


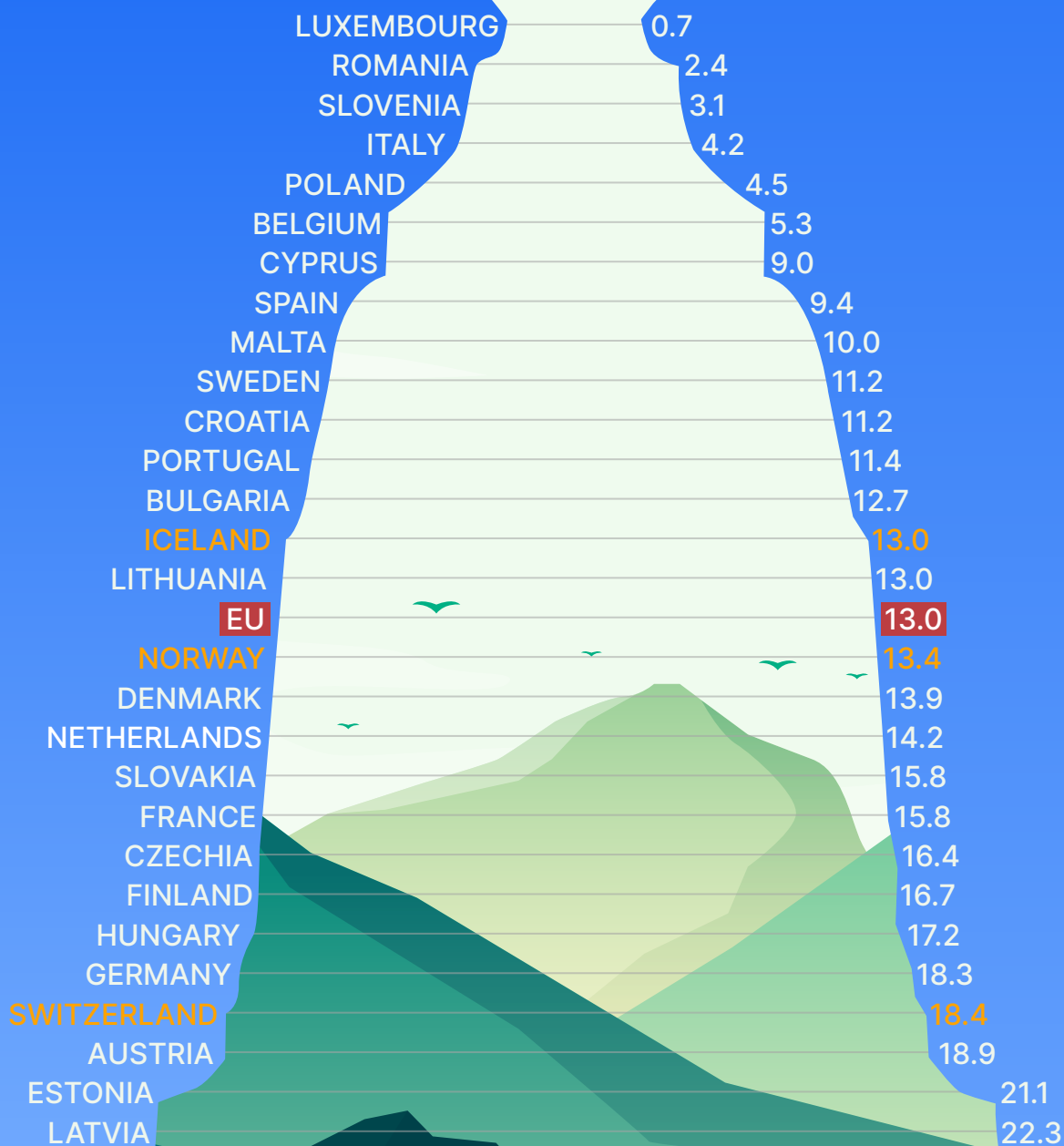
sysarb



The Ultimate EU Pay Transparency Directive Guide

HOW EQUAL ARE WE?

