# **Equality Mainstreaming**

Highlands and Islands Enterprise 2025



# **Table of Contents**

Foreword	3
Introduction	4
Legislative framework	5
Our organisation	6
Our values	6
Mainstreaming as an employer	6
Progress with our equality outcomes as an employer	7
Organisational culture and awareness raising	8
Gathering and using our employee data	14
Individual protected characteristics	14
Sex and gender	14
Race	16
Disability	17
Age	18
Religion and belief	18
Sexual orientation	18
Gender reassignment	18
Pregnancy and maternity	18
Highlands and Islands Enterprise Board diversity	19
Mainstreaming as a service provider	20
How we mainstream for delivery	21
Due diligence and impact assessment	21
Fair work implementation and conditionality	21
Procurement	22
Evidence base to support mainstreaming	23
Programme and project delivery	24
Outcomes for 2023-25	25
Strategic	25
Equality outcome (i) the diversity of leadership, entrepreneurship and workforce participation in the Highlands and Islands is increased	26
Equality outcome (ii) positive community engagement and support help sustain empowered capable and inclusive communities	27
Equality outcome (iii) the working age population grows in every part of the Highlands and Islands	29
Equality outcome (iv) the promotion and support of fair work helps workforce development and build more resilient enterprises	29
Appendix A – HIE employee information - 2025	32



# **Foreword**

The Highlands and Islands is a region of immense potential, with a diverse, dynamic economy, where progress is underpinned by the resilience, innovation and enterprise of our businesses and communities.

Harnessing and developing that potential is central to achieving our purpose to build and sustain a greener, fairer and more resilient region that benefits everyone.

For that to happen, it is essential that we take a planned, proactive approach to promote equality, diversity and inclusion, both within our own organisation and among the many clients with whom we work across all parts of the Highlands and Islands.

This report presents evidence of how we continue to seek to mainstream equality as a core value in all our activities, along with analysis of our performance. While it is important to recognise progress, it is also right that we continue to challenge ourselves to remain vigilant and nurture a culture that aspires towards continuous improvement.

That is why our <u>Strategy 2023-2028</u> commits us to tackling poverty and inequalities while pursuing inclusive growth through growing a wellbeing economy and accelerating community wealth building across our region.

In the coming years, we will continue to prioritise the implementation of fair work principles and practices, which have been a condition for all applicants receiving support from HIE since 2022. This is not simply a moral issue. As this report demonstrates, commitment to fair work also delivers positive outcomes for our clients and for the regional economy, driving improvements not only in staff wellbeing, but also workforce retention, productivity and resilience.

A key aim of our strategy is that the region has a balanced, distributed and working age population and skilled labour force, with specific opportunities for women and young people. Working collaboratively, we will address a range of important issues that are essential to create equality of opportunity and sustain economic growth, including the need for adequate housing, transport and childcare provision.

In closing, I would like to offer my heartfelt thanks to all those who have contributed to our equality mainstreaming efforts – our partner organisations, employees, businesses, communities and other stakeholders. Together, we are making a positive difference and paving the way for a more inclusive and prosperous Highlands and Islands.

Stuart Black CHIEF EXECUTIVE



An Lòchran

# Introduction

HIE is the Scottish Government's economic and community development agency for the Highlands and Islands of Scotland which covers more than half of the geography of Scotland and over 90 inhabited islands.

In this reporting period, the HIE Strategy 2023-2028 launched, setting out a new vision:

'The Highlands and Islands is a leading net zero region with a dynamic wellbeing economy, which benefits its growing population and makes a valued contribution to Scotland.'

Our new strategic framework has prioritised equalities within the key cross-cutting theme of Fair and Inclusive Growth and we have established key objectives and outcomes which will be monitored to track progress.

Our aim is that the region has a balanced, distributed and working age population and skilled labour force, and that women participate fully. The focus is to enhance business and community resilience and growth through ambitious leadership to accelerate investment, innovation and productivity. There continues to be specific targeting of female leaders, young leaders and support for rural leadership. There is an increasing appetite amongst young people to live, work and study in the region. Opportunities arising from an increase in remote working and new ways of working, as a result of the pandemic, are strengthening the region's attractiveness and helping reduce geographic inequality.

Building a well-being economy is at the core of this strategy. Achieving this requires embracing community wealth building; improving access to opportunity and reducing inequality; tackling poverty through well-paid jobs; continuing to extend and embed fair work and supporting inclusive growth.

#### HIE'S EQUALITY OUTCOMES FOR 2023-2025 WERE:

- The diversity of leadership, entrepreneurship and workforce participation in the Highlands and Islands is increased
- Positive community engagement and support help sustain empowered, capable, and inclusive communities
- The working age population grows in every part of the Highlands and Islands
- The promotion and support of fair work helps workforce development and build more resilient enterprises

#### **AS AN EMPLOYER**

- Our employees have an enhanced awareness of mainstreaming equality, diversity and inclusion matters
- Pathways are in place for our young people to provide structured routes for our modern apprenticeships and graduate placements to longer term positions with HIE

Through our seven Area Teams we ensure we are connected to our local communities. Through enhanced digital tools and services, we extend our reach and support across the region, adapting our approach in recognition of disparities within our region.

Further information on our approach and full details of our services can be found on our <u>website</u>.

# **Legislative framework**

The <u>Equality Act 2010</u> and the <u>Public Sector Equality Duty</u> (PSED) set out how the public sector should consider equality in everything it does. The Act places on HIE a requirement, the "General Equality Duty", to consider the need to:

#### Eliminate unlawful discrimination, harassment and victimisation

We can do this by eliminating less favourable treatment or indirect discrimination.

#### Advance equality of opportunity

We can do this by removing or minimising disadvantage, meeting needs which are particular to some groups of people and encouraging participation of under-represented groups.

#### Foster good relations

We can do this by tackling prejudice and promoting understanding.

The Act applies in relation to the "protected characteristics" of age, disability, gender reassignment, marriage and civil partnership (discrimination duty only), pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The aim of the General Duty is to make sure we consider equality in our day-to-day activities, including our role as employer and work carried out by others on our behalf. Specific Duties set by the Scottish Government, includes the publication of an Equalities Mainstreaming Report and demonstrates how we have used the PSED to make a material difference for the people of the Highlands and Islands.

#### FAIRER SCOTLAND DUTY

The Fairer Scotland duty came into effect from April 2018. The duty places a legal responsibility on public bodies in Scotland to actively consider how they can "reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions".

The Scottish Government guidance defines socio-economic disadvantage in broad terms as "living on a low income compared to others in Scotland, with little or no accumulated wealth, leading to greater material deprivation, restricting the ability to access basic goods and services". It elaborates that socio-economic disadvantage can be experienced in both places and communities of interest, leading to further negative outcomes such as social exclusion.

#### **HUMAN RIGHTS**

The UN Guiding Principles on Business and Human Rights are based on a framework of state responsibility to protect human rights; business responsibility to respect human rights; and the requirement for remedy for negative human rights impacts. Scottish Government guidance has informed procedures undertaken by HIE on appropriate due diligence on companies specifically in relation to their human rights record, before entering a business relationship with them.

#### **ISLANDS ACT**

The Islands Act was passed in 2018 with the National Islands Plan launched in December 2019 and includes the duty to have regard to island communities in carrying out functions and undertaking Island Community Impact Assessments. These are undertaken where the impact of a policy, strategy or service is likely to be significantly different on an island community than on others and assessing the extent to which this can be mitigated or improved. A new National Islands Plan is currently under development.

# Mainstreaming as an employer

Through mainstreaming equality into what we do, we will build on our work to date.

#### **OUR ORGANISATION**

As of 31 March 2025, HIE employs 258 members of staff (68% female, 32% male), which equates to a full-time equivalent (FTE) of 244.58.

Employees range in age from 19 to 73 years old and our longest serving employee has 49 years' service. HIE recognises it has a low number of employees who identify their race as having a colour, nationality, ethnicity or national origin other than White British/Scottish.

HIE is committed to equality, diversity and inclusion where employees work in an environment and culture in which they can be supported, challenged and developed, reaching their personal career goals regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability.

HIE is proud to actively promote the Fair Work Agenda and embed its principles through working practices, policies and procedures. The development and embedding of Fair Work principles and a flexible and compassionate approach to family friendly working has made a positive impact in attracting a wider range of diverse talent, retaining employees, improving business reputation, and creating a happier, more engaged workforce that supports the specific needs of employees with caring responsibilities, which for many employees can be unpredictable.

#### **OUR VALUES**

HIE employees are passionate about HIE's purpose and proud to make a difference to the region we serve. Our People Strategy plays a critical role in safeguarding our distinctive culture and ensuring a sustainable and healthy working environment for our employees. Our values, practices and supporting behaviours are at the heart of this and how our employees do things is as important as what we do.















We aim to further develop by:

- Continuing to embed an inclusive culture
- Undertaking a review of our recruitment processes to ensure they continue to be free from any unconscious bias and promote strategies that help us to attract a more diverse mix of applicants
- Understanding the needs of different groups of employees and developing a better understanding of how we can meet their needs

#### PROGRESS WITH OUR EQUALITY OUTCOMES AS AN EMPLOYER

Legislation requires us to outline a new set of equality outcomes every four years.

#### What we set out to do

Our equality outcomes as an employer for 2021-2025 were:

- Our employees have an enhanced awareness of mainstreaming equality, diversity and inclusion matters
- Pathways are in place for our young people to provide structured routes from our Modern Apprenticeships and Graduate Placements to longer term positions with HIE

#### What we have achieved

Over the past four years we have continued to work hard to ensure the best possible work experience for our employees. HIE has a suite of family friendly and flexible working policies that help set the context and tone for our approach, backed up by practical support, tools, facilities and resources to help all our employees including those who are underrepresented.

