



Bridging the gap: Where data meets action

Year 9 UK gender pay gap reporting 2025/26

June 2026



Foreword

Over the past decade, gender pay gap reporting in the UK has evolved from a compliance requirement into a more mature and meaningful exercise. Through our work with organisations across this period, we have seen a clear shift in how employers engage with their data moving from disclosure to analysis and action. Progress has been made, but it has been gradual. Leading organisations have long understood that transparency alone is not enough, sustained change requires deliberate intervention, accountability and a willingness to challenge underlying drivers of inequality. The next phase of reporting signals that this approach is no longer optional but expected.

Regulatory developments are now reinforcing this shift. The move toward mandatory action, alongside the anticipated extension to ethnicity and disability pay gap reporting, is raising expectations on employers to demonstrate impact. At the same time, the EU Pay Transparency Directive is setting a higher bar for organisations with an EU footprint, accelerating the need to understand and address pay disparities at a structural level. Together, these changes mark a turning point where the focus moves from reporting to results. With the right focus and commitment, this creates an opportunity to translate years of transparency into faster, more meaningful progress.

Key gender pay trends in 2025/26



10,861

10.7%

2.7% ▼

Companies disclosed their gender pay gap (compared to **10,701** last year).

Median of reported mean pay gaps (compared to **11.2%** last year).

Reduction in the mean pay gap since 2017 (compared to **13.4%** in 2017).

Introduction

UK gender pay gap reporting is moving into its next phase. Since 2017, it has given organisations a clearer view of pay and representation across their workforce. While overall progress has been steady, it has been very gradual, highlighting the need to focus more directly on the actions that make a difference. The shift towards mandatory action plans reflects that, formalising what many organisations are already doing: using data to decide where to act, and tracking whether those actions are working.

At the same time, organisations are operating in a more complex environment, with tighter budgets and competing priorities. The expansion of reporting requirements can add pressure, but it also creates an opportunity to simplify. Rather than treating each requirement separately, organisations can build a more joined-up approach to workforce data and reporting, making processes more efficient and reducing duplication.

Against this backdrop, we see three key themes shaping the market ahead:

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A shift from disclosure to accountability. This is reinforced by the introduction of mandatory action plans. The move towards publishing action plans alongside pay gap data is a positive step forward, which focuses attention on what works. Rather than treating reporting as a once-a-year exercise, organisations can use it to set specific, measurable actions backed by their data. Employers can then track whether those actions are improving progression, representation and pay outcomes over time. For organisations already taking this approach, the new requirements provide a clearer framework; for others, it offers a practical route from insight to implementation.

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Unlocking efficiencies through a joined-up approach to reporting. The UK's likely expansion into ethnicity and disability pay gap reporting, combined with incoming requirements under the EU Pay Transparency Directive (EUPTD) can feel like a widening set of obligations. There is, however, a clear opportunity to build a connected narrative around workforce and reward data. This approach reduces duplication and makes it easier to respond to stakeholders with confidence, freeing up time to focus on the actions that move the dial.

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Connecting data and reporting to meaningful business outcomes. In a cost-constrained environment the most effective organisations will treat this as more than a compliance task. Higher quality data enables better decision-making on targeted actions that will generate the greatest return and support wider people strategies. This decision-making can facilitate interventions that remove barriers to progression, protect capability, strengthen leadership pipelines and reduce the cost of turnover. The organisations that connect their reporting to these business outcomes will be best placed to show credible progress while also building a stronger, more resilient workforce.



What our report this year explores

This year, we reflect on the progress made since gender pay gap reporting was introduced in 2017 and examine how organisations can leverage nine years of experience and the foundations they have built to meet the additional requirements ahead. The data gathered through existing reporting has provided useful insights into organisational structure, workforce composition, and sector-specific barriers to progression and pay equity. This provides a crucial baseline when extending the focus beyond gender pay gaps alone.

The challenge that has long existed and is now being formalised, is how organisations translate these insights into actions that deliver sustainable, long-term change. This challenge is further complicated by an evolving workforce reporting landscape.



The numbers: Steady progress, but acceleration is needed

For 2025/26, our analysis shows a year-on-year decrease of 0.5% in both the mean hourly pay gap (from 11.2% to 10.7%) and the median hourly pay gap (from 8.6% to 8.1%). Since the introduction of reporting, the overall pace of change has been gradual but consistent, demonstrating the value of sustained, incremental progress. However, with mandatory action plans now on the horizon, organisations face both an expectation and an opportunity to accelerate this rate of change.



Looking ahead

Against a backdrop of increased scrutiny on diversity, equity and inclusion (DE&I) in the workplace, evolving regulation signals that the workforce reporting environment is expanding, not shrinking across Europe. Incoming legislation, including mandatory ethnicity and disability pay gap reporting, the EUPTD, and the Corporate Sustainability Reporting Directive (CSRD), all point to reporting expectations with a broader scope, more disclosure and stronger accountability. Organisations that invest now in understanding their data, robust reporting frameworks, and embedding action into their processes will not only meet compliance requirements but also use them to turn regulatory obligation into an opportunity to drive change and unlock potential within the workforce.

