

Fairphone fact sheet

What is Fairphone?

Fairphone is a social enterprise that is building a movement for fairer electronics. We open up supply chains to understand how things are made and build stronger connections between people and their products.

We developed the Fairphone to help us tell a much bigger story. Our phone serves to uncover production systems, address challenging problems and stimulate discussions about what is truly fair. We're making a positive impact across the value chain in mining, design, manufacturing and life cycle, while expanding the market for products that put ethical values first. Together with our community, we are changing the way products are made.

How and when did Fairphone start?

Fairphone started in 2010 as a project of Wag Society, Action Aid and Schrijf-Schrijf to raise awareness about conflict minerals in consumer electronics and the wars that the mining of these minerals is fueling in the DR Congo. The campaign and related research ran for three years.

In 2013, Fairphone was officially established as a social enterprise to help us expand the reach of our goals. By creating a smartphone, we are using commercial strategies to maximize our social impact at every stage of the value chain, from sourcing and production to distribution and recycling.

What are the main areas where Fairphone aims to create social impact?



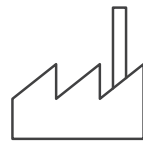
MINING

We want to source materials that support local economies, not armed militias. We're starting with conflict-free minerals from the DR Congo.



DESIGN

We're focusing on longevity and reparability to extend the phone's usable life and give buyers more control over their products.



MANUFACTURING

Factory workers deserve safe conditions, fair wages and worker representation. We're working closely with manufacturers that want to invest in employee wellbeing.



LIFE CYCLE

We're addressing the full lifespan of mobile phones, including use, reuse and safe recycling.



SOCIAL ENTREPRENEURSHIP

We're working to create a new economy with a focus on social values. By operating transparently and sharing the Fairphone story, we're helping consumers make informed decisions about what they buy.

Why do we need an ethical phone?

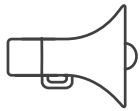
Our starting point was more ethical products in general. We decided to focus on phones simply because they are ubiquitous – nearly everyone owns or frequently uses one. The Fairphone is a storytelling device that provides a useful metaphor for complex, interconnected supply chains. This symbolic product guides our journey as we open up the processes behind production, one step at a time, and work to put social values first. We want to change the relationship that people have with their products and contribute to an economy based on different values. Our phone is just one result of that.

Is Fairphone the first fair mobile phone?

In short, the answer is no. Our aim as a social enterprise is to use commercial strategies to create social impact. The Fairphone is still far from "fair", but it's a starting point for our step-by-step journey. There are literally thousands of social and ecological standards that can be improved in the production of smartphones, and we have defined interventions to gradually address some of them. But they can't be overcome all at once, and some things are simply impossible to achieve right now.

We want to be completely transparent in all of our achievements, including the areas where we have not yet made progress. Part of our goal is to stimulate discussions about fairness and what it means. As the definition varies from person to person, a 100% fair phone is in fact unachievable. But it is certainly possible to make products fairer than they currently are. To learn more about the steps we have taken, please read our [road map](#).

Fairphone at a glance



Started as a campaign within Waag Society in **2010**; registered as an independent social enterprise in **2013**



Surrounded by an enthusiastic community of Fairphone owners, almost **85,000** Facebook fans, **20,000** Twitter followers and **45,000** newsletter subscribers



Using a smartphone as a storytelling device to reconnect consumers to their products and uncover how things are made



60,000
Fairphones sold



100% independently financed
(no donations or venture capital)
to preserve our social values



Based in Amsterdam,
the Netherlands



39 employees with **20**
different nationalities and
17 languages spoken

Why did Fairphone decide to develop the Fairphone 2?

The successful production and sales of the first Fairphone gave us financial foundation we needed to take our ambitions for fairness even further. In 2014, we decided to invest in a completely original design for our new phone, with a specific focus on increasing product longevity and supply chain transparency.

