



# **Reports 2019**

## **Sustainability**

# Table of Contents

Annual Report		Remuneration Report	
	Activity	139	Introduction
01	At a glance	141	General principles
08	Commentary	143	Board of Directors
11	Transformation	146	Executive Board
18	Showcases	150	Report of the Statutory Auditor
30	Exhibitions		
41	Venues		
46	Live Marketing Solutions		
	Corporate Governance		<b>Sustainability</b>
50	Notices	151	Introduction
53	Shareholders	153	CEO Statement
56	Group	156	Aims
58	Organisation & Management	158	Reporting
63	Management Structure	161	Economic
69	Board of Directors	167	Environmental
76	Executive Board	177	Social
80	Personnel		
81	Statutory Auditors		
Financial Report			
	Group Account		
82	Balance Sheet		
84	Income Statement		
86	Cash Flow Statement		
88	Shareholders' Equity		
90	Notes		
120	Report of the statutory auditor		
	Account MCH Group Ltd.		
125	Balance Sheet		
127	Income Statement		
128	Notes		
134	Proposal for profit distribution		
135	Report of the statutory auditor		

# Introduction to sustainability

The MCH Group is a leading international live-marketing company group. It provides physical and digital platforms for a range of industries. And it offers customised solutions in all areas of live marketing throughout the world – from the strategy through to implementation.

The MCH Group's business activity consists in running the exhibition sites in Basel and Zurich (Venues), staging around 30 of its own exhibitions (Exhibitions) and providing customised services in experience marketing (Live Marketing Solutions). In 2019, the MCH Group organised or hosted 839 events and took charge of almost 3,770 projects in the field of live marketing solutions.



Habitat-Jardin

From 2013 to 2016, the MCH Group compiled a sustainability report in accordance with the guidelines of the Global Reporting Initiative ((GRI) – most recently in accordance with the “Core” option of the former GRI G4 Guidelines. Since 2017, the MCH Group has dispensed with drawing up a report in accordance with the GRI Guidelines. In terms of its structure and contents, however, the 2019 Sustainability Report is based on the sustainability reports of previous years.

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

In addition to the CEO statement and a description of the aims and the reporting, the 2019 Sustainability Report 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 2019 Business Report (Annual Report, Financial Report, Remuneration Report) to which reference is made at different points.

Consultancy and energy & emissions figures:

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

# CEO Statement

Corporate success requires a sustainable economic, ecological and social performance. Sustainable thinking and action have shaped our group's more than 100-year history and will also determine the path it adopts in the future. We wish to assume a key role in respect of sustainability in the exhibition and event sector.

Our business activity has a high economic, ecological and social sustainability value. Our marketing platforms and solutions contribute to the success of a large number of companies. Since live events are concentrated on a specific time and place, they have key economic and ecological advantages for all those involved in that they obviate the need for a large number of journeys around the globe. In addition, live platforms offer an ideal opportunity for addressing sustainability topics and thus contributing to progress in this respect.

Our company provides a wide range of services in the value chain for the live-marketing market. We are organisers and operators of internationally and nationally leading platforms; we offer customised experience marketing solutions, from the strategy, via the concepts and creation, right through to implementation; we make available our own infrastructure in Basel and Zurich for our own exhibitions and also for third-party events of all types. These fields are mutually conducive. They are not dependent on each other, however, and can also function independently of each other.



Bernd Stadlwieser

We are convinced that live events will continue to gain in importance. For this to happen, however, the traditional exhibition and event business needs to undergo change. Formats have to be developed to meet future requirements in the areas of sales, marketing and communication. We have made a start on the transformation process required for this.

“ 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) “

Over the next few years, we will be further developing existing events and building up new formats with investments in innovation, digitalisation and internationalisation. We are intending to develop future-oriented physical and digital platforms and build communities in selected theme areas. Our aim is to offer these communities unique values and thus generate significant added value for our customers.

Despite its international orientation, the MCH Group is committed to its location of Switzerland and in particular to its venue locations of Basel and Zurich. The activities in our exhibition and event infrastructures in Basel and Zurich generate major economic impacts, which benefit a large number of sectors and also the public through the associated tax income. The participation of local public-sector entities in the holding company and their representation on the Board of Directors ensures that the economic interests of the group's locations are represented.

Sustainability is of key importance as we move into the future. We endeavour to promote sustainable behaviour in all fields and at all levels and to constantly improve our economic, ecological and social sustainability indicators. Our prime sustainability goals:

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We aim to further develop our product and services portfolio in a future-orientated and innovation-driven manner, placing special emphasis on sustainability for the benefit of our customers;

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We are continually investing in the optimisation of the ecological indicators for running our buildings and systems and for the organisation and staging of events;

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We are assuming our social responsibility by supporting our employees in acting responsibly and in a legally and ethically correct manner.

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Outstanding sustainability is to become one of our company's hallmarks over the next few years. We will thus be stepping up our sustainability management in the current year and selectively promoting initiatives that will enable us to attain this goal.

Bernd Stadlwieser  
Group CEO



# Aims

Specialist competence and the ability to innovate, together with resource efficiency and environmental awareness, and also responsible and correct behaviour, are the central aspects of our aims in the three sustainability categories.

A strong customer-oriented 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.



Salon des Métiers et de la Formation

## Economic

With its marketing platforms and solutions in the field of experience marketing, the MCH Group wishes to contribute towards strengthening the corresponding industries together with their national and international clientele. The group is noted for the high 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 anticipation of market changes.



It aims to further develop its product and services portfolio in a future-orientated and innovation-driven manner. The classic exhibitions and events are to be transformed into future-orientated platforms and communities. To achieve this, the group will be investing in digitalisation, innovation and internationalisation for the development of existing and new formats.

The MCH Group is noted for its private sector orientation, its group network and its 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 their energy efficiency, employing renewable energies and reducing emissions; in its logistics through in-house-developed logistics and traffic concepts and, wherever 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 offerings.