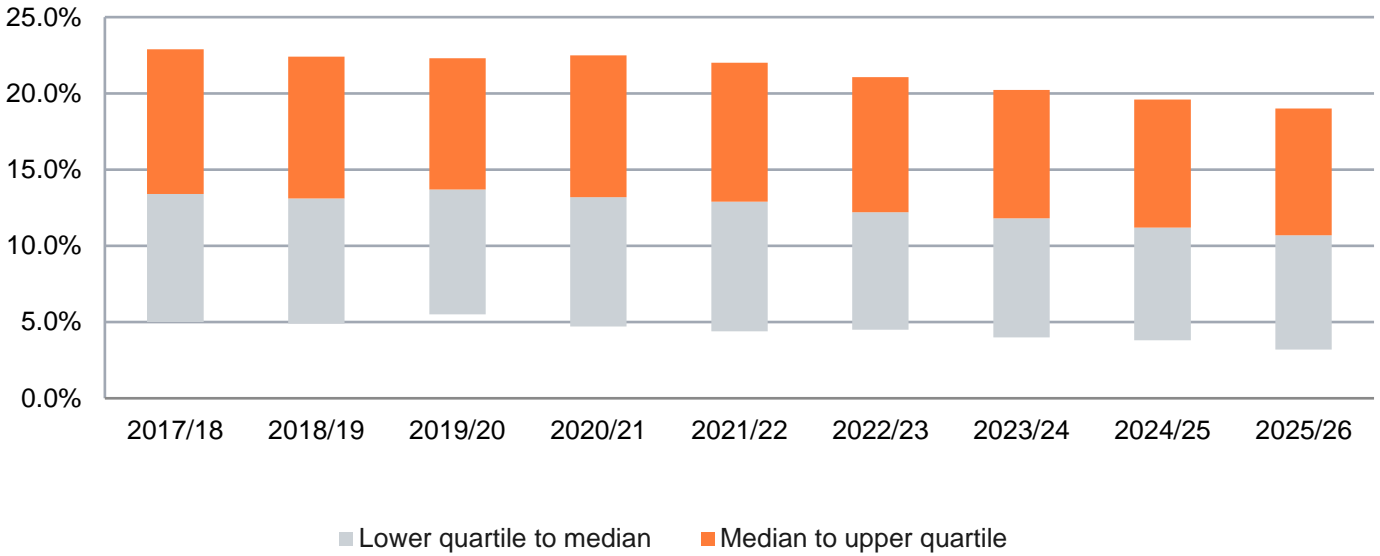
This report reflects on how organisations can build on nearly a decade of gender pay gap reporting to meet what comes next. While our analysis shows steady improvement over time, change has been gradual. With expectations rising, there is an opportunity to do as leading organisations already have: take a structured approach, using data and insights to drive more focused and sustained progress.

Key trends from our 2025/26 pay gap analysis

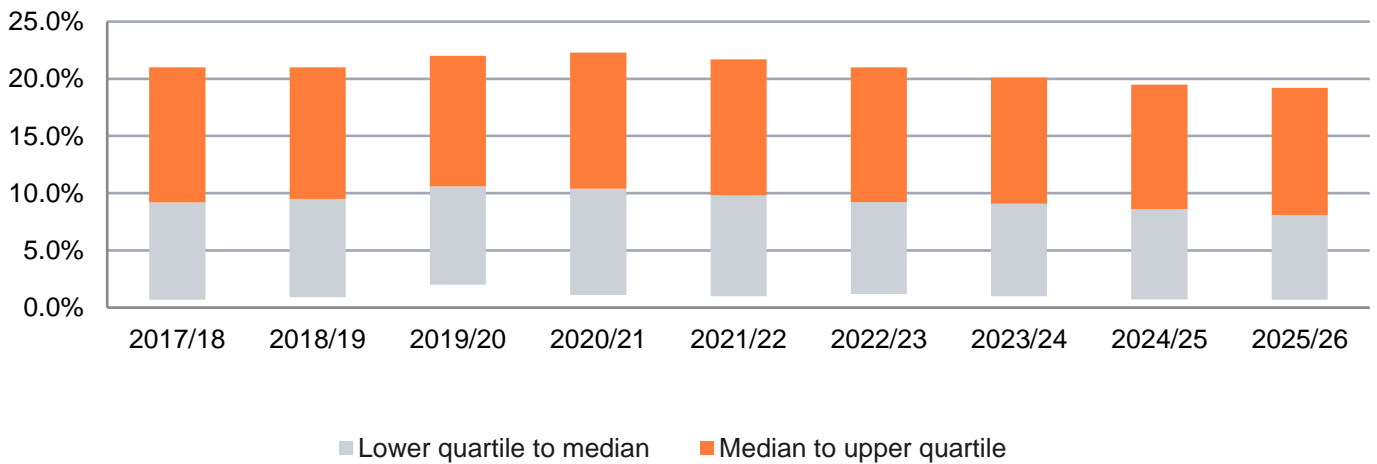
Our analysis shows a decrease of 0.5% in the mean pay gap from 11.2% in 2024/25 to 10.7% in 2025/26. The median hourly pay gap has decreased from 8.6% in 2024/25 to 8.1% in 2025/26. This continues to recognise an overall downward trajectory, particularly in the last few years. A continued downward trend is particularly notable given the reducing pay gap, as significant movements become harder to achieve.

It is also important to note that this analysis does not necessarily provide a complete like-for-like picture, given that disclosure rates will vary year on year, particularly for those organisations that disclose on a voluntary basis. As the focus on pay gap reporting has increased since initial introduction, more organisations, with diverse pay gaps, will be impacting the average each year.