# Our employees have an enhanced awareness of mainstreaming equality, diversity and inclusion matters

We have further developed our inclusive culture by developing and rolling out Equality, Diversity and Inclusion (ED&I) training to all employees (which includes training on updated sexual harassment legislation changes), raising awareness of menopause by delivering training for line managers on menopause support, and continuing our work in support of neurodiversity and neuro inclusion in the workplace. HIE also recognises the benefits of inclusive communication and promotes the economic and social benefits of Gaelic. We support employees who want to develop their Gaelic language skills by providing them with 100% funding for Gaelic language courses.

- Equality, Diversity, and Inclusion training we have developed and delivered training to all employees on equality, diversity and inclusion.
- **Dignity at Work policy** we have updated our Dignity at Work policy.
- Menopause support we have developed training for line managers on menopause support and furthered our awareness raising via our HR communications and employee updates. Our Menopause peer support group members were also given the opportunity to attend a workshop on "Reducing your cortisol", which received positive feedback.

#### I Continued support for our neuro inclusion employee network

- we have continued to support our internal peer support group, Quirky Brains, which aims to create a neuro inclusive employee-led community for support and awareness raising to develop understanding of neurodiversity and help to explore practical implications and adjustments that may enable employees to achieve their potential.

- Gender Pay Gap reporting HR continue to work with Leadership Team to review and understand how HIE can positively impact its gender pay gap.
- Planning for your future workshops we support employees who wish to attend Age Scotland's planning for your future workshop.
- Exemplary standard for the level and range of support given to our employees who have caring responsibilities. We are the first and only employer in the Highlands and Islands to achieve Exemplary status. HIE also received a Highly Commended Award for carer support at the Care Positive 10th Anniversary Awards in November 2024. We continue to roll out events such as our "caring is sharing" webinar workshop which provided employees with information on wills, power of attorney and the executory process.
- Healthcare cash back plan benefit we have introduced a healthcare cash back plan whereby employees can claim back the costs for a wide range of health-related treatments and therapies up to a maximum threshold amount. This benefit aligns with our proactive approach to support employee health and wellbeing and complements our EAP and occupational health services.

# Pathways are in place for our young people to provide structured routes from our Modern Apprenticeships and Graduate Placements to longer term positions with HIE

The aim of this outcome was to put in place measures that make our workplace more attractive for young people and in turn increase the number of young people we employ.

As of 31 March 2021 our youngest employee was 21 years of age. On 31 March 2023 our youngest employee is 17 years of age. HIE has strived to recruit from a diverse market and enhance opportunities for young people.

- Modern Apprenticeships We have recruited six MAs between 1 April 2021 and 31 March 2025. HIE will continue to develop the programme and review the challenges and opportunities of this recruitment pathway. Every apprentice who successfully completes their apprenticeship is offered a permanent position with HIE.
- eight employees to undertake graduate placements. The roles covered a variety of subjects including front line area office activities, Gaelic development, economics, net zero and system development. We have appointed a further four graduates during 2023-2024 and all graduates that have successfully completed their two-year placements have been offered permanent positions with HIE.

# ORGANISATIONAL CULTURE AND AWARENESS RAISING

To achieve our outcomes and continue our work on ED&I we highlight a number of areas of focus.

#### **Dignity at Work**

Our Dignity at Work policy and ED&I training identified the standards expected of employees and provides the opportunity to develop their knowledge and understanding, including the recent changes to sexual harassment legislation.

We recognise the responsibilities of HIE and its employees to prevent bullying, harassment, discrimination, and victimisation in the workplace. We aim to protect individuals across all protected characteristics and promote inclusivity and diversity by emphasising the importance of treating others with dignity and respect, in line with Our People values.

We have a clear framework for raising concerns and addressing unacceptable behaviour, whether informally or formally, and offer mediation as a potential resolution method. We aim to foster a culture of understanding, respect, and open communication.

# Equality, Diversity and Inclusion Training feedback

What, if anything, do you feel worked well in terms of the training?

"This was a really good refresher and gave us the opportunity to take stock and reflect further. This will be an evolving topic so keen to learn and hear about new areas of policy/development/opinions as they develop".

"The trainers and content were engaging. It was delivered at the right pace, and it was very relevant to my role".

"It was a very useful training session with lots of good content/videos and discussion".

"I really enjoyed the session and whilst most people have a reasonable overview of the subject it was good to review every aspect that we should be considering".

"It was a very good training course and highly interactive with a great range of breakout sessions and was good to mix everyone up at each different group session. I thought the course was great and enjoyed it and the learning was very useful".

"Serious topics needs more awareness, and these training opportunities should be fully utilised".



#### **Inclusive Leadership**

As part of a wider programme of training and development for leaders we have embedded ED&I principles into our culture by promoting the benefits of fostering an inclusive culture and improving equity throughout our line management training programme. We have consistently promoted themes such as:

- Leading by example demonstrating inclusive behaviours and the benefits of active listening and encouraging diverse perspectives.
- Creating safe spaces for feedback using one-to-one, team and anonymous feedback to have open discussions and ensure all voices are heard.
- Fairness and transparency having up to date employment policies with clear standards and expectations.
- Actively including underrepresented voices encouraging participation from quieter or more reflective team members and raising awareness of introversion and how different workstyles and preferences can complement each other and work together to achieve team effectiveness.

#### **Employee Voice**

Our Staff Forum is a key route for helping us consult and communicate on policies e.g. this has included forum members providing feedback on our Equality, Diversity and Inclusion, Menopause Support, and Dignity and Work policies.

Over the next reporting period we intend to run an employee survey to engage and gather employee feedback which will give us data-driven insights to help create a workplace where every employee and every generation feels valued.

#### **Awareness raising**

We use national campaigns and awareness raising days to help promote a range of events and activities that support the promotion of diversity such as mental health support, menopause support, disability awareness, LGBT history month, pride month and neurodiversity celebration week. We continue to review and update our range of subject matters and gather feedback on the topics that we promote.

#### Supporting employee health and wellbeing

Over a number of years HIE has given a particular focus to the important contribution workplace health and wellbeing makes as a driver for employee engagement and performance. Employee wellbeing remains an underpinning component in contributing to our organisational culture of delivery and success.

# Employee feedback Anonymous

How supportive do you find HIE as an employer?

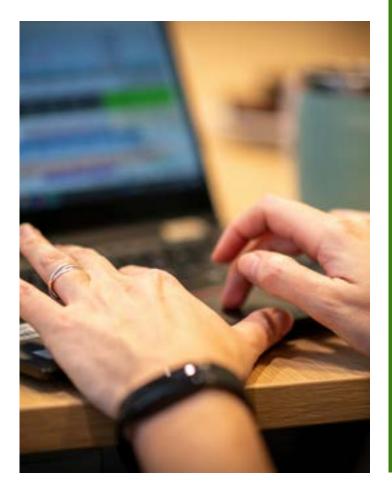
"I'd like to take the opportunity to thank HIE for its continued support following my period of illness due to cancer. I felt very supported through my period of sick leave but also on my return to work, having the ability to work through a phased return period and then agreement of a reduced working week. The ability to work from my home on occasion has also been welcomed in this situation as I still experience periods of extreme tiredness and the reduction in commute has been very beneficial. My HR contact was particularly supportive throughout the whole process and I'm grateful to the HR team and my line manager for being patient with my phased return arrangements."



#### Menopause support

HIE has a predominately female workforce of 68% with 65% of our female workforce currently within the traditional menopause age range of 40-59 years old. This equates to 44% of our total workforce.

With a predominantly female workforce, it is vital we offer flexibility and inclusion via our policies and procedures. We provide a tailored approach for all employees to ensure their individual preferences and needs are catered for, wherever possible. We are also aware of the workplace challenges that employees face whilst dealing with menopause related symptoms and the impact they can have on the individual and the workplace. We have therefore developed training for line managers, increased our awareness raising and continued to support our employee led peer support group.



# Employee feedback

# Rona Campbell Regional Population and Talent Attraction Manager

Rona is a "champion" within our Menopause employee network and explains how employees have found HIE's support in this area.

How supportive do you find HIE as an employer?

"As a menopause champion within HIE, the support given to female colleagues has been transformative in highlighting the menopause journey. Also, by training managers to understand the potential challenges of the menopause, the awareness has been raised with both male and female colleagues. There is a menopause support group now where we have benefited from guest speakers, the opportunity to have a safe space to discuss the issues and also find out how any of us have tackled them. The menopause is something every woman goes through, and it is an individual experience. What HIE has created is a safety net for female employees to share their experiences and learn more about what is happening to them. With colleagues, menopause champions offer one to one to support too. And as someone who is postmenopausal, I hope I can let colleagues see that life will reset and we can all move forward as effective, healthy women, enjoying our work and life equally!"

### Anonymous

"I am really impressed at how seriously HIE is taking the hot topic of menopause! Since it hit the headlines through promotion by interested celebrities, HIE soon introduced support mechanisms such as a menopause Viva Engage page and training for line managers. I was fortunate to attend a Menopause and Cortisol Workshop organised by HIE. Given the high number of women in our organisation, it's important that the workforce understands the challenges some face as a result of menopause and how it can impact them in the workplace. I learnt a lot on the course about managing your own cortisol levels and how this in itself can improve symptoms, but I also heard from other women about tips and solutions they have learnt themselves. A thoroughly engaging and thought-provoking session!"

#### **Supporting working parents**

HIE acknowledges the number of employees who have childcare commitments and the challenges this can bring in terms of balancing home and work commitments, especially in our remote and rural areas where access to childcare can be limited. We therefore promote a range of family-friendly policies and flexible working arrangements to support our working parents. We have also introduced a peer support group to share information, signpost and network with our working parents.

