



CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

2019- 2020

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

It is essential that companies commit to an all-encompassing project that aims to put sustainable development at the heart of their operating and development strategies. For Crosscall, signing up to the United Nations Global Compact is an important milestone and the logical next step in our Corporate Social Responsibility (CSR) journey, which we embarked upon several years ago now. Signing up to this voluntary initiative to comply with the 10 principles of the Global Compact underlines the importance we attach to our commitment to respecting human rights, international labour standards, environmental protection and anti-corruption.

Since our inception, we have been offering our users durable, waterproof, resistant phones that are designed to meet their needs and uses. Today, our user community is still at the heart of our product development process and we offer durable phones that are guaranteed for 3 years and packaged in a responsible way. We also consider the reparability of our devices, as one of the keys to prolonging their use and so supporting our efforts to provide durable products.

This policy of taking a thorough approach to design and development not only helps us to engage with our users, but also position ourselves in the fight against premature obsolescence, which is a common criticism of a market like the phone industry. Our CSR strategy is part of an ambitious continuous improvement effort, that includes our drive to embed our product life cycle within a circular economy.

Although economic results are essential, they are only meaningful if they are also a lever for environmental and social results that enable the development and growth of our employees. We promote well-being at work through professional development, competitive compensation, and attractive work environments. We also share success with our employees by making them shareholders of the company and through profit-sharing incentives.

Joining the Global Compact, a key milestone for Crosscall, is an achievement on the path that we have been taking for the past 10 years in order to build a company that is evermore committed socially and willing to listen to our stakeholders.

This first Corporate Social Responsibility (CSR) Report will allow us to share what we have accomplished so far and serve as a basis from which to grow and consolidate our efforts.



A handwritten signature in black ink, which appears to read 'Cyril Vidal'.

CYRIL VIDAL

Crosscall Founder and CEO



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1. OVERVIEW OF CROSSCALL

Founded in 2009, Crosscall is a French company based in Aix-en-Provence that develops rugged, waterproof, durable mobile phones and smartphones with long-lasting battery life. The brand was created when founder and CEO, Cyril Vidal, identified a user need. After yet another phone was damaged by water, he realised that no device on the market was tough enough to handle his leisure pursuits (jet skiing) as well as his demanding work environment (in the building industry). And so he decided to create Crosscall.

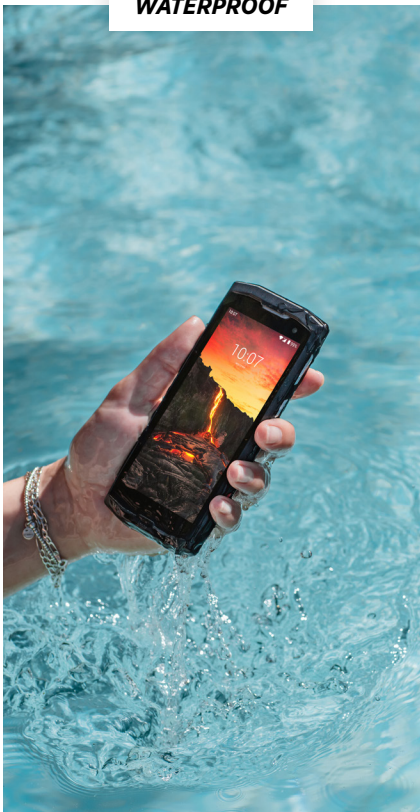
The brand designs devices that are perfectly adapted to the harsh, unpredictable environments experienced by sports enthusiasts, individuals, and professionals working outdoors (water, rain, humidity, dust, shocks, etc.). Over the years, the French company has strengthened its international presence, and now has more than 20,000 points of sale across Europe and Africa.

This growth has resulted in the brand being selected to join the French Tech 120 program in 2020, an initiative whose goal is to promote the growth of dynamic, successful companies. In 2020, Crosscall recorded turnover of €81m and employed more than 150 people.



