

Mandates of the Working Group on the issue of human rights and transnational corporations and other business enterprises; the Working Group on Arbitrary Detention; the Working Group on Enforced or Involuntary Disappearances; the Special Rapporteur on extrajudicial, summary or arbitrary executions; the Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression; the Special Rapporteur on the situation of human rights defenders; the Special Rapporteur on minority issues; the Special Rapporteur on the promotion and protection of human rights and fundamental freedoms while countering terrorism and the Special Rapporteur on the implications for human rights of the environmentally sound management and disposal of hazardous substances and wastes

Ref.: AL OTH 140/2025

(Please use this reference in your reply)

1 December 2025

Dear Mr. Diop,

We have the honour to address you in our capacities as Working Group on the issue of human rights and transnational corporations and other business enterprises; Working Group on Arbitrary Detention; Working Group on Enforced or Involuntary Disappearances; Special Rapporteur on extrajudicial, summary or arbitrary executions; Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression; Special Rapporteur on the situation of human rights defenders; Special Rapporteur on minority issues; Special Rapporteur on the promotion and protection of human rights and fundamental freedoms while countering terrorism and Special Rapporteur on the implications for human rights of the environmentally sound management and disposal of hazardous substances and wastes, pursuant to Human Rights Council resolutions 53/3, 60/8, 54/14, 53/4, 52/9, 52/4, 52/5, 58/14 and 54/10.

We are independent human rights experts appointed and mandated by the United Nations Human Rights Council to report and advise on human rights issues from a thematic or country-specific perspective. We are part of the special procedures system of the United Nations, which has 59 thematic and country mandates on a broad range of human rights issues. We are sending this letter under the communications procedure of the Special Procedures of the United Nations Human Rights Council to seek clarification on information we have received. Special Procedures mechanisms can intervene directly with Governments and other stakeholders (including companies) on allegations of abuses of human rights that come within their mandates by means of letters, which include urgent appeals, allegation letters, and other communications. The intervention may relate to a human rights violation that has already occurred, is ongoing, or which has a high risk of occurring. The process involves sending a letter to the concerned actors identifying the facts of the allegation, applicable international human rights norms and standards, the concerns and questions of the mandate-holder(s), and a request for follow-up action. Communications may deal with individual cases, general patterns and trends of human rights violations, cases affecting a particular group or community, or the content of draft or existing legislation, policy or practice considered not to be fully compatible with international human rights standards.

In this connection, we would like to bring to your attention information we have received concerning **alleged human rights violations and abuses related to mining**

International Finance Corporation (IFC)

operations in the Chagai District of Balochistan, specifically to the Reko Diq mine operated by a subsidiary of Canadian based Barrick Gold Corporation. We seek to receive your views on the allegations below and the actions taken to prevent this kind of occurrence that might exacerbate social unrest.

According to the information received:

The Reko Diq project is a mining area of 13,000 square kilometers, operated by Reko Diq Mining Company (RDMC), a subsidiary of Barrick Gold Corporation headquartered in Toronto, Canada. The Reko Diq Copper and Gold Mining Project is funded by the International Finance Corporation (IFC), the International Development Association (IDA) and the Asian Development Bank (ADB), and owned in partnership with the Government of Pakistan, being 25 per cent owned by each of three federal State-owned enterprises (OGDCL, GHPL, PPL) and 25 per cent owned by the Government of Balochistan through its entity Balochistan Mineral Resources Limited, of which 15 per cent is on a fully funded basis and 10 per cent is on a free carried noncontributing basis. The estimated total cost of the project, initially set at USD 4.3 billion and later revised to USD 6.6 billion, has most recently been updated to \$7.7 billion. The project is to be funded through a mix of debt and equity from a consortium of lenders, with other potential financiers including the US EXIM Bank, Export Development Canada, and Japan's JBIC. This increase in total cost of the first phase of the Reko Diq copper and gold project reflects potential risks of cost escalation and delays arising from economic volatility, financing pressures, technical and logistical challenges, regulatory and political uncertainties, and unforeseen external shocks.

