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Navigating the EU Pay Transparency Directive

A Highberg benchmark study of Dutch, European and International organizations with more than 250 employees

Certified B Corporation

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INTRODUCTION

EU Pay Transparency

The European Union's Pay Transparency Directive, short EUPTD, marks a significant step toward greater fairness and equity in the workplace. Its introduction will directly impact organizations across the EU, bringing with it both challenges and opportunities.

To support employers in navigating this transition, we conducted research among HR and Compensation & Benefits professionals from **112 organizations with more than 250 employees**. The findings provide a clear picture of organizational readiness and allow companies to benchmark their own progress against peers across Europe.

The results show that on average, organizations assess themselves as fully compliant with 21% of the Directive's articles and somewhat compliant with 39%, meaning progress is underway but important gaps remain. In fact, 67% of the articles are seen as challenging. Especially the Directive's reporting requirements and transparent communication of remuneration aspects towards employees are perceived as hurdles. This highlights the uncertainty and lack of knowledge that many still face.

We hope this benchmark serves as a valuable resource for your organization, deepening your understanding of the Directive's requirements and the strategic steps needed to comply. By gaining clarity on its implications, you can prepare more efficiently while fostering greater trust and fairness within your workforce.

Gido van Puijenbroek
Managing Partner | People Analytics & Research

Rogier Kerkhof
Managing Partner | Organization, Reward & Pension

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1.

What is the EUPTD?

What is the EUPTD?

The EUPTD on pay transparency is in the implementation phase and requires employers to disclose job and salary structures, create pay gap reports, and take action to ensure fair remuneration. EU member states must incorporate the directive into their national legislation by 2026.

The directive introduces a series of mandatory measures that will have a significant impact on how organizations manage and report their remuneration policies. Companies must define salary structures underpinned by a job framework and provide transparency on pay scales and the criteria for salary growth, both before and during employment.

Employees will have the right to request salary information for similar roles within the company to check if they are being paid fairly. This can be quite challenging. Salary levels are related to many factors such as individual performance, years of experience, knowledge and role scarcity.

Furthermore, the burden of proof regarding suspected pay inequality lies with the employer, meaning organizations must actively demonstrate compliance with pay equity rules.

In addition to these obligations, employers with more than 100 employees are required to periodically report their gender pay gap and make the information available publicly.

If a pay gap of 5% or more is found within specific job categories, companies must conduct a joint pay assessment and create an action plan to address this inequality.

The deadlines for reporting vary by the size of organization. The eye of the public lies especially on organizations with more than 250 employees as they will be the first ones to show their 2026 pay gap in June 2027 and need to periodically do so every year thereafter.

Due to the raised bar for this group the present report gives insight into the EUPTD readiness of organizations with more than 250 employees. The organizations that participated in this study were grouped into three categories. First, Dutch organizations that are only active in the Netherlands. Second, European organizations that are not active in the Netherlands, but active in one or more EU countries. And third, International organizations, active in the Netherlands, the rest of the EU and/or outside the EU.

Milestones

All EU employers with more than 100 employees must comply with the upcoming directive in the following years:

2027

Employers with over 250 employees must first report in June 2027, followed by annual reporting thereafter. *

Employers with 150-249 employees must first report in June 2027, followed by reporting every three years thereafter.

2031

Employers with 100-149 employees must first report in June 2031, followed by reporting every three years thereafter.

Note: The Netherlands has officially postponed the incorporation of the EUPTD into national legislation to January 1, 2027 (original date: June 7, 2026). It remains uncertain whether other EU member states will adopt a similar timeline. While this delay provides some breathing room, it should not be seen as a reason to slow down preparation.

* The report is based on Dutch, European, and International organizations with more than 250 employees.

Awareness about the EUPTD is fragmented

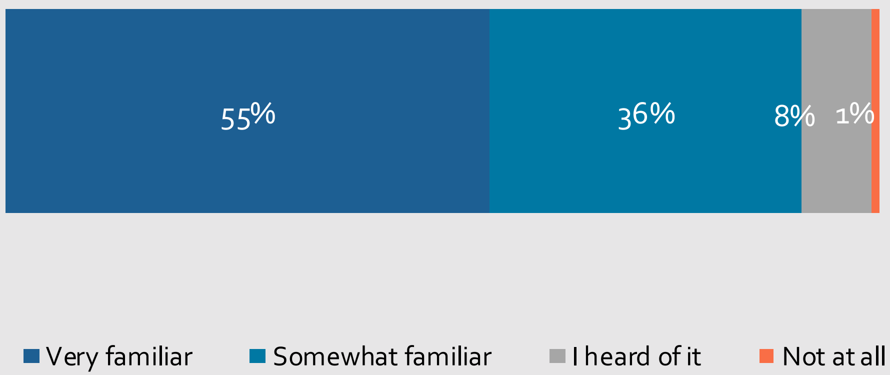
Awareness of the EU Pay Transparency Directive (EUPTD) among professionals working in HR and Compensation & Benefits is steadily growing, but levels of familiarity vary significantly. As deadlines for compliance approach, familiarity must shift toward practical expertise and implementation.

Our research shows that 55% of professionals in organizations with more than 250 employees report being familiar with the Directive, meaning that just over half already recognize its importance and implications.

At the same time, 36% describe themselves as only somewhat familiar, which suggests that many have heard of the Directive but have not yet explored it in depth. Another 8% have merely heard of it without deeper knowledge, while just 1% said they were not at all familiar.

This distribution highlights that the Directive has reached near-universal awareness, but not yet universal understanding.

Familiarity with the EUPTD



Base: 112

The level of familiarity with the EUPTD also indicates how prepared organizations are in terms of compliance.

The high share of professionals who are somewhat familiar suggests that awareness is fragmented. This could lead to misunderstandings about what the Directive actually requires. Without deeper familiarity, organizations risk underestimating the resources and structural changes needed for compliance.

Therefore, the challenge is to move from familiarity to true understanding and action. Organizations that remain at the "somewhat familiar" stage risk being unprepared when being required to demonstrate compliance.

Additionally, the results suggest that international organizations may be further along. Those with limited understanding need clear guidance to catch up, either from industry experts or official regulators, such as the European Commission and national labor authorities.

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2.

Risks and opportunities

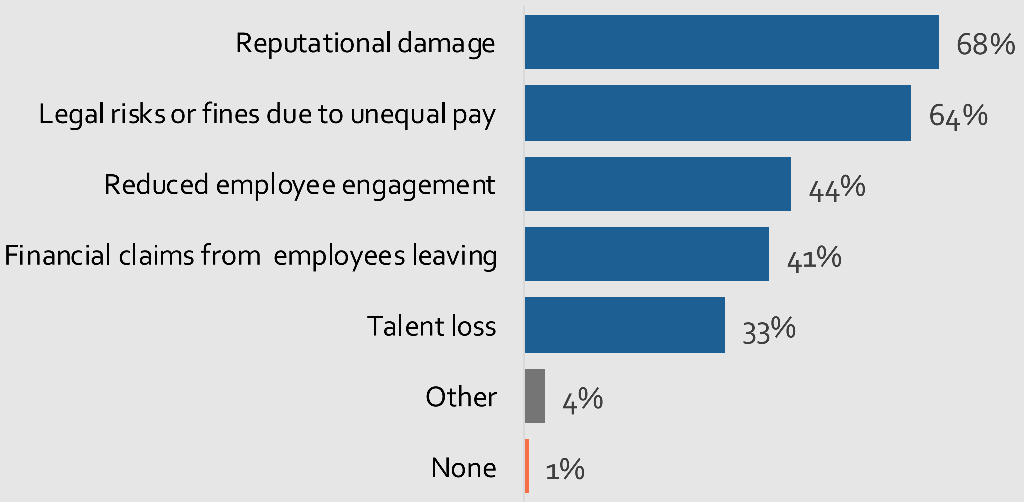
Non-compliance carries significant risks

The Directive sets clear expectations and puts a magnifying glass on employers. The resulting exposure to the eye of the public and its employees makes the situation delicate. Organizations associate a broad range of risks with non-compliance, spanning from financial to cultural consequences. Therefore, non-compliance is not only a regulatory issue, but a direct threat to employer brand and workforce stability.

