



# Tip Sheet: Guidance for Boards of Directors on Overseeing Gender-Based Violence and Harassment Risk

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## Objective

This tip sheet prepared by the International Finance Corporation (IFC), a member of the World Bank Group, offers guidance to Boards of Directors on the effective governance of gender-based violence and sexual harassment<sup>1</sup> (GBVH) risks. Although non-executive and independent directors are not involved in the day-to-day management of a company, they should understand what adequate GBVH risk management is so they can recognize good practices and exercise better oversight of GBVH matters.

It is also important for directors to understand what constitutes safe and ethical GBVH risk management, as this too will affect how boards conduct GBVH risk governance. One example is reporting on GBVH incidents. Without understanding safe and ethical GBVH incident reporting, directors might request details about an incident that could place individuals at further risk of physical or emotional harm and the company at further reputational risk. Without understanding larger country contextual risk factors that may increase GBVH risks, directors might inadvertently place individuals at risk by expecting reporting where there are high levels of impunity or discriminatory laws. Also, without a reasonable understanding of GBVH issues that can affect their company, directors might not adequately consider stakeholder concerns, such as employees being afforded a safe and harassment-free working environment.

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<sup>1</sup> See the glossary at the end of the tip sheet for definitions.

# 1. Introduction

## A. What Is Gender-Based Violence and Harassment?

Gender-based violence and harassment, or GBVH, is an umbrella term for any harmful act that is perpetrated against a person's will and that is based on socially ascribed gender differences between men and women and the resulting unequal power relationships between men, women and gender-diverse persons. It includes acts that inflict physical, sexual, or mental harm or suffering, threats of such acts, coercion, and other deprivations of liberty, including denial of economic resources or access to services. GBVH may also be perpetrated to “punish” or “correct” behaviors that are deemed to be inappropriate for a person of a particular sex in a particular culture. Acts of GBVH can occur in public or in private. Across the globe, GBVH disproportionately affects women and girls. GBVH can affect persons of any age.

## B. The business case to address Gender-based Violence and Harassment

GBVH cuts across industries, supply chains and communities. It is a pervasive occurrence, evident across socioeconomic groups, at any level of education, and across cultures and countries, age groups, and vocations. Workplace sexual harassment is, in fact, one of the most damaging and ubiquitous barriers to career success and satisfaction for women. [Research](#) has shown that the organizational climate figures prominently in facilitating the occurrence of sexual harassment.

The direct and indirect costs to business are huge. The [United Nations](#) (2016) estimated that the annual costs of GBV could amount to 2% of global GDP (accounting for the direct cost of health, psychosocial, legal, and social welfare services and indirect cost of lost wages, productivity, absenteeism, and potential). A [study](#) by Care International (2017) found that nearly one in three female garment workers in Cambodia had experienced sexual harassment in the previous 12 months, costing the garment industry US\$89 million per annum nationally. In [Peru](#), violence against women costs private sector companies more than US\$6.7 billion a year—comparable to 3.7% of its GDP (GIZ 2014).

In developed economies, tolerating sexual harassment has led to significant legal costs for employers—even though companies generally keep settlements confidential, making it difficult to reliably estimate the total costs of harassment. In addition, GBVH outside the workplace (in particular, intimate partner or family violence) costs and negatively impacts business. For example, studies indicate that in [India](#), women lose an average of at least five paid workdays for each incident of intimate partner violence. Research in [Fiji](#) (IFC 2019) shows companies lose almost 10 days of work per employee each year because of domestic and sexual violence and associated reduced productivity. Similar costs have been estimated in [Papua New Guinea](#) (IFC 2021) and the [Solomon Islands](#) (IFC 2019).

Countries are introducing regulations to hold companies accountable and improve transparency around worker safety, sexual harassment, and assault. A growing number of [countries](#) have ratified the International Labour Organization (ILO) [Violence and Harassment Convention \(No. 190\), 2019](#) and are obligated to uphold it. Likewise, boards are increasingly being held accountable for preventing and addressing sexual harassment in the workplace. Boards understand that such issues pose a host of risks, including [risks to a company's brand and market reputation, operations, and shareholder value](#).

However, the issue of potential sexual misconduct and abuse is still a relatively new topic for most boards, although it relates to critical elements of board-level governance: company culture, tone-at-the-top, risk management, and crisis management. “Sexual harassment is becoming a serious investment risk,” announced [Barron’s](#) in November 2017. Yet most boards of directors still underestimate the downside risk from sexual misconduct allegations at their companies. A 2017 [survey](#) of 400 private and public company directors by Boardlist and Qualtrics revealed that “the vast majority of boards (77%) had not discussed accusations of sexually inappropriate behavior or sexism in the workplace.” Only 12% had implemented a plan of action because of recent revelations in the media, and 17% had reevaluated the company’s risks regarding sexual harassment or sexist behavior in the workplace.

