

Fairphone's Due Diligence Policy

Version: V1

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Purpose and scope

Purpose

This policy defines Fairphone's due diligence as the **proactive, risk-based process** through which Fairphone **identifies, prevents, and addresses actual and potential adverse impacts of its business activities**, covering the company's own operations, supply chains, and business relationships. This process is designed to be an integral part of Fairphone's decision-making, impact opportunity and risk management, and aspiration of continuous positive improvement.

This policy is based on international guidelines and standards, including the United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles) and the Organisation for Economic Co-Operation's (OECD's) Guidelines on Multinational Enterprises (OECD Guidelines). It also takes guidance from the OECD's more detailed Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance), and other relevant international standards such as the International Labor Organization (ILO) Core Labor Standards.

Scope

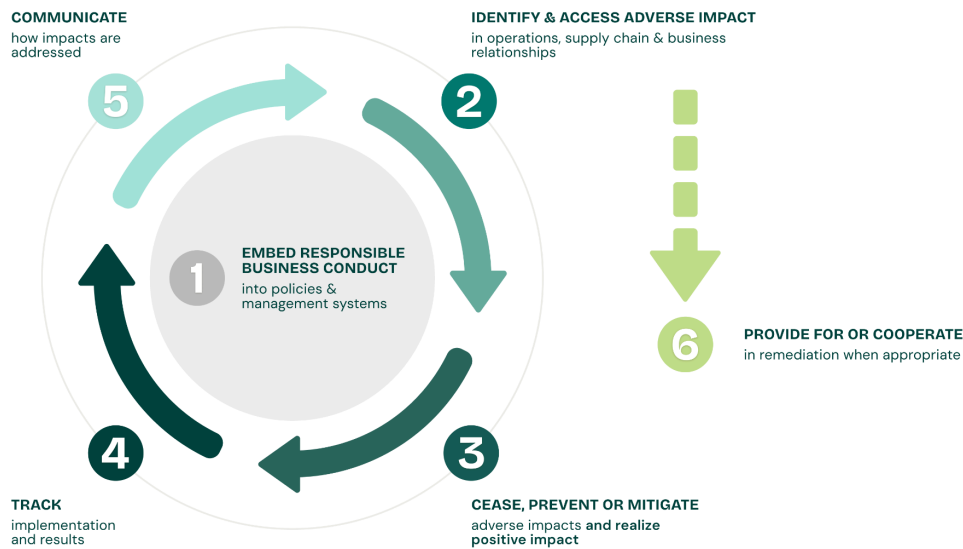
This policy applies to **all of Fairphone's business activities**, including our own operations, supply chains and business relationships. It covers Fairphone's direct and indirect procurement and its entire value chain from upstream to downstream, as well as any other business relationships:

- **Direct Procurement** refers to the business activities directly related to the delivery of Fairphone's products to our end consumers, along the entire value chain:
 - **Upstream:** Supply for our products, including materials, components, assembly, manufacturing, and software services, etc.
 - **Downstream:** Products and services essential to the product lifecycle, specifically repair, refurbishment, recycling, and reverse logistics.
- **Indirect procurement** refers to the acquisition of goods and/or services that are necessary for the functioning of a business but are not directly related to the products delivered to our end consumers. These include: legal services, accounting services, consultancy services, marketing and branding agencies, logistics services, etc.
- **Other business relationships** refers to the range of relationships not covered above, such as with business partners and investors.

For the sake of clarity, the scope of the policy goes beyond Fairphone's contractual relationships with business partners (e.g. tier 1 suppliers) and extends to indirect relationships on a risk-based approach (e.g. tier n suppliers). It covers **business activities where Fairphone may a) cause, b) contribute to, or**

c) be directly linked to adverse impacts,¹ and the respective actions Fairphone takes to prevent, mitigate, or remediate them. Thematically the scope extends to any **impacts on people and planet, i.e. human rights and the environment**², commensurate with the salience³ (severity and likelihood) of such impacts.

This policy follows the 6-step framework for implementing due diligence laid out in the UN Guiding Principles and the OECD Due Diligence Guidelines:



¹ As per the [UN Guiding Principles](#):

Cause: The company's own actions directly result in the harm. It must stop or prevent the impact and provide for or cooperate in remediation.

Contribute: The company's actions (like unfair pricing or impossible deadlines) pressure or help a third party to cause harm. It must stop its contribution and help provide remedy.