The project's legal and operational framework started in 1993, with an agreement named 'Chagai Hills Exploration Joint Venture Agreement (CHEJVA), signed between the Balochistan provincial government and the Australian Broken Hill Proprietary Company (BHP). After several ownership transitions, the Tethyan Copper Company (TCC), jointly owned by Barrick Gold (Canada) and Antofagasta (Chile), took over the project and in 2010 proposed a \$3.3 billion investment plan. However, the Balochistan Government rejected TCC's mining license application in 2011, citing insufficient local benefits and demanding greater local participation. In response, TCC filed a claim for an international arbitration with the World Bank's International Centre for Settlement of Investment Disputes (ICSID) (ICSID Case No. ARB/12/1), regarding Pakistan's obligations to perform the contract entered with TTC to allow them mining rights in Reko Diq areas of Balochistan. Pakistan's Supreme Court, meanwhile, declared the original CHEJVA agreement void and invalid in 2013. In 2019, the ICSID ruled against Pakistan and ordered it to pay nearly \$6 billion for breach of the bilateral investment treaty obligations. The federal and provincial governments negotiated an out-of-court settlement with TCC, allowing the mine's development as a joint venture between Barrick Gold, the Balochistan Government, and Pakistani State-owned enterprises. The ICSID dispute reached an out of court settlement in 2022, with the acquisition of Reko Diq by Barrick Gold Corporation, following the conclusion of a framework agreement among the Governments of Pakistan and Balochistan province.

The project is expected to begin production by 2028, with projected revenues of approximately \$74 billion over the estimated 37-year lifespan of the mine's reserves.

However, the international arbitration process with the World Bank's International Centre for Settlement of Investment Disputes (ICSID) (ICSID Case No. ARB/12/1) failed to consider the broader human rights context in Balochistan, particularly the ongoing patterns of enforced disappearances, extrajudicial killings, and repression of the Baloch Indigenous population under the guise of counter-terrorism operations. The process reportedly also did not take into account the perspectives of affected communities and, the rights of Baloch Indigenous Peoples, including the free, prior, and informed consent (FPIC) and disregarded allegations of exposure to hazardous substances and wastes and environmental damage, such as cyanide contamination in grazing areas.

Specific context of Balochistan

Balochistan is a resource rich region, abundant in oil, coal, gold, copper, and gas. Although it is the largest province in Pakistan by area, Balochistan remains one of the most impoverished regions in the country and continues to face systemic under-development. According to the 2023 census, the province is home to approximately 15 million of Pakistan's estimated 240 million people, with over 70 per cent of the population living in extreme poverty¹.

The significant reserves of natural gas and minerals have attracted multinational businesses interest, but the Baloch population has long demanded autonomy in managing their natural resources, as stipulated by the 18th Amendment of 2010, which designates this as a provincial matter. Despite this, ethnic Baloch communities allege systematic marginalization by the Pakistani State, which has extracted substantial wealth from Balochistan's resources without meaningful consultation or engagement. This has reportedly resulted in a lack of fair benefit-sharing with local populations and has fueled political unrest and ongoing human rights violations in the province.

In that context, Baloch people's struggles are closely tied to the foreign business operations on their lands and the appropriation of natural resources. State security forces have reportedly carried out extensive crackdowns marked by unnecessary and disproportionate use of force to silence and suppress social and political movements advocating for Balochistan's rights, leading allegedly to the enforced disappearance of up to 18,000 people in the province since 2000, as well as with thousands of local people abducted, disappeared, tortured and extrajudicially killed, particularly among Baloch indigenous communities. Additionally, local leaders and residents have described an increasingly oppressive environment since 2023, marked by intensified State repression of those peacefully advocating for the return of forcibly disappeared individuals and the people's community's right to self-determination.

¹ Balochistan has the second highest headcount for multi-dimensional poverty out of all the provinces; at 71.2 per cent. Available at: <https://www.undp.org/pakistan/projects/balochistan-sdgs-bsdg-accelerated-delivery>

Environmental impacts of Reko Diq project

In the context of the new framework agreement for Barrick Gold's acquisition of mining rights, the required initial environmental and social impact assessment for the project, as mandated under section 15 of the Balochistan Environmental Protection Act (BEPA) 2012, has not been conducted. The 2024 environmental and social impact assessment (ESIA) for the Reko Diq Mining Project – approved by regulatory authorities for infrastructure development – disregards BEPA 2012's procedural requirements, which state that only after the Balochistan Environmental Agency has reviewed and granted approval can any further steps, including strategic assessments, be taken.

