



WORKING TOGETHER TOWARDS EQUALITY

THE WORKPLACE

**Think Your Pay Equity Strategy Works
Everywhere? Rethinking Compliance
in the U.S. and EU**

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THE GLOBAL PAY EQUITY AND PAY TRANSPARENCY LANDSCAPE IS COMPLEX

EU: Looming requirements

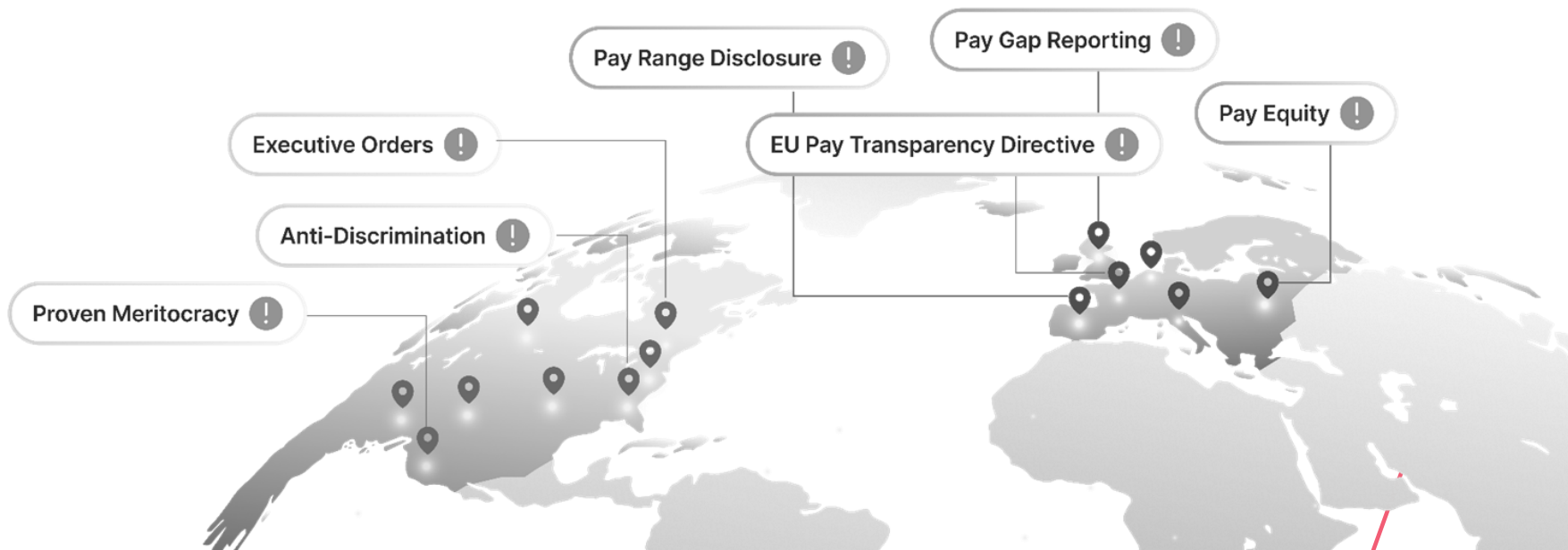
The EU Pay Transparency Directive and CSRD looms with only one pay cycle left to address issues

Americas: A mixed landscape

In the U.S., executive action means more pressure merit / performance and more focus on state laws; increasing focus on pay gaps in South America

APAC: More public reporting

Increasing number of pay reporting obligations, which are increasingly public



PAY GAP REPORTING IS OR WILL BE REQUIRED IN 44+ COUNTRIES BY 2027

Americas



Brazil, Canada (federal + provinces), Chile, Ecuador, Peru, and the United States (CA, IL, NYC + more for state contractors)

Europe



Austria, Belgium, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Lithuania, Luxembourg, Norway, Portugal, Spain, Sweden, Switzerland, Ukraine, and United Kingdom

