

## **INDO-PACIFIC ECONOMIC FRAMEWORK FOR PROSPERITY AGREEMENT RELATING TO SUPPLY CHAIN RESILIENCE**

The Parties to this Agreement:

**ACKNOWLEDGING** that:

resilience, efficiency, productivity, sustainability, transparency, diversification, security, fairness, and inclusivity are indispensable considerations in the development of resilient and robust supply chains, in addition to costs;

supply chain development can be a source of quality job creation, poverty reduction, and economic opportunity for their enterprises, especially MSMEs, workers; and communities, including women, Indigenous Peoples, persons with disabilities, rural and remote populations, minorities, and local communities;

supply chain disruptions may be due to, among other causes, pandemics and regional epidemics, weather events, disasters declared or recognized by a central, regional, or local government, cyber incidents, logistical interruptions, insufficient supply of raw materials or components, bottlenecks, or armed conflict;

supply chains benefit from the establishment of predictable, fair, and competitive markets that respect the environment, health and safety, and labor rights;

secure and resilient supply chains must be developed, maintained, and prepared to respond effectively to unexpected events;

stakeholder engagement is essential to the promotion of supply chain resilience, particularly engagement with the private sector, given the leading role it plays in the development and management of supply chains, as well as representative workers' organizations;

reliable infrastructure is essential for effective supply chain management and to facilitate secure sharing of data between freight and logistics partners;

the different economic and geographic characteristics and capacity constraints of each Party are vital considerations in relation to their collective supply chain resilience efforts; and

fair and open markets underpinned by the rules-based multilateral trading system, with the WTO at its core, are fundamental to building resilient supply chains, and the Parties intend to act consistently with their respective obligations under the WTO Agreement; and

**SEEKING to:**

enhance supply chain transparency and information sharing between the Parties and the private sector, consistent with each Party's domestic law and policy, in order to promote risk awareness and identify bottlenecks and supply chain disruptions;

encourage supply chain diversification through the use of multiple suppliers to promote resilience and inclusivity, foster interconnectedness, advance shared prosperity across and within the Parties, and guard against economic vulnerability arising from global import concentrations;

mobilize investments, encourage technical cooperation, and foster opportunities for the development of a skilled workforce, critical infrastructure, industrial capacities, and enhanced connectivity;

raise awareness of the instrumental role that inclusive trade and investment policies play within supply chains and their contribution to sustainable economic growth;

promote supply chains in which labor rights, as defined by this Agreement, are respected, and create market demand for sustainable and responsible sources of supply;

raise awareness of potential supply shortages, supply chain bottlenecks and other similar risks to help safeguard against supply chain disruptions and their adverse secondary effects;

cooperate to address logistical bottlenecks and vulnerabilities in the Parties' supply chains, including those that may arise in the context of land, air, and maritime and waterway transport, warehousing, port-related services, and infrastructure; and

minimize market distortions, protect confidential business information, promote regulatory compliance, and respect market principles,

**HAVE AGREED** as follows:

## Section A: Definitions

### Article 1: Definitions

For the purposes of this Agreement:

**Agreement** means the Indo-Pacific Economic Framework for Prosperity Agreement Relating to Supply Chain Resilience;

**central level of government** means:

- (a) for Australia, the Commonwealth Government;
- (b) for Brunei Darussalam, the national level of government;
- (c) for the Republic of Fiji, the national level of government;
- (d) for the Republic of India, the Central Government;
- (e) for the Republic of Indonesia, the central level of government;
- (f) for Japan, the Government of Japan;
- (g) for the Republic of Korea, the central level of government;
- (h) for Malaysia, the federal level of government;
- (i) for New Zealand, the national level of government;
- (j) for the Republic of the Philippines, the national level of government;
- (k) for the Republic of Singapore, the national level of government;
- (l) for the Kingdom of Thailand, the national level of government;
- (m) for the United States of America, the federal level of government; and
- (n) for the Socialist Republic of Viet Nam, the national level of government;

**critical sectors** means sectors that produce goods and supply any related essential services critical to a Party's national security, public health and safety, or prevention of significant or widespread economic disruptions, as identified by that Party in accordance with Article 10;

**days** means calendar days;

**enterprise** means any entity constituted or organized under applicable law, whether or not for profit, and whether privately or governmentally owned or controlled, including any corporation, trust, partnership, sole proprietorship, joint venture, association, or similar organization;

**ILO** means the International Labour Organization;

**ILO Declaration** means the *ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up* (1998), as amended in 2022;

**IPEF** means the Indo-Pacific Economic Framework for Prosperity;

**IPEF Labor Rights Advisory Board** or **Board** means the IPEF Labor Rights Advisory Board established under Article 8.2;

**IPEF supply chain body** means the IPEF Supply Chain Council, the IPEF Supply Chain Crisis Response Network, the IPEF Labor Rights Advisory Board, or the Subcommittee established under Article 8.4;

**IPEF Supply Chain Council** or **Council** means the IPEF Supply Chain Council established under Article 6.1;

**IPEF Supply Chain Crisis Response Network** or **Network** means the IPEF Supply Chain Crisis Response Network established under Article 7.1;

**IPEF supply chains** means the economic, commercial, and trade relationships between and among enterprises in the economies of the Parties;

**key goods** means raw, in-process, or manufactured materials, articles, or commodities, the absence of which could have a significant effect on a Party's national security, public health and safety, or prevention of significant or widespread economic disruptions, as identified by that Party in accordance with Article 10;

**labor rights** means:

- (a) the following rights, set out in the ILO Declaration:<sup>1</sup>
  - (i) freedom of association and the effective recognition of the right to collective bargaining;
  - (ii) the elimination of all forms of forced or compulsory labor;
  - (iii) the effective abolition of child labor and, for the purposes of this Agreement, a prohibition on the worst forms of child labor;

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<sup>1</sup> The rights shall be interpreted consistently with the ILO Declaration.