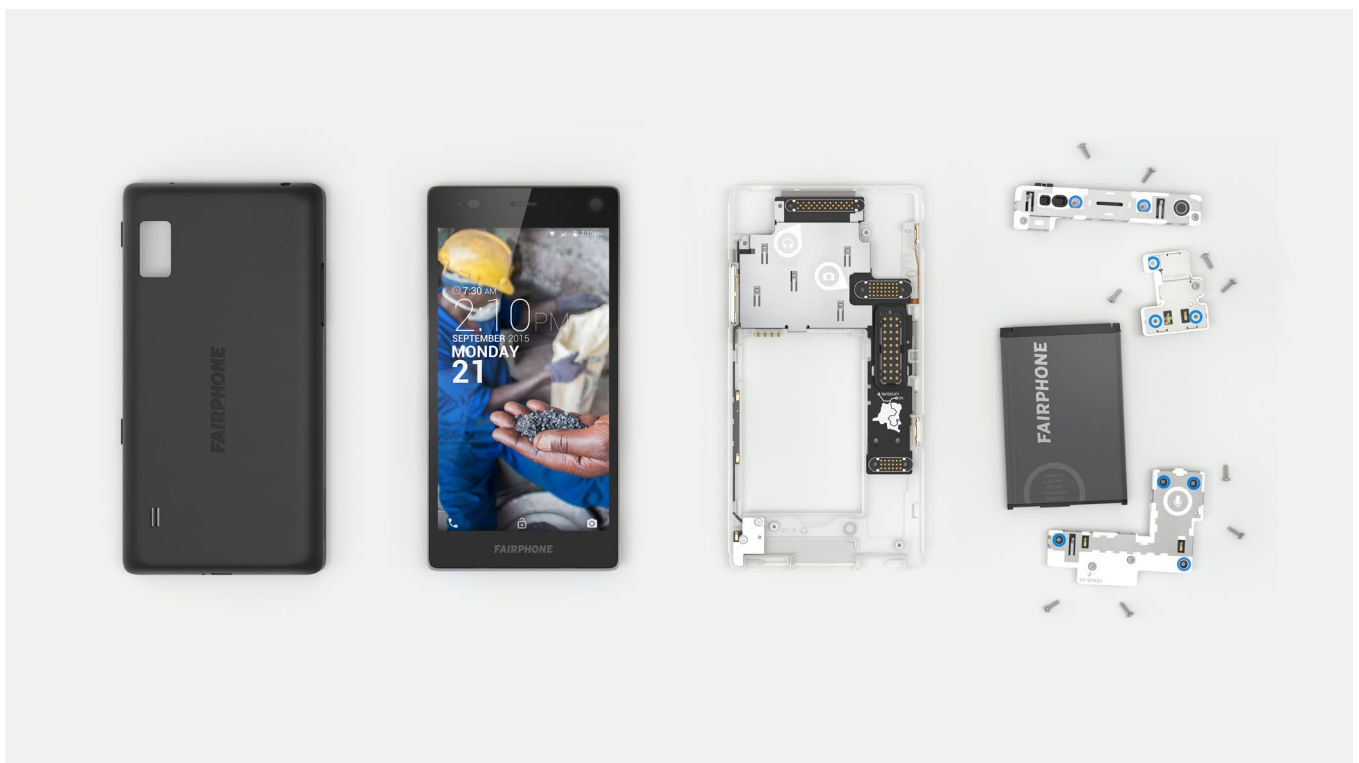
This design approach gives us greater oversight of the supply chain, increasing our ability to select (sub)suppliers and build stronger relationships with those that share our goals. Producing the Fairphone 2 is another step to develop the projects we started with the first phone further, including incorporating conflict-free tin and tantalum and financing a worker-controlled welfare fund, as well as contribute to a variety of new projects throughout the value chain.

The Fairphone 2's inventive modular architecture gives users more control over their phone, including the ability to easily open and repair the most commonly broken parts. To help it last longer, the phone also features high-quality components and innovations like an integrated protective case.

How did you get funding? Who were your investors?

Fairphone is completely independently financed. We started as a project within **Waag Society**, a research institute that invests in creative technology projects for social development. At that time, Fairphone received funding from Waag, Stichting Doen and the NCDO (about 300,000 euros over two and a half years). We also received 10,000 euros as winner of the ASN Bank World Prize.

After becoming a social enterprise and working to produce the phone, we received 18,000 euros from Bethnal Green Ventures to participate in a startup boot camp in London and develop our business proposition, plus 400,000 euros in private funding to cover operational costs until the start of pre-orders in May 2013. Since that point in time, our operations have been funded by the sales of our phone, apart from a loan from Rabobank for industrial design and engineering of the Fairphone 2.