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.

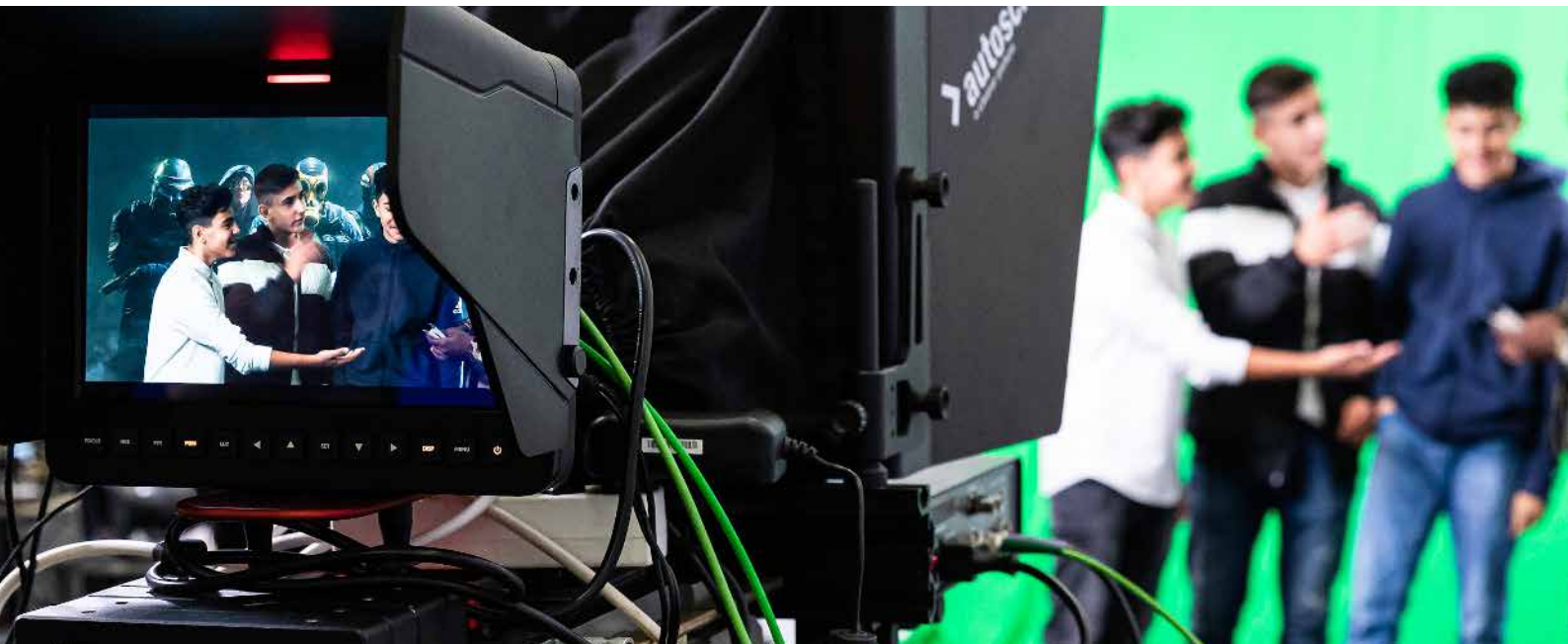
In 2018, the MCH Group introduced a new Code of Conduct which supports employees in adopting a legally and ethically correct and responsible form of behaviour.

The MCH Group's employees are offered attractive working conditions, building on a success-orientated culture of motivation and personal responsibility.

# 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 the assessments and decisions of the stakeholders.



Berufsmesse Zürich

Since the stakeholder groups are not only interested in the company's economic performance but also, in particular, in its 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 2019 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

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## Economic

Economic performance

Corporate strategy

Value chain

Indirect economic impacts

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## Environmental

Energy consumption

Emissions

Minergie Certificate

Solar energy

Stand construction & fittings

Logistics

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## 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

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## Customers

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

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## Aspects

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

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## Local setting

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

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## Aspects

Indirect economic impacts, energy, emissions

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#### Suppliers

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

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#### Aspects

Economic performance, indirect economic impacts, corporate governance

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#### Partners

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

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#### Aspects

Economic performance, indirect economic impacts, corporate governance

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#### Associations

Exhibition and event industry associations (national, international)

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#### Aspects

Economic performance, employment, corporate governance

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#### Shareholders

Public entities and private shareholders

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#### Aspects

Corporate governance, corporate strategy, economic performance,

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#### Media

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

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#### Aspects

Economic performance, corporate strategy, corporate governance

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#### Competitors

Exhibition and event sector (national and international)

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#### Aspects

Economic performance, corporate strategy, corporate governance

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#### Human resources

Management, employees, freelancers

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#### 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 30 of its own exhibitions (Exhibitions) and providing customised services in experience marketing (Live Marketing Solutions). In 2019, the MCH Group organised or hosted 839 events and took charge of almost 3,770 projects in the field of live marketing solutions.

The past financial year was marked by key realignments aimed at the stabilisation and future strategic orientation of the company. A start has been made on implementing the strategy – the development of future-oriented physical and digital platforms and communities.



The consolidated financial indicators for 2019 show a decline in sales compared with the previous year but a clear increase in profitability. The EBITDA is CHF 22.1 million and thus CHF 18.1 million above the comparable value for the previous year (CHF 4.0 million). The loss for the year prior to special measures totals CHF -3.2 million and is CHF 14.4 million - approx. 80% - above the comparable value for the 2018 financial year (CHF -17.6 million).

“ Our aim is to take the company forward in a manner that upholds the interests of all stakeholders. ”

The live marketing sector is undergoing a profound change. Traditional exhibition and event formats are no longer sufficient in many areas. The past few years have shown that the MCH Group must re-orientate and reposition itself if it is to meet the future requirements of its markets and customers.

