

# The EU Pay Transparency Directive

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# Agenda

## Introduction

Context

Directive overview

Local implementation status

## Thematic discussions

Pay & Data Analytics

Worker Categorisation

## Thematic discussions

Right to request

Transparency on hire

Role of employee reps

## Closing remarks

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## Introduction

# Why are we talking about the EU Pay Transparency Directive?

- **Fair Reward and Promotion** is a key part of Level 20's DE&I framework
- **Transparency and remuneration** are **important** themes in our research
- Legislation can drive **positive change** beyond compliance

**TRANSPARENCY**  
Embed a transparent promotions and reward system.

36/41

Importance of transparency by company

| Company       | Importance | Score |
|---------------|------------|-------|
| BRUNNEN GROUP | High       | 40    |
| LANXESS GROUP | Medium     | 30    |

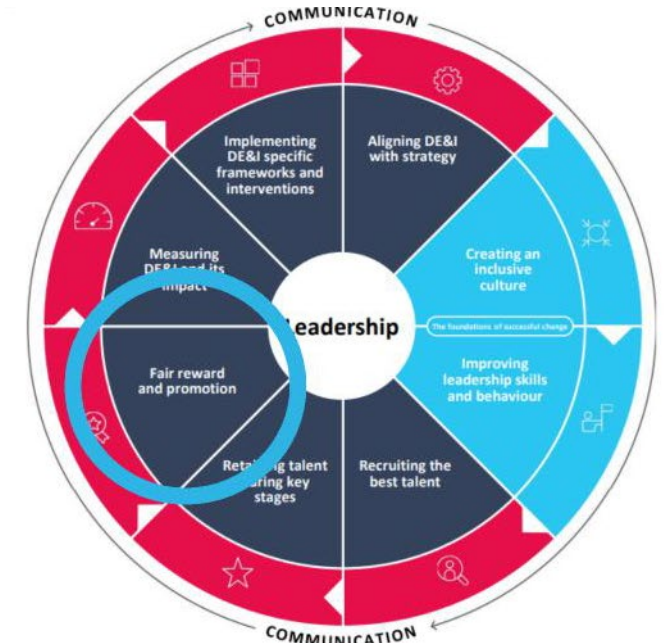
“Things like giving feedback in a positive way... just be constructive [in giving feedback]... It's not so hard to... support someone who you think can use a little bit more self-confidence by offering training... or a mentor.”

**Banker bonus gap widens as men awarded more variable pay than women at top financial firms**

Story by Simon Hunt • 6d • 2 min read

**Labour has leverage to carry out private equity tax reform**

Shadow chancellor Rachel Reeves has committed to scrapping industry break on 'carried interest'



# What is the EU Pay Transparency Directive?

Purpose:  
Close the **gender pay gap**

## How?

Far-reaching pay transparency  
and reporting requirements  
Easier for employees to bring  
**equal pay claims**

Impact on PE house + portfolio  
Today's focus: **PE house impact**

Wide-ranging, with potentially  
far-reaching consequences:

- Implement in EU – also applies outside
- Applies to all firms, regardless of size
- Potentially capturing wider elements of remuneration
- Policy, analysis and communications considerations

# Recap of the requirements

## All firms

### Transparency

#### Pre-employment:

- > Salary transparency at the point of recruitment
- > Ban on asking about salary history

#### During employment:

- > Pay transparency — statement of criteria on pay setting & pay progression
- > Right to request individual information and pay level peers
- > Right to ask questions for workers and their representatives, labour inspectorates and equality body about gender pay gap reports

