

Joint Statement with FIDH

On July 29, 2021, the Taiwanese company Formosa Plastics Group will hold its annual shareholders' meeting.

Ahead of the meeting, FIDH (International Federation for Human Rights) and its member organizations Covenants Watch (Taiwan) and Taiwan Association for Human Rights call on the shareholders of Formosa Plastics Group worldwide to comply with their responsibility to respect human rights through the company's investments, as set out in the United Nations Guiding Principles on Business and Human Rights (UNGPs), and take the following actions:

1. **On environmental and human rights violations.** We call upon shareholders to ask Formosa Plastics Group to uphold its corporate responsibilities to respect human rights, undertake due diligence to address ongoing human rights and environmental violations and prevent the occurrence of similar incidents in the future. Formosa Plastics Group should also mitigate risks associated with environmental and human rights violations and provide remedy for the caused human rights and environmental harm, including by assuming its legal liability in court. We remind shareholders that their investment in the Formosa Plastics Group is directly linked to environmental and human rights violations, such as: pollution caused by its petrochemical plant in Yunlin County, Taiwan; the marine pollution and consequent human rights impacts on coastal communities in central Vietnam; and the environmental pollution in states of Texas and Louisiana in the United States.
2. **On its contribution to climate change.** We call upon shareholders to ask Formosa Plastics Group to propose a concrete plan for significant carbon reduction and a fossil fuel-free roadmap.
3. **On the respect of local residents' right to information.** We call upon shareholders to demand Formosa Plastics Group establish environment monitoring systems wherever it operates - directly and through its subsidiaries - around the world and ensure that the systems are transparent and the data are accessible to local residents.

We call upon the newly-elected independent directors of the board to **take responsibility and monitor the environmental pollution** Formosa Plastics Group generated in various jurisdictions worldwide, and prevent investment plans that have the potential to violate human rights. We also demand Formosa Plastics Group **disclose the qualifications and criteria for the independent directors' nomination and election**, to ensure that future directors are equipped with knowledge and expertise in environmental and human rights issues and protections.

Case Background:

In April 2016, approximately 300 tons of fish died along the seashore of four provinces of the North Central Region of Vietnam: Ha Tinh, Quang Binh, Quang Tri, and Thua Thien-Hue. After investigation, the Vietnam National Assembly Report identified the Formosa Ha Tinh Steel Corporation, a subsidiary of Taiwan-based Formosa Plastics Group (FPG), in the Vung Ang Economic Zone in Vietnam to be the primary culprit in the pollution incident, which caused the disastrous marine pollution by discharging wastewater containing toxic substances, such as phenol and cyanide, into the sea. On June 30, 2016, Formosa Ha Tinh Steel Corporation publicly admitted responsibility for the environmental pollution that affected up to 125 miles of Vietnam's central coastline and harmed the livelihoods of more than 200,000 people, including 41,000 fisherfolk. At the same time, the company was ordered to pay US\$500 million in compensation to the government. But very few victims received compensation, and in any case, this settlement was insufficient to fully compensate for the full scope of the damage.

A US-based NGO, Justice for Formosa Victims, has gathered testimony and affidavits from dozens of individuals, primarily in the affected regions of central Vietnam, who experienced and witnessed state crackdowns connected to the Formosa case. These crackdowns have taken many forms, including: targeted violence against peaceful demonstrators; arbitrary arrests and detention of hundreds of critics and protesters on trumped-up charges; and use of the judicial system to silence dissenters with long prison sentences. This systematic crackdown, which is a frequent reaction of Vietnam's authoritarian regime, has been repeatedly condemned by international organizations and independent NGOs.

On June 11, 2019, 7,875 Vietnamese victims, with the help of NGOs from Vietnam and Taiwan (including Environmental Jurists Association, Environmental Rights Foundation, Justice for Formosa Victims Organization, and Vietnamese Migrant Workers and Immigrants Office), submitted a transnational lawsuit in Taiwan against FPG, to the Taipei District Court. The plaintiffs alleged that the marine pollution produced by the company caused damage and endangered their physical health, arguing that the plaintiffs had the right to health and to a healthy environment. They further claimed that in Vietnam their freedom of expression, freedom of assembly, and right to information were not respected, putting them at risk if they started a lawsuit in Vietnam.

In October 2019, the District Court rejected the claim on the basis of lacking jurisdiction, since the case involved Vietnamese nationals and occurred in Vietnam. On October 24, 2019, the plaintiffs and NGOs appealed to the Taiwan Taipei High Court but their appeal was rejected in March 2020. The plaintiffs then appealed to Taiwan's Supreme Court, which, in November 2020 concluded that since FPG was headquartered in Taiwan, the Taiwanese courts had jurisdiction over this case.

Accordingly, Taiwan's High Court eventually agreed with jurisdiction over Taiwan-based defendants, including the FPG, in April 2021. However, the High Court judges refused to include among the defendants Formosa Ha Tinh Steel Corporation, which is the entity directly linked to the marine pollution. The plaintiffs therefore appealed to the Taiwan Supreme Court in the hope that a substantive trial can soon take place at the Taipei District Court.