In summer 2018, the MCH Group initiated the necessary transformation process. The first measures were implemented in the 2019 financial year, including an initial restructuring and efficiency-boosting programme and the consolidation of the exhibition portfolio. With a view to the necessary transformation, the prime focus in the 2019 financial year, however, was on the development and definition of the future strategic alignment. The MCH Group intends to develop the traditional exhibition and event business into a future-oriented business model with physical and digital platforms and communities. It will be investing in innovation, digitalisation and internationalisation over the next few years in order to develop the platform and community business.

Various strategic options are being examined for financing the investments and developments required for platforms and communities. One of the options is the entry of new investors at group level, which can be combined with a capital increase and changes in the shareholder structure, the shareholder rights set out in the Statutes and the composition of the Board of Directors. Evaluation of these strategic options is currently underway.

Details business year 2019:

[Annual Report 2019](#)

[Financial Report 2019](#)

## Key figures

Group Income Statement in CHF million	2019	% of income	2018 before special measures	% of income	2018	% of income	2018 before special measures	% of income
Operating income	445.2	100.0	445.2	100.0	522.8	100.0	522.8	100.0
Exhibitions (MCH Exhibitions)	226.7	50.9	226.7	50.9	275.2	52.6	275.2	52.6
Venues (Third-party Events)	32.4	7.3	32.4	7.3	38.5	7.4	38.5	7.4
Live Marketing Solutions	186.1	41.8	186.1	41.8	209.1	40.0	209.1	40.0
EBITDA	22.1	5.0	26.7	6.0	4.0	0.8	28.5	5.5
Depreciation and impairments	-24.8	-5.6	-22.7	-5.1	-186.1	-34.6	-37.8	-7.2
EBIT (= Result)	-2.7	-0.6	4.0	0.9	-182.1	-34.8	-9.3	-1.8
Loss for the year	-9.9	-2.2	-3.2	-0.7	-190.4	-36.4	-17.6	-3.4



Group Balance Sheet in CHF million	31.12.2019	% of total assets	31.12.2018	% of total assets
Total current assets	255.9	53.3	250.0	50.2
Total non-current assets	224.6	46.7	248.2	49.8
<b>Total assets</b>	<b>480.5</b>	<b>100.0</b>	<b>498.2</b>	<b>100.0</b>
 Total liabilities	 432.6	 90.0	 441.3	 88.6
Total shareholders' equity	47.9	10.0	56.9	11.4
<b>Total liabilities and shareholders' equity</b>	<b>480.5</b>	<b>100.0</b>	<b>498.2</b>	<b>100.0</b>
 Net debt in CHF million	 2019		 2018	
31.12.	136.1		148.7	

2019	Number	Exhibitors	Visitors	GEA <sup>1)</sup>	Duration <sup>2)</sup>
Exhibitions	28	5 976	1 254 254	638 037	141
MCH exhibitions					
Messe Basel	13	3 686	636 548	395 564	67
Messe Zürich	6	929	213 236	78 088	21
Other locations	9	1 361	404 470	164 385	53
Venues	811	10 065	1 635 254	893 469	813
All events					
Exhibitions	43	8 812	1 187 523	768 997	153
Messe Basel	22	5 052	743 160	515 944	89
Messe Zürich	21	3 760	444 363	253 053	64
Hall rentals & events	18		72 921	68 550	71
Messe Basel	7		44 221	15 280	38
Messe Zürich	11		28 700	53 270	33
Conferences & room rentals	453	1 253	120 810	55 922	589
Congress Center Basel	165	1 253	117 910	55 922	301
Conference rooms Messe Zürich	288		2 900		288
Musical Theaters	297		254 000		
Musical Theater Basel	166		116 000		
Theater 11 Zürich	131		138 000		

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

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

2019	Projects	in Switzerland	abroad
Live Marketing Solutions	3 770	306	3 464
MCH Live Marketing Solutions AG	420	306	114
MC <sup>2</sup> Group	3 350	0	3 350

# Corporate strategy

The strategy process has not yet been finalised in all areas. In August/September 2019, the Board of Directors took key decisions, however.

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The MCH Group intends to develop the traditional exhibition and event business into a future-oriented business model with physical and digital platforms and communities. It will be investing in innovation, digitalisation and internationalisation over the next few years in order to develop the platform and community business.

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In the Live Marketing Solutions division, the through-the-line strategy embarked upon in 2018 will be taken further by continuing to build up and expand on competences and services in the fields of strategy and concept.

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The marketing and operation of the company's own infrastructure in Basel and Zurich is being transferred to an independent business unit with the aim of increasing the capacity utilisation of these venues.

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Following the savings measures already implemented, the MCH Group has launched an additional programme to increase efficiency, with the aim of saving CHF 20 million in costs by 2024.

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State-of-the-art experience platforms are hybrid formats with digital planes that supplement the physical events and extend beyond these in terms of time and content. The aim of the MCH Group is to build up communities in this way, create unique values for them and generate clear added value for customers from this. Two examples:

The three Art Basel shows in Basel, Miami Beach and Hong Kong are the most important live events in the arts sector and already have a very strong community. More than three million people are linked to Art Basel via social media. This community is to be further expanded and, in particular, maintained throughout the year by means of additional digital services. In 2019, the new "Global Guide" was introduced with information on more than 500 galleries in 130 cities worldwide. In the current financial year, online viewing rooms are being offered for the first time. These new online platforms are "open" in parallel to the shows and enable Art Basel exhibitors to present works to the public that are not on display at the show and offer them for sale.

Swissbau already comprises the three vehicles of an exhibition (exhibitors and their products and services), Swissbau Focus (event and network platform) and Swissbau Innovation Lab (special show for digital transformation). Here, additional physical and digital platforms are to be set up on the basis of our strong Swissbau and a national "building industry community" created in this way.

