asia and the Middle East), Masterpiece London (to be expanded in the USA, Asia and the Middle East) and the extension of the portfolio with regional art fairs.

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In the national exhibition business, the portfolio is to be geared to stable profitability and further streamlined. At the same time, new topics are to be taken up and new formats created, such as SmartSuisse, which was established in 2017.

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For Baselworld, the MCH Group is intending to focus on the industry leaders to an even greater extent, since they will continue to account for a major share of the market in future too. Concepts are to be developed for the future that are geared to the common denominator of the industry leaders' requirements.

In the live-marketing field, the competences and the range of services offered in the field of strategic and conceptual consulting are to be further reinforced and expanded in the current financial year so as to be able to anticipate and satisfy market developments and customer requirements to an even better extent. The establishment of the "Agency of the Future" is to be supported by structural and organisational optimisations, among other things.

The MCH Group is investing further in the digitisation of its business activity. At the forefront here are the development of new digital platforms for the collector events, the digitisation of visitor marketing, and event technologies for the transfer of information, matchmaking and enhanced "augmented reality" experiences.



# 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 group promotes the environmentally aware behaviour of its employees at their workplace and provides the necessary resources for further reducing the burden on the environment.

While the MCH Group is the owner of the exhibition sites in Basel and Zurich, it operates just a part of Beaulieu Lausanne as a tenant. Reporting on energy consumption and emissions is thus focused on the exhibition grounds in Basel and Zurich. 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.



Photovoltaic system Messe Basel, Hall 1

# 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 1900 m<sup>2</sup> 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 per 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 will deliver 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 m<sup>2</sup> and an output of 150,000 kWh per year has been in operation on the roof of Messe Zürich.

“ The MCH Group invests continually in optimising its energy efficiency and in minimising environmental emissions at its exhibition sites in Basel and Zurich. ”

## 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 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.

## 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 which supports this measure. All journeys to transport goods to and from the exhibition site must be registered in advance 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, 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 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.

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

## 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 reusable or biologically degradable components, as well as lights equipped with long-life bulbs.

Expomobilia operates two photovoltaic systems at its sites in Effretikon and Fehraltorf with a total surface area of 3,000 m<sup>2</sup>. 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 CO<sub>2</sub> share from hydroelectric power generation is fully offset by the Fair Recycling Foundation.

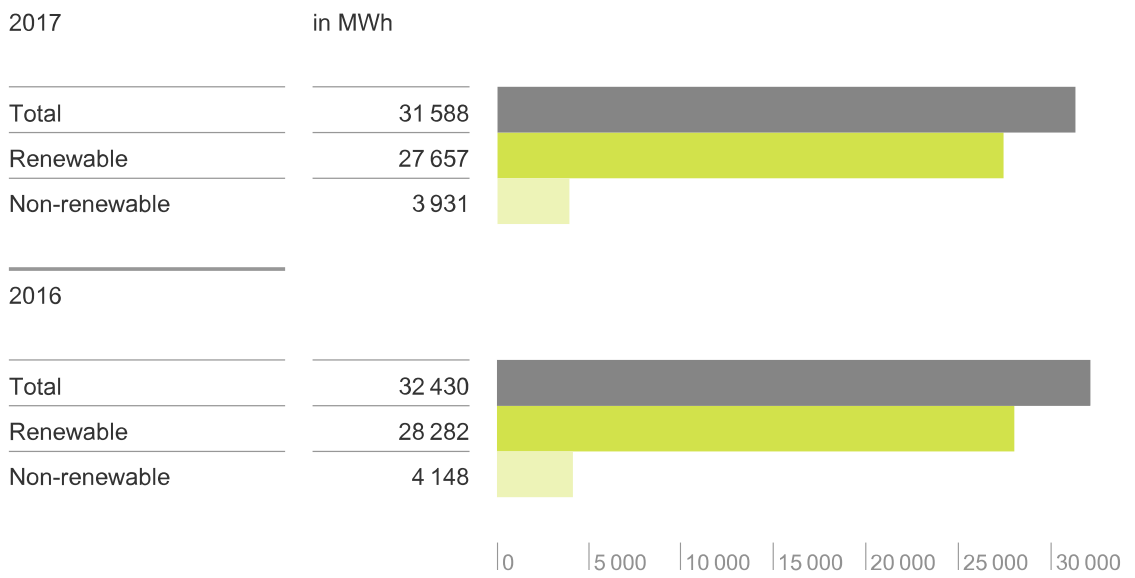
Expomobilia acquires the heat it needs for its company buildings from the district heating network run by the Canton of Zurich's electricity utility.