Research has also generated the following observations:

- There can be confusion and inconsistency regarding primary responsibility and accountability, at the company level, for the prevention of and response to GBVH.
- Boards are more likely to be reactive than proactive regarding GBVH issues. Highly publicized external events (e.g., the #MeToo movement) generally prompt board discussion on GBVH.
- There is a positive correlation between gender-diverse boards with relevant expertise and the robustness of the governance and oversight of GBVH matters.

### **C. IFC’s integrated Environmental, Social and Governance (ESG) approach to Risk Management**

IFC’s [Policy on Environmental and Social Sustainability](#) states IFC’s expectations with respect to minimizing gender-related risks from business activities and unintended gender-differentiated impacts between women and men in the projects IFC finances. [IFC’s Performance Standards \(PSs\)](#) commit clients to assessing and managing potential gender risks, impacts, and development opportunities, applying safeguarding principles of nondiscrimination, equal opportunity, and inclusive stakeholder engagement to address GBVH in all projects. The Good Practice Note by CDC (BII), EBRD and IFC [Addressing Gender-based Violence and Harassment: Emerging Good Practice for the Private Sector](#) (2020) contains general how-to guidance for companies, with specific guidance for senior leadership.

IFC’s [Corporate Governance \(CG\) Methodology](#) provides that companies and IFC investees must identify and mitigate environmental and social risks adequately through their boards, internal controls, and disclosure and transparency functions. Five of the six CG parameters apply to GBVH: (1) Commitment to Environmental, Social, and Governance principles (Leadership and Culture); (2) Structure and Functioning of the Board of Directors; (3) Control Environment (Internal Control System, Internal Audit Function, Risk Governance and Compliance); (4) Disclosure and Transparency and (5) Governance of Stakeholder Engagement.

## 2. Key Components of Good Practice GBVH Risk Management in the Private Sector

What does good practice GBVH risk management in a business look like? The table below provides a high-level overview of the key components that indicate whether a company is managing its GBVH risks.

The extent to which a business should pay attention to each component will depend on several factors—the size of the business, the reach of its operations, the extent of the community impacts, and workforce demographics, among others.

### A. Good International Practice for Governance of GBVH Risks

This table provides guidance, based on the parameters of IFC’s Corporate Governance Methodology, on good practices boards of directors can adopt to effectively manage GBVH risks.

Corporate Governance Parameter	Good International Practices
	<p>The board of directors can demonstrate a commitment to GBVH risk governance through the following:</p> <ul style="list-style-type: none"> <li>■ Ensuring that the company establishes an adequate risk culture that incorporates GBVH and its root causes</li> <li>■ Including GBVH as a periodic discussion item in board meetings</li> <li>■ Establishing controls and transparency</li> </ul> <p><i>Useful information about GBVH that boards of directors should solicit:</i></p> <ul style="list-style-type: none"> <li>■ Available company GBVH reports and responses</li> <li>■ Information on employees’ attitudes toward the workplace culture and GBVH risks they face: the company’s management can collect such information through surveys, interviews, group discussions, audits, and research. The board can analyze incidents and the proposed management response.</li> <li>■ Management’s strategy for establishing a top-down culture and environment that promotes respectful attitudes and behaviors among all employees toward gender equality and GBVH (for example, through periodic staff feedback, surveys, key performance indicators (KPIs))</li> <li>■ Factors that may increase GBVH risks in the business, including power dynamics and workplace contexts</li> <li>■ Differentiated impacts of business operations on women and men as employees, consumers, or in the affected community</li> <li>■ GBVH training programs and outcomes</li> </ul>