## Value chain

In the experience marketing industry, the organisers and operators of the physical and digital platforms are positioned at the start of the value chain. For their platforms, they need the appropriate infrastructure and systems as well as further services that can be designated "live marketing solutions". The suppliers of these marketing solutions, however, not only provide their services to the organisers and operators of the platforms but, above all, to the individual actors involved, for example, to the exhibitors at fairs or sponsors at sporting events.

Within this value chain, the MCH Group provides a broad range of services, which can, however, differ greatly from case to case. These divide up into three areas:

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The MCH Group organises around 30 exhibitions, supplemented by digital planes that have been developed to differing extents. The physical platforms are held at the group's own locations in Basel and Zurich and also at further locations in Switzerland and abroad.

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With its "Venues" in Basel and Zurich, the MCH Group provides infrastructure for use by its own platforms and also by third-party events – exhibitions, congresses and further events that it does not organise itself.

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In the area of "Live Marketing Solutions", the MCH Group is able to accompany its customers over the full experience-marketing chain – from the strategy, via concepts and creation, right through to implementation with the creation of the temporary structures. The MCH Group is thus active in all areas relating to corporate events (exhibitions, roadshows, company events, etc.) and public events (culture, sport) throughout the world.

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These fields are mutually conducive. They are not dependent on each other, however, and can also function independently.

In cases where the MCH Group itself acts as a service provider, the extent to which it makes use of the supplier groups can also vary greatly. In the "Venues" field, for example, the range of services provided by the MCH Group is concentrated primarily on facility management, with the facility services generally being 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 of the MCH Group, then the following estimates can be derived: exhibitors and visitors together spend some CHF 2.5 billion each year for their participation in an MCH event, with CHF 1.5 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 billion as direct and indirect follow-on effects. The associated added value corresponds to around 25,000 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 marketing platforms for the corresponding industries and companies.

At the locations at which live events 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. It promotes the environmentally aware behaviour of its employees at their workplace and provides the necessary resources for further reducing the burden on the environment.



Giardina

## Energy

Almost 90% of the overall energy requirements of the Basel and Zurich exhibition sites are met by renewable energies. All the electricity consumed comes from renewable sources.

“ 88.5% of the overall energy requirements of the Basel and Zurich exhibition sites are met by renewable energies. ”

Hall 1 South at Messe Basel has been awarded the BS-054 Minergie Label.

Photovoltaic systems on the roofs of Messe Basel and Messe Zurich and also at the Expomobilia location in Effretikon produce solar electricity for some 400 single-family homes with four-person households.

## Energy consumption and emissions Messe Basel

Energy consumption and emissions at 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 for 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.

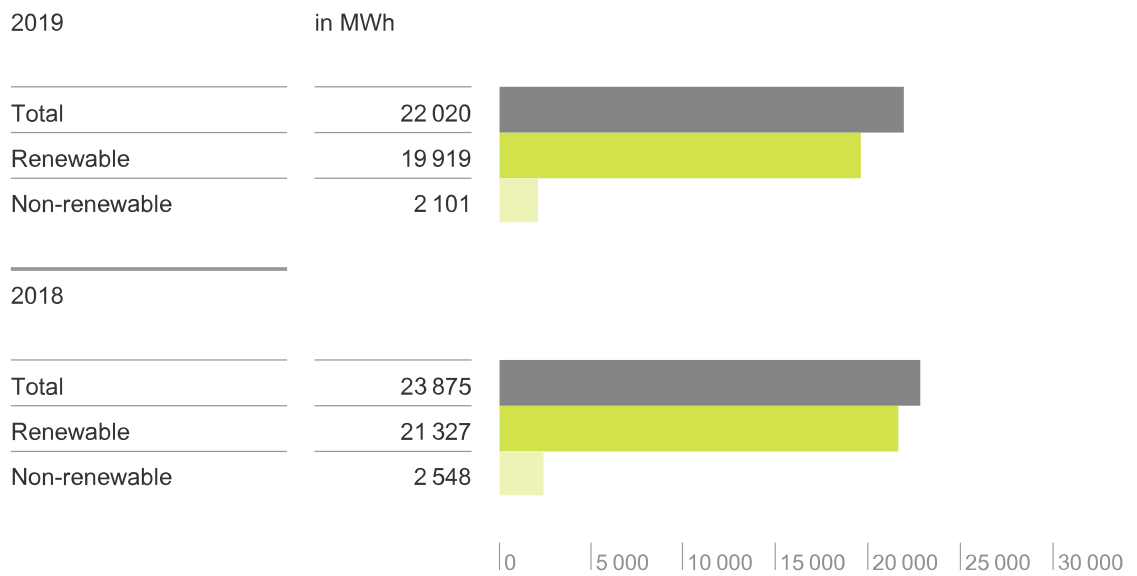
Messe Basel covers its electricity requirements with electricity from the Basel energy utilities company (IWB). IWB electricity is 100% renewable energy generated with IWB's own power plant capacities, primarily from Swiss hydropower. The new complex brought into operation in 2013 is certified with the Minergie Label BS-054.

Key Figures	2019	2018
Exhibitions	22	17
Exhibitors	5 052	3 940
Visitors	743 160	660 334
m <sup>2</sup> exhibition area	515 944	508 541
Other events	338	381
Visitors	278 131	344 095

