Grant Thornton

TOPHIC SPECIAL EDITION

Pay Transparency Directive: a cross-country comparison of transposition in Europe

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Overview

Our experts explore the key implications of the EU Pay Transparency Directive (EU) 2023/970, analysing how the new framework is reshaping the implementation and enforcement of the equal pay principle across Europe. By focusing on the progress of national transposition, the report highlights the different approaches and stages of implementation across European jurisdictions, with Italy and Greece among the countries that have completed the process, while others are still adapting their national frameworks. A dedicated in-depth analysis of the Netherlands also examines the proposed legislative measures, including enhanced pay transparency in recruitment, the prohibition of salary history questions, gender-neutral job evaluation and classification systems, and new gender pay gap reporting requirements for employers with more than 100 employees.

> **The Pay Transparency Directive is reshaping pay equity and remuneration policies, introducing new requirements for greater transparency and gender pay gap reporting.**

Expert's opinion

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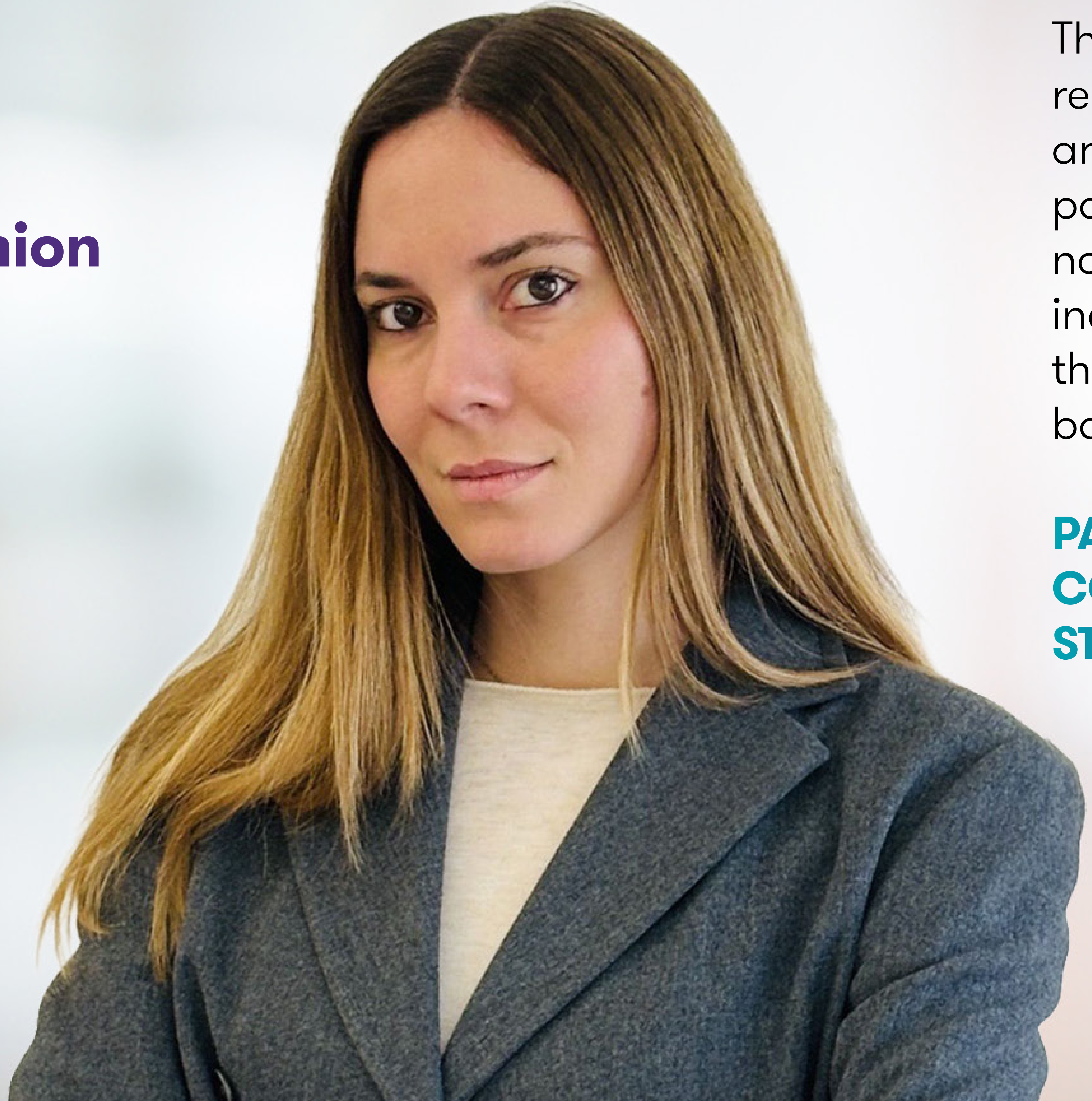