CROSSCALL'S PROMISES

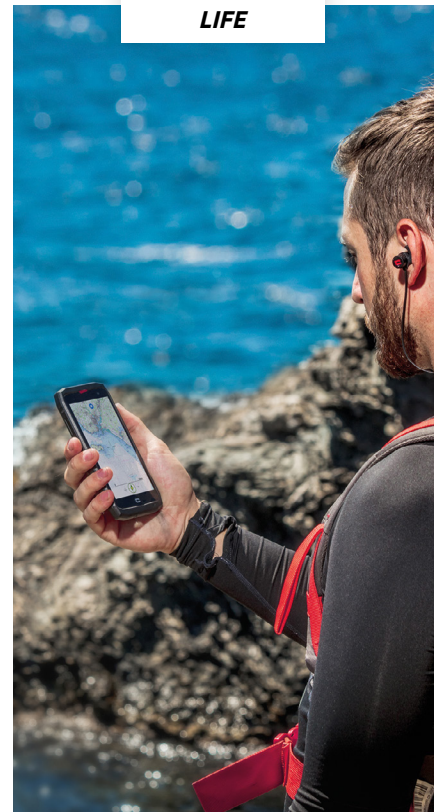
WATERPROOF



**TOUGH
DURABLE**



**LONG BATTERY
LIFE**



2. CORPORATE

SOCIAL RESPONSIBILITY

Crosscall puts Corporate Social Responsibility (CSR) at the centre of its operational and development strategy. We aim to help create a responsible digital industry, that has a positive impact on our internal and external stakeholders, while creating value locally and tackling climate change. Our actions in this domain are driven by our dedicated CSR team in conjunction with the executive management team.

A GLOBAL CSR APPROACH AS A LEVER FOR DEVELOPMENT FOR THE COMPANY

Conscious of our responsibilities and impacts, we have implemented a CSR strategy that is compliant with ISO 26000, the international standard for Corporate Social Responsibility. This strategy is part of our drive for continuous improvement, and must take into account all the most material issues facing our stakeholders.

As signatory of the United Nations Global Compact (UNGC), Crosscall has committed to comply with the [UNGC's 10 principles](#), which cover human rights, international labour standards, environmental protection and anti-corruption. Our approach extends to our partners who go through regular social and environmental audits.

It is essential that the social aspect and the personal development of our employees are placed at the centre of the company's ambitions, alongside economic growth. Crosscall ensures that employees enjoy suitable working conditions and promotes the development and well-being of every individual within the company.

In 2021, we will work with stakeholders to carry out a materiality assessment in order to define our CSR roadmap for the years ahead.

EXTERNAL EVALUATION

In a spirit of continuous improvement our CSR actions are regularly evaluated by a third party organisation, Ecovadis. The results of these audits are shared with some of our clients. During our last evaluation, we achieved an Ecovadis Silver level and had progressed by 7 points.

This result shows that our CSR strategy takes our company's most material issues into account, and also that we have a certain level of maturity on our various CSR topics. However, there is still a long way to go and we would like to continue making progress in all areas of CSR.



OUR PRODUCTS' DURABILITY IS AT THE CORE OF OUR ACTION PLAN

A major part of our impact on society – both positive and negative – is related to the products that we design and sell. Since its creation in 2009, Crosscall has adopted a responsible approach to product development with telephones, tablets, and accessories designed to last. Today we are actively increasing our commitment to the circular economy model.

We believe this is the best way to respond to the environmental and social issues facing sectors like the mobile phone industry.

We are focusing on a number of key areas:

- Optimising the use of resources by increasing the proportion of recycled materials and reducing the amount of plastic in our packaging.
- Extending the lifespan of our devices even further and offering models that are more durable (leasing, recovery management, refurbishing, etc.).
- Reducing our carbon footprint
- Further improving repairability
- Optimising end of life management, working with companies that help people back into work.
- Working continuously with those in our ecosystem to improve traceability at each step of our product life cycles.



3. OUR SOCIAL RESPONSIBILITY

ACTIVITIES

Joining the United Nations Global Compact is a very bold voluntary step that aligns perfectly with Crosscall's human values. We are committed to defending the UNGC's principles relating to human rights and international labour standards.

EMPLOYEE ENGAGEMENT AND WELL-BEING

Since the start of the Crosscall journey, its founder has wished to create quality jobs and to ensure working conditions that promote cohesion and well-being. Our values define who we are. We share our values, and encourage our workforce to live and work by them, through an integration programme for each new employee.

