



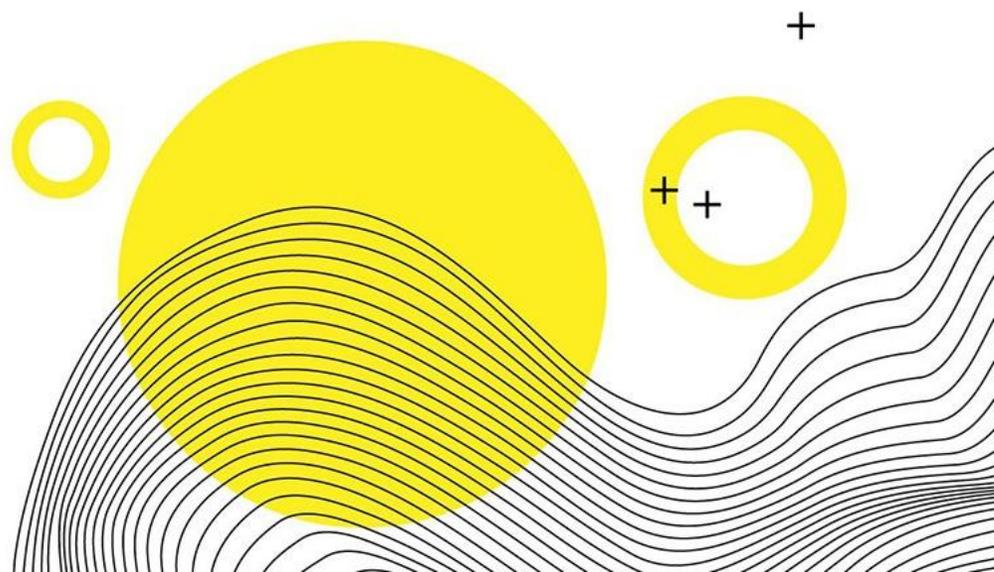
**FAIR PAY
INNOVATION
LAB**



In Control – From Pay Gap to Transparency Readiness

EUPTD | Reporting under Control | Part 3

Henrike von Platen, CEO FPI Fair Pay Innovation Lab
January 28, 2026



The logo for Fair Pay Innovation Lab, featuring the lowercase letters 'fpi' in a white, sans-serif font on a black background.

**FAIR PAY
INNOVATION
LAB**



Why Are We Here?

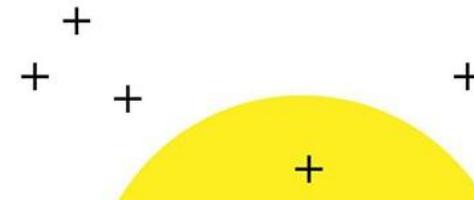
To understand reporting with integrity...

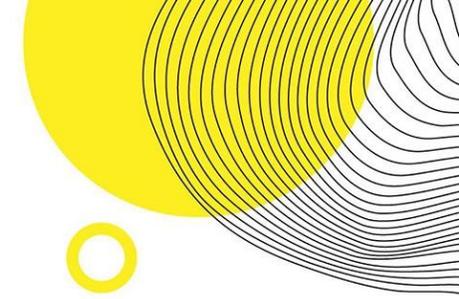
...What is Total Compensation

...Article 9 : Reporting on pay gap between female and male workers

...Article 10 : Joint pay assessment

Directive - 2023/970 - EN - EUR-Lex



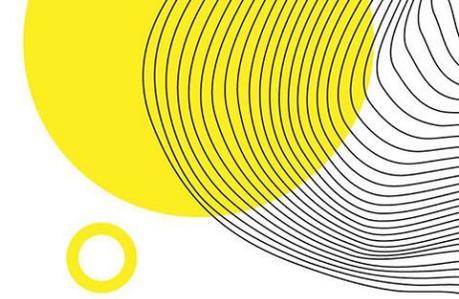


Total Compensation is everything an employee receives

(21) The principle of equal pay should be observed with regard to wages, salaries or any other consideration, whether in cash or in kind, which workers receive directly or indirectly, in respect of their employment from their employer. In accordance with the case-law of the Court of Justice (6), the concept of pay should comprise **not only salary, but also complementary or variable components of the pay.**

Under complementary or variable components, **any benefits in addition to the ordinary basic or minimum wage or salary, which the worker receives directly or indirectly, whether in cash or in kind, should be taken into account.**