APAC, Middle East, and Africa

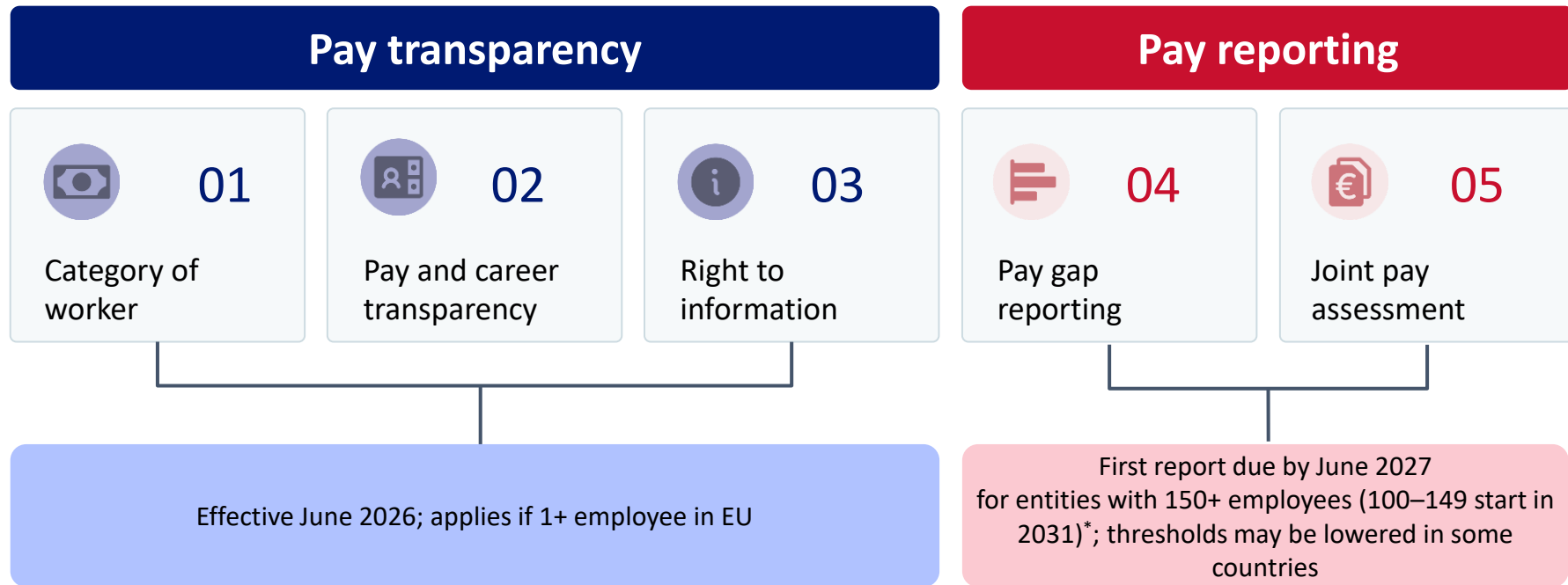


Australia, India, Israel, Japan, South Africa, and South Korea

14+ additional countries will require reporting after the EU Directive is transposed:

Bulgaria, Croatia, Cyprus, Czechia, Estonia, Greece, Hungary, Latvia, Malta, Netherlands, Poland, Romania, Slovakia, and Slovenia
+ Northern Ireland?

KEY REQUIREMENTS OF THE EU PAY TRANSPARENCY DIRECTIVE



*>50 employee entities may be exempted from providing description of how employees progress in pay and career in some countries

*250+ report annually; others every 3 years

The Directive's requirements are the floor, not the ceiling

Member states may add additional obligations, as we are already seeing with the first 9 drafts.



EU Directive



Additional member state obligations

STILL A LONG WAY TO GO BUT EARLY DRAFTS OFFER A ROADMAP

There are drafts of the Directive in only 9 of 27 EU countries, plus an early view into Germany's approach



Sweden



Finland



Belgium (but only for employers subject to the jurisdiction of the FWB)