RESPECT FOR EVERYONE AND SAFETY AT WORK

We have defined an internal code of conduct to ensure a safe and tolerant environment where everyone is respected. It contains, amongst other things, clauses to prevent bullying and sexual harassment. We have also appointed a point of contact within the CSE (Comité Social et Économique [Social and Economic Committee]) for reporting any sexist behaviour. Throughout the world, our employees are treated equally and in a non-discriminatory manner.

We have entrusted the creation of the DUERs (French Statutory Single Risk Assessment Documents) for our premises in Aix-en-Provence and Courbevoie to an external provider to guarantee impartiality. These DUERs are updated regularly to ensure good physical working conditions, so that our employees do not face any risks in their place of work.

We have also focused our attention on our sales representatives who travel regularly, to ensure the safety of the vehicles they drive. We have implemented awareness and information sessions on the subject of road traffic risk. In addition, at the Head Office, the QSE Manager informs each new employee about safety within the building.

Crosscall only recruits employees on the basis of their skills and considers all forms of diversity as richness. We have recruited people who are recognised as workers with a disability and established partnerships with companies in the Access to Work sector for a variety of services (recycling, stationery, etc.) that are provided by employees with a disability. We have also taken action to promote gender equality, as demonstrated by our gender equality index, which was 84/100 in¹ 2020.

ENGAGEMENT AND PROFESSIONAL DEVELOPMENT

Crosscall has experienced exponential growth for the last 10 years, providing employees with quality jobs and real opportunities for professional development. A Learning and Development Plan has been implemented to help employees gain job skills that match the needs of the business, and offer coherent career plans. For example, Mandarin and English lessons are offered to employees in Hong Kong, as well as business and technical skills courses,



such as project management, people management, and courses covering current regulations in the phone industry. A satisfaction survey is sent to employees at the end of these courses.

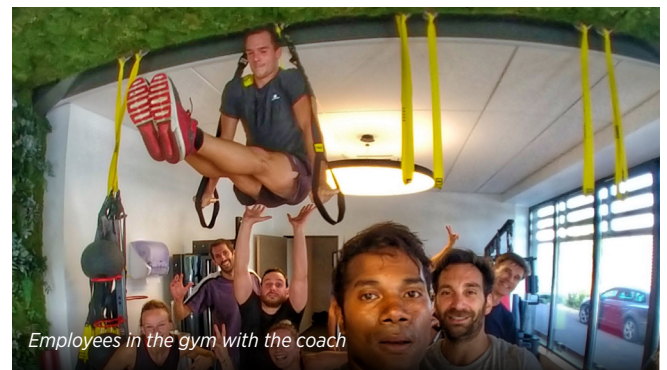
Job vacancies are offered to employees in order to promote internal mobility. Crosscall also encourages young people into the workforce by making regular use of work-study placements. 42% of employees who have started with Crosscall on work-study contracts since 2016 now have permanent contracts with the company.

Employees are able to share in the success of the company in different ways, depending on the opportunities permitted by the regulations in force in each country. For example, European employees are shareholders in the company through a BSPCE (employee stock option) arrangement and a profit-related bonus scheme.

We uphold freedom of association and the right to collective bargaining. Through social dialogue, we have negotiated and signed agreements relating to the profit-share bonus scheme and working time, allowing employees to maintain a healthy work-life balance. In France, the CSE is consulted throughout the year on different topics such as the strategy and economic and social life of the company.

In Hong Kong, we have appointed the Finance and Administrative Manager as the point of contact for any HR queries. He coordinates all activities relating to recruitment, evaluation and training, ensuring that they follow the same procedures as Head Office. Employees in Hong Kong are invited to participate in an annual satisfaction survey so we can find out their opinions about the HR Policy and make any required improvements. Through this process, for example, office space was re-arranged to promote a peaceful environment and enable team members to concentrate better.

¹ In accordance with French regulations and in order to combat employee gender inequalities, companies with more than 50 employees must calculate and publish an equality score out of 100 annually.