Survey results reveal that reputational damage tops the list of risks, with 68% of organizations identifying it as their primary concern. When pay transparency remains unaddressed, employees and the public may interpret this as a lack of responsibility, which can damage trust, weaken employer branding, and harm recruitment efforts.

Legal risks and fines due to unequal pay follow closely at 64%. The Directive gives regulators and employees clearer grounds to demand accountability. Non-compliant organizations may face not only sanctions from authorities, but also increased exposure to claims from employees. Together, these two risks emphasize that non-compliance affects both external reputation and legal standing.

Perceived risks in regard to non-compliance



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Beyond external factors, professionals in HR and Compensation & Benefits also highlight the internal consequences of failing to comply.

Reduced employee engagement is seen as a major risk by 44% of respondents, since employees who feel their pay is not managed fairly could be less likely to remain motivated and committed. Talent loss was mentioned by 33%, signaling that employees are willing to leave employers who fail to demonstrate transparency and fairness. Financial claims from departing employees (41%) add another layer of potential cost, pointing to real financial exposure beyond regulatory fines.

Interestingly, only 1% of organizations believe that non-compliance poses no risks, underlining the broad recognition of the Directive's importance.

The overall picture is clear: non-compliance touches every dimension of business operations. By addressing risks proactively, organizations can safeguard their reputation, protect against legal and financial exposure, and maintain employee trust.

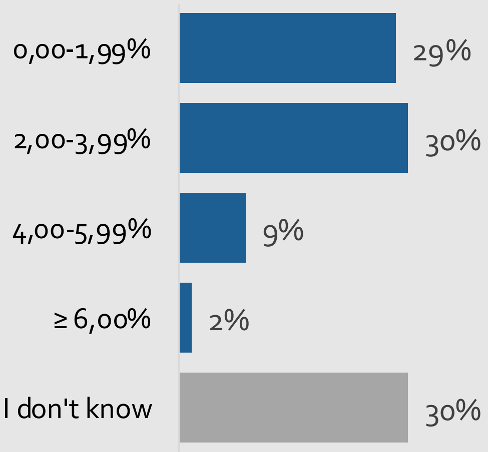
Anticipated labor costs vary widely

50% **of organizations expect that due to the Directive there will be an increase in labor costs.**

The expected cost increases range widely, signaling that organizations are experiencing very different realities in preparing for the Directive. 29% organizations expect a relatively small increase of up to 2%. Almost as many expect a moderate increase between 2 % to 4%. Alarmingly, 11% foresee labor cost increases of more than 4%.

These higher expectations suggest potential structural issues that may pose serious financial challenges if not addressed early.

Increase in labor cost



Base: those who expect an increase, 56

Organizations projecting only minor increases (below 2%) may believe that they already have relatively equitable systems in place, meaning fewer corrections will be needed.

Those anticipating moderate increases (2% to 4%) are likely preparing for incremental adjustments in pay, benefits, and transparency processes.

The finding that 11% of organizations expect an increase of more than 4% in labor costs reflects the Directive’s push toward fairer pay structures, closing unjustifiable gaps, and improving transparency.

Labor cost increases above 4%, are, however, alarming. This suggests that there are organizations with deeper pay disparities. Addressing these gaps could not only lead to higher financial costs, but also expose underlying issues of equity, governance, and culture.

Meanwhile, the 30% of professionals who don’t know how much increase to expect highlight the uncertainty many organizations still face. Without a clear financial forecast, these organizations risk being caught off guard by the scale of adjustments.

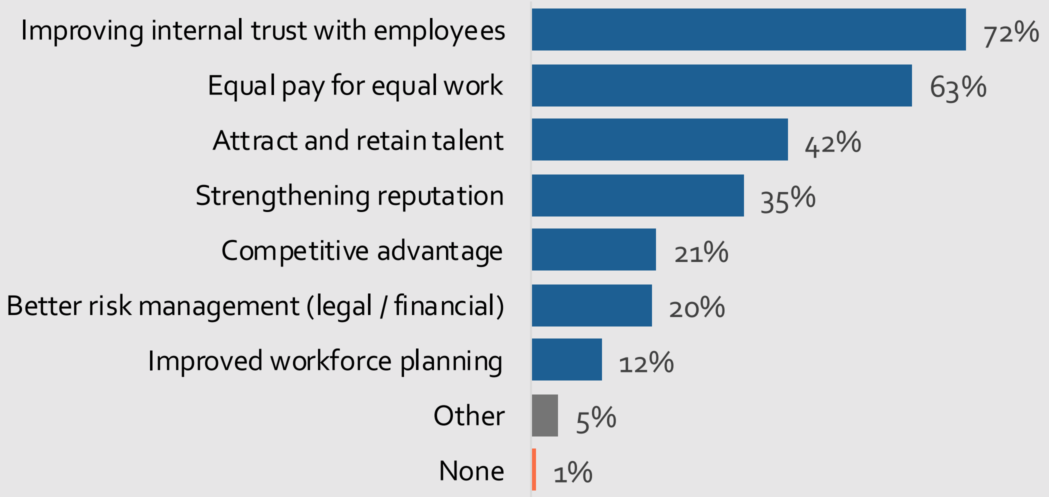
The EUPTD is also seen as a catalyst

While compliance with the EUPTD is often framed as a challenge, organizations also recognize the opportunities it creates. Professionals highlight benefits that extend well beyond legal obligations, from improving workforce culture to enhancing employer reputation. The findings show that the Directive can serve as a driver of positive organizational change and competitive advantage.

The most widely recognized opportunity is the potential to improve internal trust, cited by 72% of respondents. This highlights that transparency is not just a compliance issue but a foundation for stronger relationships between employers and employees.

Closely linked to this, 63% see the Directive as an opportunity to ensure equal pay for equal work, showing strong alignment with the Directive's core purpose.

Perceived opportunities in regard to compliance



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Attracting and retaining talent is another significant benefit, mentioned by 42% of respondents. In competitive labor markets, demonstrating fairness can be a decisive factor in winning skilled professionals. Strengthening organizational reputation was highlighted by 35%, underscoring how transparency can enhance external perception.

Beyond cultural and reputational gains, more practical benefits are also recognized. 21% of organizations view compliance as a competitive advantage, suggesting that transparency can differentiate companies in the marketplace.

Better risk management, both legal and financial, was seen as an opportunity by 20% of respondents, reflecting the value of proactively reducing exposure. Improved workforce planning, cited by 12%, shows that more structured pay data can also support better strategic decision-making.

In summary, organizations that embrace transparency early can strengthen trust, align pay with values, and secure long-term growth. Far from being only a regulatory burden, the Directive can be a catalyst for positive organizational change and competitiveness.

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3.

Level of compliance

Overview of articles

Chapter 2 of the EUPTD sets out the core obligations for pay transparency, with articles 5 to 10 defining the specific requirements that employers must comply with. For employers, building strong internal procedures is the foundation of a successful response to the Directive.

The articles require gender-neutral job descriptions and transparent recruitment (Article 5), objective pay criteria (Article 6), employee rights to pay information (Article 7), and accessible communication of pay, reward and progression structures (Article 8). Article 9 obliges organizations to publicly report on their gender pay gap, while Article 10 requires a 'joint pay assessment' with employee representatives if an unjustified gap above 5% is found.

Article 10 in particular makes proactive planning essential: organizations should already analyze 2025 pay data to anticipate their 2026 reporting and develop action plans if large gaps are detected.