- (iv) the elimination of discrimination in respect of employment and occupation; and
  - (v) a safe and healthy working environment; and
- (b) acceptable conditions of work with respect to minimum wages and hours of work;<sup>2</sup>

**measure** includes any law, regulation, procedure, requirement, or practice;

**MSMEs** means micro, small, and medium-sized enterprises;

**Party** means any State or separate customs territory for which this Agreement is in force;

**person** means a natural person or an enterprise;

**publish** means to disseminate information through paper or electronic means that is readily accessible to the general public;

**related essential services** means services directly related to the production or movement of goods within critical sectors;

**supply chain disruption** means a severe interruption, delay, or shortage that (a) impacts one or more Parties; and (b) significantly impairs the production of, the cross-border movement of, or access to, materials, articles, or commodities or the delivery of related essential services, as determined by an affected Party;

**WTO** means the World Trade Organization; and

**WTO Agreement** means the *Marrakesh Agreement Establishing the World Trade Organization*, done at Marrakesh, April 15, 1994.

## **Section B: Building Stronger IPEF Supply Chains**

### **Article 2: Collaborating to Strengthen IPEF Supply Chains**

1. The Parties intend to undertake cooperative activities to increase the resilience, efficiency, productivity, sustainability, transparency, diversification, security, fairness, and inclusivity of IPEF supply chains, taking into account the different economic and geographic characteristics and

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<sup>2</sup> For greater certainty:

- (a) “acceptable conditions of work with respect to minimum wages” include any requirements to provide wage-related benefit payments to, or on behalf of, workers, as per a Party’s domestic regulations, such as those for profit sharing, bonuses, retirement, and healthcare; and
- (b) this subparagraph relates to the establishment by a Party in its laws, regulations, and practices thereunder of acceptable conditions of work as determined by that Party.

capacity constraints of each Party as well as the individual characteristics of different sectors and goods.

2. The Parties intend to explore new ways and enhance existing efforts to improve the attractiveness of investment opportunities in IPEF supply chains.

3. The Parties intend to promote, facilitate, and encourage investment in: critical sectors; the production of key goods; the development, maintenance, and upgrading of physical and digital infrastructure; and transportation and workforce projects. This may include:

- (a) organizing investment missions and encouraging public-private joint efforts and other business matching activities to help enterprises identify potential partners in the economies of the Parties; and
- (b) sharing expertise on project scoping, structuring, and implementation.

4. The Parties intend to foster improvements in logistics services and logistics infrastructure, as well as in the development of multimodal transport corridors, including by exploring the development, upgrading, or digitalization of ports, logistics hubs, roads, and freight railways.

5. The Parties intend to align guidance, procedures, and policies related to trade facilitation to the extent possible, and to share best practices to help enterprises benefit from such guidance, procedures, and policies.

6. The Parties intend to exchange best practices in cargo risk assessment and to consider developing programs to securely share data as necessary for international cargo security to the extent possible, consistent with each Party's domestic laws and regulations, including with respect to the protection of business confidential information.

7. The Parties intend to share information on practices through which mutual recognition arrangements with respect to their Authorized Economic Operator (AEO) programs can bolster supply chain resilience.

8. The Parties intend to encourage production of key logistics inputs<sup>3</sup> by enterprises in the economies of the Parties to meet market demand and diversification of source markets, with a particular focus on enhancing the resilience and competitiveness of IPEF supply chains.

9. The Parties intend to promote efficient and sustainable production, use, and recycling of resources as part of more circular economies to help reduce the need to create new sources of goods while respecting each Party's domestic law and policy.

10. The Parties intend to encourage the development and adoption of digital standards and frameworks that support information technology interoperability and data flows among freight and logistics enterprises to enhance efficiency, transparency, and security.

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<sup>3</sup> "Key logistics inputs" include warehousing equipment, long-haul ships, commercial aircraft, shipping containers, chassis, cranes, freight trucks, rail cars, and their respective components.

11. The Parties intend to encourage the publication in English of electronic versions of forms issued or controlled by a Party for the importation into, exportation from, or transit through the territory of that Party of goods.

12. The Parties intend to cooperate to provide technical assistance and capacity building to prevent asbestos-related diseases and to promote transition from the use of asbestos to safer alternative products in IPEF supply chains.

13. The Parties intend to explore joint research and development projects to foster innovation in IPEF supply chains.

14. The Parties intend to use tools such as risk and readiness assessments, economic development programs, and technical assistance and capacity building to help enterprises, particularly manufacturers that are MSMEs, to:

- (a) identify risks to their supply chains, such as cybersecurity risks and risks from single- or sole-source providers;
- (b) diversify inputs, particularly from other Parties, into their production;
- (c) increase their industrial capacity and productivity;
- (d) adopt advanced manufacturing and supply chain technologies;
- (e) enhance their ability to purchase inputs;
- (f) access financing, including where appropriate through export credit and development finance agencies;
- (g) manage logistics costs and benefit from economies of scale;
- (h) adopt and comply with relevant international standards, including through support to meet testing and certification requirements; or
- (i) better understand, manage, and reduce their cybersecurity risk and proactively protect their networks, systems, and data.

### **Article 3: Taking Action to Strengthen IPEF Supply Chains**

1. Each Party is committed to minimizing unnecessary restrictions or impediments creating barriers to trade affecting the resilience, efficiency, productivity, sustainability, transparency, diversification, security, fairness, and inclusivity of IPEF supply chains.

2. Each Party intends to establish or maintain one or more focal points or appropriate mechanisms to facilitate foreign direct investment into its market. The focal points or mechanisms may assist investors or persons seeking to invest within that Party in obtaining relevant information

from competent authorities or help resolve problems that may occur in the investment process covered by this Agreement, to the extent feasible.

3. Each Party intends to adopt or maintain procedures that provide, under normal circumstances, for the release of perishable goods as soon as possible following receipt of all documents and fulfillment of all applicable procedures and requirements.