Mean pay gap

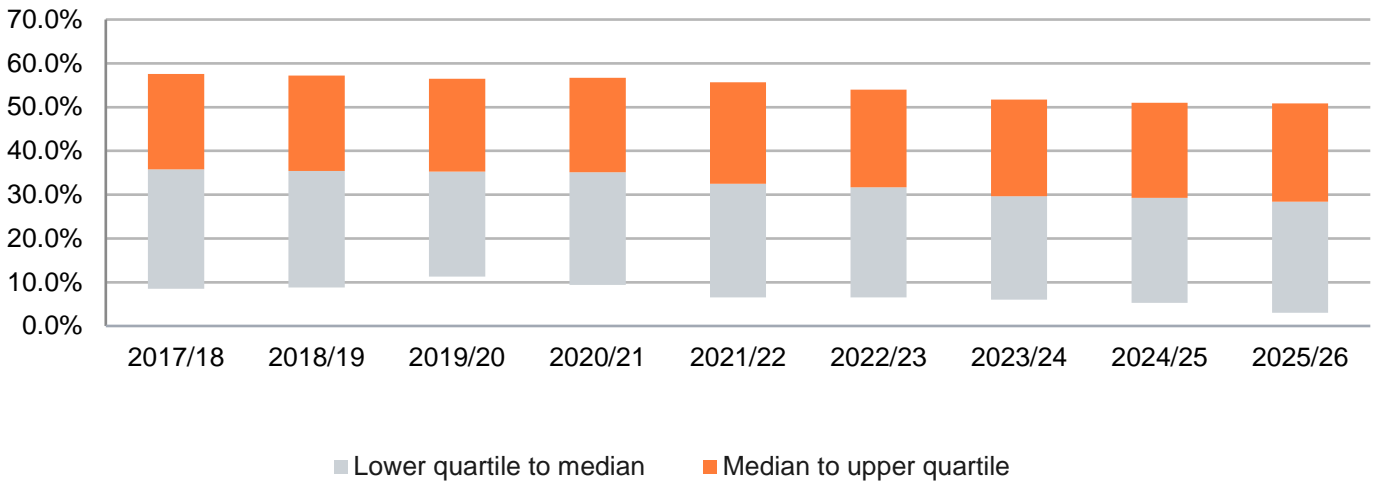


Median pay gap

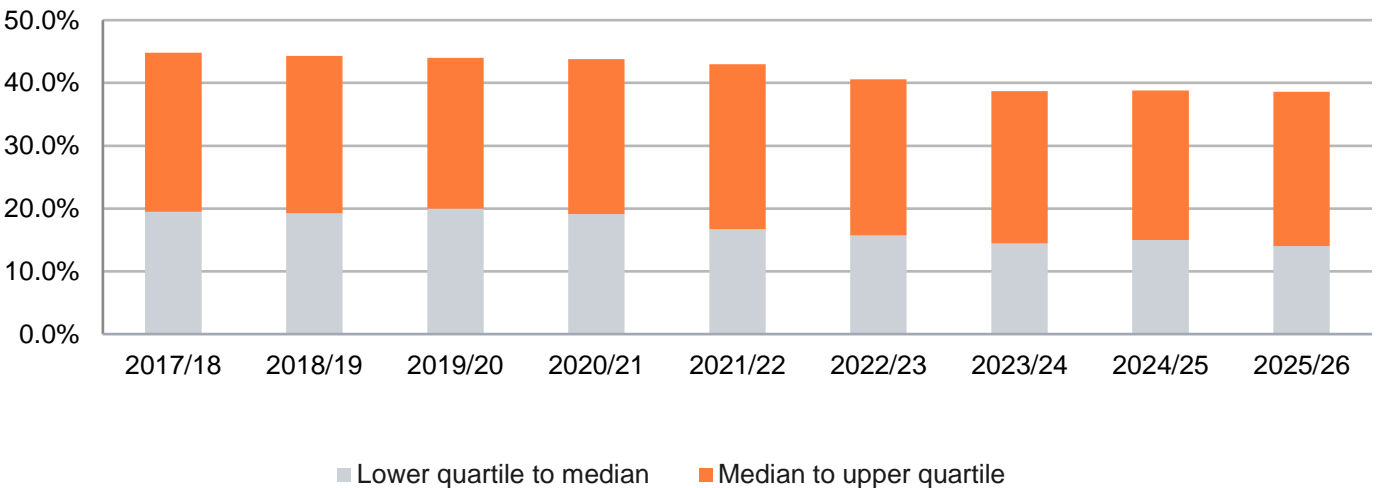


Mean bonus gap

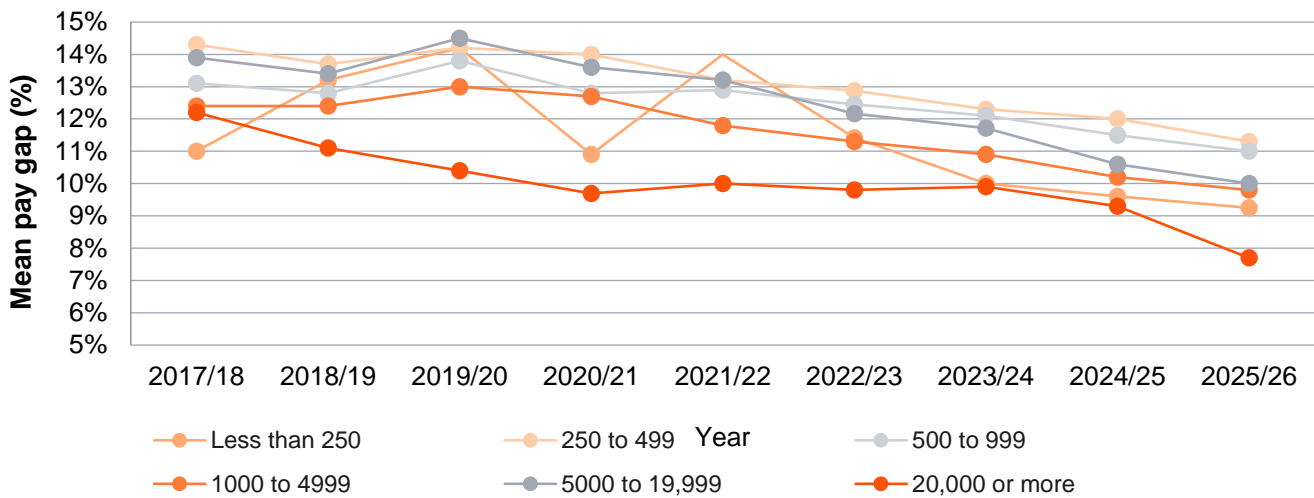
The mean bonus gap has decreased by 0.9% from 29.3% in 2024/25 to 28.4% in 2025/26, and the median bonus gap has decreased by 1% from 15% in 2024/25 to 14% in 2025/26. Bonus pay gaps are typically more volatile than hourly pay gaps, due to the performance related nature of most bonuses, however it is positive to see the bonus pay gaps are also continuing the downward trajectory.