Despite Barrick's Gold statement that the ESIA was based on comprehensive social and environmental studies conducted over a period of 2.5 years by a team of independent experts, in consultation with local communities, environmental groups, and Government stakeholders, local stakeholders have argued that the consultations lacked transparency, and that there is no clear mechanism to demonstrate how community feedback was incorporated into decision-making processes. Additionally, it was alleged that the ESIA report lacks clarity on the structure of the grievance system and the criteria for its accessibility.

The environmental impacts of the Reko Diq project are a major source of concern. The extraction of large quantities of water from deep aquifers threatens to deplete groundwater resources and worsen drought conditions in an already arid region, exacerbating water insecurity for local communities. These communities, already facing water scarcity and land dispossession, are also exposed to the broader environmental consequences of the project. Additionally, the mine poses risks to traditional livelihoods, particularly for those relying on pastoralism and small-scale agriculture. Developed on land purchased or leased from the government of Balochistan, the project will reportedly limit access to crucial grazing areas and migration routes essential for livestock herders.

The high-water consumption of the mine raises concerns about the depletion and toxic contamination of groundwater, directly affecting crop irrigation and drinking water for people and animals. Dust emissions from mining operations could also damage pastureland, reduce crop productivity, and contaminate animal fodder with heavy metals. The project could further exacerbate water scarcity in Balochistan, with the added risk of worsening water quality, already compromised by previous cyanide contamination incidents.

These risks are inherent to large-scale industrial copper mining and pose adverse effects on animal health, as well as to water and air quality. Additionally, the mine will be powered by a heavy fuel oil (HFO) plant, a highly polluting and carbon-intensive energy source. The IFC Environmental and Social Review Summary (ESRS) highlights that the project is expected to emit significant levels of particulate matter, affecting air quality and posing risks to workers on-site.

Adverse impact on the rights of Indigenous Peoples

The Baloch people, who identify themselves as Indigenous, have consistently demanded greater autonomy and the right to determine how their natural resources are managed, as they allege that the Pakistani State has systematically marginalized them while extracting significant wealth from Balochistan's natural resources. These demands stem from long-standing grievances over the federal Government's control of provincial resources and its failure to translate mineral wealth into local development. Although the Government of Pakistan does not formally recognize Indigenous Peoples and does not have any national policies on indigenous and tribal peoples, the Baloch people meet the criteria established under the Indigenous and Tribal Peoples Convention, 1989 (No. 169), and the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), including self-identification, traditional lifestyle, a distinct language and culture, a unique social organization, and a historical connection to land.

The Chagai district, located in the Balochistan province of Pakistan, is home to various tribes, with the land holding deep cultural and historical significance for these Indigenous groups. The Balochistan High Court has ruled in *Sher Zaman v. The Government of Balochistan* (Constitutional Petition No. 1269 of 2018 and 1128 of 2020 in the Balochistan High Court) that, under section 50(2)5 of the Land Revenue Act 1967 ("LRA"), ownership of unsettled lands – land that does not have any formal or written documents authorised by the state – is presumed to belong to the local tribes, and that the Government is responsible for maintaining the settlement records. Over 90 per cent of the land in Balochistan remains unsettled and has been inhabited by indigenous tribes for centuries. The Court emphasized that longstanding possession and control by these tribes over the land provide them with legitimate ownership rights, even in the absence of formal documentation. This ruling underscores the critical need for Government recognition and respect of Indigenous land rights.

In this context, the Pakistani Government's increased security measures around the Reko Diq project have been perceived by many Baloch Indigenous leaders as militarization, which intensifies regional tensions and unrest. Local communities and human rights defenders have raised serious concerns regarding the lack of transparency, limited access to project-related information, and human rights abuses linked to this militarization. Moreover, fear of retaliation and a history of violence have reportedly silenced many Indigenous voices, resulting in their exclusion from meaningful consultation and consent processes.

