Gender Pay Gap Report

March 2024

Content

1

About the gender pay gap (GPG): context and macro perspective

What is and why we should assess the gender pay gap (GPG)?

Gender Pay Gap (GPG)

The **gender pay gap (GPG)** refers to the difference in earnings between women and men. Experts have calculated this indicator/gap in various ways, but the results point to the same conclusion: women consistently earn less than men and the gap is wider if we look at specific segments (ie sectors, job level, age etc.)

Potential causes for GPG:

- Under-representation of women in corporate boards / management positions. According to the EC, less than 8% of top companies CEOs are women;

- Unequal share of care and unpaid work. Women spend more hours on unpaid work, which affects their career. Also, there is the "motherhood penalty";

- Sectorial segregation: women are overrepresented in relatively low-paying sectors such as care, health and education.

Although the GPG has decreased over the last years at EU level, it remains high at an average of 12.7% in 2021

Employment among women increased in recent years, but it remains significantly low compared to men, 69.3% vs 80% respectively.
In terms of GPG, we observed a slight decrease year over year. Still, the average remains double digits 12.7%.

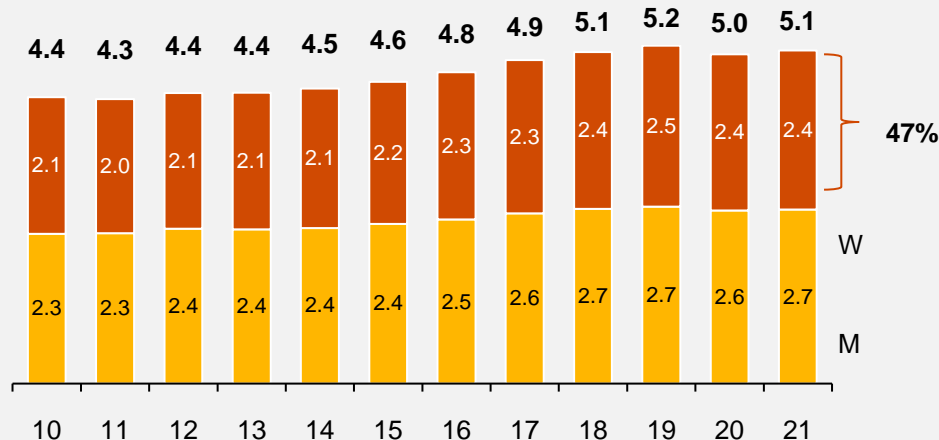**EU – 27 employment by gender** (2011-2022, 20-64 yrs, %)
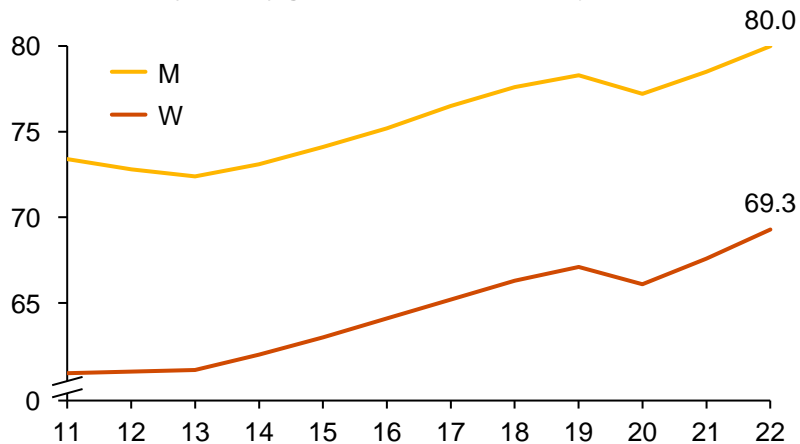
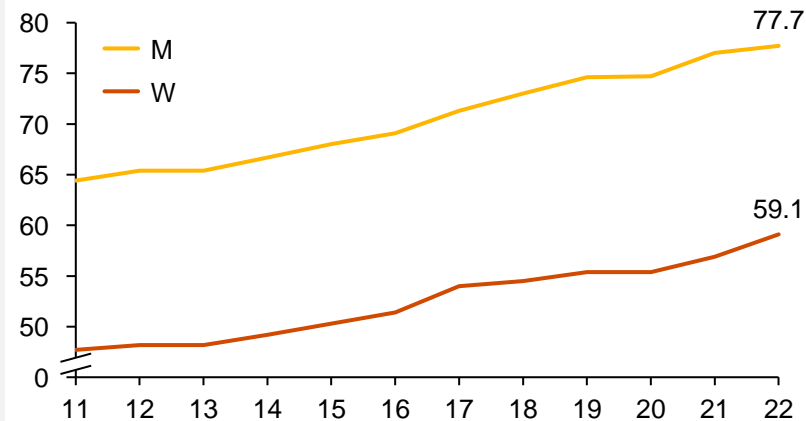**Gender pay gap at EU level** (2015-2021, %)
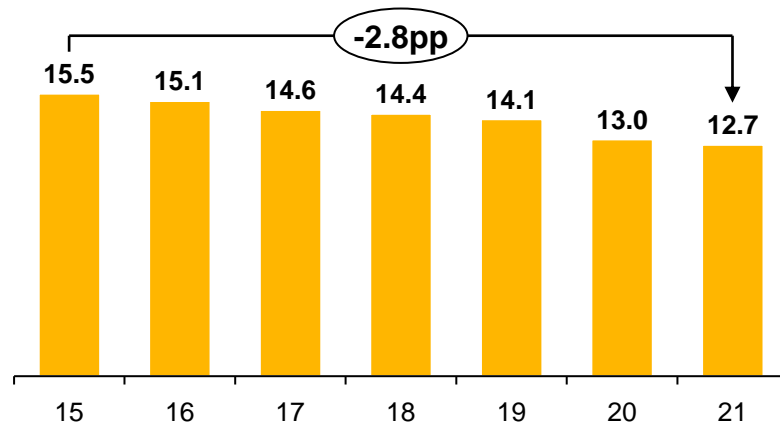
In Romania, although female population is higher and has decreased less over the last 10 years, women represent only 47% of total employees