Median bonus gap



Mean pay gaps for different sized organisations

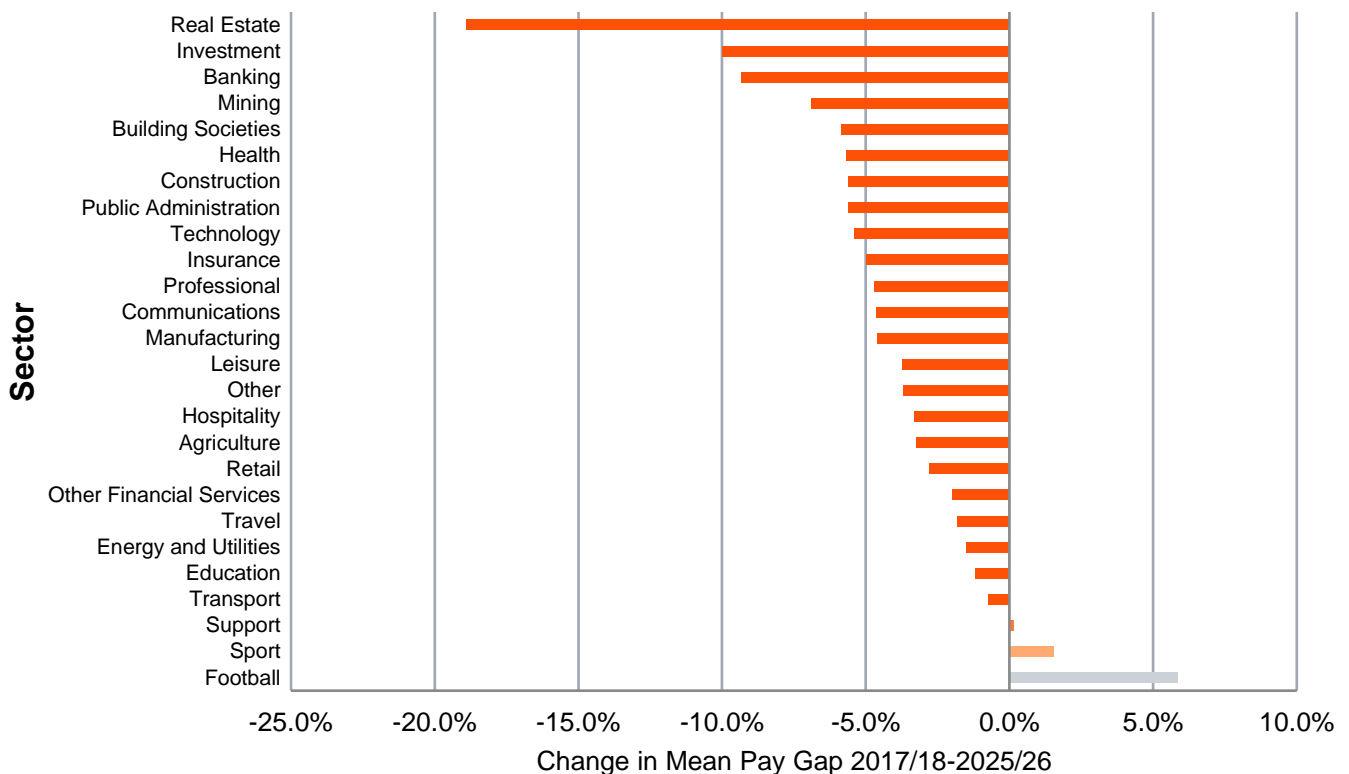


In 2025/26, the mean hourly pay gap decreased for organisations of all sizes, with the largest decrease of 1.6% for organisations with over 20,000 employees.

This is particularly positive given that the largest organisations typically achieve slower progress, as the impacts of actions to address pay gaps can be diluted across the larger workforce. Therefore, seeing these larger organisations offer the greatest decrease emphasises the efforts taken during the year, resulting in the lowest pay gap since reporting was introduced. Similarly, whilst the smallest organisations typically display higher levels of volatility in their pay gaps, as a single employee can have a more significant impact on overall average pay due to the smaller employee population, we continue to see more stable decreases year on year, indicating organisations may be focusing on more sustainable items to ensure consistent progress, rather than one-off impacts.