## Energy consumption and emissions

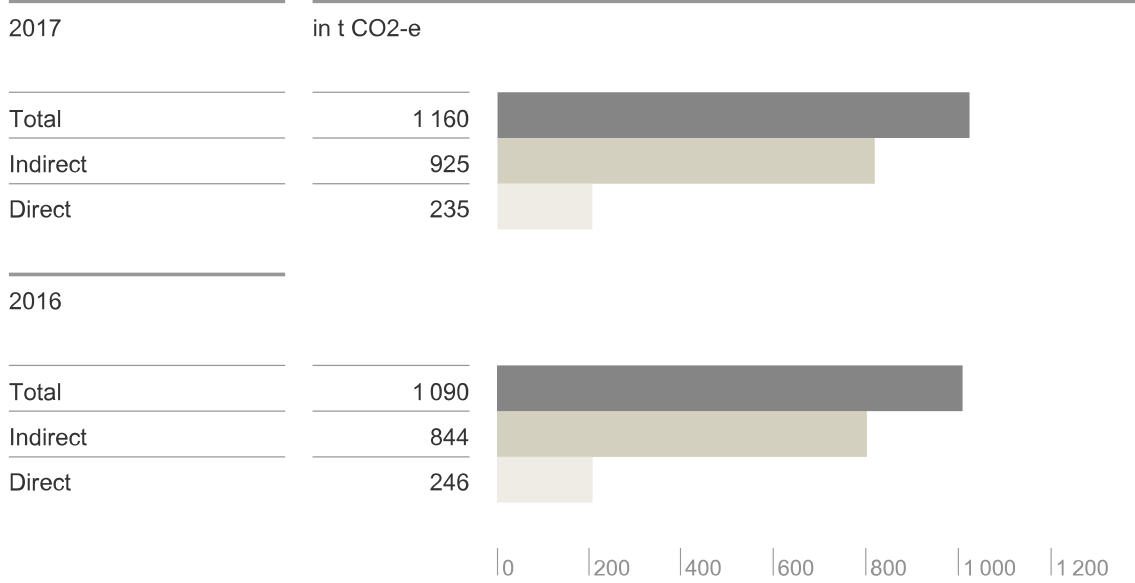
### Messe Basel and Messe Zürich

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.

## Energy consumption Messe Basel and Messe Zürich



## Emissions Messe Basel and Messe Zürich



Overall energy consumption at Messe Basel and Messe Zürich in 2017 fell by 2.6% compared with 2016 (2017: 31,588 MWh; 2016: 32,430 MWh). While energy consumption increased in Zurich, a reduction was registered at the Basel exhibition site. This reflects the key figures for the events staged at the two exhibition venues over the past two years.

Emissions in 2017 increased by 6.4% compared with 2016 (2017: 1,160 kg CO<sub>2</sub>-e; 2016: 1,090 kg CO<sub>2</sub>-e). The main reason for this is a higher emission factor for district heating.

Since the 2016 electricity mix for the exhibition sites in Basel and Zurich was only known in detail in February 2017, the emissions for 2016 have been recalculated accordingly.