Ultimately, compliance with these articles requires both strong systems and a commitment to fairness in practice. This involves aligning HR and payroll systems, defining transparent criteria for pay decisions, setting up systems that give employees access to pay information. At the same time, organizations need to prepare for a cultural and structural shift as the Directive pushes for more pay fairness being applied in practice.

Organizations that start early will not only meet legal requirements but also strengthen trust and credibility with their workforce.

§5 Recruitment

Gender-neutral job titles and descriptions. Salary ranges in job postings. Employers must not ask about an applicant's salary history.

§6 Objective criteria

Objective and gender-neutral description of the criteria for pay levels, rewards and career progression.

§7 Right to pay information

Employees have the right to receive information on pay levels for employees doing equal work or work of equal value.

§8 Accessibility

Any information related to pay, reward & progression (articles 5, 6, 7) must be shared in an accessible format with employees or applicants.

§9 Public reporting

Requirements for public reporting on the Directive's metrics, such as how often pay gap reporting must be conducted and in what format.

§10 Joint pay assessment

If a pay gap > 5% cannot be justified: a 'joint pay assessment', further analysis of gender pay gap, and an action plan for corrective measures are required.

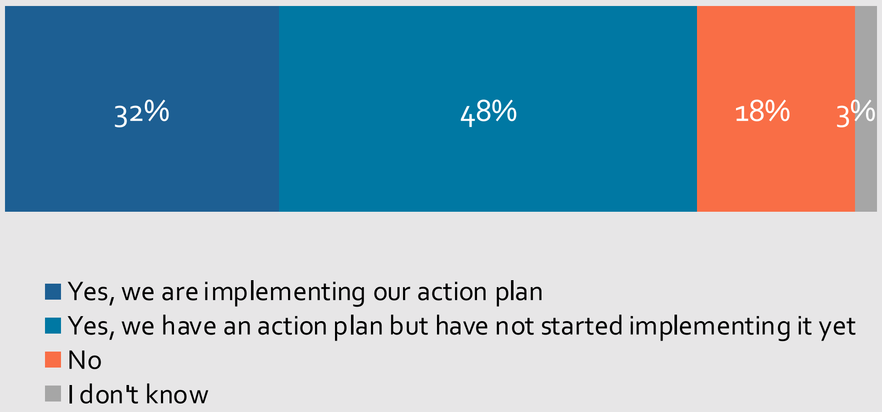
The compliance readiness gap

Preparing for the EU Pay Transparency Directive is high on the agenda, but implementation is still limited. While 80% of organizations have drawn up an action plan, only one-third are putting those plans into action. The results highlight a clear readiness gap between intent and execution that could become critical as compliance deadlines approach.

The survey shows that 32% of organizations have already started implementing their action plans. This group represents the early movers who are actively working toward compliance.

Almost half (48%) have defined an action plan but not yet started with implementation. Meanwhile, 18% have not started at all.

Compliance readiness



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The difference between having a plan and actively implementing it is significant. Many organizations appear to be in a holding pattern, which limits the opportunity to test processes, train employees, and resolve challenges before compliance becomes mandatory.

The 18% who have not started are facing an even greater challenge, as the gap between their current state and compliance requirements is substantial.

Organizations that are already implementing their plans are likely to be better positioned to comply smoothly and minimize risks.

Early movers can establish best practices and position themselves as leaders in fairness and transparency. Delaying action can lead to rushed implementation, reputational damage, and potential regulatory penalties.

Overall, the findings indicate that while awareness has led most organizations to plan, planning alone is insufficient. Timely execution is crucial to achieving compliance efficiently and unlocking the benefits of greater pay transparency.

Perceived difficulty

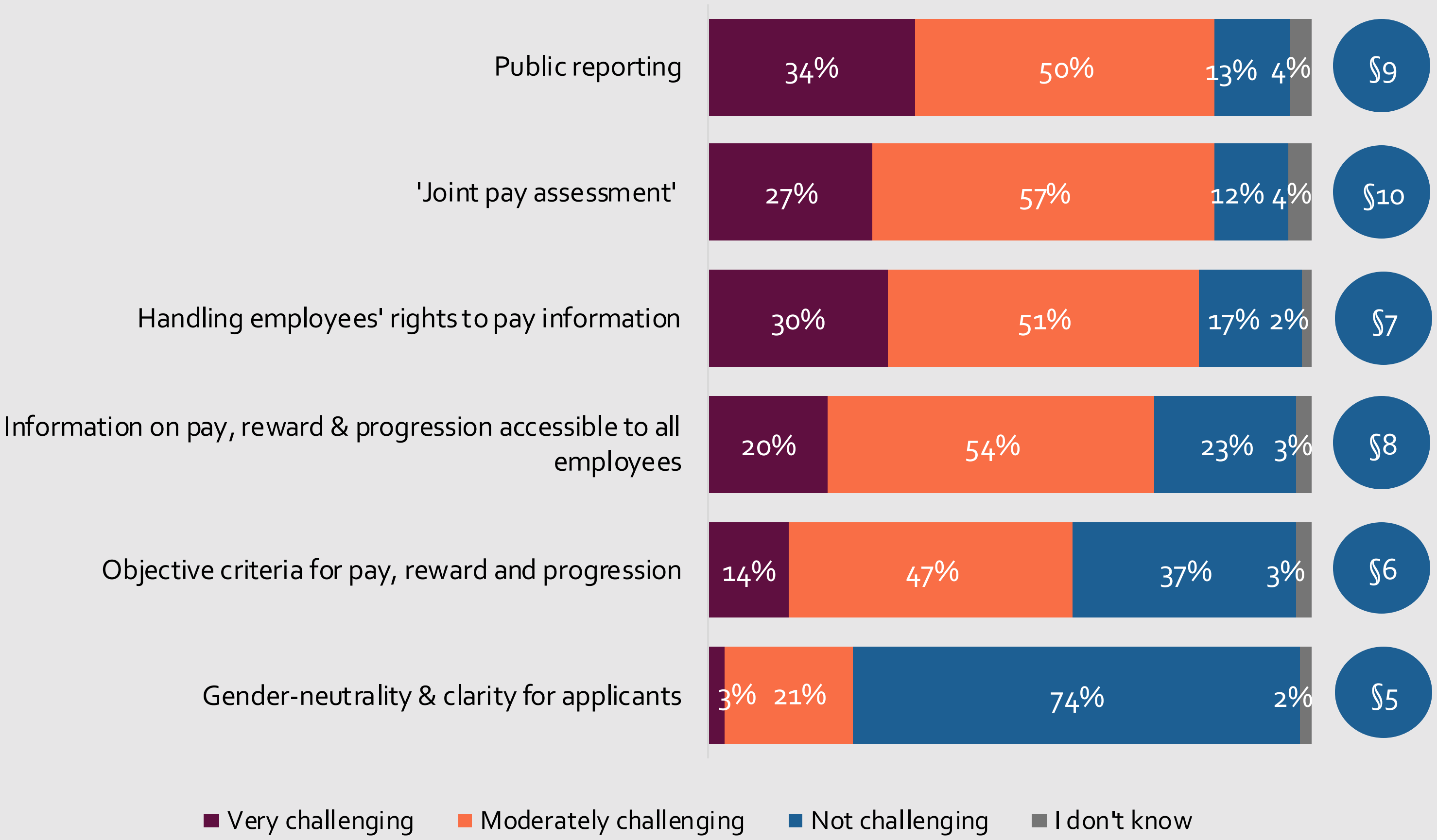
On average, organizations find 67% of the Directive's articles to be (very or moderately) challenging, meaning that on average they find roughly 4 out of the 6 articles challenging and 2 not challenging.

Most organizations find article 5 the least challenging. Using gender-neutral job descriptions and being transparent in recruitment are seen as relatively easy to address, while articles 9, 10, 7, 8 and 6 seem to be more complicated.