Fairphone impact projects

Fairphone is driving a movement to change the electronics industry from the inside out. By producing a smartphone in a way that puts social and environmental values first, we're starting discussions and stimulating demand for fairer electronics. Our goal is to increase awareness and motivate the entire industry to act more responsibly.

We're tackling issues within our supply chain by focusing on four core areas: Mining, Design, Manufacturing and Life Cycle. We're influencing positive change one step at a time by developing various projects in each of these areas. Below is a summary of the projects we've initiated so far.



MINING

Every smartphone contains over 30 different minerals. All minerals and metals enter the supply chain from the mining sector – a challenging industry in terms of environmental and social responsibility. From pollution and extremely dangerous working conditions to child labor, many mining-related practices desperately require improvement. Conflict minerals fund rebel groups, contributing to political and economic instability while neglecting workers' rights, safety and their ability to earn a fair wage. We want to source responsibly mined minerals and metals that support local economies, not militias.



Tin

We partner with Conflict-Free Tin Initiative to trace tin directly to its source and support fairer, formal mining practices. In October 2012, the first bags of conflict-free tin left the mine in South Kivu, DRC. This tin is used in the soldering paste for the Fairphone.

Tantalum

We work with Solutions for Hope to source conflict-free tantalum from Katanga province in the DRC. Inside the Fairphone, some of the capacitors on the printed circuit boards are made from conflict-free tantalum.

Tungsten

In smartphones, tungsten is used in the vibration motor- the mechanism that makes your phone buzz when you receive calls or messages. Due to its classification as a conflict mineral, exports of tungsten from the African Great Lakes region have dropped close to zero. We are working with partners to try to reopen the conflict-free tungsten trade in Rwanda to stimulate the local economy and establish a transparent tungsten supply chain.

Gold

Gold is used in a variety of components within mobile phones, including the printed circuit board. We are working to identify and integrate sources of fair trade and fairmined gold into our supply chain.



DESIGN

Consumer electronics are often viewed as semi-disposable objects and consumers are increasingly losing the ability to modify, repair and truly understand how their devices are made. Designing our phone enables us to influence the supply chain as well as the lifecycle of the product, addressing factors such as the longevity and the reparability of the device. We're using design to change the way people relate to their products with the aim of empowering buyers to have more control and ownership over their phone.



Designing the Fairphone 2

For the [Fairphone 2](#), we invested in an original design to take our ambitions for fairness even further. This approach gives us more oversight of our supply chain, increases transparency and lets us build deeper relationships with (sub) suppliers. It also allows us to incorporate our values directly into the phone itself, especially ownership and longevity. The Fairphone 2 is built around a modular architecture, making it easy for owners to open and repair their phones by themselves. This repair model, combined with carefully selected components, will lead to a longer lasting device and give owners more responsibility for keeping their phone in working order.

Creating a Developer-friendly Software Environment

We're working to bring more fairness to software. In line with our overall design objectives, our software strategy focuses on openness, transparency and ownership with which we aim to achieve greater product longevity. We're using open source methods to help us achieve our goals. This includes striving to make our operating system (OS) source code

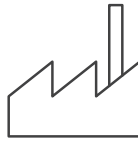
and development environment available for anyone to use, review, modify and improve. We are also in discussions with organizations that build alternative operating systems to give our users more choice.

3D-Printed Fairphone Cases

For this project, we created 3D-printable case designs using ideas from our community and partnered with 3D Hubs to print them on demand. This project is an experiment in distributed production – eliminating the need for long-distance shipping and producing excess stock. It also gives buyers the opportunity to interact with their local community and gain a deeper understanding of where their products come from.

Life Cycle Assessment

A Life Cycle Assessment (LCA) is a quantitative tool used to assess the environmental impact of a product or service. We completed our first LCA in April 2014. This analysis helped us identify hotspots for reducing our environmental impact, and will help shape future decisions regarding shipping methods, component suppliers, materials, recycling and more.



