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*Cover Photo by flickr user Guilhem Vellut*
How to Use this Guide

This Human Rights and Business Country Guide contains information regarding the potential and actual human rights impacts of businesses operating in Pakistan. The information in this Guide is gathered from publicly available sources, and is intended to help companies respect human rights and contribute to development in their own operations and those of their suppliers and business partners.

About the Human Rights and Business Country Guide

The Human Rights and Business Country Guide provides country-specific guidance to help companies respect human rights and contribute to development.

For companies to manage their potential human rights impacts, they must have comprehensive information about the local human rights context in which they operate. The Country Guide provides a systematic overview of the human rights issues that companies should be particularly aware of. For each issue, it provides guidance for companies on how to ensure respect for human rights in their operations or in collaboration with suppliers and other business partners.

The Country Guide is not only a resource, but a process. This Guide was produced through a systematic survey carried out by the Danish Institute for Human Rights (DIHR) and Pakistan Institute of Labour Education and Research (PILER). The aim of this Guide is to improve the human rights practices of companies operating in Pakistan, including through facts-based dialogue regarding the issues presented here.

How the Human Rights and Business Country Guide can be used by companies

- Develop company policies and procedures related to human rights issues in the local environment.
- Assess and track the potential human rights impacts of your own operations or in suppliers, business partners and investments.
- Raise awareness among staff, suppliers and other business partners.
- Engage with workers, potentially affected communities, consumers and other stakeholders whose human rights might be affected by your operations.
- Engage with civil society organisations, government bodies or international organisations on human rights-related issues.
- Provide background information for auditors.
- Establish or collaborate with mechanisms for workers, communities and other whose human rights might be affected by your operations.
- Contribute to development initiatives that align with human development needs and priorities in the local context.

How the Human Rights and Business Country Guide can be used by governments

- Review and reform public policy and legislation relevant to the human rights impacts of business, including in the areas of labour, environment, land, equal treatment, anti-corruption, taxation, consumer protection or corporate reporting.
How to Use This Guide

• Ensure respect for human rights in the state’s own business affairs such as state-owned companies, sovereign wealth funds and other investments, public procurement, development assistance, export credit and other activities.
• Build awareness and capacity on human rights and business issues within relevant areas of public administration.
• Provide targeted advice to domestic companies.
• Inform the development of trade policy, trade and investment agreements and trade and investment promotion.
• Improve effective access to judicial and non-judicial remedies for victims of business-related human rights abuses.
• Enhance the contribution of the private sector in national and regional development programmes relevant to human rights.

How the Human Rights and Business Country Guide can be used by civil society organisations

• Inform human rights research and monitoring related to business operations.
• Work with affected workers and communities to define human rights and human development priorities related to the role of business.
• Provide capacity-building to government, business and civil society stakeholders on human rights and business.
• Work with local stakeholders to provide recommendations to business and government.
• Facilitate dialogue and engagement with, including multi-stakeholder forums, with state agencies and businesses.

The Country Guide aims to work with all stakeholders to promote, monitor and expand the activities described above. We request that all stakeholders who use the findings of the Country Guide in their work notify the Country Guide team of their activities and lessons learned. These experiences will be included in the Country Guide website, HRBCountryGuide.org.

Country Guide Process

Pakistan is currently at step 3 in the Country Guide process.

The Pakistan Country Guide was produced by the Danish Institute for Human Rights (DIHR) and the Pakistan Institute of Labour Education and Research (PILER).

The Country Guide is a compilation of publicly available information from international institutions, local NGOs, governmental agencies, businesses, media and universities, among others. International and domestic sources are identified on the basis of their expertise and relevance to the Pakistani context, as well as their timeliness and impartiality.

The initial survey of publicly available, international sources was carried out by DIHR from October to December 2014. The draft was then updated and localized by PILER with some interaction with local stakeholders from January to March 2015.

The completed Country Guide aims to provide a comprehensive overview, on the basis of the information available, of the ways in which companies do or may impact human rights in Pakistan. The current Country Guide is not meant as an end product, or a final determination of country conditions. It is intended to be the basis, and the beginning, of a process of dissemination, uptake and modification.

DIHR and PILER seek further engagement with local stakeholders, and intend to update the Country Guide on that basis.
Country Guide Content

The Country Guide contains the following information:

Areas for Attention

Each section of the Country Guide identifies areas for particular attention by businesses. The Country Guide identifies these areas through an analysis of the country’s legal framework for human rights protection; enjoyment of human rights in practice; and the proximity of third-party human rights violations to company operations.

The headline and risk description describe the relevance of each issue for businesses. The text that follows the risk description presents the quantitative and qualitative information upon which this determination was based.

- **Background & Context** gives an overview of economic, political and demographic characteristics.
- **Rights Holders at Risk** identifies groups that may be vulnerable to workplace discrimination or community impacts.
- **Labour Standards** identifies areas for attention related to employees and working conditions. This section includes child labour, forced labour, trade unions, occupational health & safety and working conditions.
- **Community Impacts** identifies areas for attention related to communities whose human rights may be affected by company operations. This section includes impacts related to environment, land & property, revenue transparency & management and security & conflict.
- **Sector Profiles** identifies human rights and business impacts related to a particular industry sector, such as extractive operations, manufacturing or agriculture.
- **Region Profiles** identifies regions of the country where the risk of adverse human rights impacts differs markedly from the national profile. This may include underdeveloped regions, export processing zones or conflict areas.

Cases

Each rights issue includes cases from media and law where the rights issue in question has been allegedly violated. These cases are drawn from the Business and Human Rights Resource Centre, international and local NGOs and stakeholder consultations. The cases presented here should not be considered comprehensive.

Access to Remedy

Victims of corporate human rights abuses have the right under international law to mechanisms that provide for remedy. The UN Guiding Principles on Business and Human Rights explicitly oblige governments and businesses to provide and/or participate in such mechanisms.

The Country Guide includes information under each rights area about the remedy mechanisms available to redress violations of the right. Where possible, this also includes practice information about the effectiveness of such bodies, and the number of cases they have heard and redressed.

Human Rights Guidance for Businesses

This section includes guidance for businesses to prevent and mitigate their adverse human rights impacts. This guidance is drawn from the Danish Institute for Human Right’s (DIHR) existing library of human rights due diligence recommendations, as well as international frameworks, principles and
guidelines. Where available, this section includes recommendations issued by local NGOs and directed specifically at companies operating in the country.

This section also includes examples of initiatives carried out by companies to mitigate their human rights impacts. These are organized into Due Diligence Initiatives—activities that aim to meet the company’s responsibility not to violate human rights—and Beyond Compliance Initiatives—activities that aim to contribute to development beyond this baseline obligation.

Engagement Opportunities

Companies have a responsibility to prevent negative human rights impacts, but they also have an opportunity to contribute to positive human rights impacts. Each section of this Guide includes information for companies to link their policies and community engagement processes to ongoing governmental and institutional efforts to promote and fulfil human rights.

This includes Public Sector Initiatives—activities where the government is aiming to fulfil or promote the right in question through discrete programmes—as well as Development Priorities—themes identified by international institutions as warranting deliberate attention, or where companies could have the greatest impact with their development initiatives.

The purpose of the information in this section is to inspire further efforts and engagement by businesses, as well as to identify existing programmes that companies could support or take part in.

About DIHR

The Danish Institute for Human Rights is a National Human Rights Institution accredited under the UN Paris Principles, and carries out human rights and development programmes in Denmark and around the world. Since 1999, the Danish Institute has worked closely with the business and human rights communities to develop tools and standards for better business practice.

For more information, see humanrights.dk.

About PILER

The Pakistan Institute of Labour Education and Research (PILER) is a Karachi-based, not-for-profit, citizen sector organization established in 1982. PILER is engaged in research, education, policy advocacy and networking in the areas of labour rights, social justice, human development, regional solidarity and peace.

PILER, as a resource centre, facilitates the labour movement in building a wider social consensus on core labour rights through advocacy and linkages with local, national, regional and global partners. PILER considers militarization, state conflicts and social intolerance as major barriers to realizing labour rights, and engages with peace movements at national, regional and global levels. PILER is active in a number of peace initiatives at regional level.

For more information, see piler.org.pk
Background & Context

Overview of political and socio-economic conditions in which businesses operate. This information is designed to inform businesses of the broader political and development trends in the country.

<table>
<thead>
<tr>
<th>Demographics &amp; Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
</tr>
<tr>
<td>Ethnic Groups</td>
</tr>
<tr>
<td>Religious Groups</td>
</tr>
<tr>
<td>Languages</td>
</tr>
</tbody>
</table>

Political Context

Governance structures and political developments

In 1947, Pakistan became an independent state after having been under British colonial rule. In 1971, East Pakistan seceded and became the independent state of Bangladesh. Consequently, the 1973 Constitution came into force and is still valid, although frequently amended and suspended by military coups.¹

Pakistan is a federal state composed of four provinces (Balochistan, Khyber Pakhtunkhwa, Punjab and Sindh) and four territories (Islamabad Capital Territory, Federally Administered Tribal Areas, Azad Kashmir and Gilgit-Baltistan).² The 2010 constitutional amendment devolved legislative, administrative, financial and political powers from the federal to the provincial governments.³

In 2008, elections were held and the country transitioned to civilian rule.⁴ The 2013 elections were the first that marked a peaceful transfer of power from a previously elected government.⁵ The Pakistan Muslim League (PML-N) won the elections, with the Pakistan People’s Party (PPP) becoming the main opposition party, followed by the Pakistan Tehreek-e-Insaf (PTI) at the federal level. However, in Sindh province the PPP won, in Khyber Pakhtunkhwa province a PTI-lead coalition formed the government and in Balochistan province a coalition government was formed headed by the National Party, a Baloch nationalist political party, which left only Punjab province to the PML-N.⁶
In August 2014, anti-government protests broke out in Islamabad and Lahore, demanding the resignation of Prime Minister Nawaz Sharif for alleged manipulation of the 2013 election results. The next general elections remain scheduled for 2018.

In 2014, the security situation remained fragile, with the armed forces fighting the terrorist group Tehrik-i-Taliban Pakistan (TTP) in the North Waziristan tribal district of the Federally Administered Tribal Areas. Confrontations with nationalist armed groups in Balochistan province and an increase in violence against religious minorities by militant Sunni groups linked to the TTP and al-Qaeda were also reported. Although freedom of expression and speech are granted in the constitution, Freedom House reported killing, threats and kidnapping of journalists by terrorist or criminal groups and the military in 2013. Censorship was reportedly used by state and non-state actors in 2014.

In 2014, human rights defenders, especially female human rights defenders, were threatened and killed with impunity, by the Tehreek-e-Taliban and other actors, including the military and the police, according to the International Federation for Human Rights. Although the law establishing a National Human Rights Commission was passed in 2012, the Commission had not been established as of October 2014. However, at provincial level, the Sindh Human Rights Commission was established in 2013.

Pakistan Vision 2025, the country’s development strategy, prioritises the modernisation of the public administration to make it more inclusive, transparent and accountable.

Socio-Economic Context

Human development indicators and trends

In 2014, as reported by the World Bank, the persistence of conflicts and instability in several parts of the country had an adverse effect on the country’s socioeconomic development. In 2013, UN Development Programme (UNDP) reported that Pakistan was not on track to achieve any of the Millennium Development Goals, apart from MDG7 on ensuring environmental sustainability.

Since 2012, terrorist groups attacked health workers in the northwestern tribal areas and regarded polio vaccinations as a ‘western plan to sterilise Muslims’, as reported by various news sources. In 2014, the number of polio cases in those areas reached its highest level in the past 15 years, according to the BBC.

Pakistan’s 2014 GDP growth rate reached 4.1 percent, an improvement from lower rates due to gas and power shortages in 2013, floods in 2010-2011 and the 2008 financial crisis. The latest available figure for Pakistan’s Gini coefficient (a measure of income inequality), from 2011, was 30.6, indicating a relatively equal income distribution. The most equal country, Sweden, had a Gini score of 23 and the most unequal, South Africa, a Gini score of 63. However, a 2012 study by the Sustainable Development Policy Institute reported differences in poverty rates between rural and urban areas, as well as among provinces, with Balochistan having the highest poverty rate and Punjab the lowest. One-third of the country’s households were reportedly below the multidimensional poverty line, 21 percent were severely poor, and about 16 percent of non-poor households were vulnerable to poverty in 2012.

Pakistan Vision 2025 identifies the following priority areas: 1) promote inclusive growth, irrespective of religion, political opinions, cast or geographical area; 2) increase power generation; 3) attract private sector investment; 4) increase private sector productivity and competitiveness, especially in the
industrial/manufacturing, services and agricultural sectors; and 5) improve transportation to connect rural areas to markets.  


The World Bank Country Partnership Strategy for 2015 to 2019 identifies the following priority sectors: 1) energy, focusing on hydropower and renewable energies; 2) private sector development through improved competitiveness, privatisation, improved water distribution effectiveness for agriculture and increased youth skills; and 3) inclusive growth focusing on women and youths, as well as Balochistan, Khyber Pakhtunkhwa and the Federally Administered Tribal Areas.

The 2013-2017 One United Nations Programme II prioritises inclusive economic growth through: 1) increased participation in the formal economy for marginalised groups, especially youths; 2) employment creation by public private partnerships; 3) increased access to microfinance to the poorest segments of the population; and 4) support to green industries. The framework also prioritised women entrepreneurship.

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**Political, Economic & Development Statistics**

*Quantitative indicators and country rankings*

<table>
<thead>
<tr>
<th>Country Rankings &amp; Ratings</th>
<th>2010</th>
<th>2012</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporters Without Borders: Press Freedom Index rank</td>
<td>n/a</td>
<td>151 of 179 countries</td>
<td>158 of 180 countries</td>
</tr>
<tr>
<td>Freedom House: Map of Freedom - Political Rights <em>(On a scale of 1 through 7, where 1 indicates the highest level of freedom)</em></td>
<td>5</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Freedom House: Map of Freedom - Civil Liberties <em>(On a scale of 1 through 7, where 1 indicates the highest level of freedom)</em></td>
<td>4</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Form of government</td>
<td>Federal Republic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Most recent general election</td>
<td>11 May 2013</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Current head of state
- **President Mamnoon HUSSAIN**

### Ruling party
- Pakistan Muslim League (PML-N)

### Other major parties
- Pakistan Peoples Party (PPP)
- Pakistan Tehrik-e Insaf (PTI)
- Muttahida Qaumi Movement
- Jamiat Ulema-e-Islam (F)
- Awami National Party
- Vision 2025

### Development Indicators & Trends

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2011</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GDP growth percent</strong></td>
<td>2.8</td>
<td>2.8</td>
<td>6.1</td>
</tr>
<tr>
<td><strong>GDP growth in region / neighbouring countries</strong></td>
<td>7.7</td>
<td>9.1</td>
<td>5.2</td>
</tr>
<tr>
<td><strong>GDP per capita (PPP) US$</strong></td>
<td>987</td>
<td>1,213</td>
<td>1,299</td>
</tr>
<tr>
<td><strong>Human Development Index rank</strong></td>
<td>125 (2010)</td>
<td>145</td>
<td>146</td>
</tr>
<tr>
<td><strong>Human Development Index score</strong></td>
<td>0.490 (2010)</td>
<td>0.504</td>
<td>0.537</td>
</tr>
<tr>
<td><strong>Human Development Index score – South Asia Average</strong></td>
<td>0.516(2010)</td>
<td>0.548</td>
<td>0.558</td>
</tr>
<tr>
<td><strong>HDI discounted for inequality</strong></td>
<td>0.336 (2010)</td>
<td>0.346</td>
<td>0.375</td>
</tr>
<tr>
<td><strong>Gini coefficient</strong></td>
<td>30 (2008)</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Percentage of population below national poverty rate</strong></td>
<td>22.3 (2006)</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Percentage of population below absolute poverty rate ($1.25/day)</strong></td>
<td>21.0 (2008)</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

**Institutional reports related to development priorities**
- Vision 2025
- World Bank Country Partnership Strategy
### International Legal Commitments

*Accession and ratification of international human rights instruments*

#### UN Conventions

<table>
<thead>
<tr>
<th>Convention</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Covenant on Civil and Political Rights</td>
<td>RATIFIED (2010)</td>
</tr>
<tr>
<td>Second Optional Protocol to the International Covenant on Civil and Political Rights aiming at the Abolition of the Death Penalty</td>
<td>NOT SIGNED</td>
</tr>
<tr>
<td>Convention Against Corruption</td>
<td>RATIFIED (2007)</td>
</tr>
<tr>
<td>Convention Against Torture</td>
<td>RATIFIED (2010)</td>
</tr>
<tr>
<td>Convention on the Elimination of All Forms of Racial Discrimination</td>
<td>RATIFIED (1966)</td>
</tr>
<tr>
<td>Amendment to Article 20, paragraph 1, of the Convention on the Elimination of All Forms of Discrimination against Women</td>
<td>NOT SIGNED</td>
</tr>
<tr>
<td>Convention on the non-applicability of statutory limitations to war crimes and crimes against humanity (1968)</td>
<td>NOT SIGNED</td>
</tr>
<tr>
<td>Amendment to article 8 of the International Convention on the Elimination of All Forms of Racial Discrimination (1992)</td>
<td>NOT SIGNED</td>
</tr>
<tr>
<td>Convention on the Rights of Persons with Disabilities</td>
<td>RATIFIED (2011)</td>
</tr>
</tbody>
</table>
### Convention on the Rights of the Child
- Amendment to article 43 (2) of the Convention on the Rights of the Child (1995) **RATIFIED (1990)**
- International Convention for the Protection of All Persons from Enforced Disappearance (2006) **NOT SIGNED**
- International Convention on the Protection of All Migrant Workers and Members of Their Families **NOT SIGNED**
- Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the UN Convention against Transnational Organised Crime **NOT SIGNED**

### ILO Conventions
- ILO Hours of Work (Industry) Convention (C1, 1919) **RATIFIED**
- ILO Forced Labour Convention (C29, 1930) **RATIFIED**
- ILO Labour Inspectors Convention (C81, 1947) **RATIFIED**
- ILO Freedom of Association and Protection of the Right to Organise Convention (C87, 1948) **RATIFIED**
- ILO Right to Organise and Collective Bargaining Convention (C98, 1949) **RATIFIED**
- ILO Equal Remuneration Convention (C100, 1951) **RATIFIED**
- ILO Social Security (Minimum Standards) Convention (C102, 1952) **NOT RATIFIED**
- ILO Abolition of Forced Labour Convention (C105, 1957) **RATIFIED**
- ILO Discrimination (Employment and Occupation) Convention (C111, 1958) **RATIFIED**
- ILO Medical Care and Sickness Benefits Convention (C130, 1969) **NOT RATIFIED**
- ILO Minimum Wage Fixing Convention (C131, 1970) **NOT RATIFIED**
- ILO Holidays with Pay (Revised) Convention (C132, 1970) **NOT RATIFIED**
- ILO Workers' Representatives Convention (C135 of 1971) **NOT RATIFIED**
### Background & Context

#### ILO Instruments

<table>
<thead>
<tr>
<th>Convention</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>ILO Minimum Age Convention (C138, 1973)</td>
<td>RATIFIED</td>
</tr>
<tr>
<td>ILO Migrant Workers (Supplementary Provisions) Convention (C143, 1975)</td>
<td>NOT RATIFIED</td>
</tr>
<tr>
<td>ILO Occupational Safety and Health Convention (C155, 1981)</td>
<td>NOT RATIFIED</td>
</tr>
<tr>
<td>ILO Indigenous and Tribal Peoples Convention (C169, 1989)</td>
<td>NOT RATIFIED</td>
</tr>
<tr>
<td>ILO Worst Forms of Child Labour Convention (C182, 1999)</td>
<td>RATIFIED</td>
</tr>
<tr>
<td>ILO Maternity Protection Convention (C183, 2000)</td>
<td>NOT RATIFIED</td>
</tr>
</tbody>
</table>

#### Other International Instruments

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rome Statute of the International Criminal Court</td>
<td>NOT SIGNED</td>
</tr>
<tr>
<td>UNESCO Convention concerning the Protection of the World Cultural and Natural Heritage (1972)</td>
<td>IN FAVOUR</td>
</tr>
</tbody>
</table>
## Rights Holders at Risk in the Workplace

_Societal groups and workers who may be at particular risk of employment-related discrimination and poor labour conditions_

### Operating Environment

<table>
<thead>
<tr>
<th></th>
<th>Pakistan</th>
<th>South Asia Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIV/AIDS prevalence</td>
<td>0.1% (2013)</td>
<td>0.3% (2013)</td>
</tr>
<tr>
<td>Labour force</td>
<td>59.21 million</td>
<td></td>
</tr>
<tr>
<td>Percentage of population 15-24 years of age</td>
<td>21.5 (2013)</td>
<td></td>
</tr>
<tr>
<td>Sectors contributing to GDP</td>
<td>Agriculture: 25.3%</td>
<td>Industry: 21.6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Services: 53.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2013 est.)</td>
</tr>
<tr>
<td>Major ethnic groups</td>
<td>Punjabi 44.68%, Pashtun (Pathan) 15.42%, Sindhi 14.1%, Sariaki 8.38%, Muhajirs 7.57%, Balochs 3.57%, other 6.28%</td>
<td></td>
</tr>
<tr>
<td>Major religious groups</td>
<td>Muslim (official) 96.4% (Sunni 85-90%, Shia 10-15%), other (includes Christian and Hindu) 3.6% (2010 est.)</td>
<td></td>
</tr>
<tr>
<td>Maternity leave</td>
<td>12 weeks at full pay$^9$</td>
<td></td>
</tr>
<tr>
<td>Constitution prohibits discrimination on the grounds of</td>
<td>Race, religion, caste, sex, residence and place of birth</td>
<td></td>
</tr>
<tr>
<td>Relevant legislation</td>
<td>• Constitution (2012)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Employment and Rehabilitation Ordinance (1981)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Maternity Benefit Ordinance (1958)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Mines Maternity Benefit Act (1941)</td>
<td></td>
</tr>
</tbody>
</table>
Country Context

Key human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.

Ethnic and Religious Minorities

Ethnic and religious minorities may be at risk of discrimination in the workplace. Particular attention should be given to Ahmadis, Christians and Hindus and the areas of wages and forced labour.

The constitution prohibits discrimination on the basis of race and religion.\(^{30}\) Ahmadis and non-Muslims, especially Christians and Hindus, were reported to be victims of discrimination at the workplace.\(^{31}\) In 2012, the International Journal of Asian Social Science reported that religious minorities were employed in menial, low-paid and low-status work.\(^{32}\)

The British Pakistani Christian Association reported in 2012 that poor Christian families worked in slave-like conditions due to debts incurred to pay for health and basic needs.\(^{33}\) A 2007 study by the Minority Rights Commission reported that 75 percent of those employed in the solid waste management sector were Christians. Workers in this sector reportedly worked 10 to 12 hours per day with temporary working contracts.\(^{34}\)

Low-cast Hindus, especially women, were employed as bonded labourers in agriculture and brick making sectors, according to the Pakistan Dalit Solidarity Network in 2013.\(^{35}\)
Persons with Disabilities

*Persons with disabilities may be at risk of limited access to employment and workplace discrimination. Particular attention should be given to the areas of access to workplace facilities, promotions and compliance with hiring quotas.*

Pakistan ratified the Convention on the Rights of Persons with Disabilities in 2011. The law provides for a 2 percent hiring quota for persons with disabilities in organisations employing more than 100 people. However, the quota was poorly implemented in 2014, according to The Economist Intelligence Unit.

Sindh Social Welfare Department reported that at least 25 companies, including Avari Towers, Coca-Cola, Habib Oil Mills, Dalda, Unilever Pakistan and the State Bank of Pakistan, were not implementing the quota in Karachi in 2014. The law provides for the payment of a penalty by companies not implementing the quota. However, the money from the penalties was reportedly not effectively collected and there was no transparency on how those funds were spent. Since the 2010 constitutional amendment devolving powers to the provinces, funds reportedly could not be transferred to provinces due to administrative problems.

According to the Economist Intelligence Unit, as of 2014, 20 million people, or 15 percent of the population, had some form of disability. They reportedly faced challenges in access to public transportation, access to work environments and in getting promotions.

Persons Living with Health Conditions

*Persons living with health conditions may be at risk of workplace discrimination. Particular attention should be given to persons living with HIV/AIDS and the areas of hiring, privacy and workplace harassment.*

According to the 2014 Global AIDS Response Progress Report, about 83,500 people lived with HIV/AIDS. In Khyber Pakhtunkhwa province, the most affected population was reportedly migrant workers.

The 2012 Stigma Index reported that 52 percent of the people living with HIV/AIDS were unemployed and the rest worked part-time or were self-employed, with an average monthly income of 6,000 PKR (US$58), which was below the poverty line. Thirty-five percent of the people living with HIV/AIDS were reportedly refused employment due to their HIV status; 15 percent were given pre-employment HIV/AIDS tests; and 11 percent lost their jobs due to discrimination by their employer or coworkers.

Sexual Minorities

*Lesbian, gay, bisexual or transgender persons may be denied access to employment or discriminated against in the workplace. Particular attention should be given to the areas of workplace harassment and access to workplace grievance mechanisms.*

According to the law, homosexual acts are illegal and punishable with imprisonment from two to ten years and the payment of a fine. Hence, no legal protection from discrimination at the workplace is provided to sexual minorities.