Public reporting on the gender pay gap is especially difficult: 84% of professionals say it will be challenging, with 34% rating it as very challenging. The Directive's strict rules on frequency and format make organizations fully accountable for their pay gap, yet many still find the expectations unclear. A potential joint pay assessment is also seen as difficult, likely due to the requirement to collaborate with employee representatives on corrective measures.

At the same time, 81% of organizations say that disclosing pay levels to employees is tough, reflecting the wider challenge of making compensation information easily accessible to employees as defined in article 8. Finally, 61% report difficulty in creating objective criteria for pay, reward and career progression.

Perceived difficulty of complying with the Directive's articles



Base: 111

Organizations find

67% of the Directive's articles **challenging**.

The articles may be challenging because they require both structural and cultural change. They require employers to move beyond policy adjustments into building systems for transparency and accountability while also reshaping how pay decisions are made and communicated.

Interestingly, the data suggests that organizations operating solely in the Netherlands tend to find the Directive's articles more challenging than their international counterparts. This could be due to a lack of resources of single-country organizations.

Level of compliance

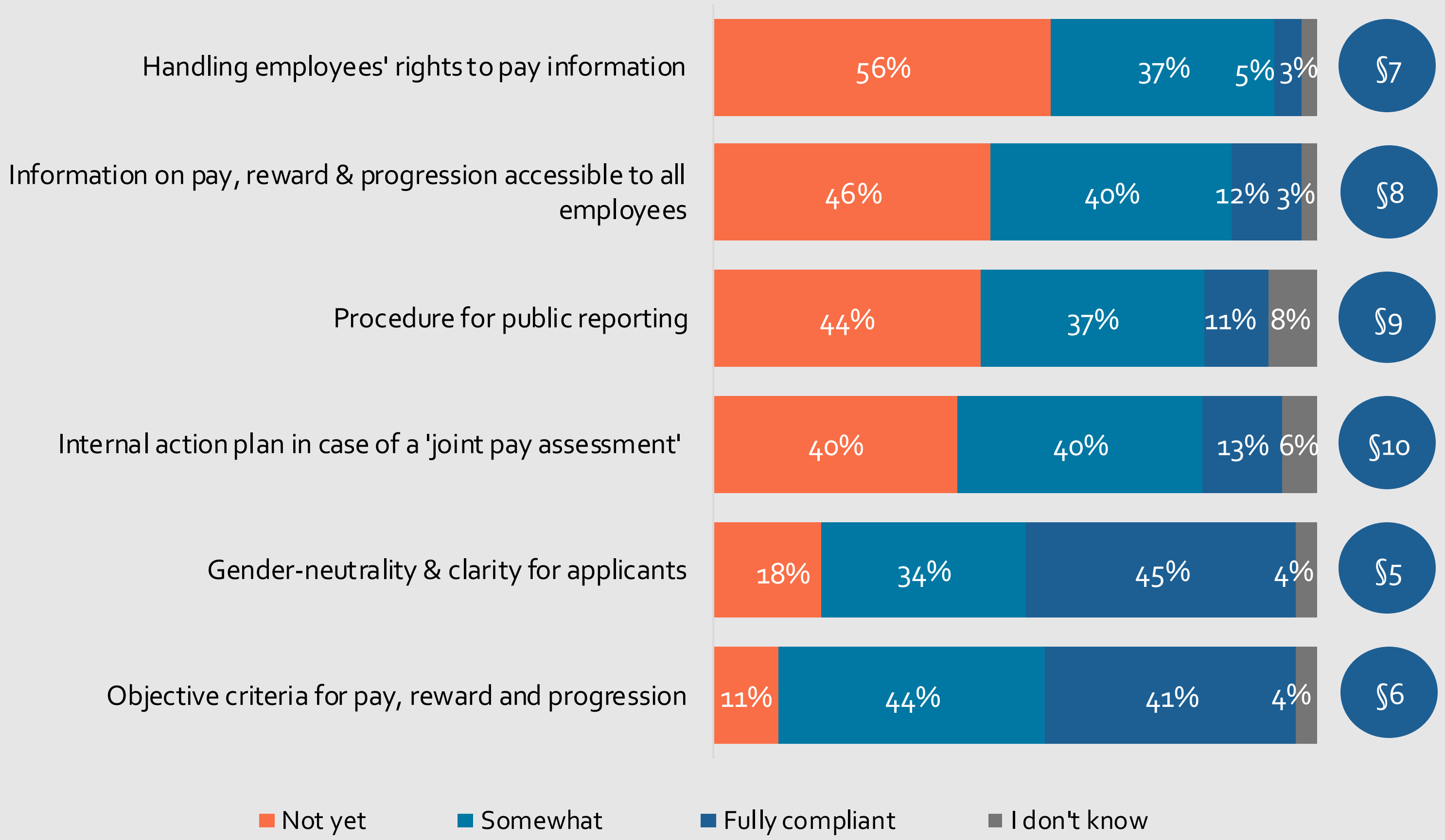
On average, organizations report being fully compliant with 21% of the Directive's articles, meaning that they fully comply with roughly 1 to 2 articles out of 6, while leaving the rest only partially addressed or not at all.

The level of compliance somewhat mirrors the perceived difficulty. Where organizations find requirements easier, such as adopting gender-neutral job descriptions, transparent recruitment practices (article 5) and objective compensation criteria (article 6), compliance levels are high. This demonstrates that straightforward changes in HR-processes are being addressed first.

By contrast, articles 7 and 8 show the lowest levels of compliance, confirming that the difficult aspects are also the less advanced in practice. Giving employees access to pay information requires deeper system changes, data integration, and a culture of openness.

Articles 9 and 10 fall in the middle, with about around 40% reporting at least some compliance. These provisions, focused on public reporting and preparation in case of a 'joint pay assessment', are in progress. This suggest that organizations are beginning to engage but still face barriers to full implementation.

Level of compliance with the Directive's articles



Base: 111

Organizations are **fully compliant** with

21% of the Directive's articles.

They are somewhat compliant with 39% of the Directive's articles.

Overall, this pattern indicates that compliance is uneven and closely tied to perceived complexity. Organizations tend to prioritize the "easier" requirements while delaying those that require substantial structural and cultural change. This selective approach risks leaving major gaps unresolved as deadlines approach..

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4.
Deep dive into the Gender Pay Gap

To comply with articles 8, 9 and 10, organizations must report their gender pay gap and make pay information accessible to employees. Conducting a pay gap analysis is therefore an essential step.

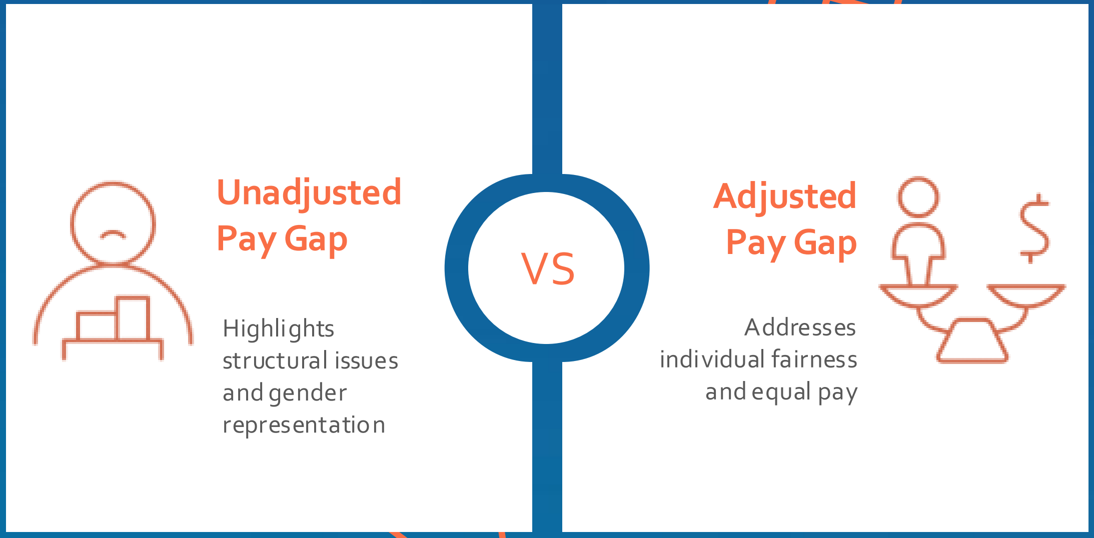
Pay Gap Analysis and obligations

The Directive requires organizations to calculate and report their unadjusted gender pay gap. If an unjustified gap above 5% is detected, employers need to be able to provide insights into the causes and offer corrective measures. Reporting the unadjusted pay gap is therefore essential in order to explain a gap above 5%.

