

## EQUALITY IMPACT ASSESSMENT RECORD

<b>Title of policy/ practice/ strategy/ legislation etc.</b>	<i>Investing with Purpose: Scotland's Global Capital Investment Plan (GCIP)</i>	
<b>Minister</b>	Ivan McKee, Minister for Trade, Innovation and Public Finance	
<b>Lead official</b>	Judith Hill, Head of Capital Investment Policy	
<b>Officials involved in the EQIA</b>	<b>name</b>	<b>team</b>
	Michael Gallagher	Capital Investment Policy Team
	Claire McGrath	Capital Investment Policy Team
<b>Directorate: Division: Team</b>	Directorate for International Trade & Investment; Investment Finance Division; Capital Investment Policy Team	
<b>Is this new policy or revision to an existing policy?</b>	New policy.	

### Screening

#### ***Policy Aim***

Guided by our Vision for Trade, the GCIP is the final plan of the three policy pillars focused on internationalising the Scottish economy. Following on from our Inward Investment Plan and Export Growth Plan, it sets out how we will attract productive forms of private capital investment, in sufficient volumes, focused on creating the market conditions for an investment-led recovery; and doing so in a way which is consistent with our values.

The focus of the GCIP is on supporting economic recovery, and adopts an approach based on 'leading with opportunity' by identifying sectors in which there are opportunities for investment in Scottish businesses, projects and developments. The plan is a

high level strategic document that sets out our direction of travel and priorities for attracting private capital investment in support of our policy ambitions.

By changing how we use the combined efforts of the public sector ecosystem to harness private capital, we can increase the benefits of private capital investment to people, the environment and the economy in Scotland. Private capital investment brings both direct benefits such as jobs, including for those within protected groups, and also indirect or 'spill-over' benefits to the wider Scottish economy such as increased demand for Scottish businesses through local supply chains. The plan aims to capture more of these indirect benefits, as well as targeting investment in sectors that will support our journey towards inclusive, Net Zero, and sustainable economic growth.

Scotland has a reputation as a progressive, inclusive country with a clear set of values set out in the National Performance Framework, including around fair work and a Just Transition to net zero. These values will form the basis of our offering to capital investors. We know that there is a growing movement of 'impact' investors that are interested in environmental and social returns, as well as financial, who will form our target investors as focus shifts to delivery.

The GCIP contributes to the following National Outcomes: Economy, Fair Work and Business, International, Communities, Poverty, and Environment.

### ***Who will it affect?***

The GCIP will primarily apply to how the Scottish Government and its agencies attract and support private capital into Scotland's economy. It does not specifically target particular groups or sections of society. However, we are mindful of the three needs of the Public Sector Equality Duty - eliminate unlawful discrimination, harassment and victimisation; advance equality of opportunity between people who share a protected characteristic and those who do not; and foster good relations between people who share a protected characteristic and those who do not. Building an inclusive economy, and tackling inequalities, is a central theme of the GCIP. Equality legislation covers the protected characteristics of: age, disability, gender reassignment, gender including

pregnancy and maternity, race, religion and belief, and sexual orientation. The GCIP has the potential to affect everyone so the scope of this interim equality impact assessment (EQIA) is extended beyond the list of protected characteristics to include wider socio-economic considerations.

The focus on place will be particularly beneficial for responding to local economic needs and supporting the development of economic clusters and resilient local and regional economies. Through this approach, we will advance equity of opportunity with groups currently underrepresented through our target economic priority areas. We will seek to do this through specific actions, guidance and provisions within individual work streams within the plan.

The GCIP has four sectoral themes that are a focus of the plan: Low Carbon Transition, Health and Life Sciences, Digital and High Value Manufacturing, as areas that are most likely drivers of future economic demand in the economy. They are broad, and that is deliberate. Whilst the focus has to be on those sectors which can drive growth and recovery precisely because they are already strong, this approach leaves space for different sub-sectors to develop and come to the fore, for particular regional clusters of expertise to be brought out, and for the broader macro-economic and regulatory frameworks to change. Indeed this approach maximises the opportunity for localities and regions across all of Scotland to benefit from the GCIP's approach, thus expanding the potential opportunities for jobs for people closer to where they live, including for disabled groups where suitable transport links out of communities are lacking. However, as this plan seeks to mobilise private capital in support of our broader economic policy objectives, it will not be possible to attribute specific employment opportunities within a locality as a direct impact of GCIP's actions in isolation.

In 2018 Scotland as a whole had an employment rate of 74.1%, however, this rate changes when looking at different groups and different regions. Different regions in Scotland have different population characteristics, for example, urban areas are likely to have a higher proportion of ethnic minority people. It is also important to recognise that different regions have different challenges to be mindful of in policy development, for example, the public transport availability in rural areas. It is because of this that flexibility has

been built into the plan to reflect that different regions and different communities within those regions have different needs.

While we know from Gender Pay Gap reports that progress is being made, building a comprehensive evidence base will enable an understanding of how the Scottish Government in partnership with delivery bodies can work most effectively in the system to accelerate gender equality. There are also gender inequalities from the demand side - including relating to the proportion of women in start-ups and developers. As we develop our sectoral investment plans, we will work with policy colleagues covering each sector to support their plans for promoting gender equality based on the context and needs of each sector, and consider how investment can be used to promote gender equality.

The GCIP aims to focus on investment that supports employment creation and retention. We know that good quality jobs help support our inclusive growth ambitions, and in turn improve wellbeing. Private capital investment in innovative businesses and infrastructure can have an impact on wider social and government goals by, for example, improving digital connectivity and supporting health innovation. It will also play an important role in decarbonising our economy. The GCIP outlines how the wider investment eco-system in Scotland – including the mission driven approach of the Scottish National Investment Bank - aligns to support an economic recovery with fair work, inclusive growth and net zero emissions at its heart.

Private capital investment can provide opportunities to upskill workers for workplace advancement. For example, Macphie of Glenbervie, the UK's leading, independent food ingredients manufacturer, has delivered, through the investment in and adoption of renewable technology, increased automation and the implementation of quality management system. This investment in advanced manufacturing technology has allowed the company to reduce manual handling risk as well as upskilling by providing higher value-added jobs to the workforce.

The GCIP recognises that long-term investment plans have the potential to fundamentally re-orientate the economic prospects of local economies, drawing on local assets to develop a place-based vision for economic growth. Therefore, there may potentially be opportunities to advance equality, and to aid in closing

employment and wage gaps across each region of Scotland. Place-based investment delivers an alignment of resources from partners within a particular location, enabling them to do more together than they could apart, and offers the potential to create long-term, dedicated capacity that can aid local businesses in maintaining growth and economic activity into the future when external investment opportunities may not be forthcoming. This can in turn trigger new economic activity within an area, such as business start-ups or expansion.

Further, private capital investment helps boost productivity, create quality jobs, and enable improvements to our communities and infrastructure. The GCIP will work to harness the productive capacity of investment that brings inclusive economic growth, not capital extraction, and is aligned with our approach to Community Wealth Building. In order to do this, we need to have a robust and nuanced understanding of the different types of investors, how they invest and the impacts of their investment activity - both direct and the wider spill-over impacts to society and our environment.

Covid-19 has also brought into focus the close relationship between health, wellbeing and the economy. It has exposed jobs and industries within our society that are most vulnerable to economic shocks and has accelerated the need to transition to a wellbeing economy, highlighting in particular the imperative to upskill and re-skill our people to fulfil the roles of the future. The GCIP has been developed in response to these challenges and sets out an approach to support the rebuilding of our economy in a way that is fairer, greener and more resilient.

### ***What might prevent the desired outcomes being achieved?***

The impact of the GCIP will be informed by evidence provided following the implementation of its actions on Net Zero and Environment, Social and Governance (ESG); on the building of an investment pipeline; on regulations and incentives; on partnership with financial markets; and on the mobilisation of the Scottish Government's global networks.

