

FAIRPHONE

Press Release

FOR IMMEDIATE RELEASE

Launch of the Fair Cobalt Alliance: Working together to improve conditions in cobalt mines and communities in the Democratic Republic of Congo

- *Founding members of the [Fair Cobalt Alliance \(FCA\)](#), Fairphone, Signify, Huayou Cobalt and The Impact Facility, are today joined by Glencore, the Responsible Cobalt Initiative (RCI), Sono Motors and Lifesaver to launch the FCA*
- *The demand for the minerals in battery production, including cobalt, is set to increase to power the transition to a greener economy*
- *The FCA is set up to work with the Democratic Republic of Congo (DRC) government and civil society partners to tackle problems in the cobalt supply chain linked to artisanal and small scale mining (ASM), such as poor working conditions and child labour, and build a source of responsible cobalt from the ASM sector*

Amsterdam, London, Baar, Beijing, Munich, Kolwezi 24.08.2020 - Fairphone, Signify, Huayou Cobalt, The Impact Facility, Glencore, the Responsible Cobalt Initiative, Sono Motors and Lifesaver are pleased to announce the launch of the [FCA](#). In response to poor economic, social and working conditions for many mining communities in the cobalt supply chain, the members of the FCA will be working closely with both national and provincial DRC government and with civil society and implementing partners towards three objectives:

- Drive the supply of fairer cobalt by supporting the professionalisation of ASM mining management and safer and environmentally more responsible sites.
- Work towards child-labour free Kolwezi mines by supporting ASM operators in establishing credible control and monitoring mechanisms to keep children out of the mines and support the enrolment of children into school, allowing children and youth access to education and vocational training.

- Increase household incomes by investing in community programmes, designed to create sustainable livelihoods other than mining, focused on the promotion of agriculture, entrepreneurship and financial literacy support projects.

The [ECA](#) was set up by social enterprise Fairphone, with partners Signify, the world leader in lighting; Huayou Cobalt, a leading cobalt supplier and The Impact Facility, an organisation designed to convene supply chains to empower ASM communities and enable diversification of mining economies. Cobalt is a key mineral in battery production and the longer-term transition to a low-carbon economy. This initiative connects cobalt from the ASM operations in Lualaba Province, in the Democratic Republic of Congo, to the global electronics and automotive supply chains. The founding members are joined by one of the world's largest global diversified natural resource companies, Glencore; the Responsible Cobalt Initiative (RCI), a programme established by Chinese cobalt refining and mining companies active in the DRC to tackle risks facing workers at artisanal mines in the cobalt supply chain; German mobility provider, Sono Motors and Lifesaver, which delivers hire and return portable power banks for events and venues.

Knowledge and development organisations, amongst them [Miller Center for Social Entrepreneurship](#), and Congolese civil society, including the [Centre Arrupe pour la Recherche et la Formation \(CARF\)](#) are also actively supporting and participating in the initiative.

The Dutch Ministry of Foreign Affairs and Ministry for Foreign Trade and Development Cooperation, implemented by The Netherlands Enterprise Agency, contributes to the alliance through a multi-year grant.

Full implementation will take five years and will start in mines located in Kasulu and Kamilombe in the DRC, with the ambition to scale to more mines.

In 2020, the [ECA](#) will strengthen cooperation with the Responsible Cobalt Initiative and the Responsible Minerals Initiative with the aim of working with key stakeholders to achieve wider recognition of responsible ASM cobalt and encouraging joint action of upstream and downstream players to increase the supply of responsible ASM cobalt.

With the global energy transition to more sustainable, battery-led technology, the demand for cobalt is widely expected to increase. A fairer battery is the key to making this shift. However, global cobalt supply is not projected to meet demand, and there is a risk that informal ASM under poor working conditions will increase to fill this gap. ASM is often associated with hazardous working conditions, child labour, and limited access to legitimate, transparent markets - falling well below international standards. Today more than two-thirds of global cobalt supply comes from the DRC. Although the majority originates from large scale mining operations, a significant portion is extracted by ASM. Best estimates suggest that in 2019 about 11% of cobalt exported was from ASM, while at the peak of cobalt prices in 2018 ASM counted for as much as 20%. More significantly, cobalt ASM is a source of direct employment for more than 100,000 people, with the number of workers fluctuating based on market prices and especially now in light of the ongoing pandemic. Across metals and gemstones, experts estimate there are a total of 1.5 to 2 million artisanal miners in the DRC.