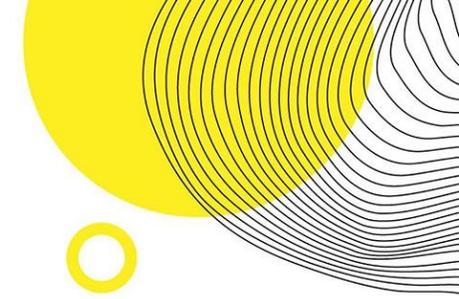
Such complementary or variable components may include, but are not limited to, bonuses, overtime compensation, travel facilities, housing and food allowances, compensation for attending training, payments in the case of dismissal, statutory sick pay, statutory required compensation and occupational pensions. The concept of pay should include all elements of remuneration due under law, collective agreements and/or practice in each Member State.



Question your Benefits

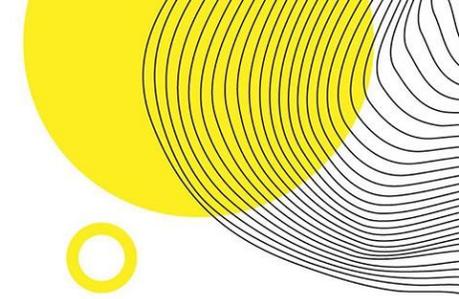
Check your benefits for potential bias or discrimination by asking questions like:

- Is the benefit XYZ lower for part-time workers?
- Are part-time workers or foreigner employees excluded from participation in the benefit scheme?
- Does the benefit XYZ provide the same coverage for same gender partners?
- Is a benefit scheme offered based on age, without objective justification?
- ...
- ...



Article 9 - Scope & Timeline

- Applies to employers with ≥ 100 employees
- First reporting deadline: 7 June 2027 (based on 2026 data)
- Staggered cadence by size:
 - ≥ 250 : annual (from 2027)
 - 150–249: every 3 years (from 2027)
 - 100–149: every 3 years (from 2031)
- Focus is on total compensation (salary + benefits + variable components)



Average Gender Pay Gap

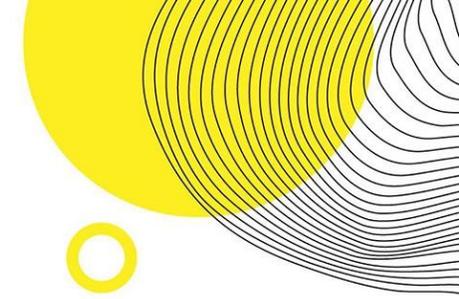
The *average* is calculated by adding up all values and dividing by the number of observations. It tells you the **overall typical value**, but it can be influenced by very high or very low values.

Total Compensation

- Collect total compensation per employee
- Compute % difference in average pay between women and men
- Note: benefits are part of total compensation and must be included

Variable Components

- Sum variable pay per employee (bonuses, incentives, etc.)
- Compute % difference in average variable pay between women and men



Median Gender Pay Gap

The median is the **middle value** when all numbers are sorted from lowest to highest. It shows the point where 50% earn less and 50% earn more and is not affected by outliers.

Total Compensation

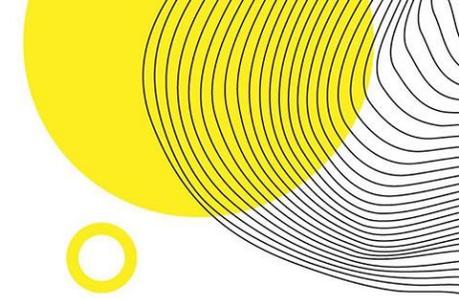
- Find median pay for women and for men
- Compute % difference between medians

Variable Components

- Sum variable pay per employee (bonuses, incentives, etc.)
- Compute % difference in average variable pay between women and men