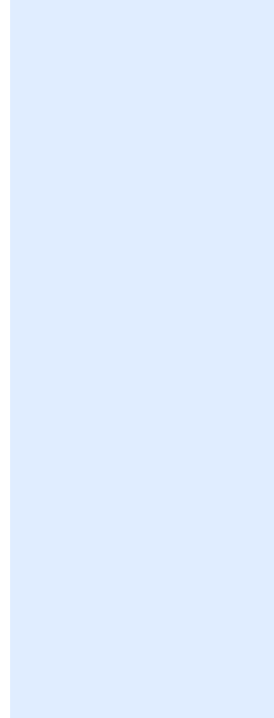
Gender pay gap by EU country



Iceland, Norway,
Switzerland: non-EU
countries

For all countries except Czechia and Iceland: data for enterprises
employing 10 or more employees. Czechia and Iceland: data for
enterprises employing 1 or more employees.

Ireland, Greece:
data not available



Four methods on how we could reach equal pay in Europe.

Pay Gap Reporting;
through public disclosure of gender distribution and wage gaps, pressure is created on employers to prevent wage gaps.



01



03

Pay Equity Analysis;
by analyzing wage differences, employers can identify and address unjustified disparities.

Pay Transparency;
by providing employees with insight into wage-setting, they are given greater opportunity to influence their wages.