The Pay Transparency Directive represents a shift in the way companies are expected to manage their pay policies. Making pay data visible will not be sufficient: organisations will increasingly need to demonstrate that the decisions underlying those figures are based on objective criteria.

PAY TRANSPARENCY IN EUROPE: A COMPARATIVE OVERVIEW OF THE STATE OF TRANSPOSITION

INTRODUCTION

Directive (EU) 2023/970 marks a significant step forward in the development of European Equal Pay policies. The principle of equal pay for women and men for equal work or work of equal value is not new within the EU legal framework; what is changing is the model through which this principle is to be effectively implemented and enforced.

The EU deadline for transposition was 7 June 2026. However, an analysis of the information collected through the Grant Thornton Network reveals a varied picture across Europe. Of the seven countries considered – Italy, Spain, Portugal, Greece, Poland, Ireland and Hungary – only Italy and Greece have formally completed the transposition process, while the legislative process is still ongoing in the other jurisdictions.

This highlights a significant finding: approximately 29% of the countries analysed have completed transposition, while the remaining 71% are still in the process of adapting their national frameworks, albeit at very different stages of progress.

STATE OF TRANSPOSITION IN THE COUNTRIES ANALYSED

Country	Transposition	Key development
Italy	Yes	Directive transposed in June 2026
Greece	Yes	Directive transposed in July 2026
Netherlands	No	The Dutch implementing legislation is expected to enter into force on 1 January 2027
Spain	No	Draft Royal Decree under preparation
Portugal	No	Legislative process at its final stage
Poland	No	Legislative process still ongoing
Ireland	No	Phased transposition planned
Hungary	No	Draft legislation expected in autumn 2026

ITALY AND GREECE: THE FIRST EFFECTS OF TRANSPOSITION

Italy and Greece provide an opportunity to see how the principles laid down at EU level are being translated into concrete new obligations for organisations.

Italy transposed the Directive through Legislative Decree No. 96/2026, which entered into force on 7 June 2026. The new framework affects the entire employment lifecycle.

Transparency begins at the recruitment stage: job advertisements must indicate the initial salary or relevant pay range, as well as the applicable National Collective Bargaining Agreement (CCNL), while employers are prohibited from asking candidates about the pay they received in previous employment relationships.

During employment, workers must have access to the criteria used to determine pay, pay levels and pay progression. They may also request information on average pay levels, broken down by gender, for workers performing the same work or work of equal value.

Gender Pay Gap Reporting requirements also apply to employers with at least 100 employees. Of particular relevance is the 5% threshold: where a pay difference of at least 5% is identified, which cannot be justified on the basis of objective, gender-neutral criteria and is not remedied within six months, a joint pay assessment is required.

Greece has also completed the transposition process through Law 5316/2026, published on 6 July 2026. The Greek framework contains substantially similar elements: pay transparency during recruitment, a prohibition on requesting candidates' pay history, objective and gender-neutral criteria for determining pay and career progression, employees' right to information, gender pay gap reporting, and a joint pay assessment where an unjustified pay gap of at least 5% is identified.