Achieving the desired outcomes will be dependent on the successful implementation of these actions, which of course itself will be dependent upon and will involve a need for, businesses,

across industries and sectors, enterprise agencies and other public sector bodies, and local authorities to take action to adapt to the changes and responsibilities which may be placed on them by the GCIP's implementation.

Furthermore, as with all economic planning and governmental intervention, success may be hampered as a result of changes in economic cycles and national and global uncertainty as to the trajectory of economic indicators. The GCIP should therefore recognise that both unintended and indeed, expected economic difficulties may hamper the GCIP's ability to achieve its desired outcomes. The publishing of the GCIP will arrive following a year, 2020, where Scotland's Gross Domestic Product (GDP) reduced by over 10% and therefore expectations must be adjusted to make considerations for Scotland's weakened economic position.

It must be stressed that whilst the plan is committed to the promotion and recognition of the best types of future private investments as ones that meet ESG criteria, the impacts we see in these areas may take quite some time, potentially years, to materialise and the specifics of which will be dependent on circumstances not within governmental control. The GCIP therefore must be seen as one piece of the Scottish Government's overall strategy to improve ESG across all industries and types of investment, and should best be considered alongside the array of policy work being undertaken and developed across government.

## **Stage 1: Framing**

### ***Results of framing exercise***

To date, consultation has been undertaken with external experts in the form of a reference group for individuals experienced in the field of capital investment. This reference group has been utilised to ensure industry input to the GCIP, and opportunities around ethical and impact investment have been considered in detail, with a recognition that there is a growing movement of ethical investors that share our values and vision.

As we progress to delivery of actions, our engagement process will broaden to consider projects using a place-based approach. This will mean more local engagement with communities, drawing on Community Wealth Building and the Place Principle to guide our approach. During the development of GCIP, we have already engaged with Community Wealth Building colleagues to better understand how investment can benefit more communities in Scotland. Recognising this, as the plan moves forward into the actions phase, relevant consultation will be carried out to co-develop detailed plans to take forward actions, to ensure that a greater range of voices are shaping our investment policy and delivery.

During the development of GCIP, we engaged with an array of colleagues within Scottish Government working on equalities issues, which includes those working directly within the Directorate for Equality, Inclusion and Human Rights and colleagues responsible for equality implementation in other policy areas, for example within the Directorate for Economic Development. Our deliberations with these colleagues has led directly to the metric for Environmental Social Governance (ESG) that the plan will develop to assess progress to specifically cover environmental and socio-economic impacts.

Equality colleagues highlighted in particular the importance of aligning the GCIP with other Scottish Government policy initiatives that tackle equality issues, recognising that the GCIP is not equipped with the resources to unilaterally impact inequality, and the GCIP makes several references to its co-ordination with other plans and policy initiatives.

Work on and the exploration of equalities issues has led to GCIP promising the following:

- We will make Scotland's values a core part of our National Prospectus and our engagement with investors, making it clear that valuing our people, communities, and environment are core to our economic ambitions.
- Investment opportunities that we promote to market will be benchmarked against ESG investment criteria. We will enable the companies and projects we support to report climate-related disclosures in a standardised and transparent way with flows of ESG monitored via a new metric which will cover environmental and social impacts.
- We will build on existing ESG investment activity and work with Scotland's investment management industry, using events such as the Global Ethical Finance Festival to make Scotland a leading globally established hub for ESG investment.
- We will proactively engage with ESG investors and with sources of capital new to Scotland, such as green bonds, to help us achieve our Net Zero and Wellbeing ambitions.

### ***Extent/Level of EQIA required***

This EQIA is developed in regard to '*Investing with Purpose: Scotland's Global Capital Investment Plan*', which will be launched on 16 March 2021. The EQIA will focus on highlighting the recognition that has been given to equalities issues during the plan's development and of that which are included within the plan's policy document. This will include a recognition of any relevant equalities data that may provide a context for the environment the plan is operating within.

Further consideration of equality impacts may be required for the specific actions highlighted within the plan, in order to ensure sufficient time and consultation with relevant groups during the pre-implementation stages of each policy action.

Further evidence and data gathering should be undertaken to assess how the plan's policies impact on groups within the protected characteristics in order to support future policy development. As already indicated, the plan sets out an action to develop an ESG metric to assess criteria that align to the equality duty of eliminating discrimination, promoting equality of opportunity

and fostering good relations.

The GCIP also signals plans in development to continue to build an understanding of the capital investment, including on gender participation relating to both the demand and supply side of investment. Given that the GCIP has the potential to affect everyone this EQIA will include an evidence section that applies to all people in society and therefore all protected characteristics.

It must be noted that there are limitations to the EQIA in that a lack of available evidence means that it is not possible to comprehensively assess impacts, which will be market-dependent, on every group of protected characteristics.

Data is not the only limitation, as even with perfect data it is difficult to isolate the impact of one policy from other policies and changes. Additionally the plan is a high level strategic document, with the minute details of how the plan will be implemented not yet finalised and as such the impact of these details cannot yet be measured.

Furthermore, the data does not allow us to measure impacts based on intersectionality. For example it is known that women on average are paid less than men, disabled people on average are paid less than non-disabled people and ethnic minorities on average are paid less than white people (these groups also have lower employment rates than the national average) but the ways in which different characteristics intersect and shape economic prospects are unknown.

Recognising the GCIP's limitations in isolation, the Plan must therefore must be seen as one piece of the Scottish Government's overall strategy to promote equality across all industries and types of investment, and should best be considered alongside the array of policy work being undertaken and developed across government. These include but are not limited to structural investment in City Region and Growth Deals, including those with specific stipulations to expand the presence of protected characteristic groups in certain sectors, for example, the Energy Transition Zone as part of the Aberdeen & North East Growth Deal which stipulates the creation of 8000 jobs across Scottish Government investment, with a focus on youth, sex, ethnicity, disability and localism, and specifically on women in Science,

Technology, Engineering, Mathematics (STEM) accelerator programmes.

## Stage 2: Data and evidence gathering, involvement and consultation

Include here the results of your evidence gathering (including framing exercise), including qualitative and quantitative data and the source of that information, whether national statistics, surveys or consultations with relevant equality groups.

Characteristic <sup>1</sup>	Evidence gathered and Strength/quality of evidence	Source	Data gaps identified and action taken
<b>AGE</b>	<p>[Additional evidence located in 'EVIDENCE IN RELATION TO GEOGRAPHY' section]</p> <p>Poverty Rate amongst all children, Scotland 2016-19<sup>2</sup>: 24%</p>	<p>'Poverty and Income Inequality in Scotland 2016-19', 2020 (Scottish Government)</p>	<p>As the GCIP develops, efforts should be made to identify which age groups benefit from private capital investment.</p> <p>Investment opportunities that we promote to market will be benchmarked against ESG investment criteria. We will enable the companies and projects we support to report climate-related disclosures in a standardised and transparent way with flows of ESG monitored via a new metric which will cover environmental and social impacts.</p>
<b>DISABILITY</b>	<p>[Additional evidence located in 'EVIDENCE IN RELATION TO GEOGRAPHY' section]</p> <p>Poverty Rate amongst disabled people, Scotland 2016-19<sup>3</sup>: 23%</p>	<p>'Poverty and Income Inequality in Scotland 2016-19', 2020</p>	<p>As the GCIP develops, efforts should be made to identify how disabled people benefit from private capital investment.</p> <p>Investment opportunities that we promote to market will be</p>

<sup>1</sup> Refer to Definitions of Protected Characteristics document for information on the characteristics

<sup>2</sup> <https://www.gov.scot/publications/poverty-income-inequality-scotland-2016-19/>