Reprisals against those opposing the projects

Human rights defenders and Indigenous leaders who have denounced the adverse human rights impact of the Reko Diq mining project have reportedly suffered retaliation, attacks and detention. The demonstrations they have held have been reportedly violently suppressed by local authorities and the private security of the company. This would include targeted attacks against the Baloch Yekhjehti Committee (BYC), an organization known for its vocal opposition to the exploitation of the region and aiming to raise awareness of human rights abuses, particularly extrajudicial killings and enforced disappearances, against

ethnic Baloch people. Concerns have been raised in previous communications and press releases from Special Procedures mandate holders regarding the situation of human rights defenders in Balochistan, including the arrest, arbitrary detention, enforced disappearance and mistreatment of the leaders and members of the BYC, as well as on the impact of counter-terrorism measures on fundamental rights and freedoms, and the criminalization of activists and human rights defenders belonging to the Baloch minority, advocating for their rights.

On 28 July 2024, the BYC called for a ‘Baloch Raaji Machi’ (Baloch National Gathering) in Gwadar to protest systemic discrimination, enforced disappearances, State violence, impunity, and the unlawful appropriation of Indigenous lands and resources linked to foreign investment operations. Notwithstanding the peaceful nature of the protests, various measures were reportedly taken by the authorities to impede the demonstrations. Highways were blocked by authorities, resulting in clashes and arrests. Pakistani State forces reportedly employed unnecessary and disproportionate force against peaceful protesters and human rights defenders attending the gathering, who were reportedly targeted and injured during the protest, including an alleged attempt on the life of woman human rights defender Dr. Mahrang Baloch. Following the tragic deaths of at least three activists, the rally transformed into a 12-day sit-in protest, which ended after negotiations between the BYC and Government representatives, including the release of detainees.

On 25 January 2025, during a movement organized in Dalbandin by the BYC to mark Baloch Genocide Remembrance Day, Dr. Mahrang Baloch publicly criticized foreign investors and the Government for the exploitation and displacement of local communities. She highlighted the lack of consent of Baloch People for the Reko Diq project, and denounced forced evictions, environmental degradation, and violations of Indigenous Peoples’ rights, including their right to self-determination and control over natural resources. After the BYC announced that they would be commemorating 25 January as ‘Baloch Genocide Remembrance Day’, there have been allegedly increased repression against the organization, including intimidation, arbitrary arrests, police brutality, restrictions on public gatherings, and the shutdown of mobile and internet services to prevent public participation.

In that context, on 22 March 2025, members of the BYC were reportedly subjected to State violence and arbitrary arrests while participating in a peaceful sit-in protest in Quetta, Balochistan. On that day, Dr. Mahrang Baloch and Beebow Baloch were arrested and later charged under Pakistan’s anti-terrorism laws. The following day, on 23 March, three protesters were killed as a result of the excessive use of force by law enforcement agencies. Subsequently, Mr. Sibghat Ullah Shah Jee Baloch was arrested in Quetta between the night of 30 and 31 March, and on 7 April 2025, Gulzadi Baloch was also detained by Pakistani authorities.

Following Dr. Mahrang’s arrest, protests and sit-ins were held across Balochistan, including in Turbat, Gwadar, and Khuzdar. Despite the peaceful nature of these gatherings, the provincial Government has repeatedly extended Dr. Baloch’s detention under section 3 of the Maintenance of Public Order

(MPO) ordinance. On 11 October, the Balochistan Government decided to hold hearings of the detained BYC leaders inside prison premises, citing security concerns. During these closed proceedings, the judicial remand of all detained leaders was extended for an additional ten days, with a further hearing held on 22 October. Other BYC leaders and activists, including Beebarg Baloch, remain in custody under the same law.

The Balochistan Home Department has repeatedly extended the custody of Dr. Mahrang and members of the BYC, who were later transferred from preventive custody under section 3 of the MPO law to the Anti-Terrorism Court (ATC) and cases were filed against them under provisions of the Anti-Terrorism Act and the Pakistan Penal Code. The ATC in Quetta repeatedly prolonged their custody for nearly two months. After six extensions, the ATC rejected a request from the Counter Terrorism Department (CTD) to extend the physical remand of BYC leaders and transferred them to judicial custody in September 2025, while the charges against them remain under dispute. The BYC leaders, who were detained in March and April 2025, are now eligible to apply for bail.