Directly Linked: The harm is caused by a third party but is connected to the company's products or services (e.g., a supplier 5 tiers away). The company is not responsible for remedy but must build or use its leverage to influence the third party to address it.

² This can include but is not limited to: social and human rights risks, including: labour rights, occupational health and safety, child labour, forced or bonded labour, discrimination, privacy, equal remuneration and living wages, freedom of association and trade union freedoms, community and indigenous peoples' rights, and corruption. Environmental risks including: air pollution, greenhouse gas emissions, water pollution, water use, access to water, soil pollution, chemicals and hazardous substances, deforestation, soil erosion, land use and land degradation.

³ Salience is the concept used in the [UN Guiding Principles](#). A similar concept is "double materiality" (topics that are material from a financial and an impact perspective) in the EU Corporate Sustainability Reporting Directive i. Both are defined by severity (scale, scope, remediability) and likelihood of an adverse impact. In this document, salience is used throughout.

1 - Embed responsible business conduct into policies and management systems

Fairphone is committed to responsible business by integrating ethical and sustainable practices into its core business operations. Fairphone's mission ensures that responsible business conduct is an integral part of the company's decision-making and management. This policy outlines Fairphone's commitment to due diligence practices that lead to the prevention, mitigation and remediation of risks posed to the planet and people, and to the creation of positive impact whenever possible.

Fairphone's Due Diligence Governance:

Fairphone's governance is structured to ensure accountability at the highest levels. Our two-tier board structure ensures expert oversight and balanced leadership. While the Management Board (CEO and CFO) holds ultimate responsibility, every decision is made in consultation with a broader set up: the Management Team. The Management Team is entirely responsible for the implementation and oversight of Fairphone's business conduct and due diligence practices, including all procurement practices, human rights, and environmental due diligence. The Management Team maintains a direct reporting line to the Supervisory Board, fostering a culture of transparency and ensuring continuous strategic alignment. The Supervisory Board advises with its specialized sub-committees: the **Impact and Environment, Social, and Governance (ESG) Committee**, which advises on responsibilities related to the company's ESG performance and core mission as a purpose-driven company, and the **Audit and Risk Committee**, which advises on governance, risk management, and internal control practices to support the Management Board in building the capabilities and systems for future growth.

Fairphone's mission is to integrate ethical and sustainable practices into our core operations. Our Due Diligence Policy acts as the overarching umbrella for this mission, together with the **Compliance Framework Policy** through which we strive to meet legal requirements while upholding our own higher standards for people and the planet. To operationalize these commitments across our organization, Fairphone maintains a suite of policies to detail expectations, procedures and responsibilities for different business areas, teams and employees:

- Procurement: Guided by the Fair Procurement Policy, the Supplier Code of Conduct ("Ways of Working Together"), and the Indirect Procurement Supplier Selection Framework, which collectively outline Fairphone's procurement process and expectations for business partners in the entire value chain.
- Own operations & other business relationships: Supported by internal policies such as the Environmental Policy, Anti-bribery and Corruption Policy, the Employee Code of Conduct, and Speak Up Policy.

Fairphone weighs social and environmental objectives equally with commercial goals in the company business plan, supported by company-wide key performance indicators (KPIs). Responsibilities for implementing due diligence practices in daily operations are distributed across Legal, Finance, Procurement, Impact Innovation, Product, and Supply Chain teams to monitor risks from multiple

perspectives. Fairphone is committed to provide the necessary resources, budget or staff capacity to execute these tasks. Fairphone also maintains an accessible "Speak Up" system (grievance mechanism) for internal and external stakeholders as a core management tool to identify risks (see Step 6).

Communication of expectations to business partners

Fairphone embeds expectations and policies in the contracts with our direct business partners. Requirements of responsible business conduct, including Fairphone's Code of Conduct ("Ways of Working Together") and due diligence obligations for sub-suppliers, are codified in our contracts. Suppliers are expected to provide due diligence information on their own supply chains. Fairphone also communicates and discusses these expectations and suppliers' performance on a regular basis during a business relationship, for example during business reviews, or regular partnership meetings and progress reporting on improvement plans. In addition, Fairphone's system prioritises meaningful stakeholder engagement and regular consultation with a wider set of stakeholders, e.g. worker voice programs at suppliers, but also non-governmental organizations (NGOs) and civil society organisations (CSOs), integrating worker and community voices directly into our strategic decision-making.