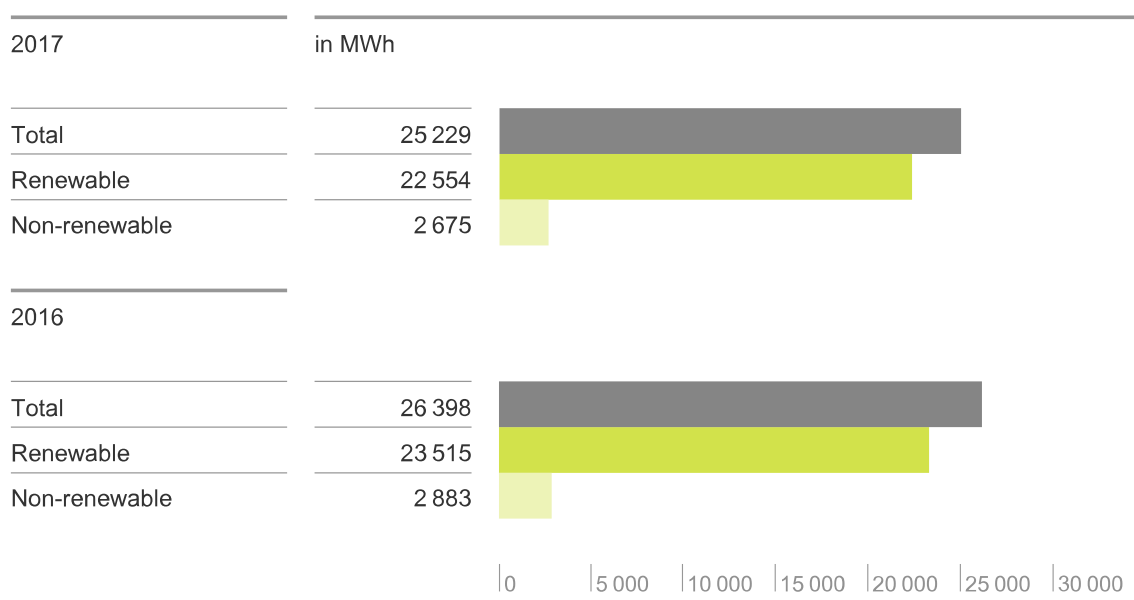
# Messe Basel

Messe Basel has exhibition space totalling 141,000 m<sup>2</sup>, of which 122,000 m<sup>2</sup> is in the two main halls 1 and 2. The Congress Center Basel also belongs to Messe Basel, with 25 rooms and capacities of up to 5,000 persons, 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 BS-054 Minergie Label.

Key Figures	2017	2016
Exhibitions	21	25
Exhibitors	4 881	7 065
Visitors	747 865	877 722
m <sup>2</sup> exhibition area	501 719	668 623
Other events	358	354
Visitors	370 437	334 828

## Energy and emissions

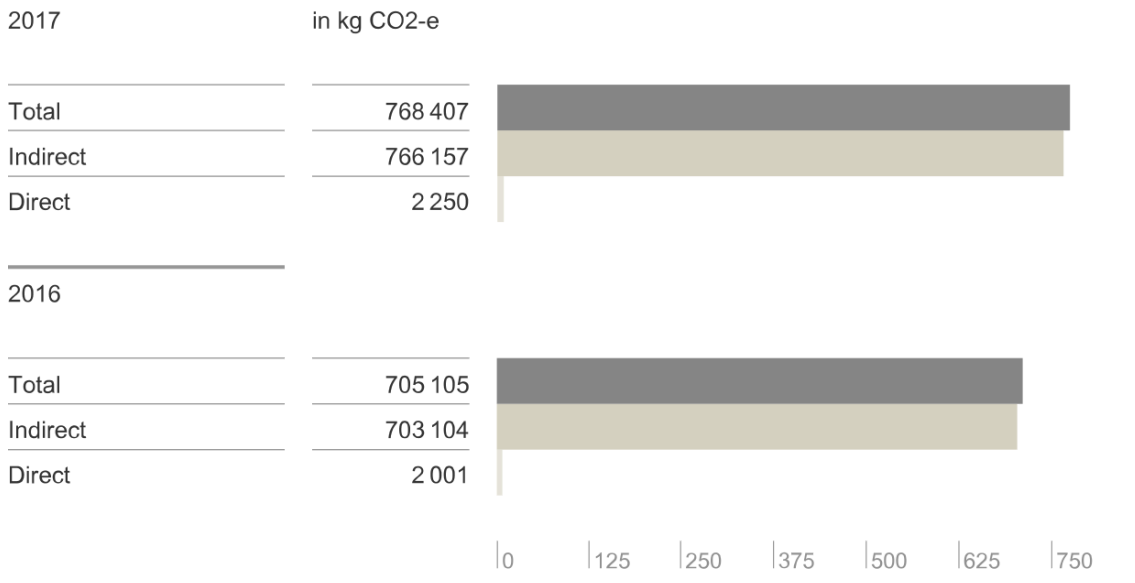
### Energy consumption Messe Basel (without administration)