**FAIR PAY
INNOVATION
LAB**



Proportion Receiving Complementary or Variable Pay

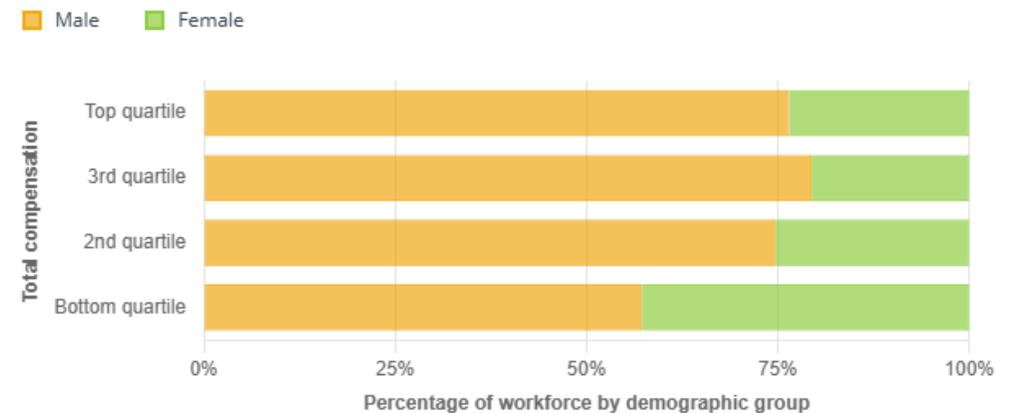
- % of women receiving variable pay
- % of men receiving variable pay

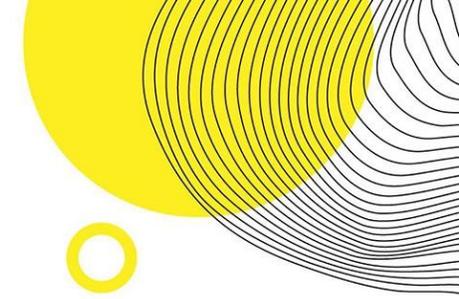
Quartile Distribution by Sex

A **quartile** is a way to split a sorted list of employees (by total pay) into **four equal-sized groups**. Each group represents **25% of the workforce** — from the lowest paid (Q1) to the highest paid (Q4).

- Order employees by total pay
- Split into quartiles (Q1–Q4)
- Report share of women and men in each quartile

Breakdown by quartiles



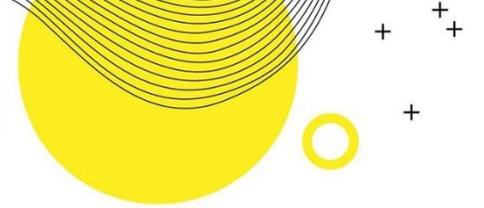


Preparation Tips

- Start collecting 2026 data now to be ready for 2027 — don't panic, but don't wait
- Ensure benefits are captured to reflect total compensation
- Build processes to compute average and median gaps for total and variable pay
- Set up variable pay flags to compute proportions and quartiles quickly
- Monitor evolving national definitions for categories of workers and align your job architecture



**FAIR PAY
INNOVATION
LAB**



Article 10 – Joint pay assessment

Member States shall take appropriate measures to ensure that employers who are subject to pay reporting pursuant to Article 9 conduct, in cooperation with their workers' representatives, a joint pay assessment.

Don't panic, but don't wait for your member state to finish implementation either.

Start today!



Trigger for a Joint Pay Assessment

Directive points

- Mandatory when the gender pay gap $\geq 5\%$ within any category of workers and cannot be justified by objective, gender-neutral criteria
- Assessment is conducted to identify, remedy and prevent unjustified differences

Explanation

- Use regression analyses, adjusted equal-pay analysis; **target 0% adjusted gap**
- Focus on categories of comparable work defined with gender-neutral criteria (skills, effort, responsibility, working conditions,...)

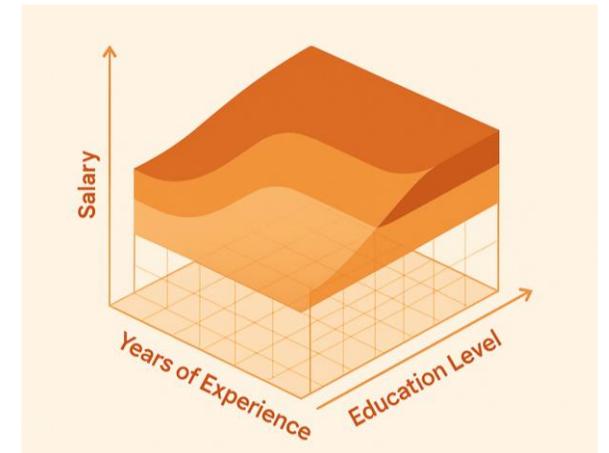
Practical solution

- Automate annual gender pay gap diagnostics at job-family/grade level.
- Set a governance rule: if any category shows $\geq 5\%$ unexplained gap, open an Article 10 remediation case within 30 days

What is Regression?