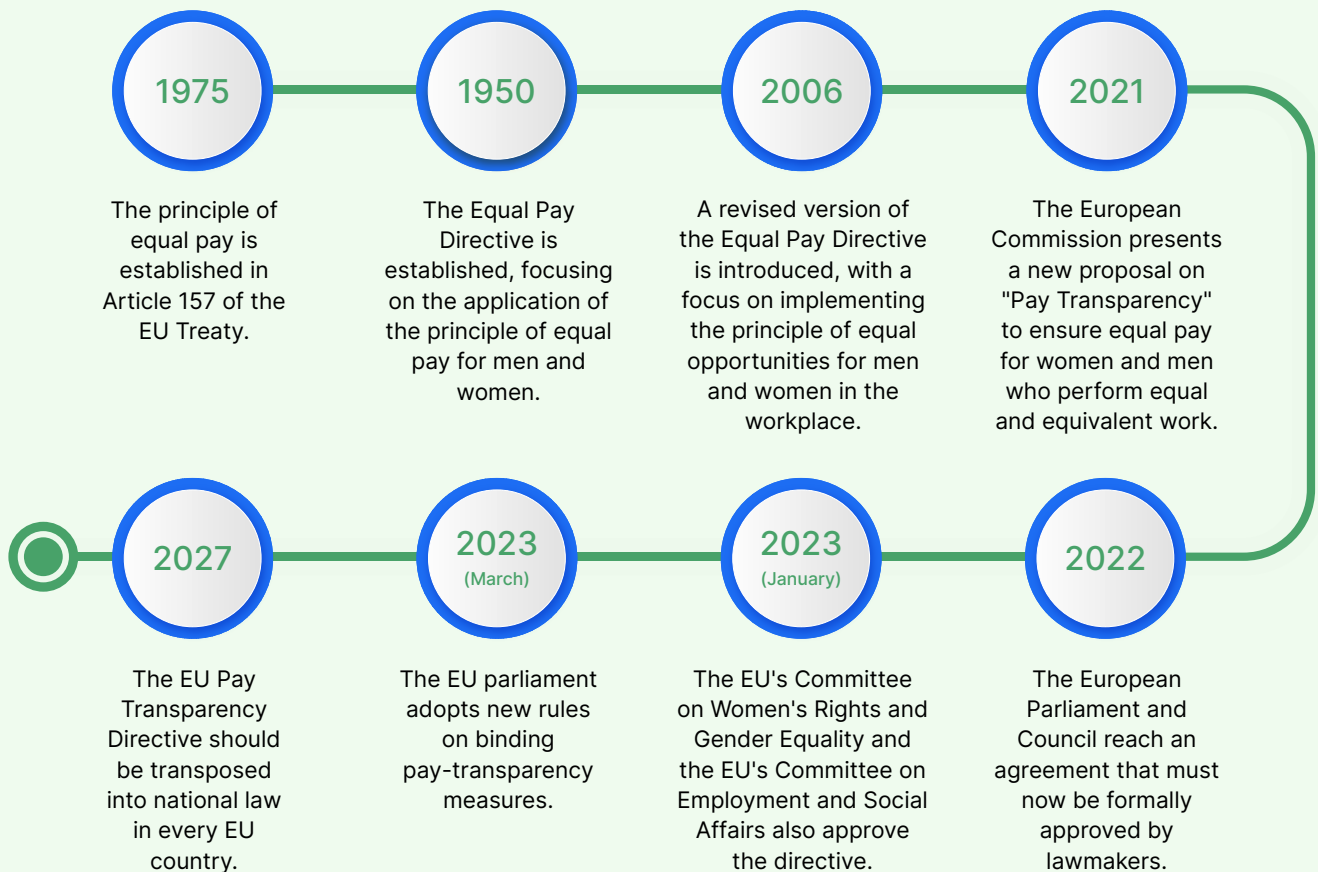
02



04

Equal Pay Certification;
working with evaluation as a method. Requirements for employers to work with continuous improvements of their wage work.

Journey towards the new directive



Purpose of the new directive

"The purpose of the proposal is to address remaining shortcomings in the implementation of the fundamental right to equal pay and ensure that this right is respected throughout the EU. To achieve this, standards for pay transparency are needed, which give employees the power to invoke their right to equal pay."





■ What does the directive include?



Principle I: Equal pay for equal work

The upcoming directive requires employers to categorize their employees so that it is possible to identify which employees perform the same or equivalent work. The method used for categorization must be described by the employer.

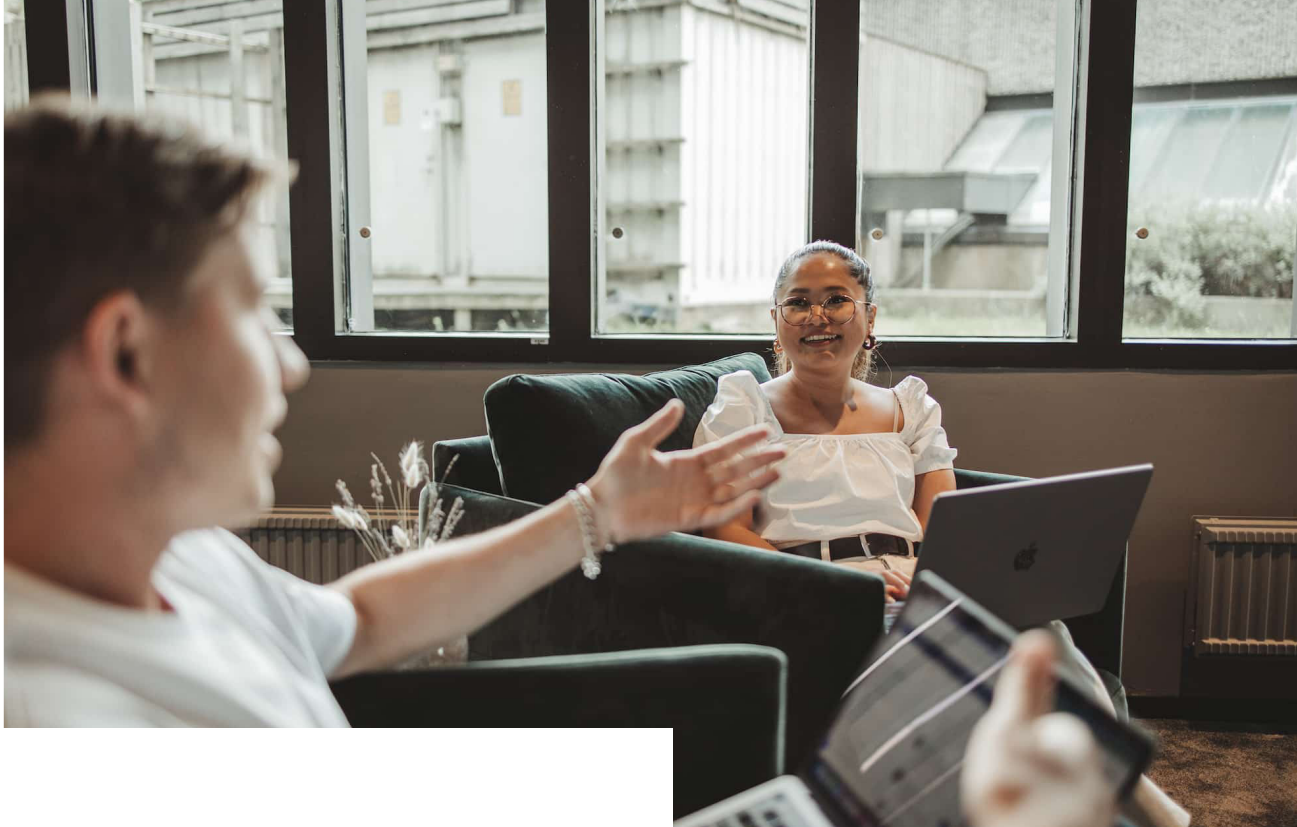
Employers must introduce salary structures that ensure that women and men receive equal pay for the same or equivalent work. Any existing pay gaps must be justified by “objective and gender-neutral factors.”