Training and capacity building for employees

To ensure policies are effectively implemented, Fairphone invests in its workforce. All new employees receive onboarding regarding the company's mission, policies, and KPIs. Adherence to policies related to responsible business conduct and due diligence practices, as well as impact KPIs forms part of employee performance evaluations.

2 - Identify and assess adverse impacts

Fairphone maintains a continuous, proactive process to identify, assess, and prioritise actual and potential risks and opportunities for positive impact. This process is conducted on several levels to determine *where* these risks and impacts occur, how *salient* they are, and how Fairphone is *linked* to them:

1. **Company-wide double materiality assessment:** This determines Fairphone's material risk and impacts across its business activities and value chains. Risks and impacts are prioritised based on the severity (scale, scope, and irremediable character) and likelihood of the impact. It takes into account insights from the product and value chain assessments, perspectives of stakeholders as well as submissions received through our grievance channel and Speak Up platform. The company-wide double materiality assessment is updated on an annual basis and published in our annual Impact Report.
2. **Product lifecycle and value chain assessment:** The product lifecycle, and the (upstream) value chain, is where Fairphone's most salient risks are located. More detailed value chain mapping and risk identification and assessment is conducted on our (upstream) suppliers during supplier selection for new products, in line with the Fair Procurement Policy. All new and existing suppliers undergo legal, financial, and trade compliance; human rights; and environmental assessments

annually. We also set company-wide impact targets relating to the most salient impacts in our value chains.

3. **Salient manufacturing and material sourcing hotspots:** Within our value chain, the upstream manufacturing and material sourcing are where the most salient risks are located. For these, Fairphone conducts even more detailed mapping, risk identification and assessments⁴:
 - a. **Manufacturing:** High-level prioritisation of direct supplier and high-risk (sub-)suppliers, based on geographic location, social and environmental risks, product and manufacturing related risks and opportunities, stakeholder expectations, and our supply chain spend. This is combined with supplier self-assessments (ESG questionnaires), open source intelligence, remote assessments, and on site assessments. We conduct annual supplier mapping and benchmarking, supplemented by information from direct engagement, worker voice programmes, and third party audit reports.
 - b. **Material/mineral sourcing:** High-level prioritisation of salient material supply chains resulting in Fairphone's list of "focus materials", which includes "conflict minerals" and battery minerals, and is based on social and environmental impacts in mining and processing, as well as Fairphone's and industry consumption of these materials. This is combined with full material declarations for all our products, and a chain of custody system to collect, evaluate, and maintain documentation on material sourcing over time.

For certain materials (in particular "conflict minerals", battery materials, and others), we conduct annual identification of smelters and refiners in our supply chain, their locations, and their status of participating in a third-party audit programme in line with the OECD Due Diligence Guidelines and Guidance. We also investigate the regions/countries "of origin" and where possible specific mine sites. Where smelters and refiners report sourcing from a conflict affected or high risk area, when they have not engaged with a third-party audit programme or are non-conformant, we conduct heightened due diligence and outreach to implement prevention and mitigation actions (see step 3).

Based on all of this information, we identify and engage with the high risk material (sub-)suppliers in our supply chain (top-down) as well as the high risk mineral sourcing regions through further research and stakeholder engagement (bottom up).

Fairphone **prioritises these risks and impacts based on the severity** (scale, scope, and irremediable character) **and likelihood** where possible. For manufacturing and material sourcing hotspots, we also aim to identify opportunities for positive impact, and to provide affected stakeholders with a voice in prioritising the most urgent risks and impacts to address (e.g. through worker voice or participatory fund management).

Fairphone also assesses how it is linked to the identified risks and impacts, i.e. whether it caused, contributed to, or is directly linked to the impacts. In the vast majority of cases, Fairphone is linked to an

⁴ While Fairphone conducts due diligence to verify the information provided by business partners and third-party auditors, we rely on the good faith and accuracy of these external disclosures. Fairphone does not assume liability for systemic data inaccuracies originating from independent third-party sources or sub-tier suppliers.

impact or risk, as the most salient risks occur deep in our upstream value chain, in the manufacturing and mineral sourcing hotspots.

Stakeholder involvement in identifying and assessing risks is a key priority for Fairphone. We base our insights on desktop research of industry and civil society reports, media monitoring, and direct engagement with (sub-)suppliers, industry networks, NGOs, experts, and consultancies. In our manufacturing and material sourcing hotspots, we engage in dialogue not just with the management, but also with the workers, surrounding communities, civil society, and government authorities (especially as part of multi-stakeholder initiatives). In addition, Fairphone uses its “Speak Up” system (grievance mechanism) for internal and external stakeholders as a way to identify actual and potential risks and opportunities for improvement.