The gender pay gap is the difference between the average hourly wages of men and women. This calculation, often called the nominal, unadjusted, or uncorrected pay gap, adjusts only for working hours but does not consider factors such as job level, tenure, or performance. It reflects structural imbalances in representation across job levels and functions. When women are underrepresented in senior or higher-paid roles, the unadjusted pay gap highlights barriers in career progression and advancement opportunities.

Equal pay for equal work, by contrast, focuses on employees doing the same or comparable jobs. It asks whether two people performing the same role, with the same experience and performance, are paid equally. This is also referred to as the corrected or adjusted pay gap, because it controls for said background variables. By correcting for these variables, organizations can isolate whether differences remain that cannot be explained objectively.
In other words, the unadjusted pay gap highlights structural issues like unequal representation in leadership, while the adjusted gap addresses fairness in pay decisions at the individual level.

The EUPTD focuses primarily on the unadjusted gap: organizations must calculate and report this figure. If an unjustified difference greater than 5% is found, article 10 requires employers to perform a joint pay assessment with employee representatives. This means investigating the causes and creating corrective measures, often by performing a more detailed adjusted pay gap analysis. To comply, organizations need reliable data systems, transparent methodologies, and internal procedures to respond when pay gaps appear.



Approaches towards Equal Pay vary

71%

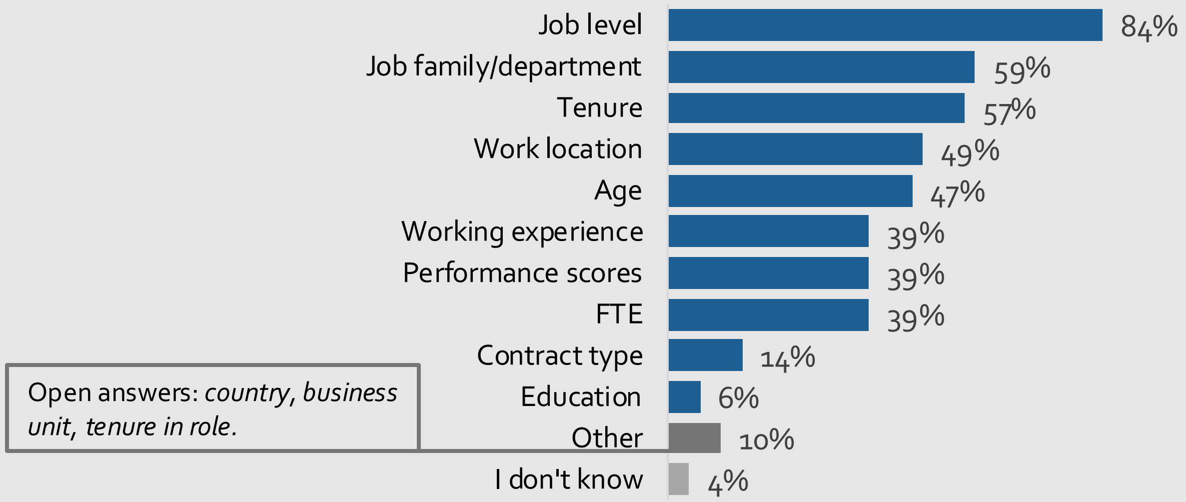
of organizations have **performed a pay gap analysis** in the past 12 months.

25%

of organizations have **not performed a pay gap analysis** in the past 12 months. 4% of the respondents didn't know whether their organization performed one.

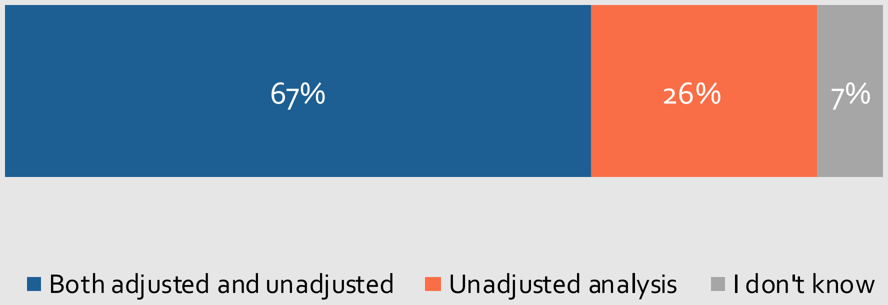
Of the organizations that have not performed a pay gap analysis yet: **27%** say that they will perform one **by the end of 2025**, **42%** say **by June 2026**, and 31% by the end of 2026 or during 2027.

Variables adjusted for in adjusted pay gap analyses



Base: 49

Type of pay gap analysis



Base: Those that have performed an analysis, 79

Of the 71% that have performed a pay analysis in the last 12 months, approaches varied widely. A quarter chose to do an unadjusted analysis, which highlights the raw difference between men's and women's pay. Two third chose to perform additionally an adjusted analysis, where variables such as job level, job family, or tenure are considered to explain differences. This provides the most complete picture, balancing transparency with context.

When an adjusted pay gap analysis was made, job level is by far the most common factor (84%) that organizations adjust for, followed by job family (59%) and tenure (57%). These factors are relatively straightforward to measure and are often central to existing compensation frameworks. Work location (49%) and age (47%) are also frequently considered.

Around 39% include FTE, performance scores, and working experience, which shows a willingness to integrate more individualized aspects of pay. However, education (6%) and contract type (14%) are rarely included, which may be harder to quantify consistently or seen as less relevant.

