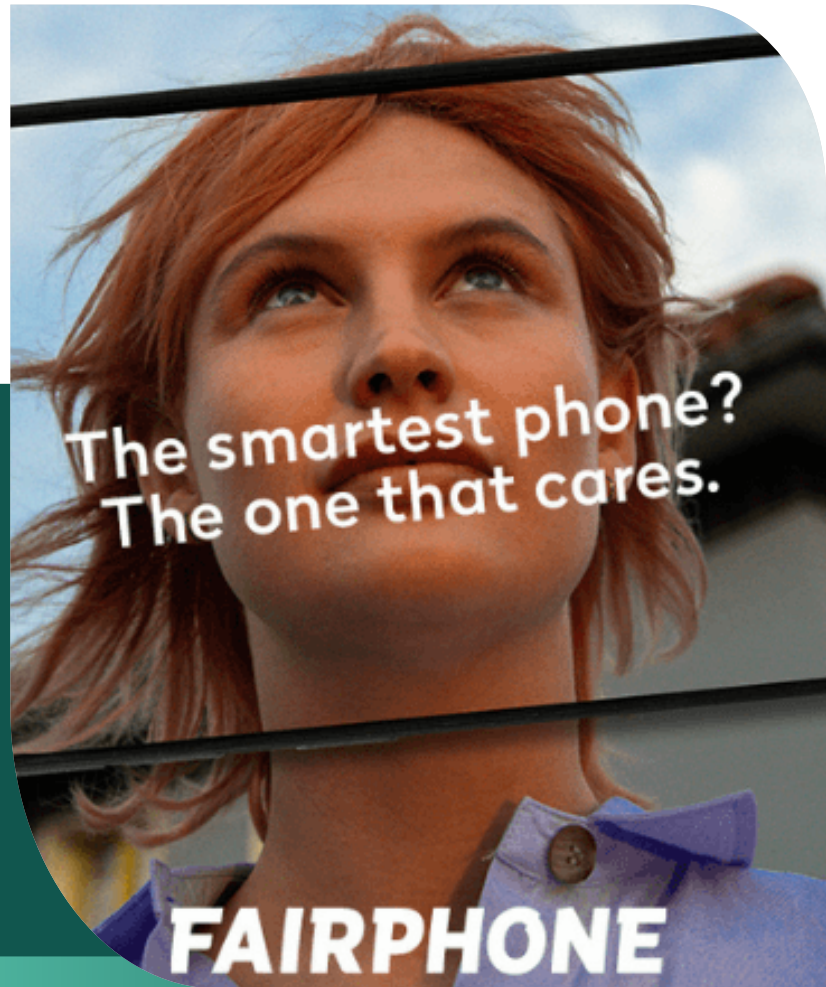


CASE STUDY

Fairview



Name of Company

Fairphone

Category

Ethical Sustainable Smartphone Manufacturer

Location

Netherlands

Website

<https://www.fairphone.com/>

<https://en.wikipedia.org/wiki/Fairphone>

Fairphone is a Dutch electronics manufacturer that designs and produces smartphones and headphones. It aims to minimise the ethical and environmental impact of its devices by using recycled, fairtrade and conflict-free materials, maintaining fair labor conditions throughout its workforce and suppliers, and enabling users to easily repair their devices through modular design and by providing replacement parts

Fairphone has been dubbed the most ethical smartphone in the world, scoring 98 out of 100 possible points by the British magazine Ethical Consumer

www.start-dsp.eu

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Fairphones Products & Ethical Features

Fairphone primarily offers smartphones and related accessories. Their latest model, the [Fairphone 5](#), boasts impressive features while adhering to the company's core values.

It is built with over 70% fair or recycled focus materials, including Fairtrade gold, recycled aluminum, tin, and plastics.

4,200 mAh user-replaceable battery: A removable battery allows users to easily replace it when needed, extending the phone's lifespan and reducing e-waste.

Software support until 2031: Ensuring long-term security and functionality.

Recycled Materials: The Fairphone 5 uses 100% post-consumer recycled plastics in the back cover and incorporates recycled plastics in other parts, reaching 75% recycled plastics by weight in total. It also utilizes 100% recycled rare earth elements in the speakers and 90% in the vibration motors.

5-year warranty and long-term software support: Fairphone offers a 5-year warranty and promises long-term support for software updates and spare parts, further extending the phone's lifespan.

Targeting Environmentally Conscious Consumers

Fairphone targets environmentally conscious consumers who prioritize ethical values and sustainability. Their target market includes individuals who are willing to pay a premium for a product that aligns with their values and contributes to a fairer and more sustainable world.

This includes "**green consumers**" who are actively seeking environmentally friendly products.

Fairphone's marketing materials and website appeal to a diverse audience, including millennials, professionals, and families.



Competitive Landscape

Fairphone operates in a competitive market dominated by established smartphone manufacturers like Apple and Samsung. However, Fairphone differentiates itself by focusing on ethical and sustainable practices, appealing to a niche market of conscious consumers.

While other companies may be incorporating some sustainable practices, Fairphone's competitive advantage lies in its holistic approach, combining ethical sourcing, fair labor practices, and environmental considerations throughout its entire value chain.

Fairphone's messaging emphasises:

- ❖ **The importance of ethical sourcing and fair labour conditions.**
- ❖ **The environmental benefits of durable and repairable devices.**
- ❖ **The positive social impact of supporting a company that prioritizes people and the planet.**

Fairphone actively engages with its community through online forums and social media, fostering a sense of shared values and promoting a movement for fairer electronics.