3 - Cease, prevent, or mitigate adverse impacts (and realize positive impacts)

Fairphone's approach aims not only to address adverse impacts but to actively contribute to creating positive impact and improvement. The action we take depends on the nature of the risk or impact identified, and how Fairphone is linked to it:

Cause: Fairphone's actions directly cause an adverse impact.

Action: Stop and remediate. If Fairphone's own business activities directly result in an adverse impact, we are committed to promptly take action to cease or prevent the impact immediately. We take responsibility for providing for or cooperating in the remediation of any impacts we have caused, ensuring the process takes the needs and rights of affected stakeholders into account.

Contribute: When Fairphone's activities, in combination with the activities of other companies (e.g. suppliers), result in the impact; or Fairphone (inadvertently) *incentivises* or *facilitates* a third party to cause an adverse impact.

Action: Cease and participate in remedy. When Fairphone's business practices indirectly contribute to an adverse impact, we recognise a joint responsibility with our business partners or suppliers. We will involve them and relevant internal teams to pro-actively identify root causes, cease our contribution to the adverse impact, devise an improvement plan to adjust our own practices and policies, and will participate in remedy. Given the complexity of global supply chains, we prioritize meaningful engagement and dialogue with our partners to identify how to prevent or avoid future impacts. Based on these discussions, we may revisit our agreements to establish measurable improvement plans and adjust our own practices, ensuring accountability is transparent and results-oriented.

Fairphone also aims to pro-actively contribute to such improvement plans, including financially, for example through:

- Commitment to sustainable costing, product pricing, and payment terms as well as collaborative planning and forecasting;

- A joint “Impact Fund” with our tier 1 suppliers, through which Fairphone co-finances necessary improvements at the supplier or its sub-suppliers; and
- A “Living Wage Bonus” paid to workers at Fairphone’s tier 1 and hotspot sub-suppliers.

Despite the foregoing, Fairphone often chooses to lead the industry by co-financing improvements that go beyond standard requirements. These proactive contributions are designed to drive systemic change and reflect our mission to set higher benchmarks for the electronics sector, rather than acting as a simple admission of exclusive responsibility.

Linked to: The adverse impact is caused by an entity with which Fairphone is connected through the company’s operations, products, or services, e.g. several tiers upstream or downstream in the value chain. In these cases, Fairphone will use its leverage to influence the entities and supply chain tiers identified as high risk, to prevent or mitigate further harm.

Action: Use and build leverage to prevent, mitigate, and remediate. Fairphone implements several measures to this effect:

- **Strategic engagement and outreach:** We aim to engage directly or indirectly with the concerned entities and establish a dialogue to increase awareness of the adverse risks or impacts, to discuss ways to address them, and to communicate our expectations of continuous improvements. This includes (sub-)suppliers, material suppliers, smelters and refiners, and actors further up or down Fairphone’s value chain where necessary.
- **Improvement and Risk-Management Plans:** We jointly establish time-bound improvement plans with high-risk entities and (sub-)suppliers to address risk and impacts. This may also include requests for third party auditing of the concerned sub-suppliers (including smelters and refiners) and their business, due diligence, and sourcing practices. If the (sub-)supplier, smelter, or refiner fails to take such steps within a reasonable timeframe, Fairphone may request its suppliers to take additional corrective actions, including disengagement or alternative sourcing.
- **Supportive Measures:** Fairphone proactively invests in technical assistance, training and capacity building for these suppliers, to finance actions for continuous improvement plans, for example strengthening worker-representation systems, living wages, environmental improvements.
- **Multi-stakeholder initiatives and partner projects:** In particular for the high-risk in material sourcing, Fairphone may engage in and contribute to multi-stakeholder initiatives or partner projects that aim at addressing adverse impacts, foster continuous improvement and create positive impacts in material producing regions.
- **Responsible disengagement:** Fairphone considers disengagement as a last resort and prioritises continuous improvement. Fairphone may temporarily suspend relationships with (sub-)suppliers while they work on necessary improvements. If a (sub-)supplier fails to show willingness or progress over time, or in cases of severe adverse impact (risks), we may proceed with responsible disengagement. When a decision to disengage is taken, Fairphone is committed to reasonable notice, settlement of outstanding costs, and collaboration with the supplier to minimize, and where possible, mitigate impacts on affected stakeholders such as workers.
- **Building further leverage:** Fairphone uses its individual leverage to drive improvements through its business relationships, procurement practices and contractual obligations. In addition,