WELL-BEING AT WORK

Crosscall provides well-designed, comfortable workspaces for its employees in all locations. For example, the Head Office in Aix-en-Provence has a gym with a dedicated coach who offers regular training sessions as part of the company's internal sports association, *Crosscall Attitude*. 70% of staff members at Head Office have chosen to enroll in this association.

Employees also benefit from services such as funding for daycare. In Hong Kong, a "Well-Being Policy" has been implemented, which includes – for example – bonuses for employees when they get married or have a baby.

To encourage team cohesion, two company-wide seminars are organised each year, as well as many opportunities for socialising and team building. This also helps to strengthen bonds between colleagues from all around the world as the whole Hong Kong team attends the Summer Seminar in person each year.

In 2020, Crosscall adapted very quickly to the new constraints imposed by the global health crisis. We obviously complied with the health protocols that were in force in all our countries of operation and we encouraged working from home. In addition, several measures were taken to enable employees to keep in touch socially. For example, virtual social meet-ups were organised for employees during the first lockdown in France. To reduce feelings of isolation, we worked with members of the CSE to implement a schedule allowing employees to be on-site one day a week so that teams could stay in touch.

This measure proved very successful and most employees chose to participate. Remote working with a rotational on-site schedule was also implemented in Hong Kong.

All of Crosscall's activities undergo regular external audits to ensure compliance. The success of our HR policy is illustrated by such KPIs as our low rate of absenteeism (2.06% at 30 November 2020) for example.

We also ensure that our suppliers and manufacturing partners respect human rights and international labour standards ([see P.13](#)) – particularly the elimination of all forms of forced and compulsory labour and the abolition of child labour.

Coming up in 2021:

- Update our CSR social indicators and define medium-term objectives within the framework of our global CSR strategy.
- Implement an agreement/action plan on gender equality in the workplace by the end of 2021
- Enhance the well-being programme through the *Crosscall Attitude* association: Nutrition, Sports and Health Project
- Launch a sustainable mobility incentive to reward employees who travel to work by bicycle
- Raise awareness of topics such as diversity and the environment through a series of internal conferences



The CROSSCALL Team
who took part in the "Défi à la Rame" (Rowing Challenge) in 2019.

SOCIAL COMMITMENTS

SPONSORSHIP

- Crosscall sponsored the Transatlantic Jacques-Vabre race with the yacht "CROSSCALL CHAMONIX-MONT-BLANC".
- Crosscall has signed up for the next three years along with double World Champion free-ride skier and skipper, Aurélien Ducroz. Objective: Route du Rhum 2022. In this ambitious project, a Crosscall-branded boat will be built to carry the brand and its ambassador across the ocean as they participate in two of the biggest races on the yachting calendar: the Transat Jacques Vabre in 2021 and the Route du Rhum in 2022. Aurélien Ducroz envisions a high-performance, innovative yacht, made from sustainable materials. Crosscall shares these values: product durability has been a priority for us ever since we started out 10 years ago.

PHILANTHROPY AND SPONSORSHIP

- Crosscall supported the *Fond Régional d'Art Contemporain* (Regional Contemporary Art Fund) as sponsor.
- We sponsored fundraising initiative for the "Pour le fil d'Arianne" association, which supports children with long-term illnesses.



- We participated in a charity rowing event organized by the Marseille Rowing Club and by the charity organization «Les Amis d'Emilie» which helps people with autism.
- We supported the PURE OCEAN Fund (Marseille) which supports innovative projects to study and protect marine biodiversity. Through this fund, Crosscall funded the transatlantic crossing for 2 rowers. They rowed 5,000 km in 48 days! Beyond the sporting achievement, the objective of this race was to raise awareness for the environmental emergency and help raise funds for scientific research in the ocean.

