

Webinar | 21 January, 12:00–12:45 CET | 11:00–11:45 GMT

Ready to put **Pay Transparency** on top of your agenda for 2025?

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Jennifer Granado Aranzana



Fériel
Aliouchouche



Johanna Qvist

Jurisdictions Initiating Implementation as of 2024

	Poland	Belgium	Sweden	Ireland
At hiring (Publication pay ranges)	In job notices	Info should be made available as soon as vacancy is published	During interview process	In job notices
During employment (Right to request info)	14 days to respond instead of 2 months as provided in EUPTD	N/A	Direct right to receive information/no privacy safeguards	N/A
Other key goldplating	Proposed scope of application: all forms of work (mandate & service contracts)	Pay reporting also needs to include leave assessment incl. breakdown for maternity, childbirth, adoption, parental leave, etc.	Changes to pay surveys for employers with +10 employees	N/A
Proposed entry into force	Not clear yet	2026	1 June 2026	Not clear yet

Use Gender-Neutral Job Evaluation to Determine Categories of Workers



By determining the numerical value of a job, analytical job evaluation methods show whether two different jobs have the same value or not. **Different jobs that have the same numerical value are entitled to equal remuneration.** Job evaluation is concerned with the content of the job, not with the skills and characteristics of those performing the job, nor with their performance.

- *International Labour Organization (ILO), Equal Pay Introductory Guide*

Pay Close Attention to Work of Equal Value – Gaps May Be There!

Some roles compared in the context of equal pay*

Wardens in accommodations for the elderly	with security guards
MOSTLY WOMEN	MOSTLY MEN
School meal supervisors	with park supervisors
MOSTLY WOMEN	MOSTLY MEN
Caterers and cleaners	with gardeners and drivers
MOSTLY WOMEN	MOSTLY MEN
Social and community service workers	with state and government employees
MOSTLY WOMEN	MOSTLY MEN
Social affairs managers	with engineers
MOSTLY WOMEN	MOSTLY MEN
Flight attendants	with pilots and mechanics
MOSTLY WOMEN	MOSTLY MEN

Case Law: France, 2010

A female HR Director received a lower salary than her male counterparts (financial director, commercial director).

The direct contribution to revenue by the financial or commercial director does not lead to a difference in job value because "the commercial aspect of the company's activities is only made possible if a number of other functions, of a more organisational and administrative nature, are properly maintained." **Therefore, the difference in remuneration is not justified.**

The value of a job should not be measured by its title or its supposed value in the labour market.

Explain Pay Gaps With Objective Justifications

Next, the retailer, has lost a six-year equal pay claim against more than 3,500 current and former staff members. As a result, the total amount payable by Next is estimated to be in excess of **£30 million**.

The employment tribunal held that **sales consultants**, who were predominantly women, should not have been paid lower hourly pay rates than **warehouse operatives**, who were mostly male.



Same Pay as Male Colleagues



In its ruling of October 1, 2024, the Higher Labor Court of Baden-Württemberg awarded a female department head higher compensation, citing the Pay Transparency Act and the principle of equal treatment (Case No.: 2 Sa 14/24).

In this case, the plaintiff's pay was below both the median salary of the female comparison group and the median salary of the male comparison group. The department head primarily sought the same pay as a named male colleague or as the highest-paid colleague in the same position. Alternatively, she requested compensation based on the median salary of the male comparison group. In total, she sought back payment of approximately **€420,000 gross** for five years.

The Higher Labor Court awarded the plaintiff **around €130,000 gross**. She was entitled to the difference up to the median salary of the male comparison group. However, the court did not grant the maximum differential amount related to the highest-paid colleague in a comparable position, as there were no sufficient indications that this discrepancy was based on gender discrimination.

The court determined that the employer had failed to justify the lower pay compared to the median salary of the male comparison group with factors such as **professional experience, seniority, or work quality**. When unequal pay is found in comparable roles, **employers must have valid reasons to justify the disparity**. Gender must not be a factor in this differentiation.

YES

Seniority

Education or
Qualification

Professional
experience

Hierarchical
positions

Objective & clear
criteria

Shortage of suitably
qualified
candidates – if
proven

NO

Age

Negotiation

Seniority, if
rewarded twice

Market Data

How should
market data be
used?

Include Gender Pay Gap In Your CSRD Reporting

- Lots of questions from companies – reporting requirements? Materiality?
- EFRAG has released additional guidance (Q&A)

ESRS S1-16	Undertaking-level gender pay gap
Applies to	<ul style="list-style-type: none">• Large EU companies• SME listed in EU• Non-EU parent with EU operations of certain size
Scope	Across undertaking (not single employing entity)
First reporting	2025 - 2029 (non-EU parent)

Where Do We Stand in 2025?