4. Each Party intends to the extent possible to foster the increased availability of and investment in long-term and cold-chain warehousing near or easily accessible to ports of entry, and to avoid discriminatory policies and procedures that limit warehousing options for imported goods.

5. Each Party intends to facilitate authorized transportation worker access to land, air, and sea port-of-entry and related facilities, subject to applicable domestic measures related to travel documents and authorizations.

6. Each Party intends to foster increased participation by its stakeholders, particularly MSMEs, in international standards development processes related to supply chain efficiency, sustainability, security, and resilience.

7. Each Party intends to create or maintain opportunities to consult with and consider input and recommendations from the private sector and representative workers' organizations, as appropriate, on an ongoing basis in the development of policies and measures related to the resilience, efficiency, productivity, sustainability, transparency, diversification, security, fairness, and inclusivity of IPEF supply chains.

8. Each Party, in consultation with the private sector and representative workers' organizations, intends to explore supply chain mapping approaches, including chain-of-custody protocols and utilization of production- and logistics-related data where appropriate and feasible, with the goal of improving supply chain transparency from raw materials to finished goods, with a particular focus on critical sectors and key goods.

#### **Article 4: Promoting Regulatory Transparency to Bolster IPEF Supply Chains**

1. The Parties recognize that regulatory transparency, objectivity, accountability, and predictability can support the resilience of IPEF supply chains and help enable investment in critical sectors or key goods.

2. Each Party is committed to publishing its domestic laws and regulations related to IPEF supply chains adopted or maintained at the central level of government and, if requested, providing relevant public information, to the extent practicable, to other Parties, including details related to any applicable exceptions or exemptions.

3. In a manner consistent with its domestic laws and regulations, each Party is committed to providing other Parties a reasonable opportunity to comment on proposed regulations at the central level of government likely to significantly impact IPEF supply chains, to the extent practicable.<sup>4</sup>

### **Article 5: Enhancing the Role of Workers**

1. The Parties intend to collaborate to help each Party ensure that a sufficient number of skilled workers are available in supply chains for its critical sectors or key goods, including by upskilling and reskilling workers through increased access to quality education, training, and capacity building. Such activities may include business-academia collaborations.

2. The Parties intend to undertake efforts consistent with each Party's domestic law to promote the inclusivity of IPEF supply chains, including by ensuring that resources and formal training opportunities are available to and can be accessed equitably by all persons, including women, Indigenous Peoples, persons with disabilities, rural and remote populations, minorities, and local communities.

3. Each Party intends to continue promoting the implementation of labor rights in its economy and the domestic enforcement of its labor laws.

4. Each Party intends to create or maintain opportunities to consult with and consider input and recommendations from the private sector and representative workers' organizations on an ongoing basis in the development of policies and measures related to labor rights.

5. The Parties intend that efforts to improve supply chain resilience pursuant to this Agreement be undertaken in a manner consistent with labor rights.

6. The Parties intend to support efforts to increase understanding and comparability of skills credentials frameworks with respect to qualifications, occupations, and skill clusters in critical sectors and key goods.

### **Article 6: IPEF Supply Chain Council**

1. The Parties hereby establish an IPEF Supply Chain Council composed of a relevant senior official from the central level of government of each Party.

2. Each Party shall notify the other Parties of its designated IPEF Supply Chain Council member no later than 30 days after the date of entry into force of this Agreement for that Party, and thereafter shall notify the Council of any change in its designated member as soon as practicable.

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<sup>4</sup> This paragraph shall not apply to a regulation to the extent it adjusts a tariff rate applicable to a good.

3. No later than 60 days after the date of entry into force of this Agreement, the IPEF Supply Chain Council shall, following approval by two-thirds of its members, elect a Chair to serve a two-year term. The Chair shall convene Council meetings and coordinate Council activities.
4. No later than 120 days after the date of entry into force of this Agreement, and following approval by consensus of the members of the IPEF Supply Chain Council, the Council shall establish terms of reference setting out procedures related to Council operations, including procedures for decision-making, reviewing the terms of reference, and establishing Action Plan teams pursuant to paragraph 7(b).
5. Each Party shall provide to the IPEF Supply Chain Council, annually or as otherwise decided by the Council, a written report on its efforts to implement Articles 2 through 5 and 11.
6. The IPEF Supply Chain Council may periodically publish a non-confidential summary of its activities.
7. The IPEF Supply Chain Council shall meet in person or virtually on an annual basis, or as otherwise decided by the Council, to:
  - (a) review and discuss each Party's written report provided pursuant to paragraph 5;
  - (b) establish teams to develop Action Plans providing recommendations to increase the resilience and competitiveness of critical sectors or key goods from among those notified by at least three Parties in accordance with Article 10;<sup>5</sup>
  - (c) review and discuss Action Plans submitted to the IPEF Supply Chain Council;
  - (d) review and discuss any labor rights concerns and recommendations of which it is informed by the IPEF Labor Rights Advisory Board pursuant to Article 8.7; and
  - (e) discuss opportunities to support skills and workforce development activities.
8. The IPEF Supply Chain Council may, as decided by the Parties:
  - (a) explore opportunities to develop best practices in relation to policies, measures or actions impacting trade in critical sectors or key goods; or
  - (b) discuss any possible collaboration in relation to policies, measures, or actions to enhance the resilience, efficiency, productivity, sustainability, transparency, diversification, security, fairness, and inclusivity of IPEF supply chains.
9. The IPEF Supply Chain Council shall consider areas in which technical assistance and capacity building could increase the resilience, efficiency, productivity, sustainability, transparency, diversification, security, fairness, and inclusivity of IPEF supply chains.

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<sup>5</sup> When an Action Plan team is established, the Council shall designate a team chair to organize that team's activities.