Sector trends:

Changes in mean pay gap by sector between 2017/18 – 2025/26



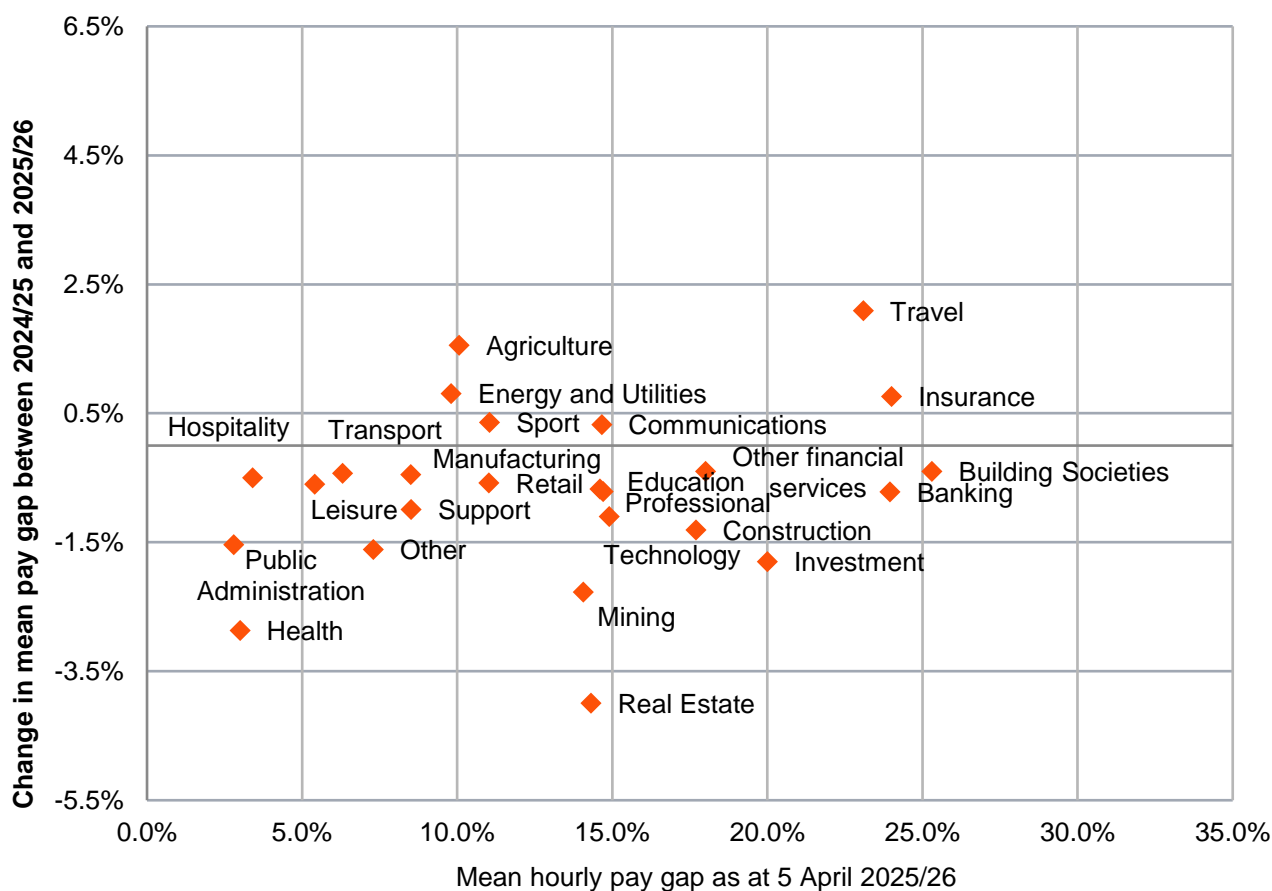
The chart shows a wide variation in mean pay changes across sectors between 2017/18 and 2025/26, with most industries experiencing notable declines. Real estate and investment stand out as the sectors with the most significant decreases, albeit having started with some of the largest pay gaps.

A large cluster of sectors—including building societies, health, construction, public administration, and technology—have seen moderate declines.

Towards the lower end of the scale, sectors such as retail, travel, energy and utilities, and education show smaller reductions, however some of these (retail, energy and utilities and education) had smaller initial pay gaps, meaning closing the gap required a smaller decrease.

Overall, the data highlights a consistent trend of decline in mean pay across most sectors over the period, with only isolated instances of increases.

Changes in mean pay gap by sector between 2024/25 and 2025/26



This chart shows year-on-year progress for sectors, recognising any key shifts during the year. In line with last year, the sectors reporting the lowest pay gaps are health, hospitality and public administration, potentially due to greater female representation in these sectors compared to others. These sectors are also shown to have some of the biggest changes between 2024/25 and 2025/26. The majority of sectors sit clustered in the middle section, showing 10-15% pay gaps, but primarily show small changes. This aligns to the broader message that progress is happening, but on an incremental downward basis, rather than through dramatic improvements.

The right-hand side offers the largest pay gaps, which continues to show financial services sectors, consistent with prior years. Whilst they still remain the highest gap sectors, it is noted that the majority sit below the 0% threshold showing year-on-year reductions in pay gap, such as real estate and investment. Travel again records one of the highest mean hourly pay gaps, with consecutive annual increases signalling a widening trend. This may be driven by structural inequalities in the sector, with women disproportionately represented in customer service and administrative roles.

Deep dive: Mandatory action planning

The UK Government recently introduced - subject to secondary legislation a mandatory requirement for employers with 250 or more employees to publish an action plan alongside their gender pay gap data. This marks a significant step beyond simply reporting pay gap data - whilst many organisations report an action plan voluntarily, for the first time, organisations will be legally required to set out what they are doing to address the disparities their data reveals.