- A method to understand how different factors (like experience, education) influence pay
- It helps predict expected pay and identify unexplained differences

Check out the recording about regression →





Participants and Joint Process

Directive points

- Employer and workers' representatives jointly carry out the assessment; Member States may involve equality bodies
- Methodology is agreed with the representatives

Explanation

- Create a standing Joint Pay Assessment committee (HR Comp, Works Council/Union, Analytics)
- Document roles, decision rights, and escalation paths

Practical solution

- Adopt a written Terms of Reference for the joint assessment, including timelines, evidence standards, and privacy safeguards
- Provide representatives with anonymized datasets and reproducible analysis notebooks



Scope: What the Assessment Must Include (1)

Directive points

- Female/male proportion in each category of workers
- Average pay levels (including complementary/variable components) by sex for each category
- Differences in average pay levels between women and men per category
- Jointly established non-discriminatory reasons for differences, if any
- Proportion of women/men receiving pay improvements after maternity/paternity/parental/carer's leave during relevant periods
- Measures to address unjustified differences, and evaluation of past measures' effectiveness



Scope: What the Assessment Must Include (2)

Explanation

- Work with total compensation (base, bonus, allowances, in-kind benefits).
- Segment analysis by grade/job family and include leave-return adjustments.

Practical solution

- Build a standardized Article 10 dataset: roster, job architecture, pay elements, leaves, performance, tenure, location.
- Run regression and cohort comparisons; publish a reproducible summary per category.



Outcomes: Corrective Measures and Timelines

Directive points

- Define corrective measures with deadlines and responsibilities to remove unjustified pay differences
- Measures must be proportionate and effective; monitor implementation

Explanation

- Typical actions: targeted pay adjustments, structured ranges, allowances review, starting pay rules, progression guardrails
- Aim for durable fixes (policy/process), not one-off corrections only

Practical solution

- Create a remediation plan per category with owner, budget, effective date, and verification criteria
- Lock in structural changes (range architecture, offer controls, promotion criteria) to prevent recurrence



Follow-up: Monitoring, Reporting, Evidence

Directive points

- Employers monitor implementation and, where required, report on progress
- Evaluate effectiveness of previous assessments

Explanation

- Institutionalize quarterly dashboards, annual equal-pay audit, and board-level oversight
- Link remediation KPIs to leaders' objectives

Practical solution

- Set up a recurring 'Article 10' review; publish progress to workers' reps and, if required, authorities
- Keep evidence: datasets, analysis outputs, minutes, decisions, and audit trail for pay changes



**FAIR PAY
INNOVATION
LAB**

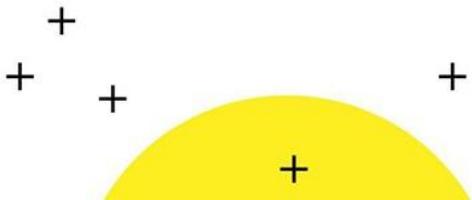


Ready for Planet Fair?

EU Directive versus Fair Pay certification

It is not either or...

It is complementary!





Connecting EU to Universal Fair Pay Check®

Fair Pay Analyst

...are part of the UNIVERSAL FAIR PAY CHECK® family. The salary structures in the company have been analyzed and suitable measures are formulated for areas where action is needed with the aim of closing the calculated pay gaps.

This stage establishes a baseline for targeted fair pay initiatives.

Fair Pay Developer

...are already in the process of closing the gaps discovered during the salary analysis and are implementing suitable measures in exchange with other companies. Fair Pay Developers have an adjusted gender pay gap of +1 to -1 percent.

Progress is tracked annually to ensure sustainable impact and alignment with fair pay standards.

Fair Pay Leader

...have closed all unjustified pay gaps and are taking appropriate actions to prevent pay gaps from reopening. They have an unadjusted gender pay gap of +10 to -10 percent.

Fair Pay Leaders publish their gender pay gaps, share fair pay best practices with others, and continuously refine pay structures.



What's Next?

Panel Discussion | EUPTD | Control in Practice | Part 4

Being in Control: Lessons from the
Frontlines of Pay Transparency

Live Panel

The RUMBOLD network has the know-how.

Remember! There is no knowledge gap – there is
an action gap!