#### **Employee feedback**

# Philip Coghill Development Manager, Community Assets Team

"One of the biggest challenges in the HIE region is tackling depopulation. Family-friendly policies and a willingness to consider flexible working arrangements are hugely significant in helping rural and island communities with population retention. In light of that, I've been hugely encouraged by how family-friendly HIE are as an employer. There are pros and cons to being a remoteworking employee based on an island, but HIE have made that workable. Both my line manager and the HR team have been great in supporting and advising me at a stage of life that, for us, has involved making use of HIE's Paternity Leave and Shared Parental Leave policies. Not only that, but the willingness to consider flexible working arrangements when we have four young kids as well as parental (and livestock!) caring responsibilities has been much appreciated."

#### **Neuroinclusion**

Our Inclusive Workplace programme involves fostering an environment that celebrates neurodiversity, encourages open communication, provides reasonable accommodations, and ensures that everyone has an equitable chance to thrive and contribute their unique talents and abilities.

In showcasing a genuine enthusiasm for employees who think differently, our Inclusive Workplace programme has encouraged existing neurodivergent employees to self-disclose and to advocate for the needs of existing neurodivergent employees.

Our 'Quirky Brains' group (neuro inclusion employee-led support group) has demonstrated an amazing level of positive engagement within HIE and has established a Viva Engage platform which has proved to be very active and popular for sharing ideas, information, tools and techniques as well as mutual support. The group includes people who combine knowledge of the benefits and challenges of different neurotypes such as dyslexia, autism, ADHD and dyspraxia and who have a passion for helping HIE live its values and become truly inclusive for all.

We have raised awareness amongst line managers and offered a range of learning and development inputs to suit all needs. Content has been focused on understanding neurodiversity and highlighting the strengths of neurodivergent individuals.

#### **Developing the young workforce**

We are aware that the percentage of 16–24-year-olds (3%) and 25–29-year-olds (4%) is only slowly increasing. Although the number of young people in the organisation is still relatively small several employees who initially started with us as graduate placements or modern apprentices have secured promoted positions and have gone on to develop their careers within HIE and now fall out with these age ranges.

To support our younger employees, we continue to provide: 100% financial support for further education/professional qualifications; short term placements; employment and training of modern apprentices; and our in-house graduate placement programme. We have also taken time to understand the needs of our younger employees and have gathered feedback. They said that they appreciate a wide range of support from HIE including hybrid working, flexible working, pay and benefits, wellbeing support, learning and development opportunities and the Young Scotland Programme.

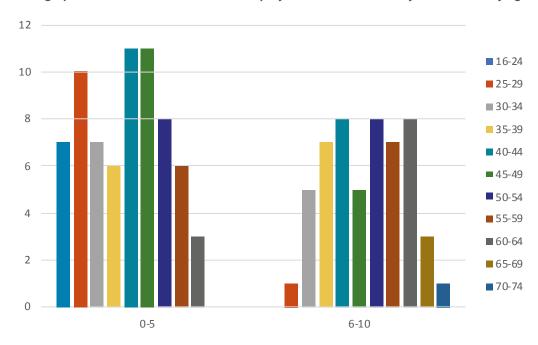
#### Intergenerational working

We are aware that in today's workplace up to five generations are working side by side, each bringing unique perspectives, values and expectations.

Our high employee retention rates and long service (36% of employees have 20 or more years' service) and our ageing workforce along with our more recent recruitment (47% of employees have 10 or less years' service) means that we have to consider intergenerational working, changing expectations, succession planning and the implications these have on our workplace.

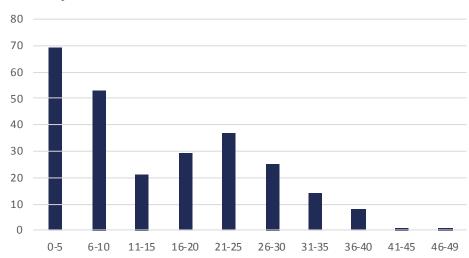
We recognise that different generations in today's workplace have diverse needs, values and perspectives. In the next reporting period, we will develop training on intergenerational working to explore different work styles and expectations and promote the benefits of employing workers from multi-generations. This will aim to bridge our age diversity along with the work we are doing on inclusive communications, flexible working and mentoring.

#### The graph below shows the number of employees with 0-5 and 6-10 years' service by age banding:



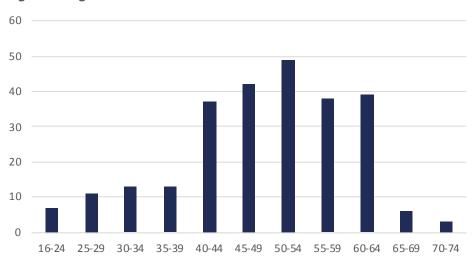
The graph below shows the number of employees by service banding:

#### Service years



The graph below shows the number of employees by age banding:

#### Age banding



Our work with Age Scotland has focused on supporting our employees to take advantage of flexible opportunities to extend working life beyond traditional retirement ages as well as developing the young workforce through graduate placements and modern apprenticeships to grow and retain talent and provide longer term career development opportunities.

We regularly hold 'planning for your future' sessions aimed at employees aged 55 and over, and financial wellbeing sessions for those in the 35-55 age group. We are also very aware of the different needs of our older employees as they plan their eventual retirement. With an ageing workforce we need to retain key skills, knowledge and experience while also facilitating a range of flexible options and a phased approach on the run up to retirement. Having the ability to retain valuable knowledge, skills and expertise by offering a flexible approach to phased retirement and planning for succession is critical.



#### **GATHERING AND USING OUR EMPLOYEE DATA**

We ask all of our employees to disclose equality data regarding all of the protected characteristics in the Equality Act. We use the employee information we gather to inform a range of policies and employment practices. This enables us to chart trends over time, to highlight areas for investigation of potential discrimination and to provide evidence for people impact assessment. This has enabled us to review the impact of our equality outcome since 2013 and other policy development on employee demographics and working practices.

To enhance the quality of our employee monitoring information, we continue to undertake internal awareness raising to emphasise the importance of all employees reviewing and updating their equalities data. Having up-to-date personal data recorded for all employees is vital to ensure our monitoring is accurate and the data provides a meaningful foundation for taking action to promote equality of opportunity for all employees. A key consideration in achieving this has been reassuring employees on the safeguarding and security of this sensitive and personal information.

Our employee demographics for our workforce composition, recruitment, training and development, promotions and leavers can be viewed in **Appendix A**.

In common with other public sector organisations, we have found that we have varying rates of disclosure and reliability of information depending on particular protected characteristic. However, disclosure rates appear to have increased in this reporting period which can be demonstrated by a reduction in "no data held" across a number of characteristics.

Where the number of employees with a protected characteristic is fewer than five, and the information is sensitive or personal, we have not specified the number in order to avoid individuals being identified.

#### INDIVIDUAL PROTECTED CHARACTERISTICS

Under the headings below we have identified key areas of focus for HIE as an employer to help encourage participation of under-represented groups and address specific needs identified from our employee data. In taking this approach, we also aim to tackle prejudice and promoting better awareness and understanding across the HIE workforce.

#### **SEX AND GENDER**

As at 31 March 2025, 68% of employees identify their sex as female, and 32% as male which remains very consistent with previous years.

We believe that our workplace culture, which is supported by a range of family friendly and flexible working policies, has meant that we attract and retain predominately female talent.

#### **Gender Pay Gap**

HIE's gender pay gap has steadily reduced since 2007. Our most recent gender pay gap review was based on data as at 31 March 2024 and shows a mean gender pay gap of 11.85% (reduced from 15.86% in 2021). Full details on our Gender Pay Gap can be found in our 2024 report.

We are confident that the existing gender pay gap is not because men and women are paid differently for the same or equivalent work but exists because men and women work in different roles and those roles attract different salaries.

HIE is working on the following key areas to positively impact our gender pay gap:

- Address gender imbalance in quartile A
- Employee voice
- Leadership development and mentoring programmes

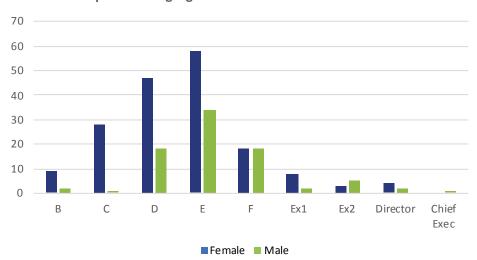
#### **Occupational Segregation**

Occupational segregation is the unequal concentration of men and women in different types of occupation and at different pay levels. It is widely accepted as an indicator of inequality – a barrier which prevents both men and women from fulfilling their potential in the labour market and narrowing the recruitment pool available to employers.

#### **Vertical Occupational Segregation**

The graph below shows vertical occupational segregation – the number of men and women at each pay grade. The occupational segregation data displayed is effective as at 31 March 2025.

#### **Vertical Occupational Segregation**





#### HORIZONTAL OCCUPATIONAL SEGREGATION

The table below shows horizontal occupational segregation – the number of men and women in each directorate (by job type). Where there are fewer than five employees in any grade within a directorate this is represented by \* to avoid inadvertently identifying individual employees.

Directorate	Corporat Services		Enterpris Commun Support		Executive Office	е	Human Resourc	es	Strategic Projects		Strategic Projects		Strategy and Regional Economy		Total
Grade	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male			
В	*	*	*				*			*			11		
С	*		11		*		*		*	*	*		29		
D	7	*	34	11		*	*		*	*	*	*	65		
E	5	5	36	24	*	*	*		*		10	*	92		
F	6	*	9	5	*	*			*	7		*	36		
Executive 1	*		*				*		*	*	*		10		
Executive 2			*	*						*			8		
Director	*		*				*			*		*	6		
Chief Executive						*							*		
Total	28	9	100	43	5	5	10	0	12	16	20	10	258		

Compared to the workforce composition of 68% women and 32% men, women continue to be slightly overrepresented in Corporate Services and Human Resources. Men and women continue to be proportionately represented in HIE's client facing roles (Enterprise Support Directorate) and within Strategy and Regional Economy. Men are slightly overrepresented in our Executive Office and Strategic Projects directorates.

