

## **Common Statement of Principles on Critical Technology Supply Chains**

At the inaugural leaders' summit of the Quad on 12 March, 2021, Australia, India, Japan and the United States committed to strengthen our cooperation on a shared vision of a free, open, and inclusive Indo-Pacific. We also pledged to undertake joint efforts on some of the most defining challenges of our time.

To this end, we established a Critical and Emerging Technology Working Group, through which, we committed to joint efforts in making critical technology supply chains more resilient, underpinned by our shared values as free and open societies.

Therefore, in recognition of our shared commitments, we release the following statement of Principles for Critical Technology Supply Chain Security (the Principles). The Principles are organised around the pillars of Security, Transparency, Autonomy and Integrity. Our countries confirm that we will use these Principles to guide our collaborative efforts. We encourage all countries to act according to these Principles, and welcome the opportunity to work with Governments in the Indo-Pacific to build secure resilient, diverse, secure and sustainable technology supply chains.

We issue these Principles in recognition that secure supply chains for critical technologies are fundamental to the prosperity, security, and cohesion of each of our countries and the Indo-Pacific. In setting out the Principles below, we recognise that our global interests are served by remaining open and connected to the global economy, while respecting every country's right to make sovereign decisions about the sources and supply of critical technologies.

Critical technologies have the potential to simultaneously enhance, and pose risk, to our national interests, including our economic prosperity, social cohesion, and national security. These Principles affirm our positive commitment to an enduring global marketplace where the Principles of Security, Transparency, Autonomy and Integrity are inherent in our technology markets.

We recognise the role that industries must play in securing international supply chains. As our economies become more reliant on technology, all organisations must have confidence in the security of products and services they use, digital or otherwise. Based on these Principles, businesses can strengthen not only the security and resilience of their supply chains, but protect their intellectual property and data.

We welcomed the U.S. initiative to convene a Summit on Global Supply Chain Resilience chaired by President Biden on 31 October 2021 on the sidelines of the G20 Summit in Rome, which reiterated our shared priority on securing and diversifying global supply chains, including those for technology.

We commend these voluntary Principles to assist governments and organisations in making decisions about their suppliers and the security of their products, and support efforts to improve resiliency in technology supply chains.

## **1. Security**

We encourage providers of critical technologies to embed security in their products, to protect the systems their technologies operate in, and their end users, from potential threats and vulnerabilities. Considering security will uplift a product's resilience against future risks and reduce consequent life cycle costs. Governments and organisations should work together to understand market challenges and opportunities, and mitigate risks posed in their supply chains.

Our governments are committed to working closely with industry and consumers to achieve positive outcomes, recognising the key roles played by a variety of sectors in achieving technology supply chain resilience.

## **2. Transparency**

We underline the need for transparency in technology supply chains. Businesses that are able to clearly communicate the security measures taken in the development of their products will be advantageous in the market. Transparency in supply networks promotes awareness of risks, identifies bottlenecks, and then assists organisations to determine whether alternative sources of critical inputs are needed.

Transparency empowers consumers to make informed purchasing decisions, thereby allowing businesses to benefit from enhanced market outcomes driven by trust. As consumers make more informed decisions, businesses that promote security and transparency will become more highly sought after. Users of critical technology should opt for businesses that offer transparency in their supply chains, and avoid those organisations that do not understand, or intentionally obscure weaknesses and vulnerabilities in their supply chains.

## **3. Autonomy and Integrity**

Our governments will work together with industry to assess whether their suppliers operate ethically, with integrity, and consistently with international law.

The global nature of supply chains means that each of us is likely to have varied and international vendors. Supporting a trusted environment—one aligned closely with international norms and trade obligations—means understanding the level of autonomy of each supplier, and ensuring they are not subject to foreign influence that could limit an organisation's ability to operate or make decisions with autonomy.

Similarly, countries should have an awareness of how suppliers could access their systems and sensitive data. Governments and organisations should build and deepen their partnerships with trusted suppliers that uphold the Principles of Autonomy and Integrity, in order to mitigate the risks of foreign intrusions into their supply chains.

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We will continue to advance our joint goals on the basis of these Principles, achieving tangible outcomes in support of a free and open Indo-Pacific with secure and rule-based order.

We welcome all countries to join us in being guided by these Principles, in pursuit of global technology supply chains that are diverse, secure, and trustworthy.