

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.