Principle II: Equal pay for work of equal value

Employers need to use gender-neutral tools and methods to assess whether employees are in comparable, equivalent situations. The directive describes that the objective factors used to assess equivalence should include requirements for:

- ✓ Education
- ✓ Work experience and training
- ✓ Skills
- ✓ Work effort
- ✓ Responsibilities
- ✓ Work results
- ✓ The nature of the work.



Principle III: Transparency in pay setting

- ✓ **Pre-employment transparency in pay:** Job applicants have the right to information from the prospective employer about the starting salary or salary range for the position to be filled. This information should be provided in the published job advertisement or otherwise provided to applicants before the job interview without the applicant having to request it.
- ✓ **Access to salary and career policy:** Employers must ensure that employees can easily access a description of the criteria used to determine employee salary levels and career development. These criteria should be gender-neutral.
- ✓ **Right to information about pay:** Employees have the right to access information about their own salary level and the average salary levels, showing the gender distribution in pay for categories of employees who perform the same or equivalent work.
- ✓ **Pay gap reporting:** Employers must annually report overall statistics on the gender pay gap and how salaries are distributed between women and men in the organization.
- ✓ **Joint pay analysis:** If there are still gender pay gaps of more than 5% after an analysis of objective factors, the employer must either remedy the pay gaps or carry out a more detailed pay analysis together with employee representatives.



Principle IV: Reverse burden of proof

To truly have an impact through this regulatory framework, a reverse burden of proof is proposed. Normally, the person accusing someone of a crime must prove that they have been subjected to what is claimed. In the case of pay discrimination, employers must prove that they have not discriminated.



■ How can companies prepare?

The clock is ticking, as member states now have three years to transpose this directive into national law. Employers can prepare by:

- ✓ Mapping the potential current wage gap based on objective data and statistics;
- ✓ Drafting an ESG future proof wage policy;
- ✓ Establishing clear objectives & plan of action to close the wage gap;
- ✓ Drafting policies and procedures;
- ✓ Step-by-step implementation and follow-up; and
- ✓ Communicating to all stakeholders

■ What are the sanctions for non-compliance?



Compensation for employees who have been victims of gender pay discrimination, including full recovery of back pay and related bonuses or benefits of any kind.



Reversal of burden of proof - where the employer has failed to meet its transparency obligations, it will be up to the employer, not the employee, to prove that there was no wage discrimination.



Sanctions will include fines - member states must establish specific sanctions for violations of these regulations, including fines.



Organizations watching over equal treatment and employee representatives may act on behalf of employees in judicial or administrative proceedings.



Pay Transparency Audit



Our Pay Transparency Audit includes a 3-hour workshop with a team of experts from Sysarb who will assess you on how ready your organization is for the new directive.

During the workshop, will our Pay Equity experts guide you through the directive and together with you map out risks, challenges and an action plan for the next 12-24 months that you can bring to your organization.



Timmy Lundin

Chief Sales Officer

sysarb

If you are interested in our workshop,
please reach out to me

✉ Timmy.lundin@sysarb.se

☎ + (46) - 733 140205