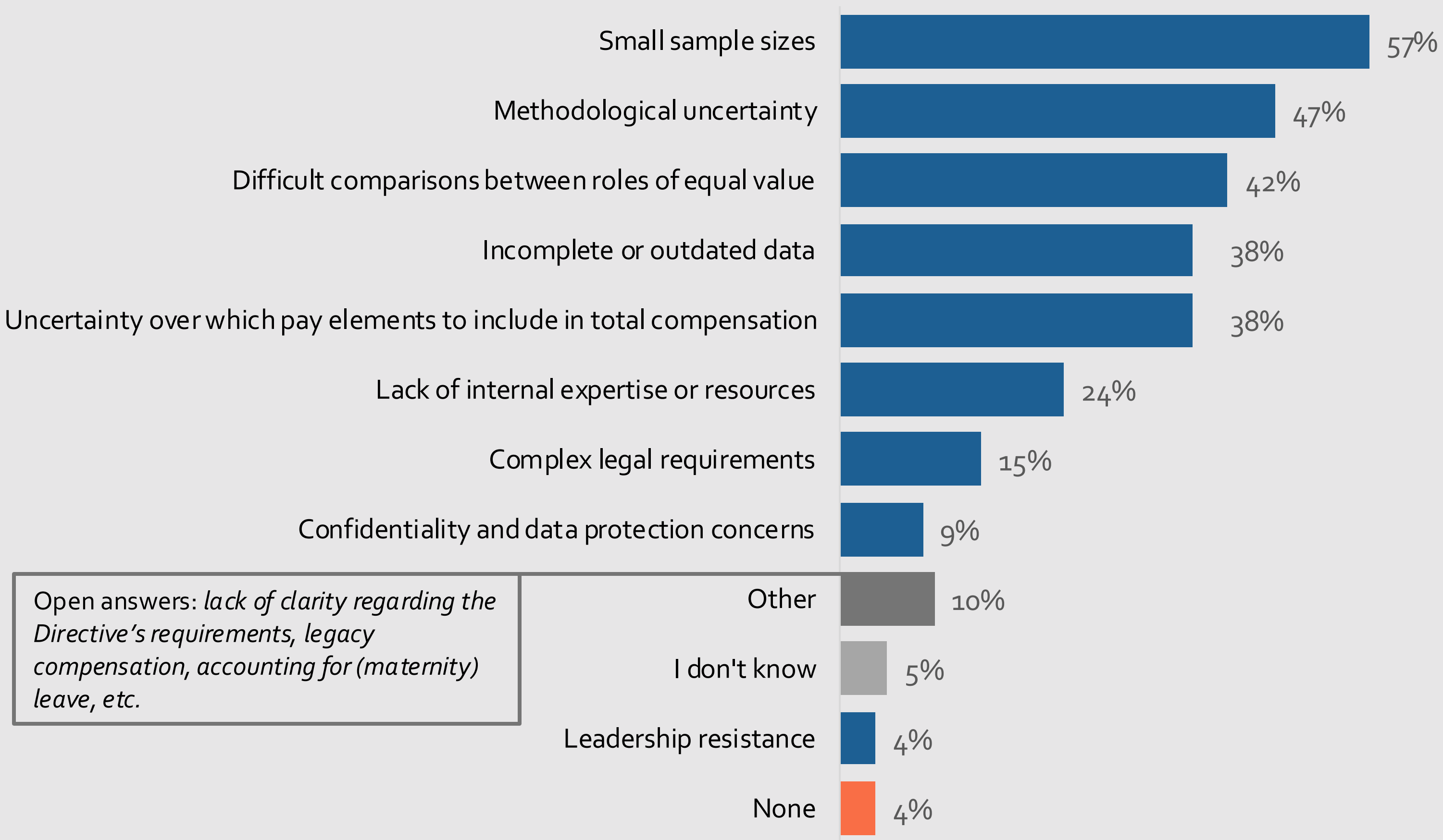
Challenges limit reliability

Organizations face a range of obstacles when conducting pay gap analyses. These challenges can often limit the reliability of a pay gap analysis.

The results show that methodological and statistical issues are the most pressing barriers. More than half (57%) report difficulties due to small sample sizes. This can make outcomes less representative, particularly in smaller organizations or specific job groups. Nearly half (47%) struggle with methodological uncertainty, as the Directive and many EU member states have not defined a single standardized approach to conducting these analyses. 38% report incomplete data, which adds yet another layer of complexity.

Next to statistical issues, many also face issues around scope. 42% of organizations find it difficult to compare roles of equal value. Indeed, roles that look different on the surface may still carry equal value as they require similar levels of responsibility or decision-making. Without a standardized job evaluation framework 'equal value' is difficult to capture objectively. Another 38% remain uncertain which pay elements to include in total compensation. This can be especially difficult for international organizations where compensation elements differ across lines of work and countries.

Encountered challenges when performing a pay gap analysis



Open answers: *lack of clarity regarding the Directive's requirements, legacy compensation, accounting for (maternity) leave, etc.*

Base: 79

35%

of those that did both adjusted and unadjusted analyses or only an adjusted analysis find **uncertainty over which factors to adjust for** a challenge.

Lack of experience and resources add another constrain for about 24% of organizations, while 15% point to the complexity of legal requirements.

These challenges collectively show that pay gap analyses remain complex in practice for many organizations. Having the right tools, expertise, and systems in place is crucial. Therefore, organizations must strengthen their data infrastructure, align their methodology, and build expertise to move toward reliable, Directive-proof reporting.

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5.
Deep dive into progression & reward policies

To comply with articles 5 to 8, organizations need to have fair and objective pay structures in place and must be able to make these accessible to all employees.

COMPLIANCE WITH ARTICLES 5, 6, 7 & 8

Remuneration & progression

Under the Directive, employers not only need to have fair and objective pay structures in place but also need to make these accessible and understandable to all employees. A step-by-step approach is essential to meet compliance.

Articles 5 to 8 of the Directive require employers to use transparent remuneration and progression policies that apply both to recruitment and career progression. This prevents bias from entering pay and progression structures at the earliest stages.

Article 8 extends this obligation by requiring organizations to make remuneration and progression policies easily accessible and clearly communicated to all staff.

To comply, organizations should begin with linking reward structures to organizational goals to ensure that compliance efforts do not only satisfy legal requirements but also support business performance and retention.

Next, reviewing fixed pay structures (including progression structure), variable pay schemes, and benefits packages is crucial. Variable pay elements, such as bonuses, sales incentives, or profit-sharing, must be carefully designed to motivate employees while remaining objective and defensible under transparency requirements. Equally important are mobility, pension schemes, and tailored benefits, all of which must be applied consistently to avoid unfairness. When current policies are not compliant, the organization is recommended to improve these.

Once policies are updated, implementation and communication become critical. Even the most well-structured remuneration framework will fail if employees do not understand how it works or trust that it is applied fairly.

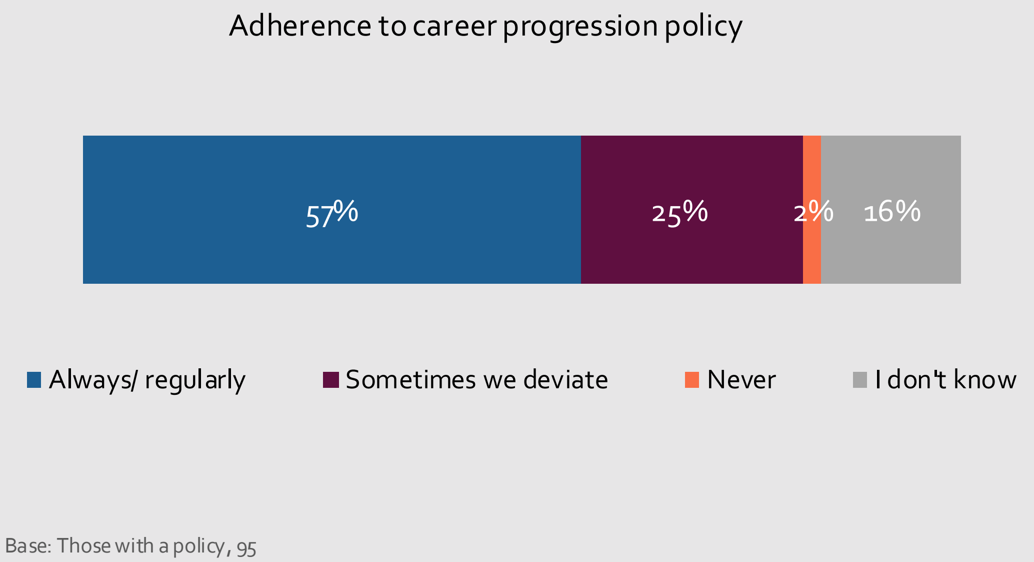
In short, Articles 5 to 8 require organizations to combine compliance with strategic HR management. Employers must move beyond informal or unwritten practices and establish formalized, transparent frameworks.

