



TOGETHER FOR A FAIR DEAL FOR WORKERS

Isabelle Schömann, ETUC Deputy General Secretary
Brussels, 25 September 2025

To: Permanent Representatives to the European Union
CC: Social Attachés

[Letter sent by e-mail]

Dear Ambassador,

I am contacting you in relation to the transposition of the Pay Transparency Directive (EU/2023/970).

The Directive, currently being transposed by EU Member states, will help to shed light on unfair and unlawful pay discrimination and practices that effectively uphold unequal pay and the gender pay gap.

We call on you to work towards an ambitious and timely transposition of the Directive and to counter any attempts of weakening the Directive.

We are concerned to see that the Directive and its transposition is still attacked some employer organisations, bringing forward claims of “administrative burden” or excessive costs and details to be disclosed by employers. None of these arguments are new, yet they do not reflect the reality. Describing the bare minimum measures to address pay gaps and pension gaps as administrative burdens undermines the objective of the Directive and shifts the burden from companies to women workers.

Why the Directive is needed

Equal pay and equal pay for work of equal value are enshrined in the Treaties. The gender pay gap still stands at 13 % at EU average. In 2023, the highest gender pay gap in the EU amounts to 19.0% in Latvia. The impact of pay discrimination goes a long way: the average pension gap between women and men is even larger, estimated at around 29% at EU average, reflecting decades of lower earnings, more frequent part-time work, career interruptions, and undervaluation of work predominantly done by women. The consequences are heightened risks of poverty for older women.

The measures included in the Pay Transparency are central to eliminating the gender pay gap and to end the undervaluation of work done by women because they help to recognise and properly value work in sectors that are heavily feminised sectors that have historically been devalued and underpaid.



The real cost of pay transparency obligations

Nothing comes at a no-burden, no-cost approach. It is, in fact, women workers who know this first hand. We cannot afford the cost of non-Europe.

According to [ETUC / ETUI research](#), **women workers are paying the price for the absence of binding pay transparency obligations**. We take note of demands to exclude the majority of companies covered by the Pay Transparency Directive from having to report on gender pay gaps. Carving out companies of between 100 and 250 employees means that over 10 million women will not benefit from pay reporting. Given that pay transparency helps reduce the gender pay gap, this exemption would amount to a loss of **at least €4.8 billion** in wages for women each year.

With regard to the current scope of pay reporting obligations in the Directive, it is worth recalling that the co-legislators already restricted gender pay reporting to organisations with more than 250 employees. As a result, two-thirds of European workers are already excluded from these measures.

Pay transparency obligations work

The gender pay gap within companies is 17% in countries without pay transparency laws, compared to 14% for countries that have pay transparency, an analysis of OECD data by the [ETUC and ETUI](#) has found.

The evidence on pay transparency tools is clear: they can significantly reduce the gender pay gap when implemented effectively—that is, when they are mandatory, require proactive employer disclosure, cover a large share of the workforce, provide detailed information, and are backed by sanctions. In addition, the benefit of the Pay Transparency Directive lies in harmonising the same pay transparency obligations throughout the EU, making the same rules applicable to all Member states. It can therefore be expected to have a meaningful reduce the gender pay gap, if correctly implemented.

The “financial and administrative burden” of pay transparency obligations

Some employers’ organisations claim that pay transparency obligations would come with excessive financial and administrative burden. According to [EUROFOUND research dated from 2020](#), *“the estimated costs for companies **per report** range from zero in Estonia to DKK 524 (€70) in Denmark [...] to €844 in Germany (equivalent to €169-281 annual costs), which is somewhat higher than the Austrian estimate of €132 per year”* adding that *“requirements for **pay audits** were estimated to be slightly more time consuming and costly, but still overall rather low”*.

It is important to note that the necessary software and tools for pay reporting are typically a one-time investment. While the first reporting may involve a higher administrative effort, the process becomes easier with each subsequent reporting cycle.

Pay transparency is not just a matter of fairness, it boosts competitiveness

Research indicates that pay transparency obligations, including transparent pay setting and pay progression policies can yield a positive effect on businesses, if correctly



implemented. Enhancing fairness and eliminating unequal pay improves trust of workers, prevents equal pay claims and attracts new talent.

At the same time, the EU is facing labour shortages across multiple sectors. Boosting women's labour market participation is not only a matter of justice but a necessity to sustain growth and fill gaps in the workforce.

Provisions on proof of equal work or work of equal value (Article 19)

The so-called hypothetical comparator is an instrument allowing for pay justice and enforcement of rights. The Article 19 of the Pay Transparency Directive is effectively codifying pre-existing case-law of the Court of Justice of the EU, which determines that comparison is not limited to workers who work for the same employer, or are employed at the same time as the worker concerned. Therefore, comparison can *already* be extended to the so-called 'single source' establishing pay conditions.

Any employer that detects and corrects pay injustices has nothing to fear about the hypothetical comparator. This is yet another argument for the correct application of pay reporting systems and gender-neutral job evaluation, as prescribed for in the Directive.

Equal pay has been enshrined in the Treaties since 1957. Almost seventy years on, the EU has finally adopted stronger, harmonised rules to deliver pay justice. Women workers cannot afford to wait any longer for their implementation.

Hoping the above clarifies the provisions and benefits of the Pay Transparency Directive, I call on you to see through the transposition of the Pay Transparency Directive in full as a matter of urgency.

Kind regards,

Isabelle Schömann
Deputy General Secretary