EMBARGOED TILL 5:00 AM ET TUESDAY, MARCH 28

FACT SHEET:
Agreement Between the Government of Japan and the Government of the United States of America on Strengthening Electric Vehicle Battery Critical Minerals Supply Chains

The United States and Japan share a common interest in strengthening supply chains between like-minded partners and increasing resilience against threats such as economic coercion and non-market policies and practices, as well as encouraging high-road labor and environmental standards. The Agreement Between the Government of Japan and the Government of the United States of America on Strengthening Critical Minerals Supply Chains (the Agreement) supports workers and businesses in both countries' electric vehicle sectors and sets standards for other economies to emulate.

"Today's announcement is proof of President Biden's commitment to building resilient and secure supply chains," **said Ambassador Katherine Tai**. "Japan is one of our most valued trading partners and this agreement will enable us to deepen our existing bilateral relationship. This is a welcome moment as the United States continues to work with our allies and partners to strengthen supply chains for critical minerals, including through the Inflation Reduction Act."

Building on the 2019 U.S.-Japan Trade Agreement, the Agreement strengthens, secures, and diversifies critical minerals supply chains and promotes the adoption of electric vehicle battery technologies. Specifically, the Agreement operationalizes shared commitments by the United States and Japan with respect to the critical minerals sector in order to facilitate trade, promote fair competition and market-oriented conditions for trade in critical minerals, advance robust labor and environmental standards, and expand cooperation in efforts to ensure secure, sustainable, and equitable critical minerals supply chains.

This Agreement includes the following commitments:

- Refrain from imposing export duties on critical minerals exported to the other country;
- Consult on domestic measures to address non-market policies and practices of non-Parties affecting trade in critical minerals and on issues relating to global critical minerals supply chains;
- Meet and confer on best practices regarding review of investments within their territories in the critical minerals sector by foreign entities;
- Endeavor to take measures that promote more resource efficient and circular economy approaches to reduce the demand for, and environmental impact of, virgin material extraction and related processes;
- Coordinate engagement, information-sharing, and enforcement actions related to labor rights in critical minerals extraction and processing;
- Identify opportunities to build their respective capacities, and that of other countries or regions whose producers supply their markets, to implement high labor standards;
- To the extent permissible under applicable domestic laws, share information regarding, and promote remediation of, violations of labor rights at entities connected to critical minerals supply chains;
- Promote employer neutrality in union organizing and operations; and
- At least once within two years of the Agreement entering into force, and every two years afterwards, the United States and Japan will review their respective capacities to extract and process critical minerals to decide whether it is appropriate to terminate or amend the Agreement.

Together, these provisions will encourage productive linkages between the two countries and support high standards for workers throughout both countries' supply chains – developments that should support increased prosperity and good-paying jobs in the United States and Japan.

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