<sup>3</sup> <https://www.gov.scot/publications/poverty-income-inequality-scotland-2016-19/>

		(Scottish Government)	benchmarked against ESG investment criteria. We will enable the companies and projects we support to report climate-related disclosures in a standardised and transparent way with flows of ESG monitored via a new metric which will cover environmental and social impacts.
<b>SEX/GENDER</b>	In 2018, the British Private Equity & Venture Capital Association (BVCA) reported that only 6% of senior investment professionals in the UK are women, with 15% of mid-level roles (Directors, Principals, VPs, etc.) and 27% of junior roles (Associates, Analysts, etc.) filled by women <sup>4</sup> . Overall, BCVA reported that only 14% of investment professionals in the UK are women <sup>5</sup> .	'Women in Private Equity', 2018 (BCVA)	<ul style="list-style-type: none"> <li>The GCIP signals plans in development to build our understanding of gender participation relating to both the demand and supply side of investment. Building a comprehensive evidence base will enable an understanding of how the Scottish Government in partnership with delivery bodies can work most effectively in the system to accelerate gender equality. As we develop our sectoral investment plans, we will work with policy colleagues covering each</li> </ul>

<sup>4</sup> <https://www.bvca.co.uk/Portals/0/Documents/Research/2018%20Reports/BVCA-Women-in-PE-Report-2018.pdf?ver=2018-05-23-141953-723&timestamp=1527081597528>

<sup>5</sup> <https://www.bvca.co.uk/Portals/0/Documents/Research/2018%20Reports/BVCA-Women-in-PE-Report-2018.pdf?ver=2018-05-23-141953-723&timestamp=1527081597528>

	<p>One of the economic priority areas of the GCIP is Life Sciences. With the exception of Physical Sciences, women outnumber men in all of the Life Science subjects at undergraduate and postgraduate levels in Scottish Higher Education Institutions<sup>6</sup>.</p> <p>2018 data indicated that while the general Life Science framework had 32 female apprentices and 25 males, the Aquaculture framework had 10 times as many male apprentices (60) than female (6)<sup>7</sup>.</p> <p>Despite the numbers graduating with a Life Science qualification, women only make up around 10% of senior scientists in UK universities, government labs, public science bodies and industry<sup>8</sup>.</p> <p>While women make up 44.5% of Life Sciences Academics, only 20% of Life Science Professors are female and only 13.9% of Senior Managers are women. When it comes to earning power women</p>	<p>'Enrolments by subject of study 2017/18', 2019 (Higher Education Statistics Agency)</p> <p>Skills Development Scotland, 2018</p> <p>SCI Sisters Network</p> <p>Scottish Funding Council</p>	<p>sector to support their plans for promoting gender equality based on the context and needs of each sector, and consider how investment can be used to promote gender equality.</p> <ul style="list-style-type: none"> <li>The House of Commons Women and Equalities Committee has called on the UK to Treasury provide Equality Impact Assessments for the UK Government's Industrial Strategy and 'New Deal', and has noted that these should include a Gender Beneficiary Assessment of investments from the industrial strategy to date, including receipts of grants, gender occupational composition of companies operating infrastructure contracts, innovation grants and training participants and</li> </ul>
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<sup>6</sup> Higher Education Statistics Agency 'Enrolments by subject of study 2017/18'

<sup>7</sup> SDS 2018 <https://www.skillsdevelopmentscotland.co.uk/publications-statistics/statistics/modern-apprenticeships/?page=1&statisticCategoryId=4&order=date-desc>

<sup>8</sup> Sci Sisters [www.chemicalimbalance.ed.ac.uk/scisister](http://www.chemicalimbalance.ed.ac.uk/scisister) [Accessed February 2021]

	<p>make up only 29% of staff in the level 6 salary group.</p> <p>It is estimated that doubling the numbers of women participating in STEM careers could be worth up to £170 million to the Scottish economy annually<sup>9</sup>.</p> <p>A report published in the journal Elsevier highlighted that research teams with more diversity and a wider representation of social groups tended to generate more original ideas due to the variety of perspective present: ‘Diversity adds to the collective intelligence of a research group, and not only enhances creativity, but also provides new contexts for understanding the societal relevance of the research itself’<sup>10</sup>.</p> <p>The GCIP is being published in the wake of an economic crisis where Scotland’s economy shrunk by over 10% in GDP in 2020. The current economic crisis has been brought about as a result of the COVID-19 pandemic, and the GCIP recognises the importance of a recovery that is fair for everyone and also the inherent challenges existing in delivering such a recovery that is embedded in equality.</p>	<p>‘Tapping all our Talents’, 2012 (The Royal Society of Edinburgh)</p> <p>Elsevier, 2017</p>	<p>outcomes<sup>14</sup>. The introduction of a form of Gender Beneficiary Assessment should be considered for future private capital investments as another mechanism of assessing impact on gender.</p> <ul style="list-style-type: none"> <li>• It has been recognised that the four priority economic theme industries highlighted in the GCIP employ significantly more men than women. Moving forward, considerations should be given to how this balance can be redressed, including via the potential support of local skills plans or similar initiatives to increase the number of women engaged in these industries.</li> </ul>
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<sup>9</sup> [http://www.rse.org.uk/wp-content/uploads/2016/09/Tapping-talents-report\\_FINAL.pdf](http://www.rse.org.uk/wp-content/uploads/2016/09/Tapping-talents-report_FINAL.pdf)

<sup>10</sup> Gender in the Global Research Landscape; Analysis of research performance through a gender lens across 20 years, 12 geographies, and 27 subject areas (2017)

<sup>14</sup> <https://committees.parliament.uk/publications/4597/documents/46478/default/>

	<p>In relation to Coronavirus and its gendered economic impact, the House of Commons Women and Equalities Committee recently published a report<sup>11</sup> where they noted:</p> <ul style="list-style-type: none"> <li>• Investment plans that are skewed towards male-dominated sectors have the potential to create unequal outcomes for men and women, exacerbating existing inequalities.</li> <li>• Women are traditionally under-represented in sectors that have been singled out for UK Government investment, such as science, technology, engineering and maths (STEM) and construction.</li> <li>• A reliable and affordable childcare system is a prerequisite of a gender equal economy and a gender equal recovery from the pandemic and that a chronic lack of investment has resulted in long-standing workforce and financial challenges for the UK early years sector.</li> <li>• Many childcare providers were vulnerable to the economic turmoil generated by the pandemic and given that women make up the vast majority of the childcare workforce, and that mothers continue to bear the main responsibility for childcare, there is a clear gendered impact.</li> </ul> <p>Within 'Health and Life Sciences', exist Sustainable Chemicals and Biotechnology. Average wages in this area are higher than the Scottish average and</p>	<p>'Unequal impact? Coronavirus and the gendered economic impact', 2021 (House of Commons Women &amp; Equalities Committee)</p> <p>Scottish Government, 2020</p>	
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<sup>11</sup> <https://committees.parliament.uk/publications/4597/documents/46478/default/>

	<p>this holds true for both men and women. While there is a gender pay gap<sup>12</sup> within the sector (21.7%) the average pay for women is actually higher than the overall average pay for men. Women and people from Ethnic Minorities make up approximately 30% and 1.6% of all workers within the sector which is below the Scottish average of 48.3% and 3.7%.</p> <p>Within 'Digital', exists Digitally Enabled Financial Services. Average wages in this area are higher than the Scottish average and this holds true for both men and women. The gender paygap within this area is 33.7% which is higher than the overall Scottish gender pay gap (15.6%). However on average women working in this area are paid approx £2/hour more than the Scottish average wage for women. Women and people from Ethnic Minorities make up approximately 46.2% and 4.8% of all workers within the sector, this is slightly below the Scottish average for women but higher than the Scottish average for Ethnic Minorities (3.7%).</p> <p>Within 'Digital' exists Software and IT. Average wages in this area are higher than the Scottish average and this holds true for both men and women. The gender paygap within this area is 24.6% which is higher than the overall Scottish gender pay gap (15.6%). However on average women working in this area are paid more than the Scottish average wage for men. Women make up approximately 25.5% all workers within the sector, this is below the Scottish average.</p>	<p>Scottish Government, 2020</p> <p>Scottish Government, 2020</p>	
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<sup>12</sup> Data presented in this EQIA in relation to pay gaps is drawn from the ASHE Survey 2018 on average hourly pay 2018.