The U.S Department of State reported in 2013 that sexual minorities kept their sexual orientation hidden for fear of discrimination. There was little data available on the status of sexual minorities at the workplace.
Women

Women may be at risk of discrimination in the workplace. Particular attention should be given to the areas of equal pay, informality, working conditions, maternity and pregnancy and sexual harassment.

The constitution prohibits discrimination against women.\(^{48}\) The law does not recognise the principle of equal pay for work of equal value and does not explicitly prohibit gender discrimination in hiring.\(^{49}\) In 2013, the International Labour Organization (ILO) reported that the female labour participation rate was 24.4 percent, compared to 82 percent among males. However, female participation greatly varied according to provinces, ranging from 10 percent in Balochistan to almost 30 percent in Punjab, which was linked to each province’s respective education rate.\(^{50}\)

The ILO reported that in Pakistan women’s salary was about 60 percent lower than men.\(^{51}\) According to the 2012-2013 Labour Force Survey, the average monthly wage of a female worker in the manufacturing sector was 4,958 PKR (US$49) compared to 11,734 PKR (US$115) of men.\(^{52}\)

The Committee on the Elimination of Discrimination against Women reported in 2013 that women were mainly employed in low-paid and low-skilled jobs.\(^{53}\) Labour Watch reported in 2014 that women were primarily employed in the informal sector, including brick kilns and garment manufacturing.\(^{54}\) The ILO reported that 74 percent of working women in Pakistan were employed in agriculture in 2010-11.

Female employment in family businesses, reportedly a common source of employment for women,\(^{55}\) increased by 11 percent between 2000 and 2011.\(^{56}\) In 2014, the U.S. Department of State reported that in rural areas, women were prevented from working outside their homes to avoid contact with men outside of the family.\(^{57}\) In the urban informal sector, about 78 percent of women worked from home, as piece rate or casual workers, or were employed as domestic workers with very low wages, according to the Pakistan Institute of Labour Education and Research (PILER) in 2010.\(^{58}\)

In 2010, PILER reported that the lack of safe transport to and from work exposed women to sexual harassment.\(^{59}\) The same source added the lack of a safe working environment for women in factories, as no separate bathrooms, eating and resting spaces were provided.\(^{60}\) In 2014, the U.S. Department of State reported in 2014 that sexual harassment was widespread, especially among domestic workers and nurses.\(^{61}\) In 2015, the implementation of the 2010 law protecting women from sexual harassment at work remained insufficient, although an increased number of cases were reported to the relevant Ombudsman offices and public discussions on the topic in 2014.\(^{62}\)

Although maternity laws provide women with 12 paid weeks of maternity leave, this was generally not enforced, with married women encouraged to leave the workplace or being dismissed, according to PILER in 2010.\(^{63}\) The same source reported also challenges for women in participating in trade union activities.\(^{64}\)

Youth

Youth may be at risk of discrimination in the workplace. Particular attention should be given to the areas of access to employment, informality, working conditions.

In 2014, Pakistan population between 15 and 29 years old amounted to about 27 percent of the total population. PILER reported that youth faced difficulties in accessing job opportunities, with 9.2 percent of them being unemployed in 2014. The rest was primarily employed in the informal sector with low wages, partially due to low level of education and skills among youth.\(^{65}\)
Access to Remedy

Bodies to which victims of corporate human rights abuses can file grievances and seek redress.

National Grievance Mechanisms

The Industrial Relations Ordinance provides that a worker can bring in writing a grievance to the employer directly or through a shop steward or a collective bargaining agent within one month from the day the grievance occurred. The employer has 15 days to communicate in writing its decision to the worker. Should the worker be dissatisfied with the decision, the grievance can be submitted to a labour court within two months. Labour courts decisions can be appealed to one of the five high courts (one per province and one for Islamabad Capital Territory).  

The Institute for Social Justice reported a lack of effectiveness of labour courts in 2013, partly due to a lack of clarity on the jurisdiction at provincial and federal level. A 2014 Supreme Court decision clearly demarcated jurisdiction of provincial labour courts and the National Industrial Relations Commission at the federal level. In 2012, representatives from civil society recommended new labour courts to be established or additional judges to be appointed to improve the efficiency of those courts.  

In 2007, Sindh province established the Karachi Centre for Dispute Resolution (KCDR), which can mediate civil disputes, including labour related cases. A Sindh court can differ litigations to the KCDR, should parties agree to it. 195 cases out of the 715 ones referred to the Centre from 2007 to 2013 were successfully mediated.  

Complaints of sexual harassment can be submitted to the federal Ombudsman for Protection against Harassment of Women at the Workplace, which was appointed in 2010. In 2013, 130 of the 139 cases received since its founding had been disposed and nine remained under scrutiny. According to the law, each province should establish a provincial Ombudsman, though, as of February 2014, only Sindh and Punjab province had appointed one. According to a 2015 research incidents of sexual harassment were underreported, because it is considered shameful to speak up about those issues in Pakistani society or victims were blackmailed by their harassers or feared of being dismissed.

International Grievance Mechanisms

The Fair Labor Association (FLA) established a Third Party Complaint Process in 2002 to allow any person to report serious violations of workers’ rights in the production facilities of FLA-affiliated companies. FLA members include various multinational apparel companies with supply chains in Pakistan, including Adidas, Nike and Puma.  

Although Pakistan is not an OECD member and consequently has no National Contact Point (NCP), complaints about breaches of the OECD Guidelines for Multinational Enterprises, including discrimination at the workplace (Chapters IV and V), by companies registered in OECD countries can be filed to the NCP of that country. The NCP mediates among parties to find a conciliatory solution to the dispute.  

Adverse impacts related to International Financial Corporation or Multilateral Investment Guarantee Agency projects may be reported to the Compliance Advisor Ombudsman, which can investigate and mediate disputes.
Rights Holders at Risk in the Workplace

Cases
Reports of business-related human rights issues from NGOs, multilateral institutions and the media.

• September 2014, International Federation of Journalists: The Ombudsman for Protection against Harassment of Women at Workplace found the Executive Director of the Associated Press of Pakistan guilty of sexual harassment. His removal from the position was ordered, but remained to be implemented, as of September 2014.  

• September 2014, Labour Watch: A nurse was allegedly sexually assaulted at work by the male ward nurse in Peshawar, Khyber Pakhtunkhwa province.  

• September 2014, The News: In Lahore, a female home-based shoemaker reportedly earned less than 3,000 PKR (US$29) per month and a home-based garment worker was paid 30 PKR (US$0.3) per piece, significantly less than the wages received by their male counterparts.

Company Initiatives
Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context

Company Due Diligence Initiatives

Telenor Pakistan: Since 2009, the company has run the Khuddar Pakistan programme, which installed ramps and wheelchair-accessible washrooms at its main offices in Islamabad.

MCR: In 2013, the company adapted its call centre software to the Job Access With Speech, a screen-reading software allowing people with visual impairment to use computers. Consequently, the company hired visually impaired people in its call-centres, as well as persons with hearing impairment in its restaurants, making up 2 percent of its workforce. The company plans to expand the percentage of employed persons with disabilities to 10 percent.

Company Beyond Compliance Initiatives

Telenor Pakistan: In 2013, the company provided a three-month training on project and financial management, and the telecommunications industry to 16 persons with disabilities. Eight people were selected for a further nine-month on-the-job training programme. In 2014, 30 persons with disabilities were employed through the Open Mind Programme, which is the result of cooperation between Telenor Pakistan and the NGO Special Talent Exchange Program (STEP). In June 2014, the company with STEP established a mobile repairing lab at the National Training Centre for Special Persons in Islamabad.
Human Rights Guidance for Businesses

Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context

Local Recommendations

*One United Nations Programme II (2013-2017)*: The United Nations recommended that companies increase the participation in the formal economy of marginalised groups, especially youths.

**Due Diligence Library**
The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies

**Discrimination**

*Does the company ensure that employment-related decisions are based on relevant and objective criteria?*

- The company identifies different types of discrimination, including those rooted in formal structures and cultural traditions.
- It is company policy to ensure that decisions concerning hiring, wages, promotion, training, discipline, retirement and termination are based only on unbiased criteria, and are not linked to any of the discriminatory characteristics listed in the description for this question.
- Each job category in the company has a written description stating the salary level and the qualifications required for that job category.
- The company ensures that employment advertisements do not reference discriminatory criteria, such as race, gender or age (unless listed as part of a legal equal opportunities promotion).
- The company ensures that job applicants are not asked to give information about their marital status, pregnancy, intent to have children, number of dependents, or similar information that may lead to discriminatory hiring decisions.
- All hiring managers receive training regarding the company’s non-discrimination policies.
- The company has established a procedure, accessible and known to all workers, where workers can safely report incidents of workplace discrimination.
- The company takes reasonable steps to enable qualified persons with disabilities or health conditions to gain employment opportunities with the company, for example by providing wheelchair access, flexible working hours, longer breaks etc.

**Fair Treatment**

*Does the company protect workers from workplace harassment including physical, verbal, sexual or psychological harassment, abuse, or threats?*

- The company has a commitment to prevent workplace harassment.
- The company actively informs workers of their obligations to refrain from violent, threatening or abusive conduct.
• Managers receive training on how to identify and deal with instances of harassment in the workplace.

• The company investigates all complaints of workplace harassment and takes appropriate preventative and disciplinary action including reporting of criminal actions to the appropriate authorities.

• Does the company respect the privacy of its employees whenever it gathers private information or monitors the workplace?

Privacy
The company has a procedure stating which kinds of workplace monitoring are allowed; what kind of personal worker information is retained; where it is stored; who has access; and why the information is necessary.

• Workers are made aware of all workplace monitoring, including cameras and Internet or e-mail monitoring, and the specific purpose of the monitoring.

• The company obtains the worker’s prior written consent before gaining information from an individual with whom the worker has a privileged relationship, including a former employer, doctor or lawyer.

• Workers have access to all personal data collected about them, including data concerning disciplinary decisions and data obtained through monitoring, but excluding confidential management specific information related to performance evaluations, salary negotiations, promotions, rotation and similar employment decisions.

Standards & Guidance
NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre

• International Labour Organization Core Labour Standards on Non-discrimination and the ILO Bureau for Gender Equality: Non-discrimination comprises one of the four core areas of the ILO Declaration on Fundamental Principles and Rights at Work, which comprises the ILO core labour standards. The ILO integrates gender throughout its work, with the objective of achieving gender equality as an essential feature of decent work. This can include advisory services, research and information dissemination, training and capacity building.

• Oxfam Australia: Women, Communities and Mining: The Gender Impacts of Mining and the Role of Gender Impact Assessment (2009): This Guide is intended to inform mining company staff of potential gender impacts of mining projects and introduces some tools and approaches that can be used to conduct a gender impact assessment.

• Women’s Empowerment Principles (2010): Developed in collaboration between UN Women and the UN Global Compact, the Women’s Empowerment Principles are a set of principles for businesses offering guidance on how to empower women in the workplace, marketplace and community.
Engagement Opportunities

*Development initiatives by public and private actors that provide opportunities for companies to contribute to human development*

**Public Sector Initiatives**

*Technical and Vocational Education and Training Reform Support Programme (2011-2016):* The National Vocational & Technical Training Commission together with the German development agency, GIZ, launched the programme in April 2011. It aims to provide skills to improve employability, especially among vulnerable groups, and establish public-private partnerships.86

*Prime Minister Youth Programme (2014-2015):* With an allocation of 2.1 billion PKR (US$20.4 million) the programme aims at providing youth with the necessary set of skills for gainful employment, spreading the use of computers and imparting on-the-job training for young graduates.87

**NGO Initiatives**

*Sindh Community Foundation (2014):* The organisation runs an awareness-raising programme on the 2010 Women’s Protection Act. The programme includes counselling working women on their rights, especially with regard to sexual harassment.88

*Special Talent Exchange Program (2014):* The organisation established an employment exchange web portal for persons with disabilities, called Disability Job Centre, and a disability inclusive vocational training centre for women in the outskirts of Islamabad.89

**Development Priorities**

*One United Nations Programme II (2013-2017):* The programme prioritises: 1) increased participation in the formal economy of marginalised groups, especially youths; 2) female entrepreneurship; and 3) increased compliance with labour standards by companies in the formal sector.90

*ILO Decent Work Country Programme (2010-2015):* The programme prioritises: 1) increased female participation in the workplace, reduce discrimination of women employee by increasing equality between female and male employees; 2) increased access to skills development opportunities for men and women to increase marketable skills for waged and/or self-employment.91

*World Bank Country Partnership Strategy (2015-2019):* The strategy prioritises improving youths skills through technical and vocational training to increase their (self-)employability, and targets Punjab, Khyber Pakhtunkhwa and the Federally Administered Tribal Areas.92
Rights Holders at Risk in the Community

Societal groups who may be at particular risk of adverse human rights impacts by businesses or who may be excluded from benefits generated by businesses activities

<table>
<thead>
<tr>
<th>Operating Environment</th>
<th>Pakistan</th>
<th>South Asia Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage urban population</td>
<td>36.2 (2011)</td>
<td>68.3 (2013)</td>
</tr>
<tr>
<td>Percentage rural population</td>
<td>63.8 (2011)</td>
<td>31.7 (2013)</td>
</tr>
<tr>
<td>Human Development Index score</td>
<td>0.537 (2013)</td>
<td>0.558</td>
</tr>
<tr>
<td>HDI adjusted for inequality</td>
<td>0.375 (2013)</td>
<td>0.419 (2013)</td>
</tr>
<tr>
<td>Literacy rate, 15-24 years old (%)</td>
<td>70.8 (2011)</td>
<td>79.3 (2010)</td>
</tr>
<tr>
<td>Maternal mortality ratio (per 100,000 births)</td>
<td>170 (2013)</td>
<td>190 (2013)</td>
</tr>
<tr>
<td>Seats held by women in national parliament (%)</td>
<td>20.7 (2013)</td>
<td>20 (2013)</td>
</tr>
<tr>
<td>HDI Gender Equality Gap Index</td>
<td>0.563 (2013)</td>
<td>0.539 (2013)</td>
</tr>
<tr>
<td>OECD Social Institutions and Gender Rank</td>
<td>55 out of 86 countries</td>
<td></td>
</tr>
<tr>
<td>Life expectancy</td>
<td>66.6 years</td>
<td></td>
</tr>
<tr>
<td>Constitution prohibits discrimination on the grounds of:</td>
<td>Race, religion, caste, residence, or place of birth</td>
<td></td>
</tr>
<tr>
<td>Relevant Laws</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Acid Control and Acid Crime Prevention Act (2011)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Prevention of Anti-Women Practices Act (2011)</td>
<td></td>
<td></td>
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<tr>
<td>• Women’s Protection Act (2010)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsible agencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Ministry of Law, Justice, and Human Rights</td>
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</tr>
</tbody>
</table>
Country Context

*Key human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.*

**Ethnic and Religious Minorities**

*Companies may affect the health, livelihoods or material well-being of ethnic and religious minorities. Particular attention should be paid to this issue when identifying stakeholders for community consultation, purchasing land, operating in conflict-affected areas, recruiting local employees and operating in proximity to Shia, Ahmadi, Christian and Hindu communities.*

The main religious minorities in Pakistan are Shia Muslims, Ahmadis, Christians and Hindus. Ethnic minorities included Sindhis, Pashtun (Pathan), Muhajirs and Balochs.

According to Minority Rights Group International, hate speech against religious minorities was a common practice and occurred with impunity in 2014. The law on blasphemy, which in principle should protect all religions from discrimination, is reportedly vague and includes no reference to a potential offender’s psychological state or intention.

The Human Rights Commission of Pakistan reported that 687 people were killed in more than 200 sectarian attacks in 2013, a 22 percent increase from 2012.

Shia Muslims were reportedly targets of terrorist attacks, especially in Balochistan province, where over 400 were killed in 2013, as well as Lahore and Multan. In Quetta, the Hazara ethnic group, almost entirely Shia, closed their businesses and stopped attending college for fear of attacks, according to a 2014 report by the Immigration and Refugee Board of Canada.

In 2012, the Ahmadiyya Muslim Lawyers Association reported that non-Muslims were placed in a separate electoral roll and were allowed to vote only for non-Muslim candidates, comprising only 5 percent of MPs.

Tensions between ethnic and religious groups were exacerbated by offensive and discriminatory language in school textbooks, according to Minority Rights Group International. In 2014, the U.S.
Department of State reported that Sikh students were required to obtain a certificate of permission from the Evacuee Trust Property Board, which was a lengthy process and discouraged them from attending university.\textsuperscript{106}

Balochs, Pathans, Mohajirs and Sindhis were discriminated against, according to Minority Rights Group International in 2010.\textsuperscript{107} In 2012, Amnesty International reported abductions, disappearances and extrajudicial killings of Baloch political or human rights activists or journalism by the police, in the framework of ongoing conflict between Balochs and the government.\textsuperscript{108}

**Persons with Disabilities**

*Companies may negatively impact the health, livelihoods or ability to access public services for persons with disabilities. Particular attention should be paid to this issue when conducting community consultations.*

Pakistan ratified the Convention on the Rights of Persons with Disabilities in 2011.\textsuperscript{109} Laws protecting persons with disabilities were fragmented and limited in scope, according to The Economist Intelligence Unit in 2014. No law protecting persons with disabilities from discrimination was in place.\textsuperscript{110}

According to the Economist Intelligence Unit, as of 2014, 20 million people, or 15 percent of the population, had some form of disability.\textsuperscript{111} Persons with disabilities reportedly experienced societal stigmatisation, and disabilities were regarded as punishments. Discrimination resulted in limited access to services and difficulties in getting married.\textsuperscript{112}

The Economist Intelligence Unit also reported that children with disabilities were more likely to be out of school. Families reportedly kept girls with physical or mental impairments at home due to fear of harassment in schools.\textsuperscript{113} Special education schools were few, mainly located in Punjab province and were lacking qualified staff with special training.\textsuperscript{114} Nationwide, only 60 vocational training centres were available for persons with disabilities for continuous learning.\textsuperscript{115}

**People Living with HIV/AIDS**

*Companies may negatively impact persons living with HIV/AIDS. Particular attention should be paid to this issue when conducting community consultations.*

The 2014 Global AIDS Response Progress Report stated that about 83,500 people lived with HIV/AIDS. The epidemic was concentrated among people who inject drugs and transgender and male sex workers, with prevalence rates of 27.5 and 2 percent, respectively.\textsuperscript{116} HIV/AIDS in Pakistan was reported to be mainly an urban phenomenon.\textsuperscript{117}

According to the latest Stigma Index assessment (2009-2010), HIV-positive widows were expelled from in-laws and natal families alike.\textsuperscript{118} UNAIDS reported that in 2013 an APN+ regional study among people living with HIV/AIDS found that about 50 percent were denied medical services and 40 percent had to change housing due to their status.\textsuperscript{119}

In 2015, Pakistan Institute of Labour Education & Research reported that people with prolonged illnesses also faced job insecurity.\textsuperscript{120}

**Sexual Minorities**

*Companies may negatively impact the security of lesbian, gay, bisexual or transgender persons. Particular attention should be paid to the issues of privacy and personal security.*
According to the law, homosexual acts are illegal and punishable with imprisonment from two to ten years and the payment of a fine.\textsuperscript{121} Hence, no legal protection is provided to sexual minorities in case of violations of their rights.\textsuperscript{122}

As such, little data on the conditions of LGBT persons was available.\textsuperscript{123} The U.S Department of State reported that sexual minorities kept their sexual orientation hidden for fear of discrimination.\textsuperscript{124} The Immigration and Refugee Board of Canada reported in 2014 that the Pakistani LGBT community was subject to harassment and abuse.\textsuperscript{125} Sexual minorities reportedly lived in slums and had to beg or perform as dancers at carnivals and weddings to earn a living. The only LGBT website, Queer Pakistan, was banned by the Pakistan Telecommunication Authority in 2013.\textsuperscript{126}

In 2008, the Supreme Court called upon the government to recognise transgender \textit{(hijra)} individuals and provide them with access to social services.\textsuperscript{127} However, \textit{hijras} continued to be denied access to school, health, housing and inheritance rights, as reported by the U.S. Department of State in 2014.\textsuperscript{128} In 2013, the \textit{hijras} participated for the first time in elections, following a 2012 Supreme Court ruling recognising them as ‘third gender’ and allowing them to obtain national identification cards.\textsuperscript{129}

\textbf{Women}

\textit{Companies may disproportionately affect the health, livelihoods or material well-being of women, or may exacerbate already-existing gender disparities in development. Particular attention should be paid to the areas of gender-based violence, under-representation of women in traditional structures, gender disparities in access to education and access to land.}

The constitution prohibits discrimination against women.\textsuperscript{130} According to the law, 16-year old girls can get married, whereas males must be 18 years old. Abortion is only permitted to preserve the woman’s mental and physical health.\textsuperscript{131}

The UN Development Programme (UNDP) reported in 2013 that literacy rates were 47 percent for women and 70 percent for men,\textsuperscript{132} and lower in tribal areas.\textsuperscript{133} Low female enrolment rates, particularly at the secondary level, and high dropout rate, especially in rural areas, were reported by the UN Committee on the Elimination of Discrimination against Women in 2013.\textsuperscript{134} Girls-only schools, teachers and female students were reportedly targets of terrorist attacks in 2013.\textsuperscript{135}

Although the law grants women the right to inherit and acquire land, the 2012 Social Institutions & Gender Index reported that women’s inheritance shares were smaller than their male counterparts.\textsuperscript{136} In 2011, the International Land Coalition reported that widows lost their inheritance rights if they remarried outside of the family of the deceased husband.\textsuperscript{137}

The Human Rights Commission of Pakistan reported that, in 2013, 869 women died in ‘honour killings’, generally imposed by \textit{jirgas}, informal tribal judicial system.\textsuperscript{138} Victims of gender-based violence failed to report cases of violations and abuses due to fear of stigmatisation and repercussion from the perpetrators, according to the UN’s Pakistan Country Team.\textsuperscript{139}

\textbf{Access to Remedy}

\textit{Bodies to which victims of corporate human rights abuses can file grievances and seek redress.}

\textbf{National Grievance Mechanisms}

Individuals whose rights have been violated can address first instance courts, namely district courts for civil cases and session courts for criminal cases, and can appeal judgments to the five High Courts (one
Rights Holders at Risk in the Community

Pakistan also has a Federal Shariat Court deciding over the alignment of laws with the injunctions of Islam contained in the Koran and the Sunnah.

The UN Special Rapporteur on the independence of judges and lawyers reported that a civil case took an average of 20 years to be resolved, mainly due to a shortage of judges in the first instance courts. Prosecutors reportedly lacked control over the limited resources at their disposal, received inadequate salary and could be removed by the executive at anytime. Poor prosecution services, corruption in police investigation and among lawyers, and the exclusive use of witnesses for evidence resulted in loss of public trust in the formal judicial system.

Although jirgas, informal tribal courts, were ruled unlawful and their decisions illegal by Sindh Supreme Court in 2004, Pakistanis continued to address them to seek redress, as they were considered more accessible, cheaper and faster compared to the formal judicial system, according to the Special Rapporteur.

Woman lacked representation both in the informal and formal judicial system, with only two women appointed to the High Courts in 2012. According to the Child Rights International Network, women were offered in marriage to settle disputes or criminal acts, including murders, by jirgas. The first women-only jirga was set up in 2013 in the Swat valley, in Khyber Pakhtunkhwa province.

International Grievance Mechanisms

Although Pakistan is not an OECD member and consequently has no National Contact Point (NCP), complaints about breaches of the OECD Guidelines for Multinational Enterprises by companies, including impacts on communities (Chapters IV and VIII), registered in OECD countries can be filed to the NCP of that country. The NCP mediates among parties to find a conciliatory solution to the dispute.

Abuses related to investment projects funded by the Asian Development Bank (ADB) can be referred to ADB Accountability Mechanism, which has the power to mediate and investigate complaints.

Adverse impacts related to International Financial Corporation or Multilateral Investment Guarantee Agency projects may be reported to the Compliance Advisor Ombudsman, which can investigate and mediate disputes.

Cases

Reports of business-related human rights issues from NGOs, multilateral institutions and the media.

- **November 2014, Dawn**: Residents filed a complaint to the Sindh High Court against Karachi Port Trust due to its coal dumping activities, which allegedly resulted in respiratory diseases among community members.
- **July 2014, Amnesty International**: Following accusations of blasphemy against an Ahmadi man, a Muslim mob of 100 people set fire to several houses of a local Ahmadiyya community, resulting in the death of two children and a woman. The Ahmadiyya community accused the police of failing to protect them from the mob.
- **May 2014, DAWN**: A local community in Gurguri, Khyber Pakhtunkhwa province, stopped the operations of a local oil plant, as the community accused the company of failing to comply with its commitments, including using its welfare funds to improve the living standard of the local population.
• **April 2014, Radio Free Europe/Radio Liberty:** A Christian couple was sentenced to death for blasphemy in Punjab province.\(^{154}\)

• **March 2014, Radio Free Europe/Radio Liberty:** Following allegations of a Hindu man burning the Koran, a Muslim mob burned a Hindu temple and community centre in Sindh province.\(^{155}\)

• **September 2013, FIDH:** 80 people were killed during a faith-based terrorist attack against a church in Peshawar, Khyber Pakhtunkhwa province.\(^{156}\)

• **July 2013, Reduced Mobility Rights:** The Pakistan airline Air Blue did not accept passengers with disabilities unless accompanied and did not provide them with assistance. The airline operates direct flights from Islamabad to Manchester three times per week. On the basis of European anti-discrimination regulation EC1107/2006, the British Civil Aviation Authority took steps to ensure the company complies with the regulations.\(^{157}\)

• **January 2012, Al Jazeera:** 100 people were killed after taking contaminated heart drugs. This allegedly stemmed from a lack of regulations of domestic pharmaceutical manufacturers, which sold generic versions of drugs at more affordable prices than pharmaceutical multinationals.\(^{158}\)

### Human Rights Guidance for Businesses

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

#### Due Diligence Library

*The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies*

#### Community Engagement

*Does the company engage with local communities on the actual or potential human rights impacts of its operations?*

- The company has a commitment to engage openly with communities in and around its area of operations, prior to, during and after commencing activities that may negatively impact their access to resources (e.g. water, food, land) or livelihoods (e.g. fishing or hunting grounds).