## Big firms

### Reporting

#### Reporting and compulsory pay audits

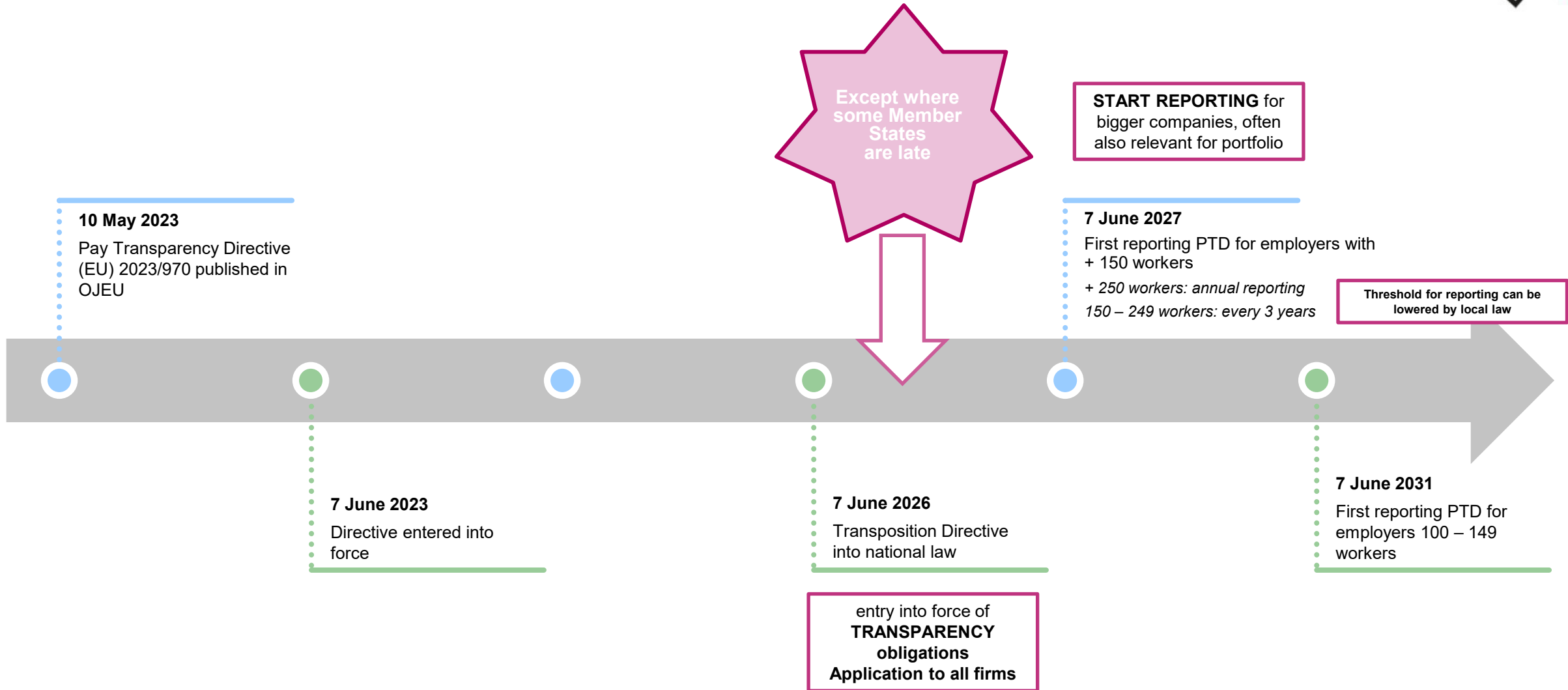
- > Reporting of pay gaps by entity and worker category (companies > 100 employees)
- > Pay assessment and action for unexplained (and unaddressed) pay gaps of 5% (per worker category)

### Enforcement all firms

#### New enforcement powers

- > Collective actions
- > Strengthening the role of equality bodies
- > Employer may be subject to fines and penalties
- > Employer may be subject to order to disclose

# Timeline



# Implementation status

| Jurisdiction  | Update  |
|---|---|
| <b>Likely to be on time</b>                                     |   |
| <b>Bulgaria</b>   | > Final version of draft law expected by 29 May 2026 with entry into force by 7 June 2026.  |
| <b>Finland</b>  | > Draft is available. Transposition is expected to be on time.  |
| <b>Italy</b>  | > Draft is available. Even if Guidelines need to be published on certain topics, transposition is expected to be on time.   |
| <b>Poland</b>   | > Draft is available. Transposition is expected to be on time.  |
| <b>Slovakia</b>   | > Draft is available. Transposition is expected to be on time.  |
| <b>Sweden</b>   | > Draft is available. Transposition is expected to be on time.  |
| <b>Unlikely to be on time based on unofficial sources (TBC)</b> |   |
| <b>Belgium</b>  | > No information on draft available. It is expected, from intel, that the implementation will be late.  |
| <b>Germany</b>  | > Report has been made available. It is unclear when the draft will be available but, in view of timing, unlikely to be on time. According to unofficial intel some lobbying to implement late, however no official confirmation. |
| <b>Luxembourg</b>   | > No information on draft available. Local counsel expects late transposition.  |
| <b>Spain</b>  | > No information on draft available. Local counsel expects late transposition.  |