	<p>Within 'Digital' exists Digitally Enabled Business Services. Average wages in this area are higher than the Scottish average and this holds true for both men and women. The gender paygap within this area is 16.8% which is slightly higher than the overall Scottish gender pay gap (15.6%). Although the average pay in this area is higher than Scottish average pay, women in this area are still paid on average less than the Scottish average pay for men. Women and Ethnic Minorities make up approximately 44.8% and 2.5% all workers within the sector, this is below the Scottish average.</p> <p>Average wages in Low Carbon Transition are higher than the Scottish average and this holds true for both men and women. The gender paygap within this area is 26.6% which is higher than the overall Scottish gender pay gap (15.6%). However on average women working in this area are paid more than the Scottish average wage for women. Women and people from Ethnic Minorities make up approximately 23.3% and 1.3% of all workers within the sector, this is below the Scottish average for both.</p> <p>Within 'Low Carbon Transition', is the 'Decarbonisation of Transport' sector. Average wages in this area are higher than the Scottish for women but slightly below the Scottish average for Men. The gender paygap within this area is 1.9% which is much lower than the overall Scottish gender pay gap (15.6%). Women make up approximately 18.7% of all workers within the sector, this is much below the Scottish average. Jobs in this area on</p>	<p>Scottish Government, 2020.</p> <p>Scottish Government, 2020</p> <p>Scottish Government, 2020</p>	
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	<p>average pay above the Scottish average for women and a small number of them are high skilled (16.7% are either high or high-medium).</p> <p>With 'High Value Manufacturing', exists the Space sector. Average wages in this area are higher than the Scottish average and this holds true for both men and women. The gender paygap within this area is 16.8% which is slightly higher than the overall Scottish gender pay gap (15.6%).</p> <p>Poverty Rate amongst female lone parents, Scotland 2016-19<sup>13</sup>: 39%</p>	<p>Scottish Government, 2020</p> <p>Scottish Government, 2020</p>	
<p><b>PREGNANCY AND MATERNITY</b></p>	<p>The GCIP is being published in the wake of an economic crisis where Scotland's economy shrunk by over 10% in GDP in 2020. The current economic crisis has been brought about as a result of the COVID-19 pandemic, and the GCIP recognises the importance of a recovery that is fair for everyone and also the inherent challenges existing in delivering such a recovery that is embedded in equality.</p> <p>In relation to Coronavirus and its economic impact on pregnant women and those on maternity, the House of Commons Women and Equalities Committee recently published a report<sup>15</sup> where they noted:</p>		<p>During the development of GCIP's actions, it, alongside SG policy initiatives as a whole, should take care to be mindful of and seek to prevent potentially unlawful and discriminatory practices towards pregnant women and those on maternity during economic recovery, where it is possible to influence.</p>

<sup>13</sup> <https://www.gov.scot/publications/poverty-income-inequality-scotland-2016-19/>

<sup>15</sup> <https://committees.parliament.uk/publications/4597/documents/46478/default/>

	<ul style="list-style-type: none"> <li>• Evidence detailing potentially unlawful and discriminatory practices towards pregnant women and those on maternity leave during the pandemic.</li> <li>• The UK Government must act now to prevent further discrimination, particularly as we enter a time of potentially unprecedented job losses, to which pregnant women and new mothers may be particularly vulnerable.</li> </ul>		
<b>GENDER REASSIGNMENT</b>	We are not aware of any relevant existing evidence at this time on gender reassignment in relation to the policy.		It should be considered what types of evidence can be gathered in relation to gender reassignment and private capital investment, bearing in mind privacy and data collection concerns.
<b>SEXUAL ORIENTATION</b>	We are not aware of any relevant existing evidence at this time on sexual orientation in relation to the policy.		It should be considered what types of evidence can be gathered in relation to sexual orientation and private capital investment, bearing in mind privacy and data collection concerns.
<b>RACE</b>	<p>Within 'Health and Life Sciences', exist Sustainable Chemicals and Biotechnology. People from Ethnic Minorities make up approximately 1.6% of all workers within the sector which is below the Scottish average of 3.7%.</p> <p>Within 'Digital', exists Digitally Enabled Financial Services. People from Ethnic Minorities make up approximately 4.8% of all workers within the sector, higher than the Scottish average (3.7%).</p>	<p>Scottish Government, 2020</p> <p>Scottish Government, 2020</p>	<p>As the GCIP develops, efforts should be made to identify how race groups benefit and or are impacted as a result of private capital investment.</p> <p>Investment opportunities that we promote to market will be benchmarked against ESG investment criteria. We will</p>

	<p>Within 'Digital' exists Digitally Enabled Business Services. People from Ethnic Minorities make up approximately 2.5% all workers within the sector, this is below the Scottish average.</p> <p>People from Ethnic Minorities make up approximately 1.3% of all workers within the Low Carbon Transition sector, this is below the Scottish average for both.</p> <p>Within 'Low Carbon Transition', is the 'Decarbonisation of Transport' sector. Ethnic Minorities make up 5.3% of all workers which is above the Scottish average.</p> <p>Poverty Rates amongst different social groups, Scotland 2016 -19<sup>16</sup>:</p> <ul style="list-style-type: none"> <li>• White Scots – 19%</li> <li>• Asian Scots – 39%</li> <li>• Black Scots – 38%</li> </ul>	<p>Scottish Government, 2020.</p> <p>Scottish Government, 2020</p> <p>Scottish Government, 2020</p> <p>'Poverty and Income Inequality in Scotland 2016-19', 2020 (Scottish Government)</p>	<p>enable the companies and projects we support to report climate-related disclosures in a standardised and transparent way with flows of ESG monitored via a new metric which will cover environmental and social impacts.</p>
<b>RELIGION OR BELIEF</b>	<p>Poverty Rate amongst Muslims, Scotland 2016-19<sup>17</sup>: 49%</p>	<p>'Poverty and Income Inequality in Scotland 2016-19', 2020 (Scottish Government)</p>	<p>It should be considered what types of evidence can be gathered in relation to religion or belief and private capital investment, bearing in mind</p>

<sup>16</sup> <https://www.gov.scot/publications/poverty-income-inequality-scotland-2016-19/>

<sup>17</sup> <https://www.gov.scot/publications/poverty-income-inequality-scotland-2016-19/>

			privacy and data collection concerns.
<b>MARRIAGE AND CIVIL PARTNERSHIP</b> (the Scottish Government does not require assessment against this protected characteristic unless the policy or practice relates to work, for example HR policies and practices - refer to Definitions of Protected Characteristics document for details)	N/A	N/A	N/A
<b>EVIDENCE ASSOCIATED WITH ALL OF SOCIETY</b>	Capital investment can provide opportunities to upskill workers for workplace advancement. For example, Macphie of Glenbervie, the UK's leading, independent food ingredients manufacturer, has delivered, through the investment in and adoption of renewable technology, increased automation and the implementation of quality management system. This investment in advanced manufacturing technology has allowed the company to reduce manual handling risk as well as upskilling by providing higher value-added jobs to the workforce.	Macphie of Glenbervie	