10. The IPEF Supply Chain Council may consider the creation of an independent mechanism, such as a Chief Executive Officer forum related to IPEF supply chains, with the goal of generating representative private sector recommendations on ways to improve the resilience, efficiency, productivity, sustainability, transparency, diversification, security, fairness, and inclusivity of IPEF supply chains.<sup>6</sup>

11. No later than 30 days after the date of establishment of an Action Plan team, a Party choosing to participate in the Action Plan team shall designate a relevant official from the central level of government as its lead representative for that team.<sup>7</sup> Each Party shall seek to select representatives for different Action Plan teams based on their relevant expertise. For greater certainty, a Party may elect not to participate in a particular Action Plan team at its discretion.

12. No later than one year after the date of establishment of an Action Plan team and following approval by consensus of the Action Plan team, the team chair, on behalf of the Action Plan team, shall submit its Action Plan to the IPEF Supply Chain Council. If consensus is not reached within one year of the date of establishment, the team chair shall submit a provisional Action Plan to the IPEF Supply Chain Council noting any areas of disagreement.

13. An Action Plan may include recommendations:<sup>8</sup>

- (a) to promote diversification of sources where market concentration exists for the sector or good;
- (b) regarding raw material needs, demand expectations, manufacturing and processing capacities, and storage availabilities in the economies of the Parties;
- (c) regarding the infrastructure and skilled workforce needed to support a resilient supply chain for the sector or good;
- (d) to relieve logistical bottlenecks relevant to the sector or good, including those resulting from issues with transportation to, from, and between ports of entry;
- (e) to enhance connectivity, such as by improving air and port connections;
- (f) regarding joint financing of investment projects that could increase the efficiency, productivity, and sustainability of the supply chain relevant to the sector or good;
- (g) to accelerate business matching, with a particular emphasis on MSMEs, for the relevant sector or good;

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<sup>6</sup> The Parties intend for any such mechanism to include representatives of enterprises operating in the economy of each Party.

<sup>7</sup> In addition to the lead representative, each Party may choose to have up to two additional government representatives on any Action Plan team but shall nonetheless be entitled to only one vote with respect to any Action Plan report, recommendations, or activities.

<sup>8</sup> An Action Plan shall not address financial regulatory issues, economic sanctions, or monetary policy.

- (h) to facilitate the private sector's ability to understand and respond to supply chain vulnerabilities;
- (i) to facilitate joint research and development to support the resilience and competitiveness of the supply chain for the sector or good; or
- (j) to facilitate trade in the sector or good including to minimize or remove impediments to that trade.

14. Each Action Plan team shall seek to consult with and consider input and recommendations from a diverse set of relevant stakeholders, such as government authorities, the private sector, academia, non-governmental organizations, and representative workers' organizations, to aid in the development of its recommendations.

15. Each Action Plan team should take into account activities already under way by central, regional, or local governments of the Parties to build supply chain resilience.

#### **Article 7: IPEF Supply Chain Crisis Response Network**

1. The Parties hereby establish an IPEF Supply Chain Crisis Response Network composed of a relevant senior official from the central level of government of each Party.

2. The IPEF Supply Chain Crisis Response Network shall:

- (a) serve as an emergency communications channel to rapidly disseminate relevant information among the Parties during a supply chain disruption;
- (b) facilitate cooperation on responses to supply chain disruptions, including the actions described in Article 12;
- (c) consider the use of table-tops, stress tests, or similar exercises simulating a range of possible supply chain disruptions to provide the Parties with an opportunity to prepare and test strategies for responding to supply chain disruptions, and may share any conclusions from those exercises with the IPEF Supply Chain Council; and
- (d) assess past experiences and existing policies and procedures to facilitate preparedness for, and responses to, supply chain disruptions and to minimize any negative impact of supply chain disruptions on IPEF supply chains, and may share any conclusions from those assessments with the IPEF Supply Chain Council.

3. Each Party shall notify the other Parties of its designated IPEF Supply Chain Crisis Response Network member as soon as practicable but no later than 30 days after the date of entry into force of this Agreement for that Party, and thereafter shall notify the Network of any change in its designated member as soon as practicable.

4. As soon as practicable but no later than 60 days after the date of entry into force of this Agreement, the IPEF Supply Chain Crisis Response Network shall, following approval by two-thirds of its members, elect a Chair to serve a two-year term. The Chair shall convene Network meetings and coordinate Network activities.

5. As soon as practicable but no later than 120 days after the date of entry into force of this Agreement, and following approval by consensus of the members of the IPEF Supply Chain Crisis Response Network, the Network shall establish terms of reference setting out procedures related to Network operations, including specifying under what circumstances a Party may request an emergency meeting at the Ministers or Leaders level and providing for review of the terms of reference.

6. The IPEF Supply Chain Crisis Response Network may periodically publish a non-confidential summary of its activities.

### **Article 8: IPEF Labor Rights Advisory Board**

1. Recognizing the critical role that labor rights play in increasing the resilience, efficiency, productivity, sustainability, transparency, diversification, security, fairness, and inclusivity of IPEF supply chains, the Parties intend to:

- (a) respect, promote, and realize, in good faith, labor rights in IPEF supply chains;
- (b) create an environment that facilitates more opportunities for investment in enterprises that advance high standards for labor rights;
- (c) identify opportunities for technical assistance and capacity building to assist with the promotion of labor rights in IPEF supply chains; and
- (d) highlight practices that are improving conditions for workers in the economies of the Parties.

2. The Parties hereby establish an IPEF Labor Rights Advisory Board composed of three representatives for each Party: (a) a senior official from the central level of government who is responsible for labor matters; (b) a worker representative; and (c) an employer representative. Each Party shall invite, consistent with its domestic laws and regulations, worker and employer organizations in its territory credentialed at the most recent ILO International Labour Conference to select the Party's worker and employer representatives, respectively, for the Board. Such worker and employer representatives may participate in the Board only if they are subject to appropriate confidentiality requirements consistent with the requirements set out in Article 13.