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	<p>Understanding the key elements of GBVH is essential to exercising oversight (governance) of GBVH risk management. Therefore, part of a board's function involves developing some level of competency in understanding GBVH.</p> <p><i>Some steps to help improve the board's competency in GBVH:</i></p> <ul style="list-style-type: none"><li>■ Invite GBVH specialists to present or provide training on different topics.</li><li>■ Participate in learning activities around GBVH (e.g., seminars, conferences, etc.).</li></ul> <p><i>Some steps the board can take to exercise better oversight (governance) of GBVH risk management:</i></p> <ul style="list-style-type: none"><li>■ Include GBVH risk management as a recurring board agenda item and question senior management about the topic.</li><li>■ Identify the most appropriate director to take responsibility for learning about GBVH.</li><li>■ Establish a direct line of communication between the Human Resources Department and the board to discuss GBVH issues, or through an appropriate committee, such as the human resources or governance committee.</li><li>■ Establish a protocol for reporting to the board on high-risk issues, such as GBVH allegations against senior managers or settlements in harassment cases.</li><li>■ Incorporate GBVH prevention metrics into senior management appointment, evaluation, and succession planning.</li><li>■ Ensure mechanisms are in place for the board to learn about responses to GBVH complaints if investigations are deemed to have placed people at further risk.</li></ul>

Corporate Governance Parameter	Good International Practices
	<p>The board of directors can ensure a better control environment to facilitate GBVH risk governance by ensuring adequate GBVH internal controls, i.e., risk-based policies and procedures are established, complied with, and monitored.</p> <p><i>Key GBVH risk governance practices within the control environment:</i></p> <ul style="list-style-type: none"> <li>■ GBVH risk management is integrated into the company's risk management framework, including in key subsidiaries.</li> <li>■ Internal audits of GBVH policies and procedures and implementation are part of the annual work plan of the internal audit function.</li> <li>■ The compliance function identifies and reports on GBVH compliance breaches by including instances of policy violations in the compliance register.</li> <li>■ The board reviews audit plans and findings, including root cause analysis.</li> </ul> <p><i>Questions on GBVH controls the board of directors can pose to management:</i></p> <p>Boards of Directors should seek to gain a better understanding of the following six objectives related to GBVH risk governance as part of the control environment.</p> <p><i>A. Root causes of GBVH risks are understood and addressed:</i></p> <ul style="list-style-type: none"> <li>■ What activities have been completed to understand the GBVH risks across the company and affected communities?</li> <li>■ How does the company perform root cause analysis of GBVH incidents, and how are the results used?</li> <li>■ What efforts are made to understand the impacts of GBVH on employee turnover and absenteeism?</li> <li>■ How is GBVH risk management integrated into the company's control system?</li> </ul> <p><i>B. GBVH prevention is implemented, and a Senior Executive has been assigned responsibility for GBVH prevention:</i></p> <ul style="list-style-type: none"> <li>■ What actions and controls have been implemented to mitigate identified GBVH risks?</li> <li>■ Who in the company has primary responsibility for managing GBVH prevention activities?</li> <li>■ What metrics does the company use to measure the success of its GBVH prevention activities?</li> </ul> <p><i>C. GBVH policies, procedures, and grievance mechanisms exist and are functioning, effective, and monitored throughout the company's value chain:</i></p> <ul style="list-style-type: none"> <li>■ How are the company's GBVH policies and procedures shared with contractors?</li> <li>■ What processes are in place for auditing the implementation of GBVH policies and procedures within the company and by contractors?</li> </ul>



Corporate Governance Parameter	Good International Practices
	<ul style="list-style-type: none"><li>■ Are internal audits on GBVH policies and procedures periodically carried out?</li><li>■ How are workers and affected community members engaged to provide feedback on the company's GBVH policies and procedures?</li><li>■ What are the most frequent issues that appear in the compliance register or records of compliance breaches of GBVH law, regulations, and/or policies and procedures?</li></ul> <p><i>D. Company commitment to GBVH risk governance is visible to contractors and suppliers:</i></p> <ul style="list-style-type: none"><li>■ What policies and code of conduct provisions set out expectations on GBVH risk management for contractors and suppliers?</li><li>■ How are stakeholders informed about the company's commitment to GBVH risk management and governance?</li><li>■ How does the company monitor the efforts of its contractors and suppliers to address GBVH risk?</li><li>■ Do contractors and suppliers maintain control environment elements to address GBVH risks, and is this a factor in their selection?</li></ul> <p><i>E. GBVH reports are encouraged, and incidents are reported:</i></p> <ul style="list-style-type: none"><li>■ What activities are conducted to ensure workers and affected community members are aware of GBVH risks and how to respond if they witness or experience an incident?</li><li>■ How does the company ensure GBVH grievance mechanisms are accessible to different demographic groups in workplaces and affected communities?</li><li>■ How does the company measure the level of confidence workers and affected community members have in the GBVH reporting channels and response?</li><li>■ What mechanisms are in place for the board to learn about GBVH complaints if management responses are deemed inadequate?</li><li>■ Does the company's compliance program cover GBVH issues and breaches?</li></ul> <p><i>F. GBVH incident investigations are independent and safe:</i></p> <ul style="list-style-type: none"><li>■ What training is offered to build internal capacity for managing GBVH reports and incidents?</li><li>■ What steps does the company take to protect the integrity of its investigative process?</li><li>■ Are external investigators consulted for sensitive investigations?</li></ul>