Current transposition overview:

- 15 MS official announcement on EUPTD implementation
- 4 MS initiated implementation
- Germany: currently working on draft bill
- Luxembourg: established Gender Equality Bodies
- France: Focus on reforming current gender equality index
- Czech Republic: Set up inter-ministerial working group & started implementation

Transposition predictions

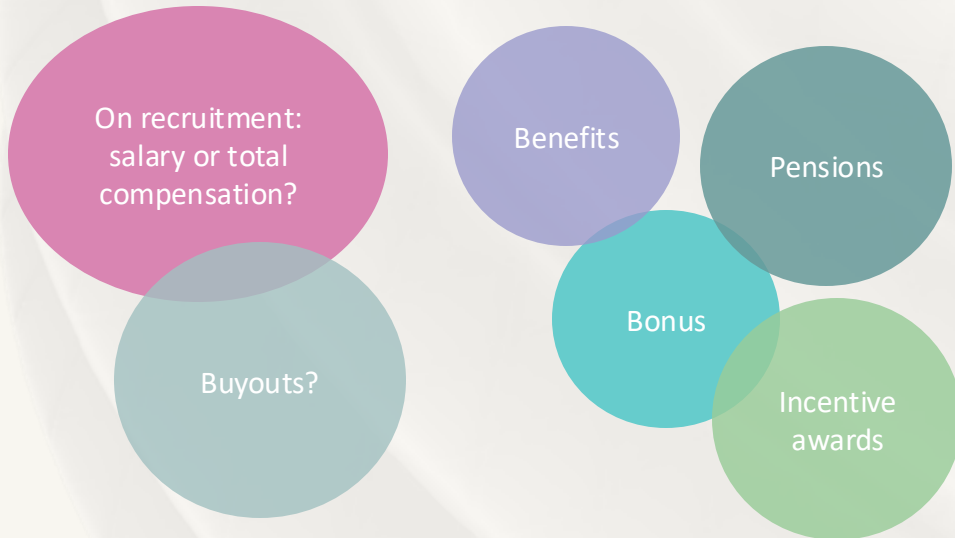
- Expecting further developments from Poland, Sweden, Ireland and Belgium soon
- Progress in Germany
- Delays in transposition (cfr. Political climate)
- Grace period?



Clarity In Coverage of ‘Pay’

“Pay means the ordinary basic or minimum wage or salary and any other consideration, whether in cash or in kind, which a worker receives directly or indirectly (complementary or variable) components in respect of his or her employment from his or her employer.” – Art. 3 (1)(a) Directive (EU) 2023/970

What pay items are covered?



Items covered under the Directive's definition:

- Pay = all pay and benefits
- Calculation basis = gross annual and gross hourly (i.e. actual, annual pay)

There may be variations across Member States on the definition in the local regulations. For example: France, Sweden

Keep Data Privacy In Mind

Transparency vs. Data protection: An impossible equation ?

- Key issue for both employees and employers, especially **during employment**:
 - Right of employees to **request individual information** and pay levels of peers
 - **Confidentiality** clauses ?
- Limited safeguard set out by the EU Pay Transparency Directive
- Limited use by employees: Any personal data processed shall not be used **for any purpose other than for the application of the principle of equal pay.**
- Role and involvement of employee representatives
- How will local legislations deal with the limited safeguard set out by the EU Pay Transparency Directive ?
 - Swedish transposition
 - French case law

Must-Do in Preparation for 2026



To do
Introduce/review job
evaluation system



Key risks
Use different criteria /
job evaluation systems
for different parts of
the organizations



Key risks
Choose categories to
stay beyond 5% /
modelling categories



Key risks
Focus just on job
families (equal value
concept)



To do
Validate with
internal/external
counsel & follow-up on
further guidance/tools
& case law

Must-Do in Preparation for 2026



Formulate your organization's pay transparency story

What do you want to achieve with pay transparency and how can you get there?



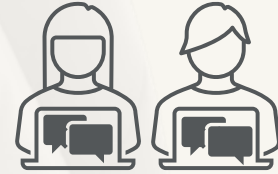
Engage Key Stakeholders

- Unions and work councils
- Key Managers
- Informal Leaders



Review current policies and practices – from language to mechanisms

- Recruitment
- Career Development
- Total Rewards



Identify your channels of communication to disclose pay information to employees

- Pay policies
- Right to Information

Roadmap to Compliance



Thank you for joining!

Need help with your pay transparency journey? Reach out to us.



Jennifer Granado Aranzana

Managing Associate, Brussels
jennifer.granado_aranzana@linklaters.com



Fériel
Aliouchouche

Managing Associate, Paris
feriel.aliouchouche@linklaters.com



Johanna Qvist

Compensation and Pay Equity Consultant
johanna.qvist@sysarb.com

sysarb
sysarb.com

Linklaters
linklaters.com