Dr. Assheton Stewart Carter, Executive Director of The Impact Facility and the Fair Cobalt Alliance, comments: “The security of cobalt supply chains is more important than ever as our need for this highly relevant mineral in the new digital economy becomes evident. Where we find environmental, social or labour problems in supply chains, we should not avoid them, we should not disengage, but rather it is our duty to take action and make improvements. The Fair Cobalt Alliance is a bold move to do just that - to bring about systemic change by working with the local partners and engaging all businesses in the supply chain to achieve a common goal.”

David Finlay, Responsible Minerals Manager, Fairtrade and Board of Trustees, The Impact Facility states: “Fairtrade works to share the benefits of trade more equally – through standards, certification, producer support, and on-the-ground programmes. We are very excited to see the launch of the Fair Cobalt Alliance, which seeks to implement these mechanisms for the benefit of the workers and their communities within the DRC artisanal mining sector. We look forward to working closely with the FCA through our collaboration with The Impact Facility.”

Benjamin Katz Policy Analyst at the OECD comments: “Millions of livelihoods in the DRC and around the world depend on ASM. The OECD encourages industry to responsibly engage with the sector through progressive improvement instead of avoiding it, which often only makes problems in ASM more hidden. We fully support the Fair Cobalt Alliance’s goal of investing in better working conditions for ASM, and

other similar projects, in order to bring more transparency to the sector while expanding market access for small-scale producers.”

Please click [here](#) to view the full report ‘Digging for Change’, which provides the insights gained by the FCA when developing the program.

Note to the editor

About Fairphone

Fairphone is building a market for ethical phones and motivating the industry to act more responsibly. We design, produce and sell smartphones to uncover the supply chain behind our products, raise awareness for the most urgent issues, and prove that it’s possible to do things differently. Together with our partners and collaborators, we’re working to make caring for people and the planet a natural part of doing business.

(<https://www.fairphone.com/en/>)

About Glencore

Glencore is one of the world’s largest global diversified natural resource companies and a major producer and marketer of more than 60 responsibly-sourced commodities that advance everyday life. The Group's operations comprise around 150 mining and metallurgical sites and oil production assets.

With a strong footprint in over 35 countries in both established and emerging regions for natural resources, Glencore's industrial activities are supported by a global network of more than 30 marketing offices.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, battery manufacturing and oil sectors. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 160,000 people, including contractors.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative.

About Huayou Cobalt

Zhejiang Huayou Cobalt Co., Ltd. (hereinafter referred to as "Huayou Cobalt" or "the Company") is a high-tech enterprise specializing in the manufacture of new energy materials for lithium battery and has the most integrated industrial chain investments from mining, dressing and refining all the way down to battery cathode production, including battery recycling. Main products of Huayou Cobalt (including the holding joint venture company) are

lithium cathode materials, precursors of lithium cathode materials, cobalt chemicals, copper and nickel metals. The Company was listed on the Shanghai Stock Exchange in 2015 with stock code 603799. Huayou Cobalt is fully committed to ensuring responsible and sustainable supply of products to our clients. More information please visit our homepage (www.huayou.com).

About The Impact Facility

[The Impact Facility](#) was founded by [TDI Sustainability](#) with Fairphone and Fairtrade with a specific purpose to convene businesses along minerals and metals supply chains to enable technical and financial resources and a route to market to reach businesses in the mining communities that provide the raw materials on which we all depend, and that we especially need for the new digital economy. TIF supports mining communities to build thriving small businesses that contribute to the local economy and offers users of metals and minerals a source of responsibly produced raw materials. To achieve this goal, The Impact Facility develops and implements long-term engagement strategies that provide mining communities access to technical assistance, access to capital and equipment, and access to fair terms on international markets. (www.impactfacility.com)

About Signify

[Signify](#) (Euronext: LIGHT) is the world leader in lighting for professionals and consumers and lighting for the Internet of Things. Our [Philips](#) products, [Interact](#) connected lighting systems and data-enabled services, deliver business value and transform life in homes, buildings and public spaces. With 2019 sales of EUR 6.2 billion, we have approximately 38,000 employees and are present in over 70 countries. We unlock the extraordinary potential of light for brighter lives and a better world. We have been named [Industry Leader](#) in the Dow Jones Sustainability Index for three years in a row. News from Signify is located at the [Newsroom](#), [Twitter](#), [LinkedIn](#) and [Instagram](#). Information for investors can be found on the [Investor Relations](#) page.