RO number of employees by gender (2021, million people)

4.4	4.3	4.4	4.4	4.5	4.6	4.8	4.9	5.1	5.2	5.0	5.1

W values: 2.1, 2.0, 2.1, 2.1, 2.1, 2.2, 2.3, 2.3, 2.4, 2.5, 2.4, 2.4

M values: 2.3, 2.3, 2.4, 2.4, 2.4, 2.4, 2.5, 2.6, 2.7, 2.7, 2.6, 2.7

47%

W

M

10 11 12 13 14 15 16 17 18 19 20 21

RO employment by gender (20-64 years, %, 2022)

M — 77.7

W — 59.1

80
75
70
65
60
55
50
0

11 12 13 14 15 16 17 18 19 20 21 22
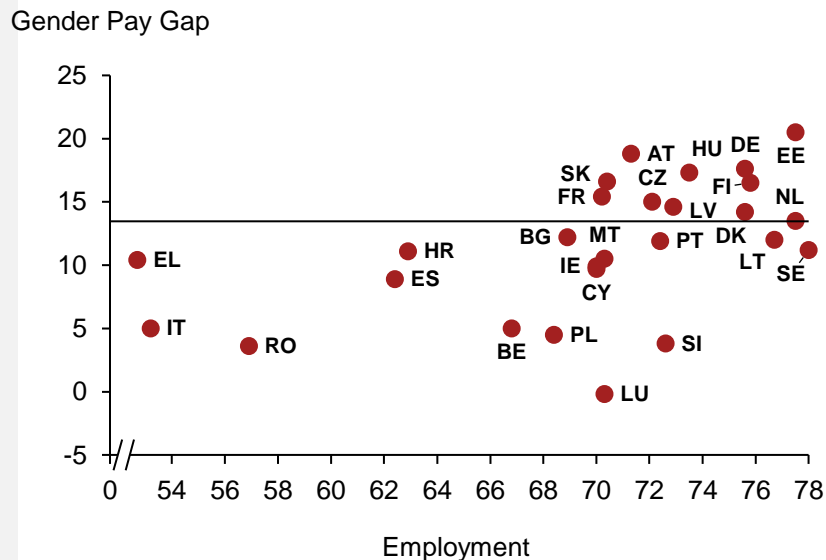
pwc

Countries with higher employment rates among women have higher GPG. Romania is at the lower end for both women employment (56.9%) and GPG (3.6%)

Gender pay gap at EU level (2021, %)