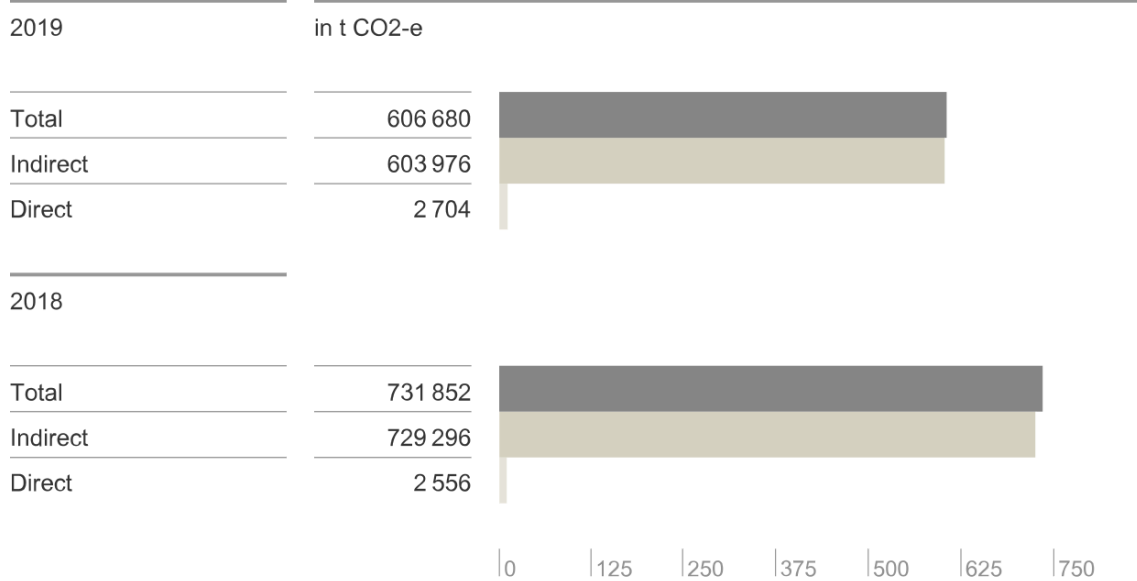
The Basel exhibition site has been able to increase its share of renewable energy to 90.5%. A 17.1% reduction in emissions was achieved by comparison to the previous year.



## Energy consumption Messe Basel (without administration buildings)



## Emissions Messe Basel (without administration buildings)



Energy consumption at the exhibition site in Basel in 2019 fell by 7.8% compared with 2018 (2019: 22,020 MWh; 2018: 23,875 MWh).

Emissions in 2019 fell by 17.1% compared with 2018 (2019: 606,680 kg CO<sub>2</sub>-e; 2018: 731,852 kg CO<sub>2</sub>-e).

Direct emissions increased in 2019 (13.6%), due to the exclusive and higher oil consumption of the emergency power systems (2019: 2,704 kg CO<sub>2</sub>-e; 2018: 2,556 kg CO<sub>2</sub>-e).

# Energy consumption and emissions Messe Zürich

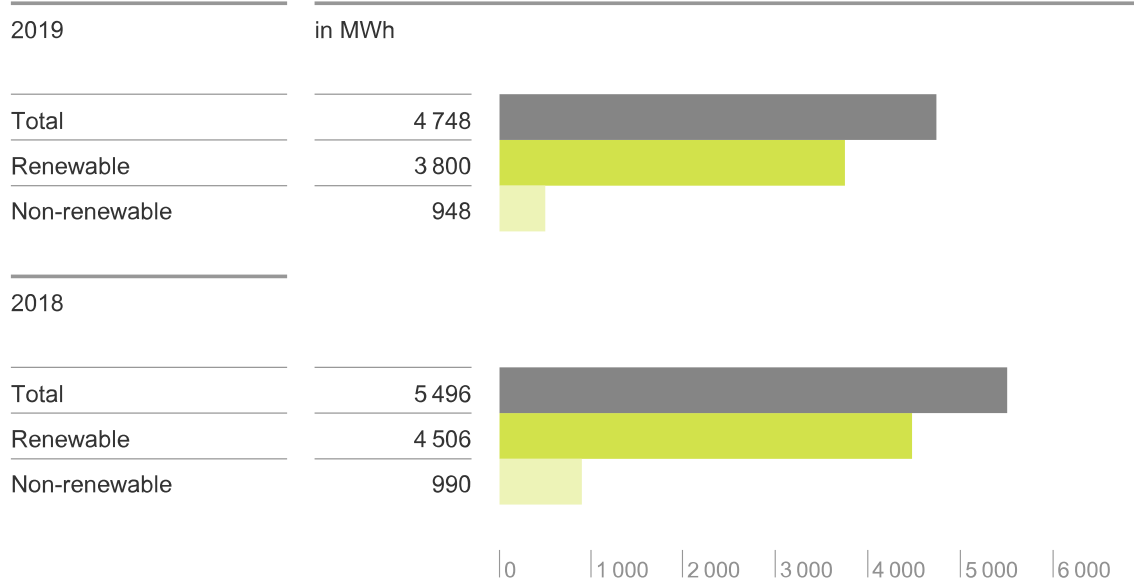
Messe Zürich has exhibition space totalling 30,000m<sup>2</sup>. Some 27,000 m<sup>2</sup> are located in Halls 1 to 7 in the main building, while the separate hall, Hall 9, has some 3,000m<sup>2</sup>. The main building additionally has seven smaller conference rooms for 30 to 80 people. Messe Zürich also includes Theater 11 Zürich which seats 1500. The main exhibition building was brought into operation in 1998.