#### **RACE**

HIE's workforce is currently made up of 87% White British employees, 5% from other racial groups or preferring not to disclose, with 8% not making any selection. We have encouraged disclosure and completion of this category and the number of employees choosing not to make a selection has reduced over the last reporting period.

#### **Occupational Segregation by Race**

HIE gathers occupational segregation information by race. The following table shows racial groups by grade:

	В	С	D	E	F	EX1	EX2	Dir	CE	Total
White British	*	8	13	20	*		*	*	*	51
White Scottish	5	19	33	61	20	9	6	*		157
White English			6	*	8		*	*		18
White Northern Irish					*					*
White Irish			*							*
Other White	*		*	*						7
Chinese			*							*
Prefer not to say			*	*	*					*
No data held	*	*	8	*	*	*				19
Total	11	29	65	92	36	10	8	6	*	258

The following table shows racial groups by directorate (job type):

	Corporate Services	Enterprise and Community Support	Executive Office	Human Resources	Strategic Projects	Strategy and Regional Economy	Total
White British	7	24	*	*	7	6	51
White Scottish	22	90	5	5	14	21	157
White English	*	9			*	*	18
White Northern Irish					*		*
White Irish		*					*
Other White	*	*		*			7
Chinese		*					*
Prefer not to say	*	*					*
No data held	*	13	*		*		19
Total	37	143	10	10	28	30	258

#### **DISABILITY**

As at 31 March 2025, the number of HIE employees who identify as having a disability is 8%. We are pleased to see that more employees are willing to declare a selection as this helps us to ensure our policies and processes best support the needs of our employees.

HIE strives to be a fully inclusive employer and is recognised both as an 'SCQF Inclusive Recruiter' and a 'Disability Confident' employer. We encourage applications from applicants with disabilities or health conditions and ensure such employees are fully supported to allow them to work to their full potential.

We meet the specific and varied needs of any disabled employees through a range of reasonable adjustments and are currently developing a Reasonable Adjustments Passport to help with the declaration and documentation of support.

#### **Occupational Segregation by Disability**

HIE also gathers occupational segregation information by disability. This shows the proportion of employees who declare that they have a disability by grade and by directorate (job type).

Although those with disabilities are few, they are represented across HIE's grades and in job roles across most directorates and we have no concerns around vertical or horizontal segregation by disability.

Disability by Grade	В	С	D	Е	F	Ex1	Ex2	Dir	Total
		*	6	8	*				20

	Corporate Services	Enterprise and Community Support	Executive Office	Human Resources	Strategic Projects	Strategy and Regional Economy	Total
	*	12	*	*	*	*	20

#### AGE

HIE's workforce is ageing with an average employee age of 49. Previously this average was 45 in 2015 and 2017, 47 in 2019, 48 in 2021, 47 in 2023. Employees who are 55 years old and above now make up 33% of our workforce (compared to 25% in 2019).

#### **RELIGION AND BELIEF**

The types of religions declared by our employees have remained consistent since 2019. The percentage of employees who have not declared a response to whether they follow a religion or belief has reduced in this reporting period. Those who have declared that they "prefer not to say" has remained almost the same as previous years. We aim to continue to foster good relations between those with different religious beliefs and raise awareness of different backgrounds and cultures.

#### **SEXUAL ORIENTATION**

We have received feedback from employees suggesting they would like to see more promotion of LGB information and support within HIE. We have therefore offered opportunities for employees to attend training and development events and aim to take advice, tips and tools suggested to help us to promote more open conversations, provide guidance and resources for employees and managers, and to help us to identify any barriers, challenges, or stigmas. We have also run several awareness campaigns including for LGBT History, Pride month and local Pride events. In future we also hope to create an employee network to help encourage internal peer support.

Our employee monitoring in this period shows a decrease in the number of employees choosing not to declare their sexual orientation.

#### **GENDER REASSIGNMENT**

We attempt to gather equality and diversity statistics including gender reassignment. Responses to this are low and there is no evidence to suggest we have any concerns or gaps in this area, however HIE recognises that individuals may be unwilling to declare their gender reassignment status therefore we have aimed to raise awareness and support for non-binary and transgender employees.

#### PREGNANCY AND MATERNITY

Between 1 April 2021 and 31 March 2025, we have supported 18 employees during their pregnancy and maternity leave. All those who have taken maternity leave during this period have returned to work. HIE accommodates employee requests for different work arrangements upon return to work where possible. We continue to encourage returning mothers to use Keeping in Touch days to support their return to work where they feel this would be of benefit and allow returners to use their accrued annual leave to phase back to work if they wish to. Our peer support network for breastfeeding continues to provide support for mums to discuss any specific issues or queries and signpost to useful information.

#### HIGHLANDS AND ISLANDS ENTERPRISE BOARD DIVERSITY

The Equality Act (Specific Duties) (Scotland) Amendment Regulations 2016 came into force on 18 March 2016. This requires HIE as a listed authority to provide information on:

- The number of men and women who have been members of the Board during the period covered by the report, and
- Sign-posting the action that HIE propose to take in the future to promote greater diversity of Board membership.

The gender breakdown of the HIE Board during the period covered by this report is as follows:

Time Period	Total number of Board Members (Excluding the Chief Executive)	Number of Males	Number of Females	Number of Vacancies
As at 31/03/2024	11	6	5	0*
As at 31/03/2025	11	7	4	0

<sup>\*</sup>As of 31 March 2024, two female Board members came to the end of their term on the HIE Board. These positions were filled with effect from 1 May 2024 with one male and one female appointed.

The Gender Representation on Public Boards (Scotland) Act 2018 and the associated guidance and regulations which came into force on 29 May 2020 is welcomed by HIE. Under the Act, public authorities are required to publish and report on the carrying out of their functions under Sections 5 and 6 of the Act. The Act also set a gender representation objective for Boards to have 50% of non-executive members who are women by 31 December 2022.

During the period covered by this report, there has been one recruitment exercise undertaken. As with previous Board recruitment, our Chair and the panel have focused on actions aimed at encouraging more female applicants. In the last appointment round progressed through the Public Appointments process, the activity reflected Scottish Ministers' commitment to diversity and inclusion and encouraged applications from a wide and diverse pool. An online event was held in association with Changing the Chemistry (CtC) with a high number of participants taking part in the event. CtC is a membership charity operating as a peer support network with the aim of changing the chemistry in the boardroom, so people and boards embrace diversity of thought. In addition, there was a drop-in day organised so that anyone interested in applying for one of the positions on the HIE Board could come into An Lòchran in Inverness to meet the Chair and two female Board members in an informal setting to find out more about being on the Board and to ask any questions. The vacancies were also promoted widely via a news release, website and social media channels, as well as with business, community and partner organisations for sharing via their networks and social media channels.

HIE has also developed a recruitment video which is available on a page specifically created for our website when Board positions are being advertised, this has input from our Chair and two female Board members who provide their own perspectives of being a Board member and being on the Board of HIE.

Leading on from the last recruitment exercise, in January 2025 HIE appointed a shadow Board member. The purpose of this role is to provide an opportunity for someone to gain knowledge and experience of being on a Board. With a time commitment of one day a month, the shadow member is involved in all aspects of the work undertaken by the Board, but has no voting rights.

Board meetings are held physically with four per year taking place in Inverness and the other two taking place at locations across our geography (which involve engagement events with business and community organisations). Throughout the course of the year, the Board are involved in virtual engagement sessions across the geographical areas covered by our area offices with attendance at each shared among Board members. This makes it easier for Board members to attend whilst also ensuring a good level of engagement across our whole geography. Although attendance at Board meetings in person is preferred, flexibility is available for Board members who can't attend every meeting in person.

HIE will continue to take steps to achieve equality objectives, including gender balance under section 6 of the Act, despite the requirement being removed on 31 December 2022.

# Mainstreaming as a service provider

During the period of the report, HIE continued to transform its approach to delivery, ensuring it meets the needs of customers, partners and staff.

Our business transformation plan is founded on the following themes:

- simplified and streamlined processes that support efficiencies and rigorous decision making and accessibility;
- optimised use of resources using a strong evidence base and considered cost efficiencies, including delivery of our workforce plan and focus on youth;
- continuing to build on flexibility and opportunities through increased use of data and digital technology;
- ensuring that our product and service offering is fit for purpose and place, adds value, aligns with priorities, and maximises partnership opportunities;
- close partnership working and collaboration to ensure more cost-effective services, joined up customer experience and place-based solutions;
- flexing our approach and adjusting our intervention rates and criteria to take account of the place dimension; and
- greater transparency and continuous improvement, based around insights, measurement and evaluation.

We consider it as important to mainstream equalities in how we deliver, as well as in what we deliver. This delivery framework emphasises many aspects of our approach that are pertinent, recognising the importance of place, staff, partnership, use of data and digital technology to increase access and inclusion, and a strong evidence base.

During 2023-25 we prioritised actions to:

- extend and embed Fair Work practices, increase incomes and tackle rural disadvantage, ensuring we balance opportunity with need by taking a place-based approach;
- build on our strong entrepreneurial culture and work with partners to encourage more young people and women to start up their own enterprises;
- evolve our community wealth building approach;
- support social enterprises to create new opportunities and develop their communities;
- capitalise on strong new market opportunities in renewable energy, blue economy, space, natural capital and transform our more traditional sectors, such as tourism and food and drink, to become more competitive and resilient and increase wages in the region;
- support the adaptation and development of a skilled workforce which can support our new market opportunities and meet the needs of existing sectors;
- enable a just transition to net zero through increasing awareness, embedding good practice and supporting relevant interventions;
- support the development of appropriate enabling infrastructure and connectivity throughout the region to support growth and community sustainability; and
- stem the population decline and grow our population, which has been significantly impacted by the exit from the EU and the pandemic.