Corporate Governance Parameter	Good International Practices
 <p>Disclosure and Transparency</p>	<p>The board of directors can ensure that the company adequately discloses GBVH KPIs and narratives on GBVH risks and company actions, if applicable.</p> <p><i>Some suitable indicators for GBVH prevention:</i></p> <ul style="list-style-type: none"> <li>■ Number of GBVH prevention activities completed: employee training sessions, company awareness campaigns, information and resources circulated across operations, e.g., posters, support for community campaigns, such as advocacy events.</li> <li>■ Gender disaggregated results of pre- and post-GBVH training and awareness-raising sessions.</li> <li>■ Percentage of women, girls, and gender-diverse persons who feel safe.</li> </ul> <p><i>Some suitable indicators for GBVH response readiness:</i></p> <ul style="list-style-type: none"> <li>■ Amount of funding: payment of overheads, grants, or in-kind resources, e.g., office space, vehicles allocated to support external GBVH service providers in the community with whom the company has established a partnership as part of referral services. Funds spent on GBVH service provision encourage transparency of the scope of the company's financial commitment to this issue.</li> <li>■ Percentage of known GBVH survivors who accessed support services</li> <li>■ Aggregated, anonymized results of post-reporting satisfaction surveys</li> <li>■ Percentage of known GBVH survivors who feel optimistic about rebuilding their livelihood and life</li> </ul>



Corporate Governance Parameter	Good International Practices
	<p>The board of directors can guarantee enhanced GBVH risk governance by ensuring GBVH is included in the company's stakeholder engagement framework.</p> <p>The following are five key stakeholder groups with whom a company should engage on GBVH issues. For each stakeholder group, there are suggested actions boards of directors can adopt to be confident of adequate engagement by management with these stakeholders on GBVH risk management.</p> <p><i>GBVH risk management engagement activities for employees and contracted workers:</i></p> <ul style="list-style-type: none"><li>■ The company has a Code of Conduct that includes expectations of employees and contractors regarding GBVH risk management.</li><li>■ Internal GBVH policies and procedures are required, and the equivalent policies of contracting companies should be aligned.</li><li>■ GBVH training for workers is developed and delivered, and there is evidence of the effectiveness of this training.</li><li>■ Suitable GBVH grievance mechanisms are developed and are managed by skilled personnel, covering both workplaces and communities in which employees or contractors work or live.</li><li>■ The company has shared information about GBVH risks related to its business activities with employees and contractors, as well as existing GBVH materials</li></ul> <p><i>GBVH risk management engagement activities for affected communities:</i></p> <ul style="list-style-type: none"><li>■ A community-based GBVH grievance mechanism is functioning and is accessible to at-risk groups (e.g., women, adolescent girls, people with disabilities).</li><li>■ There have been discussions about GBVH risks related to the company's business activities with community leaders, women's groups, and community organizations.</li><li>■ The community engagement plan includes activities that are intended to promote the prevention of GBVH and improve the capacities of local organizations to respond to GBVH incidents.</li></ul> <p><i>GBVH risk management engagement activities applicable to supply chains:</i></p> <ul style="list-style-type: none"><li>■ Suppliers are asked to commit to the company's GBVH risk mitigation approach (as documented and communicated with its suppliers).</li><li>■ Discussions are held to share the company's position on GBVH and its commitment to prevention and a safe response to incidents.</li><li>■ Suppliers are aware of how to report an incident of GBVH that affects them, including any concern about a supply contract being linked to a request for sexual favors.</li></ul>



Corporate Governance Parameter	Good International Practices
	<p><i>GBVH risk management engagement activities for government agencies:</i></p> <ul style="list-style-type: none"><li>■ Discussions about community risks include GBVH.</li><li>■ The company understands the responsibilities of the government regarding GBVH prevention and support, as described in the law or national frameworks.</li><li>■ The company is familiar with the activities of local government agencies regarding GBVH prevention and supports in local communities.</li><li>■ The company shares its commitment to addressing GBVH risks with its stakeholders.</li></ul> <p><i>GBVH risk management engagement activities for non-government organizations:</i></p> <ul style="list-style-type: none"><li>■ Discussions about community risks include GBVH.</li><li>■ These organizations are included when developing GBVH policies and procedures, including community-based grievance mechanisms.</li><li>■ Mapping of GBVH service providers, including a quality assessment of services, is completed by a GBVH specialist, in consultation with community groups.</li><li>■ Partnerships are established with relevant organizations to help implement GBVH prevention actions and raise awareness of strategies for managing reports of GBVH.</li></ul>