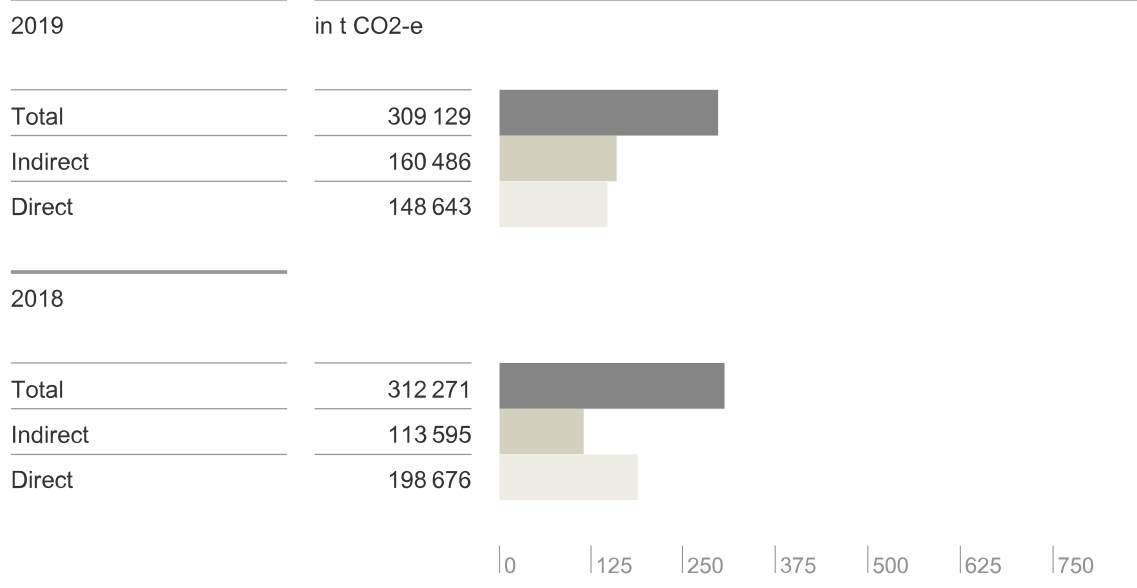
Messe Zurich covers its electricity requirements with electricity from the Industrielle Werke Basel (IWB). IWB electricity is 100% renewable energy generated with IWB's own power plant capacities, primarily from Swiss hydropower.

Key Figures	2019	2018
Exhibitions	21	37
Exhibitors	3 760	5 637
Visitors	444 363	610 274
m <sup>2</sup> exhibition area	253 053	364 883
Other events	430	488
Visitors	169 600	217 500

At the Zurich exhibition location, the share of renewable energy has been maintained at 80%

## Energy consumption Messe Zürich





The share of renewable energy has fallen by 2% compared with the previous year. This is due, in particular, to a clear increase in the amount of district heating consumed in 2019. The district heating is made up of a renewable energy and a non-renewable energy component.

Overall energy consumption fell by 13.6% in 2019 (2019: 4,748 MWh; 2018: 5,496 MWh). In the reporting year, overall emissions fell only slightly (-1%). Indirect emissions, in particular, increased on account of the district heating consumption (+41%). Direct emissions, by contrast, fell by 25.2%. A reduction can be seen primarily for the consumption of heating oil (-25%).

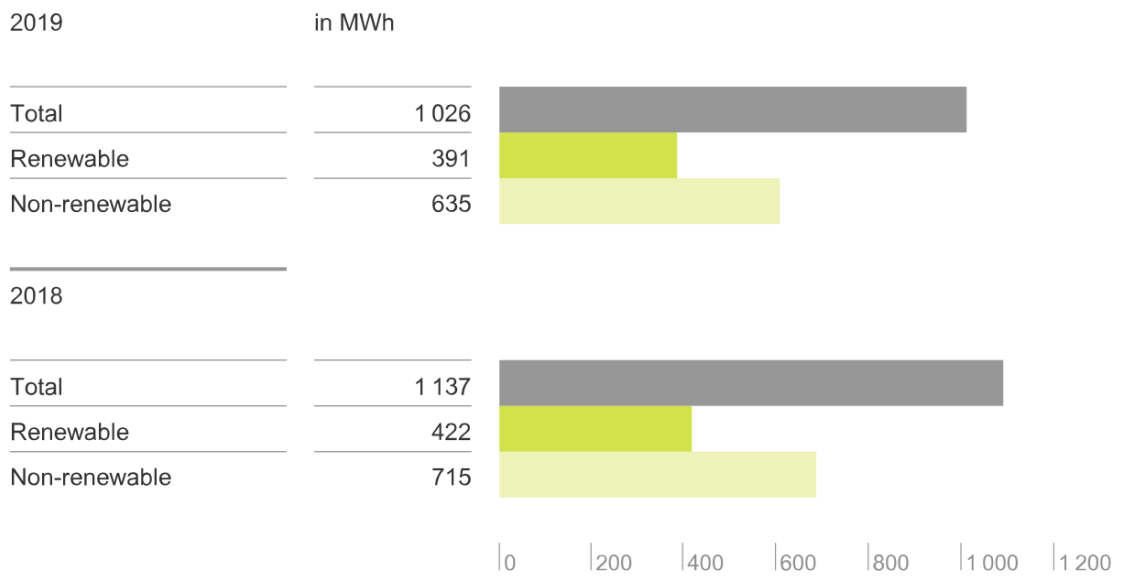
## Energy consumption and emissions Expomobilia

Expomobilia in Effretikon is a business unit of MCH Live Marketing Solutions AG. Expomobilia is a general contractor for modular and temporary buildings, including trade fair stands, pavilions, event structures and interior fittings – from the design, via detailed planning, design and production, right through to assembly. In 2019, Expomobilia implemented 295 projects, 90 of which were abroad.