#### HOW WE MAINSTREAM FOR DELIVERY

#### **DUE DILIGENCE AND IMPACT ASSESSMENT**

Our due diligence assessment considers equality, economic, social and environmental impact holistically. HIE has incorporated the requirements of the Fairer Scotland Duty (socio-economic considerations) in our People Impact Assessment process. This ensures that we take socio-economic disadvantage into account when making decisions of a strategic nature. People Impact Assessments are an important way to continually improve the way we develop and deliver our strategic and day to day activities.

HIE's people impact assessments enable us to identify the potential impact of our interventions and plan ways in which we can maximise positive and mitigate negative impact and meet relevant duties. HIE is reviewing its approach and is a member of an Equalities Group as part of the Scottish Business Support Partnership. The primary purpose of the group is to share learning to improve equality knowledge and practice across the partners but also to consider the need for partnership work and joint initiatives. For example, the Group has developed a new training module on completing Equality Impact Assessments. The module uses real-life examples of members completing Equality Impact Assessments and the benefits this has brought to their projects and customers.

Human Rights assessments are undertaken to comply with Scottish Government guidance. This procedure is intended to enhance, not supersede, existing due diligence checks undertaken by HIE. By following the procedure's steps, we obtain the information required to make informed decisions prior to entering into business relationships.

Island Community Impact Assessments ensure island needs and challenges are rightly more formally considered. For HIE, however, this has always been an integral part of our strategic, operational and investment planning and implementation. We have liaised with the Scottish Government on our approach and undertake screenings on any new significant approaches. In the period of this report one screening was undertaken for the HIE Strategy.

#### FAIR WORK IMPLEMENTATION AND CONDITIONALITY

Building on from the previous implementation of Fair Work conditionality for investments of £100k and above, HIE extended its approach to all organisations receiving financial support from HIE from April 2022. Fair Work is positive for organisations and national and international research identifies good practice within each of the five dimensions of the Fair Work Framework, which lead to positive outcomes for workers, employers and for society. Together, these dimensions have significant synergies.

Through client engagement, HIE staff supported applicants to understand the benefits of Fair Work to their organisation. In supporting this important policy, HIE:

- developed a fair work programme to support organisations to develop their understanding and to produce a Fair Work Action Plan;
- actively promoted the use of the Fair Work Diagnostic which was developed with support from HIE and other key partners, continuing to work with Scottish Enterprise who host the tool, and other partners to monitor its use and develop the tool's functionality;
- maintained a Fair Work page on our website for staff and clients;
- delivered internal sessions to help staff understand the policy and its implementation;
- contributed to a joint SG working group that has been set up to promote and monitor fair work conditionality across the business bases;
- refined the Business Values Ladder, which captures data relating to fair work practices and can monitor client progress, and built this into our process of engagement with clients;
- considered Fair Work practices within procurement procedures with a requirement for contractors to provide an annual report on what has been actioned and delivered in relation to Fair Work;
- created Fair Work case studies and promoted them on HIE's website;
- incorporated Fair Work into commissioned research to gain a better understanding of perceptions and issues, especially with regard to economic recovery in the region; and
- updated all staff guidance on a regular basis to ensure that process, guidance and policies are in line with Scottish Government guidance.

Organisations receiving support from HIE are expected to comply with all <u>Fair Work First</u> criteria. Evidence is required to support the criteria and demonstrate that Fair Work is adhered to over time.

#### **PROCUREMENT**

Fair Work Practices (FWPs) are addressed in HIE's procurement strategy and our award criteria and conditions of contract in our procurements, where proportionate and relevant.

Through the use of people impact assessments prior to the procurement exercise we can highlight ways to address socio-economic disadvantages linked to the Fairer Scotland Duty. The degree to which equality and diversity requirements are specified and incorporated within procurement documentation will vary according to the goods, services or works being purchased and are assessed on a case-by-case basis. This helps to ensure that full consideration is given to the needs of, and the likely impact on, all users and others who will be affected by the contract.

Our procurement strategy is aligned with the Public Procurement Strategy for Scotland which includes a Good for Society objective incorporating efficient, effective and forward thinking through continuous improvement to help achieve a fairer and more equal society.

HIE encourages suppliers to pay the real living wage to their employees, particularly those working on our contracts, and where proportionate and relevant we mandate the payment of the real living wage for example our facilities management related contracts. We consider the Scottish Government policy guidance. Our procurement processes identify whether a supplier is paying the real living wage and/or has living wage accreditation and our annual reporting process with our main contractors captures an update on their position.

Our internal procurement training materials include aspects relating to the Sustainable Procurement Duty – equalities, Fair Work practices, environment and community benefits (including community wealth building), helping staff to be aware that we need to consider how these aspects are incorporated into our procurements. The Scottish Government prioritisation and sustainability tools have helped us identify and focus on risks and opportunities for specific procurements.

#### **Community Wealth Building and procurement**

Through our approach to community wealth building into the HIE region, we:

- apply appropriate lotting structures of requirements to help local small and medium sized businesses, third sector organisations and supported businesses have an opportunity to bid for and win work;
- promote procurement opportunities through our social media platforms;
- include HIE region businesses in our unregulated procurements; and
- include community benefits in our regulated procurements.

We have a legal obligation to consider including community benefit requirements for contracts valued over £4 million. Where proportionate and relevant though, HIE also includes community benefit requirements for contracts valued at less than £4 million. Our aim is to receive targeted, relevant and proportionate community benefits and community wealth building into the HIE region to support local priorities, and delivery is monitored through our contract management processes. To help achieve this we use a community benefits point and selection menu approach covering the themes: community engagement, education and outreach, employability and skills, sponsorship and funding, and supply chain.

Our annual procurement reports include a community benefit summary of examples of community benefits delivered during that reporting period. HIE's website hosts <u>case studies</u>, which we signpost suppliers to in our tender documentation so they can see examples of community benefits other contractors have delivered – particularly smaller companies with lower-valued contracts.

HIE Procurement Strategy 2024-2028

HIE Annual Procurement Report 2023/24

#### **FVIDENCE BASE TO SUPPORT MAINSTREAMING**

In order to respond effectively, it is critical that organisations have a strong evidence base. As well as drawing from external sources, HIE has expanded our own evidence base. This included assessments, client data, evaluation and research on which to base our approach and inform our decision making.

During the period of this report, we have evolved our measurement framework and our client data capture to support our equalities work and to enable monitoring and evaluation of our new strategic framework. As mentioned previously, our Business Values Ladder forms part of our measurement framework and helps identify areas where new approaches and workplace practices could help improve business performance, providing strategic insight to allow us to respond effectively. This has been updated during 2024 and will be fully implemented in 2025-26.

Our inclusive growth model progressed significantly during this reporting period. Inclusive Growth Focus Areas were approved in June 2024 and are being used to direct resource and targets.

Between 2023-25 we undertook significant research to deepen our understanding of equalities, disadvantage, fair work and other relevant themes. This included:

- Business Panels (incorporated fair work, recruitment and training and wider workplace factors into the surveys)
- Funding the OECD Enhancing Rural Innovation in Scotland research with Scottish Enterprise, South of Scotland Enterprise and Scottish Government, which reported findings in this reporting period
- Census analysis focused primarily on population analysis
- Baselining Inventory for Greenhouse Gas Emissions

The combined findings are extensive, but the summary below provides an indication of key points that impact on our understanding of equalities and inclusion:

- The December 2023 Business Panel focused on community wealth building, with 92% of businesses surveyed taking actions that reflect the tenets of community wealth building. Of the business values deemed most important, ensuring quality of goods or services (48%) and contributing to the local community (44%) were top. Seventeen percent were providing or helping source housing or accommodation for staff. Barriers to growing local opportunities included a lack of people or skills in the area (78%), transport infrastructure (78%) and regulation and legislation (74%).
- Rural innovation extends beyond common definitions of innovation based on R&D and new technologies with social innovation a particular strength and playing an important role in service provision, community wellbeing and supporting opportunities for under-represented groups.

- There is a significant need for skills development as a vital enabler to support a just transition to net zero across the region. The geography and remoteness will present a challenge to pursuing some opportunities from the transition.
- The Census population analysis concluded that despite strong growth in the preceding decade, the population of the Highlands and Islands (H&I) remained flat between 2011 and 2022, compared to growth of 2.7% in Scotland. The decline in the numbers of working age has decreased more rapidly in the Highlands and Islands (-5.3%) than Scotland (-1.1%) and particularly in Argyll and Bute and Na h-Eileanan Siar.

We commissioned evaluations and further evidence to help inform future approaches which explored the impact and wider benefits of the support and how it was delivered. These included:

- Graduate Placement Programme the evaluation concluded benefits for the companies included improving diversity, developing skills and knowledge of existing staff, bringing fresh ideas, new ways of looking at the business, and added workforce development benefits. For graduates, the benefits included transferable and meta skills gained, applying learning in a work environment, gaining sectoral experience, and boosted income. A substantial proportion of graduates were retained (83%).
- Science Skills Academy (SSA) the evaluation concluded that the pop-up Newton Room proved particularly effective in overcoming geographical barriers for more rural and remote schools, increasing equity of access. Localised and bespoke approaches meant activities delivered were contextualised and tailored to the place. The SSA was deemed to have a positive impact and delivered a wide range of benefits that will have a sustainable impact over time and had removed barriers to participation.
- A Social Impact Measurement pilot to test and refine a framework and toolkit developed for organisations with a social purpose. These set out a methodology and approach to enable organisations to measure their social impact and aid community organisations and agencies to better understand and evidence the social impact of activities.
- Evaluation of XpoNorth (Creative Industries support programme) included the LevelUp initiative, which is a partnership between UHI and HIE to address skills gaps and help the retention of young people in the region. It was available to over 1,000 students, facilitating industry contacts, networking and work experience opportunities, advice on starting a business, and mentoring support from sector specialists and access to a range of learning resources.