4. OUR ACTIONS

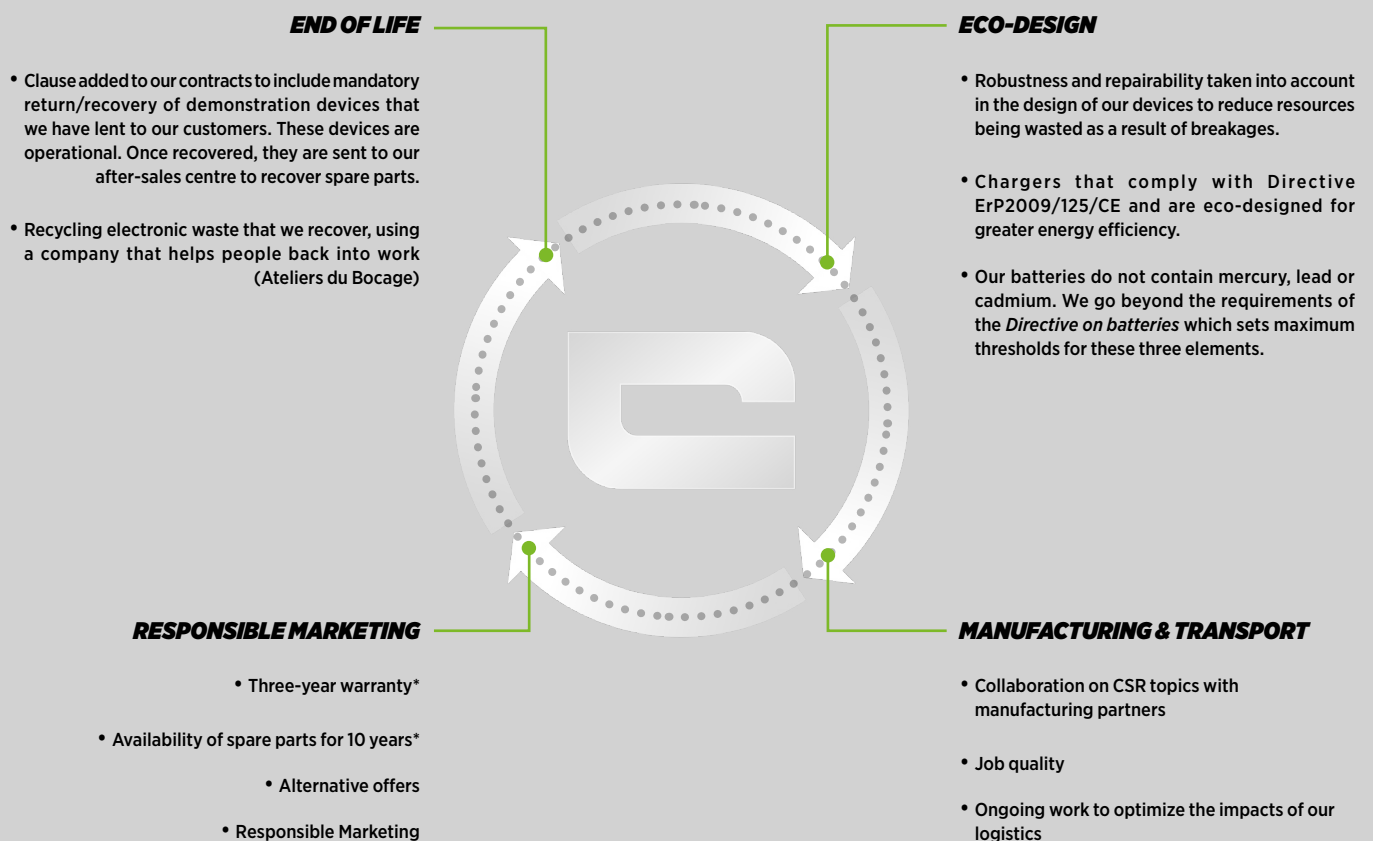
TO HELP THE ENVIRONMENT

Crosscall supports the United Nations Global Compact principles relating to environmental protection. The phone industry represents a major social and geopolitical challenge and must therefore address the evident emergency we are facing to manage our planet's resources. We are committed to this principle and are embedding it into our company strategy. We address the environmental theme both through a responsible product approach and through internal actions to control our impact.

A RESPONSIBLE PRODUCT APPROACH

As a manufacturer of electronic products, our key environmental challenges relate mainly to our products. The circular economy aims to reduce waste of resources and environmental impact by improving efficiency at all stages of the product life cycle. Crosscall has already adopted certain circular economy principles, with products which – since the creation of the company – have

always been designed to last. More recently we have expanded this responsible design approach to increase their reparability. We will further strengthen this circular economy approach in the months and years ahead.



