

## 1. About this page

This page is designed to help financial institutions (FIs) to familiarise themselves with issues relating to gender-based violence and harassment (GBVH). It gives an overview of what GBVH risks and impacts are, why these are important, and how to manage and respond to incidents of GBVH.

Importantly this guidance does not introduce new standards or requirements for FIs or companies who have committed to International Finance Corporation (IFC) Performance Standards (in particular IFC PS2 and 4) as expectations to reduce and manage GBVH risks are referenced in the performance standards. This guidance provides more specific guidance and direction on how to manage this aspect across the diligence and portfolio management / monitoring stages of a transaction.

The page aims to provide a practical approach to integrating a GBVH lens into FIs internal operations and its lending activities, aligned with international standards. FIs and their clients should have systems in place to identify and mitigate GBVH risks and to properly respond to GBVH incidents when they do happen. In addition, they should understand how risks, impacts and opportunities relating to a particular company, sector or country can change over time for a number of reasons (for example changes in the applicable laws and regulations, the company's activities or assets, and other contextual factors).

This page is not intended to be a detailed or comprehensive technical guidance document. Further support can be found in the 'Further resources' section, which includes the detailed guidance "[Addressing Gender-Based Violence and Harassment: Emerging Good Practice for the Private Sector](#)", which has a focus on emerging markets.

The term 'company' used in this E&S Briefing Note refers to FIs' (as GBVH relates to their internal operations) and their clients as applicable.

## 2. Understanding gender-based violence and harassment

GBVH is an umbrella term and can take many forms including physical, psychological, sexual or economic harm – and is characterised by being directed at a person because of their sex or gender, or by disproportionately affecting persons of a particular sex or gender.

While sexual and physical violence are the most known types of GBVH, all forms are damaging and require appropriate attention and response. Verbal harassment and bullying such as shouting and swearing; emotional abuse such as systematic humiliation, controlling behaviour, degrading treatment, insults, and threats; and financial abuse, such as restricting access to financial, health, educational, or other resources with the purpose of controlling or subjugating a person, are all forms of GBVH.

GBVH is rooted in gender inequality and unequal power, which can leave people, especially women and girls, vulnerable to violence and harassment and prevent them from reporting cases. It is also fuelled by gender stereotypes, targeted at those who do not adhere to gender stereotypes as a way of punishing them for deviating from what is viewed as normal or expected behaviour.

Importantly there is growing evidence that COVID-19 is exacerbating GBVH risks - both at work and in supply chains (where the labour force may be more vulnerable to abusive labour practices), and in domestic settings (as a result of lock downs, and increased proximity during periods of intense stress). FIs should therefore be particularly mindful of this risk both internally and in their portfolios in circumstances where they believe COVID impacts may be evident (by context, sector or geography).

### **3. Why companies and financial institutions should address this topic**

GBVH is a widespread and serious global issue that affects individuals in the workplace, their communities, and home. Given the importance of the issue, several development finance institutions (DFIs) have taken actions to improve standards, best practices and guidance on preventing GBVH in their organisations and their operations. It is now widely recognised that the private sector has an important role to play in addressing GBVH. GBVH affects both men and women but is most often perpetrated by men against women and girls. More than one in three women have experienced some form of physical or sexual violence during their lifetime.<sup>1</sup> Research suggests that the cost of violence against women is 2% of global GDP, equivalent to US\$1.5 trillion.

FIs need to be alert to GBVH risks internally, as well as where the operations of their clients may contribute to these risks. GBVH can occur in a range of circumstances that are directly relevant to the private sector: it can happen among workers in a company and its supply chain, between workers and community members, within workers' families and intimate

relations, by local authorities against workers, community members and/or service users (for example customers accessing healthcare and education services), and among users of company services or infrastructure.