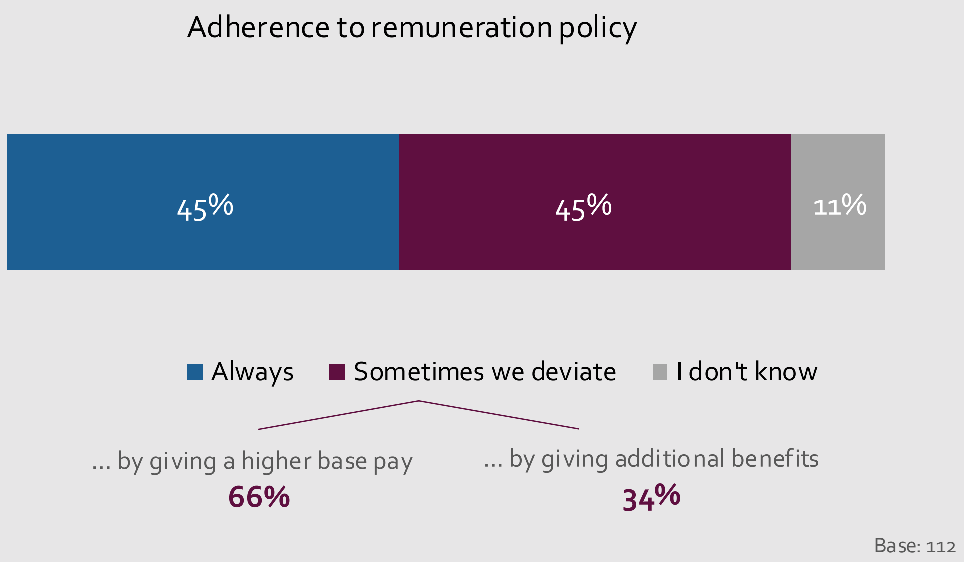
Despite policies, deviations are common

A significant proportion of organizations report deviations from their progression and remuneration frameworks. This shows that while formal structures exist, flexibility is often applied in practice. The articles 5 and 6 of the Directive will push organizations to minimize this flexibility and help prevent unjustified differences in pay and progression.

The findings suggest that career progression policies for employees are quite consistently applied (57%). A quarter occasionally deviates from the guidelines of their career progression policy. This raises questions about the objectivity in promotion decisions and the fairness in pay increases.

Remuneration policies for new hires are applied with greater flexibility. 45% of organizations report deviating from their frameworks, often by offering higher base salaries. While such deviations can serve as a tool for competitiveness when attracting new talent, they can also undermine pay equity. An exceptional starting salary often has an impact on the entire career of an employee, resulting in long-term pay differences in the organization. It is also necessary to shift the organizational mindset and culture to ensure that deviations from established policy are not made lightly or without proper justification.





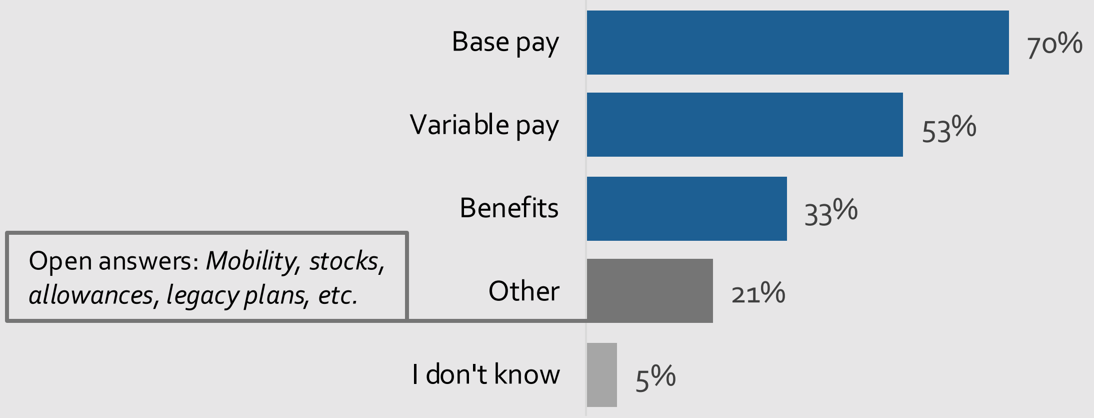
Adapting remuneration policies

The EUPTD is set to reshape compensation practices across Europe. Indeed, half of organizations believe that they will need to adapt their remuneration policies, especially with regard to base pay and variable pay.

51% of organizations believe that the Directive will impact the very foundation of how employees are paid. Base pay emerges as the primary focus, with 70% expecting adjustments. Variable pay is also under scrutiny, with 53% anticipating policy changes.

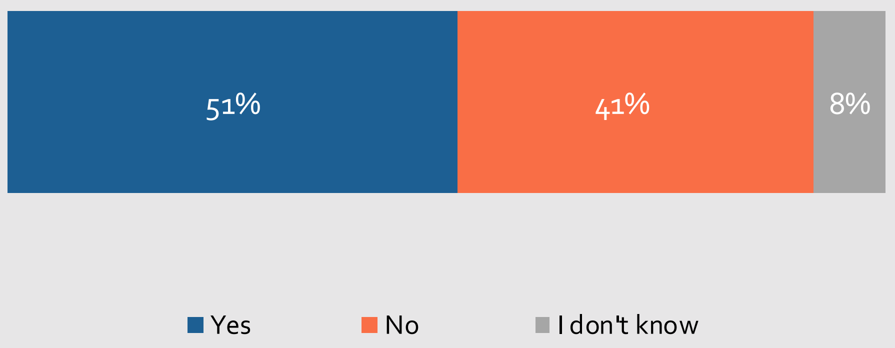
Benefits, on the other hand, are often less transparent and more subjective, presenting a higher risk of inequality. Although cited by fewer professionals (33%), benefits still require careful review to ensure consistent application across all employee groups.

Parts that organizations believe they will need to adapt



Base: 57

Belief in whether they will have to adapt their remuneration policy



Base: 111

The expected change in remuneration policies directly connects to Articles 7 and 8 of the Directive, which oblige employers to make pay, reward, and progression information accessible to all employees. When pay structures, particularly base pay, become transparent, inconsistencies or unjustified differences are far more likely to be questioned. Employees will not only see what they earn but also how it compares to colleagues in comparable roles, as well as the criteria used for determining pay and progression.

As a result, remuneration policies that may previously have allowed for flexibility will need to be adapted. Clear, consistent, and well documented compensation criteria are essential.

While these criteria help align with the legal requirements, organizations must also recognize that cultural shifts are required to ensure that pay fairness is effectively applied in practice.

The 41% of organizations that believe they will not need to adapt their remuneration policy may think that they already have a policy that is compliant with the Directive's requirements. Nonetheless it is advised to critically inspect current policies since organizations also need to be able to transparently communicate their policies.

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6.

The road to compliance

EU Pay Transparency Directive

Many organizations are struggling with the EUPTD. What exactly is expected? Are we compliant, or do we need to adjust our job architecture and reward policy? What should we share when an employee exercises their right to request salary information? And what pay gap figures will we soon have to disclose?

Complying with the EU Pay Transparency Directive is not a one-off exercise, but a structured journey that requires organizations to take six essential steps: Highberg Readiness scan, Job architecture, Reward policy, Employee access to information, Pay transparency in recruitment, and Equal pay & mandatory reporting.

The journey starts with the Highberg Readiness scan, which assesses the current situation, identifies risks, and defines concrete actions. This provides immediate clarity and direction. Building a solid Job architecture and transparent Reward policy then creates the foundation for accurate pay gap analyses, as required by legislation. The subsequent steps Employee access to information, Pay transparency in recruitment, and Equal pay & mandatory reporting ensure that transparency is embedded in daily practice and compliance is sustained over time.

Our research shows, however, that organizations most often encounter challenges in reporting and communication, particularly when addressing non-compliance. These areas therefore deserve early and focused attention to ensure transparency measures are not only compliant on paper, but also effective and meaningful in practice.