	<p>Estimates by Oxford Economics in 2015 found that firms with angel and venture investment backing contributed around £30bn to UK GDP with around half of the GDP impact accounted for by “indirect” channels such as supply chain impacts<sup>18</sup>. Increased GDP means higher tax contributions, and can therefore contribute to an array of policy initiatives to help those in the protected characteristic groups.</p> <p>There is evidence that the creation of high-skilled jobs has a knock-on effect by also creating jobs at other skill levels. A report produced by the Resolution Foundation<sup>19</sup> analysing the effect that growth in Advanced Industries had on the labour market estimated that the creation of additional advanced industry jobs resulted in the creation of further non-tradable service sector jobs, finding that for every 10 additional jobs created in advanced industry, an additional 6 non-tradeable roles were also created, 4 of which were filled by workers with relatively low levels of formal education.</p>	<p>‘THE CONTRIBUTION TO THE UK ECONOMY OF FIRMS USING VENTURE CAPITAL AND BUSINESS ANGEL FINANCE’, 2015 (Oxford Economics)</p> <p>‘A rising tide lifts all boats?’, 2017 (Resolution Foundation)</p>	
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<sup>18</sup> <https://www.bvca.co.uk/Portals/0/Documents/Research/TIN/Angel-and-VC-users-economic-impact-report.pdf>

<sup>19</sup> <https://www.resolutionfoundation.org/app/uploads/2017/07/A-rising-tide-lifts-all-boats.pdf>

	<p>The benefits of spill-over benefits to the wider Scottish economy can be illustrated by LifeScan, a company in the life sciences sector, based in Inverness. LifeScan is an accredited living wage employer and has recently embedded itself in the local skills market, nurturing and supporting local talent through partnership with schools, via its Bridge to Employment initiative and STEM Ambassadors, and with Inverness College as a delivery partner in its training academy. LifeScan has been an engine for growth in the life sciences cluster of the Highlands, both with direct employment as well as with staff who were previously employed creating their own spin out firms, some of which are now themselves receiving specific equity investment and achieving growth. LifeScan has played an important role in supporting our response to the COVID-19 pandemic, by assisting a consortium of Inverness companies working to produce face shields for health workers. LifeScan highlights the positive impact investment can have on a local economy and specifically highlights the ways in which spill-over benefits can support employment opportunities and help tackle inequality.</p> <p>The Equality and Human Rights Commission confirmed recently that certain groups have been more negatively affected by the COVID-19</p>	<p>LifeScan</p> <p>'How coronavirus has affected equality</p>	
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	<p>pandemic than others, including young people, older people, disabled people and ethnic minorities<sup>20</sup>. The plan promotes recovery in a way that supports transition to a more resilient, inclusive economy</p> <p>Research has shown that low skilled workers can see a negative impact on wages as a result of Foreign Direct Investment, however as this plan does not target low skill, low paid jobs it is expected that impacts in this area will be minimal.</p>	<p>and human rights', 2020 (Equality and Human Rights Commission)</p> <p>Scottish Government, 2020</p>	
<p><b>EVIDENCE IN RELATION TO GEOGRAPHY</b></p>	<p>Socio economic inequality interacts strongly with identity. Many “minority” groups in Scotland experience far higher levels of relative poverty than others. Whilst some of these may be concentrated in our most deprived areas– for example disabled people and lone parents – many others are dispersed across our towns and cities.</p> <p>The most recent <a href="#">Long-term Monitoring of Health Inequalities</a> report (January 2021) finds that</p> <ul style="list-style-type: none"> <li>• <b>Healthy Life Expectancy</b> - is lower for those living in the most deprived areas than for those living in the least deprived areas. In 2017-2019 males in the most deprived areas were, on average, expected to live 26.0 fewer years in good health than those in the least deprived areas (47.0 years vs 73.0 years). Females in the most deprived areas were, on</li> </ul>	<p>'Long-term Monitoring of Health Inequalities', 2021 (Scottish Government)</p>	

<sup>20</sup> [https://www.equalityhumanrights.com/sites/default/files/equality\\_and\\_human\\_rights\\_commission\\_how\\_coronavirus\\_has\\_affected\\_equality\\_and\\_human\\_rights\\_2020.pdf](https://www.equalityhumanrights.com/sites/default/files/equality_and_human_rights_commission_how_coronavirus_has_affected_equality_and_human_rights_2020.pdf)

average, expected to live 22.1 fewer years in good health than those in the least deprived areas (49.5 years vs 71.6 years). This equates to people in the most deprived areas living 2/3rds of lives in good health compared to 4/5ths of the those in the least deprived areas.

**Ayrshire**

This region consists of 3 local authorities, East Ayrshire, North Ayrshire and South Ayrshire. Even within themselves their employment and population statistics differ. Ayrshire accounts for 6.8% of Scotland's population. While all 3 LA's are below the Scottish employment rate of 74.1%, East Ayrshire has the lowest employment rate at 68.8%. Interestingly South Ayrshire has lowest employment rate for men (71.3%), but the highest for Women (68.7%), meaning that within this region it has the smallest Gender employment gap. All 3 LA's have lower than the national average employment rate for 16-24 year olds and disabled people. Individual LA level data is not available for Ethnic Minority employment but the region overall has a rate of 61.4% which is above the national average of 55.4%.

This region has a higher than average percentage of single parent families and people with a limiting long-term health condition. Out of the three local

Scottish Government,  
2020

authorities in this region 2 of them have an above average number of people with no access to a car.

**Edinburgh and the Lothians**

4 LA's make up this region of Scotland, City of Edinburgh, East Lothian, Midlothian and West Lothian. This region accounts for 16.6% of Scotland's population. West Lothian has slightly lower employment rates for women and disabled people (69.7% and 45.5%) when compared to the national average for those groups (70.3% and 45.5%). Apart from these exceptions each of the LA's had above average employment rates across all of the measured equality groups. Within this region the largest gender-pay gap is in West Lothian (12.6%) however this is still lower than the overall Scottish gender-pay gap of 15.6%. In West Lothian average wages are lower than the national average for both Men and Women. Across the other LA's average wages are higher than the national average for both Men and Women, the single exception to this is Men in Midlothian have a slightly lower than average hourly wage.

Out of the 4 LA's in this region West Lothian is the only one to have above average number of people with limiting long-term health conditions – it is also this LA that has below average employment rates for disabled people. Edinburgh has a higher than average number of people with no access to a car but they're also more satisfied with public transport, Edinburgh also has a higher than average number of Ethnic Minority people. The other LA's have lower

Scottish Government,  
2020

than average number of people with no access to a car and in West Lothian only 50% of are very or fairly satisfied with public transport.

**Glasgow City**

Glasgow City is the most populous LA in Scotland on its own it accounts for 11.6% of the Scottish population. Glasgow performs below average for employment rates across all groups and also on hourly wages for both Men and Women. The gender pay gap in Glasgow is 14.6% which is slightly less than the national pay gap. Glasgow has a higher than average proportion of Ethnic minority people and also single parent families. There are fewer than average people living in Glasgow with limiting long-term health conditions.

**Highlands and Islands**

This region comprises 6 LAs, Highlands, Shetland, Orkney, N h-Eileanan Siar, Moray and Argyll & Bute, together they account for 9% of the population with almost half of the people living in the Highlands LA.

Moray has below average employment overall and specifically for women and disabled people, its employment rates are above average for men and 16-24 year olds. N h-Eileanan Siar also has below average employment rates for disabled people, but their employment rates across the their groups are above average. All other LAs perform above

Scottish Government,  
2020

Scottish Government,  
2020

average on employment rates across all groups, apart from Shetland which we do not have data for 16-24 year olds.