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## Emissions Messe Basel (without administration)

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Energy consumption in 2017 fell by 4.4% compared with 2016 (2017: 25,229 MWh; 2016: 26,398 MWh).

Emissions in 2017 increased by 9% compared with 2016 (2017: 768,407 kg CO<sub>2</sub>-e; 2016: 705,105 kg CO<sub>2</sub>-e). This is essentially due to the indirect emissions, or to a higher emission factor (for district heating).

Since the 2016 electricity mix was only known in detail in February 2017, the emissions for 2016 have been recalculated accordingly.

## Messe Zürich

Messe Zürich has exhibition space totalling 30,000 m<sup>2</sup>. Some 27,000 m<sup>2</sup> are located in Halls 1 to 7 in the main building, while the separate hall, Hall 9, has some 3,000 m<sup>2</sup>. The main building additionally has seven smallish conference rooms for 30 to 80 people. Messe Zürich also includes Theater 11 Zürich seating 1500.

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.

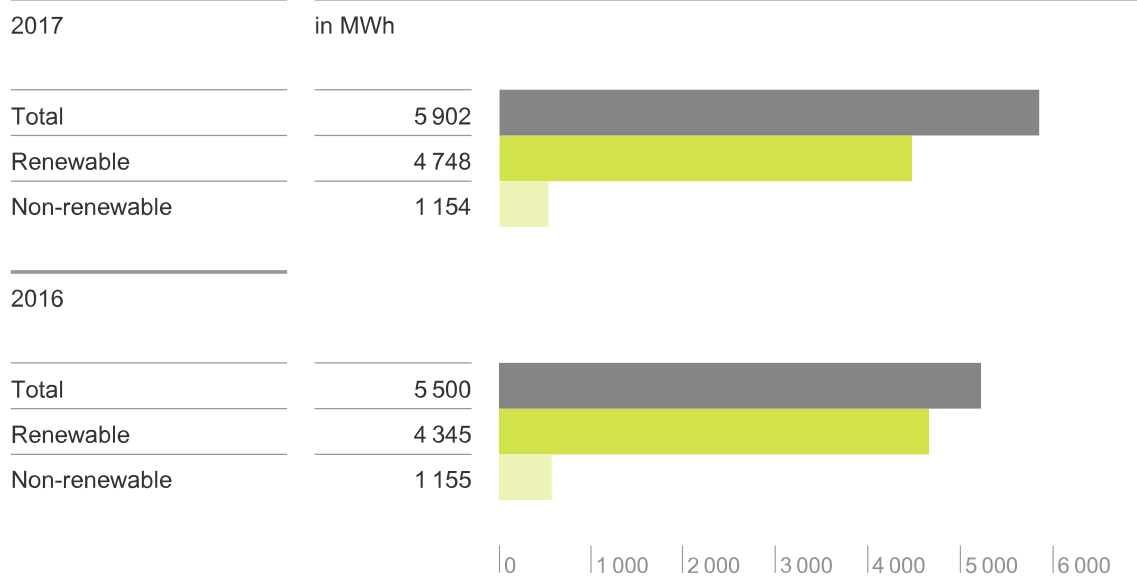
In 2016 and 2017, Hall 9 was made available to the Asyl Organisation Zürich (AOZ) for the accommodation and care of around 250 refugees.