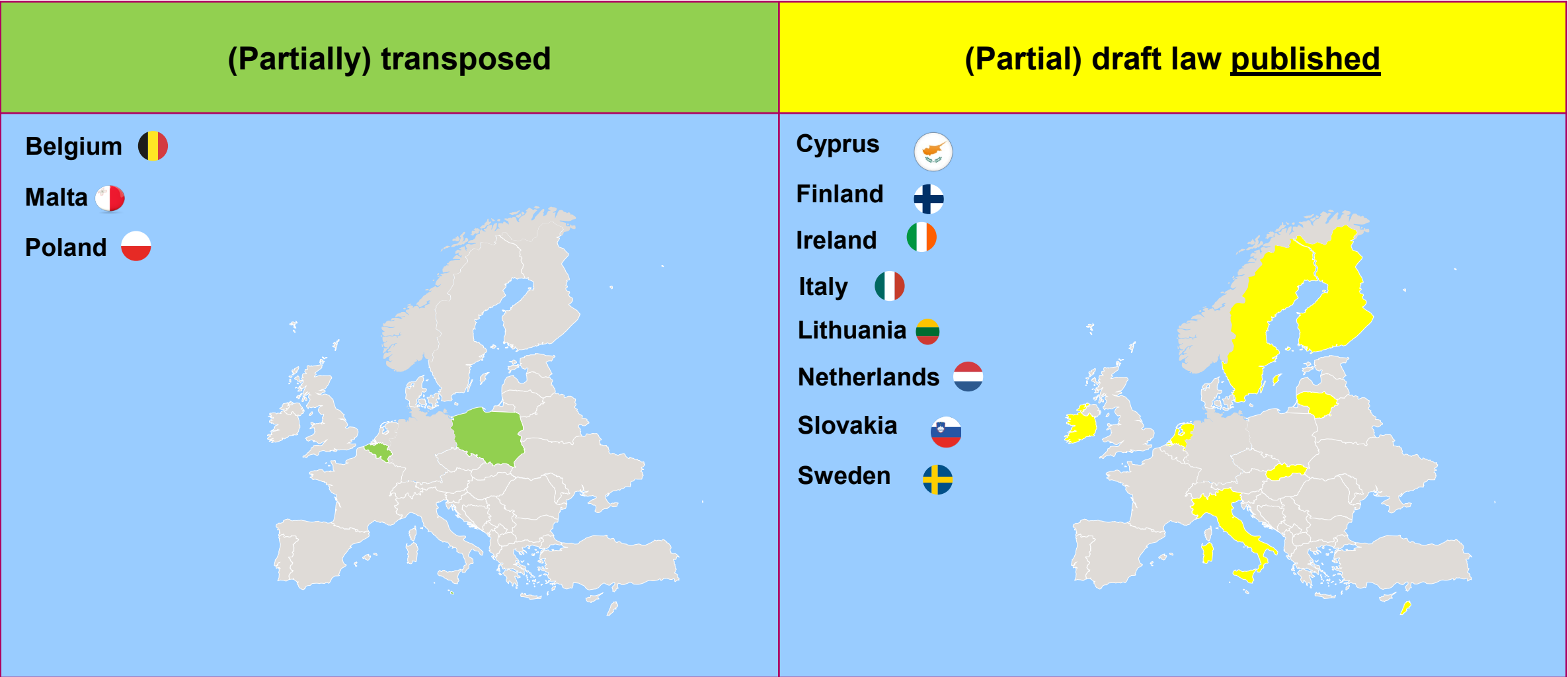
# Implementation status

| Jurisdiction                                   | Update   |
|--|--|
| <b>Officially confirmed late transposition</b> |  |
| <b>France</b>                                  | <p>&gt; The government intends to submit the draft transposition bill to the Senate before the <b>summer</b> recess (end of June or July, depending on whether an extraordinary session is convened), with examination by the National Assembly expected at the autumn 2026 session for swift adoption. The first measures – such as those relating to the recruitment process – are envisaged to enter into force on <b>1 January 2027</b>. The Minister has confirmed that companies will be given time to prepare. Accordingly, there will be no immediate entry into force upon publication.</p> |
| <b>Netherlands</b>                             | <p>&gt; September 2025: Parliament announced that EUPTD’s implementation date will be delayed (entry into force TBC, latest: <b>1 January 2027</b>): reporting obligations for employers with 150 or more workers to apply for the first time ultimately from 7 June 2028.</p>   |
| <b>No information to date</b>                  |  |
| <b>Austria</b>                                 | No information on transposition timing to date.  |
| <b>Czech Republic</b>                          | No information on transposition timing to date.  |
| <b>Denmark</b>                                 | No information on transposition timing to date.  |
| <b>Greece</b>                                  | No information on transposition timing to date.  |
| <b>Hungary</b>                                 | No information on transposition timing to date.  |