EU 27 @ 12.7%

Country	Value
LU	-0.2
RO	3.6
SI	3.8
PL	4.5
IT	5.0
BE	5.0
ES	8.9
CY	9.7
IE	9.9
EL	10.4
MT	10.5
HR	11.1
SE	11.2
PT	11.9
LT	12.0
BG	12.2
NL	13.5
DK	14.2
LV	14.6
CZ	15.0
FR	15.4
FI	16.5
SK	16.6
HU	17.3
DE	17.6
AT	18.8
EE	20.5
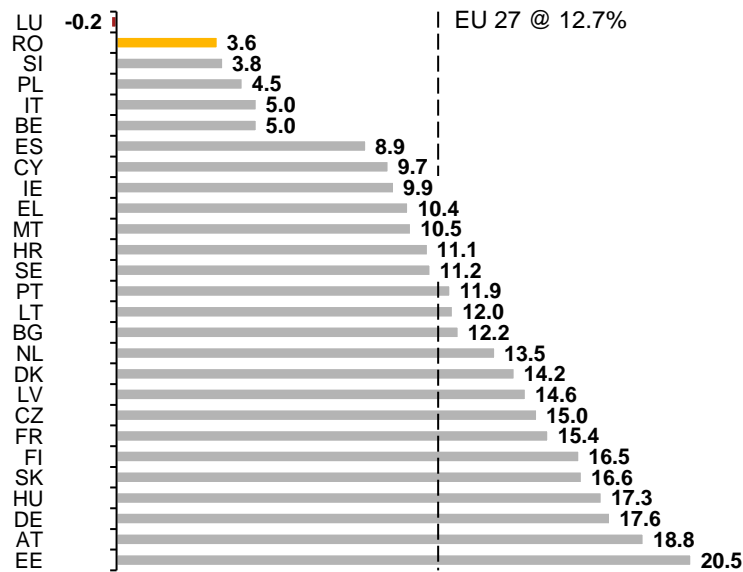
Employment of women and GPG at EU level (2021, %)
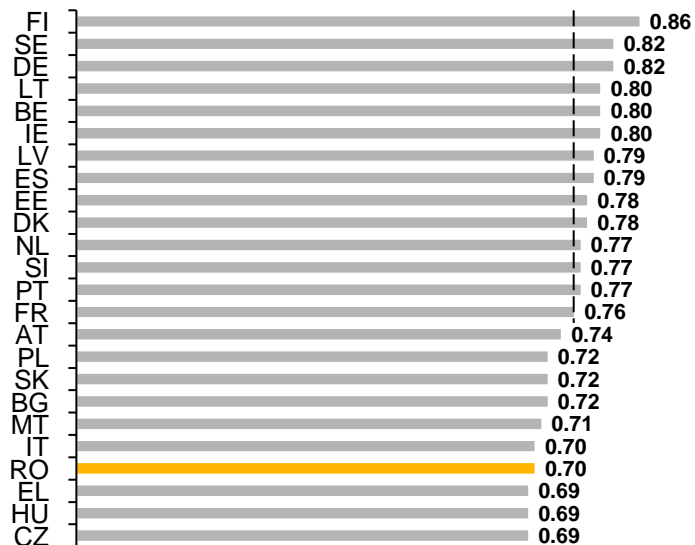
Gender Pay Gap

Employment

*Note: The EU **GpG** measures the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees. The indicator has been defined as unadjusted, because it gives an overall picture of gender inequalities in terms of pay and measures a concept which is broader than the concept of equal pay for equal work. All employees working in firms with ten or more employees, without restrictions for age and hours worked, are included.*

In terms of evolution towards closing the gender gap measured by the Global Gender Gap Index, Romania ranks among last countries within the EU

The Global Gender Gap Index ranking at EU level (2023, score)

Country	Score
FI	0.86
SE	0.82
DE	0.82
LT	0.80
BE	0.80
IE	0.80
LV	0.79
ES	0.79
EE	0.78
DK	0.78
NL	0.77
SI	0.77
PT	0.77
FR	0.76
AT	0.74
PL	0.72
SK	0.72
BG	0.72
MT	0.71
IT	0.70
RO	0.70
EL	0.69
HU	0.69
CZ	0.69

