



## DISCLOSURE MATERIALS

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire and B Lab deems them to be material, the company must:

- 1) Be transparent about the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue.
- 3) Demonstrate that management systems are in place to avoid similar issues from arising in the future.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

**This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.**

## DISCLOSURE QUESTIONNAIRE

Company Name: Fairphone  
 Date Submitted: 05/01/2021

Industries & Products	Yes	No
Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply.		
Animal Products or Services		✓
Biodiversity Impacts		✓
Chemicals		✓
Company Explanation Of Disclosure Item Flags		✓
Disclosure Alcohol		✓
Disclosure Firearms Weapons		✓
Disclosure Mining	✓	
Disclosure Pornography		✓
Disclosure Tobacco		✓
Energy and Emissions Intensive Industries		✓
Fossil fuels		✓
Gambling		✓
Genetically Modified Organisms		✓
Illegal Products or Subject to Phase Out		✓
Industries at Risk of Human Rights Violations		✓
Monoculture Agriculture		✓
Nuclear Power or Hazardous Materials		✓
Payday, Short Term, or High Interest Lending		✓
Water Intensive Industries		✓
Tax Advisory Services		✓

Supply Chain Disclosures	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones		✓
Child or Forced Labor		✓
Negative Environmental Impact		✓
Negative Social Impact		✓
Other		✓

Outcomes & Penalties	True	False
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior		✓
Breaches of Confidential Information		✓
Bribery, Fraud, or Corruption		✓
Company Explanation Of Disclosure Item Flags		✓
Company has filed for bankruptcy		✓
Consumer Protection		✓
Financial Reporting, Taxes, Investments, or Loans		✓
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		✓
Labor Issues		✓
Large Scale Land Conversion, Acquisition, or Relocation		✓
Litigation or Arbitration		✓
On-Site Fatality		✓
Penalties Assessed For Environmental Issues		✓
Political Contributions or International Affairs		✓
Recalls		✓
Significant Layoffs		✓
Violation of Indigenous Peoples Rights		✓
Other		✓

Practices	True	False
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing		✓
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		✓
Company Explanation Of Disclosure Item Flags		✓
Company prohibits freedom of association/collective bargaining		✓
Company workers are prisoners		✓
Conduct Business in Conflict Zones		✓
Confirmation of Right to Work		✓
Does not transparently report corporate financials to government		✓
Employs Individuals on Zero-Hour Contracts		✓
Facilities located in sensitive ecosystems		✓
ID Cards Withheld or Penalties for Resignation		✓
No formal Registration Under Domestic Regulations		✓
No signed employment contracts for all workers		✓
Overtime For Hourly Workers Is Compulsory		✓
Payslips not provided to show wage calculation and deductions		✓
Sale of Data		✓
Tax Reduction Through Corporate Shells		✓
Workers cannot leave site during non-working hours		✓
Workers not Provided Clean Drinking Water or Toilets		✓
Workers paid below minimum wage		✓
Workers Under Bond		✓
Other		✓

## B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY: Fairphone UPDATED AS OF: 05/01/2021

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Disclosure Mining Resources
<b>ISSUE DATE</b>	May 2021
<b>TOPIC</b>	Company sources material products from mines
<b>SUMMARY OF ISSUE</b>	Fairphone is a smartphone company that produces modular smartphones from factories that have responsible practices in place, and incorporate responsibly sourced materials (such as Fairtrade gold)
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	The company does not source directly from mines. 56% of their 8 focus materials are responsibly sourced, and are either Fair Trade certified or the companies follow responsible practices. They work with seven factories to improve their practices and have directly impacted over 10,000 supply chain workers to date.
<b>IMPACT ON STAKEHOLDERS</b>	The company had a sustainable sourcing roadmap for 2017-2020 and recently updated the roadmap up to 2023 to address mining and recycling risks and create positive impact. There are now 14 materials in scope. It also has a 'fair sourcing policy' and publishes all 1st and 2nd tier suppliers.
<b>IMPLEMENTED MGT PRACTICES</b>	<p>Company sources 50+ materials in their phone spreading over 400 components. They have a transparent supply chain meaning they can trace their product to the substance level and their supply chain beyond tier 1. They map all their suppliers till tier 2; for the responsibly sourced materials integrated into their supply chain, they map from component suppliers, materials supply suppliers, refiners, and to the origin of materials. This can be tier 4, 5, and in some cases, to the mine level. Knowing the complete chain of the target material allows them to develop a scalable fair (responsible) sourcing model and relevant sourcing criteria for the suppliers and set up a traceable fair materials chain. (this is part of their responsible sourcing policy).</p> <p>The company has set up a living wage initiative with their assembly manufacturer. They worked with them to assess the living wage gap and assess a bonus to bridge the gap. The bonus is distributed across the entire workforce. Next to that, the company also engaged with other strategic suppliers to work on improving working conditions, worker voice and worker satisfaction. The company implements the five step OECD's Due Diligence Guidance for 'Responsible Supply Chains of Minerals from Conflict Affected and High Risk Areas'.</p> <p>The company carried out a materials scoping study in 2017 and based off that, they selected 8 focus materials and sought to source either fairly (responsibly) mined or recycled sources for each. To date, 60% of their 8 focus materials have been sustainable sourced. The company has also created a roadmap for sustainable sourcing by 2023 to address mining and recycling risks and create positive impact. There are now 14 materials in scope.</p>
<b>REPORT</b>	<p>Supply Chain Engagement 2020 - <a href="https://www.fairphone.com/wp-content/uploads/2020/11/Supply-Chain-Engagement-2020-final.pdf">https://www.fairphone.com/wp-content/uploads/2020/11/Supply-Chain-Engagement-2020-final.pdf</a></p> <p>Fair Material Sourcing Roadmap - <a href="https://www.fairphone.com/wp-content/uploads/2021/03/Fairphone_Fair-Material-Sourcing-Roadmap.pdf">https://www.fairphone.com/wp-content/uploads/2021/03/Fairphone_Fair-Material-Sourcing-Roadmap.pdf</a></p>
<b>OTHER MGT COMMENTS</b>	Fairphone was the first company that managed to transparently source all four of the conflict minerals identified in the Dodd-Frank Act (tin, tantalum, tungsten and gold) conflict-free from conflict countries.