- The company communicates and consults with local communities prior to, during and after commencing activities to prevent, reduce and mitigate impacts.

- The company takes steps to remedy the legitimate concerns of local communities regarding any negative impacts of the company’s operations on the access to resources or livelihoods.

- Does the company seek to avoid involvement in human rights abuses owing to government or societal practices?

#### Country Risk

*Does the company seek to avoid involvement in human rights abuses owing to government or societal practices?*

- If operating in a country or region with systematic human rights abuses, the company seeks to become aware of and avoid the risk of contributing to, endorsing or benefiting from such abuses.

- Where the company risks involvement in systematic human rights abuses owing to government or societal practices, the company seeks to identify solutions through dialogue with other businesses,
civil society organisations, experts and other relevant stakeholders, including where possible with the authorities.

- The company ensures that it does not endorse any state imposed discriminatory limitations on the right to vote, and does not pass along information concerning religious, racial, political affiliations or other characteristics of employees which could be used by the government as a reason to restrict the right to vote.

**Standards & Guidance**

*NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre*

- **The Forest Peoples Programme**: Established in 1990, the Programme is dedicated to supporting Indigenous Forest Peoples protect their land rights and human rights. The Programme works directly with indigenous communities, assisting them in building their own capacities and exercising their human rights.

- **IFC Performance Standard 7: Indigenous Peoples** (2012): The IFC PS7 and its accompanying guidance offer directions on how private sector projects can respect the human rights of Indigenous Peoples through following the stated requirements.

- **International Council on Mining and Metals Good Practice Guide**: Indigenous Peoples and Mining (2010): The ICMM is the industry organisation for the mining and metals sector. The Guidance provides advice to companies on how they can build effective relationships with Indigenous Peoples, as well outlining ways in which companies can effectively engage throughout the lifecycle of a project.

- **International Working Group for Indigenous Affairs (est. 1968)**: IWGIA is an international human rights organization specialising in Indigenous Peoples’ rights. IWGIA works to further the understanding, knowledge, and engagement with the rights of Indigenous Peoples through publications, advocacy programmes and support of local projects.

- **The Manila Declaration of the International Conference on Extractive Industries and Indigenous Peoples** (2009): The Declaration is a statement on behalf of Indigenous Peoples and support organisations from 35 countries that calls on different stakeholder groups, such as extractive companies, communities and civil society organisations, to respect and uphold the recognised rights of Indigenous Peoples.

- **Tebtebba Foundation (Indigenous Peoples’ International Centre for Policy Research and Education)**: The Foundation’s main purpose is to work for the respect, protection and fulfilment of Indigenous Peoples’ rights and the operationalization of Indigenous Peoples’ self-determined sustainable development. The Foundation offers a number of relevant resources on issues such as traditional knowledge and traditional livelihoods, biodiversity and climate change.

- **UN Permanent Forum on Indigenous Issues (est. 2000)**: The Forum was formed to advise the United Nations Economic and Social Council on a number of Indigenous Peoples’ rights issues, such as economic and social development, culture, education, environment, health and human rights.

- **UN Special Rapporteur on the situation of human rights and fundamental freedoms of indigenous peoples (est. 2001)**: The Special Rapporteur mandate is to advise on and monitor the human rights situation of Indigenous Peoples. This includes country reports, promoting good practice, addressing
relevant human rights violations and contributing to thematic study on topics related to Indigenous Peoples.

Company Initiatives

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

Company Beyond Compliance Initiatives

**PARCO**: The oil and gas company runs a Community Welfare Clinic in Punjab province for domestic workers at the company’s refinery, their families and local communities. As of 2013, the clinic provided basic health care support to 3,000 people annually. A mobile clinic offered free treatment and medicines to communities living in the rural areas around the refinery.\(^{159}\)

**UFONE**: In 2011, the telecommunications company, together with the NGO PLAN, established a thalassemia centre in Vehari, Punjab province. About 10,000 people afflicted with thalassemia were estimated to be living in Vehari. The company supplied medical treatment and equipment.\(^{160}\)

Engagement Opportunities

*Development initiatives by public and private actors that provide opportunities for companies to contribute to human development*

NGO Initiatives

**International Alert**: The Creating Safer District for Women project aimed to boost community-based prevention of sexual violence in conflict and post-conflict areas of Pakistan. As part of the programme, a theatre workshop was held in Lahore in 2014 to spread awareness on sexual violence against women.\(^{161}\)

**Sindh Community Foundation (2014)**: The organisation runs an awareness-raising programme on the 2010 Women’s Protection Act. The programme includes: 1) a workshop on sexual harassment legislation; 2) dissemination of 5,000 copies of the Women Protection Act in Sindhi and Urdu; 3) nine theatre performances in three districts; 4) establishment of Monitoring Committees in three districts; and 5) data collection on the efficacy of the Act in the targeted districts.\(^{162}\)

**Special Talent Exchange Program (2014)**: In April, the organisation developed a resource book on independent living, as well as various training for persons with disabilities and awareness raising activities targeting the media and the broader public throughout the year.\(^{163}\)

**Neengar Society**: In 2013, the NGO provided shelter to 70 LGBT victims of threats or exclusion.\(^{164}\)

Development Priorities

**One United Nations Programme II (2013-2017)**: The programme prioritises increased access to microfinance to the poorest segments of the population.\(^{165}\)

**World Bank Country Partnership Strategy (2015-2019)**: The strategy prioritises facilitating access to finance for women, especially in Balochistan and Khyber Pakhtunkhwa provinces, and the Federally Administered Tribal Areas.\(^{166}\)
Child Labour

*Work that interferes with the health, development, education or family life of persons under 18*

### Operating Environment

<table>
<thead>
<tr>
<th>Metric</th>
<th>Pakistan</th>
<th>South Asia Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Enrolment Ratio in Primary Education (% both sexes)</td>
<td>72.5 (2012)</td>
<td>90 (2011)</td>
</tr>
<tr>
<td>Percentage of pupils starting grade 1 and reaching last grade of primary</td>
<td>61 (2011)</td>
<td>n/a</td>
</tr>
<tr>
<td>One-year-old children immunised against measles (%)</td>
<td>61 (2013)</td>
<td>74.6 (2013)</td>
</tr>
<tr>
<td>Mortality rate of children under 5 years old (per 1,000 live births)</td>
<td>86 (2013)</td>
<td>59.5 (2012)</td>
</tr>
<tr>
<td>Percentage of population below 14</td>
<td>33.3 (2013)</td>
<td></td>
</tr>
<tr>
<td>Legatum Prosperity Index: Education</td>
<td>122 (2014)</td>
<td></td>
</tr>
</tbody>
</table>

#### Restrictions on children under 18 from working

The law prohibits the exploitation of children younger than age 18.

The government considers four occupations and 34 processes illegal for children, including street vending, surgical instrument manufacturing, deep-sea fishing, leather manufacturing, brick making, production of soccer balls and carpet weaving.

#### Minimum age of employment

Constitution prohibits the employment of children below age 14 in any factory, mine, or other hazardous site.

#### End of compulsory education

Age 16

#### Relevant laws

- Constitution (2012)
- Bonded Labour System Abolition Act (1992)
- Employment of Children Act (1991)
- Employment of Children Amendment Act - Punjab (2011)
<table>
<thead>
<tr>
<th>Labour Standards</th>
<th>Child Labour</th>
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</thead>
<tbody>
<tr>
<td><strong>Factories Act (1934)</strong></td>
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<td><strong>Mines Act (1923)</strong></td>
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<td><strong>Prevention and Control of Human Trafficking Ordinance (2002)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Right to Free and Compulsory Education Act (2012)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Shops and Establishments Ordinance (1969)</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Responsible ministries**
- Federal Ministry of Overseas Pakistanis & Human Resource Development
- Ministry of Education
- Ministry of Federal Education and Professional Training
- National Commission for Child Welfare and Development
- Pakistan Bait-ul-Mal
- Provincial Labour Ministries
- Provincial Labour Departments

**Local NGOs addressing this issue**
- Ansar Burney Trust
- Child Rights Movement
- Independent Monitoring Association for Child Labour
- Institute for Social Justice
- Plan Pakistan
- Save the Children Pakistan
- Society for the Protection of the Rights of the Child-Pakistan

**Country Context**

*Key human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.*

*Companies may employ persons under 18 to the detriment of their health, development, education or family life. Particular attention should be given to children in rural areas and from poor households.*

The constitution prohibits work for children below 14, and provides for free and compulsory education until the age of 16. The 2010 constitutional amendment provided legislative power on child labour to provinces. However, only Punjab province issued a law in 2011 regulating child labour. In the other provinces the federal law of 1991 remained in force. According to a 2013 report by the Society for the Protection of the Rights of the Child (SPARC), the 1991 Employment of children Act had not been consistently implemented.

Although a national child labour survey has not been conducted since 1996, the Pakistan Bureau of Statistics’ Labour Force Survey reported that about 4.4 percent of children aged 10 to 15 were involved in child labour in 2013. However, estimates were reportedly higher if children under 10 years old were included, raising the number to more than 12 million, according to the International Labour
Labour Standards Child Labour

Organization (ILO).\textsuperscript{169} Pakistan ranked ninth out of 196 countries in the 2012 Child Labour Index, indicating extreme risk for children being involved in working activities.\textsuperscript{170}

In 2013, child labour prevalence was particularly high in Balochistan province, where 19 percent of rural children were involved in work, mainly in agriculture, compared to 12 percent in urban areas, primarily employed in the manufacturing sector. The percentage among children from poor households was 25 percent. Children between 5 and 11 years old (19 percent) were at higher risk of labour compared to those aged 12 to 14 (14 percent), according to the Danish Trade Union Council.\textsuperscript{171}

Worst Forms of Child Labour

\textit{Companies may employ children under 18 under conditions of forced labour or in work that is hazardous, harmful or exploitative. Particular attention should be paid to brick production, agriculture, textiles, restaurants and mining.}

The law prohibits the involvement of children under 14 in hazardous activities, four years below the international standard of 18.\textsuperscript{172} A list of hazardous activities was attached to the Employment of Children Act, updated in 2005. The list did not include working in brick kilns or domestic service.\textsuperscript{173} Penalties for not complying with the law include imprisonment up to one year and the payment of a fine up to 20,000 PKR (US$192).\textsuperscript{174}

The worst forms of child labour were most prevalent in brick making, agriculture, domestic service and begging, according to various sources.\textsuperscript{175} In 2014, the Huffington Post reported that 1.7 million children were working in brick kilns throughout the country and were exposed to long working hours, up to 14 hours per day, as well as low salaries.\textsuperscript{176} Pakistani NGO Insan Dost Association reported in 2013 that 31,000 children from 5 to 14 years old worked in brick kilns in Sahiwal district in Punjab province.\textsuperscript{177} In 2013, the ILO reported that children were exposed to high levels of smoke and dust and suffered from depression due to social integration challenges.\textsuperscript{178} In agriculture, children were exposed to pesticides, fertilisers and other chemicals, smoke and dust, according to the ILO in 2013.\textsuperscript{179}

In 2013, SPARC reported that children were forced into labour, begging and sexual exploitation, with children from minority groups being the most vulnerable to abuse.\textsuperscript{180} Forced labour of children was reported in carpet weaving, agriculture, glass bangle making, fish raising, and coal mining, according to the U.S. Department of Labor.\textsuperscript{181} In 2013, SPARC reported that 264,000 children were employed as domestic workers and were subject to violence and abuse, leading to loss of life in some cases.\textsuperscript{182}

In 2012, the U.S. Department of Labor reported hazardous working conditions for children working in the construction, transport, leather tanning and manufacture of surgical instrument sectors. Children working in the production of glass bangles reportedly suffered from joint pain and lung problems due to high temperatures and chemical exposure. Respiratory diseases were reported among children working with looms and leather tanning, as well as long working hours, which were also experienced by children working in carpet weaving.\textsuperscript{183}

Children from Khyber Pakhtunkhwa and Balochistan provinces reportedly worked crushing stones for the construction sector. According to a 2013 report by the ILO, children were involved in the excavation and blasting of rocks and loading trucks, resulting in severe injuries.\textsuperscript{184}

The ILO also reported that in the restaurant sector, 20 percent of children worked at night and children experienced long working hours, from 8 to 13 per day. Most of the restaurants and tea stalls reportedly had poor sanitary facilities and that working environments were noisy, contributing to increased stress levels at work. Children employed in this sector reportedly suffered from headache, back aches and fever.\textsuperscript{185}
Company operations may not be inspected for child labour. Particular attention should be given to the informal sector.

Despite the 1991 Employment of Children Act providing for the appointment of child labour inspectors, SPARC reported that no inspector specifically dedicated to child labour was appointed as of 2013.\(^{186}\) This added a strain on labour inspectorates, who were reportedly understaffed and underequipped.\(^{187}\)

Since the 2010 constitutional amendment, responsibility on labour issues, including labour inspections, was devolved to the provinces. Despite a lack of updated information on the number of labour inspectors in each province, the total number of inspectors amounted to 337 in 2012, according to the ILO.\(^{188}\) According to the U.S. Department of Labor, in Punjab and Sindh provinces, inspectors needed the employer’s permission before conducting an inspection, which could only take place one year after a business’ establishment.\(^{189}\)

**Education**

*Employees under 18 may be unable to access primary education; Companies may not pay adult employees wages sufficient to afford school fees for their children.*

The constitution provides for free and compulsory education until the age of 16 and the 2010 amendment provided provinces with responsibility for education.\(^{190}\) During the academic year 2013/14, provinces doubled the budget for education, according to SPARC.\(^{191}\) In 2013, the net enrolment rate in primary education reached 72.5 percent\(^{192}\) with a drop-out rate of almost 40 percent,\(^{193}\) resulting in the country falling short of its goal of achieving universal primary education by 2015, according to the International Federation for Human Rights.\(^{194}\) In 2014, UNICEF reported that 6.5 million children were not attending school.\(^{195}\) More than 90 percent of children involved in work reportedly did not attend school.\(^{196}\)

The 2014 Bertelsmann Transformation Index reported that the education system reflected social inequalities, with children from the elite attending high-quality private schools, while the majority of the population was left with poorly functioning public and religious schools.\(^{197}\) Due to conflict and natural disasters, schools were used as shelters for internally displaced persons, for whom access to education was limited, according to the U.S. Department of Labor in 2012. Human Rights Watch reported that schools had been destroyed in 2012 by armed groups opposing secular and girls education, mostly in Khyber Pakhtunkhwa province and the Federally Administered Tribal Areas.\(^{198}\) In December 2014, the deadliest-ever attack killed at least 132 children in Peshawar.\(^{199}\)

**Access to Remedy**

* Bodies to which victims of corporate human rights abuses can file grievances and seek redress.

**National Grievance Mechanisms**

Cases of child labour can be filed to the labour courts and appealed to one of the five high courts (one per province and one for Islamabad Capital Territory).\(^{200}\)

In 2012, in Punjab a total of 229,400 PKR (US$2,207) was imposed in fines for child labour offenses filed to provincial courts by labour inspectors. In 2013, 156 cases of labour offences were reported to courts by labour inspectors in Khyber Pakhtunkhwa province and 14 cases were decided, imposing a total fine of 30,400 PKR (US$293). However, 2,667 cases remained pending.\(^{201}\)
International Grievance Mechanisms

The Fair Labor Association (FLA) established a Third Party Complaint Process in 2002 to allow any person to report serious violations of workers’ rights in the production facilities of FLA-affiliated companies. FLA members include various multinational apparel companies with supply chains in Pakistan, including Adidas, Nike and Puma.²⁰²

Although Pakistan is not an OECD member and consequently has no National Contact Point (NCP), complaints about breaches of the OECD Guidelines for Multinational Enterprises, including instances of child labour (Chapters IV and V), by companies registered in OECD countries can be filed to the NCP of that country. The NCP mediates among parties to find a conciliatory solution to the dispute.²⁰³

Adverse impacts related to International Financial Corporation or Multilateral Investment Guarantee Agency projects may be reported to the Compliance Advisor Ombudsman, which can investigate and mediate disputes.²⁰⁴

Cases

Reports of business-related human rights issues from NGOs, multilateral institutions and the media.

- **March 2014, Stora Enso**: Child labour was allegedly used in the waste paper and wheat straw supply chain of Stora Enso’s joint venture Bulleh Shah Packaging.²⁰⁵
- **February 2014, U.S. Department of State**: Two children, aged seven and nine, were allegedly injured after complaining about unpaid wages at a poultry farm in Punjab province.²⁰⁶
- **February 2012, Asian Human Rights Commission**: Five children, among others, died in a structural collapse following a boiler explosion at a veterinary medicines factory, the Orient Laboratory, in Lahore. The factory allegedly employed children from 8 to 12 years old.²⁰⁷

Company Initiatives

Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context

Company Due Diligence Initiatives

**IKEA**: The company developed a code of conduct on child labour in 2007 called ‘The IKEA Way on Preventing Child Labour’. The code is mandatory for its cotton supply chain and sub-contractors in Pakistan.²⁰⁸

Company Beyond Compliance Initiatives

**IKEA**: The company’s foundation works with UNICEF and Save the Children to combat child labour by funding a project focusing on the cotton industry, as the company uses cotton suppliers from Pakistan. The project aims to help over 4 million children by 2017.²⁰⁹

**PARCO**: Since 2011, this oil and gas company built three schools in Sindh province, employed teachers from the local communities and had them trained by the NGO Teachers Resource Centre. In 2013, 150 teachers had been trained.²¹⁰
Nestlé Pakistan: In 2012, the company founded the ‘Government Primary Sindh School’ at Peerano Goth, in Sindh province. The school had been abandoned a decade before the company rebuilt it.211

Human Rights Guidance for Businesses

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

Due Diligence Library

*The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies*

- The company does not employ workers under 15 years of age for full-time work, 13 years of age for light work and 18 years of age for hazardous work (please see the question description for exceptions).
- If the company employs minors below the age of 18, the company has a list of job functions that can safely be performed by minors.
- The company is aware of local age-levels for completion of compulsory education and does not employ workers under that age for work that may interfere with such education.
- The company has a reliable procedure to check the age of young job candidates by birth certificate, other official forms of identification, or by alternative means such as physical appearance or knowledge of historic events.
- Company apprenticeship programmes do not constitute the main portion of the workforce, are limited in duration, are performed in conjunction with a school programme (or supervised by Labour Ministers or Labour Organisations), and do not interfere with the child’s compulsory education.
- If the company becomes aware that it is employing young workers below minimum age, it ensures that they are enrolled in education programme, and that their dependents are compensated for the resulting loss of income.

Standards & Guidance

*NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre*

- **Business and Human Rights Resource Centre, Business & Children Portal:** The Portal is an information hub developed to give practical assistance to people from all business sectors in their work and decision-making, leading to better protection of the rights and welfare of children. The Portal has sections on: issues, positive initiatives, alleged abuses, lawsuits and guidance.
- **Children’s Rights and Business Principles (2012):** Developed by UNICEF, UN Global Compact and Save the Children, these Principles are the first comprehensive set of principles to guide companies on the full range of actions that they can take in the workplace, marketplace and community to respect and support children’s rights.
• ILO Programme on the Elimination of Child Labour (est. 1992): The Programme has the overall goal of the progressive elimination of child labour, to be achieved through strengthening the capacity of countries to address it and promoting a worldwide movement to combat child labour.

• UN Committee on the Rights of the Child General Comment No. 16 on State obligations regarding the impact of the business sector on children’s rights (2013): The Committee is the body of independent experts that monitors the implementation of the Convention on the Rights of the Child and the Optional Protocols. In April 2013, the Committee issued a general comment on business and children’s rights. The objective of General Comment No. 16 is to provide States parties with a framework for implementing the CRC, particularly with regard to the business sector.

• Children’s Rights in Impact Assessment – A Tool For Companies (2013): Developed by UNICEF and the Danish Institute for Human Rights, this checklist is a practical tool intended to help companies to identify and manage their impact on children’s rights. The checklist contains a set of questions and indicators covering the 10 Children’s Rights and Business Principles, addressing different aspects of company policies and operations and the impact on children’s rights.


**Engagement Opportunities**

*Development initiatives by public and private actors that provide opportunities for companies to contribute to human development*

**Public Sector Initiatives**

**National Centre(s) for Rehabilitation of Child Labour:** Since 1995, the government runs centres for children between 5 and 14 who were removed from hazardous work environments. Children are provided free education and clothing, and a subsistence allowance is provided to their parents. A total of 158 centres were active around the country in 2014 and almost 20,000 children were enrolled in the programme.²¹²

**Child Support Programme:** The government provides a cash transfer of 300 PKR (US$3) per child from 5 to 16 years old to poor households to prevent child labour and increase enrolment in school. As of 2014, the programme provided payouts to 85,000 children.²¹³ The programme functions in Bhakkar, Rawalpindi, Multan and Bahawalpur districts in Punjab province; Shaheed Benazir Abad, Tharparkar and Ghotki districts in Sindh province; Kohistan, Abbottabad and Swat districts in Khyber Pakhtunkhwa province; Quetta, Kharran and Lasbella districts in Balochistan province; and Muzaffarabad and Ghanche districts in Islamabad Capital Territory.²¹⁴

**National Education Policy:** This policy was developed by the government in 2009 to: 1) increase literacy and non-formal learning for children involved in working activities; and 2) establish educational stipends for child labourers.²¹⁵

**International Labour Organization (2008-2013):** The organisation, in the framework of its agreement with the government, implemented the Combating Abusive Child Labour Project, which targeted 10,000 working children, especially those involved in the worst forms in Punjab and Sindh provinces. Project results include removing 6,800 children from the worst forms of child labour and integrating 4,600 former child labourers into the education system.²¹⁶
NGO Initiatives

Society for the Protection of the Rights of the Child-Pakistan (2014-2018): The organisation, with the support of the NGO Kindernothilfe and the German Federal Ministry for Economic Cooperation and Development, launched a four-year project to improve the quality of schools in two districts in Khyber Pakhtunkhwa province. The project aims at reaching 60 schools and providing training to 20 master trainers and 360 school teachers.\(^{217}\)

Development Priorities

ILO Decent Work Country Programme (2010-2015): The programme prioritises the prevention, withdrawal and rehabilitation of child labourers and the establishment of mechanisms ensuring the elimination of child labour practices.\(^{218}\)
Forced Labour

Debt bondage, human trafficking or other coercion that makes workers unable to freely leave employment

**Operating Environment**

<table>
<thead>
<tr>
<th>U.S. Department of Labour Trafficking in Persons: Tier Placement</th>
<th>Tier 2 Watch List</th>
</tr>
</thead>
</table>
| Relevant laws | • Constitution (2012)  
• Bonded Labour System Abolition Act (1992)  
• Prevention and Control of Human Trafficking Ordinance (2002)  
• Punjab Bonded Labour System Abolition Amendment Act (2012) |

| Responsible agencies | • Federal Investigation Agency  
• Federal Ministry of Overseas Pakistanis & Human Resource Development  
• Ministry of Interior  
• Provincial Labour Ministries  
• Provincial Labour Departments |

| Local NGOs addressing this issue | • Ansar Burney Trust  
• Green Rural Development Organisation  
• Pakistan Institute of Labour Education & Research  
• Society for the Protection of the Rights of the Child-Pakistan |

**Country Context**

Key human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.

Companies may deny workers the ability to freely enter and leave employment. Particular attention should be paid to agriculture, fisheries, mining, textile and brick production.

The constitution prohibits forced labour and a 2010 amendment provides provinces with legislative powers on the issue.\(^{219}\) The 1992 federal law prohibits bonded labour and provides for imprisonment from two to five years and the payment of a fine up to 50,000 PKR (US$481). The bonded labourer shall also receive 50 PKR (US$0.50) for each day she had to work in such conditions.\(^{220}\)

The 2012 Punjab law increased those penalties, including the payment of a fine up to 350,000 PKR (US$3,370).\(^{221}\) The law is enforced by the local Vigilance Committee, made up of representatives of
Labour Standards Forced Labour

district-level police, judiciary, municipal authorities and worker and employer representatives. However, those entities were non-functioning in many districts, the U.S. Department of Labor reported in 2012. According to the 2013 Global Slavery Index, up to 2.2 million people were enslaved in Pakistan, mainly from rural areas and Afghan migrants, as well as women, children, persons with disabilities, religious minorities and low-caste men. However, in 2012 the newspaper the Express Tribune reported that, according to the Human Rights Commission of Pakistan, there were 3 to 8 million bonded labourers in Sindh and Punjab provinces alone, especially in agriculture and brick kilns respectively. Workers were contracting debt as part of their terms of engagement to get a job, the U.S. Department of State reported in 2014.