Fairphone builds collective leverage through its proactive collaboration with industry peers, and its creation and participation in multi-stakeholder or industry-wide initiatives. This includes participation in relevant industry workgroups to contribute to the continual improvement of industry-wide audit protocols and standards, and to collectively incentivise (sub-)suppliers in our supply chains (e.g. smelters and refiners) to undergo relevant third-party audits. Through this, Fairphone aims to increase its influence and drive systemic change in the high-risk areas where it is linked to adverse risks or impacts.

As part of its mission, **Fairphone aims to create a positive impact on people and the planet**, going beyond managing adverse risks and impacts. We aspire to integrate opportunities for positive impact in all the measures we take on our salient issues, throughout our business relationships and procurement practices. By doing so, we aim to inspire the wider electronics industry to drive positive impact.

To define an appropriate course of action, Fairphone prioritises **meaningful engagement and dialogue with affected stakeholders**. This may be directly through worker or community surveys, or more indirectly through engagement with NGO and civil society representatives. We integrate these stakeholders' perspectives into the design of our prevention and mitigation measures, as well as into the design of our supportive measures, initiatives and projects. This helps us ensure that we also contribute to positive impacts, beyond preventing, mitigating and remediating risk and adverse impacts.

4 - Track implementation and results

Fairphone continuously monitors the implementation of its due diligence practice and whether the actions taken are actually working.

Measurable goals

Fairphone establishes annual company-wide Key Performance Indicators for the most salient issues across its business activities, with targets especially on social and environmental issues in the product lifecycle and value chain. Documentation and proof points are collected on a continuous basis, and progress is monitored on a quarterly and annual basis. Expectations for (sub-)suppliers are tracked through monitoring the implementation of jointly agreed Improvement Plans, while for (multi-stakeholder) partnerships, Fairphone ensures the establishment of monitoring systems and tracking of improvements by taking on leadership and influencing roles, for example in Steering Committees or Working Groups. Fairphone also conducts industry-level benchmarking and undergoes third party assessments on a company and product level (such as EcoVadis, B-Corps, UN Global Compact, Swedish Confederation of Professional Employees (TCO), LONGTIME, etc) to track our performance against sector peers and international expectations.

Monitor effectiveness

Fairphone monitors the effectiveness of its actions through a multitude of ways, in particular in its value chain hotspots (sub-suppliers and areas with the most salient issues). We conduct annual supplier benchmarking, building on third-party audits (e.g., Responsible Business Alliance Validated Assessment

Program (RBA VAP)) and mineral-specific audits (e.g., Responsible Minerals Initiative Responsible Minerals Assurance Process (RMI RMAP)) to ensure high-risk tiers in the supply chain, including refiners and smelters, are monitored by independent experts. We verify the implementation of improvement plans at suppliers through follow-up audits, remote verifications, and regular partnership meetings. For deep-tier verification on focus material programmes, we participate in collective programs on the ground (e.g., via the Fair Cobalt Alliance) to track improvements in mining communities.

Stakeholder input and feedback

Our monitoring is rooted in continuous engagement with (sub-)suppliers and partners, ensuring that we take into account inputs and feedback from affected stakeholder groups. With sub-suppliers, we implement worker-centric monitoring, prioritising worker voice data (obtained through surveys and grievance channels) over traditional audits to determine if working conditions have truly improved. We also engage with civil society and (multi-) stakeholder alliances, consulting with local and international NGOs to gather "shadow reports" or external perspectives on the effectiveness of our impact projects.

Fairphone also aims at continuous internal learning. Results from the monitoring and tracking are fed back into our management systems (Step 1) and risk assessment (Step 2) to ensure continuous improvement of our due diligence process.

5 - Communicate how impacts are addressed

Fairphone is committed to transparency, and to providing public accounts of the company's due diligence practices, risks, measures taken, and progress. We believe that sharing both our successes and challenges is essential for accountability and industry-wide learning.

Internal reporting

Identified risks and impacts, and corresponding measures taken, are communicated to the senior management on a continuous basis, in particular during supplier selection and annual risk identification exercises. Documents and records on our due diligence practices are kept for a period as mandated in internal retention policy which aligns with the applicable regulations.