# Programme and project delivery

We take a place-based approach to our delivery, with staff based in seven area offices across the region providing strong local knowledge and experience, support for projects focused on local need, and additional grant support for more disadvantaged areas. In addition, we have also delivered programmes which focused more directly on women or young people to support our equality agenda and to communities to support our community empowerment outcome. These related to entrepreneurship, leadership and innovation. Further details of relevant programmes that contributed to our equality outcomes are provided within the Equality Outcomes section.

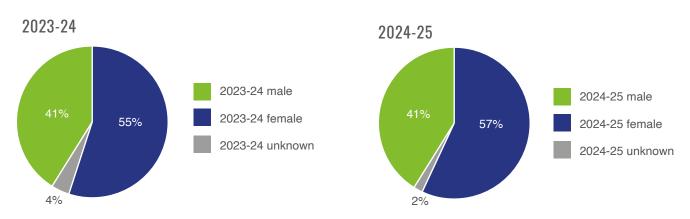
HIE strives to ensure that we break down any barriers that may preclude women from participating in our programmes and services. This includes ensuring that options are available for people to participate remotely using digital technology and limiting the amount of face-to-face participation at times that could make it challenging for women to participate.

Our property investments are focused on places where there is market failure and so democratises access particularly in more rural areas. Our properties take cognisance of anticipated end use and requirements that would help support our wider objectives. We have adapted buildings for the hearing and visually impaired, incorporated gender-neutral bathroom facilities and multi-functional rooms which can be used for breastfeeding as some examples of wider considerations.

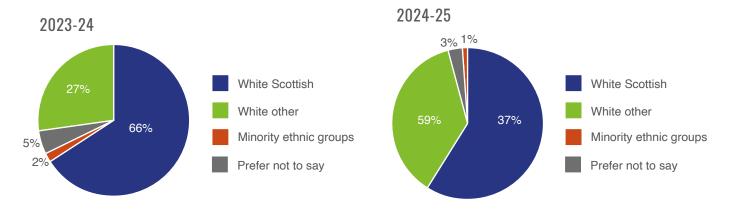
We are attracting and engaging well with both male and female clients across the region.

In terms of our programme support the following represents participation, based on returned data.

#### Reported Gender of Participants in HIE Programmes 2023-25



#### Reported Ethnicity of Participants in HIE Programmes 2023-25



# **Outcomes for 2023-25**

Our key equalities outcomes and achievements are set out below:

#### **STRATEGIC**

#### **Action**

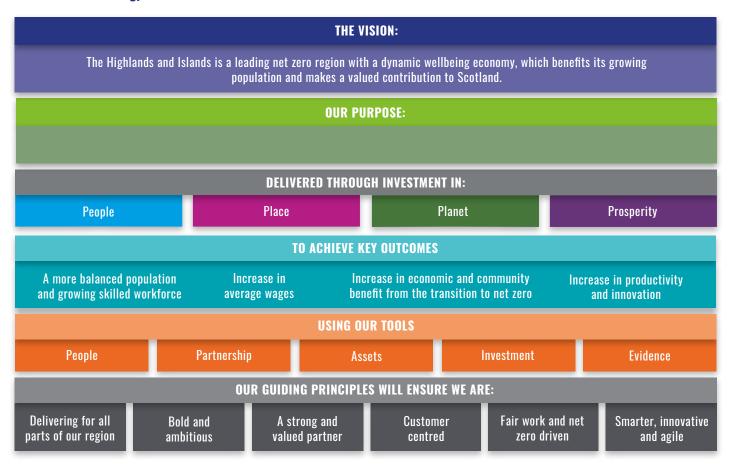
Review HIE's equality outcomes in the context of National Strategy for Economic Transformation and HIE's Strategy development for 2023-28.

#### **Outcome Achieved**

HIE's new Strategy 2023-2028 was developed through 2022-2023 and evolved from a robust evidence base that baselined the region against NSET objectives. A detailed SWOT was generated and was tested with over 100 stakeholders, including youth, community and business representatives, through an iterative process into 2023.

This led to the commitments to fair and inclusive growth as a cross-cutting theme for the new strategy and a range of commitments to embed fair work and equalities to achieve the outcomes we set out. The new strategy is available on the HIE <u>website</u>.

#### 2023-2028 HIE Strategy - Framework



### EQUALITY OUTCOME (I) THE DIVERSITY OF LEADERSHIP, ENTREPRENEURSHIP AND WORKFORCE PARTICIPATION IN THE HIGHLANDS AND ISLANDS IS INCREASED

#### We aimed to:

- Improve employment prospects for young people both within the businesses and communities of the Highlands and Islands and as an employer.
- Increase the contribution women make to economic growth by developing leadership and entrepreneurship capability of the region.

#### **Key Actions Delivered and Achievements:**

- IMPACT30 is a dedicated programme to develop young entrepreneurs and future business leaders that has supported 168 enterprises from 2023-25, with over 20% of enterprises operating in an area classed as remote and rural. For example, by participating in IMPACT 30, Candles from the Croft female co-founder developed the skills and confidence to take their product to market.
- Focusing on opportunities for young people, we delivered 43 graduate and technology placements in a range of sectors. For example, Lochaber Hope, a charity and social enterprise providing mental health support services employed an IT graduate to implement digitised and cloud-based systems, improving efficiency within the organisation.
- We delivered nine placements within the HIE Graduate Placement Programme during this period. More detail is included under Outcome iii as this programme has multiple objectives, not only to attract and retain talent in the region but to support enterprises with growth aspirations, increase diversity, provide entrepreneurship opportunities for young people and bring fresh ideas through a youth perspective.

- We worked in partnership with organisations who have expertise in women's entrepreneurship and investment, such as <u>AccelerateHER</u>, to input into the delivery of our programmes. Our Pathfinder Accelerator programme delivery contractor, Skillfluence, have partnered with Investing Women Angels.
- HIE's Innovation Programme 2022-25 delivers innovation advice, grant funding and knowledge exchange activities to organisations across the region with a particular focus on improving productivity and meeting net zero ambitions. From 2023–25 186 businesses were supported including 43 (23%) female led businesses.
- Three female founders in the HIE region were successful in securing a place on <u>Scottish Enterprise's Pathways to Scale</u> <u>programme (PTS)</u> which offers strategic advice, peer support and networking to help prepare for investment.
- In partnership with <u>Techscaler</u> (the Scottish Government's technology start-up programme) we supported seven entrepreneurs five of those are women with grants of up to £10k to support the start up, development and growth of new tech businesses.
- An innovative event 'Making Waves & Breaking Grounds' was organised by HIE in March 2025, to inspire female business owners in agriculture and aquaculture.



IMPACT30 entrepreneurs

# EQUALITY OUTCOME (II) POSITIVE COMMUNITY ENGAGEMENT AND SUPPORT HELP SUSTAIN EMPOWERED CAPABLE AND INCLUSIVE COMMUNITIES

#### We aimed to:

- Support communities and social enterprises to create new opportunities and benefit from the transition to net zero and from our unique heritage and culture, including from the Gaelic language
- Enable communities to fulfil their vital role in contributing to the economic and social wellbeing of the region
- Evolve our community wealth building approach

#### **Key Actions Delivered and Achievements:**

- We supported delivery resource in community anchor organisations to support community-led development, build resilience, and increase capacity.
- HIE's Delivery Resource Project (DR) supported 49 community-led organisations from 2023-25 to enable the employment of local delivery officers to deliver prioritised projects for community benefit. HIE's valuation work in recent years has evidenced wide-ranging benefits whilst demonstrating value for money for the public purse.
- Projects include developing housing initiatives and acquiring assets to sustain key services e.g. housing and business unit developments to support economic and population growth on Colonsay. This is transformational for the community and will assist in reversing decline on the island. Housing projects are also being developed in other remote and rural communities such as Papay, whilst communities in Moray have benefited from acquisition and development of camping and motorhome sites providing valuable income streams.

- From 2023-25 we delivered the Support for Communities Framework by providing practical hands-on support to 45 community organisations and social enterprises that lack the capacity, or a particular skill set to progress an opportunity. An example is the Oxygen Works, led by their female CEO, which provides transformative support to individuals living with long-term and complex health conditions and so have increased barriers to participating in society and the workplace. They were supported to more effectively measure their impact and to drive growth, efficiencies and improve client experience.
- We published HIE's fourth <u>Gaelic Plan</u> in September 2023, underscoring HIE's continued commitment to the promotion and development of Gaelic language and culture as a unique asset for Scotland, both socially and economically. This set out clear goals and measurable targets to ensure that HIE maximises the use of Gaelic with clients and partners and supports a range of Gaelic and Gaelic-related socio-economic opportunities.
- Research on Maximising Community Wealth Building Opportunities (CWB) is underway, with a large-scale survey – 'Our People, Our Prosperity – the voice of communities'. The research is due to be reported in late 2025 and will contribute to the evidence base to inform HIE's CWB Action Plan.

# Case study



# **Building Inclusive communities: The Sanday Development Trust story**

One of Orkney's breathtaking outer north islands, Sanday is a thriving community that's showing how a small island can achieve big things. With a population of just over 500, Sanday has been actively shaping its future through the Sanday Development Trust (SDT) since 2004. With a firm commitment to sustainability, economic growth, equality and inclusivity, SDT is an excellent example of how community-driven initiatives can create lasting impact.

We've been working with them for many years, supporting the local Trust as it continues to deliver on the principles of empowered, capable, and inclusive communities. By fostering equality and ensuring that everyone has a place in Sanday's future, the Trust is proving that island life can be both sustainable and welcoming for all.