Highberg supports organizations throughout the entire journey, guiding them step by step to implement the complete approach effectively and achieve sustainable compliance with the EU Pay Transparency Directive.

Highberg recommends the following 6 steps

Approach for implementing the EU Pay Transparency Directive

Implementing the EU Pay Transparency Directive (EUPTD) is a major undertaking for large organizations, requiring careful planning, clear processes, and active engagement across HR, legal, and management teams. Starting early is critical to ensure both compliance and a sustainable culture of equal pay.

The survey results show that organizations with more than 250 employees face significant challenges in implementing the EU Pay Transparency Directive. Nearly half (48%) have a roadmap but have not yet started implementation, likely due to uncertainty, and 18% have no roadmap at all. This guidance is primarily intended for these two groups to provide a clear, practical approach to get started. The 32% of organizations already actively implementing their roadmap can use it to benchmark and refine their current plans.

A structured, phased approach is essential to ensure compliance and foster a sustainable culture of equal pay. Key legal milestones include June 7, 2026, by which EU member states must transpose the Directive into national law, and June 7, 2027, the deadline for the first official reporting for employers with 150+ employees, with periodic reporting required thereafter.

Our recommended roadmap begins with early pilots and pay gap analyses in late 2025, followed by design, implementation, and validation throughout 2026, and culminates in official data collection and reporting in 2027. Supported by the Highberg Readiness Scan, simulation exercises, corrective action testing, and continuous process monitoring, organizations can be fully prepared both operationally and legally.

Q4 2025

Pilot & Pay Gap analysis

- Unadjusted & adjusted pay gap analysis
- Trial report
- Involve employee representatives
- Identify early corrective action needs
- *(Highberg Readiness Scan)*

H1 2026

Design & Implementation

- Objective, gender-neutral criteria in job architecture and reward policy
- Recruitment updates
- Employee information processes
- Pilot training for HR/managers
- Prepare corrective action workflows

H2 2026

Validation

- Draft report for 2027 submission
- Audit
- Implement corrections
- Internal communication: brief & involve employees
- Test corrective action processes
- Begin culture building
- Policy update planning

2026 (ongoing)

Data collection

- Fully capture HR/payroll data
- Ongoing monitoring
- Execute corrective actions if needed

2027+

Official Reporting & Maintenance

- Publish 2026 pay gap report
- Inform employee representatives
- Implement corrective actions
- Annual reporting
- Continue culture building, training and policy updates

ABOUT

Highberg

Highberg grew out of eight specialist consulting firms, each with first-class expertise in organizational, digital and sustainable transformations. Our aim is to be the ultimate partner for our clients in these areas, where we work together to make lasting impact on organizations and their employees.

Our way of working

Systematic approach

We believe that transformation must encompass all aspects of the organization to reach its full potential.

Focus on value creation

We consider transformation as means to an end; driven by the economic impact it brings to the organization. This allows us to continue to create value, put customers first and operate more efficiently.

Make it happen

In essence, transformation means introducing change and realizing real impact. We approach this by initiating change early in the process, capturing learnings and incorporating them into the process.

Co-creation

Our solutions are tailor-made for our customers and their teams, so we can ensure the best possible connection and results that suit their organizations.

This report was made by the Highberg – People Transformation Team

- Our team of approximately 65 employees is specialized legal compliance, job architecture, reward policies, pay gap analysis and recruitment.
- Our team focuses on transforming organizations towards data-driven ways of working, i.e., research, reporting and analysis to support decision-making and optimizing processes.
- We are proud of our very satisfied customers with tens of thousands of employees, both in the private and public sectors.
- Our offices are strategically located in Amsterdam, Utrecht and Zoetermeer, but employees also work from home and/or at the customer's premises.

Want to know more?

www.highberg.com

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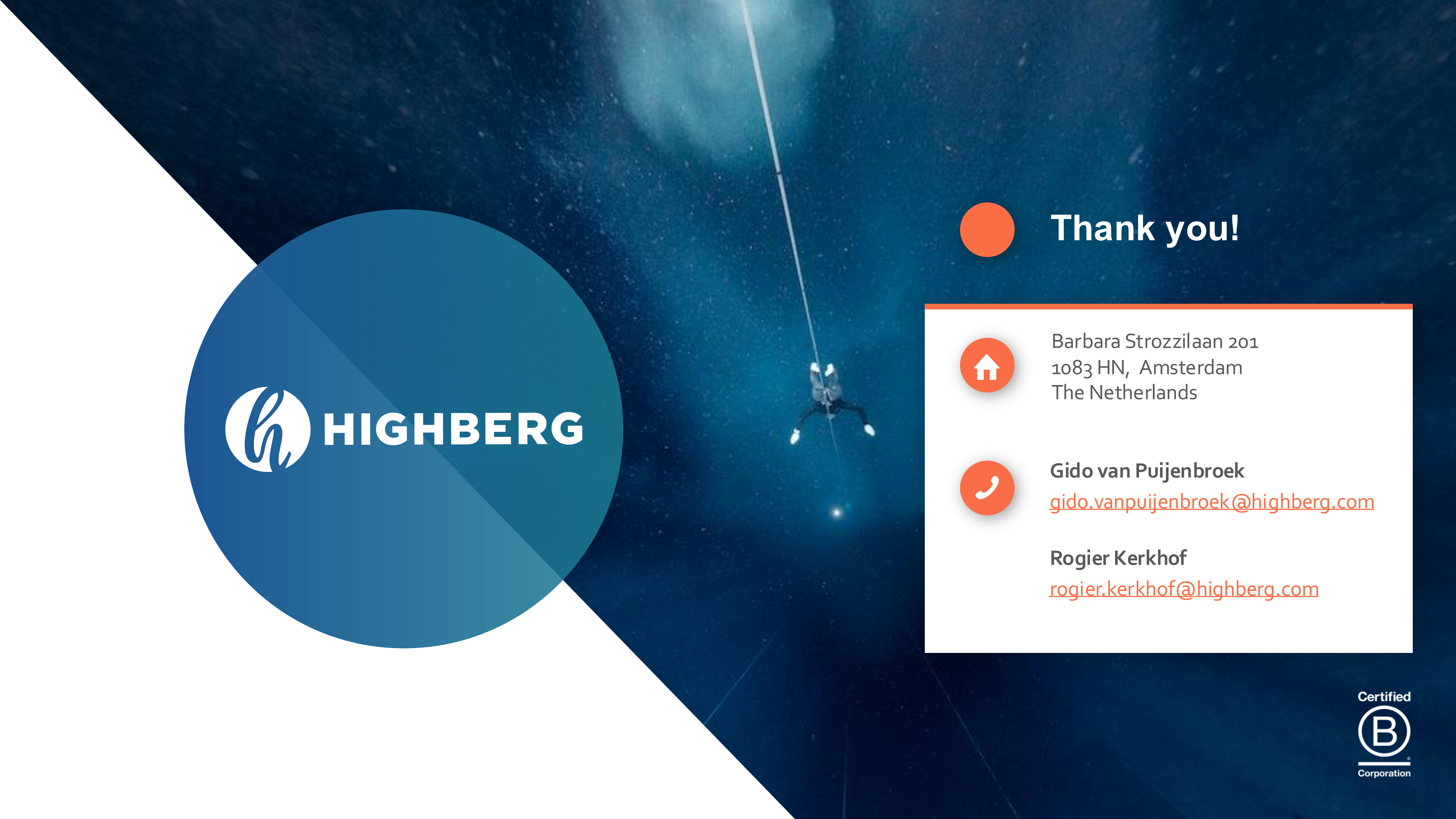

HIGHBERG

Thank you!

Barbara Strozzilaan 201
1083 HN, Amsterdam
The Netherlands

Gido van Puijenbroek
gido.vanpuijenbroek@highberg.com

Rogier Kerkhof
rogier.kerkhof@highberg.com

Certified B Corporation