*For products in the new CORE range

DESIGNING DURABLE PRODUCTS

From the outset, the CROSSCALL brand was founded on the idea that mobile phones should be designed to meet the needs of their users, to last over time, and to provide strong resistance to breakage. This helps to limit waste in terms of resources and raw materials. In order to suit and withstand the user's lifestyle, phones must be made to last, no matter what environment they are used

in. The brand has therefore established more than 80 laboratory tests to put its products to the test, to ensure their robustness, water resistance, battery life and therefore their durability.

CROSSCALL STANDARD TECHNICAL TESTS ARE VERY RIGOROUS:

- Keys endurance testing, for example, is calibrated on 400,000 presses.
- UV resistance and salt fog tests comply with prolonged use in difficult environments. The product does not deteriorate and does not corrode.
- Robustness and waterproofness are mainly provided through mechanical solutions which are very reliable, and guarantee performance over time. They are sometimes backed up by “component” solutions, giving the user even greater peace of mind (e.g. waterproof connectors + protective caps).
- All our devices are at least IP68 compliant. They can be used under water. Our warranty covers our devices against water damage.
- Our smartphone drop tests are carried out from a height of 2 metres.
- Our devices are equipped with high capacity batteries. By combining electricity consumption management and the selection of components that are adapted to the needs of our users, we are able to lengthen the lifespan of our batteries.

We select our products' components not only for their performance, but also for their durability under intensive use.

- Technical components: casing made up of 10% of fiber glass and polymer (polycarbonate), use of GORE membranes, anti-scratch coating.
- Electronic components: Qualcomm Extended Life Program, battery, screen.

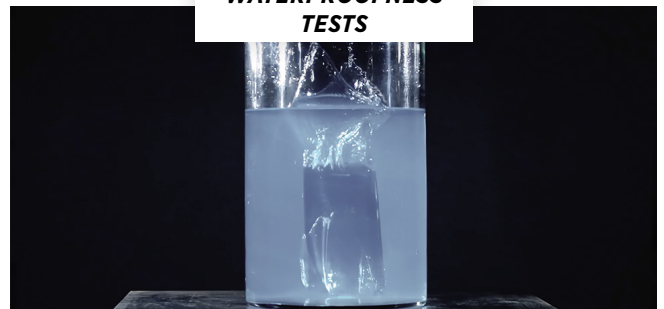
BENDING TESTS



DROP TEST



WATERPROOFNESS TESTS



OPTIMISED PACKAGING

Design work has been carried out on the packaging of our new Core range to make it more environmentally responsible. We have reduced the volume of packaging by more than 30%, compared

to the packaging used on previous product ranges – this saves not only raw materials, but also the emissions related to the transportation of goods.



Reduction in volume of more than 30%

Materials from recycled paper or sustainably managed forests

Use of plastic drastically reduced

PROLONGING DURATION OF PRODUCT USE

Beyond offering products that are more resistant to breakages, CROSSCALL fights against the premature obsolescence of products by trying to extend the duration of their use.



3-YEAR WARRANTY

As a result of 10 years' experience and our teams' specific focus on design, manufacture and quality control, Crosscall is able to offer a 3-year warranty on the new Core range and included accessories, compared to the industry average of 2 years.

ORIGINAL SPARE PARTS AVAILABLE FOR 10 YEARS

To prolong the life of Crosscall products beyond the period of their warranty, we make spare parts for our new Core range available for 10 years. Parts are available to professionals and as well as individuals.

GREATER REPAIRABILITY

Crosscall believes that the level of repairability of our devices is one of the keys to prolonging their lifespan. This in turn, contributes to our ambition to build ever more sustainable products. We have carried out design work to simplify the disassembly of our devices, in particular by reducing the use of glue, and using flexible printed circuits or screws for fixing instead. This reduces the risk of breakage – and therefore waste – during repairs. Our smartphones in the new Core range have excellent repairability indices².



THE CORE-X4 SMARTPHONE AND THE CORE-T4 TABLET ARE ALSO ANDROID ENTERPRISE RECOMMENDED (AER) CERTIFIED:



Proof of robustness of our devices

Availability of security updates for 3 years

Compatibility with the previous version of operating system.