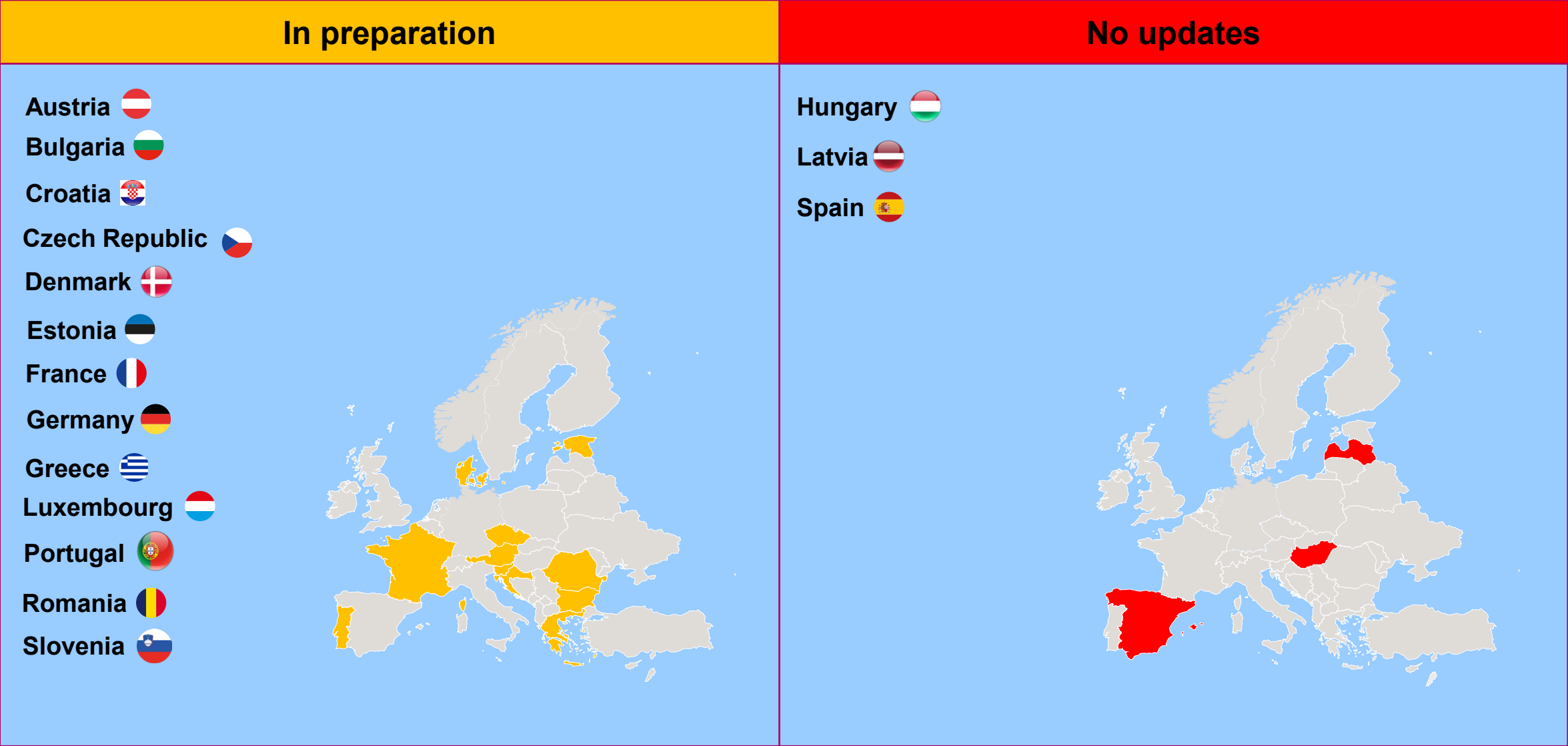
# Implementation status

| Jurisdiction                  | Update  |
|-------------------------------|---|
| <b>No information to date</b> |   |
| <b>Portugal</b>               | No information on transposition timing to date. |
| <b>Romania</b>                | No information on transposition timing to date. |

# Transposition update



# Overview



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Four thematic discussions

## Four thematic discussions

### Data, Analytics, Pay Gaps

- Either comprehensive (all pay and benefits) or more selective (core pay and benefits components) definition of pay (**poll insights**)
- Some MS propose exclusion of minor components / universally available (meal vouchers, gym subscription)
- Scope of pay elements (carried interest, co-invest, LTIPs, bonuses), data accuracy
- Analytics methodology, identify current gaps
- Remediation of pay gaps once identified
- Risk of claims coming from both genders

### Categories of workers

- How are you planning to define your categories of workers? (**poll insights**)
- What does the Directive and implementation laws so far say?
- Discussion around narrow definition (JFG/JF) versus broad level definition – pros and cons
- Discussion around stakeholders' management equal value concept (eg US HQ)
- Worker categories vs objective factors
- Job architecture in PE firms
- Where you have worker reps, agree/consult on criteria for defining worker categories

# Overview comparing reporting requirements

|   | R2I (right to request information, art. 7)  | Reporting (art. 9)     | On hire (art. 5)  |
|---|---|------------------------|---|
| <b>All-inclusive definition of pay?</b> | Yes (all elements)<br>Legally more room to argue for exclusion  | Yes (all elements)     | Yes (all elements)  |
| <b>Type</b>                             | Absolute numbers (“average pay levels”)   | %                      | Absolute numbers (“initial pay or its range”)             |
| <b>Disaggregation?</b>                  | Not mandatory; some peers considering providing split base/variable/benefits to clarify numbers and/or additional data eg position in range | Mandatory              | Not required but peers and companies’ prevailing practice |
| <b>Pay period</b>                       | Not specified; previous calendar year or current?   | Previous calendar year | N/A   |



## Four thematic discussions

### Right to request information

- Basis for information to be included in the “right to request” – pay period (**poll insights**)
- Level of communication – narrative – position range; adjusted pay gaps; other categorisation
- Making it operationally workable? Who will deliver info: automation; role of HR and manager
- Escalation (data privacy: external) and follow up questions (internal)
- Data Privacy & Anonymity – Risks in small teams, ban on pay secrecy clauses

### Transparency on hire

- What rewards information to provide to candidates on hire and when (**poll insights**)
- Approach to pay ranges (broad versus narrow)
- When to provide information? In job adverts (likely to be mandatory for France, Italy, Ireland)

### Role of worker representatives

- Will have a veto right in some jurisdictions on worker categories: Netherlands, Poland – proactive engagement is key
- Some MS may require cooperation with workers directly (Sweden) or appointment of local reps (potentially Ireland) or involvement external unions (potentially Spain) where no internal reps

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Closing remarks

# Questions?

# Thank you

## Upcoming for Level 20

### Research

#### European Gender Data

Planning in market and online focus groups in:

*Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Latvia, Lithuania, the Netherlands, Norway, Poland, Romania, Spain, Sweden, and Switzerland*

### Online Sponsor Events

#### Mentoring programme launch

- > 23<sup>rd</sup> March
- > 12:00 - 13:00 (GMT)

#### Mentoring Insights

- > 12<sup>th</sup> May
- > 14:00 – 15:00 (BST)

### In Person Sponsor Events

#### Impact of FCA Guidance

- London: 12th March
- 08:30 – 10:00

#### European Gender Data Launch

- September and October 2026

# Linklaters resources



[EU Pay Transparency webpage](#)



[Implementation tracker](#)