Global Gender Gap Index – Methodology

The Global Gender Gap Index benchmarks the evolution of gender-based gaps among 4 dimensions:
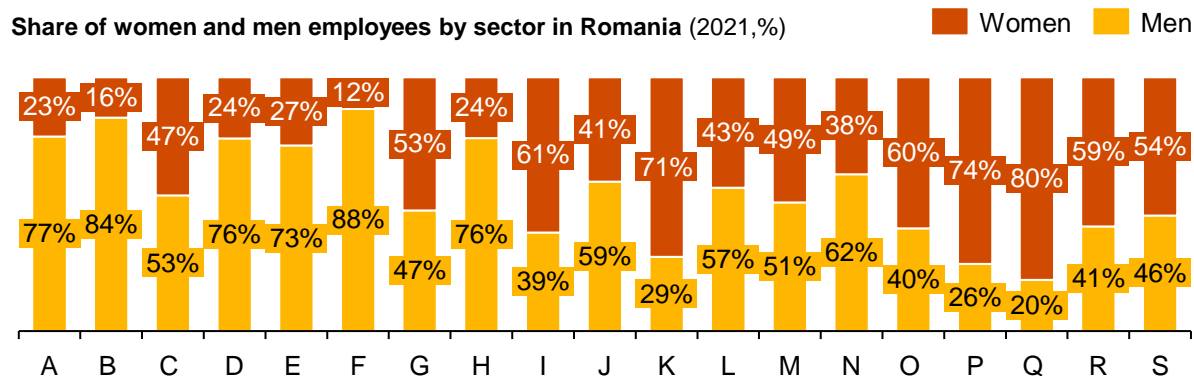
1. Economic Participation and Opportunity
2. Educational Attainment
3. Health and Survival
4. Political Empowerment and tracks progress towards closing these gaps over time.
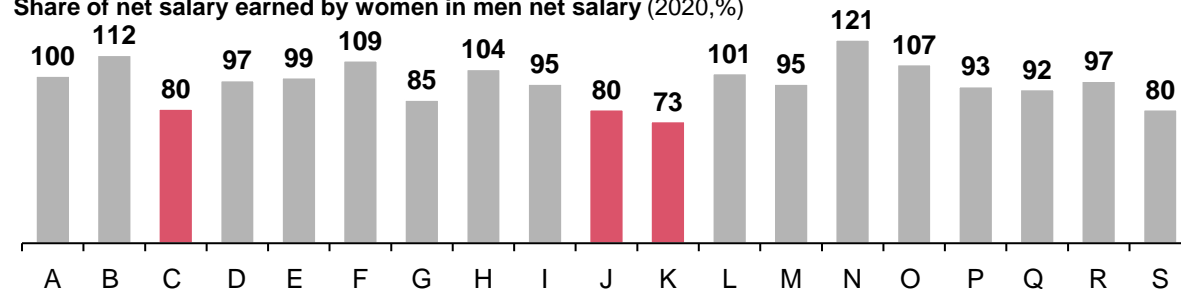
In 2023, the Index benchmarked 146 countries.

The Index measures scores on a 0 – 100 scale and scores can be interpreted as the distance to parity (i.e. the percentage of the gender gap that has been closed).

Highest GPGs in Romania are in financial services, manufacturing and ITC, while in administration or construction women earn more than men

Share of women and men employees by sector in Romania (2021,%)

Women | Men

	Women %	Men %
A	23%	77%
B	16%	84%
C	47%	53%
D	24%	76%
E	27%	73%
F	12%	88%
G	53%	47%
H	24%	76%
I	61%	39%
J	41%	59%
K	71%	29%
L	43%	57%
M	49%	51%
N	38%	62%
O	60%	40%
P	74%	26%
Q	80%	20%
R	59%	41%
S	54%	46%

Share of net salary earned by women in men net salary (2020,%)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
100	112	80	97	99	109	85	104	95	80	73	101	95	121	107	93	92	97	80

NACE Rev 2	Name
A	Agiculture
B	Mining
C	Manufacturing
D	Energy supply
E	Water supply & waste management
F	Construction
G	Wholesale & retail
H	Transport
I	Hospitality
J	ITC
K	Financial services
L	Real estate
M	Professional activities
N	Administrative & support activities
O	Public administration
P	Education
Q	Healthcare & social security
R	Arts & recreation
S	Other services

Directive (EU) 2023/970 strengthens the application of the equal pay for equal work principle through pay transparency and enforcement mechanisms