3. Each Party shall notify the other Parties of its IPEF Labor Rights Advisory Board representatives no later than 30 days after the date of entry into force of this Agreement for that Party. A Party may replace a representative in accordance with paragraph 2 and shall notify the Board of the new representative as soon as practicable.

4. The Parties hereby establish a Subcommittee of the IPEF Labor Rights Advisory Board consisting of the government representatives on the Board.

5. No later than 60 days after the date of entry into force of this Agreement, the Subcommittee shall, following approval by two-thirds of its members, elect a Chair of the IPEF Labor Rights Advisory Board from among the members of the Subcommittee. The Chair shall serve a two-year term and may be re-elected for a second term. In no event shall a representative of a Party be elected as Chair if a representative of the same Party has served consecutive terms as Chair in any part of the preceding six-year period. The Chair shall coordinate Board activities and convene Board meetings, including at least one meeting annually.

6. No later than 120 days after the date of entry into force of this Agreement, the IPEF Labor Rights Advisory Board shall draft terms of reference setting out procedures related to its and the Subcommittee's operations, including procedures for decision-making, addressing conflicts of interest, forming working groups, and reviewing the terms of reference. The terms of reference shall be established following approval by consensus of the members of the Subcommittee.

7. The IPEF Labor Rights Advisory Board shall pursue its work with a view toward promoting sustainable trade and investment among the Parties, providing resources to businesses and other stakeholders to help identify opportunities and minimize risks, and strengthening the resilience of IPEF supply chains through the promotion of labor rights. Accordingly, the Board shall identify on an ongoing basis any labor rights concerns that it considers pose a significant risk to the resilience, efficiency, productivity, sustainability, transparency, diversification, security, fairness, or inclusivity of IPEF supply chains and shall develop recommendations to address such risks. The Board shall inform the IPEF Supply Chain Council of any identified concerns; recommendations to address the risks, including identifying opportunities for technical assistance and capacity building; and periodic updates to such recommendations.

8. The IPEF Labor Rights Advisory Board shall develop, in consultation with the ILO, up to two sector-specific technical reports annually on labor rights in IPEF supply chains. Each technical report must focus on a sector chosen by the Subcommittee and must include any relevant information specific to an economy as appropriate, a study of labor laws and labor practices in the economies of the Parties, an analysis of business practices that affect labor rights in the sector, and, where appropriate, a description of the practices of Parties or enterprises in the economies of the Parties that are improving conditions for workers in the sector. The Board shall provide a copy of each such report to the IPEF Supply Chain Council. Notwithstanding Article 13.3, the Board shall, following approval by two-thirds of the representatives, publish such reports, except for any information designated as confidential in accordance with Article 13.1.

9. To aid in the Parties' efforts to respect, promote, and realize, in good faith, labor rights, the IPEF Labor Rights Advisory Board may, following approval by two-thirds of the representatives, publish:

- (a) business advisories on sectors with identified labor rights concerns that may significantly affect IPEF supply chains;

- (b) best practice guides to help enterprises operating in IPEF supply chains implement due diligence guidance;<sup>9</sup>
- (c) information to increase awareness of the importance of labor rights in IPEF supply chains and the tools and resources to help enterprises and Parties promote and protect labor rights; or
- (d) periodic summaries of its activities.

10. The IPEF Labor Rights Advisory Board shall periodically review and, when appropriate, publish updates to business advisories and best practice guides published in accordance with paragraph 9.

### **Article 9: Addressing Facility-Specific Labor Rights Inconsistencies**

1. For the purposes of this Article, subject facility means a facility that is located in the territory of a Party and operated by an enterprise that is not a microenterprise.<sup>10</sup>

2. The Parties recognize that labor rights inconsistencies in the economy of one Party can affect supply chains in the economy of another Party and recognize the critical role business practices play in protecting labor rights across IPEF supply chains.

3. Each Party intends to establish or maintain, consistent with its domestic law, a reporting mechanism to receive, including through electronic means, allegations of labor rights inconsistencies at subject facilities located in the territory of another Party, in accordance with this Article.

4. No later than 180 days after the date of entry into force of this Agreement, the Subcommittee shall develop guidelines for the operation of reporting mechanisms under paragraph 3.<sup>11</sup> The guidelines must include a common format for submitting to a Party's reporting mechanism an allegation of a labor rights inconsistency at a subject facility located in the territory of another Party, criteria to consider in assessing whether an allegation is adequately substantiated and likely to affect IPEF supply chains, procedures to manage parallel and duplicative proceedings, and procedures to avoid any abuse of process for the notifying and host Parties as specified in paragraph 7.

5. Consistent with its domestic laws and regulations and taking into account the guidelines developed pursuant to paragraph 4, each Party shall develop procedures for the receipt and consideration of allegations received through the reporting mechanism under paragraph 3, including the processes by which the Party shall ensure confidentiality in accordance with

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<sup>9</sup> Such guidance should be based on the United Nations *Guiding Principles on Business and Human Rights* (2011) and the ILO *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* (1977), as revised.

<sup>10</sup> For the purposes of this Article, "microenterprise" means a firm with 20 or fewer workers.

<sup>11</sup> In developing guidelines, the Subcommittee may consider any relevant guidelines such as the Organisation for Economic Co-operation and Development (OECD) procedural guidance for the operation of the OECD National Contact Points.

paragraphs 6 through 8; assess whether an allegation is adequately substantiated and likely to affect IPEF supply chains; manage parallel and duplicative proceedings; and avoid any abuse of process.

6. A Party receiving an allegation through its reporting mechanism under paragraph 3 shall maintain the confidentiality of the allegation and any supporting information, including any confidential business information, the name of the enterprise, any information that would identify a person providing information used in support of the allegation, and any information included in the allegation that would identify individual workers, except to the extent required by the Party's law.