Hourly wages are above average for women in Highlands, Shetland and N h-Eileanan Siar, for men in Shetland and Orkney and overall in Shetland. They are below average across the other LAs. Argyll & Bute, Moray, Orkney and Shetland all have higher than average gender pay gaps, the largest being Orkney with a pay gap of 33.9%. Highlands LA have a slightly lower than average gender pay gap of 13.2% but unusually Na h-Eileannan Siar has a negative gender pay gap (albeit very small) meaning that on average women are actually paid more than men in this LA (-1.6%), this is the only LA in Scotland with a negative gender pay gap.

Highlands and Islands have a below average number of people with no access to a car, and excluding Argyll and Bute they also have a below average proportion of people who are satisfied with public transport. Shetland, Orkney and Highland all have an above average proportion of people living with limiting long-term health conditions; Argyll & Bute, N h-Eileanan Siar, and Moray all have below average.

**Lanarkshire**

This region comprises of North and South Lanarkshire, it is home to 12.1% of Scotland's population.

North Lanarkshire has below average employment rates for Men and Disabled people but across other groups they are above average. South Lanarkshire has above average employment rates across all groups. North Lanarkshire has below average Hourly wages for both Men and Women, South Lanarkshire has below average hourly wages for Women but above average for men. Both LA's have above average gender pay gaps, with South Lanarkshire having the largest of 20.6%.

In terms of equalities data both LA's show similar patterns, both have below average proportions of Ethnic minority people, above average numbers of single parents, above average proportions dissatisfied with public transport and above average numbers of adults living with limiting long-term health conditions. In North Lanarkshire almost 60% of adults are counted in quintiles 1 and 2 of the Scottish Index of Multiple Deprivation, meaning they are among the most deprived households in Scotland. South Lanarkshire is closer to the Scottish average with slightly fewer people in quintile 1 and slightly more in quintile 2. Neither LA has above average numbers of people in the top 2 quintiles.

Scottish Government,  
2020

Scottish Government,  
2020

**Mid-Scotland and Fife**

5 LA's make up this region; Clackmannanshire, Falkirk, Fife, Perth & Kinross and Stirling, together that account for 15.2% of the Scottish population.

Perth & Kinross has above average employment rates for all groups, Fife is above average for all groups except women and Falkirk is above average for all groups except disabled people. Clackmannanshire is below average for Women and Disabled people, and Stirling is below average for all groups except 16-24 year olds and Ethnic minorities (although this data is only available at a regional level).

Hourly earnings is also a bit mixed within the region, Stirling has above average hourly earnings for both men and women, Fife and Clackmannanshire have below average earnings for both men and women. Perth & Kinross are below average for women and Falkirk is below average for men. Falkirk is the only LA in this region with a below average gender pay gap. The largest gender pay gap is in Clackmannanshire (23.7%).

Falkirk, Perth & Kinross and Stirling all have below average numbers of people living with limiting long-term health conditions, Fife and Clackmannanshire both have above average numbers. All 5 LA's have

above average levels of dissatisfaction with public transport and also below average numbers of people with no access to a car. Stirling, Fife and Clackmannanshire have above average numbers of single parents. Fife and Stirling both have below average numbers of ethnic minorities, unfortunately full data is not available for the other LA's but they do have above average percentages of White Scottish and White British people so they will also have below average ethnic minorities.

Falkirk and Fife are very close to an average spread of people across the different levels of deprivation measured by the SIMD. Clackmannanshire has a slightly higher proportion in the bottom 2 quintiles but a lower proportion in the top 2 quintiles. Perth & Kinross and Stirling both have lower than average in the bottom 2 quintiles and higher than average in the top 2 – in Perth and Kinross 2 thirds of people are counted among the 2 least deprived quintiles.

**South Scotland**

South Scotland comprises of Scottish Borders and Dumfries & Galloway, it makes up 4.8% of the population.

South Scotland has above average employment for Ethnic Minorities but below average for Women and 16-24 year olds. Across the other groups of Men and disabled people, Scottish Borders have above average rates whereas Dumfries and Galloway have below average rates.

Scottish Government,  
2020

	<p>Both LA's have below average hourly wages for both men and women, they also both have below average gender pay gaps with Dumfries and Galloway being the lowest at 10%.</p> <p>South Scotland has a higher than average number of people living with limiting long-term health conditions, above average dissatisfaction with public transport and below average numbers of people with no access to a car. Both LA's have below average percentages of single parents and above average numbers of White Scottish and White British people, suggesting a lower than average percentage of Ethnic Minorities. Both LA's follow a similar pattern when looking at the SIMD. Both have below average numbers of people in the bottom 2 and the very top quintiles, with the majority of people being in quintiles 3 and 4.</p> <p><b><u>The North East</u></b></p> <p>This region consists of 4 LA's; Aberdeen, Aberdeenshire, Dundee and Angus, and it is home to 13.8% of the population.</p> <p>Aberdeenshire is the only LA in this region that has above average employment rates for all groups, Dundee has below average rates for all groups (except ethnic minorities which is measured at a regional level). Angus has below average employment rates for Men but are above average in all other groups. Aberdeen is below average for women and 16-24 year olds.</p>	Scottish Government, 2020	
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Dundee has below average hourly wages for both men and women, Aberdeen and Angus are below average for women whereas Aberdeenshire is below average for men. Aberdeenshire and Dundee both have a smaller than average gender pay gap with Aberdeenshire being the smallest at 3.7%. Aberdeen and Angus both have above average gender pay gaps with Angus being the largest at 18%.

Angus and Dundee both have above average numbers of people living with limiting long-term health conditions, Dundee has the second highest proportion in Scotland (33%, South Ayrshire 33.6%). Aberdeenshire has a higher than average dissatisfaction with public transport, this LA also has the lowest percentage of people with no access to a car. Dundee has the highest proportion of people with no access to a car 39.8%.

Angus is the only LA within this region that has a higher than average percentage of single parents. Aberdeen has a higher than average number of Ethnic Minorities and Dundee has above average for White Polish, White other and Asian but below average for all other ethnic groups.

Aberdeen, Aberdeenshire and Angus all have below average numbers of people within the bottom 2 quintiles of the SIMD, and higher than average number of people in the top 2 quintiles. Dundee is the inverse of this, they have a higher than average number of people in quintiles 1 and 2 and a lower than average number of people in quintiles 4 and 5.

	<p><b><u>West Scotland</u></b></p> <p>This region consists of 5 LA's; East Renfrewshire, Renfrewshire, Inverclyde, East Dunbartonshire, and West Dunbartonshire. These LA's make up 10.1% of the population.</p> <p>This region has higher than average employment rates for Ethnic minorities. East Dunbartonshire is the only LA in the region to have above average employment for all groups. East Renfrewshire is the only LA to have below average employment for 16-24 year olds and West Dunbartonshire is the only LA to have below average employment for Women. Disabled people have below average employment in Renfrewshire, Inverclyde and West Dunbartonshire. Men have below average employment in all LA's except East Dunbartonshire.</p> <p>Hourly wages are above average for men and women in East Renfrewshire and East Dunbartonshire, they are below average for men and women in Inverclyde and West Dunbartonshire. Renfrewshire has above average wages for men but below average for women. In this region the gender pay gap ranges from 7.3% in Inverclyde to 30.3% in East Renfrewshire.</p> <p>East Dunbartonshire and East Renfrewshire both have below average percentages of people living with limiting long-term health conditions. West Dunbartonshire is close to the national average and</p>	<p>Scottish Government, 2020</p>	
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	<p>Renfrewshire and Inverclyde are both above the average. All LA's across this region have lower than average rates of dissatisfaction with public transport. Inverclyde, Renfrewshire and West Dunbartonshire all have above average proportions of people with no access to a car.</p> <p>Inverclyde, Renfrewshire and West Dunbartonshire have higher than average percentages of single parents. West Dunbartonshire, Inverclyde and Renfrewshire all have higher than average proportions of people in the lowest 2 quintiles of the SIMD. Inverclyde has the highest percentage in Scotland of people in the lowest quintile. East Dunbartonshire and East Renfrewshire both have above average percentages of people in the highest 2 quintiles. East Renfrewshire has the highest percentage of people in Scotland within the highest quintile.</p>		
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### Stage 3: Assessing the impacts and identifying opportunities to promote equality

Having considered the data and evidence you have gathered, this section requires you to consider the potential impacts – negative and positive – that your policy might have on each of the protected characteristics. It is important to remember the duty is also a positive one – that we must explore whether the policy offers the opportunity to promote equality and/or foster good relations.