While we do not wish to prejudge the accuracy of these allegations, we express deep concern about the potential exacerbation of environmental and social risks in this fragile and conflict-affected context, as initial assessments suggest that the project falls short of the standards required for a comprehensive human rights-based due diligence process. The allegations suggest that the Reko Diq project may be proceeding without proper due diligence or meaningful community participation, in contravention of the standards set out in the UN Guiding Principles on Business and Human Rights (UNGPs). There is a need for comprehensive and participatory human rights and environmental impact assessments, integrating community concerns through participatory decision-making and establishing an effective grievance mechanism. Such measures are essential to align with international human rights standards and help mitigate social risks. Companies involved in such projects must ensure that they do not contribute to or benefit from human rights violations and are required to conduct heightened human rights due diligence, especially in conflict-affected or high-risk environments.

We are deeply concerned about the potential negative impact this mining project would have on the local community's rights to a clean, healthy and sustainable environment and to legitimately express their discontent and concerns, as well as sharing their knowledge about the detrimental effects the project's completion might have on the environment, the climate, their cultural heritage, and their livelihoods. These ongoing challenges highlight the urgent necessity of addressing the rights of Indigenous Peoples in Balochistan. The lack of meaningful consultation and failure to uphold the principle of FPIC, combined with increasing militarization and the negative environmental and socio-economic impacts of the Reko Diq project, risks worsening existing tensions, undermining local sovereignty, and further marginalizing Baloch communities. Protecting cultural, social, and land rights, as well as ensuring the Baloch people's right to self-determination, is critical. If left unaddressed, these issues could perpetuate historical grievances and exacerbate the economic and cultural marginalization of Baloch Peoples.

We remind you that participatory and comprehensive human rights and environmental impact assessments are needed for such projects, as well as the conduct of human rights due diligence by the companies involved in accordance with the UN Guiding Principles on Business and Human Rights. Opportunities to participate in such evaluations should furthermore be made public to ensure timely access to accurate and meaningful information. Access to justice and effective remedies must be provided if there are concerns about the quality and inclusivity of these evaluations.

Financial institutions have their own responsibilities under the UN Guiding Principles to respect human rights and conduct human rights due diligence. Financial businesses can be directly linked to adverse human rights impacts through its business relationships (such as through the provision of financing); they can also contribute to human rights harm through their own operations and actions. Further, the Office of the United Nations High Commissioner for Human Rights has issued statements indicating that if a bank identifies, or is made aware of, an ongoing human rights issue that is directly linked to its operations, products or services through a client relationship, yet over time fails to take reasonable steps to seek to prevent or mitigate the impact, it can be viewed as enabling the situation. The Organisation for Economic Co-operation and Development (OECD) Guidance on Due Diligence for Responsible Corporate Lending and Securities Underwriting further states that where a bank is directly linked to an adverse human rights impact through a client, it still has a responsibility to prevent or mitigate the impact, and that “[w]here the adverse impacts are directly linked to a bank’s lending or securities underwriting through a client, it should also use its leverage to seek to prevent and mitigate those impacts”. This approach has been applied by the OECD National Contact Points (NCP): for example, the Norwegian NCP concluded that “If [an investor], after investing, learns of a portfolio company’s human rights impacts, it still has a number of tools available, including shareholder proposals, engagement with management, and the threat of divestment”. Further, in the Society for Threatened Peoples Switzerland’s complaint to the Swiss NCP regarding UBS Group AG, the Swiss NCP recognized that a financial business, through investing in a business enterprise, was directly linked to potential adverse human rights impacts by its relationship with that business enterprise.

Further, a financial business can move from being directly linked to an adverse human rights impact to contributing to that impact if it does not take action to prevent or mitigate the business relationship to which it is directly linked, including by undertaking human rights due diligence. Therefore, the alleged involvement of financial institutions in the financing of the Reko Diq mine’s activities could be in violation of international human rights law and standards.

In connection with the above alleged facts and concerns, please refer to the **Annex on Reference to international human rights law** attached to this letter which cites international human rights instruments and standards relevant to these allegations.