Key Figures	2017	2016
Exhibitions	35	30
Exhibitors	5 675	5 985
Visitors	609 713	586 634
m <sup>2</sup> exhibition area	360 643	346 469
Other events	501	456
Visitors	211 660	184 500

## Energy and emissions

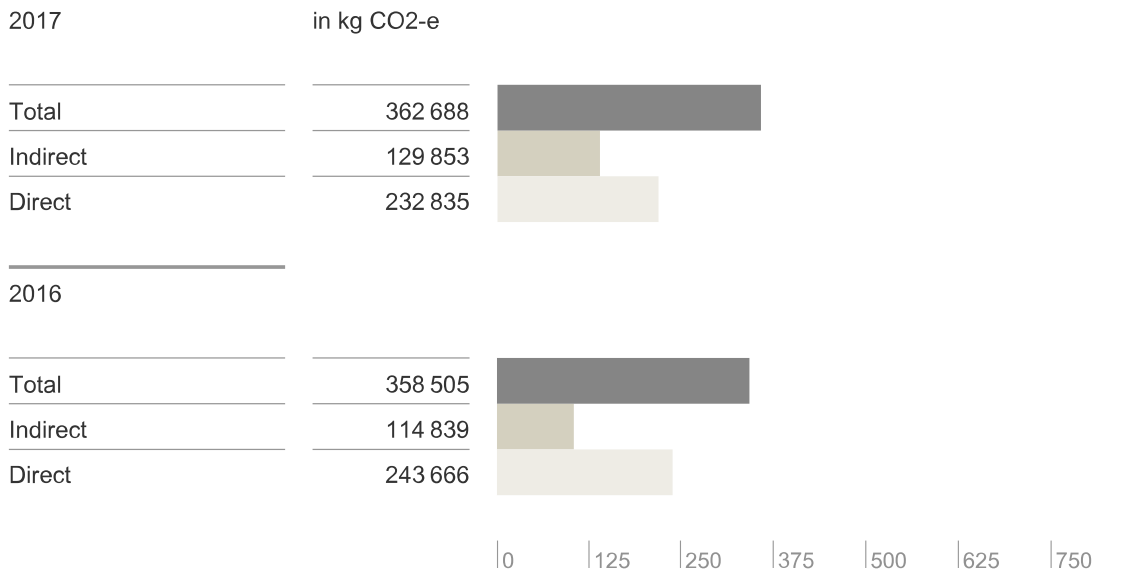
### Energy consumption Messe Zürich



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## Emissions Messe Zürich

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Energy consumption increased by 7.3% in 2017 (2017: 5,902 MWh; 2016: 5,500 MWh). It is almost exclusively the consumption of renewable energies that has risen. Emissions in 2017 increased by 1.2% (2017: 362,688 kg CO<sub>2</sub>-e; 2016: 358,505 kg CO<sub>2</sub>-e).

Since the 2016 electricity mix was only known in detail in February 2017, the emissions for 2016 have been recalculated accordingly.