The 2013 Global Slavery Index reported in 2013 that agriculture, fisheries, mining and brick production were the sectors with the highest numbers of people working in slave-like conditions. However, other sectors, such as textile, cotton, incense, tobacco, sugar cane production and gemstone and stone crushing were also characterised by forced labour, according to the Society for the Protection of the Rights of the Child (SPARC). In 2014, the Daily Times reported that brick kilns employed women as bonded labourer to pay off debts contracted by their parents and husbands.

SPARC reported in 2013 that people in forced labour situations worked long hours and were abused. Bonded labourers reportedly received wages that did not enable them to pay off their debts.

Trafficing

Companies may employ workers who are subject to exploitative labour conditions through internal or external trafficking. Particular attention should be paid to agriculture, brick production, mining and textiles, especially in Punjab and Sindh provinces.

The law prohibits transnational trafficking, but does not prohibit domestic trafficking. Moreover, no protection of privacy or security was granted to victims who testified against their traffickers. Penalties for transnational trafficking range from 7 to 14 years imprisonment and were sufficiently stringent, according to the U.S. Department of State. However, the law was reportedly poorly enforced.

The U.S. Department of State reported in 2014 that Pakistan was a source, destination and transit country for forced labour and trafficking. Public officials were reportedly involved in trafficking. Women, men and children were reportedly trafficked for bonded labour, mainly in agriculture and brick production, as well as mining and carpet making, to Punjab and Sindh province, and, to a lesser extent, to Balochistan and Khyber Pakhtunkhwa.

Access to Remedy

Bodies to which victims of corporate human rights abuses can file grievances and seek redress.

National Grievance Mechanisms

Victims can report cases of trafficking to the hotline operated by the Federal Investigation Agency. Cases of forced labour can be also filed to the labour courts and appealed to one of the five high courts (one per province and one for Islamabad Capital Territory).

SPARC reported that 1,871 people were freed from bonded labour in 2013: 1,260 from Sindh province, 577 from Punjab and 34 from Khyber Pakhtunkhwa. However, no convictions were reported.
International Grievance Mechanisms

The Fair Labor Association (FLA) established a Third Party Complaint Process in 2002 to allow any person to report serious violations of workers’ rights in the production facilities of FLA-affiliated companies. FLA members include various multinational apparel companies with supply chains in Pakistan, including Adidas, Nike and Puma.\(^{241}\)

Although Pakistan is not an OECD member and consequently has no National Contact Point (NCP), complaints about breaches of the OECD Guidelines for Multinational Enterprises, including instances of forced labour (Chapters IV and V), by companies registered in OECD countries can be filed to the NCP of that country. The NCP mediates among parties to find a conciliatory solution to the dispute.\(^{242}\)

Adverse impacts related to International Financial Corporation or Multilateral Investment Guarantee Agency projects may be reported to the Compliance Advisor Ombudsman, which can investigate and mediate disputes.\(^{243}\)

Cases

*Reports of business-related human rights issues from NGOs, multilateral institutions and the media.*

- **August 2013, BBC:** Following a media appearance in an international newspaper, a 10-year-old girl and her family were released from bonded labour in a brick kiln in Sindh province.\(^{244}\)
- **July 2013, Dawn:** The Supreme Court issued a directive to the Punjab’s Inspector General of Police stating that the district police officer would be held accountable for cases of forced labour under their jurisdiction. As a result, 379 brick kilns bonded labourers were freed and about 150 cases against brick kilns owners were filed in courts.\(^{245}\)

Human Rights Guidance for Businesses

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

Due Diligence Library

*The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies*

- Workers can give notice and leave employment within a reasonable length of time. This is clearly communicated to workers prior to starting employment.
- The company (or its recruitment agencies) ensures that it does not withhold wages or bonuses and that it pays them in a timely and regular manner.
- The company ensures it does not make deductions from wages for disciplinary measures or other deductions not authorised by national law.
- Within normal working hours workers are able to earn a living wage sufficient to meet the basic needs of themselves and their closest dependents.
Labour Standards  Forced Labour

- Overtime work is paid, voluntary and not compelled through threat of pay deductions, termination or other sanctions.
- The company (or its recruitment agencies) ensures that it does not retain identity cards, passports, travel documents or other personal items without which workers cannot leave employment. If letters of release or other documents are needed for the worker to leave employment, such letters are issued without delay.
- All workers are allowed to leave company premises during breaks and at the end of their shifts, and workers in company housing may freely enter and exit their accommodation at any time.
- The company (or its recruiting agencies) ensures that it does not require workers to pay recruitment fees or lodge money deposits.
- Loans or salary advancements to workers are based on fair terms that are clearly explained to the worker, are not granted to cover basic living expenses, are limited in size, and do not require the worker to remain with the company until repayment is completed.
- If the company uses prison labour it ensures that all prison workers have been convicted by a court of law, and that the work is voluntary and supervised by a public authority.
- The company ensures that it does not use labour from agencies or firms involved in human trafficking or other forms of bonded labour.

Engagement Opportunities

Development initiatives by public and private actors that provide opportunities for companies to contribute to human development

Public Sector Initiatives

Benazir Income Support Programme: In 2008, the government established an unconditional cash transfer programme targeting the poorest households, particularly women. The programme reached 5 million beneficiaries in 2013 and was believed to have reduced bonded labour, according to the Walk Free Foundation.246

Elimination of Bonded Labour in Brick Kilns Programme: The government and the International Labour Organization provide education, microcredit and social protection to brick kiln workers.247 In 2013, 5,172 national identity cards were distributed and 6,104 people received interest-free loans in Punjab province through this programme.248

NGO Initiatives

Reliefs Camps for Bonded Labourers: NGOs established six camps in Sindh province to assist victims of bonded labour. However, people in the camps lacked access to health, education, electricity and sanitation.249

Legal Advice to Bonded Labourers: The organisation SPARC provided legal counselling to 37 bonded labourers in 2013 in Sindh and Punjab provinces.250
Development Priorities

*ILO Decent Work Country Programme (2010-2015):* The programme prioritises the support to tripartite initiatives by the government, workers’ and employers’ organisations to monitor forced labour practices. 

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# Occupational Health & Safety

*Unsafe or unhealthy working conditions that expose workers to the risk of accidents or occupational illnesses*

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<td>Relevant laws</td>
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<td>• Dock Labourers Act (1934)</td>
</tr>
<tr>
<td>• Dock Workers (Regulation of Employment) Act (1974)</td>
</tr>
<tr>
<td>• Employer’s Liability Act (1938)</td>
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<td>• Employees Social Security Ordinance (1965)</td>
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<td>• Employer’s Old Age Benefit Act (1976)</td>
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<td>• West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance (1968)</td>
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<td>• Workmen Compensation Act (1923)</td>
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<td>• Workers Welfare Fund Ordinance (1971)</td>
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Country Context

Key human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.

Companies may not adequately prevent accidents and long-term health effects in the workplace. Particular attention should be paid to the textile, shipbreaking, agriculture and mining sectors.

Pakistan lacks a comprehensive law regulating occupational health and safety, though provisions in this field are included in the Factory Act and in the Hazardous Occupation Rule. As amended in 2007, the Workmen Compensation Act, applicable to companies employing 10 or more workers, provides for 200,000 PKR (US$1,942) to be paid by the employer in case of death or permanent disability of a worker. In case of temporary disability, the law provides for the employer to pay half of the monthly wage for up to one year or one-third of the monthly salary for up to five years, in case of chronic lung diseases.

Workers enjoying social security benefits (between 1.6 million and 2.1 million people, according to various estimates) were entitled by law to a disability pension and, in case of death, their survivors were entitled to a survivor pension.

The 1968 West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance requires companies with 50 or more employees to insure workers against disability, death and injury caused by circumstances not covered by the Workmen Compensation Act and Employees Social Security Ordinance.

Pakistan’s workforce was reported to be mostly illiterate, with little or no knowledge about occupational health and safety laws, hampering their ability to access compensation, according to the Labour Education Foundation in 2013. The Pakistan Institute of Labour Education and Research reported that industrial accidents increased by 19 percent from 2000 to 2008. However, real numbers of accidents could be higher; in 2013 the International Labour Organization (ILO) highlighted the lack of statistics on occupational health and safety.

In 2013, the Danish Trade Union Council reported severe occupational and health problems in the country, especially in the garment sector. In the shipbreaking sector, workers removed asbestos without protection, according to the NGO Shipbreaking Platform.

In 2013, in Punjab province trade union representatives reported that workers were provided no protection from the chemicals used in carpet weaving and that those working in cement factories were exposed to heavy dust, noise and heat. Workers in the loom sector were reported to suffer from tuberculosis, hepatitis and deafness due to the unhealthy working conditions.

Agricultural workers in Punjab province reportedly lacked protection from chemicals and pesticides. A 2013 study conducted among coal mine workers reported that more than half the miners suffered from respiratory diseases, including tuberculosis, and 61 percent suffered muscular-skeletal problems.

Company operations may not be subject to effective health and safety inspections. Particular attention should be paid to the informal and textile sectors and corruption.

Since the 2010 constitutional amendment, responsibility on labour issues, including labour inspections, was devolved to the provinces. In Punjab province labour inspections of factories were abolished in 2003 in favour of a voluntary self-declaration regarding the enforcement of labour rights and welfare. Following a gas cylinder explosion at a pharmaceutical factory in Lahore, which caused the death of 18 workers, labour inspections were reintroduced in Punjab province in 2012. With only 337 labour
inspectors in the country in 2012 for a workforce of almost 54 million workers in 2012, labour inspectors were overstretched and lacked human and financial resources.\textsuperscript{267} The Business Anti-Corruption Portal reported that corruption, in the form of bribery paid to inspectors, allowed businesses to conduct their operations without following occupational health and safety standards.\textsuperscript{268}

**Access to Remedy**

* Bodies to which victims of corporate human rights abuses can file grievances and seek redress.

**National Grievance Mechanisms**

Victims of occupational and health safety accidents can address their complaints and claims for compensation to the Workmen’s Compensation Commissioner.\textsuperscript{269} Alternatively, victims can file their case to a labour court and appeal its decision to a High Court.\textsuperscript{270}

In 2013, the Institute for Social Justice reported a lack of effectiveness by labour courts, partly due to a lack of clarity on their jurisdiction at provincial and federal level.\textsuperscript{271} A 2014 Supreme Court decision clearly demarcated jurisdiction of provincial labour courts and the National Industrial Relations Commission at the federal level.\textsuperscript{272} In 2012, representatives from civil society recommended new labour courts to be established or additional judges to be appointed to improve the efficiency of those courts.\textsuperscript{273}

In 2007, Sindh province established the Karachi Centre for Dispute Resolution (KCDR), which can mediate civil disputes, including labour related cases. A Sindh court can differ litigations to the KCDR, should parties agree to it.\textsuperscript{274} 195 cases out of the 715 ones referred to the Centre from 2007 to 2013 were successfully mediated.\textsuperscript{275}

**International Grievance Mechanisms**

The Fair Labor Association (FLA) established a Third Party Complaint Process in 2002 to allow any person to report serious violations of workers’ rights in the production facilities of FLA-affiliated companies. FLA members include various multinational apparel companies with supply chains in Pakistan, including Adidas, Nike and Puma.\textsuperscript{276}

Abuses related to investment projects funded by the Asian Development Bank (ADB) can be referred to ADB Accountability Mechanism, which has the power to mediate and investigate complaints.\textsuperscript{277}

Although Pakistan is not an OECD member and consequently has no National Contact Point (NCP), complaints about breaches of the OECD Guidelines for Multinational Enterprises, including health and safety violations (Chapters IV and V), by companies registered in OECD countries can be filed to the NCP of that country. The NCP mediates among parties to find a conciliatory solution to the dispute.\textsuperscript{278}

Adverse impacts related to International Financial Corporation or Multilateral Investment Guarantee Agency projects may be reported to the Compliance Advisor Ombudsman, which can investigate and mediate disputes.\textsuperscript{279}
Cases

Reports of business-related human rights issues from NGOs, multilateral institutions and the media.

- **September 2014, Business & Human Rights Resource Centre:** In September 2012, 255 workers died in a fire at the textile factory Ali Enterprises, a sub-contractor of the German company KiK, in Karachi. Just a few weeks prior to the accident, the factory was awarded the SA8000 certificate. However, investigations reported that the fire safety certificates had been issued by a fictitious company. At the time of the fire, the factory was reportedly overcrowded and four out of five exits were blocked.\(^{280}\) In 2012, a judicial case was filed against the owners of the factory and remained ongoing as of April 2015. In December 2012, an MoU was signed between the Pakistan Institute of Labour Education and Research (PILER) and KiK for delivering immediate relief payments to the victims amounting to US$1 million. In 2013, following pressure from various NGOs, a Judicial Commission was formed to investigate the facts.\(^{281}\) In 2014, long-term compensation was yet to be provided to the victims by Ali Enterprises and KiK.\(^{282}\)

- **September 2014, Labour Watch:** Salt miners protested against the lack of compensation to the families of the eight miners killed and 23 injured in Lakani, Khyber Pakhtunkhwa province.\(^{283}\)

- **April 2014, Safety News:** One worker died following the collapse of a prefabricated roof at a bottle manufacturer in Karachi.\(^{284}\)

- **January 2014, Safety News:** Two miners died following a structural collapse at a phosphate mine at Tarnawai, Khyber Pakhtunkhwa province.\(^{285}\)

- **January 2013, Safety News:** Three workers died while refilling oxygen and nitrogen cylinders at Aslam Industry and Medical Gases in Islamabad Capital Territory.\(^{286}\)

- **January 2013, Safety News:** One worker died during a boiler explosion at a cardboard factory in Faisalabad, Punjab province.\(^{287}\)

- **September 2012, Dawn:** Twenty-one workers died in a fire at a shoe factory in Lahore. Following a power black-out, workers tried to switch on the generator, which produced sparks that ignited chemicals used at the factory, causing the fire.\(^{288}\)

- **August 2012, Safety News:** One miner died after falling at a coal mine in Harnai, Balochistan province.\(^{289}\)

- **May 2012, Safety News:** One worker died following an explosion that occurred while filling a cylinder with oxygen in Karachi.\(^{290}\)

- **February 2012, Asian Human Rights Commission:** Thirty workers, including 20 women and five children, died due to a structural collapse following a boiler explosion at a veterinary medicines factory, the Orient Laboratory, in Lahore. The factory was allegedly operating out of compliance with labour laws and had been closed three times prior to the incident. The political connections of the owner allegedly allowed the factory to be reopened each time. Since 2002, no labour inspections were undertaken at the factory.\(^{291}\)
Company Initiatives

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

Company Due Diligence Initiatives

*Pakistan Textiles Exporters Association*: The Association signed a three-year partnership agreement with the ILO in February 2015 to promote decent work in Faisalabad, Pakistan’s second most important area for garments, by complying with international labour standards. The agreement focuses on: 1) establishing a comprehensive monitoring and reporting framework on labour law compliance, and 2) improving productivity through training, including on occupational health and safety.  

Company Beyond Compliance Initiatives

*Abercrombie & Fitch, Columbia Sportswear, Levi’s, Timberland*: The companies participate in the Health Enables Returns project, which is based on peer education of female factory workers on health issues. The project operated for 12 to 18 months in each factory in Pakistan.  

Human Rights Guidance for Businesses

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

Due Diligence Library

*The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies*

*Does the company ensure that its workers are provided safe, suitable and sanitary work facilities?*

- Responsibilities for health and safety tasks are clearly defined.
- The company routinely monitors its production processes, machinery and equipment to ensure that they are safe and in good working order.
- Workers and managers are trained to respond to workplace emergencies; first aid kits and fire extinguishers are readily available; and escape exits are clearly marked and free from obstruction.
- The workplace is maintained to ensure clean and comfortable conditions including a suitable temperature, ventilation and lighting; suitable washing and sanitation areas appropriate for both genders.
- Residential or overnight facilities are safe and sanitary and meet the basic needs of workers including with regard to safety, space, temperature, lighting, ventilation, food, water, sanitary facilities, privacy, and affordability.
- The company provides safe drinking water for workers and facilities for clean and sanitary food storage and eating.
Where relevant the company has put in place special health and safety precautions for pregnant women, employees with disabilities, night workers, young workers and other vulnerable groups.

**Does the company ensure that workers are provided with the protective equipment and training necessary to perform their tasks safely?**

- The company has a procedure to ensure that all workers are provided, free of charge or deposits, with the protective equipment necessary to safely perform their job functions.
- The company is committed to ensuring that workers use the protective equipment provided and understand why it is necessary to use the equipment.
- The company ensures that all workers have the necessary training to safely perform their job functions and keeps workers fully informed, in a language and form understandable to them, of the health and safety procedures.
- An accurate record is kept of who has been trained and for what tasks.
- On a regular basis and when assigned to new tasks, workers receive training in the safe use of equipment and processes.
- A company function or member of staff is responsible for keeping informed of scientific and technological developments regarding health and safety risks and protective equipment.

**Does the company actively involve workers in health and safety work?**

- The company consults employees on health and safety issues either directly or through a freely elected safety representative(s) for relevant groups of employees.
- A health and safety committee has been established including employee safety representatives and representatives from management.
- Health and safety accidents are reported and investigated including involving the relevant worker(s), and actions are taken to prevent recurrences.
- Health and safety near-misses (accidents not resulting in injury) are reported and investigated to help improve safety.
- Health and safety accidents are monitored including hours lost as a result of injury or illness and e.g. compared to total hours worked (lost time injury frequency).

**Standards & Guidance**

*NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre*

- **IFC Performance Standard 2: Labour and Working Conditions (2012):** FC PS2 is guided by the international labour standards as outlined by the ILO and covers health and safety.
- **Portal for Responsible Supply Chain Management:** The Portal is designed to support companies in improving the social and environmental conditions within their supply chain. The Portal offers tools and guidance on a number of supply chain issues, such as child labour, corruption and discrimination. In addition, the Portal also details sector specific resource material and pertaining legislation.
• **Ethical Trading Initiative Base Code (2012) and ETI Principles of Implementation (2009):** The Ethical Trading Initiative is an alliance of business stakeholders promoting the implementation of corporate codes of practice that cover supply chain working conditions. The alliance consists of companies, NGOs and trade union organisations. The ETI Base Code has been developed as a code of labour practice, targeted generally for supply chains, and is in line with the key international labour standards. The accompanying ETI Principles of Implementation outline the requirements needed by corporate members to implement the ETI Base Code in their supply chains, including the necessary commitments, management practices and behaviours.

**Engagement Opportunities**

*Development initiatives by public and private actors that provide opportunities for companies to contribute to human development*

**NGO Initiatives**

*Pakistan Institute of Labour Education and Research-PILER (2012-2014):* PILER implemented the project “Towards Health and Safety at Workplaces” with the support of ICCO, aiming at raising awareness among stakeholders of occupational health and safety in factories. Since 1982, PILER organises workshops and awareness raising activities on OHS, some specifically targeting female workers.*
Trade Unions

Restrictions on the right of workers to collectively represent their interests

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<td>• Sindh Industrial Relations Act (2013)</td>
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<td>Largest trade unions and union confederations</td>
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<td>• Pakistan Workers’ Federation</td>
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<td>• All Pakistan Federation of United Trade Unions</td>
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<td>• Muttahida Labour Federation</td>
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<td>• All Pakistan Trade Union Congress</td>
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Country Context

Key human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.

Barriers to Unionisation

Workers may be prevented from forming or joining independent worker’s associations. Particular attention should be given to legal and administrative barriers.

The law allows workers to join a trade union, with the exception of independent agricultural workers, managers, workers in export processing zones, armed forces, police and civil servants, among other categories. According to Freedom House, these categories made up 60 percent of the formal workforce. In 2015, Sindh province enacted the 2013 Sindh Industrial Relations Act, recognising agriculture and fishery workers as industrial workers, hence providing them with the right to associate and form trade unions.

The law provides that no trade union can be formed should there already be two or more trade unions in an establishment, unless the new trade union represents 20 percent of the workers. This was an excessive barrier to unionisation, according to the International Trade Union Confederation in 2014.

The law also provides the administration with the power to de-register a trade union on various grounds and limited the mandate of a trade union officer to two years.
Labour Standards Trade Unions

In 2013, 25 trade union federations were registered. However, according to the latest available data (2007) from the ILO, only 1.2 percent of the workforce in the formal economy belonged to a trade union. The informal sector reportedly employed about 70 percent of the workforce. In 2012, the International Labour Organization (ILO) reported that women made up only 2 percent of trade union members.

In 2014, trade unions were fragmented over religion and ethnicity, and were linked to political parties and religious organisations, according to the Danish Trade Union Council. Trade union leaders were seen as colluding with companies, according to the Daily Times.

Collective Bargaining

Workers may be prevented from engaging in collective bargaining. Particular attention should be given to legal and administrative barriers and the area of negotiation.

The law recognises the right to collective bargaining for a trade union representing more than one-third of workers. The law also provides for compulsory conciliation in the collective bargaining process, with the conciliator being appointed by the government or by a commission elected by the government. Employees that are barred from joining a union are prohibited from bargaining collectively.

According to a 2011 survey conducted by Wage Indicator Pakistan, less than six percent of those interviewed had their salaries negotiated collectively, mostly middle-educated craftsmen and highly educated clerk women.

 Strikes

Workers may be prevented from, or improperly sanctioned for, participating in strike actions. Particular attention should be given to legal and administrative barriers to striking.

The law provides workers with the right to strike. However, ‘go-slow’, a deliberate slowdown of production by workers, is prohibited. A strike can be prohibited by the government ‘if causing serious hardship to the community or is prejudicial to the national interests’ and by the commission and/or labour court when the dispute is pending adjudication.

The government is also entitled to prohibit strike actions related to a sector of ‘national importance’, including oil production, postal services, railways and airways. The law also provides the possibility to replace workers during strikes. Factories producing something for the military were considered “essential service” or “public utility” and reportedly deprived of the right to strike in 2015.

The law does not recognise the right to strike to workers in export processing zones (EPZs) and state employees. In 2015, the number of workers employed in the EPZs varied greatly from 25,000 to 880,000 depending on the sources.

During recent years strikes have been recorded in various sectors, especially agriculture, energy, tourism, as well as in the public sector, although the number of strikes per year was reported to be around ten in 2015. The low number of strike actions was reportedly linked to: 1) limited mobilisation on workers issues; 2) threat of punitive action from businesses to workers participating in strikes, due to the informality of employment; and 3) cumbersome administrative procedures to call for a strike action. At times, police reportedly used batons against protesters and some protesters were detained and later released.

Anti-Union Discrimination
Workers who engage in trade union activities may be subject to harassment or retaliation. Particular attention should be given to legal barriers, harassment by co-workers and improper disciplinary action or dismissal by employers.

The law does not prohibit anti-union discrimination.317

Private companies often failed to recognize trade unions and used anti-union practices, supported by police violence, according to the Danish Trade Union Council in 2013.318 In 2014, PILER reported that trade union members were harassed, threatened and unfairly dismissed by employers. Companies also reportedly tried to convert non-management to management positions so that employees would lose their right to join a trade union, as per the law.319

Access to Remedy

Bodies to which victims of corporate human rights abuses can file grievances and seek redress.

National Grievance Mechanisms

The Industrial Relations Ordinance provides that in case of an industrial dispute, the employer or the collective bargaining agent shall communicate in writing their views and have 15 days to settle the dispute bilaterally. Should there be no agreement, a conciliation procedure begins for an additional 15 days. In case of failure of the conciliation, the dispute shall be referred to an arbitrator, whose decision is final.320

In 2007, Sindh province established the Karachi Centre for Dispute Resolution (KCDR), which can mediate civil disputes, including labour related cases. A Sindh court can differ litigations to the KCDR, should parties agree to it.321 195 cases out of the 715 ones referred to the Centre from 2007 to 2013 were successfully mediated.322

International Grievance Mechanisms

As of 2014, the ILO Committee on Freedom of Association had three active cases and two follow-ups regarding anti-union activities, namely restriction to collective bargaining, harassment and violence against trade union members by companies, both private and public. Since 1959, the Committee has addressed 31 cases.323

The Fair Labor Association (FLA) established a Third Party Complaint Process in 2002 to allow any person to report serious violations of workers’ rights in the production facilities of FLA-affiliated companies. FLA members include various multinational apparel companies with supply chains in Pakistan, including Adidas, Nike and Puma.324

Although Pakistan is not an OECD member and consequently has no National Contact Point (NCP), complaints about breaches of the OECD Guidelines for Multinational Enterprises, including abuses of the right to freedom of association (Chapters IV and V), by companies registered in OECD countries can be filed to the NCP of that country. The NCP mediates among parties to find a conciliatory solution to the dispute.325

Adverse impacts related to International Financial Corporation or Multilateral Investment Guarantee Agency projects may be reported to the Compliance Advisor Ombudsman, which can investigate and mediate disputes.326
Cases

Reports of business-related human rights issues from NGOs, multilateral institutions and the media.