## Glossary<sup>2</sup>

Consent	No means No. Yes means Yes. Consent is an agreement between participants to engage in sexual activity or enter marriage. Approval or assent must be given voluntarily and freely and cannot be provided by someone who is under the influence of drugs or alcohol or by someone underage. Consent is specific, meaning that consent to one act does not imply consent to any others, and reversible, meaning that it may be revoked at any time.
Domestic/family violence	Behavior by a family or kin member that causes physical, sexual, or psychological harm, including physical aggression, sexual coercion, psychological abuse, and controlling behaviors.
Discrimination	Any distinction, exclusion, or preference that is made based on a particular characteristic (such as race, sex, religion, sexual orientation, gender expression) and that impairs equality of opportunity and treatment (for example, in employment or occupation).
Gender	The behaviors, social attributes and outcomes for women, men, and gender-diverse persons. These behaviors, social attributes and opportunities are socially constructed in a culture or location. They are learned through gender socialization. They are context and time specific and changeable.
Gender equality	The state of equal access to resources and opportunities regardless of gender, including economic participation and decision making; and the state of valuing different behaviors, aspirations and needs equally, regardless of gender. Gender equality is the goal, not the process.
Gender equity	Treating all people, regardless of their gender, fairly. Gender equity is the process used to achieve the goal of gender equality. It sometimes means having to recognize that women do not share the same starting opportunities as men and responding to these differences to ensure gender equality can be achieved.
Gender inequality	How the differences constructed by societies between women and men translate into inequalities. The term does not refer only to women. Constructed differences in gender can also present inequalities for men and gender-diverse persons.
Gender-based violence (GBV)	An umbrella term for any harmful act that is perpetrated against a person's will and that is based on socially ascribed (i.e., gender) differences and the resulting unequal power relationships between men, women, and gender-diverse persons. It includes acts that inflict physical, sexual, or mental harm or suffering, threats of such acts, coercion, and other deprivations of liberty, including denial of economic resources or access to services. These acts can occur in public or in private. GBV can affect persons at any age across the lifespan. Across the globe, GBV disproportionately affects women and girls.

<sup>2</sup> Unless otherwise referenced, the terms and definitions used in this tip sheet are taken from the Good Practice Note (CDC, EBRD, IFC 2020) [Addressing Gender-Based Violence and Harassment: Emerging Good Practice for the Private Sector](#).

Grievance mechanisms (GM)	Accessible and inclusive processes that can be used by workers, community members, and service users to make complaints or report concerns. Such a system, process, or procedure receives and acts on complaints and suggestions in a timely fashion and facilitates resolution of concerns arising from a project. A GM that is suitable for reporting on incidents of GBVH should ensure the safety of survivors and prioritize their needs and wishes.
GBVH safeguarding	The organizational system to prevent harm or unethical behavior being perpetrated by individuals.
Sexual exploitation	Any actual or attempted abuse of a position of vulnerability, differential power, or trust for sexual purposes, including profiting monetarily, socially, or politically from the sexual exploitation of another.
Sexual abuse	The actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions. All sexual activity with children (as defined by the UN Convention on the Rights of the Child as any person under the age of 18) is sexual abuse, regardless of the local age of maturity or consent. Mistaken understanding of the age of a child is not a defense.
Sexual harassment	Any unwelcome sexual advances, request for sexual favors, verbal or physical conduct, or gesture of a sexual nature, or any other behavior of a sexual nature that might be reasonably expected or perceived to cause offence or humiliation to another when such conduct interferes with work; is made a condition of employment; or creates an intimidating, degrading, hostile, or offensive environment. Sexual harassment has the effect of violating the dignity of a person.
Survivor	A person who has experienced sexual exploitation, abuse, and/or harassment and survived. The terms "victim" and "survivor" are often used interchangeably. "Survivor" is the term generally preferred in the psychological and social support sectors because it implies resilience.
Violence and harassment	A range of unacceptable behaviors and practices, or threats thereof, whether a single occurrence or repeated, that aim to cause, result in, or are likely to result in physical, psychological, sexual, or economic harm, and includes gender-based violence and harassment.

### Further IFC ESG resources:

- [IFC Corporate Governance Methodology](#)
- [IFC Sustainability/GBVH](#)



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