²Under the "Anti-Waste, Circular Economy" Law that was passed in France in February 2020, the repairability index is a score out of 10 that is intended to inform consumers about the capacity for a product to be repaired. This index is only applicable in France. The criteria for calculating it have been defined by the French Ministry of Ecology.



CONTROL OVER OUR DAILY IMPACT

Our commitment to protect the environment is also demonstrated through the measures we have taken to reduce the impact in our offices. For example:

- **Energy conservation steps** have been implemented at our Head Office in Aix-en-Provence: installation of reflective film on windows to lower the temperature and therefore reduce consumption of air conditioning in summer; Air conditioning/heating switch off automatically at night and during weekends; Lighting controlled by motion sensors in communal areas, meeting rooms and the dining area.
- **Recycling** is organised in our premises in Aix-en-Provence and Hong Kong. The processing and collection of waste in France is carried out by a company in the Access to Work sector which employs people with a disability.

MIKE HORN
Explorer - Adventurer
CROSSCALL Ambassador

COMING UP IN 2021

- **Circular Economy:** From the design of our products, right through to their end of life, including their manufacture, transport, and the way in which we market and sell them, we are committed to putting measures in place at each and every stage to reduce our impact on the environment and make a positive contribution to society, while ensuring exemplary traceability at every stage.
- In 2021, Crosscall will work on the opening of a refurbishing centre in France for its end-of-life products. Depending on the state of the products, they may be refurbished to give them a second life or dismantled for spare parts, while ensuring good traceability of waste.

- In the future, our goal is to launch an assembly line for some of our products in France. These projects will help us to better control our value chain while creating high quality jobs in France.
- **Carbon Footprint:** To evaluate our carbon footprint, CROSSCALL will voluntarily start to assess our scope 1 to 3 carbon emissions. We will then take actions to reduce our impact.

5. RESPONSIBLE PARTNERS

Our environmental and social commitments only make sense with the active participation of our whole ecosystem, in particular our suppliers. We are working to engage our value chain in the same continuous improvement process as CROSSCALL. We have implemented processes with our Hong Kong office that allow us to evaluate our suppliers' level of involvement on social, ethical and environmental issues.

Crosscall includes a CSR clause in its contracts with suppliers, whereby these suppliers commit to:

- Respecting current health and safety standards and ensuring a healthy and safe work environment for their employees;
- Respecting international treaties relating to the protection of human rights, including the “Modern Slavery Act 2015” which prohibits amongst other things all forms of forced and compulsory labour. Suppliers commit to not using child labour.
- Anti-corruption ([see P.14](#))
- Respecting international regulations and standards with regards to the traceability of materials and substances that are dangerous to health and/or the environment (REACH, RoHS, etc.);
- Respecting international embargoes.

Over and above the contractual clauses, our suppliers are subject to regular on-site audits – including both audits carried out by Crosscall teams and also audits carried out by a third party. The audits are based on standards such as the SA 8000 and ISO 14001. The results of third-party audits are shared with 17 international phone operators within the framework of the [Joint Audit Cooperation \(JAC\)³ programme](#). During the most recent audits, no critical deviations were identified.

To support and monitor our suppliers, staff from our Hong Kong subsidiary have been trained in JAC (SA 8000 et ISO 14001) audit standards. This gives us a more robust evaluation grid for new suppliers.

WE ALSO VERIFY

- The absence of children in factories at each visit;
- Quarterly records of hours worked. Our ODM partners who assemble our smartphones are all certified ISO 14001 and ISO 9001.

CONFLICT MINERALS

Within the scope of the CSR clauses included in their contract, our suppliers commit to not source conflict minerals from conflict zones or countries at war (according to the OECD: gold, tin, tungsten and tantalum). In 2020, we improved tracing of the source of these minerals in collaboration with our main smartphone assemblers who used [Responsible Mineral Initiative \(RMI\)](#) tools to provide us with reports.



COMING UP IN 2021

- **Strengthen our actions to fight against conflict minerals.**
- **Update our supplier risk mapping** and the audit plan that is produced as a result.
- In 2021, Crosscall will continue to increase the resources we invest in ensuring compliance with human rights and international labour standards and **will appoint a CSR Manager to our team in Hong Kong** to co-ordinate actions at our supplier sites. In this way we will enhance on-site audits to ensure compliance with the principles of the United Nations Global Compact.

