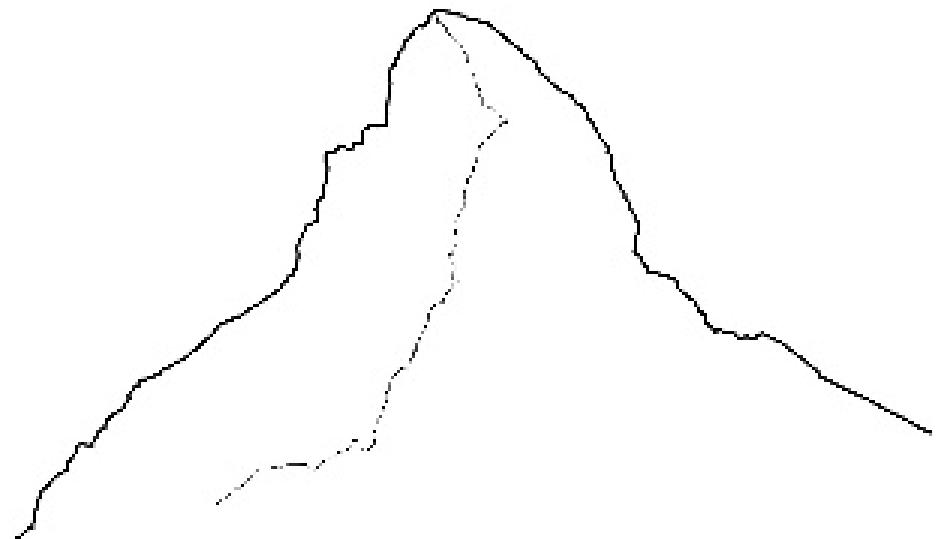




2019 Environmental Report



TWO MILLION YEARS

and we still care matterhorn-group.ch



Introduction

The aim of this Environmental Report is to provide our clients, our business partners and the public with information about the objectives and activities of Matterhorn Group AG in relation to the environment.

The corporate purpose of Matterhorn Group AG is to manage hotels and restaurants. As part of its corporate purpose, Matterhorn Group AG operates five hotels in and around the Zermatt mountain region. These include the five-star Grand Hotel Zermatterhof in Zermatt, but also the 3100 Kulmhotel Gornergrat and the Riffelhaus – 1853 in the sensitive Zermatt mountain territory. It also manages about a dozen other restaurants with a total seating capacity of around 5,500, most in the Zermatt mountain region.

Commitment to sustainability

Matterhorn Group AG is committed to sustainable development.

At our company, protecting the environment is an important part of our corporate policy. We are aware that our activities have an impact on the environment. For this reason, we view it as our obligation to reduce the impact of our economic and technical activities to an absolute minimum.

Assuming our responsibility when dealing with the environment and resources means we need to determine and evaluate the relevant environmental aspects as well as meet the defined environmental objectives and review them using clear criteria.

Environmental policy

As part of our corporate duty of care, Matterhorn Group AG has defined an environmental policy with overarching environmental objectives and principles of action.

The principles of our environmental policy are based on an awareness of our responsibility towards our unique nature and landscape, our built environment and our fellow humans and future generations. We also take account of the extensive legal requirements, which require the sustainable use of energy.

By defining objectives across the entire value chain and implementing these objectives through suitable measures, we achieve an improved level of sustainability in the relevant environmental areas.

Legal and agreed obligations

We review and document the compliance of our corporate activities with the law on an ongoing basis with a legislative database that is continuously updated.

Furthermore, Matterhorn Group AG has concluded a CO₂ agreement with the Swiss Federal Office for the Environment (FOEN) for the five-star hotel Grand Hotel Zermatterhof and the Riffelhaus – 1853 under which Matterhorn Group AG agrees to emit no more than 2,044 tonnes of CO₂ equivalent greenhouse gases from these operations by the year 2020 (emissions target).

Employees



Matterhorn Group AG has developed an internal label that can be used to represent and communicate all of the company's environmental activities. The aim is to make employees aware of the commitment by Matterhorn Group AG to assuming its responsibility towards the environment and taking this commitment seriously. At the same time, we hope to promote environmentally friendly behaviour among employees.

Resources and energy

Production of pellets using community wood

Matterhorn Group AG is a wholly owned subsidiary of the Citizens' Community of Zermatt. The Citizens' Community of Zermatt owns around 900 hectares of forest. Management of the forest results in natural wood waste (e.g., bark, branches, etc.), which has few good uses.

Working together with expert partners, the Citizens' Community of Zermatt participated in Matterhorn Pellet AG, which converts the wood waste into wooden pellets without using any chemical additives. The proceeds from the sale of this wood is reinvested in the environmental management of the forest.