Lithuania



Ireland



Malta



The Netherlands



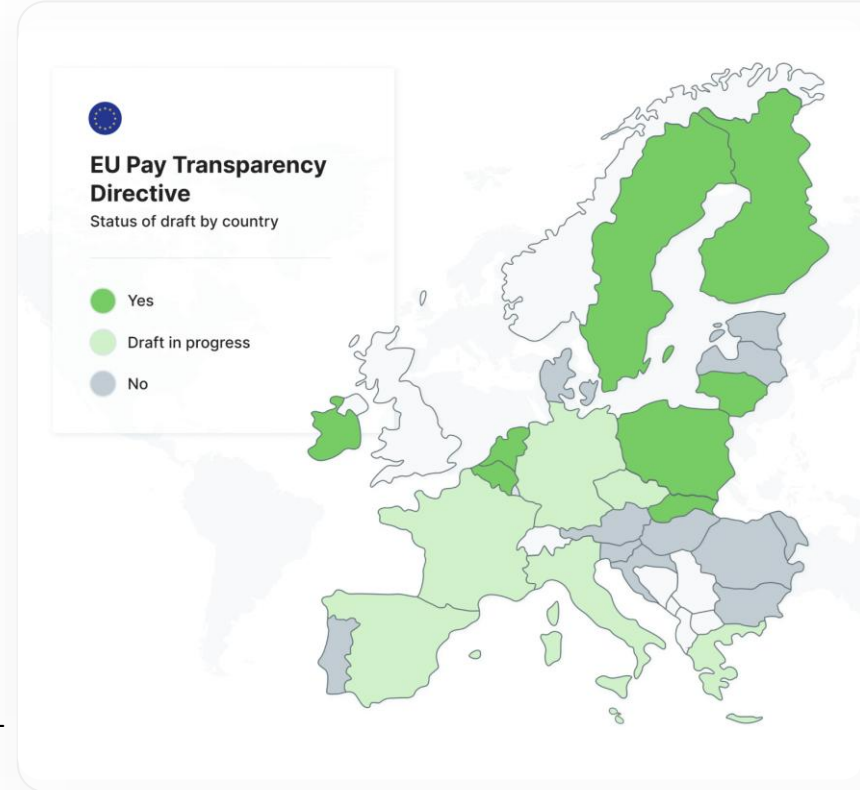
NEW! Slovakia



Poland



NEW! Germany (pre-draft)



TRANSPARENCY IN 2026 AND REPORTING IN 2027

Example Entity: Acme France (199 employees)

Greater transparency



Category of worker

- By June 2026, must be able to compare workers performing same work or work of equal value (“category of worker”)
- Basis for equal pay claims; uncapped damages and burden of proof on employer



Pay and career transparency

Starting June 2026:

- Pay scale + collective agreement disclosure
- Salary history bans
- Gender neutral job titles & recruiting systems
- Description of how pay is set, leveled, and progressed over time



Right to information

Starting June 2026:

- Workers have right to request and receive written information about their own pay and the average pay of men and women in same “category of worker”

Greater reporting



Pay gap reporting

- First report: June 2027
- Overall pay gaps (“Name & shame”) made public in 2027
- Category of worker pay gaps: Must explain or close gaps equal to or over 5% in 2027
- Based on 2026 payroll data



Joint pay assessment

- Unexplained and unadjusted category of worker gaps of greater than 5% existing after December 2027 will require joint assessment with works council, trade union, or other worker reps in 2027-2028

COMPARISON OF PAY TRANSPARENCY: EU AND US

		EU Requirement (across EU)	U.S. Requirement (some states)
Pay and career transparency	Pay scale disclosure	✓	✓ (goes farther)
	Salary history ban	✓	✓
	Pay secrecy ban	✓	✓
	Must share relevant provisions of the collective agreement during hiring	✓	✗
	Must share criteria used to determine workers' pay and pay progression	✓	✗
Right to Information	Must share workers' own total remuneration, identify their category of work (e.g., grade, level, etc.), and share the average pay of men and women in same category of work, upon request	✓	✗
Pay gap reporting	Overall pay gap (public)	✓	✗
	Category of worker pay gap (shared with employees)	✓	✗
	Mandatory remediation of unjustified pay gaps 5%+ (or joint pay assessment)	✓	✗