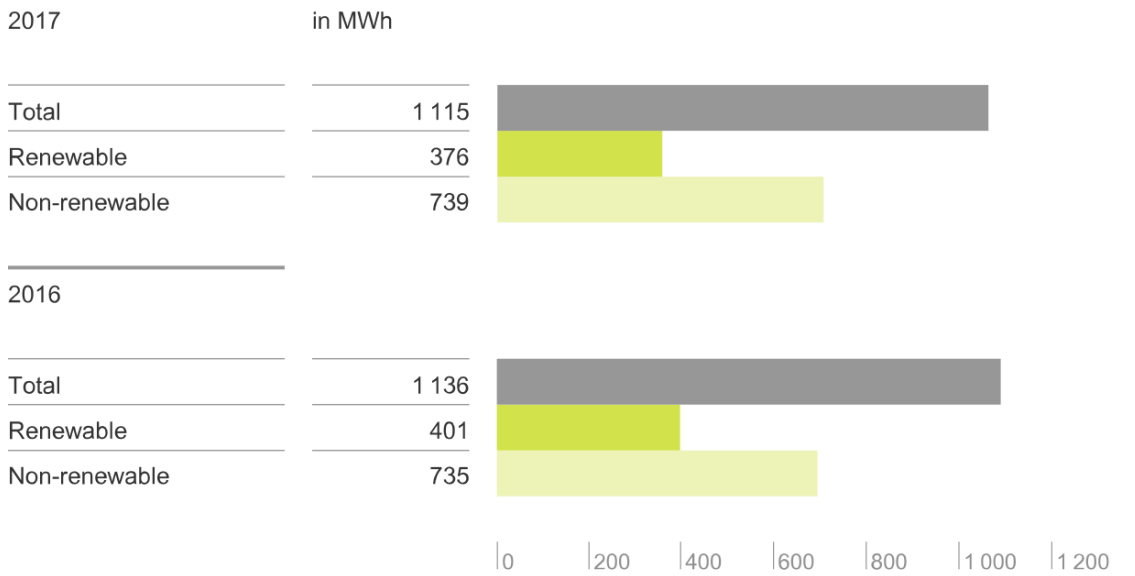
## Expomobilia

Expomobilia, which was founded in Switzerland in 1973, specialises in 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.

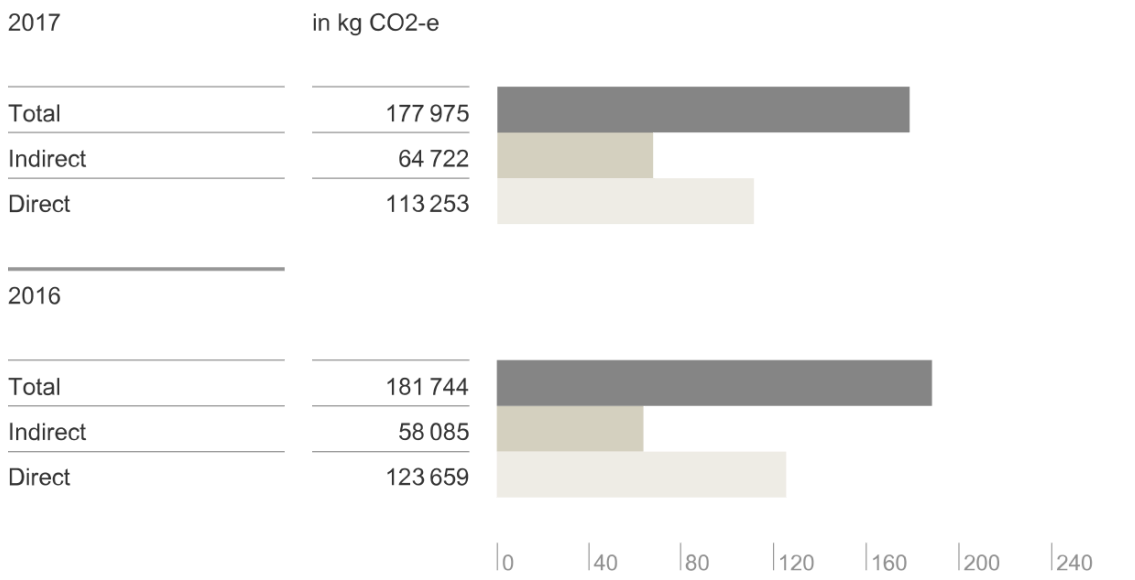
In 2017, Expomobilia implemented 307 (2015: 317) projects, of which 220 (2016: 267) were in Switzerland. Most of these projects involved the full range of services, from design through to production and assembly.