MANUFACTURING

Manufacturing in the consumer electronics industry is demanding and involves labor-intensive production processes. Workers are often not paid a living wage and lack employee representation, while working long hours in conditions that infringe upon health and safety. These systemic issues are multifaceted and cannot be instantly rectified. To begin creating positive change, we're establishing collaborative, mutually beneficial and transparent relationships with manufacturers who are willing to invest in employee wellbeing.



Social Assessment Program

We want to take a different approach to assessments. Rather than simply completing audits, we work together with our suppliers to make improvements and overcome challenges. We have partnered with TAOS to help us complete these assessments at our suppliers in China. Our production partner Hi-P has already made a number of concrete improvements, ranging from fire safety and protective equipment for employees to addressing systemic challenges such as working hours.

Worker Welfare Fund

We're cooperate with Hi-P, our manufacturing partner in China, to build a Worker Welfare Fund that enhances the wellbeing of the employees. For each phone we sell, money is invested in the fund by both Fairphone and Hi-P. Worker representatives are elected by the workforce to implement projects on behalf of and together with their co-workers. The fund allows employees to better address their needs while promoting training and skills development.



LIFE CYCLE

Every year, consumers throw away millions of mobile phones, contributing to the world's e-waste crisis. This is occurring because most phones aren't built to last and we constantly want to upgrade our devices. Despite the fact that many European countries have established e-waste recycling programs, used or broken electronic goods are routinely exported to developing countries which lack formal recycling facilities. Most of the e-waste is either burned or dumped in landfills, releasing toxic substances that are harmful to both people and the environment. At Fairphone, we're working to address the full lifespan of the mobile phone, including use, reuse and safe recycling.



Spare Parts and Self Repair

We want to design a smartphone with a longer-than-average life. We sell a selection of spare parts in our online shop to allow users to repair their own phone or replace the parts that most frequently break. We've partnered with iFixit to create open source repair guides for the Fairphone. Finally, we offer our own repair service for those who would rather leave it to the professionals.

Responsible E-waste Recycling

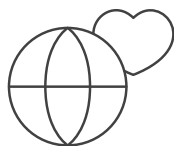
We've partnered with Closing the Loop to help provide solutions for e-waste in countries without a formal electronics recycling sector. We started by developing e-waste awareness campaigns in Ghana and collected 75,000 discarded phones there to ship to Belgium for safe recycling. Our aim is to grow the world supply and demand of recycled materials, on the one hand by increasing recycling and on the other by encouraging suppliers to buy recycled materials. For example, the printed circuit board (PCB) for Fairphone 2 is made from recycled copper.

Phone Recycling Program

In November 2014, we launched a Recycling Program in Europe with Teqcycle. We encourage the public to donate their old phone by sending it in to be safely recycled or reused to ensure it stays out of the landfill. Broken phones are recycled, while usable phones get another life on the secondhand market.

Circular Economy

We're exploring alternatives to the linear economic model using the principles of a "circular economy." We're researching new business models for service and ownership, including ways to extend the life of the Fairphone, as well as reusing and recycling components and materials from phones that have reached their end-of-life.



SOCIAL ENTREPRENEURSHIP

We're working to create a new economy with a focus on social values. By operating transparently we're using the Fairphone as a tool to open up the supply chain and build a movement towards fairer electronics.



Cost Breakdown

We believe consumers deserve to know the whole story, including where their money is spent. In September 2013 we published a [Cost Breakdown](#) of the first Fairphone to give a detailed overview of where our customers' money goes. Now we are working on a cost breakdown for the second edition Fairphone and will publish it on our website soon.

Supply Chain Transparency

One of our key ambitions is to increase the transparency of the supply chain within the consumer electronics sector. Our goal is to be able to trace every element in our phone, from the raw materials to the final parts. As a first step, we've published a [list of suppliers](#) to reveal where our components come from. Our next steps will be to take a closer look at the performance of individual suppliers, as well as identifying additional areas for improvement.

Urban Mining Workshop

We want to tell the complete story of how phones are made, but we also want to empower you to tell it. That's why we've developed a hands-on [Urban Mining Manual](#) that you can download on our website and organise your own Urban Mining Workshop. It guides you to dismantle your old phone and extract the components, unravelling the social and environmental issues that plague the mobile phone supply chain story by story.

If you would like to read about our projects in more depth, please visit our [road map](#).