EXISTING OBLIGATIONS IN COUNTRIES WHERE TRANSPOSITION HAS NOT YET BEEN COMPLETED

The absence of formal transposition does not necessarily mean that there is no existing regulation on pay transparency. Portugal provides a particularly relevant example.

Law No. 60/2018 already requires companies with at least 50 employees to adopt transparent pay policies based on objective criteria. The Autoridade para as Condições do Trabalho may challenge gender-based pay differences and require employers to provide justification and adopt corrective measures.

This is particularly noteworthy when compared with the general threshold of 100 employees established by the Directive for EU reporting obligations. Portuguese companies with between 50 and 99 employees are therefore already subject to a national framework that, in this respect, has a broader scope of application.

The future transposition of the Directive will therefore require not simply the replacement of existing rules, but rather the coordination of EU requirements with the national regulatory framework already in place.

A similar dynamic, albeit through different mechanisms, can be observed in Ireland. Although Ireland did not meet the 7 June 2026 deadline and has announced a phased approach to transposition, it already has a Gender Pay Gap Reporting system applicable to organisations with at least 50 employees, supported by a dedicated government portal for the submission of annual reports.

SPAIN, POLAND AND HUNGARY: TRANSPOSITION PROCESSES STILL UNDERWAY

In Spain, the Government is currently preparing the Royal Decree transposing the Directive. The national framework therefore remains at the legislative completion stage.

Poland appears to be further advanced from an operational perspective. Although the overall transposition process has not yet been completed – following an initial draft bill in December 2025 and a second draft in April 2026 – certain measures have already been implemented. These include the disclosure of salary or salary ranges in job advertisements, the prohibition on requesting information about candidates' previous pay, and the use of gender-neutral job advertisements and recruitment procedures.

Hungary, by contrast, remains at a preparatory stage. The 2026 Autumn Legislative Programme provides for the introduction of a draft law on pay transparency between women and men, together with amendments to related legislation. However, the text of the proposed legislation is not yet available.

Interestingly, while awaiting the new legislation, some organisations in Hungary have already begun reviewing their HR processes, including job architecture, job evaluation, grading systems, salary bands and the identification of objective criteria for pay-related decisions.

TOWARDS A NEW APPROACH TO PAY MANAGEMENT

The comparison across selected European countries shows that the Directive is being transposed at different speeds, while also highlighting a common trend: pay transparency cannot be approached as a mere compliance exercise.

For organisations, compliance requires a broader review of pay management systems, ranging from job classification and evaluation to the definition of salary bands and the identification of objective, gender-neutral criteria for determining pay and pay progression.

In this respect, the Pay Transparency Directive represents a shift in the way companies are expected to manage their pay policies. Making pay data visible will not be sufficient: organisations will increasingly need to demonstrate that the decisions underlying those figures are based on objective criteria.

Focus on

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WHAT IS THE CURRENT STATUS OF THE IMPLEMENTATION OF THE EU PAY TRANSPARENCY DIRECTIVE IN THE NETHERLANDS?

The Netherlands has taken an important step towards implementing the EU Pay Transparency Directive, but the Directive has not yet been transposed into national law. The Dutch implementation bill, 'Wet implementatie Richtlijn loontransparantie mannen en vrouwen', was submitted to the House of Representatives on 21 May 2026 and is expected to enter into force on 1 January 2027, subject to approval by the House of Representatives and the Senate.

The proposed legislation introduces several new obligations for employers. These include providing greater pay transparency during recruitment, prohibiting questions about applicants' salary history, and introducing objective and gender-neutral job evaluation and classification systems. Employers with more than 100 employees will also be required to report periodically on gender pay differences within their organisation.

For employers, preparation will be key. Organisations should review their remuneration structures, improve HR and payroll data quality, and ensure that any pay differences can be objectively justified using gender-neutral criteria. Early preparation will help employers comply with the new requirements and reduce implementation challenges once the legislation comes into force.

