

engineering the future



WE SUPPORT

United Nations Global Compact
Communication on Progress 2014

The Ten Principles of the United Nations Global Compact

HUMAN RIGHTS principles

Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2 make sure that they are not complicit in human rights abuses.

LABOUR principles

Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4 the elimination of all forms of forced and compulsory labour;

Principle 5 the effective abolition of child labour; and

Principle 6 the elimination of discrimination in respect of employment and occupation

ENVIRONMENTAL principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

ANTI-CORRUPTION principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery;

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About Chess iX

Chess iX software solutions

For over 15 years Chess iX has helped innovative organizations achieve their business goals by creating business critical software solutions. From our head office in Haarlem, The Netherlands, we operate with more than 60 highly skilled and motivated professionals. We build bespoke software products, fit for use and purpose, whose elegant design and quality of implementation make them capable of supporting multi-year business cases in an ever-changing world. On top of that we help our clients to achieve their business goals by maintaining and updating the software for many years.

Vision

With business increasingly digital and omni-channel, software applications are increasingly business-critical and strategic assets. To properly manage these assets, businesses require a trusted ICT partner to design, develop, host and maintain them.

From concept to production

What sets us apart is our ability to help you think about new concepts and transform those into robust specifications. We develop software in a waterfall or iterative way, depending on the circumstances, always thoroughly test and we use an automated test harness.

Chess iX delivers support during all phases of your product:

- 1 Software Development Center
- 2 Application Lifecycle Management
- 3 Hosting & Operation

Value

Chess iX offers the market a state of the art software development center and proven software components, supporting customers with life cycle management services for all developed software solutions. We actively support the business goals of our customers and help them realize their ambitions by delivering critical IT projects within the quality criteria set by the customer and by ourselves. After delivery we are willing and able to take operational responsibility for the developed product and systems. Trust is an important value for the company, with respect to clients and employees. On the basis of trust we can realize successful innovations. To enable this we apply high standards considering a sustainable relationship with employees, customers, the environment and society in general. Therefore Chess iX is member of the United Nations Global Compact.

Beginning of 2014 we established Chess nX (staff 7), our nearshoring office in Serbia. End of September Chess iX acquired Magna Carta Chipcard Solutions B.V. (staff 24).

Establishment of Chess nX

Chess iX is growing and expanding its business. This means we are looking for new Java Developers, Software Architects and Requirements & Test Managers that share our passion for beautiful software. In our continuous search for talent, we've decided to perform some engineering on our own future; an international one, that is!

We are very pleased that we can now officially pronounce our new Novi Sad office in Serbia "opened for business".

A very warm place located on one of the best spots in town: the Ignata Pavlasa, facing the Danube park.

Although the office is far from home, we treat it, and all our new colleagues inside, as if it was just a new floor inside our own building. Having the same high quality standards, highly skilled people, shared projects and an eye for the good times, nothing is different really. Well, except for the first part of its name. What "nX" stands for? It's actually as versatile as we are ourselves: "Nearshoring" "Novi Sad" and, above all, everything iX stands for.

With our new office in place, we are fully equipped and ready to continue engineering the future.

Acquisition of Magna Carta

Acquisition

As of September 22 this year Chess iX acquired Magna Carta Chipcard solutions B.V.

With this transaction an organization will be created of more than 80 employees and an annual turnover of more than 9 Million Euro. The new combination will be perfectly capable to deliver its innovative solutions in the fast growing market of mobile and contactless payments. Chess iX will make an important contribution to the innovation and renovation of the Magna Carta payment systems in order to offer a wider pallet of services. Thereby Chess iX expects a strong growth in market position in the area of payment solutions and systems.

The products and services of Magna Carta have been modernized in the past 2 years and on the roadmap are digital wallet integration and support of the new EMV contactless payment products of Visa and MasterCard. Besides that, the widely used FacilityPro platform of Magna Carta will form the basis for a large number of innovations.

“The world of e-commerce and mobile payments has moved ahead because of recent developments of NFC, mobile and internet wallets. Magna Carta aims at the dynamic education & healthcare market and has a target group that is demanding these kinds of innovative solutions.”, according to Rene Hodde, CEO Chess iX. “The software expertise of Chess iX together with Magna Carta will form the basis for further development of the product portfolio.”

Chess iX and Magna Carta will join forces where the brand name Magna Carta will continue to exist. Chess iX’s Jan Laagland will strengthen the management team of Magna Carta.

Oscar Eerland, CEO of Magna Carta: “Chess iX and Magna Carta have worked together for a long time. Joining knowledge and expertise of the talented engineers of both organizations offer the possibility to adapt even quicker to developments within the dynamic market of mobile and contactless payments.”

The acquisition has been made possible by financial support from TIIN Capital and O2 Capital BV, both experienced investors in growing and innovating ICT companies.