Introducing action plans, and their requirements

The introduction of an action plan requirement is to support employers in implementing effective, impactful actions to improve their workplace gender equality.

Organisations will be required to show:

01

How they are addressing the organisation's pay gap.

02

How they are supporting employees experiencing the menopause.

To meet this requirement, organisations must commit to at least two actions (at least one related to closing the pay gap and one related to supporting employees experiencing the menopause) from a prescribed government list. These must then be submitted via the government portal, supported by any explanatory text, forming the action plan. The action plan will need to be reviewed and updated each year, with a more detailed progress check after three years.

For the upcoming reporting year 2026/27, it is voluntary for organisations to produce a plan. This will then become mandatory from spring 2027, for the reporting year 2027/28.

What does this mean for organisations?

The introduction of mandatory action plans signals a shift from transparency to accountability, requiring organisations to draw on their data to develop a clear strategy for reducing their pay gap and supporting employees experiencing the menopause that reflects their organisational context. This presents an opportunity for organisations to proactively shape workplace culture and attract and retain talent in an inclusive manner. While many organisations may already publish action plans, this requirement and the accompanying guidance seeks to formalise and standardise existing approaches. As a result, organisations will need to review and, where necessary, refine their current practices to ensure alignment with the new requirements. Ongoing compliance will be reinforced through mandatory review cycles, requiring organisations to regularly assess progress and update their plans accordingly.

Perhaps most notably, the requirement for a menopause action plan marks a significant step in employment regulation. This is the first time employers have been specifically required to address this issue directly. This represents a new area of compliance for the vast majority of organisations, who may not have formally articulated a plan for supporting employees experiencing the menopause in the workplace. By linking menopause action planning to gender pay gap reporting, the legislation acknowledges that retaining and supporting women through menopause is not a standalone wellbeing issue, but rather a structural factor affecting career and progression. To support the development of a meaningful action plan, organisations may wish to consider the following (alongside the prescribed government list):



High quality data, enabling evidence-based analysis

Using high quality data provides the foundation for effective analysis that supports in diagnosing the key drivers of gender pay gaps. By utilising the data available, deeper analysis can help to explore beyond the initial ‘what is the gap’, to ‘why does it exist’, before finally moving to ‘what can we do to fix this’. Reviewing overall gender representation and tracking the movement of employees by gender and other diversity metrics across the employee lifecycle can help to explore this. By identifying patterns in the data, employers can identify where specific groups may be disproportionately impacted and where targeted actions are needed and will be most effective in closing pay gaps.

Engagement with employees

Understanding employees is critical to developing and implementing an effective action plan. Methods such as interviews, focus groups, or anonymous surveys can help identify employees’ key concerns and perspectives. This allows organisations to design actions that directly respond to these issues. This helps employees to feel valued and heard, while ensuring that actions are targeted and drive meaningful change.

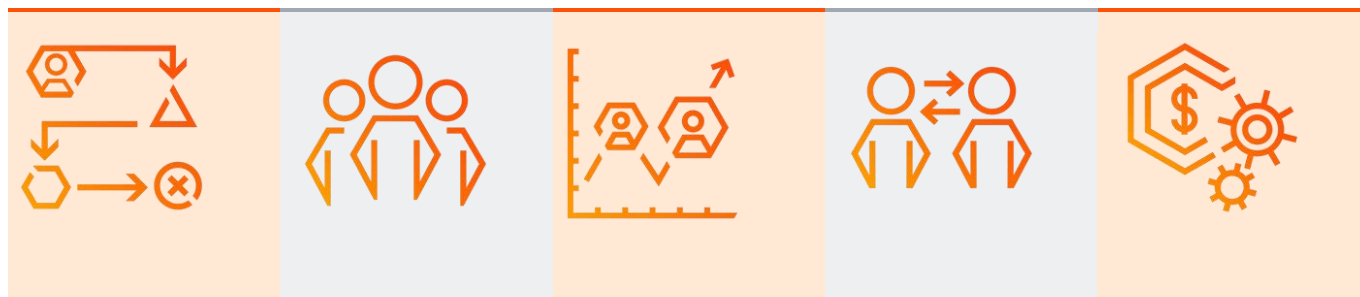
Impact measurement and monitoring

Measuring impact and monitoring progress is essential to understand whether actions are working and driving meaningful change. Organisations can track key metrics over time, such as representation at each grade and retention rates across different groups, to assess whether initiatives are effective and support transparency. Beyond data alone, utilising year on year results from engagement surveys, or direct communication with employees, can also provide a clear indication of whether actions are having the intended effect.

Successful actions are often evidence-based and grounded in data insights, ensuring measurable and sustainable progress. With this in mind, organisations can consider how they intend to identify key areas to address in their action plans going forward, to ensure both compliance, and meaningful change.

Data in action: Specific areas to explore in your gender pay gap action within your action plan

In our DE&I analytics toolkit, we typically target five key areas where data can help to identify changes that may have the greatest impact on an organisation's gender pay gap:



Attrition

Do women and men leave your organisation at different rates?

Recruitment

Are women more likely to be recruited into lower paid roles?

Promotions

Are there differences in promotion rates?
Are women getting stuck at particular grades?

Workforce composition and representation

Are women represented at senior levels of the organisation?

Pay and reward practices

Are your pay decisions consistent, transparent and gender-neutral?