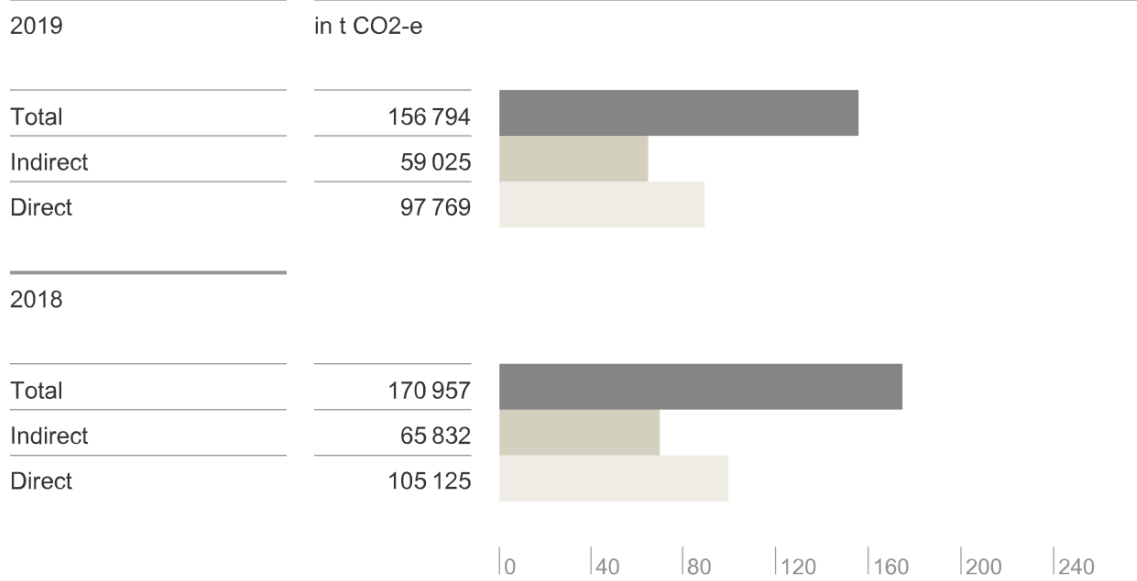
Expomobilia covers its entire electricity requirements with Swiss green electricity obtained from FAIR POWER, an independent green electricity specialist. The FAIR POWER certificate guarantees that this electricity has been generated environmentally and is fed into the grid for Expomobilia. The CO<sub>2</sub> share from hydroelectric power generation is fully offset by the Fair Recycling Foundation.

It proved possible to reduce energy consumption and emissions by some 9%. The share of renewable energy was increased slightly to 38.1%.

## Energy consumption Expomobilia



## Emissions Expomobilia



Expomobilia operates seven plants at two locations (Effretikon and Fehraltorf). In 2019, overall energy consumption was reduced by 9.8% and emissions by 8.3%.

Compared with 2018, the share of renewable energy was increased slightly (by 1%) to 38.1%. Both direct and indirect emissions have been cut, by -7% and -10.3% respectively (reduction in electricity and district heating consumption).

# Boosting energy efficiency

The canton of Basel-Stadt obliges major energy consumers such as Messe Basel to analyse their energy consumption and to implement measures to reduce it. The cantonal requirement provides for an annual increase of 2% in the efficiency of electricity and heat energy. This target must be met from 2020 onwards.

Messe Basel is supported in the implementation of this legal obligation by the Basel energy utilities company (IWB). The IWB draws up an analysis of the current status and potential of energy procurement and a list of efficiency improvement measures. They also draw up a cantonal target agreement with the Office for the Environment and Energy (AUE). This target agreement is one of the models offered by the Canton of Basel-Stadt for implementing the legal requirements. It has the advantage that the infrastructure of the exhibition centre as a whole is assessed and optimised. The IWB is responsible for annual reporting to the cantonal energy office. An initial report on this subject will be drawn up for 2020.

The Canton of Zurich obliges major energy consumers, including Messe Zürich, to analyse their energy consumption and to take measures to reduce it. Every year, Messe Zürich submits the necessary reports by way of evidence to the Zurich electricity utility (EWZ): gross exhibition space, number of exhibition hours per m<sup>2</sup>/year and the quantity of energy consumed from the district heating. An annual target is agreed on for the efficiency bonus.

## Solar energy

A photovoltaic system was installed on the roof of Hall 1 North 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 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 Hall 1 South, which was completed in 2013. This photovoltaic system, which was installed in cooperation with an investor, feeds approximately 1,080,000 kWh electricity annually into the grid of the Basel energy utilities company (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 m<sup>2</sup> and an output of 150,000 kWh per year has been in operation on the roof of Messe Zürich.

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 435,000 MWh per year.

## Minergie Certificate

During the construction of Hall 1 South at Messe Basel, which was completed in 2013, great importance was attached to achieving the greatest possible energy efficiency, both in respect of the insulation for the building shell and with regard to the provision of the necessary heating and cooling energy in a resource-saving manner. 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 awarded the BS-054 Minergie Label that was developed especially for this exhibition hall building. In addition, the target values of SIA Standard 380/4 are met by this, the newest exhibition hall, with regard to lighting and ventilation/air-conditioning.

# Stand construction & fittings

A long service life, multiple use, environmentally friendly and energy-efficient production, recyclable or biodegradable materials – stand construction companies and suppliers demonstrate what sustainability means in the area of stand construction and fittings. In the case of Expomobilia, this includes the offer of a climate-neutral exhibition stand. Or the Weberfloors company, which supplies the world's first recyclable exhibition carpeting.

## Expomobilia

Expomobilia pursues a three-stage approach when it comes to sustainability:

1. Reducing emissions, energy consumption and waste by identifying and exploiting savings potential and avoiding wastefulness.
2. Replacing environmentally harmful products with alternative materials and processes.
3. Offsetting unavoidable emissions through selective involvement in myclimate projects.

Expomobilia places great value on stand structures with a long service life that can be re-used many times over. It offers a wide range of resource-saving, reusable or biodegradable materials, including wooden partition walls from environmentally-certified local suppliers, printing and sheeting elements in easily recyclable or biodegradable stamoids and materials, reusable ecological tiles and parquet flooring in locally-sourced wood with a long service life. The lights are equipped primarily with state-of-the-art, long-life LED bulbs that have a low energy consumption.

A CO2 climate protection calculator for exhibition stands and interior fittings helps customers make sure that their exhibition stand is 100% climate-neutral or assists them in offsetting their emissions. This was developed specially for the purpose by Expomobilia in cooperation with myclimate, the Swiss nonprofit foundation for voluntary climate protection. This environmental commitment is rewarded by a certificate.

## Syma

Syma – an official stand construction partner of the MCH Group – works to the highest ecological standards in its exhibition stand structures. This is based on the following factors, among others:

- Materials that can be used and recycled many times over;
- Compatible modular stand construction systems;
- Local production by a worldwide licensee network;
- Integral life-cycle design (production, assembly, storage, transport, recycling and disposal).