[Article: How to categorise your workers](#)  
*(in collaboration with WTW)*

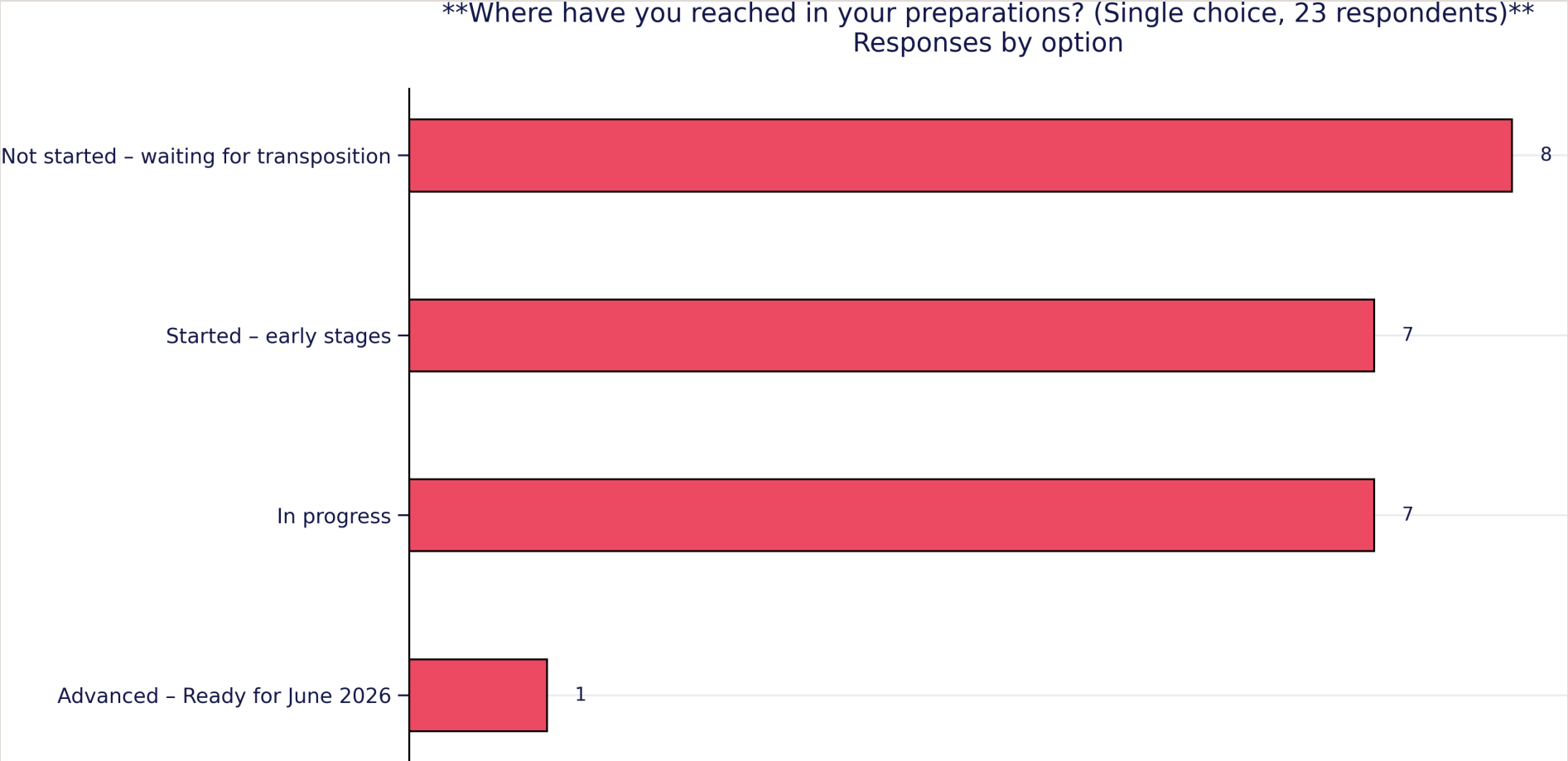


[Employment & Incentives practice](#)