Act now

Break habits

Change behavior

Pay fairly – Target ZERO

See you on Planet Fair!



The logo for Fair Pay Innovation Lab (fpi) is located in the top left corner. It consists of the lowercase letters 'fpi' in a white, sans-serif font, set against a black, trapezoidal background that tapers to the right.

**FAIR PAY
INNOVATION
LAB**

The main graphic of the slide features the text 'Fair leaders do better business' in a bold, orange, sans-serif font. This text is overlaid on a large, semi-transparent grey background that contains the words 'Fair leaders do better business' in a much larger, lighter grey font. The entire background is decorated with a grid of small, light grey plus signs (+).

www.fpi-lab.org



**FAIR PAY
INNOVATION
LAB**

Common Pay Gap Terminology

Term	Also Known As	Description
Gender Pay Gap	Unadjusted Pay Gap	Difference in average earnings between men and women, without accounting for factors like job role or experience.
Equal Pay Gap	Adjusted Pay Gap	Pay difference between men and women after controlling for comparable roles and qualifications.
Raw Pay Gap	Unadjusted Pay Gap	Another term for the overall average difference in pay between groups.
Explained Pay Gap	—	Portion of the pay gap attributed to measurable factors like job level or tenure.
Unexplained Pay Gap	Potential Equal Pay Gap	Gap remaining after accounting for objective factors; may indicate bias or discrimination.
Pay Equity Gap	—	Disparities in pay for work of equal value, often in the context of equal pay for equal work.
Wage Gap	—	General term referring to any kind of pay disparity (gender, ethnicity, etc.).



**FAIR PAY
INNOVATION
LAB**

The Fair Pay Matrix

The Fair Pay Matrix serves as a basis for analyzing the pay structures in a company or organization; the variables and indicators can be expanded and should be adapted to the company culture and pay philosophy.

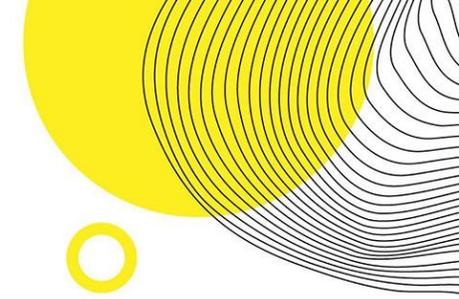
www.fpi-lab.org/fair-pay-matrix

Variables	Connection to UN Sustainable Development Goals	Connection to other metrics and indices	Basis of discrimination
Indicators of possible unequal treatment			
Year of birth / age	8.5, 10.2	GRI 405-1 WEF Metrics	Discrimination based on age
Sex	8.5	GRI 405-1 WEF Metrics	Discrimination based on sex
Indicators of structural inequalities			
Education	-		-
Further training	5.5		Restricted access to continuing professional development
Role	5.5	GRI 405-2 WEF Metrics GDKA	Vertical discrimination





**FAIR PAY
INNOVATION
LAB**



What we do

Our goal: fair pay for all people in the world.

At FPI, we champion equal opportunities in every company with our UNIVERSAL FAIR PAY CHECK®. Our mission: fair pay for everyone, everywhere.

We provide solutions for implementing fair pay systems, ensuring neutral and stereotype-free structures that eliminate discrimination. This approach closes wage gaps related to gender, age, or ethnicity and prevents them from reoccurring. Every remuneration strategy starts with an analysis, followed by tailored measures and monitoring.

To develop the best strategies, we stay updated on the latest trends, gather best practices, and foster constructive exchanges between companies. We connect people, think outside the box, and share our fair pay expertise with decision-makers worldwide, bridging the economy, academia, and politics.

Founded in 2017 by Henrike von Platen in Berlin, the Fair Pay Innovation Lab has hosted numerous events and engaged with experts worldwide to achieve fair pay.

Since March 2021, we have awarded the UNIVERSAL FAIR PAY CHECK®, the most effective and unique certification mark for fair pay. This internationally recognized process provides reliable guidance and serves as a powerful tool for monitoring, managing, and communicating equal opportunities in organizations.

As an NGO, we engage in global sustainability discussions and contribute our expertise to UN decision-making. In summer 2021, we were granted special consultative status by the Economic and Social Council of the United Nations (ECOSOC).

We believe that equal opportunities are key to achieving international sustainability goals, and fair pay is essential for equal opportunities for all, regardless of origin, love, or beliefs.