³The JAC is an association of Telecommunications operators whose aims include verifying, assessing and developing the implementation of CSR in the manufacturing centres of major multinational suppliers in the ICT sector.

6. ETHICS AND INTEGRITY

ANTI-CORRUPTION

Crosscall included anti-corruption clauses in the CSR section of the contract that it signs with suppliers.

These provisions stipulate that suppliers must comply with French Law No. 2016-1691 relating to transparency, anti-corruption and modernisation of economic life. There are also provisions for all applicable anti-corruption laws, including the United Nations anti-corruption convention of 2003, the 1977 Anti-corruption Law and the "UK Bribery Act".

At the Head Office and in our subsidiary, the processing of each of our orders is systematically verified/approved and cross-checked by different departments.

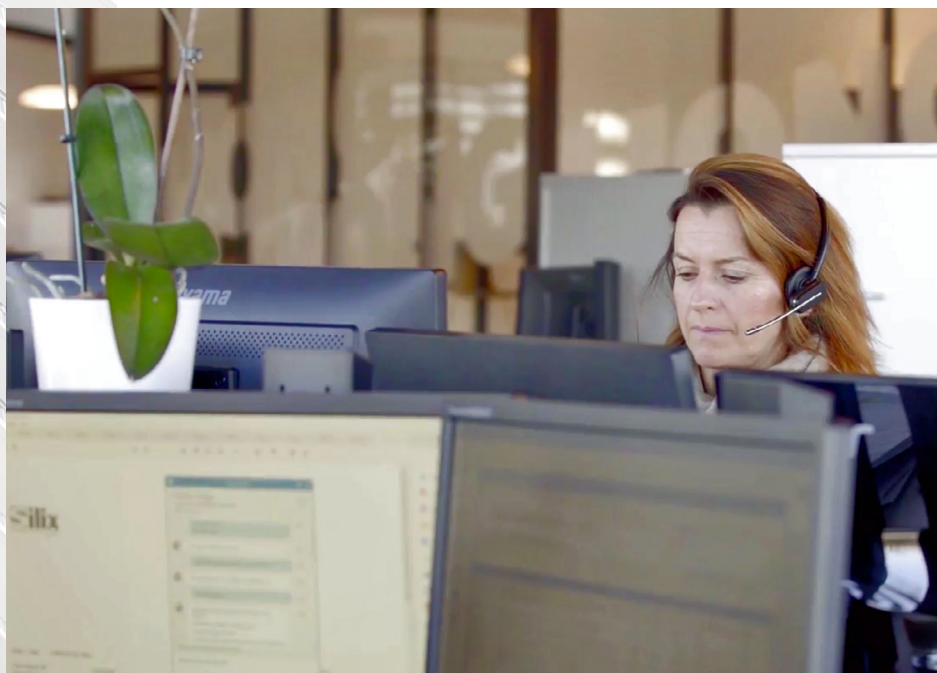
At present we have no corruption-related disputes anywhere in the world.

DATA PROTECTION

Crosscall gives great importance to the protection of data belonging to employees, clients and other parties who put their trust us. We therefore take a responsible and thorough approach to the protection of their personal data.

HERE ARE SOME EXAMPLES OF THE ACTIONS WE HAVE IMPLEMENTED

- As far as possible, we use servers that are based in France, or at least in Europe, to store our data.
- Implementation of an IT Data Protection Policy: Mandatory renewal of passwords every two months, implementation of anti-phishing, anti-virus and firewall software, constant vigilance by the IT team of attempts to hack into Crosscall systems.
- General Data Protection Regulation (GDPR): Crosscall implemented the requirements of the regulation very quickly. Within the scope of this regulation, we have appointed an external Data Protection Officer and implemented an internal action plan to ensure adherence to the European Regulation. All employees have been trained by our QSE Manager on the importance of the GDPR and the need to respect personal data belonging to employees and all our partners. A clause is also integrated into their employment contract and this topic is covered as part of the integration process for each new employee.





CONTACT: RSE@CROSSCALL.COM



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