As it is our responsibility, under the mandates provided to us by the Human Rights Council, to seek to clarify all cases brought to our attention, we would be grateful for your observations on the following matters:

1. Please provide any additional information and/or comment(s) you may have on the above-mentioned allegations.

2. Please provide information on how your company addresses human rights risks and impacts linked to actual and potential investment or lending activities in its policies, frameworks and strategies, as well as whether the outcomes of such processes were made public, in line with its human rights responsibility under the UN Guiding Principles on Business and Human Rights (UNGPs).
3. Please indicate specific remedial measures that your company has taken or is considering taking to prevent being associated with violations of human rights law, international criminal law and international humanitarian law.
4. Please provide information on the policies your company has adopted or plans to adopt to ensure the protection of human rights defenders and groups that may be exposed to abuses and violations.
5. Please provide information on how human rights due diligence processes conducted has taken into account the responsibility to ensure civil society organisations and human rights defenders can meaningfully participate in decision-making, including in the context of the Reko Diq and related projects, in a safe and conducive environment, in line with the Guiding Principles on Business and Human Rights and related Working Group on Business and Human Rights' guidance on human rights defenders A/HRC/47/39/Add.2.
6. Please indicate if any grievance mechanisms are available for victims of human rights abuses occurred in the context of the Reko Diq and related projects, including for human rights defenders who have been targeted and/or arrested for their legitimate work and activities connected to the exercise of their right to freedom of expression, peaceful assembly and association and their right to participation in all relevant aspects of the Reko Diq implementation process.
7. Please provide information on how the International Finance Corporation (IFC) is using or will use leverage in its business relationships to promote and ensure respect for human rights. This includes, where applicable, requiring clients to adopt human rights due diligence policies and processes, in line with the recommendations outlined in the report of the Working Group on Business and Human Rights on "Development finance institutions and human rights" (A/HRC/53/24/Add.4).

This communication and any response received from you will be made public via the communications reporting [website](#) within 60 days. They will also subsequently be made available in the usual report to be presented to the Human Rights Council.

While awaiting a reply, we urge that all necessary influence is exerted in order to halt the alleged violations and prevent their re-occurrence and in the event that the investigations support or suggest the allegations to be correct, to ensure the accountability of any person(s) responsible for the alleged violations.

We may publicly express our concerns in the near future as, in our view, the information upon which the press release will be based is sufficiently reliable to indicate a matter warranting immediate attention. We also believe that the wider public should be alerted to the potential implications of the above-mentioned allegations. The press release will indicate that we have been in contact with you to clarify the issue/s in question.

Please be informed that a letter on this subject matter has also been sent to Governments of Pakistan and Canada, as well as to those business enterprises that are involved in the development and financing of the Reko Diq project, Barrick Gold Corporation, the International Development Association (IDA) and the Asian Development Bank (ADB).

Please accept, Mr. Diop, the assurances of our highest consideration.

Pichamon Yeophantong
Chair-Rapporteur of the Working Group on the issue of human rights and
transnational corporations and other business enterprises

Matthew Gillett
Vice-Chair of the Working Group on Arbitrary Detention

Gabriella Citroni
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Morris Tidball-Binz
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Irene Khan
Special Rapporteur on the promotion and protection of the right to freedom of opinion
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Mary Lawlor
Special Rapporteur on the situation of human rights defenders

Nicolas Levrat
Special Rapporteur on minority issues

Ben Saul
Special Rapporteur on the promotion and protection of human rights and fundamental
freedoms while countering terrorism

Marcos A. Orellana
Special Rapporteur on the implications for human rights of the environmentally sound
management and disposal of hazardous substances and wastes

Annex

Reference to international human rights law

In connection with above alleged facts and concerns, we would like to draw your attention to the applicable international human rights norms and standards, as well as authoritative guidance on their interpretation.