## Energy and emissions

### Energy consumption Expomobilia



### Emissions Expomobilia



Energy consumption fell by 1% in 2017 (2017: 1,115 MWh; 2016: 1,136 MWh), and emissions in 2017 fell by 2% (2017: 177,975 kg CO<sub>2</sub>-e; 2016: 181,744 kg CO<sub>2</sub>-e). This is due primarily to lower energy consumption and lower emission factors.

# Social

The MCH Group subscribes to the fundamental values of a democratic state governed by the rule-of-law and a free market economy. Compliance with the statutory provisions and the application of serious business practices are a matter of course for the MCH Group. 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 Aims and Economic sections. 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.



Design Miami Basel

## Employment

At the end of the 2017 reporting year, the MCH Group had a total of 1,003 employees on permanent contracts and 1,192 employees and assistants on temporary contracts. During the reporting year, employee numbers within the group thus increased by 371 permanent employees (58.7%).

The details set out below include all the companies which belong wholly to the MCH Group, or in which it has a majority holding.

Employees on permanent contracts/Companies	31.12.2017			31.12.2016		
			Total			Total
MCH Group Ltd.			24			25
MCH Swiss Exhibition (Basel) Ltd. <sup>1)</sup>			341			320
MCH Swiss Exhibition (Zurich) Ltd.			30			29
MCH Beaulieu Lausanne SA			34			34
MCH Global Ltd.			5			3
Reflection Marketing AG			8			11
Rufener Events Ltd			29			27
Expomobilia AG			91			93
MC2 Group <sup>2)</sup>			364			
Winkler Livecom AG			77			90
<b>Total</b>			<b>1 003</b>			<b>632</b>

Hierarchy levels/Gender	31.12.2017			31.12.2016		
	Male	Female	Total	Male	Female	Total
Board of Directors MCH Group	8	3	11	8	3	11
Executive Board MCH Group	5	0	5	5	0	5
Management subsidiaries	19	2	21	17	6	23
Managerial staff	117	44	161	105	54	159
Employees	488	328	816	238	207	445
<b>Total <sup>3)</sup></b>	<b>637</b>	<b>377</b>	<b>1 014</b>	<b>373</b>	<b>270</b>	<b>643</b>

Nationalities/Gender	31.12.2017			31.12.2016		
	Male	Female	Total	Male	Female	Total
Switzerland	260	174	434	269	176	445
Germany	74	37	111	53	33	86
France	11	12	23	10	9	19
Italy	5	4	9	3	4	7
Austria	0	4	4	1	2	3
Great Britain	4	10	14	0	0	0
USA	250	98	348	2	3	5
Hong Kong	0	12	12	2	16	18
China	1	3	4	0	3	3
India	6	7	13	7	5	12
Other	18	13	31	16	18	34
<b>Total</b>	<b>629</b>	<b>374</b>	<b>1 003</b>	<b>363</b>	<b>269</b>	<b>632</b>

1) 2017 including Masterpiece London Ltd

2) As of 2017

3) Including the Board of Directors of MCH Group

## 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.

Corporate Legal & Management Services checks the IGE report on the registered brands each week. In the event of MCH Group brands being violated, the protection afforded by these brands 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 700 companies that have been RJC-certified in the meantime guarantee compliance with the corresponding ethical, human-rights, and social and ecological principles.

## “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 terms 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”, setting out professional standards for the exhibitors. Compliance with these standards is then 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 its Exhibitor Regulations, Art Basel wishes to make a contribution towards strengthening the international art market – a contribution which is based on trust and provides support for the artists. These “Art Market Principles and Best Practices” are being employed for the first time in assessing applications to participate in Art Basel Miami Beach 2018.

## 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, the MCH Group is introducing 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 contract of employment or may lead to civil or criminal law proceedings being instigated against the person in question or, indeed, 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 law 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.

## Anti-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 Exhibitor 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 2017, 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 2017, 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 2017

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legally binding. 20 march 2018