Each year, Syma processes around 547 tonnes of aluminium, of which 90% is recyclable and 98% is reused several times over. In addition, Syma uses around 120 tonnes of wood (15% recyclable, 45% reused), 60 tonnes of glass (60% recyclable, 65% reused) and 18 tonnes of steel (75% recyclable, 85% reused).



# Weberfloors

A large number of MCH Group exhibitions use “Rewind”, the first recyclable exhibition carpeting from Belgian company Beaulieu Flooring Solutions (a business unit of the Beaulieu International Group B.I.G.). The carpeting is marketed by Weberfloors in Buchs (Switzerland).

“Rewind” is a product with a cradle-to-cradle certificate issued by the Environmental Protection Encouragement Agency EPEA. The carpet comprises 100% polyolefins and is thus 100% latex-free. It can be fully recycled after use. After being processed into recyclate, it can then be used as a raw material for new products.

Contrary to the case for conventional carpets, “Rewind” is produced without any water and with 83% less gas. This environmentally-friendly production process cuts the CO2 emissions by up to 35% in all. The carpet’s low overall weight means that the rolls are also easier to work with and can be laid more ergonomically. “Rewind” also offers advantages in terms of logistics, since it requires less transport and storage capacity.

## Logistics

### Logistics Tool Messe Basel

Delivery traffic to Messe Basel is steered via a checkpoint-based system, for which the corresponding online tool has been developed. 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. This keeps traffic searching for parking spaces and traffic congestion to a minimum. Care is also taken to ensure that deliveries can be made underground whenever necessary.

To ensure that the entire logistics of journeys to and from Messe Basel can be controlled in the optimum manner, all movements within the exhibition site are performed by Sempex, Messe Basel's logistics partner. Sempex has developed a quality management system to ISO 9001. The management continually reviews the implementation of the specified measures for attaining the environmental and energy targets. These are laid down in the company's environmental and energy policies and undergo constant further development to ensure their continuous improvement.

### Messe Zürich

Delivery traffic to Messe Zürich is steered via a checkpoint-based system. All journeys to transport goods to the exhibition site must report to a checkpoint where they are sorted by vehicle size and delivery level before being dispatched. From the checkpoint, the lorries are 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. This keeps traffic searching for parking spaces and traffic congestion to a minimum. Care is also taken to ensure that optimum use is made of the capacity of the different delivery levels.

To ensure that the entire logistics of journeys to and from Messe Zürich can be controlled in the optimum manner, all movements within the exhibition site are performed by Securitas, the Messe Zürich logistics partner. Securitas keeps statistics on vehicle size and the number of vehicles on each delivery level per event and day. Together with Securitas, the logistics officer at Messe Zürich continually checks that the specified measures for attaining the environmental and energy targets are implemented. These are laid down in the company's environmental and energy policies and are subject to constant further development in order to ensure their continuous improvement.

# 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 locations 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 its business locations by actively and transparently supporting them through its membership and/or partnership in specific projects.



Art Basel Unlimited

## Employment

At the end of the 2019 reporting year, the MCH Group had a total of 860 employees on permanent contracts and 1,346 employees and assistants on temporary contracts. During the reporting year, employee numbers within the group thus fell by 151 permanent employees (-15%).

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			31.12.2019		31.12.2018	
			Total		Total	
MCH Group Ltd.			26			28
MCH Swiss Exhibition (Basel) Ltd. <sup>1)</sup>			301			353
MCH Swiss Exhibition (Zurich) Ltd.			25			30
MCH Beaulieu Lausanne SA			7			18
MCH Live Marketing Solutions AG <sup>2)</sup>			135			143
MC <sup>2</sup> Group <sup>3)</sup>			366			363
Winkler Livecom AG <sup>4)</sup>						76
<b>Total</b>			<b>860</b>			<b>1 011.0</b>

Hierarchy levels/Gender			31.12.2019		31.12.2018	
	Male	Female	Total	Male	Female	Total
Board of Directors MCH Group	8	3	11	9	2	11
Executive Board MCH Group	5	0	5	6	0	6
Management subsidiaries	8	2	10	14	3	17
Managerial staff	114	56	170	125	45	170
Employees	380	295	675	478	340	818
<b>Total <sup>3)</sup></b>	<b>515</b>	<b>356</b>	<b>871</b>	<b>632</b>	<b>390</b>	<b>1 022.0</b>

Nationalities/Gender			31.12.2019		31.12.2018	
	Male	Female	Total	Male	Female	Total
Switzerland	185	133	318	250	161	411
Germany	42	42	84	79	45	124
France	6	12	18	6	14	20
Italy	4	5	9	6	5	11
Austria	1	2	3	0	5	5
Great Britain	9	8	17	8	9	17
USA	244	114	358	244	106	350
Hong Kong	1	15	16	2	15	17
China	1	4	5	2	4	6
India	0	2	2	10	8	18
Other	14	16	30	16	16	32
<b>Total</b>	<b>507</b>	<b>353</b>	<b>860</b>	<b>623</b>	<b>388</b>	<b>1 011.0</b>

1) With subsidiaries Exhibit&More AG, Art Basel U.S. Corp., MCH Group Asia Limited, Masterpiece London Ltd; 2018 also with Seventh Plane Networks Pvt. Ltd.

2) With subsidiaries Expomobilia MCH Global Shanghai Ltd., MCH Global ME Live Marketing LLC

3) MC <sup>2</sup> USA and MC <sup>2</sup> Europe

4) Winkler Livecom AG was sold as of 31.12.2018

# 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 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, 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

In 2018, Art Basel 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 procedure was 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 protection and support for the artists. These Art Market Principles and Best Practices were 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 Group 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.

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 now been RJC-certified 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 2019, 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 the Group Legal Department. In 2019, 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 2019

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