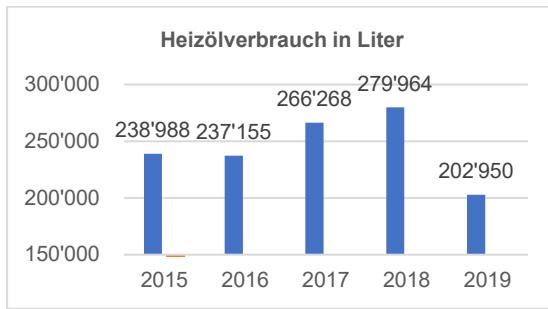
The wood pellets can be used for targeted energy management by the Matterhorn Group AG operations that use pellet heating as an alternative, renewable and environmentally friendly fuel for generating heat.

CO₂ emissions

The replacement of traditional oil heat with pellet heat at the five-star Grand Hotel Zermatterhof had a substantial impact on the air emissions (CO₂ emissions) produced by Matterhorn Group AG.

As a result, the group's CO₂ emissions fell from 3,360 tonnes of CO₂ equivalent to 2,401 tonnes of CO₂ equivalent greenhouse gases during the year. By the end of 2020, the total reduction will be 3,360 tonnes of CO₂ equivalent greenhouse gases, as the five-star Grand Hotel Zermatterhof continued to be heated with oil until the end of September 2019.

Oil consumption



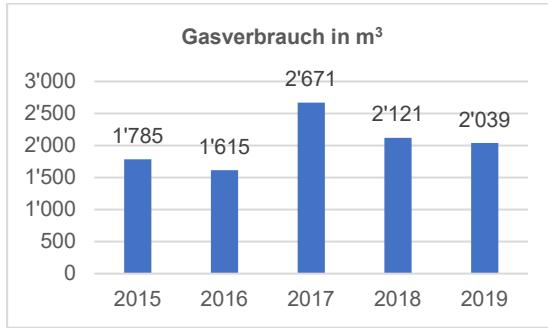
The average consumption of heating oil by Matterhorn Group AG over the past five years was around 250,000 litres per year.

By replacing oil heat at the five-star Grand Hotel Zermatterhof with pellet heat, heating oil consumption by the entire group fell by 37,470 litres. By the end of 2020, this reduction will climb by another 93,777 litres, as the five-star Grand Hotel Zermatterhof continued to be heated with oil until the end of September 2019. In total, heating oil consumption fell by 131,000 litres during the year, or 52% of the average heating oil consumption over the past five years.

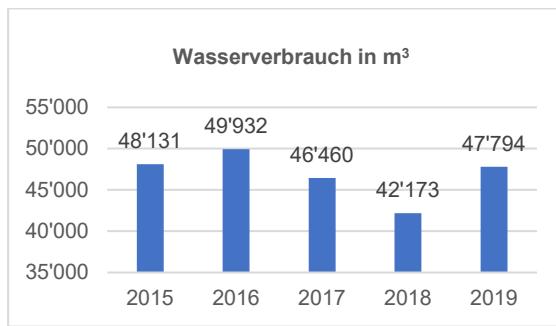
With the conversion of the five-star Grand Hotel Zermatterhof, 70% of Matterhorn Group AG's operations will be heated with renewable and environmentally friendly energy.

Gas consumption

Following the sharp rise in gas consumption by the Group in 2017 as a result of new gas-powered systems, gas consumption has been decreased again over the past two years by about 25% by decommissioning and replacing various gas-powered systems and facilities.



Water/wastewater



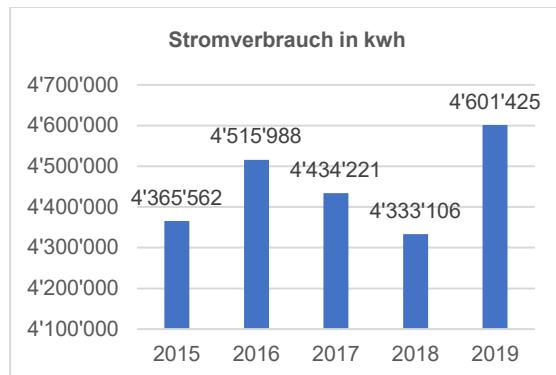
Water consumption by Matterhorn Group AG was about 2% higher in the previous financial year than the average water consumption over the past five years. The higher water consumption was due to the increased capacity utilisation of hotel operations as well as the place of origin and changed travel behaviour by hotel guests.

The installation of five new dishwashers at the hotel operations in Zermatterhof, Sunnegga, Rothorn, Riffelberg and Gornergrat helped to reduce the water consumption of these dish washing machines by around 50%.