The EU Pay Transparency Directive

→ Salary grids that ensure gender equal pay

→ Employee access to data

→ Diversity at top management level

→ **Romania transposed CSRD in January 2024 and requires large companies to report on FY 24 data with the first reporting deadline in 2025**

Implications

Equal pay for women & men and diversity

→ Setting goals to increase gender representation to 40% of board members for the "underrepresented gender"

→ Women to represent 40% of non-executive directors or 33% of board members for all listed companies, including financial institutions, by 2026

→ Reporting according to ESRS S3 standards (Ratio of basic salary and remuneration of women to men)

Compensation policy

→ Need for documented policy to include clear and balanced criteria

→ Related recruitment, performance evaluation and career progression policies are also important

Discriminated employees can claim compensation.

2 PayWell Gender Pay Gap Analysis

Methodological overview

Although national statistics reveal positive outcomes as compared to other EU countries, low participation of women in the labour market, public sector data and the predominance of the "minimum wage" practice impact the overall results. The perspective of the EU directive on gender pay transparency and the ESG requirements are bringing the equal pay topic high on the agenda of many companies in Romania. **The aim** of this analysis is to have an objective and realistic picture on the gender pay difference in the Romanian private sector, as reflected in PayWell 2023 edition.

We analysed **250,000 unique datapoints** from PayWell 2023 from private large companies from various regions and sectors in Romania. See Appendix 1 for demographic breakdown.

Our methodology is based on the UK GPG reporting methodology which is also the basis of the EU Directive proposal and analyses the gender pay gap as the difference between the average (average or median) earnings of men compared to women across a workforce.

The following indicators are calculated and presented in the next slides on various demographic criteria:
- **Percentage of men and women in each base pay quarter**. Base salaries for both men and women were sorted ascendingly from lowest to highest. The full set of data was divided in 4 equal parts, each representing a pay quartile. Then we analysed how many men and women are paid within the value range of each individual quartile.
- **Percentage of men and women receiving bonus pay**.
- **Average** and/or **median gender pay gap** using **base pay** and **bonus pay**. Average and median was calculated from monthly gross RON base salaries for both men and women. The gender pay gap is   reflected below the bars in terms of the % men earn compared to women.

The median is the middle number in a sorted, ascending, list of numbers. Average is the mathematical average of all values. All values are monthly, gross in RON.
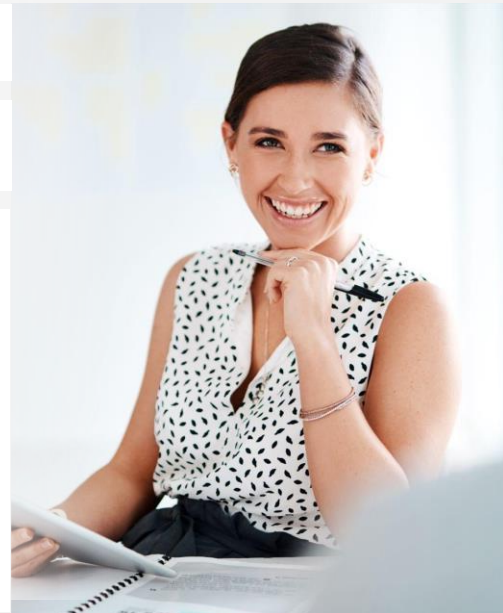
In 2023, the analysed data shows that women tend to have lower paid jobs than men and the GPG is on average 21.6%, slightly less than in 2022

Overall Base Pay Gender Pay Gap

Looking at the percentage of men and woman in each base pay quartile, the high difference in the first quartile means that when it comes to pay, women tend to have lower paid jobs than men.
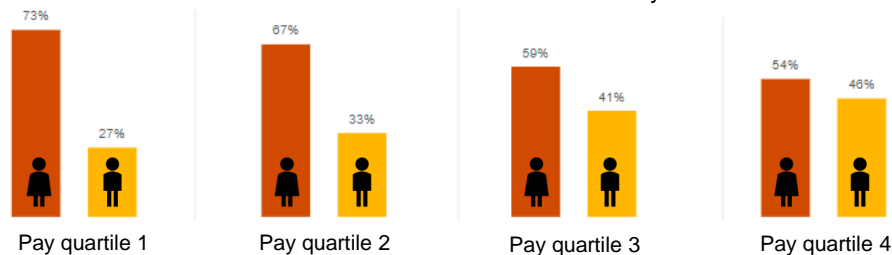
The distribution of men and women in the second pay quartile is closer to the overall gender distribution (ie 63% women, 37% men), meaning that towards medium pay jobs, the gap is lower.