If not addressed properly, GBVH can pose a range of risks such as:

- **Litigation, compensation claims and reputational damage:** GBVH can prompt workers, community members or service users to take legal action against FIs and their clients and make a claim for compensation. Unexpected costs through litigation, loss of confidence among investors (including lenders) and partners, damaged relationships with local communities and service users, are some of the risks that GBVH entails. Ultimately this can reduce access to markets and capital.
- **Decrease in productivity:** The physical and mental health effects of GBVH on individuals can result in poor performance at work, increased absenteeism, and staff turnover.
- **Reduced health and safety:** Distracted workers are more likely to cause accidents, which can pose wider health and safety risks for other workers, as well as community members and service users.
- **Reduced access to talent and worker retention:** GBVH - or the fear of it - can affect the decisions people make about where they work, when they work and with whom they work.

Conversely, FIs and their clients who act to prevent and respond to GBVH can improve the wellbeing of workers, community members and service users. In doing so, they can improve health and safety in the workplace, boost productivity and retain talent. In addition, they can protect and strengthen their reputation among communities and reduce corporate exposure to litigation and compensation claims, not to mention financial and reputational damage.

## 4. Advice for financial institutions and companies

FIs should assess the risks of GBVH in their own and their clients' operations, (including supply chains where relevant) proactively and take the necessary steps to tackle identified risks. For further information on how to assess risks FIs and companies should refer to the

main guidance document and can also watch the video below that provides an overview.

- [Assessing the Contextual Risks](#)

It is essential that FIs and their clients undertake a contextual risk assessment to identify risks of GBVH linked to the specific geography or sector. Annex 1 of the GBVH Guidance provides information on different risk factors of GBVH and associated data sources. The assessment and monitoring of risks should be a continuous effort that is reassessed with appropriate frequency, as circumstances of increased vulnerability to GBVH may change over time including when new supply chain relationships are created.

In terms of understanding a country or region's context, GBVH risks tend to be higher where:

- gender inequality is high and gender stereotypes are strong and widespread;
- intimate partner violence (IPV) is prevalent and national legislation on GBVH is weak;
- poverty and discrimination are high, increasing people's vulnerability to exploitation;
- corruption among local authorities is widespread, reducing action against GBVH and enabling perpetrators to act with impunity; and
- fragility and conflict exist, which weakens the rule of law and often increases other GBVH risk factors.

## **GBVH and COVID-19**

The COVID-19 pandemic has increased the urgency of incorporating GBVH into risk and mitigation analyses because domestic violence and harassment have intensified all over the world. Lockdown has left millions of people trapped with their abusers and have implied less access to support systems. The United Nations Population Fund Impact assessments estimate an additional 31 million cases of gender-based violence perpetrated in the first six months alone of the pandemic. As the COVID-19 pandemic

continues, this number is likely to grow with multiple impacts on women's wellbeing, their sexual and reproductive health, their mental health, and their ability to participate and lead in the recovery of our societies and economy.

## Tools and Resources

- [Annex 1](#) of the [Guidance for Addressing Gender Based Violence and Harassment](#) in emerging markets includes resources for assessing context
- [GBVH and the Transaction Cycle](#)

## Preventing GBVH

FIs and their clients can take action to prevent GBVH and to be ready to respond to reports, by:

- Strengthening leadership and company culture.
- Developing and communicating policies and codes of conduct on GBVH.
- Strengthening recruitment and performance assessments.
- Delivering training and awareness both internally among workers and externally among communities and service users.
- Working with contractors and suppliers to address GBVH.
- Improving the physical design of worksites and service delivery locations.

The below sections provide guidance on how GBVH risks can be assessed throughout the transaction cycle. The key risk factors detailed below may also be of use when FIs are assessing GBVH risks in their direct operations.

## Screening

FIs should look at GBVH throughout the transaction cycle starting at screening, where a high-level assessment of risk is undertaken, and the depth and extent of due diligence is determined.

