FAIRPHONE

Press Release FOR IMMEDIATE RELEASE

Fairphone raises the standard for a fair circular economy with 14 materials

Fairphone's 2023 materials strategy shows that a combination of responsible mining and recycling is the way forward for a fair transition to an inclusive circular electronics industry.

Amsterdam, the Netherlands, 04.03.2021 – Fairphone, the Dutch social enterprise building a market for ethical smartphones, has announced a shortlist of 14 materials that show high usage in the electronics industry and offer the greatest potential for supply chain improvement. These are aluminium, cobalt, copper, gold, indium, lithium, magnesium, nickel, plastics, rare earth, silver, tin, tungsten and zinc. Fairphone analysed over 50 materials found in smartphones, resulting in a selection that will guide its responsible sourcing efforts in the coming years. Fairphone makes the most of the materials used in its products and is moving towards a circular economy by using materials from more responsible sources, while emphasizing reuse and recycling and designing phones to last as long as possible.

The evaluation used a range of criteria including:

- Market demand growth expected in the coming decades and availability of recycled supply
- The share of the electronics industry in the worldwide demand for the material
- Whether the material is critical to smartphone functionality
- Whether it will be present in future Fairphone products and accessories
- If there are serious social and environmental issues related to the material's extraction or recycling

While many of the materials analyzed had serious issues to consider, these 14 materials provide Fairphone with the most potential to make a significant impact and show the most urgent need for intervention.



The global electronics industry is a fast growing sector with a complex supply chain. Minerals found in common consumer electronics, such as smartphones, are mined, traded and refined into usable material to manufacture components. Unfortunately, the working environment in the mines can be unsafe with issues of child labour, environmental degradation, and hazardous working conditions recorded. As a result, the electronics industry tends to shy away from it, placing more emphasis on recycling as the solution for the industry's sourcing issues. Yet, millions of people around the world - particularly in developing economies - rely on the sector for their livelihoods. Artisanal and small-scale mining (ASM) is an especially critical source of income for millions of people and as a result, Fairphone is focussing on ASM to make improvements in the sector.

Although Fairphone envisions a world that is truly circular, it's still far away from becoming reality. Mining will remain a key supplier in the coming years, as the idea that recycling alone will be able to meet humanity's growing demand is a fairytale. In the coming decades, the population growth and economic development around the world are expected to lead to a sharp increase in demand for metals and non-metallic minerals that are key for the green energy transition. A <u>report</u> by World Bank Group found that demand for some minerals will increase nearly 500% by 2050. Yet, of all electronic waste generated, only 5% of materials are estimated to be recovered for reuse.

Since mining will be a source of materials in the coming decades, the electronics industry must work to improve the mining supply chain as well as increase the recycled material supply. Fairphone's aim is not to avoid hotspots where social and environmental challenges exist, such as conflict and high-risk areas, instead Fairphone works towards lasting improvements in those areas. It sources where the majority of electronics manufacturing and mining takes place in order to drive improvements for the sector overall. Fairphone's mission is to set the example across its own supply chain and products, using its market demand as a catalyst for continuous improvement that creates a positive impact for people and planet, and engage with the wider consumer electronics industry to scale its impact.

Tirza Voss, Sustainable Materials & Mining Manager at Fairphone states: "At Fairphone our vision is clear: we want to foster a fair transition to a more circular economy. This is a transition in which investment is not only made in increasing the recycled supply but also to ensure that for the

materials where the mining sector remains a key supplier in the coming years, the sector operates more sustainably and drives a lasting and diversified development in emerging economies. Responsible sourcing means tackling issues in the supply chain and driving opportunities for change, rather than avoiding risk. We want to inspire the rest of our industry to follow our approach to fair material sourcing."

Boukje Theeuwes, Head of Policy Influencing at Solidaridad Europe responds: "With 44 million smallscale miners supplying numerous industries with essential raw materials, the idea of a sudden and complete shift to recycled materials is a fairytale. Today, two thirds of all gold supplied is newly mined. We fully support the move towards circularity in supply chains, but in the long interim period that remains, it is crucial that we invest in the development of responsible ASM mining practices. The recycled material of tomorrow is being mined today. We need a dual approach that encourages recycling while ensuring, through investment and engagement, that the materials being mined right now are extracted responsibly. This means that when we achieve a truly circular supply, it won't have come at the cost of miners, their communities and the environment."

Click here to read the whitepaper about Fairphone's materials roadmap.

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.

Photos, videos, fact sheets and other materials are available at the Fairphone press page: https://fairphone.com/en/about/press/ www.fairphone.com

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