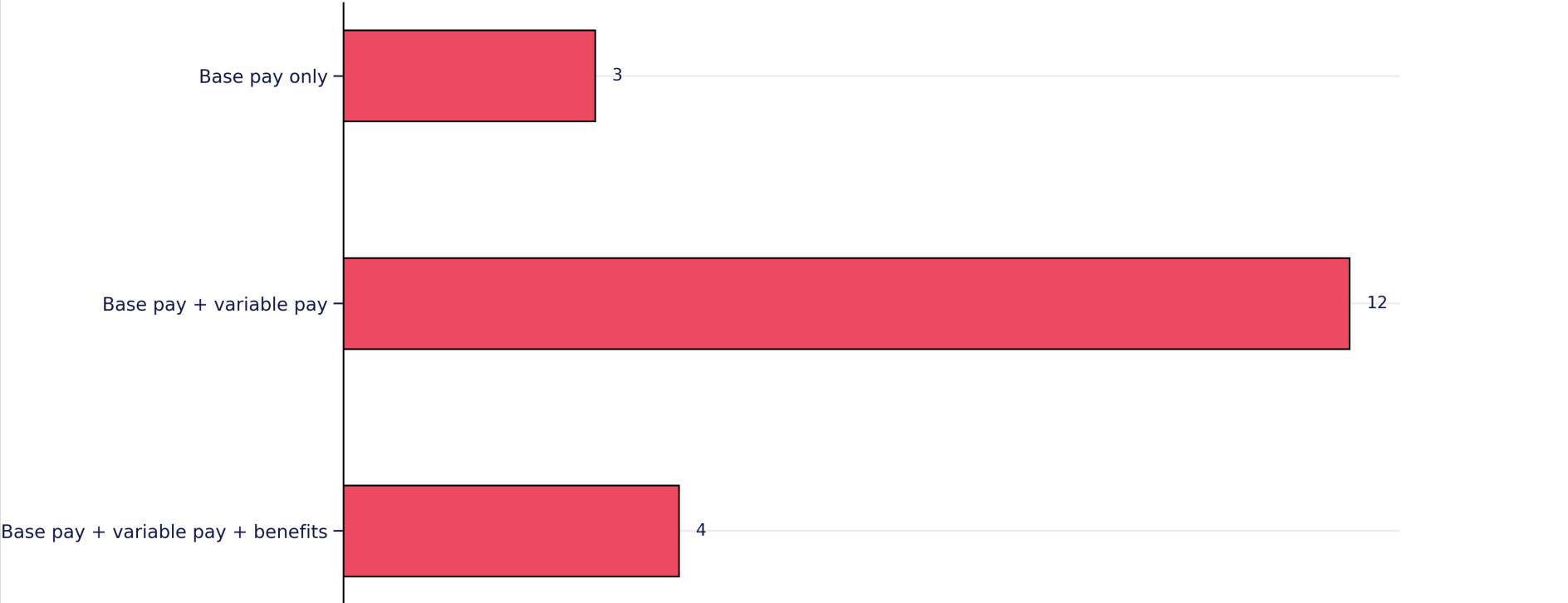
[Linklaters insights](#)