Beyond country context, certain features of an investment, project or operation can also affect levels of GBVH risk, which tend to be higher where:

- A large new workforce and/or an influx of male workers is required, for example on greenfield and project finance projects where the likelihood of community engagement increases.
- Temporary, informal and/or migrant workers are commonly needed.
- There are seasonal deadlines, with heavy fluctuations in workload, for example, in the manufacturing and agricultural sectors.
- Circumstances where positions of power or trust can be exploited, for example, in sectors with wage-based tipping and where there is a strong emphasis on the idea that “the customer is always right”.
- Transportation of goods over long distances and overnight is required, which is most common in the logistics and distribution sectors, but also in other key sectors such as agribusiness and infrastructure.
- Services are provided, especially luxury services or highly sought-after basic services.
- Security personnel are used, especially where they are armed.
- Worksites are in remote locations, requiring long and/or isolated journeys to and from work, such as rural agricultural work.
- Engagement with vulnerable or marginalised groups (e.g. children, young adults with disabilities, migrant women).

## **Due Diligence**

Where contextual factors and screening suggest a risk of GBVH, FIs should dedicate

resources to conduct a basic assessment of a company's capacity and resources, and to perform an in-depth assessment of GBVH risks as well as the governance, oversight and grievance recourse mechanisms that are present where heightened risks are present. The ESDD scope should seek to include an assessment and engagement with key functions such as HR, procurement, and supply chain management to ensure that GBVH risks are understood. The ESDD scope should also include an assessment of company level commitment and ensure that appropriate governance structures are in place, including the allocation of roles and responsibilities, senior management commitment and Board oversight.

### **Basic Assessment**

This type of assessment involves the following aspects:

- company leadership, to motivate and oversee action and to establish a positive organisational culture;
- company policies to publicly state commitments and codes of conduct to clarify expected and prohibited behaviours;
- grievance and investigation mechanisms to enable reporting and follow-up;
- transparent recruitment and performance assessment systems to reduce opportunities for GBVH;
- training and awareness raising activities to motivate attitude and behavioural change;
- efforts to work with contractors and suppliers to prevent and respond to GBVH; and
- the design of physical spaces to increase safety and reduce opportunities for GBVH to be perpetrated.

It is important to pay particular attention to the presence and use (efficacy) of grievance mechanisms. GBVH is widely under-reported and there are often barriers to people reporting any incidents of GBVH. It is key that people both inside and outside a company have channels through which they can report GBVH, including options to

report anonymously. Grievance mechanisms should be tailored to the needs of different groups, including workers, community members and service users, so multiple reporting channels are likely to be necessary. All channels used to report GBVH must be safe and confidential, and it is important to build in accountability mechanisms to ensure maximal independence and protection of those using the mechanism.

### **In Depth Assessment**

An in-depth assessment of GBVH risks may be needed where FIs identify:

- high levels of GBVH risk; and/or
- gaps and weaknesses in FI or their clients' capacity and resources to prevent and respond to GBVH.

### **Tools and resources**

- [Annex 2](#) of the Guidance provides further information on each of the capacity and resource areas listed above, proposing a phased approach that FIs and their clients can adopt.
- [Annex 3](#) provides a list of questions that can be used by FIs and their clients to assess whether basic capacity and resources are in place as part of initial efforts to prevent and respond to GBVH.
- [Annex 4](#) provides guidance to FIs and their clients when commissioning an in-depth assessment of GBVH risks.

### **Transaction decision and legal agreements**

Within the negotiation and structuring phase of a transaction, FIs can introduce terms to mitigate identified risks. Examples of the reporting and legal agreements FIs can consider include:

- mandatory serious incident reporting on GBVH incidents;



- representations and undertakings within legal/investment agreements committing to develop systems to reduce or prevent GBVH risks, and incident management systems to address GBVH incidents should they occur;
- regular monitoring and reporting requirements on the policies and processes companies have in place – for example specific questions in annual or quarterly monitoring reporting templates; and
- establishment of appropriate grievance mechanisms that enable GBVH to be reported in a safe and confidential way.