#### Do you think that the policy impacts on people because of their age?

Age	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination, harassment and victimisation	X			Whilst 'Age' is not specifically targeted within the GCIP, the GCIP's commitment to ESG and Fair Work considerations, commitments highlighted elsewhere in this document, are designed to deliver positive impacts for all members in society, including different age groups.
Advancing equality of opportunity	X			
Promoting good relations among and between different age groups			X	

#### Do you think that the policy impacts disabled people?

Disability	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination, harassment and victimisation			X	Whilst 'Disability' is not specifically targeted within the GCIP, the GCIP's commitment to ESG and Fair Work considerations, commitments highlighted elsewhere in this document, are designed to deliver positive impacts for all members in society, including disabled people.

Advancing equality of opportunity	X			Private capital investment into housing may potentially have strong social impacts on disabled people, with homes designed to suit specific needs. Focusing on digital as a sectoral theme may support flexible working opportunities that could positively impact disabled people.
Promoting good relations among and between disabled and non-disabled people			X	Whilst 'Disability' is not specifically targeted within the GCIP, the GCIP's commitment to ESG and Fair Work considerations, commitments highlighted elsewhere in this document, are designed to deliver positive impacts for all members in society, including disabled people.

**Do you think that the policy impacts on men and women in different ways?**

<b>Sex/Gender</b>	<b>Positive</b>	<b>Negative</b>	<b>None</b>	<b>Reasons for your decision</b>
Eliminating unlawful discrimination			X	Whilst 'Sex/Gender' is not specifically targeted within the GCIP, the GCIP's commitment to ESG and Fair Work considerations, commitments highlighted elsewhere in this document, are designed to deliver positive impacts for all members in society, including all sex/gender groups.
Advancing equality of opportunity	X			Within 'Health and Life Sciences', the Sustainable Chemicals and Biotechnology subsector offers jobs that are well paid and many of them are high skilled (68.5% are either high or high-medium). If the employment gap for women and ethnic minorities could be reduced then attracting more jobs in this area could help to close the gender, and ethnicity pay gaps (At a Scotland level the Ethnic minority pay gap is 10.2% - this would most likely vary between LA's, different sectors and different ethnic minorities but data at this level is unavailable) as well as bringing well paid, high skilled jobs to different parts of Scotland.

				<p>Consideration will be given to developing a women's and minority fund to address the gender and ethnic imbalances in the investment sector, and by proxy in a way that will have real impacts – by supporting diverse funds we will support more diverse businesses.</p> <p>However, there are no sectors that attract international private capital that are dominated by women this is a structural problem in society which we can't fix with GCIP alone, but we have put in measures such as mainstreaming ESG, and supporting diverse funds to mitigate this and impact where we can.</p>
Promoting good relations between men and women			X	<p>Whilst 'Sex/Gender' is not specifically targeted within the GCIP, the GCIP's commitment to ESG and Fair Work considerations, commitments highlighted elsewhere in this document, are designed to deliver positive impacts for all members in society, including all sex/gender groups.</p>

**Do you think that the policy impacts on women because of pregnancy and maternity?**

<b>Pregnancy and Maternity</b>	<b>Positive</b>	<b>Negative</b>	<b>None</b>	<b>Reasons for your decision</b>
Eliminating unlawful discrimination	N/A			
Advancing equality of opportunity				
Promoting good relations				

**Do you think your policy impacts on people proposing to undergo, undergoing, or who have undergone a process for the purpose of reassigning their sex? (NB: the Equality Act 2010 uses the term ‘transsexual people’ but ‘trans people’ is more commonly used)**

<b>Gender reassignment</b>	<b>Positive</b>	<b>Negative</b>	<b>None</b>	<b>Reasons for your decision</b>
Eliminating unlawful discrimination	N/A			
Advancing equality of opportunity				
Promoting good relations				

**Do you think that the policy impacts on people because of their sexual orientation?**

<b>Sexual orientation</b>	<b>Positive</b>	<b>Negative</b>	<b>None</b>	<b>Reasons for your decision</b>
Eliminating unlawful discrimination	N/A			
Advancing equality of opportunity				
Promoting good relations				

**Do you think the policy impacts on people on the grounds of their race?**

<b>Race</b>	<b>Positive</b>	<b>Negative</b>	<b>None</b>	<b>Reasons for your decision</b>
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Eliminating unlawful discrimination	X			Whilst 'Race' is not specifically targeted within the GCIP, the GCIP's commitment to ESG and Fair Work considerations, commitments highlighted elsewhere in this document, are designed to deliver positive impacts for all members in society, including all race groups.
Advancing equality of opportunity	X			<p>Within 'Health and Life Sciences', exist Sustainable Chemicals and Biotechnology. Jobs in this area are well paid and many of them are high skilled (68.5% are either high or high-medium). If the employment gap for women and ethnic minorities could be reduced then attracting more jobs in this area could help to close the gender, and ethnicity pay gaps (At a Scotland level the Ethnic minority pay gap is 10.2% - this would most likely vary between LA's, different sectors and different ethnic minorities but data at this level is unavailable) as well as bringing well paid, high skilled jobs to different parts of Scotland.</p> <p>The GCIP has commitment to support a women's and minority fund to address the gender and ethnic imbalances in the investment sector, and by proxy in a way that will have real impacts – by supporting diverse funds we will support more diverse businesses</p>
Promoting good race relations				Whilst 'Race' is not specifically targeted within the GCIP, the GCIP's commitment to ESG and Fair Work considerations, commitments highlighted elsewhere in this document, are designed to deliver positive impacts for all members in society, including all race groups.

**Do you think the policy impacts on people because of their religion or belief?**

Religion or belief	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination	N/A			

Advancing equality of opportunity	
Promoting good relations	

## Do you think the policy impacts on people because of their marriage or civil partnership?

Marriage and Civil Partnership <sup>21</sup>	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination	N/A			

## Policy Impacts on All Members of Society

- The plan is likely to impact individuals either working within or who may be interested in working in the four economic priority themed areas of Low Carbon Transition, Digital, Health and Life Sciences, and High Value Manufacturing and associated supply chains and companies. There is nothing in the plan to say that private capital investment into sectors outside of these areas will no longer be welcome, the plan is instead about where to focus public resources when it comes to attracting private investment. Additionally with the uncertainty surrounding Covid-19 and Brexit as well as the different economic landscapes in different areas of Scotland the plan does build in a degree of flexibility. The plan sets out an aim that private capital investment should be beneficial to all parts of Scotland and to do that it needs to be remembered that not everywhere in Scotland will benefit from the same projects. For example a project that may not bring many benefits to Glasgow or Edinburgh might make a huge difference to a community in the highlands.
- Within 'Digital', exists Digitally Enabled Financial Services. Jobs in this area are well paid and many of them are high skilled (67% are either high or high-medium). Delivering more projects and creating more jobs in this area could provide good employment options for

<sup>21</sup> In respect of this protected characteristic, a body subject to the Public Sector Equality Duty (which includes Scottish Government) only needs to comply with the first need of the duty (to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010) and only in relation to work. This is because the parts of the Act covering services and public functions, premises, education etc. do not apply to that protected characteristic. Equality impact assessment within the Scottish Government does not require assessment against the protected characteristic of Marriage and Civil Partnership unless the policy or practice relates to work, for example HR policies and practices.

people in different protected groups. There is only a small amount of geographical spread in the historical projects in this area. However with improved connectivity and covid-19 showing what is possible regarding remote working it is possible that future projects could be encouraged to move out of the cities, providing good job prospects for everyone in Scotland.