# Poll 1

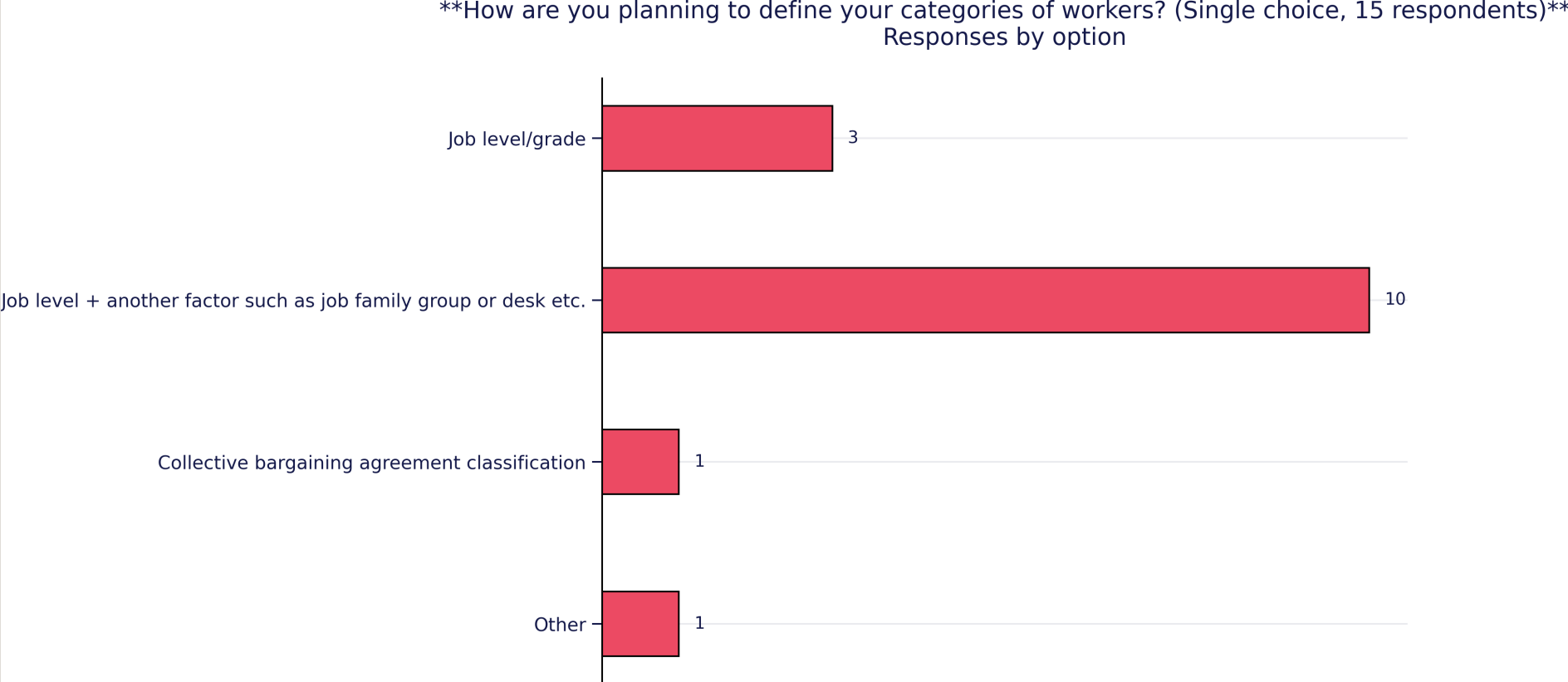


# Poll 2

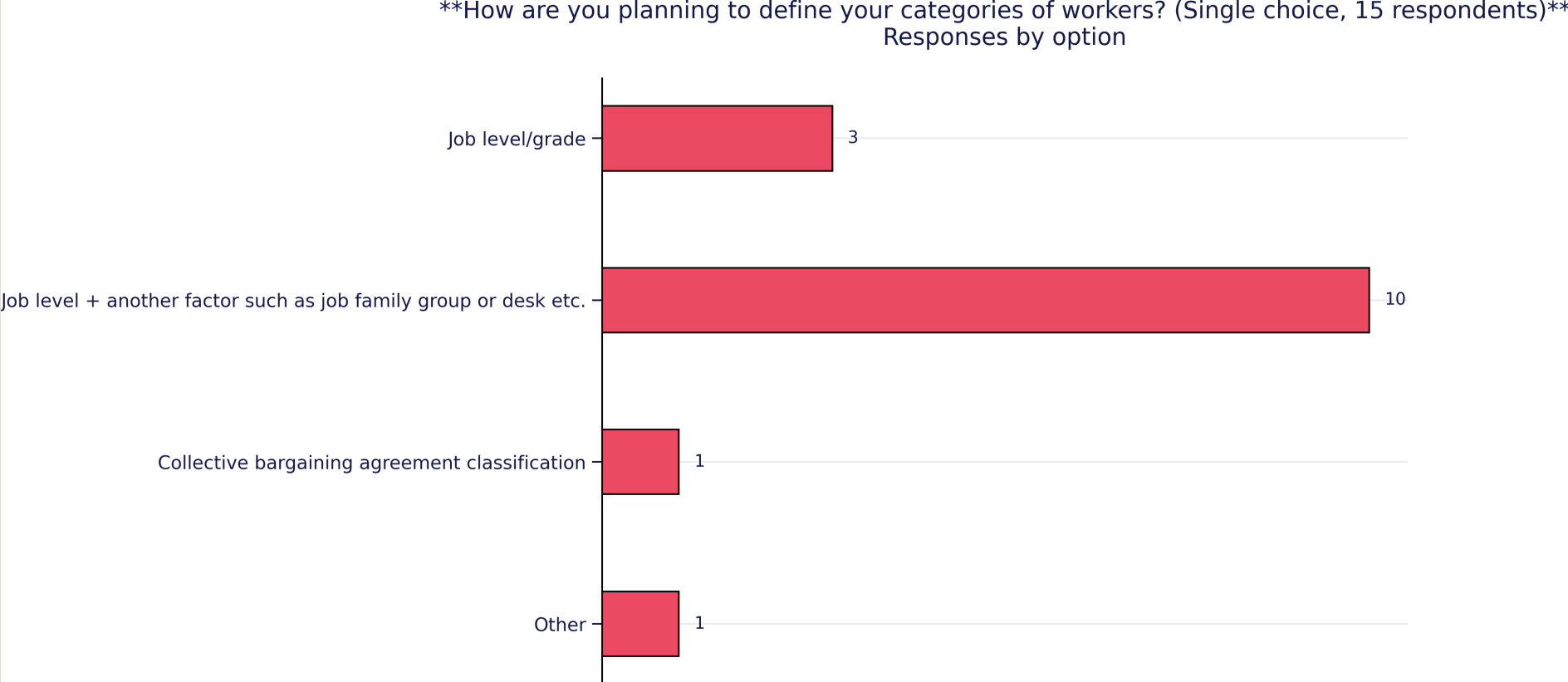
**\*\*What pay elements are you planning to include in the right to request statements? (Single choice, 19 respondents)\*\***  
Responses by option