- **October 2014, Dawn**: The police allegedly violently arrested 25 workers protesting against the privatisation of the Oil and Gas Development Company. 327
- **September 2014, Building and Wood Workers’ International**: A high court in Punjab ruled against two Chinese companies, China Gezhouba Group and China Machinery Engineering, for unfairly dismissing the leader of the recognised collective bargaining agent Awami Labour Union. 328
- **June 2014, Coca-Cola Workers Worldwide**: Trade union members affiliated with the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Association protested against the restructuring of Coca-Cola Beverages Pakistan. Consequently, the company allegedly dismissed a trade union leader and harassed trade union members, especially female workers, who were denied rest and toilet breaks. 329
- **April 2013, International Trade Union Confederation**: Members of the Cadbury Pakistan Progressive Employees Union were locked out when negotiations on working conditions with Kraft Foods Pakistan stalled. The company initiated a dismissal procedure of the union leader, allegedly violating a collective agreement. 330
- **April 2013, International Trade Union Confederation**: Four hundred doctors were dismissed following participation in a strike action. Despite written orders from health authorities, the Jinnah hospital refused to reinstate 200 doctors. 331
- **March 2013, International Trade Union Confederation**: Fifty union members were arrested for a sit-in strike at the Pearl Continental hotel in Karachi, Sindh province. The hotel refused to bargain and to attend conciliation hearings. Charges were filed against the union leader, who was detained for 14 hours by the police. 332
- **February 2013, International Trade Union Confederation**: The Chinese mining company MMC Duddar Mineral Development Company, with operations in Balochistan province, refused to recognise the duly registered Duddar Mineral Development Company Labour Union. Harassment of union members was reported. 333
Human Rights Guidance for Businesses

Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context

Due Diligence Library

The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies

Does the company recognise the rights of its workers to freedom of association and to bargain collectively?

- The company has a commitment to recognise the rights of its workers to freedom of association and collective bargaining, including the right to freely form and/or join independent trade unions, and this commitment is clearly communicated to all employees.
- The company recognises workers’ organisations for collective bargaining purposes and has procedures in place to ensure regular collective bargaining with authorised worker representatives concerning all workplace related issues.
- The company allows worker representatives access to collective bargaining agreements, company premises, employees and other relevant documentation needed to fulfil their duties.
- The company prohibits discrimination or adverse actions against worker representatives or employees for participating or refraining to participate in lawful trade union activities.
- The company has agreed with workers’ representatives about the requirements of a fair hearing to be followed in relation to all disciplinary cases and employee grievances.
- The company has a committee, with participation of employee-elected representatives, which is responsible for hearing, processing, and settling disciplinary cases and employee grievances.

If independent trade unions are either discouraged or restricted, does the company enable workers to gather independently to discuss work-related problems?

- The company allows employees to engage in regular employee-only meetings within normal working hours, where employees can discuss concerns regarding working conditions.
- Where allowed by local legislation, and if independent trade unions are not present, the company informs employees of their right to form independent collective representation at the workplace.
- Where allowed by local legislation, the company informs workers of their right to engage in regular collective bargaining concerning all workplace issues.
- Company management meets regularly with worker representatives to discuss work-related problems and any concerns/complaints employees may wish to raise.

Company Initiatives

Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context
Company Due Diligence Initiatives

**Pakistan Textiles Exporters Association**: The Association signed a three-year partnership agreement with the ILO in February 2015 to promote decent work in Faisalabad, Pakistan’s second most important area for garments, by complying with international labour standards. The agreement focuses on: 1) establishing a comprehensive monitoring and reporting framework on labour law compliance, and 2) strengthening employers’ and workers’ bilateral arrangements in textile industry.\(^{334}\)

**Engagement Opportunities**

*Development initiatives by public and private actors that provide opportunities for companies to contribute to human development*

NGO Initiatives

**Sindh Community Foundation (2014)**: The organisation supported about 1,000 cotton picking women in 20 villages in Matiari District, Sindh province, in organising and in collective bargaining actions with the aim of achieving equal pay for equal work.\(^{335}\)

Development Priorities

**ILO Decent Work Country Programme (2010-2015)**: The programme prioritises strengthening tripartism and social dialogue by increasing the capacity and services delivered by the Employers’ Federation of Pakistan and the Pakistan Workers’ Federation to their respective members.\(^{336}\)
# Working Conditions

*Employment status, wages, working hours and social security*

## Operating Environment

| Minimum wages | • 11,000 PKR (US$105) per month in Sindh province
|              | • 12,000 PKR (US$115) per month in Punjab province and Islamabad
|              | • 15,000 PKR (US$145) in Khyber Pakhtunkhwa province (2014)
|              | • 9,000 PKR (US$86) per month in Balochistan province (2013) |
| Median income | 61,689 PKR (US$590) |
| Relevant laws | • Constitution (2012) 
• Coal Mines (Fixation of Rates of Wages) Ordinance (1960) 
• Factories Act (1934) 
• Industrial Relations Ordinance (2002) 
• Khyber Pakhtunkhwa Payment of Wages Act (2013) 
• Mines Act (1923) 
• Minimum Wages Ordinance (1961) 
• Newspaper Employees (Conditions of Service) Act (1973) 
• Payment of Wages Act (1936) 
• Railways Act (1890) 
• Road Transport Workers Ordinance (1961) 
• Shops and Establishments Ordinance (1969) 
• Special Economic Zones Act (2012) 
• Unskilled Workers Ordinance (1969) 
• West Pakistan Industrial and Commercial Employment (Standing Order) Ordinance (1968) |
| Responsible ministries/committees/agencies | • Federal Ministry of Overseas Pakistanis & Human Resource Development 
• Provincial Labour Ministries 
• Provincial Labour Departments |
| Local NGOs addressing this issue | • Pakistan Institute of Labour Education & Research |
Working Conditions: National Law

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<tr>
<th></th>
<th>Pakistan</th>
<th>International Minimum Standard</th>
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<tbody>
<tr>
<td>Maximum workweek</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Overtime pay rate</td>
<td>2x (Factories Act)</td>
<td>1.25x (Railways Act)</td>
</tr>
<tr>
<td>Holidays with pay, per year</td>
<td>14 days</td>
<td>3 weeks</td>
</tr>
<tr>
<td>Maximum daily working hours</td>
<td>9 (10 for men working in seasonal factories)</td>
<td>8 (10 flexi time)</td>
</tr>
<tr>
<td></td>
<td>8 (Shops and Establishments Ordinance)</td>
<td></td>
</tr>
<tr>
<td>Maximum weekly working hours</td>
<td>48 (56 in factories with continuous work)</td>
<td>48</td>
</tr>
<tr>
<td>Uninterrupted weekly rest period</td>
<td>24 hours per 7 days</td>
<td>24 hours per 7 days</td>
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</tbody>
</table>

Country Context

Key human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.

Wages

Workers may not be able to earn a living wage sufficient to meet the basic needs for themselves and their dependents. Particular attention should be given to informal labour, the brick production and agricultural sectors and piece-rate wages.

Minimum wages are set by provincial minimum wage boards. However, workers employed in the domestic, informal and agricultural sectors were not covered by minimum wages laws in 2014. In 2014, the Supreme Court asked federal and provincial governments if the minimum wage allowed citizens to ‘live with dignity’ as per the constitution.

The minimum wage has been renegotiated approximately every two years and since 2000 and has registered a constant and substantial increase, according to the Danish Trade Union Council. The 2014-15 Sindh province budget included an increase in the minimum wage to 11,000 PKR (US$95). In July 2014 Punjab province increased the minimum wage to 12,000 PKR (US$115). In August 2014 Labour Watch reported that the salary increase was yet to be applied by factories in Punjab province.
As of October 2014, Khyber-Pakhtunkhwa province increased the minimum wage to 15,000 PKR (US$145). In 2014, despite the minimum wage for brick workers being set at 740 PKR (US$7) per 1,000 bricks, this provision was largely disregarded and workers received lower wages, according to the Labour Qaumi Movement.

**Working Hours**

*Workers may be subject to excessive working hours and may be denied compensation for overtime work. Particular attention should be given to the textile and informal sectors.*

The constitution provides for just and humane conditions of work. The Factories Act regulates working hours in factories employing ten or more workers for a maximum of nine hours per day and 48 hours per week. A seasonal male worker is allowed to work ten hours per day, and factory workers involved in a work that for technical reasons should be continuous through the day are allowed to work 56 hours per week, which is not in line with international standards. Employees in shops and commercial establishment can work nine hours per day and 48 hours weekly.

The ILO reported that about 47 percent of male employees worked 50 hours or more per week in 2010-2011. The Labour Education Foundation reported in 2013 that workers in the garment sector worked 16 to 18 hours per day.

**Social Security**

*Workers may not have access to social security benefits. Particular attention should be given to the informal sector.*

Employers of industrial and commercial establishments have to pay five percent of the minimum wage to the federal Employees Old-Age Benefits Institution; employees contribute with one percent of the minimum wage. Each province has an Employees Social Security Institution to which employers with ten workers or more are bound to contribute. Industrial and commercial establishments with 50 or more workers must provide group insurance for temporary or permanent disability and death benefits for employees earning less than 3,000 PKR (US$29) per month.

Between 1.6 million and 2.1 million workers, out of about 57 million, had access to social security benefits, according to various estimates. Workers in the informal sector were not covered by the formal social security scheme, though various welfare programmes, such as the Bait-ul Mal or the Benazir Income Support Program, provided support to 40 percent of the population living below the poverty line, including workers in the informal sector.

**Informal Sector**

*Workers may lack written employment contracts or may otherwise lack the protection of labour laws. Particular attention should be given to the agricultural, trade, construction and brick production sectors and female-dominated work.*

According to the latest national Labour Force Survey (2012-2013), the informal sector in Pakistan accounted for about 74 percent of all non-agricultural workers. In 2013, the ILO reported that 4 out of 5 workers in the agricultural sector were informally employed and that informal employment rates were 96 percent and 97 percent in trade and construction, respectively. In 2014, 90 percent of factories in the country, including the large majority of brick kilns, were not registered under the Factory Act, according to the National Trade Union Federation Pakistan. In 2013, the Pakistan Workers Federation reported that workers in the informal sector were paid less and worked longer hours than those in the formal sector.
According to a 2013 paper published by the Middle-East Journal of Scientific Research, women were more likely to be employed in the informal sector, especially agriculture.\footnote{367} In 2014, the United Nations Research Institute for Social Development reported that women often worked from home with little pay and no social security.\footnote{368}

## Access to Remedy

*Bodies to which victims of corporate human rights abuses can file grievances and seek redress.*

### National Grievance Mechanisms

The Industrial Relations Ordinance provides that a worker can bring in writing a grievance to the employer directly or through a shop steward or a collective bargaining agent within one month from the day that caused the grievance. The employer has 15 days to communicate in writing its decision to the worker. Should the worker be dissatisfied with the decision, the grievance can be submitted to a labour court within two months. Labour courts decisions can be appealed to a High Court.\footnote{369}

In 2007, Sindh province established the Karachi Centre for Dispute Resolution (KCDR), which can mediate civil disputes, including labour related cases. A Sindh court can differ litigations to the KCDR, should parties agree to it.\footnote{370} 195 cases out of the 715 ones referred to the Centre from 2007 to 2013 were successfully mediated.\footnote{371}

### International Grievance Mechanisms

The Fair Labor Association (FLA) established a Third Party Complaint Process in 2002 to allow any person to report serious violations of workers' rights in the production facilities of FLA-affiliated companies. FLA members include various multinational apparel companies with supply chains in Pakistan, including Adidas, Nike and Puma.\footnote{372}

Although Pakistan is not an OECD member and consequently has no National Contact Point (NCP), complaints about breaches of the OECD Guidelines for Multinational Enterprises, including abuses related to working conditions (Chapters IV and V), by companies registered in OECD countries can be filed to the NCP of that country. The NCP mediates among parties to find a conciliatory solution to the dispute.\footnote{373}

Adverse impacts related to International Financial Corporation or Multilateral Investment Guarantee Agency projects may be reported to the Compliance Advisor Ombudsman, which can investigate and mediate disputes.\footnote{374}

## Cases

*Reports of business-related human rights issues from NGOs, multilateral institutions and the media.*

- **September 2014, Labour Watch:** A sit-in was organised to protest against the lack of payment of 1,400 temporary workers' salaries for eight months by the Water and Sanitation Agency in Hyderabad. Additional 1,200 regular employee and 400 retired workers failed to receive their salaries and pensions for five months.\footnote{375}
• April 2013, Europe Solidaire Sans Frontières: Workers at the Chinese mining company MMC Duddar Mineral Development Company allegedly worked 12 to 14 hours per day and received 200 PKR per day (US$2) in Balochistan province.  

Human Rights Guidance for Businesses

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

Due Diligence Library

*The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies*

**Working hours**

*Does the company ensure that the workweek is limited to 48 hours; that overtime is infrequent and limited; and that workers are given reasonable breaks and rest periods?*

*• Normal company working hours are limited to 48 per week by both company policy and practice, or fewer if provided by national law, collective agreement or industry standards.*

*• Overtime is infrequent, remunerated at premium rate, and does not exceed 12 hours in any one week, or 36 hours per month.*

*• The company has a system to plan, record and monitor hours worked by each employee, and regularly evaluates whether the number of workers is sufficient to meet production targets without resorting to overtime.*

*• Where overtime per worker systematically exceeds 12 hours per week, the company increases its workforce to correspond to production targets, or puts in place measures to increase worker productivity and reduce overtime.*

*• Workers are allowed at least 24 consecutive hours of rest (or more if provided by national law or industry standards) in every seven day period.*

*• The company ensures that workers have no less than a 30-minute break for every 4 hours of work (or more if provided by national law or industry standards) and that workers are allowed to use toilet facilities whenever necessary and not just during designated breaks.*

**Wages**

*Does the company provide a living wage that enables workers to meet the basic needs of themselves and their dependents?*

*• It is company policy to provide workers with a living wage sufficient to meet basic food, clothing and housing needs and provide some discretionary income for themselves and their dependents.*

*• The company is aware of whether the legal minimum wage in the country of operation meets the requirement for a living wage.*

*• If no national minimum wage is established, or if national minimum wage standards are insufficient to meet the basic needs of workers and their dependents, the company calculates a living wage based on the cost of living in its area of operation.*
• Part-time workers receive wages and benefits that are proportionate to those of full-time workers, and receive overtime compensation at a minimum of 1.25 times their hourly salary.

• The company pays wages at regular intervals and does not take deductions from wages for disciplinary measures or other deductions not authorised by national law.

• Bonus and piece-rate payment systems are monitored to ensure that the total salary paid meets living wage requirements without resort to overtime.

Leave

Does the company ensure that workers are paid holiday leave, sick leave, and parental leave in accordance with international minimum standards?

• Workers are granted at least three weeks of paid holiday leave per year or more if required by national law or collective agreements. Part-time and short-term workers are provided with paid holiday leave proportionate to the number of hours worked, at a rate equal to that of permanent full time employees.

• Workers are entitled to paid sick leave in accordance with the applicable national law. If sick leave is not provided for in national law, the company consults with union or worker representatives to establish alternative means of protection in case of illness or injury.

• The company ensures that sick leave is not deducted from workers’ vacation time.

• Female workers are entitled to no less than fourteen weeks of paid maternity leave per child.

• The company grants compassionate or parental leave to workers who have recently adopted a child or children, or have taken on the responsibility to care for foster children or other dependent children.

Employment status

Does the company ensure that all workers have an official employment status?

• The company ensures that all employees receive employment contracts prior to starting work for the company, and that contracts are understood by each employee.

• Contracts detail each employee’s rights and obligations of employment, including clear job description, bonus and salary systems, and reasonable notice periods.

• Reference to company handbooks or other relevant documents on employment terms are integrated into the contract.

• The company ensures that contractors provide workers operating within company premises with an official employment status in line with company standards.

Standards & Guidance

NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre

• Ethical Trading Initiative Base Code (2012) and ETI Principles of Implementation (2009): The Ethical Trading Initiative is an alliance of different business stakeholders promoting the implementation of corporate codes of practice that cover supply chain working conditions. The alliance consists of companies, NGOs and trade union organisations. The ETI Base Code has been developed as a code of labour practice, targeted generally for supply chains, and is in line with the
key international labour standards. The accompanying ETI Principles of Implementation outline the requirements needed by corporate members to implement the ETI Base Code in their supply chains, including the necessary commitments, management practices and behaviours.

- **Institute for Human Rights and Business and Global Business Initiative on Human Rights, State of Play: The Corporate Responsibility to Respect Human Rights in Business Relationships (2012):** The Report examines how the UN Guiding Principles can contribute and guide the complex network of business relationships that now exist in a global economy. It explores how companies of all sizes are now beginning to implement human rights considerations and the UN Guiding Principles into both traditional and contemporary business relationships.

- **Portal for Responsible Supply Chain Management (est. 2008):** The Portal is designed to support companies in improving the social and environmental conditions within their supply chain. The Portal offers tools and guidance on a number of supply chain issues, such as child labour, corruption and discrimination. In addition, the Portal also details sector specific resource material and pertaining legislation.

- **IFC Performance Standard 2: Labour and Working Conditions (2012):** IFC PS2 is guided by the international labour standards as outlined by the ILO and covers a range of aspects, including: terms and conditions of employment, non-discrimination, health and safety, and forced labour. The Standard addresses employees, contracted workers and supply chain workers.

- **International Labour Organization:** The International Labour Organization (ILO) is the UN agency responsible for preparing and overseeing international labour standards. The mission and objectives of the ILO are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues.

- **OECD Guidelines for Multinational Enterprises (2011):** The OECD Guidelines are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. Chapter 5 is on employment and industrial relations, aligning with the international labour standards of the ILO.

### Company Initiatives

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

#### Company Due Diligence Initiatives

**Pakistan Textiles Exporters Association:** The Association signed a three-year partnership agreement with the ILO in February 2015 to promote decent work in Faisalabad, Pakistan’s second most important area for garments, by complying with international labour standards. The agreement focuses on: 1) establishing a comprehensive monitoring and reporting framework on labour law compliance, and 2) improving productivity through training, including on wages and contracts of employment.377

### Engagement Opportunities

*Development initiatives by public and private actors that provide opportunities for companies to contribute to human development*
Public Sector Initiatives

**Government of Punjab:** Together with the ILO, the government of Punjab province provided 7,000 brick kiln workers with identity cards, regularising their legal status as citizens and workers, and provided them with social security cards. 378

NGO Initiatives

**Pakistan Institute of Labour Education and Research-PILER (2012-2014):** Since 2000s, the PILER organised workshops for workers on labour rights, including working conditions, including activities specifically targeting women, and workers in the fishing and transport sectors. 379

Development Priorities

**ILO Decent Work Country Programme (2010-2015):** The programme prioritises the expansion of social protection coverage to the working poor through increased formalisation of jobs. 380
## Environment

*Company impacts on the environment that affect the health or livelihoods of local communities*

<table>
<thead>
<tr>
<th>Operating Environment</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Percentage of population with access to improved water sources</td>
<td>91.4 (2012)</td>
</tr>
<tr>
<td><strong>MDG: 100% by 2015</strong></td>
<td></td>
</tr>
<tr>
<td>Environmental Performance Index rank</td>
<td>148 out of 178 countries</td>
</tr>
<tr>
<td>Food Security Index rank</td>
<td>77 out of 109 countries</td>
</tr>
</tbody>
</table>
| Relevant laws | • Balochistan Environment Protection Act (2012)  
• Cutting of Trees (Prohibition) Act (1975)  
• Environmental Protection Act (1997)  
• Forest Act (1927)  
• Punjab Environmental Protection (Amendment) Act (2012) |
| Responsible agencies | • Climate Change Division, within the Cabinet Secretariat of the Government  
• Indus River System Authority  
• Ministry of Food security and research  
• Ministry of Petroleum and Natural Resources  
• Ministry of Water and Power  
• Pakistan Environmental Protection Council (at federal level)  
• Pakistan Environmental Protection Agency (at federal level)  
• Provincial Environmental Protection Agencies  
• Provincial Irrigation Departments  
• Water and Power Development Authority |
| Local NGOs addressing this issue | • Indus Earth  
• International Union for Conservation of Nature- Pakistan network  
• National Forum for Environment and Health  
• Pakistan Fisherfolk Forum  
• WWF- Pakistan |
Country Context

Key human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.

In 1994, the Supreme Court found that the constitutional right to life implies the right to a healthy environment.382 The 2010 constitutional amendment decentralised environmental management responsibilities to provinces and established provincial Environmental Protection Agencies.383 Punjab and Balochistan also issued their own environmental legislation.384

Participation & Access to Information

Affected communities may not have access to relevant information regarding environmental impacts of company operations that may affect their health or livelihoods. Particular attention should be paid to the areas of environmental impact assessments and implementation of mitigation measures.

The 1997 Environmental Protection Act provides for an initial environmental examination to be conducted before beginning a project to assess its likelihood of causing adverse environmental impacts.385 Environmental impact assessments (EIAs) must be submitted to the respective provincial Environmental Protection Agency, which have the authority to approve or reject them within four months.386

The law provides for public participation during the review of EIAs.387 Failure to comply with the law draws a 1 million PKR (US$9,700) fine and an additional 100,000 PKR (US$975) for each day of continuing contravention.388 The 2012 amendment of the Punjab Environmental Protection Act provides for fines up to five million PKR (US$48,700).389

Several studies conducted from 2006 to 2012 reported poor coordination among the Environmental Protection Agencies and other governmental institutions, weak quality of EIA reports, poor implementation of mitigation measures by companies and poor EIA monitoring.390 In 2013, the IUCN Conservation Centre reported that limited public participation was in part due to the distance of public hearings from affected local communities.391

Food & Livelihoods

Companies may adversely impact the access of local populations to adequate and affordable food sources. Particular attention should be paid to the areas of land acquisitions, water management and deforestation.

In 2014, the Food and Agriculture Organization (FAO) reported that regular floods affecting Punjab and Sindh provinces, the 2013 earthquake in Balochistan province and the high prices of wheat adversely impacted food security, especially for the poorest segments of the population.392

Food insecurity affected almost 59 percent of the population, and was aggravated by large-scale land acquisitions by foreign investors, Action Aid reported in 2012.393 Unsustainable water management and deforestation, partially linked to business activities, had an adverse impact on the food security and livelihoods of local populations, according to various sources.394

Deforestation

Companies may reduce forest resources to the detriment of the health or livelihoods of local populations. Particular attention should be paid to the areas of mining, logging and agriculture in the northern areas of the country, especially Khyber Pakhtunkhwa province.
USAID reported that, as of 2010, forests covered 2.5 percent of the country’s land area and were concentrated in Khyber Pakhtunkhwa province and other northern areas, where tribal communities live. Forests outside of protected areas, known as shamilat, which included rangeland and wasteland, were reportedly considered common property of the village/tribe/clan and divided among their members for cultivation. Management and decisions related to those forests were taken by the Jirga or during village meetings.395

The deforestation rate was reportedly 2.1 percent in 2010,396 the highest in Asia,397 and was linked to agriculture, mining, illegal logging of timber and infrastructure development projects.398 In 2012, the UNFCCC reported that deforestation affected directly local communities, especially in Gilgit Baltistan territory and Khyber Pakhtunkhwa province, who were dependent on forests for their livelihoods.399 Deforestation was also linked to the increase of floods, which also worsened food security, according to The Ecologist in 2014.400

Water
Companies may adversely impact the access of local populations to safe and affordable water for personal or other use. Particular attention should be paid to the areas of water pollution, water management and access to water.

Pakistan is located in a semi-arid climate and the Indus river supplies most of the irrigation waters through the Indus Basin Irrigation System.401

The 1997 Environmental Protection Act contains provisions for the prevention and control of water pollution, including the ‘polluter pays’ principle. Failure to comply with the law includes payment of fines, up to two years imprisonment and closure of operations.402 Pakistan lacked a comprehensive law defining the rights related to surface and groundwater. Use of the Indus River, the country’s main source of surface water, is governed by the Indus Water Treaty between India and Pakistan.403

About 16 million people had no access to improved drinking water sources, according to UNICEF in 2014.404 In 2013, the Asian Development Bank reported that Pakistan was a water-stressed country, with 1,066 cubic meters available per capita, and very close to the threshold for becoming water-scarce (1,000 cubic meters per capita).405 Water storage capacity in case of an emergency was reportedly inadequate, limited to a 30-day supply rather than the recommended 1,000 days.406

In 2011, the FAO reported that 94 percent of total water withdrawal was used for agriculture.407 The latter was reportedly characterised by a dysfunctional irrigation system resulting in 33 percent of cultivated land affected by waterlogging and soil salinity, leading to declines in crop yields and loss of food security, according to the United States Institute of Peace in 2013.408

According to Islamic law, groundwater is owned by the person or entity owning the land above it, which in practice is the operator of the pump. The water of the Indus Basin irrigation system, for example, is considered public property until it enters a watercourse managed by a group of farmers, when it is then considered owned by them as common property. Hence, farmers who do not have wells, generally the poorest, buy water from the wealthier farmers who do.409

The World Wildlife Federation reported that increased urbanisation and industrialisation contributed to water scarcity and contamination, which turned water in a source of life-threatening diseases.410 A 2014 BioMed Research International paper reported that textile, metal, leather tanneries, fertilizers, pesticides, cement, petrochemical, energy production, sugar processing, construction, steel, engineering, food processing and mining were the main polluters of surface and ground waters because of non-treated wastewaters.411 In Faisalabad, Punjab province, one of the major textile areas in the country, 67 percent of drinking water samples collected by the Pakistan Environmental Protection Agency and JICA were “not appropriate for human usage” in 2014.412
Air Pollution

The health and livelihoods of local populations may be adversely impacted by company operations. Particular attention should be paid to air pollution, particularly in industry, agriculture and small and medium-size businesses.