7. A Party (the notifying Party) that receives through its reporting mechanism under paragraph 3 an allegation of a labor rights inconsistency that:

- (a) was made by a person of a Party;
- (b) occurred at a subject facility located in the territory of another Party;
- (c) the notifying Party in good faith determines is adequately substantiated; and
- (d) the notifying Party determines is likely to affect IPEF supply chains

is committed to providing, no later than 30 days after the date of receipt of the allegation, written notification of the allegation to the Party in whose territory the subject facility is located (the host Party). The notification must include the allegation but must not include any information that would identify a person who submitted the allegation or a person providing information used in support of the allegation, or any information that would identify individual workers. The host Party is committed to providing a written response to the notifying Party acknowledging receipt of the notification no later than 15 days after the date of receipt of the notification.

8. Following its receipt of a notification pursuant to paragraph 7, the host Party shall, consistent with its relevant domestic laws and regulations, review the allegation through efforts such as:

- (a) engaging with the subject facility and its workers with regard to the facts in the allegation;
- (b) obtaining other relevant information; and
- (c) exploring options available to the subject facility to address the situation and engaging with the subject facility on such options.

Neither the notifying Party nor the host Party shall publicly disclose the allegation or their efforts to reach a resolution, except to the extent required by each Party's law.

9. No later than 60 days after the date it receives the notification pursuant to paragraph 7, the host Party is committed to providing a written update to the notifying Party on the host Party's review of the allegation, including any efforts by the host Party to address the allegation.

10. The host Party and the notifying Party are committed to engaging in dialogue in good faith to reach a resolution of the said allegation no later than 60 days after the date of transmission of the update under paragraph 9. Any such resolution of the allegation must be consistent with the host Party's domestic laws and regulations.

11. If, after 60 days from the date of transmission of the update under paragraph 9, taking into account any results of the review under paragraph 8, the host Party and the notifying Party have not reached a resolution of the said allegation in accordance with paragraph 10, the host Party and the notifying Party are committed to either:

- (a) informing the Subcommittee of the allegation and the status thereof; or
- (b) by mutual decision, continuing to work together in good faith with a view to reaching a resolution, in which case either Party may at any time elect to cease such work and inform the Subcommittee of the allegation and the status thereof.

12. After reviewing any information provided pursuant to paragraph 11, the Subcommittee may, following approval by two-thirds of its members:

- (a) encourage the host and notifying Parties to continue to pursue efforts toward resolution of the allegation;
- (b) in consultation with the IPEF Supply Chain Council, develop proposals to address any negative effects on IPEF supply chains resulting from the alleged labor rights inconsistency;
- (c) engage on the matter with the International Labour Office and where appropriate the ILO country office; or
- (d) identify opportunities for technical assistance and capacity building to address labor rights inconsistencies similar to those identified in the allegation.

13. The Subcommittee shall maintain a public list of all unresolved allegations of which it is notified pursuant to paragraph 11. For each such allegation, the list must identify:

- (a) the notifying Party;
- (b) the host Party;
- (c) the sector in which the specific subject facility is operating;
- (d) the specific labor right that is the subject of the allegation; and
- (e) the date on which the allegation was added to the list.

The Subcommittee shall not identify the sector in which the subject facility is operating if listing the sector would by itself identify the subject facility.

14. An allegation shall be removed from the list under paragraph 13 if:

- (a) a resolution has been reached; or
- (b) the allegation has been on the list for at least four years and the Subcommittee, following approval by two-thirds of its members, decides to remove the allegation from the list.

## **Article 10: Identifying Critical Sectors or Key Goods**

1. The Parties intend to develop a shared understanding of global supply chain risks, and to support this, each Party shall identify its critical sectors or key goods. Each Party intends to consult with and consider input and recommendations from a diverse set of relevant stakeholders as appropriate, such as the private sector, government authorities, academia, non-governmental organizations, and representative workers' organizations, to identify critical sectors or key goods.

2. In identifying its critical sectors or key goods, each Party intends to consider factors such as:

- (a) the impact of a potential shortage on its national security, public health and safety, or prevention of significant or widespread economic disruptions;
- (b) the level of dependence on a single supplier or a single country, region, or geographic location;
- (c) geographic factors including actual or potential transport constraints, especially for its island or remote regions;
- (d) the availability and reliability of alternative suppliers or supply locations;
- (e) the extent of imports required to meet domestic demand;
- (f) the availability of domestic production capacity; or
- (g) the extent of interconnectedness with other critical sectors or key goods.

3. Each Party shall, no later than 120 days after the date of entry into force of this Agreement for that Party and, following identification in accordance with paragraphs 1 and 2, notify the other Parties through the IPEF Supply Chain Council of that Party's initial list of critical sectors or key goods for cooperation under this Agreement.<sup>12</sup>

4. A Party may add, remove, or make changes to its list of critical sectors or key goods at any time, upon written notification to the other Parties through the IPEF Supply Chain Council.

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<sup>12</sup> In identifying its critical sectors or key goods, a Party may use the nomenclature in the Harmonized Commodity Description and Coding System issued by the World Customs Organization as implemented in its national tariff nomenclature.

## **Article 11: Monitoring and Addressing Supply Chain Vulnerabilities**

1. Each Party intends to employ an evidence-based and data-informed approach to consider its supply chain vulnerabilities and to monitor import dependencies, prices (where appropriate and feasible), and trade volumes of its critical sectors or key goods.
2. The Parties intend to explore technical assistance and capacity building to support the development of their supply chain identifying and monitoring capabilities.
3. The Parties intend to exchange information to the extent possible regarding enterprises supplying key goods or operating within critical sectors notified by a Party in accordance with Article 10, with those enterprises' consent, to encourage additional business-to-business relationships within the economies of the Parties and further the resilience of IPEF supply chains.
4. The Parties intend to collaborate, as appropriate, in responding to cybersecurity incidents impacting critical sectors notified by a Party in accordance with Article 10. Such collaboration may include Computer Emergency Readiness Team (CERT)-to-CERT communications; the development of standard procedures around the sharing of incident data relating to detected attacks targeting critical sectors and infrastructure; incident response, including collective response where possible; and sharing remediation strategies.