About Magna Carta Chipcard Solutions

Magna Carta develops and delivers international facility management and multifunctional card systems for education and healthcare companies and governmental institutions. In the past few years Magna Carta has developed itself from producer of electronic payment systems to a developer and supplier of an integral facility management platform.

In the coming year we will bring more synergy between the two companies. We have already started with our shared services department for HR, PR and financial services for both companies. Next year employees from Magna Carta will move to our office in Haarlem.



Statement of continued support

To our stakeholders:

I am pleased to confirm that Chess iX continues its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress, we will describe the actions we have made to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Rene Hodde
CEO Chess iX

UN Global Compact

The United Nations Global Compact is a strategic alliance between companies. These companies commit to the fact that they connect their operations and organizational strategies to the ten worldwide accepted principles, on 4 domains: human rights, labor, environment and anti-corruption.

The UN Global Compact asks companies to embrace, support and enable these 10 principles in their entire environment. The goal is that people and nature are better treated and this leads to a pure work and living understanding between humans, nature and use of raw materials. Eventually it is the explicit expression of a joint responsibility to not exhaust the world and its inhabitants.

For Chess iX the ten principles seem obvious. Unfortunately this is not so obvious in big parts of the world and even within many companies within Europe and the Netherlands. The chance that you engage in business with other companies that do not adhere these principles is always present and Chess iX wants to be aware and stay aware of that fact. With our support we want to explicitly show our support of the Global Compact. Commitment of companies can be a strong engine, especially when united. That is why Chess iX is member of the United Nations Global Compact.

Communication of the ten principles

The 10 principles of the UN Global Compact are included in our code of conduct and on our internal information site. We have informed our employees about the UN Global Compact during our formal mandatory quarterly community meeting (Tuning). Candidates for vacant positions within Chess iX are also informed about our commitment.

We wrote about the 10 principles on our website and in our newsletter to make our clients, suppliers, employees and partners understand our position regarding these principles.

HUMAN RIGHTS principles

- Principle 1** Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2** make sure that they are not complicit in human rights abuses.

Assesment, Policy and goals

As a company and on personal behalf of all our employees we state to respect the internationally proclaimed Human Rights and like to go beyond that. We think it is important to stimulate good behavior to others by setting the right example. We aim to cooperate with business partners that think alike.

Some of the most relevant rights are: rights to non-discrimination, equal pay for equal work, just and favorable remuneration, a safe and healthy work environment, physical and mental health, rest and leisure, privacy, freedom of association.

Implementation

In our annually published business canvas we address our culture and HR aspects in separate chapters. The business canvas is distributed to our employees, major clients, shareholders and the bank.

Our Work/Employee council cares for the benefits of our employees. They have regular meetings with the management team about decisions made. Colleagues from Magna Carta have also been invited to join our Work/Employee council.

Our employees are informed in several ways about the 10 principles of the UN Global Compact, starting with the job interview, in job control meetings, in joint company meetings and finally on the internal information website.

Our HR department oversees the principles in our day-to-day behavior and processes. Bi-weekly HR makes an HR status report for the management team, possible deviations are reported.

Measurement of outcomes

Chess iX holds an employee satisfaction survey amongst all employees. This is filled out during our job control meetings and is therefore measured throughout the whole year. We also hold a client satisfaction survey amongst several customers once a year.

No issues have been reported so far in relation to (potential) human rights violations, nor was Chess iX involved in any human rights incidents before or during the reporting period.

The HR manager reports to the MT in the MT meeting about ongoing HR issues biweekly. He also writes up these issues in an HR report.

Our work / employee council writes a yearly report.

LABOUR principles

- Principle 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4 the elimination of all forms of forced and compulsory labour;
Principle 5 the effective abolition of child labour; and
Principle 6 the elimination of discrimination in respect of employment and occupation

Assesment, Policy and goals

Our code of conduct covers policies concerning our employee rights and responsibilities. We will continue to update and improve our employee handbook when needed and assimilate the Global Compact principles. Our nX colleagues have the same code of conduct. Magna Carta employees still have their own code of conduct.

There is no discrimination of race or sexual preference at Chess iX. Men and women are equally rewarded within their position.

Within Chess iX, nX and Magna Carta, the HR manager serves as confidant / counselor. If necessary there is also a neutral confidant at the Arbodienst to treat complaints of sexual intimidation, discrimination, aggression or violence.

Our Work/Employee council cares for the benefits of our employees. They have regular meetings with the management team. They safeguard our employees working conditions and equal opportunities.

Chess iX works with various function levels in which the roles that an employee can fulfill within Chess iX are described. Every function level has a salary range (minimal/maximal salary), a maximal set expense payment and devices that are issued by Chess iX.

Chess iX has a diverse workforce. Men and women have equal opportunities. We employ employees from different nationalities.