HOW PAY GAP ANALYSES WILL DIFFER IN THE EU

	Global Pay Equity	EU Directive Pay Equity
Comparison	<ul style="list-style-type: none"> Often by country or country grouping 	<ul style="list-style-type: none"> By country and legal entity
Analysis Groups	<ul style="list-style-type: none"> SSGs based on skill, effort, responsibility, & working conditions (e.g., Function or Function + Level or Function + Grade, for example) 	<ul style="list-style-type: none"> Grouping schema is category of worker: “Workers performing the same work or work of equal value grouped in a non-arbitrary manner” (e.g., Grade/Level/CBA)
Pay Components	<ul style="list-style-type: none"> Often annualized base and targets (HRIS) Often start with base and build in other components like bonus and equity 	<ul style="list-style-type: none"> Calendar year actual earnings (payroll) Very broad definition of pay, including allowances and benefits
Thresholds	<ul style="list-style-type: none"> Statistically Significant Gaps (p-value/standard deviation) 	<ul style="list-style-type: none"> Gaps equal to or greater than 5%
Controls	<ul style="list-style-type: none"> Neutral, job-related 	<ul style="list-style-type: none"> Neutral, job-related
Review and Budgeting	<ul style="list-style-type: none"> Targeting adjustments to get below 1.96 Standard Deviation 	<ul style="list-style-type: none"> Targeting adjustments to get below 5% Adjusted/Post Pay Gaps Must adjust even in small groups



APPENDIX

Example #1 - Transparency in 2026 and No Pay Reporting

Example: Acme Ireland (47 employees)

Greater transparency



Category of worker

- By June 2026, must be able to compare workers performing same work or work of equal value (“category of worker”)
- Basis for equal pay claims; uncapped damages and burden of proof on employer



Pay and career transparency

Starting June 2026:

- Pay scale + collective agreement disclosure
- Salary history bans
- Gender neutral job titles & recruiting systems
- Description of how pay is set, leveled, and progressed over time; entities >50 may be exempted



Right to information

Starting June 2026:

- Workers have right to request and receive written information about their own pay and the average pay of men and women in same “category of worker”

Example #3 - Transparency in 2026 and Reporting in 2031

Example: Acme Croatia (140 employees)

Greater transparency



Category of worker

- By June 2026, must be able to compare workers performing same work or work of equal value (“category of worker”)
- Basis for equal pay claims; uncapped damages and burden of proof on employer



Pay and career transparency

Starting June 2026:

- Pay scale + collective agreement disclosure
- Salary history bans
- Gender neutral job titles and recruiting systems
- Description of how pay is set, leveled, and progressed over time



Right to information

Starting June 2026:

- Workers have right to request and receive written information about their own pay and the average pay of men and women in same “category of worker”

Greater reporting



Pay gap reporting









- First report: June 2031
- Overall pay gaps (“Name & shame”) made public in 2031
- Category of worker pay gaps: Must explain or close gaps equal to or over 5% in 2031
- Based on 2030 payroll data



Joint pay assessment

- Unexplained and unadjusted category of worker gaps of greater than 5% existing after December 2031 will require joint assessment with works council, trade union, or other worker reps in 2031-32

What do the early drafts cover?

	Status	Greater transparency	Greater reporting
 Sweden	Draft	✓	✓
 Belgium (FWB)	Transposed (but only for FWB)	✓	✓
 Ireland	Draft (but only pay scale transparency)	✓	✗
 The Netherlands	Draft (transparency obligations expected 1 January 2027 and pay gap reporting starting in 2028)	✓	✓
 Poland	Transposed (but only pay scale transparency); draft for remaining provisions	✓	✓
 Finland	Draft	✓	✓
 Lithuania	Draft	✓	✓
 Malta	Transposed (but only pay scale transparency & RTI)	✓	✗

What do the early drafts cover?

	Status	Greater transparency	Greater reporting
 Slovakia	Draft		
 Germany (Pre-draft)	Pre-Draft. An 11-person Commission "Reducing Bureaucracy to Implementation of the Pay Transparency Directive" submitted a report to the Federal Ministry for Gender Equality. Now, the Federal Ministry for Gender Equality will initiate the legislative process for implementation of the law.		

Syndio: #1 Fair Pay Solution



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Enterprise-grade tech with powerful performance, rigorous security, and precise analytics for all global use cases



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ISO 27001, SOC 2, GDPR Compliant

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American Airlines



NOKIA

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