## **Article 12: Responding to Supply Chain Disruptions**

1. In the event of a supply chain disruption, or in the event that a Party expects an imminent supply chain disruption, a Party may request an emergency in-person or virtual meeting of the IPEF Supply Chain Crisis Response Network, which should meet as soon as practicable but no later than 15 days after the date when the Party requests such a meeting.
2. Upon its request for an emergency meeting of the IPEF Supply Chain Crisis Response Network, the Party experiencing a supply chain disruption, or expecting an imminent supply chain disruption, shall share the following information about the supply chain disruption through the Network as soon as practicable, if available, appropriate, and non-proprietary:
  - (a) the impact or expected impact of the supply chain disruption on the Party's national security, public health and safety, or economy;
  - (b) the cause of the supply chain disruption;
  - (c) the expected duration of the supply chain disruption;
  - (d) what sectors are likely to be affected by the supply chain disruption;
  - (e) what measures the Party has taken or expects to take in response to the supply chain disruption; and
  - (f) what assistance would be helpful from other Parties.

3. Each Party is committed to supporting another Party's response to a supply chain disruption or an imminent supply chain disruption to the extent possible, in accordance with its domestic law, respect for market principles, and the goal of minimizing market distortions, and with appropriate recognition given to actions being led or undertaken by the private sector. Such support may include:

- (a) sharing best practices or experiences dealing with similar supply chain disruptions;
- (b) facilitating business matching within the economies of the Parties to support supply chain recovery;
- (c) encouraging the private sector to increase production and engage in the temporary repurposing and conversion of production to address shortages in affected goods;
- (d) engaging in dialogue with its private sector to provide greater certainty in the flow of materials, articles, or commodities during supply chain disruptions;
- (e) exploring and facilitating joint procurements and delivery of goods and related essential services, where applicable;
- (f) facilitating and identifying alternative shipping or air routes, including multimodal transportation routes or transport modes, and access to shipping or air capacity where appropriate;
- (g) facilitating the cross-border movement of air and maritime crew to enable the movement of affected goods, subject to applicable procedures related to travel documents and authorizations and taking into account crew treatment guidelines developed by the International Civil Aviation Organization and the International Maritime Organization, as adopted or maintained by each Party;
- (h) facilitating hinterland transportation where possible and appropriate to support efficient movements in and out of ports, especially congested ports;
- (i) engaging in efforts to prevent the selling of goods or services at excessive prices during a supply chain disruption;
- (j) adopting or maintaining procedures to expeditiously process the export of goods in affected sectors; or
- (k) discouraging hoarding within the affected sector or of the affected good.

4. In the event of a supply chain disruption, the Parties intend to avoid unnecessary actions that would exacerbate shortages and significantly impact IPEF supply chains.

5. Each Party that has taken actions in response to a supply chain disruption may, as appropriate, promptly share through the IPEF Supply Chain Crisis Response Network information that it deems relevant about the actions, such as a brief summary, to enable other Parties to become acquainted with the actions.

## **Section C: Exceptions and General Provisions**

### **Article 13: Confidentiality<sup>13</sup>**

1. Unless this Agreement expressly provides otherwise, if a Party provides information in relation to this Agreement to another Party, including through an IPEF supply chain body or any subsidiary body, and designates the information as confidential, including because the information is confidential business information, any receiving Party shall maintain the confidentiality of the information. If the providing Party determines that information is a matter of public knowledge, the providing Party shall not designate that information as confidential.

2. Unless this Agreement expressly provides otherwise or the Parties decide otherwise, if a Party provides information in relation to this Agreement to another Party, including through an IPEF supply chain body or any subsidiary body, but does not designate that information as confidential, any receiving Party shall maintain the confidentiality of the information except to the extent disclosure or use of such information is required under that Party's law.

3. Unless this Agreement expressly provides otherwise or the Parties decide otherwise, recommendations, reports, and other materials produced by an IPEF supply chain body or any subsidiary body shall be designated as confidential and shall not be made public by any Party.

### **Article 14: Disclosure of Information**

Nothing in this Agreement shall be construed to require a Party to disclose, furnish, or allow access to information the disclosure of which would be contrary to its law, impede law enforcement, reveal confidential business information, or otherwise be contrary to its public interest.

### **Article 15: Security Exceptions**

Nothing in this Agreement shall be construed to:

- (a) require a Party to furnish or allow access to any information the disclosure of which it determines to be contrary to its essential security interests; or
- (b) preclude a Party from applying measures that it considers necessary for the fulfillment of its obligations with respect to the maintenance or restoration of international peace or security or for the protection of its own essential security interests.

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<sup>13</sup> For greater certainty, the disclosure in accordance with procedures provided in a Party's law of information designated as confidential, including disclosure to a domestic court, subject to appropriate procedures to protect the information from unlawful disclosure would not be inconsistent with each Party's obligations under this Article. A receiving Party shall, inform the providing Party of any instance where there is to be disclosure of information designated as confidential before this disclosure is made.

## **Article 16: Implementation**

This Agreement shall be implemented by each Party within its available resources.

## **Article 17: Tiriti o Waitangi / Treaty of Waitangi**

1. Provided that such measures are not used as a means of arbitrary or unjustified discrimination against persons of the other Parties or as a disguised restriction on trade in goods, trade in services and investment, nothing in this Agreement shall preclude the adoption by New Zealand of measures it deems necessary to accord more favourable treatment to Māori in respect of matters covered by this Agreement, including in fulfillment of its obligations under te Tiriti o Waitangi / the Treaty of Waitangi.