Simplifying workforce reporting in an evolving landscape

Evolving legislation and expanding workforce requirements mean organisations may feel uncertain about where to start and how to comply. Each new reporting requirement brings additional considerations of time, resource, and increasingly sophisticated data analysis. The solution is not to tackle each in isolation, or to treat them as competing priorities, but to recognise them as different facets of the same goal: workforce equity and pay transparency. By looking at these as a whole, organisations can unlock efficiencies and use this as an opportunity to support broader global HR strategies.

Incoming requirements	Deadline
EUPTD Transposition deadline	7 June 2026*
Mandatory equality action plan	Reporting year 2027/28
Ethnicity and disability pay gap reporting	To be confirmed

*Transposition deadline depends on local territory commitment and therefore may vary. More on this in the next section. The critical question now for organisations is how they continue to drive meaningful change when reporting requirements are significant and evolving. The answer lies in how organisations work with their data and strategically plan around it. Organisations can consider the following actions to help future-proof their approach and maximise impact:

01

Invest in unified data architecture

Organisations could develop a single, robust data capability that captures relevant workforce information across their territories, in a way that serves multiple obligations simultaneously. The complexity arises where organisations are managing differing requirements in several locations; the right structure in place for gender pay gap reporting can also support ethnicity and disability reporting, and wider EUPTD obligations. Investing in this foundation now eliminates the need to rebuild or duplicate effort each time a new requirement emerges and enables organisations to respond efficiently in future.

02

Develop a single, connected narrative.

Stakeholders do not experience each reporting obligation in isolation. Organisations can create a cohesive narrative that connects their gender, ethnicity, disability, and broader equity data into a clear story: where they are today, what is driving their pay gaps, and what they are doing to address them. Recognising the intersectional nature of these metrics helps avoid a narrow or siloed approach to pay gaps. A connected narrative can help organisations build credibility and trust through consistency, transparency and alignment with the wider context in which pay gaps exist.

03

What is reported externally will shape employee expectations and behaviour. It is important that the published narrative aligns with what employees are truly experiencing, as a disconnect may result in reputational, talent, and legal risks. This is an opportunity for organisations to engage with their workforce on employee experience to

**Connecting
to wider
organisation
strategy**

identify challenges and root causes, bring the data to life, and ensure employees feel heard and recognised. Reporting should sit within, and reinforce, broader people strategy, reward philosophy, and employee communications. This ensures consistency between what is said, what is reported, and what is delivered, with people at the centre.

04

**Tailor
reporting
governance
to anticipate
future
requirements**

Rather than establishing a compliance process for today's requirements alone, organisations can put governance structures in place that are designed to adjust and evolve. This includes ownership, timelines, review cycles, and accountability mechanisms. This is particularly important in the context of differing national approaches to transposition under the EUPTD. When new obligations arise – for example through CSRD disclosures, further expansion to pay transparency legislation or additional reporting requirements, organisations with adaptable governance frameworks will be able to absorb change without starting from scratch.

Organisations that invest now in building a cohesive reporting strategy, one that connects pay equity and transparency into a single, purposeful framework will manage compliance more efficiently. Organisations including an often-overlooked intersectional lens will also unlock the true value of their data. By spending less time reacting to each new requirement as it arrives, organisations can direct greater focus and commitment to driving lasting, positive change with greater impact.

EUPTD transposition as of 8 June 2026

The EU Pay Transparency Directive sets out a framework of minimum requirements that all EU Member States must implement through national law - a process known as 'transposition'. This allows each country to determine how the Directive is applied locally, within the parameters set at EU level. As a result, while the overarching principles are consistent, the detail, timing and practical requirements can vary across jurisdictions.

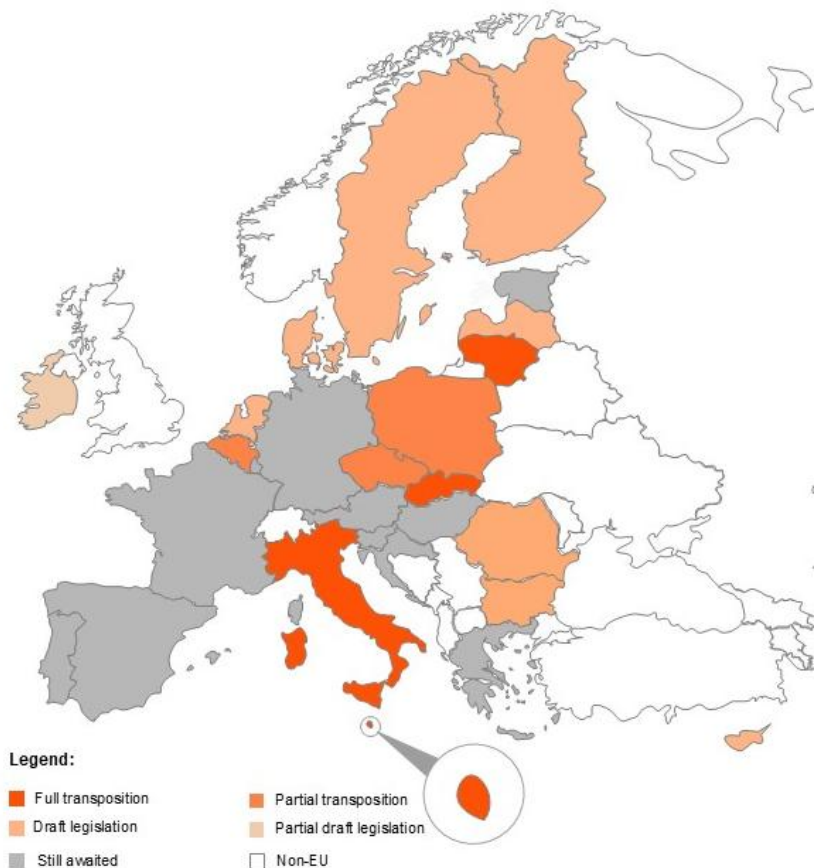
We have been closely tracking the fast-moving developments across EU Member States as they work to transpose the Directive, and expectations were high as the deadline approached. The 7 June 2026 has now passed - yet the overall picture remains fragmented and, in many respects, uncertain. Drawing on several months of sustained monitoring, a number of key themes emerge:

Progress has been highly uneven. Member States have taken different legislative routes - some amending existing frameworks, others introducing entirely new legislation. Approaches range from strict minimum compliance to more expansive 'gold-plated' implementations.