HOW WILL THE DIRECTIVE CHANGE EXISTING DUTCH EQUAL PAY LEGISLATION?

The principle of equal pay is already embedded in Dutch law, particularly in Article 7:646 of the Dutch Civil Code and the Equal Treatment of Men and Women Act. However, the current framework is largely reactive: employees generally need to suspect unequal treatment and initiate proceedings themselves. The Dutch implementation bill introduces a more preventive and transparent system. Employers will be required to maintain pay structures based on objective, gender-neutral criteria and to assess equal work or work of equal value by reference to factors such as skills, effort, responsibility and working conditions. The bill also introduces recruitment transparency, employee information rights and gender pay gap reporting for larger employers. Furthermore, enforcement will be strengthened through improved access to compensation, revised rules on the burden of proof and penalties for non-compliance. The implementation will mainly amend the Equal Treatment of Men and Women Act, while related legislation, including rules on temporary agency workers and employee participation, will also be adjusted.

WHAT INFORMATION WILL EMPLOYERS NEED TO PROVIDE TO JOB APPLICANTS AND EMPLOYEES?

Under the Dutch implementation bill, employers will have to inform applicants of the initial pay or pay range applicable to the position. This information must be provided sufficiently early to allow an informed and transparent salary negotiation. The bill does not necessarily require disclosure in the vacancy notice, but the information must in any event be provided before the employment contract is concluded. Employers will also be prohibited from asking applicants about their current or previous salary, while vacancy notices and job titles must be formulated in a gender-neutral manner. Employees will be entitled to request written information about their individual pay level and the average pay levels, broken down by sex, for categories of employees performing the same work or work of equal value. Employers must also make accessible the objective and gender-neutral criteria used to determine pay levels and pay progression and must inform employees annually about their right to request pay information. The Dutch proposal permits employers to require that identifiable pay data is used exclusively to enforce the equal pay principle.

WHICH DUTCH EMPLOYERS WILL BE SUBJECT TO PAY REPORTING OBLIGATIONS, AND WHAT WILL THEY BE REQUIRED TO REPORT?

The general transparency and equal pay requirements will apply to employers regardless of size, but the statutory gender pay gap reporting obligation will apply to employers with at least 100 employees. Under the Dutch bill, employers with 250 or more employees will report annually, while employers with 100 to 249 employees will report every three years. Due to the delayed Dutch implementation, employers with at least 150 employees are currently expected to submit their first report by 7 June 2028, covering the 2027 calendar year. Employers with 100 to 149 employees must report for the first time by 7 June 2031. Reports will include the overall mean and median gender pay gap, differences in complementary or variable pay, the proportion of male and female employees receiving such components, the distribution of employees across pay quartiles, and gender pay gaps by category of employees. If a gap exceeding 5% within a worker category cannot be objectively justified and is not remedied within six months, a joint pay assessment must be conducted with employee representatives. These timeframes remain subject to the parliamentary process.

WHAT PRACTICAL STEPS SHOULD EMPLOYERS IN THE NETHERLANDS TAKE TO PREPARE FOR THE NEW RULES?

Dutch employers should start by reviewing whether their pay structures and job evaluation systems can demonstrate equal pay for equal work or work of equal value. Job descriptions, job families, grades and salary ranges should be assessed against objective and gender-neutral criteria, including skills, effort, responsibility and working conditions. Employers should also conduct a preliminary gender pay gap analysis to identify unexplained differences before formal reporting begins. Recruitment procedures should be updated to ensure that salary information is provided at the correct stage, salary history questions are removed and job titles and vacancy texts are gender-neutral. In addition, organisations should establish a documented process for responding to employee information requests, validate whether HR and payroll systems can produce the required data, and review the treatment of bonuses, allowances, pensions and other remuneration components. Clear ownership between HR, Legal, Payroll, Data and Communications, together with timely involvement of the works council or other employee representatives, will be important for effective and defensible implementation.

Contacts

Our professionals are available to answer any questions or provide further clarification.

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Be ready for the new era of **pay transparency**