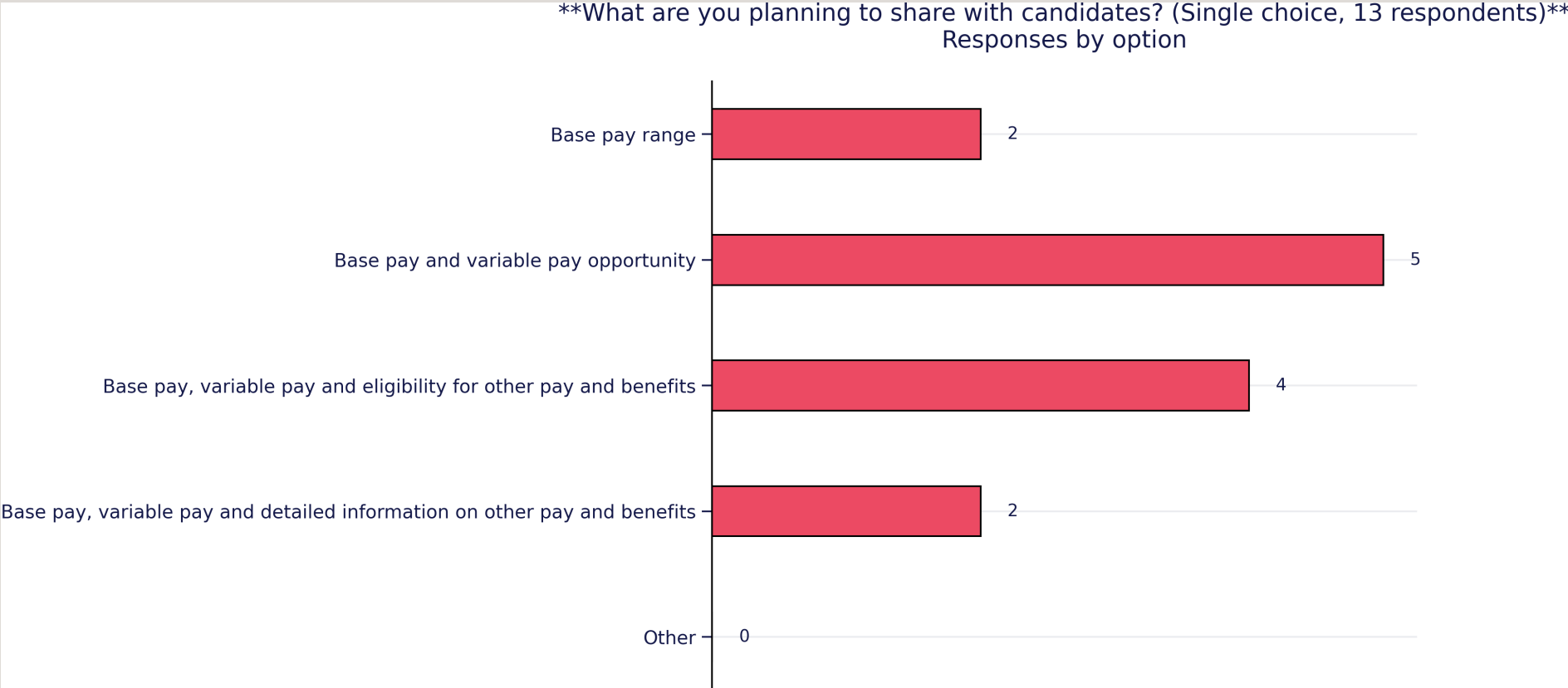
# Poll 3



# Poll 4

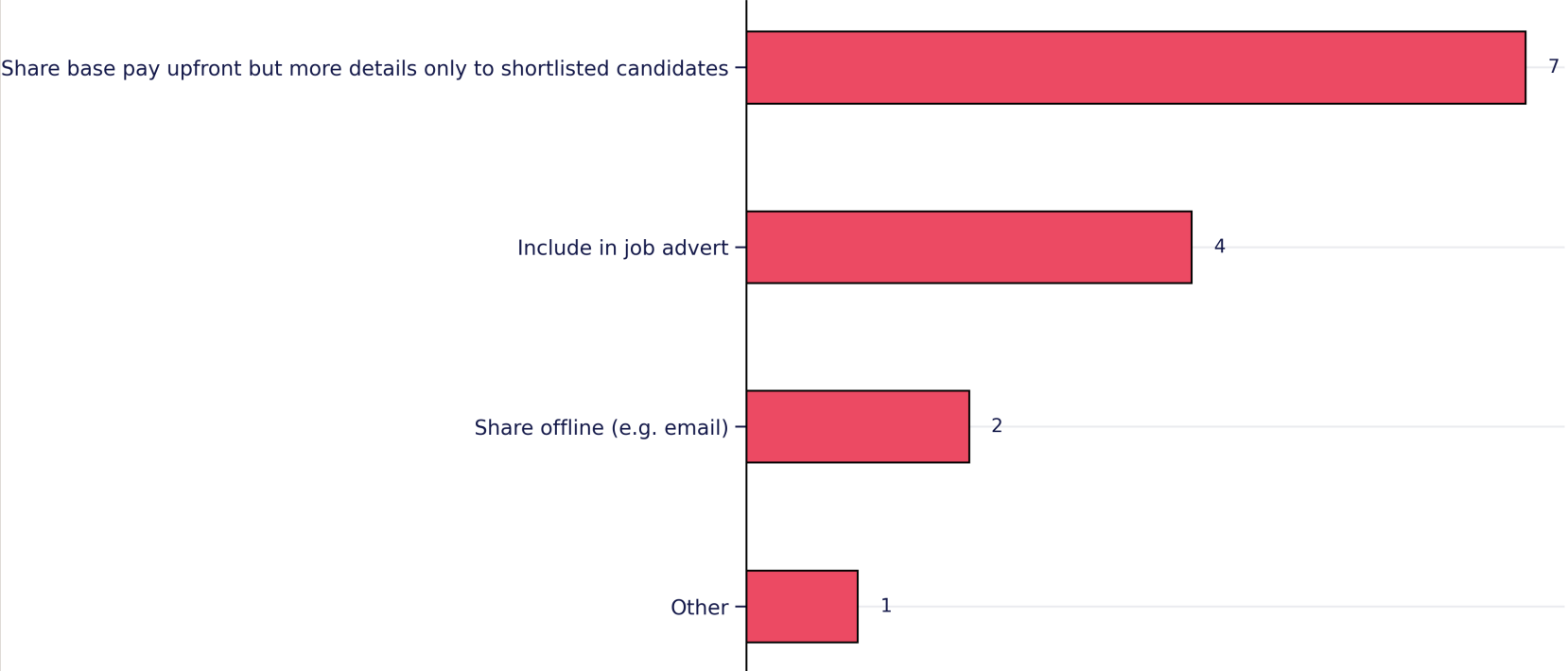


# Poll 5



# Poll 6

**\*\*How are you planning to share information with candidates? (Single choice, 14 respondents)\*\***  
Responses by option



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