Timelines have not always aligned with expectations. Several jurisdictions that were widely expected to move quickly have experienced delays, while others have advanced more rapidly than anticipated, reshaping assumptions about readiness.

Transposition does not always equal clarity. Even where legislation is formally in place, significant uncertainty often remains around practical interpretation, definitions, and application. In some cases, further guidance or case law may be required before employers can confidently assess compliance requirements.

Overall, the post deadline landscape reinforces that transposition is not a single moment of certainty, but the beginning of an evolving compliance journey. Employers operating across multiple EU jurisdictions should be cautious about assuming consistency or completeness and should expect continued change as national laws are interpreted, guidance emerges, and enforcement practices develop. Ongoing monitoring and flexibility will be critical in navigating the next phase of implementation.



Transposition status and timing by Member State:

The Directive sets a transposition deadline of 7 June 2026. The European Commission confirmed in May 2026 that there was no extension of the 7 June 2026 deadline for EU Member States to transpose the EUPTD.

A number of countries have either:

- Formally announced they were not able to meet the deadline.
- Published draft legislation which foresees a later entry into force, for example 1 January 2027.
- Not published a formal update and have not met the deadline.

Our table below outlines the current transposition status and expected timing across the EU, as of 8 June 2026:

EU Member State	Status	Update on timing and expected entry into force
Austria	Still awaited	Delayed (no draft currently)
Belgium	Partial transposition	Delayed (no draft currently exists at federal level)
Bulgaria	Draft legislation	Delayed (draft exists)
Croatia	Still awaited	Delayed (no draft currently)
Cyprus	Draft legislation	Delayed (draft exists)
Czechia	Partial transposition	Delayed, draft bill foresees entry into force on 1 January 2027
Denmark	Draft legislation	Delayed, draft bill foresees entry into force on 1 January 2027
Estonia	Still awaited	Transposition planned for the recruitment elements (but delayed); on the remaining elements, the government will seek postponement (and potentially renegotiation) from the European Commission
Finland	Draft legislation	Delayed (draft exists)
France	Still awaited	Announced a delay, timing is unknown.
Germany	Still awaited	Delayed (no draft currently)
Greece	Draft legislation	Delayed (draft exists)
Hungary	Still awaited	Delayed (no draft currently)
Ireland	Partial draft legislation	Announced a delay, government has said implementation will be on a 'phased basis'
Italy	Full transposition	Transposition completed by 7 June 2026
Latvia	Draft legislation	Delayed (draft exists)
Lithuania	Full transposition	Transposition completed by 7 June 2026, with some elements not entering into force until 1 January 2027
Luxembourg	Still awaited	Delayed (no draft currently)
Malta	Full transposition	Transposition completed by 7 June 2026 (some elements transposed already in 2025)

EU Member State	Status	Update on timing and expected entry into force
Netherlands	Draft legislation	Announced a delay, aiming for entry into force on 1 January 2027
Poland	Partial transposition	Delayed (draft exists and some elements transposed already in 2025)
Portugal	Still awaited	Delayed (no draft currently)
Romania	Draft legislation	Delayed (draft exists)
Slovakia	Ful transposition	Transposition completed by 7 June 2026, most of the requirements enter into force by the deadline with some limited exceptions
Slovenia	Still awaited	Delayed (no draft currently)
Spain	Still awaited	Delayed (has held a public consultation but no draft currently)
Sweden	Draft legislation	Transposition paused, will seek renegotiation of Directive from European Commission



For more information on any of the above or how we can support, please get in touch with our team



Andrew Curcio
PwC | Partner, Global Co-Leader Reward and Benefits
M: +44 (0)7780 726 763
E: andrew.v.curcio@pwc.com



Katy Bennett
PwC | Director, Workforce Reporting Leader
M: +44 (0) 7715 211 210
E: katy.e.bennett@pwc.com



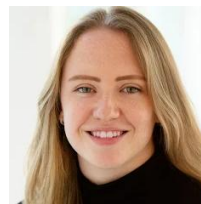
Alison Wade
PwC | Senior Manager
M: +44 (0) 7483 371 172
E: alison.c.wade@pwc.com



Anika Mashru
PwC | Senior Manager
M: +44 (0) 7483 416 572
E: anika.mashru@pwc.com



Cait Spence
PwC | Manager
M: +44 (0) 7483 423 584
E: caitlin.spence@pwc.com



Molly McCarthy
PwC | Manager
M: +44 (0) 7483 389 606
E: molly.e.mccarthy@pwc.com



Yoni Stone
PwC | Manager
M: +44 (0) 7483 924797
E: yonni.stone@pwc.com



Salena Ali
PwC | Associate
M: +44 (0) 7483 376 349
E: salena.ali@pwc.com



Julia Anderson
PwC | Associate
M: +44 (0) 7483 445 499
E: julia.x.anderson@pwc.com



pwc.co.uk

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