Annual public reporting

Fairphone publishes an annual Impact Report that provides a detailed overview of the progress made in preventing and mitigating risks and creating positive impact. We report on our company-level double materiality assessment and against specific Impact Targets relating to our most significant risks (salient issues) and opportunities. Our annual report also includes disclosing the names, locations, and audit status of identified (sub-)suppliers, as well as smelters and refiners of key materials, and the sourcing regions or countries of origin where possible. For supply chain tiers and components identified as high risk, (e.g. the batteries) we publicly report further details on the supply chains and sourcing practices of our (sub-)suppliers. We also share information on the progress against improvement plans of our (sub-)suppliers, as well as progress on the specific projects and (multi-stakeholder) initiatives we implement to address identified risks and opportunities in the material sourcing regions and at mine sites.

We also report on the grievances and complaints received through our various channels, including how they were investigated, addressed, and resolved (see Step 6 below).

Reporting to specific stakeholders

Fairphone regularly shares information on its due diligence practices, findings, and measures taken with investors, customers, authorities, third-party assessors, and certifications, as well as with interested NGOs and CSOs. We disclose performance data on Fairphone's salient issues in line with their respective required frameworks and benchmarks. Beyond formal reports, Fairphone shares frequent informal updates on our website and our media channels, at multi-stakeholder or industry events, and in webinars or public talks. Fairphone also aims to share information through direct engagement with affected stakeholders and their representatives, e.g. through visits to the factories and to raw material producing regions and projects. We ensure that communication is provided in a form and language accessible to these stakeholders.

In our reporting, we are conscious of stakeholder safety and privacy. We protect the identity of whistleblowers and the safety of individuals involved in our due diligence processes. We also respect commercial confidentiality and intellectual property where disclosure could jeopardize legitimate business interests, provided such confidentiality does not prevent the identification and mitigation of significant human rights or environmental impacts.

6 - Provide for or cooperate in remediation of adverse impacts

This ensures that if Fairphone's due diligence processes fail to prevent or mitigate an adverse impact, we take active responsibility for enabling an effective remedy.

Grievance Mechanisms

Fairphone maintains a secure, confidential grievance channel, governed by our "Speak Up" Policy. The [Speak Up portal](#) is accessible to all employees, supply chain workers, and external third parties. We are committed to ensuring our grievance mechanism aligns with the effectiveness criteria laid out in the UN Guiding Principles: being legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue.

In addition to this, we invest in worker-centric channels in our high risk supply chain tiers, including worker voice and worker representation programs at key suppliers designed to provide factory workers with safe, direct ways to voice concerns without fear of reprisal. We also use and support existing industry grievance platforms, especially for risks deep in the mineral supply chain, such as the RMI Minerals Grievance Platform, to help identify and address concerns related to smelters and refiners.

Remediating adverse impacts based on involvement

As with preventing and mitigating risks and impact, Fairphone determines its responsibility to provide or cooperate in remedy based on our relationship to the impact:

- **Cause:** If Fairphone's own operations directly result in harm, we are responsible for providing the remedy directly.
- **Contribute to:** If our business practices (e.g., procurement decisions) facilitated harm by a third party, we take responsibility contributing to remedy and using our leverage to ensure other parties do their part.
- **Directly Linked:** If the harm is caused by a business partner but is connected to our products, we are not required to provide the remedy ourselves, but we will use our leverage to influence the responsible party to provide a remedy and prevent non-repetition.

Ensuring effective remediation

Fairphone aims to take a stakeholder centric and outcome-oriented approach, ensuring that remediation processes are designed in consultation with the affected stakeholders to ensure the remedy is appropriate and does not result in a worsened situation for those affected. We will consider how to avoid causing unintended harm or further risks to the reporter. Depending on the context, remedy may include apologies; restitution (e.g., returning unpaid recruitment fees); rehabilitation; financial or non-financial compensation; environmental remediation; or revision of contracts, processes, or policies. Outcomes from remediation cases are analyzed to identify lessons learned, points of improvements and systemic issues, feeding back into Steps 1 and 2 to improve our management systems and prevent recurrence. Fairphone does not tolerate any form of retaliation against whistleblowers, complainants, or those participating in investigations.

Approved by the Management Board:

Signed by:



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Raymond van Eck

CEO / Managing Director

Signed by:



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Oscar Visser

CFO / Managing Director

Annex: Amendment table

<i>Version</i>	<i>Date</i>	<i>Changes</i>
V1	27 May 2026	First, finalised version