Federal law provides general provisions to prevent and control air pollution, including the ‘polluter pays’ principle. Failure to comply with the law includes payment of fines, up to two years imprisonment and closure of operations.413 The National Environmental Quality Standards, revised in January 2013, set the limits for each air polluting substance. However, air pollution, especially concentration of particulate matter, substantially exceeded those limits in Islamabad, Karachi, Lahore, Peshawar, Rawalpindi, and Quetta, according to the World Bank in 2014.414

Pakistan’s poor ranking in the 2014 Environmental Performance Index was mainly due to high air pollution levels.415 Urban air pollution data was limited, dispersed and not fully reliable, according to the World Bank in 2014.416 Up to 22,600 deaths per year, including more than 800 children under 5, were reportedly directly or indirectly linked to air pollution.417

According to a 2014 World Bank report, thermal power plants, textile, leather tanneries, paper, pharmaceutical, cement, fertilizer, and sugar processing were among the industries polluting the most. Small and medium-size businesses, including brick kilns, reportedly contributed to air pollution by using old tires, paper, wood, and textile waste as fuels.418

Access to Remedy

Bodies to which victims of corporate human rights abuses can file grievances and seek redress.

National Grievance Mechanisms

Victims of environmental rights violations can address environmental tribunals in each province.419 Appeals against the decisions of those tribunals can be submitted to High Courts and their decisions can be appealed to the Supreme Court.420

Environmental tribunals were reportedly under-staffed and lacked resources, and the appointed tribunal chairmen often had a poor knowledge of environmental laws, according to news reports in 2014.421 In 2012, The Express Tribune newspaper reported that only 15 percent of cases filed to the Punjab Environmental Tribunal since 2002 had been processed and only 20 percent of the fines imposed had been collected, due to the lack of a collection mechanism.422

The Supreme Court can accept cases of public interest without the dispute having to pass through a High Court first, based on the protection of fundamental rights included in the constitution.423 Although not commonly used, several projects with adverse environmental impacts were reportedly halted by the Supreme Court though this litigation procedure, including the Murree Development Plan, extractive activities in the Margalla Hills National Park, and the Gutter Baghicha and the Shehla Zia cases.424

International Grievance Mechanisms

Abuses related to investment projects funded by the Asian Development Bank (ADB) can be referred to ADB Accountability Mechanism, which has the power to mediate and investigate complaints.425

Although Pakistan is not an OECD member and consequently has no National Contact Point (NCP), complaints about breaches of the OECD Guidelines for Multinational Enterprises, including
environmental abuses (Chapters III, IV and VI), by companies registered in OECD countries can be filed to the NCP of that country. The NCP mediates among parties to find a conciliatory solution to the dispute. 426

In 2008, a case alleging environmental damage was filed with the Dutch NCP against the company SHV Holdings, which owned, together with the Pakistani company House of Habib, a company called MakroHabib Pakistan. After the case was filed, the Dutch company sold its share. The simultaneous judicial proceedings ended with a sentence by the Pakistani Supreme Court ordering MakroHabib to relocate. Hence, the Dutch NCP dismissed the case, as ‘future-oriented mediation’ could no longer be pursued. 427

Adverse impacts related to International Financial Corporation or Multilateral Investment Guarantee Agency projects may be reported to the Compliance Advisor Ombudsman, which can investigate and mediate disputes. 428

Cases

Reports of business-related human rights issues from NGOs, multilateral institutions and the media.

- **December 2014, The Express Tribune:** Nestlé requested a non-objection certificate by the Environmental Protection Agency (EPA) to deepen its well to extract underground waters at its existing plant. The EPA requested that the company conduct an environment examination before taking any decision on the deepening of the well. 429

- **December 2014, The Express Tribune:** The Sindh High Court ordered the Karachi Port Trust to conduct an EIA of its coal handling facility and to cover coal-laden trucks. Petitioners accused the company of water and air pollution during cleaning activities and coal transportation from the terminal to the coal yard in open trucks. 430

- **October 2014, The Express Tribune:** The Supreme Court of Balochistan ordered the Mari Gas Company to pay US$500,000 as a ‘production bonus’ to pay-off the pollution created through its operations and contribute to the social welfare of the province. 431

- **May 2014, Dawn:** The Chashma Sugar Mills No 2 in Khyber Pakhtunkhwa province was accused of non-treating its wastewaters and contributing to surface water pollution. Ten people died in the drain filled with contaminated effluent from the mills and 15 people were injured, seven employees were arrested in connection to the event. 432

- **2014, Environmental Justice Atlas:** Local communities protested the water pollution of the Diamer Basha Dam on the Indus river. Construction of the project started in 2011 in Gilgit Baltistan Territory and was ongoing in 2014. 433
Human Rights Guidance for Businesses

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

Due Diligence Library

*The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies*

Precautionary Approach

*Does the company support a precautionary approach to environmental issues?*

- The company provides information to stakeholders about uncertainties and potential risks to workers, consumers, the public and the environment of the company’s products and processes.
- The company identifies any soil and water contamination at its site or sites, assesses the environmental impacts and remedies any significant contamination.
- The company tries to avoid environmental damage by regular maintenance of production processes and environmental protection systems (air pollution control, waste water treatment systems etc.).
- The company conducts systematic risk assessments of materials used, products and processes to apply the precautionary approach.
- The company ensures transparency and engages in regular stakeholder dialogue with neighbours, civil society organisations and others with an interest in the company on critical environmental issues.
- If relevant, the company supports scientific research on environmental issues relating to the company’s products and processes.

Emergency Response

*Does the company have emergency procedures in place to prevent and address accidents affecting the environment and human health?*

- The company has identified the hazardous operations and the potential consequences on human health and the environment if an accident occurs.
- The company has detailed procedures, plans, equipment and training programmes to prevent accidents and emergencies.
- The company has detailed procedures, plans and equipment to effectively respond to accidents and emergencies if they occur.
- The company trains workers to respond to accidents and emergencies, including carrying out emergency drills at least once a year involving all workers.
- Where there is significant risk of impacts on local communities, the company has a procedure that enables it to immediately notify affected local communities about industrial emergencies, and informs about emergency response, evacuation plans and medical response.

Energy Consumption and Climate Change

*Does the company take measures to reduce energy consumption and emissions of greenhouse gasses?*

- The company complies with regulation regarding use of energy resources and emissions of greenhouse gases.
Community Impacts Environment

- The company has a climate strategy that identifies opportunities to reduce the company’s energy consumption and/or emissions of greenhouse gases.
- The company has initiated practical activities to reduce energy consumption and/or greenhouse gas emissions.
- The company provides information and trains employees to implement energy reduction measures.
- The company monitors its energy consumption and/or emissions of greenhouse gases.
- The company has defined a baseline for its greenhouse gas emissions, which includes a definition of the business operations and activities, and the greenhouse gases that are accounted for e.g. as described in the Greenhouse Gas Protocol.
- The company has targets for reducing its energy consumption and/or emissions of greenhouse gases.
- The company engages with the government and civil society organisations to develop policies and measures that provide a framework for the business sector to contribute to building a low carbon economy.

Water and Waste Water

**Does the company take measures to reduce water consumption and treat waste water?**

- The company has the necessary permits to extract water or obtain water from the public water supply and for any waste water discharges.
- The company treats waste water before discharge to reduce adverse environmental impacts. If waste water treatment takes place outside the company’s premises, the company is aware of the effectiveness of the treatment.
- The company monitors waste water discharges, including types, limit values and quantities of pollutants in the waste water.
- The company has targets for reducing water consumption and/or increasing the amount of water reused or recycled in different business operations and activities.
  - The company provides information and trains workers to implement measures to reduce water consumption and reduce the need for waste water treatment.
  - The company’s use of water and its waste water discharges do not negatively affect the sustainability of water resources, the natural environment or the availability of water for drinking and sanitation purposes.

The company engages with national, regional and local public authorities, and civil society organisations to address water sustainability issues related to affected water resources.

Waste Management

**Does the company take measures to prevent and reduce the production of waste and ensure responsible waste management?**

- The company has the necessary permits for the handling, storage, recycling and disposal of waste, and, if relevant, complies with requirements for transporting hazardous waste across borders.
- The company has a strategy to manage waste responsibly and continuously attempts to prevent and reduce the production of waste.
- The company ensures that waste relevant for recycling is sorted and handed over to a recycling company.
- The company monitors the types and quantities of waste produced, including where and how waste is recycled, treated or disposed of.
Community Impacts  Environment

- The company has targets for reducing waste production and/or increasing waste reused/recycled and measures its progress against these targets.
- The company provides information and trains workers on the safe handling, storage, transport and disposal of hazardous and special waste types.
- The company marks areas used for storage of waste, and properly labels all containers for storing waste, including a relevant symbol of danger for hazardous waste.
- The company requests recycling/treatment/disposal receipts from transport contractors.
- The company uses licensed contractors for the transport, recycling, treatment and disposal of hazardous waste.

Air Emissions
Does the company prevent, reduce and treat air emissions?

- The company has the necessary permits for emissions to air, and complies with legal requirements (e.g. air pollution standards and limit values).
- The company provides information and trains workers on how to manage air emissions.
- The company monitors the types and quantities of relevant emissions to air.
- The company treats relevant pollutants before they are emitted to the atmosphere (e.g. by using filters).
- The company continuously attempts to prevent and reduce air emissions.

Noise, Odour, Light and Vibrations
Does the company prevent and reduce impacts on the surrounding environment from noise, odour, light and vibrations?

- The company has the necessary permits for levels of noise, odour, light and vibrations, and complies with legal requirements (e.g. standards or procedures).
- The company provides information and trains workers to manage noise, odour, light and vibrations.
- The company monitors levels of noise, odour, light and vibrations on the surrounding environment.
- The company treats/minimises impacts to ensure that there are no significant levels of noise, odour, light and vibrations.
- The company continuously attempts to prevent and minimise the levels of noise, odour and light (e.g. enclosed production, shielding, etc.).

Chemicals and Other Dangerous Substances
Does the company minimise the use and ensure safe handling and storage of chemicals and other dangerous substances?

- The company has the necessary permits and complies with legal requirements for the handling, use and storage of chemicals and other dangerous substances.
- The company does not manufacture, trade and/or use chemicals and other dangerous substances subject to national or international bans or phase-outs.
- The company provides information and trains workers on the safe handling and use of chemicals and other dangerous substances.
The company monitors the quantities of all chemicals and other dangerous substances used in production and maintenance.

The company marks areas used for storage of chemical substances and products.

The company properly labels all chemical substances and products including name of the chemical and a relevant symbol of danger.

The company considers substitution important and continuously tries to use less harmful chemicals and substances.

**Biodiversity**

*Does the company prevent, minimise and remedy significant impacts on biodiversity?*

- The company has the necessary permits to operate in or alter the natural environment, and complies with legal requirements.

- The company is committed to operating within the framework of international conventions addressing biodiversity (e.g. the Convention on Biological Diversity, Cartagena Protocol on Biosafety and the CITES Convention).

- The company has assessed important positive and negative impacts of its operations and activities on the natural environment and biodiversity (e.g. IUCN’s Red List of Threatened Species and no alien invasive species).

- The company has previously and/or is currently taking measures to prevent and reduce the impacts of its operations and activities on biodiversity.

- The company clearly labels products containing GMOs and indicates if GMOs have been used in the production process.

- The company ensures that it has not had any unintended releases of GMOs.

- The company documents that workers have been adequately trained to handle GMOs.

**Natural Resources**

*Does the company ensure that natural resources are used in a sustainable manner?*

- The company has the necessary permits and complies with legal requirements regarding the cultivation, harvest, extraction and/or use of natural resources (e.g. wood, fish, metals, oil, coal etc.).

- The company complies with legal requirements regarding the cultivation, harvest, extraction and/or use of natural resources (e.g. wood, fish, metals, oil, coal etc.).

- The company ensures that workers are trained in the sustainable cultivation, harvesting, extraction and/or use of natural resources.

- The company continuously attempts to prevent, minimise and remedy significant impacts on natural resources through environmentally friendly methods and alternative resource use.

- The company ensures that its use of renewable resources does not negatively affect the sustainability of the resource (i.e. the resource’s ability to regenerate).

- The company demonstrates efforts to substitute non-renewable resources used in production with renewable resources.

- The company works with local and national public authorities as well as with international institutions to address sustainability issues related to natural resources (e.g. wood, water, fish, metals, oil etc.).
Environmentally Friendly Technologies

*Does the company encourage the development and use of environmentally friendly technologies?*

- The company uses environmentally friendly technology.
- The company regularly evaluates its processes and technologies to see if there are more environmentally friendly alternatives.
- When developing new technologies and products, the company focuses on developing environmentally friendly technology e.g. by using life cycle assessments (LCA), design for sustainability or a cradle-to-cradle approach.
- When planning new investments in technology, the company considers the best available technology and stipulates minimum environmental criteria.
- When investing in new buildings, the company implements environmentally responsible and resource-efficient materials and/or technologies.
- The company makes information describing the environmental performance and benefits of using environmentally friendly technologies available to stakeholders.

Standards & Guidance

*NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre*

- **CEO Water Mandate (2011):** Launched as a collaborative initiative of the UN, UN Global Compact, the Government of Sweden and a dedicated group of companies, the CEO Water Mandate is a public-private initiative designed to assist companies with the development, implementation and disclosure of policies and practices relating to water sustainability. It covers six core elements: direct operations, supply chain and watershed management, collective action, public policy, community engagement and transparency.

- **IFC Performance Standards on Environmental and Social Sustainability (2012):** The IFC Performance Standards provide directions to businesses on due diligence on environmental and social matters. Several of the standards are pertinent to environment, including: Assessment and Management of Environmental and Social Risks and Impacts (PS1), Resource Efficiency and Pollution Prevention (PS3), Community Health, Safety, and Security (PS4), and Biodiversity Conservation and Sustainable Management of Living Natural Resources (PS6).

- **Institute for Human Rights and Business, Business, Human Rights & the Right to Water—Challenges, Dilemmas and Opportunities:** This report summarises the views of various stakeholders on issues pertaining to the right to water, including consideration of the scope of a company’s responsibility to respect the human right to water; the applicability of the human rights-based approach to management of water-related issues; and the business case for engaging with water-related issues.

- **ISO 14000 Standards on Environmental Management Systems:** Developed by the International Organisation for Standardisation, the ISO 14000 Standards provide businesses and organisations with a number of tools to assist in their environmental management systems. The key objective of the standards is to encourage different actors to reduce the negative impact that their activities may have on natural resources such as air, water or land.

- **United Nations Special Rapporteur on the Human Right To Safe Drinking Water and Sanitation (est. 2008):** Amongst a range of issues, the mandate of the Special Rapporteur includes
consideration of the regulation of the private sector in the context of private provision of safe drinking water and sanitation.

- **Global Water Tool (2007):** Developed by the World Business Council for Sustainable Development, this tool is designed for companies and organisations to map their water use, including risks associated with water use in global supply chains.

## Company Initiatives

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

### Company Due Diligence Initiatives

**Atlas Honda:** In 2014, the company established wastewaters plants to treat used water before releasing it into the environment.434

**Lucky Cement:** As an air pollution control measure, the company set in place pollutant trapping and suppression systems to control and reduce dust particles emissions, mainly through bag filter systems.435

### Company Beyond Compliance Initiatives

**Lucky Cement:** The company uses waste heat as an alternative way to generate energy, which is used for its 175 MW power generation facility and the surplus of electricity generated is sold to local electric supply companies.436

## Engagement Opportunities

*Development initiatives by public and private actors that provide opportunities for companies to contribute to human development*

### Public Sector Initiatives

**National Climate Change Policy:** In 2013, Pakistan launched its first national policy on climate change, developed with the support of the United Nations Development Programme. The climate change policy recommends 120 steps to address the impact of global warming and adapt sectors such as energy, transport and agriculture.437

### NGO Initiatives

**WWF Pakistan:** In 2014, the organisation runs a number of initiatives for sustainable crop production, addressing waste management and energy efficiency, among other issues. Some of the current initiatives are: 1) the Pakistan Sustainable Cotton Initiative in six districts in Punjab province and three districts in Sindh province, in partnership with the private sector, 2) the Sustainable Cotton Production in Pakistan’s Cotton Ginning SMEs, funded by the EU, and 3) the Sugar Improvement Programme-II in Jhang district in Punjab province. The dissemination of the Better Management Practices among farmers resulted in 21 percent reduction in use of irrigation water, 38 percent reduction in pesticide use and 22 percent reduction in synthetic fertilizers in 2014.438
Development Priorities

*One United Nations Programme II (2013-2017):* The programme prioritises support to green and clean industries, with the aim of a reduction in carbon emissions by 1 million tons by 2017.
# Land & Property

*Human rights impacts related to company acquisition, use and management of land*

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Country Context

Key human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.

Land Administration

Companies may disrupt the livelihoods of local populations if they do not establish the ownership and use of land before it is purchased. Particular attention should be paid to the area of corruption.

According to a 2011 report by USAID, national and provincial laws relating to land were outdated, fragmented and incomplete. Property rights of tribal populations were mostly governed by customary law, which was enforced by jirgas, the informal tribal justice system.440

The main land tenure types were: 1) ownership, including communal ownership; 2) lease, common for farmland over 30 hectares; and 3) sharecropping, common for farmland less than 30 hectares.441

Although the law provides for land title registration, ownership titles were largely not registered due to lack of incentives and complicated bureaucratic procedures requiring up to 50 days and costs amounting to 5.3 percent of the value of the registered land, according to USAID.442 Procedures to register land were reportedly not available publicly and the registration process lacked transparency.443

Foreign companies can own land if incorporated in Pakistan and enjoy several tax benefits. Lease of land is allowed for 50 years without restrictions on the size of the land plot and unrestricted water usage.444 Partly due to these provisions, most of the land targeted for acquisition was marginal land with stressed water supplies, according to the Land Deal Politics Initiative in 2012.445

According a 2011 report by Transparency International, land administration was perceived by the population to be the most corrupt government department.446

Land Distribution

Companies may adversely impact access to land for local populations, including land for production of food.

Historically, land ownership in Pakistan has been based on a feudal structure, which continued from the colonial period until today.447 Pakistan’s farmland amounted to 35 percent of total land; 90 percent of agricultural land was located in the Indus River plain, Punjab and Sindh provinces.448 Five percent of large landholders owned 64 percent of the total farmland in 2014, according to the Bertelsmann Foundation.449

About 50 percent of rural households were landless and working for feudal/tribal landholders for little money, according to a 2012 report by the Green Economics Initiative.450 USAID reported that poverty was higher among those lacking land ownership.451

Action Aid reported in 2012 that women owned less than 3 percent of land.452 Military personnel were reportedly rewarded with state land, the majority being farmland in Punjab and Sindh provinces. The military owned 12 percent of state land, according to a 2012 report by the Asian NGO Coalition.453

Pakistan has the greatest urbanisation rate in South Asia, with UN Habitat projecting that the urban population will grow from 36 percent to 50 percent between 2013 and 2030.454 The current urbanisation rate reportedly resulted in a lack of land and housing availability, which increased the population living in informal shelters.455
Land Acquisition

Local populations may be improperly deprived of land ownership and usage rights as a consequence of land acquisition by companies. Particular attention should be paid to the areas of meaningful engagement with affected individuals, informal land ownership, usage rights and corruption.

The constitution grants the right to acquire, hold and dispose of property, providing restrictions for the public interest. Pakistan ranked 86th out of 97 countries in the 2014 International Property Rights Index and was the second worst performing country in Asia, after Bangladesh, in terms of physical property rights.

According to the 2014 Bertelsmann Transformation Index, the military and investors from the Gulf countries enjoyed privileges in land acquisition. The latter reportedly acquired more than 150,000 acres for mechanised farming in Balochistan province, and 324,000 hectares in Punjab and Sindh provinces in 2008. The Asian NGO Coalition reported in 2012 that investors were attracted by the 2002 Corporate Agriculture Farming Policy, providing various benefits, including full remittance of profits and exemption from labour laws.

According to media reports in 2014, unlawful land confiscations were done by the so-called ‘land mafia’: colluding politicians, property developers, organised crime and armed groups, especially in Karachi, Lahore and Islamabad. In 2013, the Urban Resource Centre reported that in Karachi, poor communities that could not afford land for housing on the formal market turned to the ‘land mafia’ to illegally seize and sell government land.

Poor communities were also vulnerable to evictions, including for major infrastructure projects. The 2004 Illegal Dispossession Act was passed with the aim of stopping this phenomenon, though USAID reported in 2011 that it had had little effect. According to media reports, land confiscations and killings resulting from land disputes continued as of 2014. In 2015, the Pakistan Institute of Labour Education and Research (PILER) reported that the highly feudal structure of land ownership resulted in up to 85 percent of the rural labour force in Sindh and Balochistan provinces working as tenants on sharecropping basis on lands belonging to large landlords. Evictions of rural workers were reportedly common in those regions in 2015.

Land owners and users may receive inadequate compensation for loss of or damage to land or property caused by company operations. Particular attention should be paid to corruption.

The constitution and the land acquisition act allow the state to confiscate land, upon payment of compensation, for public purposes, including: 1) to prevent danger to life, property, or public health; 2) to provide housing and services, such as roads, water supply, and power; 3) when the property belongs to an enemy or evacuee; and 4) when necessary for the proper management of the property. The compensation is to be paid in cash only to land owners or tenants with formal titles or lease agreements. In 2011, USAID reported that those measures were considered inadequate to protect the population affected by confiscation of land.

The government’s failure to provide adequate compensation to affected communities was reportedly the reason for the Asian Development Bank’s denial of funding for the Diamer Bhasha Dam in 2013. Government evictions of local communities from state farmland was sold to foreign investors, according to a 2012 report by ActionAid. For housing projects, even when compensation was paid for the land acquired by public or private developers, controversies reportedly arose on the amount paid in 2015.
Rights Holders at Risk: Women

Company operations may have a disproportionate impact on access to land and property for particular societal groups. Particular attention should be paid to the areas of gender discrimination.

USAID reported in 2011 that land titles were usually issued in the name of the eldest male of the family.\textsuperscript{473} Although the law grants women the right to inherit and acquire land, their inheritance shares were reportedly smaller than their male counterpart according to the 2012 Social Institutions and Gender Index.\textsuperscript{474} In 2011, the International Land Coalition reported that widows lost their inheritance rights in practice if they remarried outside of the family of a deceased husband.\textsuperscript{475}

Access to Remedy

Bodies to which victims of corporate human rights abuses can file grievances and seek redress.

National Grievance Mechanisms

Victims of abuses related to land rights can address a revenue court with jurisdiction on land documents, tenancy, land revenue and land transactions. Decisions of revenue courts can be appealed to the Chief Settlement Officer and Board of Revenue at provincial level. In 2011, USAID reported that those courts were regarded as corrupt and time-consuming.\textsuperscript{476}

Alternatively, victims can directly file a complaint to the first instance courts, appeal the judgment to one of the five High Courts (one per province and one for Islamabad Capital Territory) and, ultimately, to the Supreme Court.\textsuperscript{477} In 2012, the Asian NGO Coalition for Agrarian Reform and Rural Development reported that 50 to 70 percent of all land disputes were brought to courts, and cases took from four to ten years to be solved.\textsuperscript{478}

In 2014, a lack of effective remedy was reported, as individuals responsible for land confiscations were well-connected to corrupt police officers, according to the campaign Still Humans Still Here.\textsuperscript{479} The blasphemy law was reportedly used to settle land disputes in favour of Muslims over religious minorities.\textsuperscript{480}

In tribal areas, land disputes were often decided by the jirgas, the informal tribal justice system.\textsuperscript{481} Local leaders and members of the local governance body (panchayat) dealt with land disputes in Punjab and Sindh provinces.\textsuperscript{482}

International Grievance Mechanisms

Abuses related to investment projects funded by the Asian Development Bank (ADB) can be referred to ADB Accountability Mechanism, which has the power to mediate and investigate complaints.\textsuperscript{483}

Although Pakistan is not an OECD member and consequently has no National Contact Point (NCP), complaints about breaches of the OECD Guidelines for Multinational Enterprises, including abuses related to land rights (Chapter IV), by companies registered in OECD countries can be filed to the NCP of that country. The NCP mediates among parties to find a conciliatory solution to the dispute.\textsuperscript{484}

In 2008, a case alleging environmental damage was filed with the Dutch NCP against the company SHV Holdings, which owned, together with the Pakistani company House of Habib, a company called MakroHabib Pakistan. After the case was filed, the Dutch company sold its share. The simultaneous judicial proceedings ended with a sentence by the Pakistani Supreme Court ordering MakroHabib to
relocate. Hence, the Dutch NCP dismissed the case, as ‘future-oriented mediation’ could no longer be pursued. \(^{485}\)

Adverse impacts related to International Financial Corporation or Multilateral Investment Guarantee Agency projects may be reported to the Compliance Advisor Ombudsman, which can investigate and mediate disputes. \(^{486}\)

## Cases

*Reports of business-related human rights issues from NGOs, multilateral institutions and the media.*

- **June 2014, Environmental Justice Atlas:** The Tarbela Dam on the Indus river was built in 1974 and displaced 100,000 people from their land, with some still waiting, as of 2013, to receive compensation. \(^{487}\) In 2013, the expansion of the dam was approved and partially funded by the World Bank. \(^{488}\)

- **March 2014, The Express Tribune:** A land strip of about 10 km separating Kohistan district, in Khyber Pakhtunkhwa province, from Gilgit-Baltistan, was demarcated for acquisition for the Diamer-Bhasha Dam project. A longstanding and unresolved land dispute re-emerged following the announcement, and resulted in the killing of seven people. \(^{489}\)

- **October 2013, The News:** About 285 acres of land were confiscated in Punjab province by the ‘land mafia’ with the collusion of revenue and police officers. \(^{490}\)

- **October 2012, Pesticide Action Network Asia and the Pacific:** About 3,200 acres of land in Mirpurkhas, Sindh province, were given on lease to the United Arab Emirates company Al Dahra for a period of 10 years by the provincial Minister of Agriculture. The Minister is reportedly a well-established politician and large land owner. Sharecroppers working on the land had their shares reduced and were forced to find alternative jobs. \(^{491}\)

- **July 2011, Transparency International:** A politician was allegedly involved in the confiscation of a plot of land belonging to a family in Karachi. The confiscation was allegedly done by the ‘land mafia’—collusion between housing authorities, private property developers and private security forces. \(^{492}\)
Human Rights Guidance for Businesses

Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context

Due Diligence Library

The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies

Before buying, renting, acquiring or otherwise accessing land or property, does the company ensure that all affected owners and users of the land or property, have been adequately consulted and compensated?