The islanders have put inclusion at the heart of their activities. SDT has developed services and projects that meet the needs of all residents – young and old, newcomers and lifelong islanders. Heilsa Fjold, one of its flagship projects, is a vibrant community hub that welcomes everyone. Whether it's youth drop-ins, social gatherings, or visiting healthcare services, the centre fosters connections and combats isolation, particularly among older residents. It's an essential space where people can come together, share experiences, and strengthen the bonds of community life.

Another key initiative is Care for Sanday, which is tackling a critical issue: the ability to age within your own community. For many islanders, leaving for care elsewhere means uprooting from family and friends. With plans for 12 independent living homes and a dedicated health hub, this project will allow people to receive the support they need without having to leave the island they love.

### Find out more about the Trust

# EQUALITY OUTCOME (III) THE WORKING AGE POPULATION GROWS IN EVERY PART OF THE HIGHLANDS AND ISLANDS

We aimed to:

- Work with partners to develop new approaches to attract and retain working age population in the region.
- Develop the evidence base to more fully understand issues affecting population retention and attraction and use to influence action.

Key Actions Delivered and Achievements:

- Partnership is critical to delivering this outcome and population is a key theme within the Convention of the Highlands and Islands (COHI) and Highlands and Islands Regional Economic Partnership (HIREP). Work led by HIE, through the HIREP Repopulation Working Group significantly informed development of the Scottish Government's Addressing Depopulation Action Plan published in February 2024. One direct outcome was the continuation of three Settlement Officer posts that are supporting repopulation across remote rural areas.
- Working with students, schools, employers and families through a network of STEM rooms and a wide range of programmes, HIE provided the opportunity to develop core skills within the region through the <u>Science Skills Academy</u>.
- Working with local, regional and national partners on housing issues including support of research and papers to COHI and the HIREP. Examples of wider support include developing capacity in communities to develop local community-led solutions, advanced manufacturing and innovation support for modular construction.
- Following the evaluation of the Graduate Placement Programme, we designed and launched a new three-year programme (2024-27), with particular focus on Inclusive Growth Focus Areas, with the objective of retaining and attracting young talent in the region.
- A lack of access to and availability of high quality and affordable childcare is a barrier to encouraging young working families to stay as well as move to the region, particularly in our more remote and island areas. HIE is working closely with all key partners nationally and locally, championing the region and the childcare challenges and through the HIREP Childcare Sub-Group we have worked collaboratively to find solutions and evidence key issues.
- As well as our influencing role, HIE has funded a number of projects including: a regional childminder recruitment campaign (2022-24), which recruited over 40 new childminders; a feasibility study to create the Single Care Model, which looked at how an employed care practitioner can provide care within both the adult social care and childcare sector; a pop-up childcare recruitment event in Uist and Barra; childcare modelling research on Tiree; specific childcare settings including expansion and improvements to outdoor settings; and the redevelopment of a nursery setting in Shetland.

# EQUALITY OUTCOME (IV) THE PROMOTION AND SUPPORT OF FAIR WORK HELPS WORKFORCE DEVELOPMENT AND BUILD MORE RESILIENT ENTERPRISES

We aimed to:

Embed and extend Fair Work practices, increase incomes and tackle rural disadvantage.

Key Actions Delivered and Achievements:

- Implemented the extension of Fair Work Conditionality for financial support.
- Developed and delivered a Fair Work Tourism Programme to support the sector to understand the benefits of fair work and approaches to deliver and embed.
- Developed case studies for the HIE website to aid promotion and learning.
- Worked with Scottish Enterprise and partners on the roll out and development of the online Fair Work Diagnostic Tool.
- Included Average Wage targets in our operating plan (and exceeded these targets through our investment decisions).
- We delivered a <u>Fair Work Programme</u> providing the opportunity for clients to attend workshops and one-to-one specialist advice, to focus on the five pillars of Fair Work and the potential business benefits of being a Fair Work employer. Seven workshops were delivered during this period with 45 clients attending and 37 client action plans completed.

# Case study



# Inspiring the future: How the Science Skills Academy is building STEM talent in the Highlands and Islands

Growing and retaining a skilled workforce is key to ensuring the Highlands and Islands thrive. One initiative making a real difference is the Science Skills Academy (SSA), which is sparking enthusiasm for STEM (Science, Technology, Engineering, and Mathematics) careers among young people across the region.

Through its engaging Newton Rooms in Thurso, Dingwall, Inverness, and Fort William – as well as a Pop-Up Room that travels to more remote Highland communities – SSA is breaking down barriers to STEM education. Designed to be fully accessible, these spaces welcome all learners, ensuring that neurodivergent students, those from underrepresented backgrounds, and rural pupils have the same opportunities to explore science and technology. Features like height-adjustable desks, quiet spaces, and free participation mean that every child can take part and dream big.

By reaching 98% of schools across the region and eliminating financial barriers and reducing geographic barriers to participation, SSA directly supports our commitment to growing the working-age population in every part of the Highlands and Islands. Early research and equality impact assessments shaped SSA's inclusive approach, ensuring that young people from all backgrounds see STEM as a viable and exciting career path.

Crucially SSA works closely with employers, introducing young people early to career opportunities within their communities.

SSA has engaged over 36,500 primary and secondary pupils, their teachers, families and communities since 2019. an impact that will shape the future workforce of the Highlands and Islands. By nurturing talent and inspiring the next generation, SSA is playing a vital role in building a thriving, sustainable economy where young people can see a future for themselves right here in the region.

### Learn more about the Science Skills Academy

# Case study



# North Uist Distillery: A focus on fair work

Founded in 2019 by Kate MacDonald and Jonny Ingledew, North Uist Distillery has made a name for itself with its award-winning Downpour Gin range. Beyond crafting exceptional spirits, the business has also been dedicated to creating a fair, inclusive, and supportive workplace – values that align perfectly with our fair work principles.

Jonny and Kate's approach to business is deeply rooted in the culture and community of Uist. Their commitment to fair work has helped them foster a workplace where employees feel valued, empowered, and able to grow. With a focus on workforce development, they ensure their team is not just a part of the business but at the heart of it.

"We want North Uist Distillery to be the best employer on the islands of Uist," Jonny explains. "Taking part in HIE's Fair Work Support Programme allowed us to assess where we were, understand where we could improve, and strengthen our HR resources to support our growing team."

Our programme helped North Uist Distillery refine its support structures for staff, ensuring that employees – regardless of age or gender – receive fair treatment, opportunities for advancement, and a workplace where they can thrive. With a team that has expanded from three to 12 the focus on fair pay, development, and inclusion remains crucial to their plans for growth.

The business's commitment to equality extends to its hiring practices, with a focus on creating opportunities for younger workers and supporting women in the traditionally maledominated distilling industry. Their future plans, including whisky production at Nunton Steadings, will create up to six new skilled jobs, strengthening the local economy while championing Fair Work values.

By embedding fair work principles into their growth strategy, North Uist Distillery is proving that a business built on respect, inclusion, and opportunity is not only good for employees - it's key to long-term success and resilience.

Find out more about Kate and Jonny's story on their website

# **Appendix A – HIE employee information - 2025**

In line with our statutory duty, we measure diversity in our organisation by monitoring numbers with protected characteristics in:

- The composition of our workforce and new starts
- Recruitment
- Internal promotions
- Training and development
- Employees who have left the organisation

Where numbers are fewer than five they are marked as \* to protect anonymity.

There were a small number of capability, disciplinary and grievance issues over the past year however the numbers are too small to report upon. HIE continues to monitor capability, disciplinary and grievance policies, and processes to ensure they advance equality and eliminate discrimination.

Data within the whole workforce composition above includes new starts – those who commenced employment on or before 31 March 2025.

#### WHOLE WORKFORCE COMPOSITION

#### Sex

	2019	2019	2021	2021	2023	2023	2024	2024	2025	2025
Female	195	65%	183	64%	176	63%	174	64%	175	68%
Male	106	35%	101	36%	102	37%	96	36%	83	32%
Total	301		284		278		270		258	

#### Race

This protected characteristic refers to a group of people defined by their race, colour, and nationality, ethnic or national origins. HIE recognises it has a low number of employees who identify themselves as having an ethnic origin other than White British. We are currently improving our recruitment reports to help us monitor our policy, commitment and progress in relation to attracting candidates from a variety of racial groups.

	2019	2019	2021	2021	2023	2023	2024	2024	2025	2025
White British	258	86%	266	94%	45	16%	50	19%	50	19%
White Scottish					165	59%	162	60%	157	61%
White English					17	6%	16	6%	18	7%
White Northern Irish							*	*	*	*
White Irish			*	*	*	*	*	*	*	*
Other White	9	3%	9	3%	8	3%	7	6%	7	3%
Chinese or other ethnic group									*	*
Prefer not to say	6	2%	5	2%	6	2%	*	*	*	*
No data held	27	9%	*	*	36	13%	30	11%	20	8%
Total	301		284		278		270		258	

#### **Disability**

A person is disabled if they have a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out typical day-to-day activities. A number of illnesses such as cancer, HIV and multiple sclerosis are automatically considered disabilities under the Equality Act and other progressive conditions are considered a disability as soon as the symptoms of that condition have an effect.