UN Guiding Principles on Business and Human Rights

We would like to highlight the UN Guiding Principles on Business and Human Rights, which were unanimously endorsed in 2011 by the Human Rights Council in its resolution (A/HRC/RES/17/31) after years of consultation with governments, civil society, human rights defenders and the business community. The guiding principles have been established as the authoritative global standard for all States and businesses to prevent and address business-related adverse human rights impacts. These guiding principles are based on the recognition of:

- a) "The existing obligations of States to respect, protect and fulfil human rights and fundamental freedoms.
- b) The role of business enterprises as specialized bodies or corporations performing specialized functions, which must comply with all applicable laws and respect human rights.
- c) The need for rights and obligations to be matched by appropriate and effective remedies when they are violated".

The guiding principles also make clear that companies have an independent responsibility to respect human rights. Principles 11-24 and 29-31 provide guidance to companies on how to meet their responsibility to respect human rights and to provide remedies where they have caused or contributed to adverse impacts. The guiding principles have identified two main components of the corporate responsibility to respect human rights, which require "business enterprises to:

- a) Prevent their own activities from causing or contributing to adverse human rights impacts and address those impacts when they occur.
- b) Seek to prevent or mitigate adverse human rights impacts directly related to operations, products or services provided through their business relationships, even where they have not contributed to those impacts" (guiding principle 13).

The commentary to guiding principle 13 notes that companies can be affected by adverse human rights impacts, either through their own activities or as a result of their business relationships with other parties (...) The 'activities' of business enterprises are understood to include both actions and omissions; and their 'business relationships' include relationships with business partners, entities in their value chain and any other non-State or State entities directly linked to their business operations, products or services.

To meet their responsibility to respect human rights, companies should have in place policies and procedures appropriate to their size and circumstances:

- a) A political commitment to uphold their responsibility to respect human rights.
- b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their human rights impact.
- c) Processes to redress any adverse human rights impacts they have caused or contributed to (guiding principle 15).

According to guiding principles 16-21, human rights due diligence involves:

- a) Identifying and assessing actual or potential adverse human rights impacts that the enterprise has caused or contributed to through its activities, or that are directly related to the operations, products or services provided by its business relationships.
- b) Integrate the results of impact assessments into relevant business functions and processes, and take appropriate action in accordance with their involvement in the impact.
- c) Monitor the effectiveness of the measures and processes adopted to address these adverse human rights impacts in order to know whether they are working.
- d) Communicate how adverse effects are addressed and demonstrate to stakeholders - particularly those affected - that appropriate policies and processes are in place to implement respect for human rights in practice.

This process of identifying and assessing actual or potential adverse human rights impacts should include substantive consultation with potentially affected groups and other stakeholders (guiding principle 18).

Where an enterprise causes or is likely to cause an adverse human rights impact, it should take the necessary steps to end or prevent that impact. “The establishment of operational-level grievance mechanisms for those potentially affected by corporate activities can be an effective means of redress provided they meet certain requirements listed in principle 31 (guiding principle 22).

Furthermore, business enterprises should remedy any actual adverse impact that they cause or to which they contribute. Remedies can take a variety of forms and may include apologies, restitution, rehabilitation, financial or non-financial compensation and punitive sanctions (whether criminal or administrative, such as fines), as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition. Procedures for the provision of remedy should be impartial, protected from corruption and free from political and other attempts to influence the outcome (commentary to guiding principle 25).

In its report A/HRC/53/24/Add.4, the Working Group and OHCHR have reiterated that the corporate responsibility to respect human rights under the Guiding Principles applies to financial institutions (both public and private) and their clients. Further to this, pillar II of the guiding principles requires financial institutions to make a policy commitment to respect human rights, carry out human rights due diligence and provide for, or cooperate in, remediation where the financial institutions identify adverse impacts that it has caused or to which it has contributed.

The right to an effective remedy for human rights abuses is a central tenet of human rights law and is reflected in pillar III of the guiding principles, which focuses on remedy for victims of business-related human rights harms.

Guiding principle 22 provides that where an enterprise causes or is likely to cause an adverse human rights impact, it should take the necessary steps to end or prevent that impact. “The establishment of operational-level grievance mechanisms for those potentially affected by corporate activities can be an effective means of redress provided they meet certain requirements listed in principle 31”.

In its report A/HRC/53/24/Add.4, the Working Group clarifies that the guiding principles require finance institutions to contribute to provide access to remedy if they have contributed to the harm.