2. The Parties agree that the interpretation of te Tiriti o Waitangi / the Treaty of Waitangi, including as to the nature of the rights and obligations arising under it, shall not be the subject of consultations under Article 19.

## **Article 18: WTO Obligations**

Nothing in this Agreement shall be construed to permit or require a Party to implement this Agreement in a manner that is inconsistent with its obligations under the WTO Agreement.

## **Article 19: Consultations**

1. If at any time a Party has concerns with another Party's implementation of a provision of this Agreement, the concerned Party may request consultations through a written notification to the other Party's contact point, and shall set out the reasons for the request, and the other Party shall respond promptly in writing.

2. The concerned Party shall immediately provide a copy of the request to the other Parties' contact points.

3. If the concerned Party's request and the other Party's response do not resolve the concerns that are the subject of the request, consultations shall commence on a mutually decided date no later than 60 days after the date of receipt of the response.

4. The consulting Parties shall attempt to arrive at a mutually satisfactory resolution as soon as practicable.

## **Section D: Final Provisions**

### **Article 20: Contact Points**

1. By or as soon as possible after the date of entry into force of this Agreement for a Party, that Party shall designate an overall contact point for any official communications related to this Agreement, except as otherwise provided in this Agreement, and shall notify the Depositary in writing of the overall contact point and the means to transmit communications to the contact point. Each Party shall notify the Depositary in writing of any change in its contact point or means of transmission as soon as practicable.

2. Any communication to the contact point designated pursuant to paragraph 1 shall be deemed effective upon transmittal to that contact point through the means notified to the Depositary.

### **Article 21: Entry into Force**

1. This Agreement shall be open for signature by Australia, Brunei Darussalam, the Republic of Fiji, the Republic of India, the Republic of Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand, the United States of America, and the Socialist Republic of Viet Nam.

2. This Agreement shall be subject to ratification, acceptance, or approval. Instruments of ratification, acceptance, or approval shall be deposited with the Depositary.

3. This Agreement shall enter into force 30 days after the date on which at least five of the States listed in paragraph 1 have deposited an instrument of ratification, acceptance, or approval with the Depositary. For each State listed in paragraph 1 that submits its instrument of ratification, acceptance, or approval with the Depositary after the date of the fifth deposit, this Agreement shall enter into force 30 days after the date on which that State deposits its instrument of ratification, acceptance, or approval with the Depositary.

### **Article 22: Designation of Delegates**

1. No later than 30 days after the date of entry into force of this Agreement, a signatory that has not deposited an instrument of ratification, acceptance, or approval may, through a written notification to the Depositary, designate:

- (a) a relevant senior official from the central level of government as a delegate to each IPEF supply chain body; and
- (b) in accordance with Article 8.2, a worker representative and an employer representative as delegates to the IPEF Labor Rights Advisory Board,

provided that any such delegate is subject to appropriate confidentiality requirements consistent with the requirements set out in Article 13.

2. Each delegate shall be treated as a member of the relevant IPEF supply chain body for the purposes of taking any relevant action under this Agreement.

3. A signatory that has designated a delegate pursuant to paragraph 1 may choose an appropriate official as its designee to a subsidiary body of an IPEF supply chain body, provided that the official is subject to appropriate confidentiality requirements consistent with the requirements set out in Article 13. The designee shall be treated as a representative to the subsidiary body for the purposes of taking any relevant action under this Agreement.

4. A signatory's delegates and designees may participate in the IPEF supply chain body or subsidiary body to which they have been designated pursuant to this Article until such time as this Agreement has entered into force for that signatory or one year after the date of entry into force of this Agreement, whichever comes first.

### **Article 23: Withdrawal**

1. At any time after three years from the date of entry into force of this Agreement, a Party may withdraw from this Agreement by providing written notification of withdrawal to the Depository. A withdrawal shall take effect six months after the date of receipt by the Depository of the notification of withdrawal, unless the Parties decide on a different period.

2. Notwithstanding paragraph 1, Article 13 shall remain in effect with respect to a State or separate customs territory that has withdrawn from this Agreement with respect to any information, recommendation, report, or other material covered by Article 13 that the State or separate customs territory retains after the withdrawal takes effect.

### **Article 24: Amendments**

1. The Parties may agree, in writing, to amend this Agreement. An amendment shall enter into force 30 days after the date on which all Parties have deposited an instrument of ratification, acceptance, or approval with the Depository, or on such other date as the Parties may decide.

2. Notwithstanding paragraph 1, the Parties shall not amend this Agreement until one year after the date of entry into force of this Agreement or the date on which this Agreement has entered into force for all States listed in Article 21.1, whichever comes first.

### **Article 25: Accession**

1. Any State or separate customs territory may accede to this Agreement, subject to the consent of the Parties and any terms or conditions that may be decided between the Parties and the State or separate customs territory. The Agreement shall enter into force with respect to an acceding Party 30 days after the date of deposit of its instrument of accession with the Depository.

2. Notwithstanding paragraph 1, no State or separate customs territory may accede to this Agreement until one year after the date of entry into force of this Agreement or after the date on which this Agreement has entered into force for all States listed in Article 21.1, whichever comes first.

#### **Article 26: Depositary**

1. The original text of this Agreement, and any amendment thereto, shall be deposited with the United States, which is hereby designated as the Depositary of this Agreement.

2. The Depositary shall promptly provide a certified copy of the original text of this Agreement, and any amendment thereto, to all signatories and Parties.

3. The Depositary shall promptly inform all signatories and Parties, and provide the date and a copy, of any notification or instrument deposited pursuant to Articles 20 through 25.

#### **Article 27: General Review**

1. Every five years in the anniversary month of the date of entry into force of this Agreement, unless they decide otherwise, the Parties shall commence a general review with a view to updating and enhancing this Agreement in furtherance of its objectives. The Parties should complete the review within six months.

2. Upon completion of the review, if the Parties decide to amend this Agreement, such amendment shall be made in accordance with Article 24.1.