Implementation

Chess iX strongly believes that employee satisfaction and shared goals are crucial to achieve the best business result. Therefore additional effort is being made on communication. There are different channels of communication towards our employees:

- management messages
- newsletters
- emails
- formal letters
- the internal information website
- informal biweekly community meetings (chats)
- formal mandatory quarterly community meeting (Tuning)
- presentations during lunchtime (lunch sessions)
- team meetings
- work / employees council meetings with the management
- Management meetings with principals
- job control meetings

For our colleagues in Novi Sad most of this communication will be written but they are regularly invited to the Netherlands to have face-to-face meetings with their Dutch colleagues. Our colleagues from Magna Carta are invited to all meetings.

Chess iX is a company with a flat organisation structure. We have an open door policy throughout the company.

Biweekly we organise an informal community meeting where each team informs everybody about the development in their project. We also organise a formal mandatory quarterly community meeting where a business update is given by one of the MT members regarding the overall state of affairs. During both meetings employees can ask questions about anything they want.

During coffee and Friday afternoon drinks employees we have the opportunity to speak informally to each other.

For 2015 we have a new and improved retirement pension insurance for all of the Chess iX employees.

Measurement of outcomes

In 2014 we started to do the employee satisfaction survey during the yearly job control meeting, so we measure employee satisfaction during the whole year instead of once a year. In 2014, so far, we scored a 7,0 on a scale from 1 to 10, where 10 is the best.

Besides this survey yearly job control meetings and a review session are organized for every employee where we give our employees the opportunity to address issues. These are also powerful tools for HR to monitor how an employee is doing. Employees can always make an appointment besides these fixed formal moments of contact.

The HR manager reports to the MT in the MT meeting about ongoing HR issues biweekly. He also writes up these issues in an HR report.

Our work / employee council writes a yearly report.

ENVIRONMENTAL principles

- Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- Principle 8:** undertake initiatives to promote greater environmental responsibility; and
- Principle 9:** encourage the development and diffusion of environmentally friendly technologies

Assesment, Policy and goals

Chess iX values the environment and tries to have as little impact as possible on the environment. We try to do this by creating awareness amongst our employees and by providing them with tools. Our policy regarding the environment is written in our code of conduct.

Chess iX is housed in an environmentally friendly building.

Our Work/Employee council has regular meetings with the management team. They can give suggestions about improvements that can be made to improve our behavior regarding the environment.

In 2015 we will move towards more synergy between Magna Carta and Chess iX and will implement the same policies for both companies. At Chess nX the same policies apply.

Implementation

Chess iX implements the following actions:

- we choose the most sustainable solutions for mobility, starting by reducing the number of lease cars and only allowing employees to choose A rated label cars
- we encourage employees to recycle
- we are supplied with green electric power
- we have equipped all rooms with sensors that activate the lights when someone is near and turn off when nobody is in the room
- we use as many energy saving lamps as possible
- we are housed in a building that uses hot and cold storage to save energy for heating and cooling the building. This results in a 40 - 80% save
- we recycle old PC's and printers
- we use green datacenters for hosting
- our billing process is digitalized to save paper.
- we use fair coffee in a biodegradable bag

Magna Carta owns 5 old cars. The coming year we will replace these cars with A rated label cars.

Measurement of outcomes

The HR manager reports regularly on progress on mobility, housing and facilities.

We have brought down the number of company cars. We also do not offer a company car to new employees who apply for a position which does not require often travel.

Our work / employee council writes a yearly report.

ANTI-CORRUPTION principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery;

Assesment, Policy and goals

Currently there are no written guidelines for employees on how to act in case of bribery or extortion. We haven't yet come across situations that might have corruption risk. We are however very keen on not working together with corrupted parties.

Chess iX prohibits the offering, the giving, the solicitation or the acceptance of any bribe, whether cash or other inducement to or from any person or company by any individual employee, in order to gain any commercial, contractual or personal advantage.

We have a no cash policy. All payments are done by bank transfers.

Our Work/Employee council has regular meetings with the management team. During these meetings issues regarding anti-corruption can be reported or discussed.

Implementation

Chess iX is very supportive of an anti-corruption policy.

We win bids for new assignments because of our knowledge in the market, quality and price. We do not accept bribes. Our actions are completely transparent.

There is an active bid/no bid process in which we decide to bring out offers. In that process we also assess the client from an ethic point of view.

Measurement of outcomes

There have been no cases of corruption in the line of work over the course of the organization's existence. If such a situation might arise, Chess iX will take appropriate action and ultimately withdraw from the assignment. The situation will be evaluated afterwards.

Our work / employee council writes a yearly report.

The HR manager reports to the MT in the MT meeting about ongoing HR issues biweekly. He also writes up these issues in an HR report.