

Pay Transparency Directive requires implementation that is mindful of regulatory burden

As the Pay Transparency Directive comes into force today, EuroCommerce expresses concerns that, despite its laudable aim to ensure every employee is valued and treated equally, retailers and wholesalers, especially SMEs, are likely to face more regulatory burden especially if national implementation varies across the Single Market.

Christel Delberghe, EuroCommerce Director General, commented: *“Retailers and wholesalers now need implementation that is mindful of the reporting burden placed on them, particularly for SMEs, and this requires a consistent approach across the Single Market. We will need to allocate scarce resources to adjust reporting regimes, especially where companies employ multiple categories of workers across different member states. We see a risk that the sector will face hurdles in their efforts to adapt to national variations in requirements and deadlines. Paradoxically, this comes into force just as the Commission has announced its intention to reduce reporting burdens by 25%.”*

In its recent [long-term view on competitiveness](#) the Commission announced the need to strike a balance between mandated reporting requirements and the costs these impose on companies.

The Pay Transparency Directive is expected to require major adjustments and resources to cooperate with worker representatives, especially where joint pay assessments may trigger audits if an unjustified gender pay gap of 5% is found. This burden diverts companies' dwindling resources from the crucial need to invest in their sustainability, digital and skills transformation which a recent [study](#) estimates will cost retailers and wholesalers up to €600 billion by 2030. This burden would be made worse by variations introduced by the national legislature that could create an inconsistent approach across the Single Market.

“EuroCommerce fully supports the Directive's fundamental objective of addressing the gender pay gap and combating pay discrimination. However, wider action to eliminate root causes like labour market segregation, gender stereotypes, and the unequal distribution of household and caregiving responsibilities could further the ambition to promote genuine workplace equality, above and beyond what may be achieved through reporting”, concluded Christel Delberghe, EuroCommerce Director General.

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EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 27 countries and 5 million companies, including leading global players and many small businesses. Over a billion times a day, retailers and wholesalers distribute goods and provide an essential service to millions of business and individual customers. The sector generates 1 in 7 jobs, offering a varied career to 26 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.