* Note to manage waste please print this document in greyscale or black and white rather than in colour. Please print on both sides of the paper (duplex) and if you can print multiple slides or pages on one page.



Key elements of Fairphone's business model include:

Ethical Sourcing: Fairphone actively sources materials from conflict-free mines and supports **fair trade principles**. They prioritize recycled materials and aim to improve working conditions in the electronics industry.

Modular Design: Fairphone's smartphones are designed to be modular, allowing users to easily repair and upgrade their devices. This extends the phone's lifespan and reduces the environmental impact associated with frequent replacements.

Long-lasting Design: Fairphone focuses on durability and longevity, encouraging users to keep their phones for longer.

Transparency and Traceability: Fairphone provides detailed information about its supply chain, allowing consumers to understand the origin of materials and the manufacturing processes involved.

Social Impact: Fairphone actively engages in initiatives to improve working conditions, promote fair wages, and empower workers in the electronics industry.

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Intersection of the 3 Frameworks

Exemplifies Sustainability Competences

This bold endeavour required strong entrepreneurial competencies: the founders had to challenge a dominant industry's assumptions, mobilise resources via crowdfunding and partnerships, and persist through technical and market hurdles. It also demanded **digital/technical competencies** – designing and manufacturing a competitive smartphone involves advanced engineering and ICT skills (Fairphone's product is itself a digital technology).

[Smartphones - and Companies - Designed For The Future: Fairphone's Bas Van Abel](#)

Fairphone's team and community deeply value environmental and social justice, embodying systems thinking (considering e-waste, resource extraction, and circular economy) and future-oriented ethics. The result is a company that has proven that **tech innovation can go hand-in-hand with sustainability**. Fairphone's latest models set new standards for circular economy in electronics – e.g. using recycled and fair-trade materials, offering software updates to extend product life, and operating a take-back program for old devices

3%

ons
ed



29 tons

of e-waste
collected



10,000+

people with fairer
working conditions

\$1,000,000

paid in living
wage bonuses
since 2019



“How do you make electronics sustainable?”

We get asked this a lot. The answer? By innovating where it matters the most.

We’re dedicated to raising the bar on fairness, from tracing materials to their source, designing our products for longevity, working with our suppliers on fairer production. Get the full story in our latest Impact Report.

[Read the full report](#)



The Entrepreneurial Skills

EntreComp Skills: They saw consumer demand for ethical electronics. The entrepreneurial mindset was crucial for Fairphone to move from an awareness campaign to a viable enterprise



The Digital Solution

DigComp’s technical literacy: They built a complex tech product and an online sales network. Digital skills enabled the creation of a physical tech product and global outreach.



The Environmental Success

GreenComp’s values and critical thinking (they questioned “business-as-usual” in manufacturing and innovated new supply chain standards). Having a **sustainability focus** ensured the venture stayed true to its mission of fair and green impact. [Read their full green impact report.](#)



Ethical Sourcing and Labor Practices:

Source Cause Artist

Fairphone's commitment to ethical sourcing goes beyond simply avoiding conflict minerals. They actively seek to improve working conditions and promote fair labor practices throughout their supply chain. This includes:

Sourcing Conflict-Free Minerals: Fairphone has been using conflict-free tin and tantalum from the Democratic Republic of Congo since 2013 and focuses on procuring conflict-free tungsten from Rwanda. They were also the first smartphone company to incorporate Fairtrade gold into their supply chain, setting an important precedent for the industry.

Promoting Responsible Mining: Fairphone works with partners in Uganda to improve working conditions in artisanal mine sites, preventing child labor and creating a transparent and traceable supply chain for gold.

Using Recycled Materials: Fairphone actively seeks to increase the use of recycled materials in their phones. For example, they prioritize recycled copper and are working to incorporate more recycled plastics.

Fair Sourcing Policy: Fairphone's Fair Sourcing Policy guides their approach to sourcing components and materials, ensuring they address social and environmental issues in the supply chain. This policy is based on four main principles: [Traceability](#), [Risk Mitigation](#), [Impact Creation](#) and [Collaboration](#).



Aiming to create a fairer, more sustainable electronics industry by focusing on transparency, fairness, sustainability, and social impact.



Main Challenges

Despite its successes, Fairphone faces challenges and opportunities:

- ❖ **Higher Price Point:** Fairphone's phones are generally more expensive than comparable models from mainstream brands, which may deter some consumers.
- ❖ **Scaling Production:** Maintaining ethical and sustainable practices while scaling production to meet growing demand can be challenging.
- ❖ **Competition:** Fairphone faces increasing competition from established brands that are incorporating sustainable practices into their products.
- ❖ **Supply Chain Complexity:** Managing a complex and transparent supply chain can be challenging, especially when sourcing materials from conflict-free zones.

Main Opportunities

- ❖ **Growing demand for sustainable and ethical products:** Consumer awareness of social and environmental issues is increasing, creating a growing market for ethical and sustainable products like Fairphone.
- ❖ **Potential for partnerships and collaborations with other ethical brands:** Fairphone can explore partnerships with other sustainable brands to expand its reach and offer complementary products and services.
- ❖ **Expansion into new markets and product categories:** Fairphone can expand its market reach by entering new geographical markets and developing new product categories that align with its values.
- ❖ **Technological advancements in sustainable materials and manufacturing processes:** Advancements in sustainable materials and manufacturing technologies can further enhance Fairphone's ability to create environmentally friendly products.