- Prior to buying, renting, acquiring or otherwise accessing land or property, whether directly or through a third party, the company identifies all existing owners and users of the land or property, including information land users and customary owners.
- The company investigates the past usage and ownership of the land or property to ensure that past users and owners have not been wrongfully removed, and that any expropriations by the authorities have been conducted in accordance with international law.
- The company consults with affected users and owners of the land or property (including women, tenants, settlers, minorities and other vulnerable groups including indigenous peoples) and seeks their free, prior and informed consent before continuing to acquire or access the land or property.
- The company ensures that its lease or purchase of residential property and sourcing of food commodities does not considerably make housing and food scarce or too expensive for the local people.
- The company ensures that affected owners and users of the land or property are adequately compensated to help them restore their standards of living or livelihoods to the same or higher than before, and that the compensation standards are transparent and applied consistently to all communities and persons affected.

Standards & Guidance

NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre

- FAO Voluntary Guidelines on the Responsible Governance of Tenure (2012): Developed by the Food and Agriculture Organisation of the UN (FAO), the Guidelines promote responsible governance of tenure of land, fisheries and forests by outlining the principles and internationally accepted standards for the responsible governance of tenure. The Guidelines inform States and non-government actors on relevant policies, strategies and activities.
Community Impacts  Land & Property

- **Principles for Responsible Agricultural Investment that Respects Rights, Livelihoods and Resources (2010):** A joint initiative of UNCTAD, FAO, IFAD and the World Bank, these seven principles cover all types of investment in agriculture, including between principal investors and contract farmers. The Principles provide a framework for national regulations, international investment agreements, global corporate social responsibility initiatives, and individual investor contracts.

Engagement Opportunities

_Devlopment initiatives by public and private actors that provide opportunities for companies to contribute to human development_

NGO Initiatives

**OXFAM (2009-2011):** OXFAM and the Participatory Development Initiative delivered a programme supporting women’s property rights and ownership in Sindh province. The aim of the project was to increase women access to decision-making, credit and markets. The programme provided legal assistance to 50 women whose land was under litigation, with 25 cases successfully resolved and 36 cases withdrawn thanks to the project’s advocacy efforts. Sixty percent of the 2,845 women in the programme received ownership documents from the authorities.\(^\text{493}\)

**The Society for Conservation and Protection of Environment (SCOPE), National Peasants’ Coalition of Pakistan (NPCP), and Oxfam GROW Campaign:** In March 2014, the NGOs organised the first People’s Land Rights Tribunal in Sindh province, with more than 500 participants, including peasants, land rights activists, lawyers, judges, politicians, civil society and media. The land rights tribunal aims to bring to light flaws in land distribution cases and make recommendations, mobilise peasants, including women and inform policy makers and media about pressing land issues in the province.\(^\text{494}\) In February 2015, SCOPE and NPCP established the Agrarian Reforms Councils in Sindh and Punjab provinces to support the land reform process following the 2010 constitutional amendment. Councils are composed by parliamentarians, civil society, academia, farmers and sector experts.\(^\text{495}\) Since 2012, SCOPE supports the NPCP in its capacity building efforts, especially boosting the advocacy skills of farmers’ organisations, and field data collection regarding land governance. About 1,000 farmers benefitted from those trainings as of April 2015.\(^\text{496}\)
Relevant law

- Constitution (2012)
- 2014-2015 Finance Act
- Statutory Regulatory Orders (national and provincial)

Responsible ministries

- Federal Board of Revenue
- Ministry of Interior: Federal Investigation Agency
- National Accountability Bureau
- Public Procurement Regulatory Authority
Community Impacts  Revenue Transparency & Management

Local NGOs addressing this issue
- Centre for Peace and Development Initiatives - Pakistan
- Transparency International Pakistan

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<th>World Bank Good Governance Indicators (2013)</th>
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Country Context

Key human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.

Corruption

Companies may pay bribes or use other coercive measures to unjustly influence government officials.

Pakistan ratified the UN Convention Against Corruption in 2007. The Bertelsmann Foundation reported in 2014 that corruption was widespread. Corruption of public officials, including high-ranking representatives, reportedly adversely affected the provision of public services, especially health and education, and was partially due to low salaries for public servants.

According to the 2013 Global Corruption Barometer, 34 percent of Pakistanis reported having paid a bribe to obtain public services. Transparency International Pakistan reported that 60 percent of business executives were asked to pay bribes by public officials in 2009. Corruption was also reported in the judiciary, especially in the first instance courts, with facilitation payments requests by court staff and the administration of justice subject to the influence of political, religious and wealthy individuals.

The 2014 Business Anti-Corruption Portal reported that public money was diverted to companies, individuals and politically-affiliated. Corruption was reportedly a major factor in the poor management of natural resources, especially with regard to projects in the solar and wind energy, coal mining and oil sectors.

The National Accountability Bureau has investigatory powers for corruption cases perpetuated, with the exception of judicial and military personnel. According to a 2014 report by the Bertelsmann Foundation, this institution was subject to political influence and lack of resources. The Federal Investigation Agency has also investigatory power over corruption cases. The lack of successful prosecutions was due in part to insufficient human resources and training, according to the Business Anti-Corruption Portal.
Public Procurement

*Companies may engage in corruption when bidding on public tenders. Particular attention should be paid to corruption and private business interests by politicians and public officials.*

The U.S. Department of State reported in 2012 that public procurement was characterised by inadequate bidding documents, insufficient response time for bidders, prequalification requirements limiting competition and the lack of an independent complaint handling system.\(^5^0^8\)

The 2013-2014 Global Competitiveness Report reported that well-connected companies were favoured in public bids by public officials, often in exchange for money.\(^5^0^9\) Although companies found infringing public procurement regulations are required by law to be banned from participating in future public bids, in practice this was not the case, according to the 2014 Business Anti-Corruption Portal.\(^5^1^0\)

Revenue Transparency

*There may be lack of public access to information concerning the size of public revenues generated from taxes, royalties and other fees paid by companies. Particular attention should be paid to the areas of inadequate transparency of natural resource revenues and lack of annual reporting requirements.*

According to the International Budget Partnership, between 2010 and 2012 Pakistan significantly improved in the area of budget transparency, mainly due to the increased comprehensiveness of the Green Book, a supporting document to the Executive’s Budget Proposal.\(^5^1^1\)

In 2014, Pakistan became the fourth country, after Sweden, Finland and Norway, to publish a directory with details of individual and corporate taxpayers.\(^5^1^2\) This initiative was reportedly a response to some donors’ announcement to withdraw aid money as half of the MPs elected in 2013 evaded taxes.\(^5^1^3\)

A 2014 World Bank study reported that no tax expenditure report was published as part of the government’s annual budget document.\(^5^1^4\) Although the government disclosed the existence of 16 production sharing agreements in the Indus offshore oil and gas operations in 2013, the details of those agreements do not appear to have been made public.\(^5^1^5\) As of 2014, Pakistan was not a member or candidate country for the Extractive Industries Transparency Initiative.\(^5^1^6\)

Revenue Sharing

*There may be lack of public access to accountability concerning the usage and distribution of public revenues generated from taxes, royalties and other fees paid by companies. Particular attention should be paid to the areas of tax exemptions and corruption.*

Pakistan’s low revenue collection rates resulted in limited public spending for social services, according to a 2013 report by the Sustainable Development Policy Institute. For example, the government spent 0.7 percent of GDP on healthcare and 2 percent on education.\(^5^1^7\)

The 2014-2015 Finance Act sets the corporate tax rate at 33 percent.\(^5^1^8\) Royalties should also be paid by companies in the extractive sector. However, coal mine companies operating in Sindh province and supplying coal exclusively to power generation projects enjoyed a total tax exemption, according to a 2014 KPMG analysis of the Act.\(^5^1^9\)

A 2014 World Bank study reported a lack of data on companies with a tax exemption status and added that widespread tax exemptions, especially to electrical power companies and oil and mining companies, resulted in a significant revenue loss for the government.\(^5^2^0\)

The Business Anti-Corruption Portal reported that 4,000 companies received undue tax refunds in 2011,\(^5^2^1\) which were obtained, for example, by issuing fake invoices on raw materials never bought or by selling surplus invoices to those willing to claim undue tax refunds with the connivance of tax officials.\(^5^2^2\)
Access to Remedy

*Bodies to which victims of corporate human rights abuses can file grievances and seek redress.*

**National Grievance Mechanisms**

Corruption cases, including those involving abuse of power, misappropriation of property and kickbacks, among others, can be addressed to accountability courts. Those courts aim at retrieving the economic loss from corruption.\(^{523}\) Convictions for tax fraud were reported to be very limited.\(^{524}\)

**International Grievance Mechanisms**

Although Pakistan is not an OECD member and consequently has no National Contact Point (NCP), complaints about breaches of the OECD Guidelines for Multinational Enterprises, including corruption (Chapters III, IV, VII and XI), by companies registered in OECD countries can be filed to the NCP of that country. The NCP mediates among parties to find a conciliatory solution to the dispute.\(^{525}\)

**Cases**

*Reports of business-related human rights issues from NGOs, multilateral institutions and the media.*

- **April 2014, Business Insider:** Two executives of the company HP were arrested in Karachi on tax evasion allegations.\(^{526}\)
- **2013, U.S. Department of State:** In December 2010 and January 2011, the Supreme Court ordered two power companies to return more than 970 million PKR (US$7.7 million) received in advance payments from the government to provide electricity and for failing to start its operations on the due date. In January 2013, the Supreme Court ordered the arrest of Prime Minister Ashraf and other officials for questioning. Hearings of the case were still ongoing in 2014.\(^{527}\)

**Company Initiatives**

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

**Company Due Diligence Initiatives**

*Hinopak Motors Limited, Pakistan:* The company has a Code of Conduct that includes anti-corruption provisions. In 2012, the company introduced measures to prevent data manipulation, including through computerisation of sales tax payments and automation of human resources processes.\(^{528}\)
Human Rights Guidance for Businesses

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

Due Diligence Library

*The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies*

Signalling a Non-Corrupt Environment

*Does the company take a clear stand against corruption?*

- The company’s CEO, director or president has declared that the company will not engage in corruption at any time or in any form.
- The company has a policy rejecting corruption and requiring all directors, managers and workers worldwide to behave ethically and in conformity with the law.
- The company anti-corruption policy includes how to handle requests for facilitation payments, giving and receiving gifts, engaging in sponsorships, giving political contributions, and how to conduct responsible lobbying.
- The company has defined benchmarks and indicators regarding its anti-corruption initiatives and reports these to the public (e.g. in its annual CSR report)

Anti-Corruption Risk Assessment

*Does the company assess the risk of corruption when doing business?*

- The company evaluates the potential areas of corruption including factors such as type of transaction, countries of operation, industries, and customers or business partners involved.
- The company evaluates the risk of corruption when workers, agents, intermediaries or consultants deal with public officials (including workers of state owned companies).
- The company evaluates the risk of internal and external conflicts of interest in relation to business partners.
- The company has developed an action plan to address the risk of corruption, and has defined responsibilities for each task, as a minimum for high-risk areas.
- The company has identified internal functions with the highest risk of corruption within the company and seeks to address these weaknesses.

Awareness Raising

*Does the company ensure that relevant workers are properly trained?*

- The company informs all workers about its anti-corruption commitment.
- The company provides regular anti-corruption training for all relevant workers within the organisation e.g. procurement and sales staff.
- Information on disciplinary procedures for violations of company anti-corruption policies is available to workers.
- The company actively seeks worker feedback and dialogue on its anti-corruption initiatives.
- The company has and promotes a function by which workers can safely report suspicion of corruption related cases (e.g. hotline or mailbox) and allocates resources to systematically address the issues that are identified.
Community Impacts  Revenue Transparency & Management

Anti-Corruption Procedures

Do the company’s internal procedures support its anti-corruption commitment?

- The company has assigned different individuals or departments to be responsible for handling contracts, placing orders, receiving goods, processing invoices and making payments.
- The company mentions ‘anti-corruption’ and/or ‘ethical behaviour’ in its contracts with business partners.
- The company prohibits informal employment and any ‘off the books’ record-keeping.
- The company performs internal audits and has checks in place in connection with all anti-corruption commitments.
- The company’s procurement, financial and internal audit personnel have clear instructions to look for and to identify alarms, report them to management, and follow-up counter measures.
- The company requests external auditors to maintain a critical eye and follow all alarms and irregularities.
- Any alarm or irregularity reported by external auditors is systematically addressed by management.
- The company monitors compliance and continuously identifies strengths and weaknesses in the anti-corruption initiatives to remain effective and up-to-date in addressing changing risks.

Agents and Other Associates

Does the company’s anti-corruption initiative cover agents, intermediaries and consultants?

- The company conducts an inquiry and/or attentiveness (e.g. financial, legal, labour, tax, IT, environment, market/commercial) on all agents, intermediaries and consultants.
- All agreements with agents, intermediaries and consultants are fully documented in written, signed contracts.
- The selection and terms of reference of agents, intermediaries or consultants are approved at the senior management level or at a level above that of the management involved in the operations for which the intermediary is hired.
- Contracts with agents, intermediaries and consultants include a section on anti-corruption and that the contract-holder must comply with all applicable laws and regulations.
- Agents, intermediaries and consultants are provided with information on the company’s anti-corruption commitment, anti-corruption policies, training material on anti-corrupt behaviour and information on disciplinary procedures for violations of company anti-corruption policies.
- The company ensures that payment to agents, intermediaries and consultants are in line with standard payments for other service providers of similar ranking.
- The company only makes payments by bank transfer or check – never in cash – in the country of the agent, intermediary and consultant and never to a third party without prior examination.

Communicate

Does the company communicate progress on the Global Compact principles with stakeholders?

- The company identifies stakeholders who affect or can be affected by the company’s activities, products and services e.g. a person, group, organisation, authority.
- The company communicates progress openly about how issues covered by the Global Compact principles are managed, including performance results as well as forward-looking information on strategy and management approach, challenges, and dilemmas.
- The company regularly engages in dialogue with stakeholders to keep up-to-date with stakeholder expectations.
Community Impacts  Revenue Transparency & Management

- The company communicates openly about how issues covered by the Global Compact principles are managed including challenges, dilemmas, success and failures.
- The company’s communication on progress and other performance reporting on issues covered by the Global Compact principles is publicly available and communicated to external stakeholders e.g. via the company’s and Global Compact website.

Joint Actions
Does the company take joint actions with others to engage in and promote anti-corruption initiatives?

- The company shares experience, procedures and challenges of corruption with other organizations i.e. the local business community, sector initiatives, networks etc.
- The company has initiated or joined initiatives with other companies in the same sector for the purpose of promoting a fair business environment.
- The company stimulates multi-stakeholder dialogue on challenges of corruption.
- The company encourages the local business community and business partners to initiate cooperation to fight corruption.

Standards & Guidance
NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre

- Transparency International Business Principles for Countering Bribery provide a checklist for companies to identify and reduce bribes and facilitation payments in their operations.
- The OECD Guidelines for Multinational Enterprises, applicable to enterprises in OECD Member States (and some others), require companies to respect human rights, including through due diligence. The OECD Guidelines constitute recommendations by OECD member states to multinational enterprises operating in or from adhering countries. The OECD Guidelines include competition, fiscal systems and anti-corruption.

Engagement Opportunities
Development initiatives by public and private actors that provide opportunities for companies to contribute to human development

NGO Initiatives

Transparency International Pakistan: In 2015, the organisation organised two seminars on whistler-blowers protection. It also runs Advocacy and Legal Advice Centres, which provide free and confidential legal advice to witnesses and victims of corruption. 529
Security & Conflict

Human rights impacts related to company interaction with public and private security providers and related to the impact of business on societal conflict.

<table>
<thead>
<tr>
<th>Operating Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failed States Index</td>
</tr>
<tr>
<td>Legatum Prosperity Index: Safety &amp; Security</td>
</tr>
<tr>
<td>(On a scale of 1 through 7, where 1 indicates the highest level of freedom)</td>
</tr>
<tr>
<td>(On a scale of 1 through 7, where 1 indicates the highest level of freedom)</td>
</tr>
<tr>
<td>Relevant law</td>
</tr>
<tr>
<td>Responsible ministries/agencies/committees</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Local NGOs addressing this issue</td>
</tr>
</tbody>
</table>

Country Context

Key human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.

Public Security Forces

Public security forces may infringe on the human rights of workers or local populations when protecting company sites. Particular attention should be paid to excessive use of force, torture, arbitrary detention and enforced disappearance, especially in the north-western tribal areas and Balochistan province.

The constitution grants the right to life. According to a 2014 report by the International Commission of Jurists (ICJ), the counter-terrorism law passed in 2014, the Protection of Pakistan Act, provides loopholes for enforced disappearances, allows preventive administrative detention without adequate safeguards and retroactively legitimises unauthorised arrests and detention. The law also allows secret detention and restricts information technology that ‘threatens the security of Pakistan’.531
Armed forces include the military, naval and air forces, whereas civil armed forces are the police, frontier corps, frontier constabulary, coast guards and rangers. In 2013, the UN Working Group on Enforced or Involuntary Disappearances reported that enforced disappearances were mostly perpetrated by the police, the frontier corps or the rangers, together with the inter-services intelligence or military intelligence.

In 2014, Amnesty International reported arbitrary arrests, detention in secret centres and torture by the military, especially in the north-western tribal areas and Balochistan province. In 2015, PILER reported on workers’ allegation of police use of force against protesters, as well as detention and torture of workers in prison facilities.

Private Security Forces

Private security forces may infringe on the human rights of workers or local populations when protecting company sites.

There is no national legislation regulating private security forces, though Punjab province issued an ordinance regulating the sector in 2002. No authority regulated the sector.

In 2012, the newspaper Alakhbar reported that private security forces were employed to protect foreign investments and that former military personnel worked for private security companies. In 2012, foreign private security forces were banned in Pakistan. In 2014, The News reported that 300 private security companies, with 300,000 employees, operated in Pakistan. In Karachi the number of private security forces (55,000) was more than the double that of the police forces (27,000) in 2014. Several trade union leaders reported that private security forces were used to intimidate workers or stop protesting workers from entering the factory/business premises.

Armed Conflict

Companies may exacerbate community tensions and violent conflict in areas affected by armed conflict. Particular attention should be paid to ensuring equal, fair and transparent engagement with all groups within the community.

Pakistan ranks 13th out of 178 countries in the 2013 Failed States Index, indicating a highly volatile and fragile security situation. In 2013, terrorists groups in Pakistan conducted attacks against religious minorities, teachers and students, polio vaccination teams, political activists, judges and prosecutors and law enforcement and security forces. A total of 47 suicide attacks, claiming the lives of 701 people, were carried out in 2013, the deadliest year since 2010, according to the Conflict Monitoring Center.

Confrontations among local tribes and the Islamic Movement of Uzbekistan, allied to the Tehrik-i-Taliban, began in 2001 in the North Waziristan tribal district, in the Federally Administered Tribal Areas. In 2014, the International Business Times reported that groups based in this area carried out the majority of terrorist attacks in Pakistan and Afghanistan. In March 2014, the government initiated peace talks with the Tehrik-i-Taliban, which stalled soon thereafter. In May 2014, a government operation in the area resulted in more than 1 million displaced people, according to the UN Office for the Coordination of Humanitarian Affairs.

Balochistan and Khyber Pakhtunkhwa provinces, where some oil and gas reserves were located, were characterised by ongoing military confrontations between the government, the Baloch armed groups and the Taliban.

In 2009, the government regained control over the Swat valley in Khyber Pakhtunkhwa province through a military offense that pushed the Taliban into the Afghan provinces of Kunar and Nuristan. However, by
2012 Taliban fighters were back in the valley and conducting terrorist attacks against local community leaders, according to the New York Times. The military was accused of arbitrary killing of detainees by several human rights organisations in 2014.

In Balochistan province, exploitation of natural resources was among the causes of the conflict between ethnic separatist groups and the government from 1973 to 1977, with Baloch armed groups demanding greater autonomy. Confrontations resumed in 2004 with reports of human rights violations committed by both parties. Gas pipelines, railways and power transmission lines were among the targets of ethnic armed groups, according to the Geneva Academy of International Humanitarian Law and Human Rights in 2012.

Since independence from colonial rule and breaking away from India, Pakistan has been engaged in a conflict with India over Kashmir. In 1948, the UN negotiated a ceasefire agreement between the two countries, with the understanding that a referendum would be conducted for the population to choose under which country to be incorporated. However, the referendum was never conducted and armed confrontations broke out in 1965 and 1971, when a peace agreement was signed dividing the region into an Indian and a Pakistani administered territory. Confrontation continued until the signature of a second peace agreement in 2003. Sporadic shelling was reported in 2014.

Access to Remedy

Bodies to which victims of corporate human rights abuses can file grievances and seek redress.

National Grievance Mechanisms

The 2014 Protection of Pakistan Act established Special Courts for counterterrorism, operating outside the ordinary judicial system. The International Federation for Human Rights reported that the establishment of those new courts would strain already limited resources allocated to the judicial system.

Special Courts proceedings violated the right to fair trial by reversing the burden of proof and expanding secret hearings, according to the International Commission of Jurists (ICJ). Enforced-disappearance cases were reportedly not adequately investigated due to the unwillingness of police to file reports and the limited powers of the Commission of Inquiry on Enforced Disappearances. The Commission can accept cases only once a first information report has been filed.

In 2013, the Commission had 500 cases of enforced disappearances, but the number of cases could be higher, according to the UN Working Group on Enforced or Involuntary Disappearances. A general climate of impunity on enforced disappearances was reported, as court decisions were not implemented.

International Grievance Mechanisms

Although Pakistan is not an OECD member and consequently has no National Contact Point (NCP), complaints about breaches of the OECD Guidelines for Multinational Enterprises, including abuses related to security (Chapter IV), by companies registered in OECD countries can be filed to the NCP of that country. The NCP mediates among parties to find a conciliatory solution to the dispute.

Adverse impacts related to International Financial Corporation or Multilateral Investment Guarantee Agency projects may be reported to the Compliance Advisor Ombudsman, which can investigate and mediate disputes.
Cases

Reports of business-related human rights issues from NGOs, multilateral institutions and the media.

- **October 2014, Dawn**: The police allegedly violently and arrested 25 workers protesting against the privatisation of the Oil and Gas Development Company.\(^{569}\)
- **July 2014, U.S. Department of State**: An 18-year-old Christian was allegedly tortured and killed by the police in Lahore.\(^{570}\)
- **June 2014, The Telegraph**: The Tehrik-i-Taliban Pakistan attacked the Karachi international airport, leaving at least 28 dead.\(^{571}\)
- **October 2013, Centre for International Policy Studies**: A Canadian company, Netsweeper, allegedly provided censorship software to the Pakistani government to deny access to websites on account of their political or social content.\(^{572}\)
- **April 2013, IUF**: Workers of the Pearl Continental Hotel in Karachi protesting for collective bargaining negotiations were beaten and arrested by the police.\(^{573}\)

Human Rights Guidance for Businesses

Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context

Due Diligence Library

The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies

Does the company take steps to ensure that company security arrangements are in accordance with international principles for law enforcement and the use of force?

- The company regularly conducts security risk assessments, and ensures that company security arrangements, including the deployment of private guards or public security personnel, are proportionate to the security risk.
- Company security risk assessments include the risk of human rights abuses by private and public security personnel.
- The company selects private security firms based on information about professional ability, level of staff training, quality of equipment, past involvement in human rights abuses, links with political factions or organisations and other relevant criteria.
- Contracts with private security firms include requirements related to international human rights standards for law enforcement and use of force; require the investigation and discipline of any unlawful or abusive conduct by security guards; and allow for termination of the contract in case of such conduct.
- There is a manual defining the duties of security personnel, and all security personnel receive training on rules of conduct based on international human rights standards for law enforcement and the use of force.
- Where public security personnel are assigned to company facilities, the company seeks to ensure transparency concerning its interactions with public security agencies, and the company
communicates to the relevant public security agencies its desire that security functions be conducted in accordance with international human rights standards for law enforcement and the use of force.