- Within 'Digital' exists Software and IT. As with other opportunity areas jobs in this area on average pay above the Scottish average and many of them are high skilled (78.2% are either high or high-medium). Attracting more projects and creating more jobs in this area could provide good employment options for people in different protected groups. Geographically these projects go all over Scotland and so by attracting further projects in the future this opportunity area could help to bring better job prospects to the whole of Scotland. Additionally in the current context of Covid-19 this opportunity area is likely to see growth and could help businesses in other areas to operate across a wider geographical area, including through the expansion of remote working capabilities.
- Within 'Digital' exists Digitally Enabled Business Services. As with other opportunity areas jobs in this area on average pay above the Scottish average and many of them are high skilled (77.1% are either high or high-medium). Attracting more projects and creating more jobs in this area could provide good employment options for people in different protected groups. Geographically these projects go all over Scotland and so by attracting further projects in the future this opportunity area could help to bring better job prospects to the whole of Scotland.
- Jobs in Low Carbon Transition are well paid and many of them are high skilled (68.6% are either high or high-medium). Attracting more projects and creating more jobs in this area could provide good employment options for people in different protected groups. Geographically these projects go to all regions of Scotland and so by attracting further projects in the future this opportunity area could help to bring better job prospects to the whole of Scotland.
- Whilst private capital investment may bring new high skill jobs, these may simply go to people who already had good jobs, people just moving from one company to another, instead of to people who currently do not have as good a job (or any), which may include those from the protected characteristic groups. Theoretically, this should still leave a vacancy for a good job, as people move up to fill the job left behind by the person moving to the newly created one. This is something that would need to be monitored as in the current context of covid-19 and Brexit it is possible that not all firms will choose to fill vacancies as people move on to other companies
- Private capital investment may bring new jobs that are high quality and well paid, yet it is not possible to say who will fill these jobs, or how many will go to people from protected characteristic groups. However it is possible to say that any new jobs created certainly opens up new opportunities that are available for all peoples, including those in protected characteristic groups.
- Additionally the GCIP's aim is to maximise spillover benefits of private capital investment, and this can include additional jobs created indirectly within companies that are part of the supply chain of the company/project that is receiving private capital investment, or jobs

created in other sectors as a result of more money in the local economy, e.g. shops and restaurants – these jobs may include low skilled workers. While some people will not benefit from the new jobs (created directly or indirectly) they may still benefit in other ways. Increased revenue gives more spending options for government and more well paid local jobs may result in more money going into the local economy, thus improving local services.

- Regarding addressing existing gaps between urban and rural investment, there are plenty of opportunities for rural areas in the plan i.e. within space, agritech, life sciences, and low carbon, with GCIP highlighting an array of regions with rural areas within its sector maps that have particular strengths. However, international private capital is not the ultimate solution to rural deprivation, and other policy responses are needed. We can however use private capital investment to grow our tax base and indirectly help areas of deprivation.
- Private investment supports employment creation and retention and the good quality jobs it creates help support our inclusive growth ambitions, and in turn improve wellbeing. The GCIP is ambitious that the jobs created by new private capital investment can support the creation of jobs that embed ESG considerations within them, and taking this approach could lead to greater employee diversity through the wider opportunities available. However, the GCIP does not stipulate jobs created by private capital investors must hire individuals within a particular protected characteristic group, and therefore cannot guarantee and increase of diversity, although an increase of good quality jobs with projects/companies that do consider ESG criteria may make jobs more appealing to those within protected characteristic groups.
- At the heart of the plan is a commitment to, when considering the best type of future investments, seeking to work with investors who share our aim to address the challenges that we face in Scotland and internationally, through ethical investment according to ESG criteria. Indeed, companies and projects that will attract investment under these criteria are much more likely to be well-managed and offer employment opportunities that are stable and embed fair work at their heart.

## Stage 4: Decision making and monitoring

### ***Identifying and establishing any required mitigating action***

If, following the impact analysis, you think you have identified any unlawful discrimination – direct or indirect - you must consider and set out what action will be undertaken to mitigate the negative impact. You will need to consult your legal team in SGLD at this point if you have not already done so.

Have positive or negative impacts been identified for any of the equality groups?	Please see Stage 3.
Is the policy directly or indirectly discriminatory under the Equality Act 2010 <sup>22</sup> ?	No.
If the policy is indirectly discriminatory, how is it justified under the relevant legislation?	N/A
If not justified, what mitigating action will be undertaken?	N/A

### ***Describing how Equality Impact analysis has shaped the policy making process***

Work on and the exploration of equalities issues and considerations in relation to the EQIA has led to GCIP including as actions:

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<sup>22</sup> See EQIA – Setting the Scene for further information on the legislation.

- We will make Scotland's values a core part of our National Prospectus and our engagement with investors, making it clear that valuing our people, communities, and environment are core to our economic ambitions.
- Investment opportunities that we promote to market will be benchmarked against ESG investment criteria. We will enable the companies and projects we support to report climate-related disclosures in a standardised and transparent way with flows of ESG monitored via a new metric which will cover environmental and social impacts.
- We will build on existing ESG investment activity and work with Scotland's investment management industry, using events such as the Global Ethical Finance Festival to make Scotland a leading globally established hub for ESG investment.
- We will proactively engage with ESG investors and with sources of capital new to Scotland, such as green bonds, to help us achieve our Net Zero and Wellbeing ambitions.

Completion of the EQIA has identified a lack of data with regards to private capital investment's impact in relation to some protected characteristic groups, and it has been highlighted in Stage 2 how this may be remedied.

However, development of the EQIA has led to, as highlighted above, a significant consideration of ESG and Fair Work criteria in private capital investment projects the Scottish Government may consider promoting, and as such, will have greater impact on the action implementations of the plan than would have been the case without considerations emerging within the EQIA process.

### ***Monitoring and Review***

Monitoring and evaluation of this policy's progress on equality issues identified within the EQIA will take place during the development and instigation of the GCIP's policy actions. Full specifics of monitoring mechanisms have yet to be finalised, however, will include, as highlighted above via monitoring flows of ESG monitored with a new metric which will cover environmental and social impacts. No individual or individuals have yet been specifically identified as responsible for evaluation efforts, however monitoring efforts will likely be undertaken by an array of policy colleagues within SG and its non-governmental entities.

## Stage 5 - Authorisation of EQIA

Please confirm that:

- ◆ This Equality Impact Assessment has informed the development of this policy:

Yes  No

- ◆ Opportunities to promote equality in respect of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation have been considered, i.e.:

- Eliminating unlawful discrimination, harassment, victimisation;
- Removing or minimising any barriers and/or disadvantages;
- Taking steps which assist with promoting equality and meeting people's different needs;
- Encouraging participation (e.g. in public life)
- Fostering good relations, tackling prejudice and promoting understanding.

Yes  No

- ◆ If the Marriage and Civil Partnership protected characteristic applies to this policy, the Equality Impact Assessment has also assessed against the duty to eliminate unlawful discrimination, harassment and victimisation in respect of this protected characteristic:

Yes  No  Not applicable

## Declaration

**I am satisfied with the equality impact assessment that has been undertaken for 'Investing with Purpose: Scotland's Global Capital Investment Plan' and give my authorisation for the results of this assessment to be published on the Scottish Government's website.**

**Name: Katrine Feldinger**  
**Position: Deputy Director, Investment Finance**  
**Authorisation date: 25 March 2021**