As part of the renovation of the roof of the five-star Grand Hotel Zermatterhof, the property's entire drainage system was modified to meet federal, cantonal and municipal water protection requirements regarding the discharge and handling of wastewater by installing the corresponding systems.

Wastewater pollution was also reduced through the installation of the five new dishwashers, which only need half the dishwashing soap of the previous machines.

Energy consumption

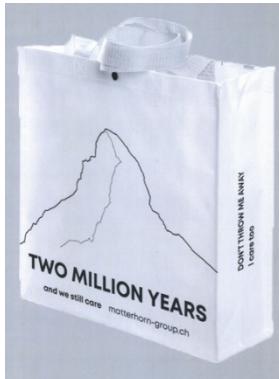


Energy consumption has been reduced by switching to energy-saving LED lights and installing motion sensors. In addition, the newly installed dishwashers use 50% less electricity.

However, because of increased capacity utilisation energy consumption by Matterhorn Group AG rose by 3% net in comparison to the average of the past five years.

Disposal/recycling

Matterhorn Group AG wants to help reduce the amount of plastic waste.



Over the last several years, plastic straws in the restaurants of Matterhorn Group AG have been replaced with compostable products. However, Matterhorn Group AG continues to use thousands of plastic bags in its retail shops each year. These single-use bags made of plastic are being replaced with biodegradable bags made of natural products that can be used several times. Because of the products used to manufacture them and the fact that they can be used multiple times they are much better for the environment than plastic bags.

In addition, the strict separation of waste at all Matterhorn Group AG operations has promoted the reasonable recovery/recycling of operational waste.

Products

Home-made regional specialities

As the sole shareholder of Matterhorn Group AG, the Citizens' Community of Zermatt is the owner of various alps in the Zermatt region. For the past few years, the Stafelalp and the Riffelalp have been home to dry and milk cows as part of a cooperation between private farmers and the Citizens' Community of Zermatt. These animals are making a significant contribution to the conservation of the alps and the maintenance of the mountain landscape and flora.

The milk they produce is used to make Alpine cheese and their meat is used in specialities from the Valais region, such as air-dried meat and home-made sausage, among other things.

These products are made available in Matterhorn Group AG's hotels and restaurants. This allows Matterhorn Group AG's operations to offer its guests the best and most high-quality products from Zermatt. In doing so, Matterhorn Group AG is promoting regional and sustainable products with an added environmental benefit that provide added value for our guests.



Valais platter

The “Valais platter” regional speciality sold by Matterhorn Group AG contains only products that are AOP (*appellation d'origine protégée*) or IGP (*indication géographique protégée*) certified. These products are traditional specialities that have a strong connection to their region of origin. They have been produced with passion by cheesemakers, bakers, butchers and distillers for generations.

Other Valais products

Matterhorn Group AG offers various regional specialities at its hotels and restaurants.

For example, the wine selection offered by Matterhorn Group AG includes some wines that can only or almost only be found in the region.

Its menus also include some local fish products (perch), among other things.

In this way, too, Matterhorn Group AG promotes regional and sustainable products that provide an added value for our guests and contribute to the profitability of regional production.

Logistics

We are committed to environmentally friendly and resource-efficient logistics. In this respect, we seek a balance between economic and environmental efficiency.

During the current financial year, the offers in the Matterhorn Group AG operations were supplemented to include water from Zermatt. Normal Zermatt tap water is drinking water, which in some cases (Riffelberg) has the same quality as spring water.

At some hotels and restaurants, regionally produced mineral water (Valais water) is purchased in a targeted manner.

The offer of Zermatt water, the procurement of water and wines from Valais as well as regionally produced products, in particular, help to reduce environmental pollution by largely or even entirely eliminating transport channels.

Suppliers, partners and contractors

When selecting suppliers, partners and contractors, we give preference to those who act in accordance with environmental rules and support our environmental policy. We review the environmental performance of suppliers and partners as part of an annual supplier and partner assessment.

Infrastructure/sustainable building

When engaging in new construction or renovations, we adhere to environmental standards in terms of construction materials and energy. Particularly with respect to building insulation, improvements were achieved through roof renovations and the replacement of windows.

Environmental monitoring of construction projects in mountain areas is a matter of course for us.

Certifications as an environmental policy tool



A credible environmental policy is a fixed element of a corporate culture focused on sustainable success. For this reason, Matterhorn Group AG is certified in accordance with both ISO 9001:2015 and ISO 14001:2015. While ISO 9001:2015 specifies the requirements for quality management systems, ISO 14001:2015 defines the globally valid criteria for efficient environmental management systems.



Matterhorn Group AG also continues its efforts in respect of the "Valais excellence" label during the current financial year. This label is used to recognise responsible, active and creative Valais companies that create true added value in the Canton of Valais and are committed to, among other things, sustainable environmentally friendly development.