- The company has a procedure for recording security-related incidents, including a mechanism for handling complaints from staff or local communities related to the conduct of security personnel, and forwards credible allegations of human rights abuses to the relevant authorities.
- The company has a procedure for monitoring and evaluating its security arrangements, including the proportionality of the security arrangement; impact on local communities; impact on existing local tensions or conflicts; security incidents recorded; and credible allegations of human rights abuses by company security personnel. Representatives from the local community are consulted as part of the monitoring.

**Standards & Guidance**

**NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre**

- **International Alert, Conflict Sensitive Business Practices**: Guidance for Extractive Industries (2005): International Alert is a peace-building NGO working with civilians and other affected stakeholders in conflict areas. This Guidance is intended for companies in the extractive industries sector, providing advice on conflict-sensitive business practices and the ways in which they can contribute to peacebuilding.
- **International Alert and Fafo Institute, Red Flags**: Liability Risks for Companies Operating in High-Risk Zones (2008): The Red Flags address illicit business activities under international and national law. The initiative’s objective is to clearly define what types of activities, when committed or aided by businesses, represent breaches of international humanitarian law and international criminal law.
- **International Commission of Jurists, Report of the Expert Legal Panel on Corporate Complicity in International Crimes (2008)**: This three volume report outlines the ICJ Expert Legal Panel’s findings and recommendations with regard to corporate legal responsibility for complicity in international crimes, under both civil and criminal law.
- **The Dodd-Frank Wall Street Reform and Consumer Protection Act (2010)**: Section 1502 of the Act requires public and private companies to disclose the use of any conflict minerals in their products. This promotes greater transparency and dissuades companies from engaging in trade that may support regional conflicts.
- **International Committee of the Red Cross, Business and International Humanitarian Law (2006)**: The Guidance explains the obligations of businesses under international humanitarian law, including noting relevant distinctions between international human rights law and international humanitarian law.
Company Initiatives

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

**Company Due Diligence Initiatives**

*Shell Pakistan:* The company implements the Voluntary Principles on Security and Human Rights (VPSHR) in its operations in Pakistan, which are part of its contracts with security providers and both security staff and contractors receive training on the VPSHR.\(^{574}\)

**Company Beyond Compliance Initiatives**

*Eni:* In 2011, the oil company trained 80 people on the application of the Voluntary Principles on Security and Human Rights at its operations in Sindh province. The training was delivered in English and Urdu.\(^{575}\)

**Engagement Opportunities**

*Development initiatives by public and private actors that provide opportunities for companies to contribute to human development*

**NGO Initiatives**

*International Alert (2012-2014):* In 2012, the organisation, together with the Responsible Business Initiative, started the Plural Business Partnerships for Peace in Pakistan project, which aimed to strengthen the capacity of the private sector to support peace through community partnerships and inclusive business.\(^{576}\)
Sector Profiles

Industry-specific human rights risks

Textiles

<table>
<thead>
<tr>
<th>Operating Environment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector contribution to GDP (%)</td>
<td>8.5''</td>
</tr>
<tr>
<td>Sector contribution to employment (%)</td>
<td>40</td>
</tr>
<tr>
<td>Major products</td>
<td>Yarn, apparel</td>
</tr>
<tr>
<td>Key regions</td>
<td>Textile operations are concentrated in Punjab and Sindh provinces. Small and medium tanneries are located in Karachi, Kasur, Lahore, Sheikhupura, Gujranwala, Multan, and Sialkot.</td>
</tr>
<tr>
<td>Relevant laws</td>
<td>• Industrial Relations Ordinance (2002)</td>
</tr>
</tbody>
</table>

Areas for Attention

Women

*Women may be at risk of discrimination in the workplace.*

Labour Watch reported in 2014 that women were concentrated in the informal sector, including garment manufacturing. In 2014, The News reported that in Lahore, a female home-based shoemaker earned less than 3,000 PKR (US$29) per month and a home-based garment worker was paid 30 PKR (US$0.3) per piece, which was reportedly less than the money received by their male counterpart.

Worst Forms of Child Labour

*Companies may employ children under 18 under conditions of forced labour or in work that is hazardous, harmful or exploitative.*

Forced labour of children was reported in carpet weaving in 2012, according to the U.S. Department of Labor. Respiratory diseases were reported among children working with looms and leather tanning, together with long working hours, which were experienced also by children working in carpet weaving.
**Forced Labour**

*Companies may deny workers the ability to freely enter and leave employment.*

In 2013, textile was among the sectors where forced labour was used, according to the Society for the Protection of the Rights of the Child (SPARC).  

**Trafficking**

*Companies may employ workers who are subject to exploitative labour conditions through internal or external trafficking.*

Women, men and children were reportedly trafficked for bonded labour purposes in the carpet making sector, to Punjab and Sindh provinces, and, to a lesser extent, to Balochistan and Khyber Pakhtunkhwa provinces.

**Occupational Health & Safety**

*Companies may not adequately prevent accidents and long-term health effects in the workplace.*

In 2013, in Punjab province trade union representatives reported that workers were provided no protection from the chemicals used in carpet weaving. Also, workers in the loom sector were reported to have tuberculosis, hepatitis and deafness due to the unhealthy working conditions.

**Working Hours**

*Workers may be subject to excessive working hours and may be denied compensation for overtime work.*

In 2013, workers in the garment sector were reported to work 16 to 18 hours per day, according to the Labour Education Foundation.

**Water**

*Companies may adversely impact the access of local populations to safe and affordable water for personal or other use.*

A 2014 BioMed Research International paper reported that textile and leather tanneries were among the main polluters of surface and ground waters because of non-treated wastewaters. In Faisalabad, Punjab province, one of the major textile areas in the country, 67 percent of drinking water samples collected by the Pakistan Environmental Protection Agency and JICA were “not appropriate for human usage” in 2014.

**Air Pollution**

*The health and livelihoods of local populations may be adversely impacted by company operations.*

According to a 2014 World Bank report, textile and leather tanneries were among the industries polluting the most.
Cases

Reports of business-related human rights issues from NGOs, multilateral institutions and the media.

- **September 2014, Business & Human Rights Resource Centre:** In September 2012, 255 workers died in a fire at the textile factory Ali Enterprises, a sub-contractor of the German company KiK, in Karachi. Just a few weeks prior to the accident, the factory was awarded the SA8000 certificate. However, investigations reported that the fire safety certificates had been issued by a fictitious company. At the time of the fire, the factory was reportedly overcrowded and four out of five exits were blocked. In 2012, a judicial case was filed against the owners of the factory and remained ongoing as of April 2015. In December 2012, an MoU was signed between the Pakistan Institute of Labour Education and Research (PILER) and KiK for delivering immediate relief payments to the victims amounting to US$1 million. In 2013, following pressure from various NGOs, a Judicial Commission was formed to investigate the facts. In 2014, long-term compensation was yet to be provided to the victims by Ali Enterprises and KiK.
Extractive

### Operating Environment

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector contribution to GDP (%)</td>
<td>3.1% (mining)</td>
</tr>
<tr>
<td></td>
<td>1% 2002 est. (oil &amp; gas)</td>
</tr>
<tr>
<td>Sector contribution to employment (%)</td>
<td>n/a</td>
</tr>
<tr>
<td>Major products</td>
<td>Gas, oil, coal and rock salt</td>
</tr>
<tr>
<td>Relevant laws</td>
<td>• Mines Act (1923)</td>
</tr>
<tr>
<td></td>
<td>• Regulation of Mines and Oilfields and Mineral Development Act (1948)</td>
</tr>
</tbody>
</table>

### Sector Profile

The first exploration well in Pakistan was drilled in 1887 in Punjab province, and 13 wells followed in Balochistan province. Reserves of natural gas were discovered in 1952, also in Balochistan, followed by oil and gas reserves in Khyber Pakhtunkhwa in the late 1990s.

Since the early 2000s, minerals continue to be discovered throughout Pakistan, and The World Bank noted in 2013 that ‘Pakistan is rich in natural resources. Balochistan Province alone has an estimated $3 trillion in mineral resources. Unexploited hydrocarbon reserves are estimated at 27 billion barrels and 280 trillion cubic feet of natural gas.’

Currently, the extractive sector is concentrated in Balochistan, which has reserves of gas, marble, granite and onyx, as well as the world’s largest copper deposits. Mining is also ongoing in Sindh (gas, oil, coal and limestone) and Khyber Pakhtunkhwa (gemstones, marble, granite and construction materials).

The World Bank notes, however that the extractive sector is extremely underdeveloped, partly due to lack of infrastructure but also due to difficulties for companies in accessing credit and reliable power generation. Nonetheless, the oil and gas sector was a major recipient of foreign direct investment in 2012.

The National Mineral Policy decentralizes many of the core governmental functions related to mineral extraction (licensing, regulation, oversight, taxes) to provincial governments, leaving the central authorities responsible for investment promotion and coordination. The Bank noted, however, that this policy was slow to be implemented, and provincial governments often lack technical capacity and political will to take on these functions.

According to the Pakistan Board of Investment, 1,400 mining operations were ongoing as of 2013, and mining contributed 3.1 percent to GNP. This was set to rise, however, as the growth rate of the sector nearly doubled between 2012 and 2013.
Areas for Attention

Forced Labour / Worst Forms of Child Labour

*Companies may employ workers, including children, in conditions that do not allow them to leave employment.*

Because of its limited employment impact, little information on the working conditions in the extractive sector was available. The Pakistani mining sector was, however, one of the sectors included in the 2013 Global Slavery Index as having a large number of people working in slave-like conditions. According to a 2012 report by the U.S. Department of Labor, Forced labour of children was reported in coal mining. Sindh province, which has some of the world’s largest coal reserves, is a particular risk for this issue.

Women, men and children were reportedly trafficked for bonded labour to Sindh, for work in coal mining, and, to a lesser extent, to Balochistan and Khyber Pakhtunkhwa.

Deforestation

*Companies may reduce forest resources to the detriment of the health or livelihoods of local populations.*

Pakistan’s deforestation rate, 2.1 percent in 2010, was the highest in Asia, and was linked to the operations of mining companies.

Corruption

*Companies may pay bribes or use other coercive measures to unjustly influence government officials.*

In 2014, the Business Anti-Corruption Portal reported that corruption was a major factor in the poor management of natural resources, especially with regard to projects in coal mining and oil.

Revenue Transparency / Revenue Sharing

*There may be lack of public access to information concerning the size of public revenues generated from taxes, royalties and other fees paid by companies. Affected communities may not benefit from extractive investment.*

In the World Bank’s consultations for the 2015-2019 country partnership strategy, resource revenues emerged as a main theme among NGOs and communities, especially in Balochistan. Communities felt they were being impacted by mineral extraction, but they had not seen benefits in the form of improved living conditions, employment or infrastructure.

Although the government disclosed the existence of 16 production sharing agreements in the Indus offshore oil and gas operations in 2013, the details of those agreements were not made public. As of 2014, Pakistan was not a member or candidate country of the Extractive Industries Transparency Initiative (EITI).

A 2014 World Bank study reported a lack of data availability on companies with a tax exemption status and added that widespread tax exemptions, especially to oil and mining companies, resulted in a significant revenue loss for the government.
Armed Conflict

Companies may exacerbate community tensions and violent conflict in areas affected by armed conflict.

Balochistan and Khyber Pakhtunkhwa provinces, where many oil and gas reserves are located, were characterised by ongoing military confrontations between the government and Baloch armed groups and the Taliban, respectively.\(^{615}\)

In 2009, the government regained control over the Swat valley in Khyber Pakhtunkhwa province through a military offense that pushed the Taliban into the Afghan provinces of Kunar and Nuristan. However, by 2012 Taliban fighters were back in the valley and conducting terrorist attacks against local community leaders, according to the New York Times.\(^{616}\) The military was accused of arbitrary killing of detainees by several human rights organisations in 2014.\(^{617}\)

In Balochistan province, exploitation of natural resources was among the causes of the conflict between ethnic separatist groups and the government from 1973 to 1977, with Baloch armed groups demanding greater autonomy. Confrontations resumed in 2004 with reports of human rights violations committed by both parties.\(^{618}\) Gas pipelines, railways and power transmission lines were among the targets of ethnic armed groups, according to the Geneva Academy of International Humanitarian Law and Human Rights in 2012.\(^{619}\)

Cases

Reports of business-related human rights issues from NGOs, multilateral institutions and the media.

- **December 2014, The Express Tribune:** Sindh High Court ordered the Karachi Port Trust to conduct an environmental impact assessment of its coal handling facility and to cover coal-laden trucks. Petitioners accused the company of water and air pollution during cleaning activities and transportation from the terminal to the coal yard.\(^{620}\)
- **October 2014, The Express Tribune:** The Supreme Court of Balochistan ordered the Mari Gas Company to pay US$500,000 as a ‘production bonus’ to compensate for the pollution created through its operations and contribute to the social welfare of the province.\(^{621}\)
- **October 2014, Dawn:** The police allegedly violently arrested 25 workers protesting against the privatisation of the state-owned Oil and Gas Development Company.\(^{622}\)
- **April 2013, Europe Solidaire Sans Frontières:** Workers at the Chinese mining company MMC Duddar Mineral Development Company in Balochistan province were allegedly working 12 to 14 hours per day and received only 200 PKR per day (US$2) in salary.\(^{623}\)
- **February 2013, International Trade Union Confederation:** MMC Duddar allegedly refused to recognise the Duddar Mineral Development Company Labour Union. Harassment of union members was reported.\(^{624}\)
Agriculture

Areas for Attention

Ethnic and Religious Minorities

*Ethnic and religious minorities may be at risk of discrimination in the workplace. Particular attention should be given to low-cast Hindus and the areas of agriculture and the informal sector.*

Low-cast Hindus, especially women, were reported to be employed as bonded labourers in agriculture, according to Pakistan Dalit Solidarity Network in 2013.\(^\text{625}\)

Women

*Women may be at risk of discrimination in the workplace. Particular attention should be given to the area of maternity and pregnancy.*

The ILO reported that 74 percent of working women in Pakistan were employed in agriculture in 2010-11.\(^\text{626}\) Although maternity laws provide women with 12 paid weeks of maternity leave, this was not enforced for women working in agriculture.\(^\text{627}\)

Worst Forms of Child Labour

*Companies may employ children under 18 under conditions of forced labour or in work that is hazardous, harmful or exploitative. Particular attention should be paid to agriculture and the informal sector.*

In 2013, children were reportedly trafficked, where they were exposed to pesticides, fertilisers and other chemicals, smoke and dust, according to the ILO.\(^\text{628}\)

Forced Labour

*Companies may deny workers the ability to freely enter and leave employment. Particular attention should be paid to agriculture and the informal sector.*

Agriculture was reportedly among the sectors with the highest numbers of people working in slave-like conditions in 2013.\(^\text{629}\)

Trafficking

*Companies may employ workers who are subject to exploitative labour conditions through internal or external trafficking. Particular attention should be paid to agriculture and the informal sector.*

Women, men and children were reportedly trafficked for bonded labour purposes mainly in agriculture to Punjab and Sindh provinces, and, to a lesser extent, to Balochistan and Khyber Pakhtunkhwa provinces.\(^\text{630}\)
Deforestation

Companies may reduce forest resources to the detriment of the health or livelihoods of local populations. Particular attention should be paid to the area of agriculture.

The deforestation rate amounted to 2.1 percent in 2010, being the highest in Asia, and was mainly linked to agriculture.

Water

Companies may adversely impact the access of local populations to safe and affordable water for personal or other use. Particular attention should be paid to the areas of water pollution, water management and access to water.

In 2011, FAO reported that 94 percent of the total water withdrawal was used for agriculture. The latter was reportedly characterised by a dysfunctional irrigation system resulting in 33 percent of cultivated land to be affected by waterlogging and soil salinity, leading to declines in crop yields, hence adversely impacting food security, according to the United States Institute of Peace in 2013.

A 2014 BioMed Research International paper reported that, fertilizers, pesticides, sugar and processing industries were the main polluters of surface and ground waters because of non-treated wastewaters.

Air Pollution

The health and livelihoods of local populations may be adversely impacted by company operations. Particular attention should be paid to air pollution, particularly in agriculture.

According to a 2014 World Bank report, fertilizer and sugar processing were among the industries polluting the most.

Land Distribution

Companies may adversely impact access to land for local populations, including land for production of food.

Pakistan’s farmland amounted to 35 percent of total land; 90 percent of the agricultural land was located in the Indus river plain, Punjab and Sindh provinces. Five percent of large landholders owned 64 percent of the total farmland in 2014, according to the Bertelsmann Foundation. About 50 percent of rural households were landless and working on feudal/tribal landholders’ land for little money in 2012, according to the Green Economics Initiative. Incidence of poverty was higher among those lacking land ownership in 2011.

Land Acquisition

Local populations may be improperly deprived of land ownership and usage rights as a consequence of land acquisition by companies. Particular attention should be paid to the areas of meaningful engagement with affected individuals, informal land ownership and usage rights and corruption.

According to the 2014 Bertelsmann Transformation Index, the military enjoyed privileges in land acquisition, as well as investors from the Gulf countries. The latter reportedly acquired large parts of land, especially in Balochistan province, where more than 150,000 acres were acquired in 2011 for mechanised farming and 324,000 hectares of farmland were purchased in Punjab and Sindh provinces in 2008. The Asian NGO Coalition in 2012 reported that investors were attracted by the 2002
Corporate Agriculture Farming Policy, providing various benefits, including full remittance of profits and exemption from labour laws.  

Land owners and users may receive inadequate compensation for loss of or damage to land or property caused by company operations. Particular attention should be paid to the areas of compensation and corruption.

Government evictions of local communities from state farmland was benefitting companies, as the land was then sold to foreign investors, according to various sources in 2012.

Brick-making

Areas for Attention

Ethnic and Religious Minorities

Ethnic and religious minorities may be at risk of discrimination in the workplace. Particular attention should be given to low-cast Hindus and the area of informality.

Low-cast Hindus, especially women, were reported to be employed as bonded labourers the brick making sector, according to Pakistan Dalit Solidarity Network in 2013.

Women

Women may be at risk of discrimination in the workplace. Particular attention should be given to the area of informality.

Labour Watch reported in 2014 that women were primarily employed in the informal sector, including brick kilns.

Worst Forms of Child Labour

Companies may employ children under 18 under conditions of forced labour or in work that is hazardous, harmful or exploitative. Particular attention should be paid to working conditions and occupational health & safety.

A list of hazardous activities was attached to the employment of children act, but did not include working in brick kilns.

In 2013, the worst forms of child labour were mostly prominent in brick making, where 1.7 million children were working and were exposed to long working hours, up to 14 hours per day, poor working conditions and low salaries in 2014, according to the Huffington post. The local NGO Insan Dost Association reported in 2013 that 31,000 children from 5 to 14 years old worked in brick kilns in Sahiwal district in Punjab province. In 2013, the ILO reported that children employed in this sector were exposed to high levels of smoke and dust and suffered from depression due to social integration challenges.
Forced Labour

Companies may deny workers the ability to freely enter and leave employment. Particular attention should be paid to the informal and brick making sectors.

Brick production was reportedly among the sectors with the highest numbers of people working in slave-like conditions in 2013. In 2014, the Daily Times reported that brick kilns mostly employed women as bonded labourer to pay off debts contracted by their parents and husbands.

 Trafficking

Companies may employ workers who are subject to exploitative labour conditions through internal or external trafficking. Particular attention should be paid to the informal and brick making sectors.

Women, men and children were reportedly trafficked for bonded labour purposes mainly in the brick production to Punjab and Sindh provinces, and, to a lesser extent, to Balochistan and Khyber Pakhtunkhwa provinces.

Wages

Workers may not be able to earn a living wage sufficient to meet the basic needs for themselves and their dependents. Particular attention should be given to the informal and brick making sectors and the area of piece-rate wages.

In 2014, despite the minimum wage for brick workers being set at 740 PKR (US$7) per 1,000 bricks, this provision was largely disregarded and workers received lower wages, according to the Labour Qaumi Movement.

Informal Sector

Workers may lack written employment contracts or may otherwise lack the protection of labour laws. Particular attention should be given to brick making.

In 2014, 90 percent of factories in the country, including the large majority of brick kilns, were not registered under the factory act, according to the National Trade Union Federation Pakistan.

Air Pollution

The health and livelihoods of local populations may be adversely impacted by company operations. Particular attention should be paid to air pollution, particularly small and medium-scale businesses.

Small and medium-scale businesses, including brick kilns, reportedly contributed to air pollution by using old tires, paper, wood, and textile waste as fuels.
Region Profiles
Areas where human rights conditions or impacts differ markedly in nature or scale from the national profile.

Balochistan

Religious Minorities

Companies may affect the health, livelihoods or material well-being of religious minorities.

Shia Muslims were also reportedly the target of terrorist attacks. In Balochistan province, over 400 were killed in 2013.\textsuperscript{661} In Quetta city, the Hazara ethnic group, almost entirely Shia, closed their business and stopped attending college for fear of attacks, according to the Immigration and Refugee Board of Canada.\textsuperscript{661}

In 2012, Amnesty International reported abductions, disappearances and extrajudicial killings of Baloch activists and journalists by the police, in the framework of ongoing conflict between Balochs and the government.\textsuperscript{662}

Women

Women may be at risk of discrimination in the workplace.

Female participation at work was particularly low in Balochistan, at 10 percent, where education rates were also low, at 15 percent.\textsuperscript{663}

Child Labour

Companies may employ persons under 18 to the detriment of their health, development, education or family life.

According to a 2013 report by the Danish Trade Union Council, child labour prevalence was particularly high in Balochistan, where 19 percent of rural children and 12 percent of urban children were involved in work. The percentage among children from poor households was 25 percent.\textsuperscript{664}

Worst Forms of Child Labour

Companies may employ children under 18 under conditions of forced labour or in work that is hazardous, harmful or exploitative.

In 2013, children from Balochistan province were reportedly crushing stones for the construction sector. According to the International Labour Organization (ILO), children were involved in the excavation and blasting of rocks and truck loading, resulting in severe injuries.\textsuperscript{665}
Land Acquisition

Local populations may be improperly deprived of land ownership and usage rights as a consequence of land acquisition by companies.

According to the 2014 Bertelsmann Transformation Index, the military and investors from Gulf countries enjoyed privileges in land acquisition. The latter reportedly acquired more than 150,000 acres in Balochistan in 2011 for mechanised farming.

Public Security Forces

Public security forces may infringe on the human rights of workers or local populations when protecting company sites.

In 2014, Amnesty International reported arbitrary arrests, detention in secret centres and torture by the military, especially of males from Balochistan province.

Armed Conflict

Companies may exacerbate community tensions and violent conflict in areas affected by armed conflict.

In Balochistan province, exploitation of natural resources was among the causes of the conflict between ethnic separatist groups and the government from 1973 to 1977, with Baloch armed groups demanding greater autonomy. Confrontations resumed in 2004, with reports of human rights violations committed by both parties. Gas pipelines, railways and power transmission lines were among the targets of ethnic armed groups, according to the Geneva Academy of International Humanitarian Law and Human Rights in 2012.

Punjab & Sindh

Religious Minorities

Companies may affect the health, livelihoods or material well-being of religious minorities.

Shia Muslims were reportedly target of terrorist attacks in Lahore and Multan, Punjab province.

Worst Forms of Child Labour

Companies may employ children under 18 under conditions of forced labour or in work that is hazardous, harmful or exploitative.

The local NGO Insan Dost Association reported in 2013 that 31,000 children from under 14 years old worked in brick kilns in the Sahiwal district of Punjab province.

Forced Labour

Companies may deny workers the ability to freely enter and leave employment.

In 2012, the Express Tribune reported that, according to the Human Rights Commission of Pakistan, there were 3 to 8 million bonded labourers in Sindh and Punjab provinces, respectively.
Women, men and children were reportedly trafficked for bonded labour, mainly in agriculture, brick production, mining and carpet-making, to Punjab and Sindh provinces.  

**Occupational Health & Safety**

*Companies may not adequately prevent accidents and long-term health effects in the workplace.*

According to a 2013 report by the Trade Union Foundation, workers in Punjab province were provided no protection from the chemicals used in carpet weaving; workers in cement factories were reportedly exposed to heavy dust, noise and heat. Loom workers were reported to have tuberculosis, hepatitis and deafness due to the unhealthy working conditions. Agricultural workers in Punjab province reportedly lacked protection from chemicals and pesticides.

*Company operations may not be subject to effective health and safety inspections.*

In Punjab province, labour inspections of factories were abolished in 2003 in favour of a voluntary self-declaration regarding the enforcement of labour rights and welfare. Following a gas cylinder explosion at a pharmaceutical factory in Lahore, which caused the death of 18 workers, labour inspections were reintroduced in Punjab province in 2012.

**Land Acquisition**

*Local populations may be improperly deprived of land ownership and usage rights as a consequence of land acquisition by companies.*

According to media reports in 2014, unlawful land confiscations were done by the so-called ‘land mafia’: colluding politicians, property developers, organised crime and armed groups. In 2013, the Urban Resource Centre reported that in Karachi, poor communities that could not afford land for housing on the formal market turned to the ‘land mafia’ to illegally seize and sell government land.
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