## Monitoring

Ongoing monitoring provides assurance that GBVH risks are being tracked and that FIs and their clients are making meaningful efforts to prevent and respond to risks. New GBVH risks may emerge and existing risks can change over the course of a transaction, project or operation, so undertaking a regular risk reassessment is important. Monitoring can also help FIs and their clients to identify whether improvements are needed to prevention and response efforts.

## Tools and resources

- [Annex 8](#) of the Guidance presents examples of the types of KPI that FIs and their clients could use in order to track GBVH risks, as well as the effectiveness of efforts to prevent and respond to GBVH.
- [Responding to reports of GBVH](#)

## Survivor-centered approach

**A survivor-centred approach** is the lens FIs and their clients should use when addressing GBVH. Its key elements are:

- treat survivors with dignity and respect

- enable survivors to make informed decisions about what they want
- help survivors to be safe
- treat survivors equally and non- judgementally

### **Companies' Response to GBVH**

When GBVH is reported, companies should respond in a thoughtful and considered way, maintaining confidentiality and upholding a survivor-centred approach. Responding inappropriately to reports of GBVH can undermine the credibility of a company's efforts to address GBVH and may cause further harm to those involved. A company's response to a report of GBVH ought to include:

- providing access to immediate support options and monitoring needs;
- assigning someone who has had adequate training to lead the company's response; and
- deciding whether to investigate, only ever using trained investigators to conduct investigations.

### **FIs Response to GVBH in their portfolios**

FIs have an interest in knowing whether GBVH is taking place in their portfolios and whether grievances are managed and investigated in an appropriate manner, as this poses both a reputational and financial risk to them. FIs should:

- agree on what needs to be reported to them, how, and with what frequency;
- and agree on what needs to be escalated depending on factors such as severity of incident, level of control, reputational damage, and direct involvement.

If an incident occurs:

DO:

- **Provide immediate support** - to enable survivors to access the professional support they want. Companies should provide private spaces and a range of support options depending on the nature of the incident (legal, psychological, legal etc.), and work with survivors, witnesses, and whistleblowers to identify safety measures to protect them from further harm.

- **Ensure that an incident management procedure is in place** - all staff should understand and be trained on this.

- **Ensure that all staff understand the principles of a survivor-centered approach** (refer to Section 3 of the GBVH Guidance for further detail on the key principles to prevent and address GBVH risks).

DO NOT:

- **Try to undertake an assessment/investigation yourself unless you are a trained** - responding poorly or inappropriately to reports of GBVH can undermine the credibility of a company's efforts to address the issue and may cause further harm to those involved. It is important that the person assigned to lead the response to an incident has been trained in how to respond to reports of GBVH and has the skills and confidence to take a survivor-centred approach. Although all reports of GBVH require follow-up, not all reports of GBVH will require an investigation. The decision on whether to investigate will be determined by various factors, including the severity of the reported behaviour, its impact and the wishes of the survivor (see section 6 of the GBVH Guidance for further detail).

- **Put the safety of anyone at risk** - survivors, witnesses and those who report and seek to address GBVH can be at risk of retaliation. It is important that FIs and their clients prioritise the safety of those who have experienced, witnessed and/or reported GBVH. Confidentiality and checking with survivors and witnesses about sharing identifiable information are important aspects of ensuring safety.

- **Jeopardize confidentiality requirements** - maintaining confidentiality and checking with whom survivors want information to be shared are important aspects of a survivor-centered approach is key.

## 5. Further resources

- [Addressing Gender-Based Violence and Harassment: Emerging Good Practice for the Private Sector](#)
- [How Business Can Tackle GBVH in the World of Work - A Toolkit for Action](#)

- [20 Core Elements - A Toolkit to Strengthen Safeguarding Report Handling](#)
- [GBV Pocket Guide - How to support survivors of gender-based violence when a GBV actor is not available in your area](#) (focused on humanitarian sector but useful guiding principles)
- [ILO and UN Women Handbook: Addressing violence and harassment against women in the world of work](#)
- [Georgetown Institute for Women, Peace and Security Index](#)
- [Further resources and news from BII's Gender team](#)