	2019	2019	2021	2021	2023	2023	2024	2024	2025	2025
Disability	*	1%	10	4%	19	7%	20	7%	21	8%
No Disability	12	4%	50	18%	60	22%	245	91%	232	90%
Prefer not to say	*	1%	*	*	*	*	*	*	*	*
No data held	285	95%	222	78%	194	70%				
Total	301		284		278		270		258	

#### Age

	2019	2019	2021	2021	2023	2023	2024	2024	2025	2025
16-24	6	2%	*	1%	8	3%	6	2%	7	3%
25-29	30	10%	11	4%	12	4%	17	6%	11	4%
30-34			12	4%	16	6%	12	4%	13	5%
35-39	84	28%	26	9%	25	9%	18	7%	13	5%
40-44			56	20%	38	14%	38	14%	37	14%
45-49	106	35%	45	16%	51	18%	40	15%	42	16%
50-54			46	16%	41	15%	51	19%	49	19%
55-59	66	22%	51	18%	49	18%	46	17%	38	15%
60-64			24	8%	26	9%	31	11%	39	15%
65-69	9	3%	10	4%	9	3%	7	3%	6	2%
70-74					*	1%	*	*	*	1%
Total	301		284		278		270		258	_

#### **Religion and Belief**

	2019	2019	2021	2021	2023	2023	2024	2024	2025	2025
Church of Scotland	99	33%	85	30%	72	26%	70	26%	68	26%
Other Christian	*	1%	20	7%	20	7%	17	6%	18	7%
Protestant	21	7%	*	*	*	*	*	*	*	*
Roman Catholic	18	6%	19	7%	17	6%	16	6%	15	6%
Other religion	*	1%			*	*			*	*
No religion	99	33%	107	38%	92	33%	99	37%	104	40%
Prefer not to say	12	4%	15	5%	13	5%	14	5%	15	6%
No data held	48	16%	36	13%	61	22%	53	20%	35	14%
Total	301		284		278		270		258	

#### **Sexual orientation**

Sexual orientation is a person's emotional, romantic and/or sexual attraction to another person. The Equality Act applies equally whether someone is a lesbian, gay, heterosexual or bisexual. Our 2025 data for sexual orientation remains consistent with previous years.

	2019	2019	2021	2021	2023	2023	2024	2024	2025	2025
Heterosexual	240	80%	238	84%	206	74%	204	76%	209	81%
Homosexual	6	2%	*	1%	*	2%	*	2%	*	2%
Bi-sexual					*	*	*	*	*	*
Prefer not to say	*	*	*	1%	*	*	6	2%	8	3%
No data held	54	18%	40	14%	63	22%	54	20%	36	14%
Total	301		284		278		270		258	

#### **Gender reassignment**

Gender reassignment is where a person has proposed, started or completed a process to change their gender. A transgender (trans) person has the protected characteristic of gender reassignment.

In March 2024 we re-worded the question on this characteristic in OpenHR Self Service which has influenced the increase in no data held. \*

Is the gender you identify with the same as your sex registered at birth?	2019	2019	2021	2021	2023	2023	2024	2024	2025	2025
Yes	238	79%	217	76%	187	67%	159	59%	182	71%
Prefer not to say	6	2%	5	2%	5	2%	7	3%	8	3%
No data held	57	19%	62	22%	86	31%	104*	39%	68	26%
Total	301		284		278		270		258	

#### Marriage and civil partnership

The Equality Act makes it unlawful to discriminate against or treat someone unfairly because they are married or in a civil partnership. People who are not married or civil partners (single/engaged/divorced/widowed) do not have this protected characteristic.

	2019	2019	2021	2021	2023	2023	2024	2024	2025	2025
Single	61	20%	54	19%	60	22%	62	23%	61	24%
Partner	27	9%	22	8%	27	10%	26	10%	23	9%
Married	193	64%	189	67%	176	63%	167	62%	159	62%
Separated	8	3%	8	3%	7	2%	*	*	*	*
Divorced	10	3%	10	4%	7	2%	7	3%	7	3%
Widowed	*		*		*	*	*	*	*	*
Civil Partnership							*	*	*	*
Total	301		284		278		270		258	

# Pregnancy and maternity \*\* The percentages noted below are the percentage of those who are pregnant or on maternity leave.

	2019	2019**	2021	2021**	2023	2023**	2024	2024**	2025	2025**
Advised of pregnancy but not yet started maternity leave (as at 31/03/2023)	No data	No data	*	13%	0	0	2	20%	1	9%
On maternity Leave (as at 31/03/2023)	5	29%	*	13%	6	46%	1	10%	3	27%
Returned to work  - reduced hours or amended work pattern (between 01/04/2021- 31/03/2023)	*	18%	5	33%	4	31%	1	10%	2	18%
Returned to work – same work pattern as prior to maternity leave (between 01/04/2021- 31/03/2023)	9	53%	6	40%	3	23%	6	60%	5	45%
Did not return	0	0	0	0	0	0	0	0	0	0
Total	17	100%	15	100%	13	100%	10	100%	11	100%

#### Flexible working

Between April 2024 and March 2025 there were 23 formal flexible working requests. Over the last year there has been an increase in employees who work a full-time compressed work pattern, which has been the trend since 2017. A total of 24% of the organisation now have a contracted compressed work pattern and 21% now have a part-time pattern.

	2019	2019	2021	2021	2023	2023	2024	2024	2025	2025
Full-time – standard full- time hours – 35 hours per week across normal business hours (Monday – Friday 9am – 5pm with local flexibility)	202	67%	187	66%	177	64%	162	60%	142	55%
Full-time – compressed / flexible work pattern	36	12%	41	14%	47	17%	57	21%	62	24%
Part-time	63	21%	56	20%	54	19%	51	19%	54	21%
Total	301		284		278		270		258	

In addition to formal flexible working requests and patterns, all our employees can access our informal approach to hybrid working where they can flex their start and end times and work location demonstrating our supportive culture and flexibility offered in meeting both business and personal needs. Our approach is continually monitored to ensure it is fit for purpose and continues to support service delivery in all directorates and business units. Most of our employees choose to work a blend of home and office working and the current practices, performance and feedback demonstrate that hybrid working is working effectively.

#### **Promotions**

Between 1 April 2023 and 31 March 2024 three employees moved to promoted posts and one temporary promotion. There were also two job evaluation re-gradings which resulted in grade increases. Within the year, two employees also reverted to their substantive grade following the conclusion of temporary promotion.

Between 1 April 2024 and 31 March 2025 eight employees moved to promoted posts and two temporary promotions. There was also one job evaluation re-grading which resulted in a grade increase. The figures as follows relate to 11 individuals promoted between 1 April 2024 and 31 March 2025.

#### Sex

Female	10
Male	*
Total	11

#### Race

White British	*
White Scottish	6
White English	*
No data held	*
Total	11

#### **Disability**

Disability	*
No Disability	10
Total	11

#### Age

16-24	*
25-29	*
30-34	*
35-39	0
40-44	*
45-49	*
50-54	*
55-59	*
60-64	*
Total	11

#### **Religion and belief**

Church of Scotland	*
Other Christian	0
Protestant	0
Roman Catholic	*
Other religion	0
Prefer not to say	*
No religion	*
No data held	*
Total	11

#### Marriage and civil partnership

Single	*
Partner	*
Married	6
Separated	*
Total	11

#### **Sexual orientation**

Heterosexual	8
Prefer not to say	*
No data held	*
Total	11

#### **Gender reassignment**

Same Gender as assigned at birth	10
No data held	*
Total	11

#### **Pregnancy and maternity**

None of the employees promoted had declared to HIE they were pregnant at time of promotion.

#### **Recruitment and New Starts**

We are currently developing our reports within our recruitment system to be able to report fully across all protected characteristics for both internal and external applicants, candidates who were shortlisted and interviewed, and whether successful or unsuccessful for vacancies.

In order to attract a diverse range of applicants our work continues in support of the armed forces community. HIE retains its Armed Forces Covenant bronze award by the Ministry of Defence for support of the armed forces community. Specific commitments include: supporting the employment of veterans; recognising military skills and qualifications in our recruitment and selection process; working with the Career Transition Partnership to support the employment of service leavers; and supporting our employees who are reservists and volunteer cadet leaders in granting paid/unpaid leave for training and deployment.

## **Training and Development**

Between 1 April 2024 and 31 March 2025 HIE employees attended 714 instances of training across 22 different types of courses.

The demographics of the attendees are outlined as follows:

#### Sex

Female	476
Male	238
Total	714

#### Race

White British	130
White Scottish	438
White English	53
White Northern Irish	*
White Irish	*
Other White	31
Prefer not to say	23
No data held	34
Total	714

#### **Disability**

Has a disability	19
No Disability	695
Total	714

#### Age

16-24	13
25-34	51
35-44	133
45-54	277
55-64	216
65 +	24
Total	714

#### **Religion and belief**

Church of Scotland	197
Other Christian	58
Protestant	5
Roman Catholic	44
Prefer not to say	45
No religion	282
No data held	82
Total	714

#### Marriage and civil partnership

Single	132
Partner	71
Married	469
Civil Partnership	*
Separated	14
Divorced	23
Widowed	*
Total	714

#### **Sexual orientation**

Heterosexual	597
Homosexual	9
Bi-sexual	*
Prefer not to say	25
No data held	81
Total	714

#### **Gender reassignment**

Same Gender as assigned at birth	525
Prefer not to say	27
No data held	162
Total	714

#### **Leavers**

Between 1 April 2023 and 31 March 2024 HIE had 20 leavers.

Between 1 April 2024 and 31 March 2025 HIE had 17 leavers. The following data reflects the demographics of these 17 leavers.

There does not appear to be any trend or pattern in relation to ED&I that cause us concern with regarding employees leaving HIE.

#### Sex

Female	4
Male	13
Total	17

#### Race

White British	15
No data held	*
Total	17

#### **Disability**

Disability	*
No Disability	16
Total	17

#### Age

18-24	0
25-29	*
30-34	*
35-39	*
40-44	0
45-49	*
50-54	*
55-59	*
60-64	*
65-69	*
Total	17

#### **Religion and belief**

Church of Scotland	*
Other Christian	*
Roman Catholic	*
No religion	7
Prefer not to say	0
No data held	5
Total	17

#### Marriage and civil partnership

Single	*
Partner	*
Married	9
Civil Partnership	*
Total	17

#### **Sexual orientation**

Heterosexual	11
Homosexual	*
No data held	5
Total	17

#### **Gender reassignment**

Same Gender as assigned at birth	10
No data held	7
Total	17

#### **Pregnancy and maternity**

None of the leavers had declared to HIE they were pregnant, and none left whilst on maternity leave.