Pay Quartile 3 and 4 follow a downward trend is in favour of men who are more representative in these quartiles compared with overall gender distribution.

Sample distribution:

149,437	63%	87,221	37%
Woman FTE		Man FTE	

Percent of Men and Woman in each Base Pay Quartile

73% 27%
Pay quartile 1

67% 33%
Pay quartile 2

59% 41%
Pay quartile 3

54% 46%
Pay quartile 4

Average Base Pay GPG

7, 180 lei
9, 159 lei
21,60%
Average Gap M vs. W

Median Base Pay GPG

5, 251 lei
6, 840 lei
23,23%
Median Gap M vs. W
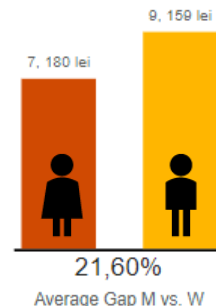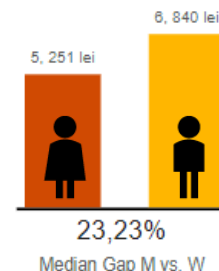
The average GPG is similar on bonus payments (20%) although 4% more men are awarded bonus payments
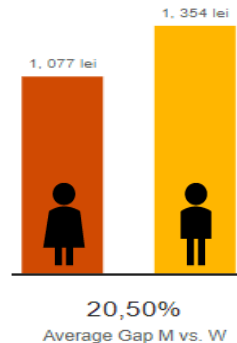
Overall view Bonus Pay Gender Pay Gap

Although almost the same percentage of men and women receive a bonus (81 and 77%, in terms of bonus pay), the gender gap is significant, slightly lower than the one for base pay.

The gap is significancy higher for average as compared to median values, reflecting the presence of outliers in the analysed data (ie some bonus data points for men are significantly higher than the rest of the data).

Percent of Men and Women receiving bonus

81.36%

77.21%

Average Bonus Pay GPG

1, 077 lei

1, 354 lei

20,50%
Average Gap M vs. W

Median Bonus Pay GPG

640 lei

676 lei

5,37%
Median Gap M vs. W
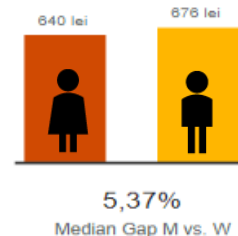
The smallest differences are found in top management positions and the largest at the level of operator / blue collar

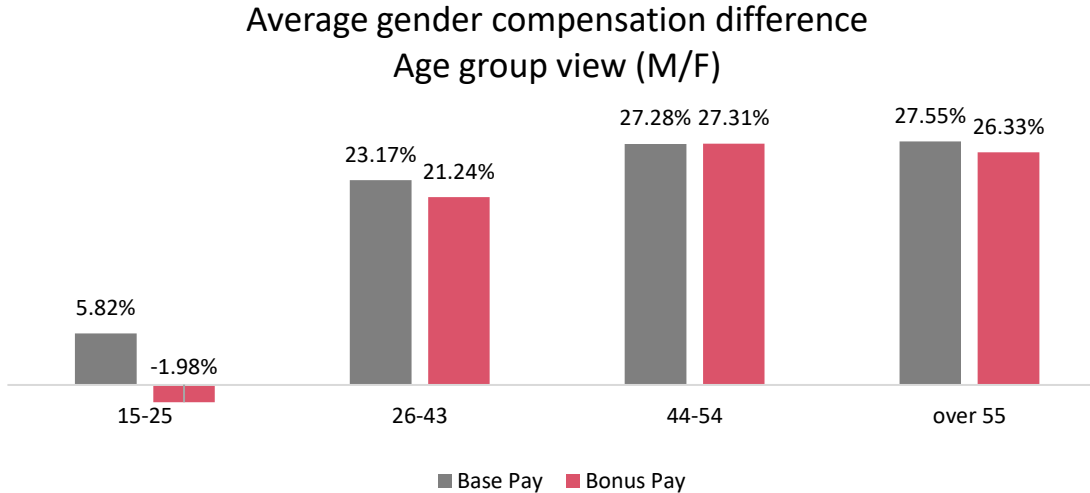**Gender pay gap by job category**

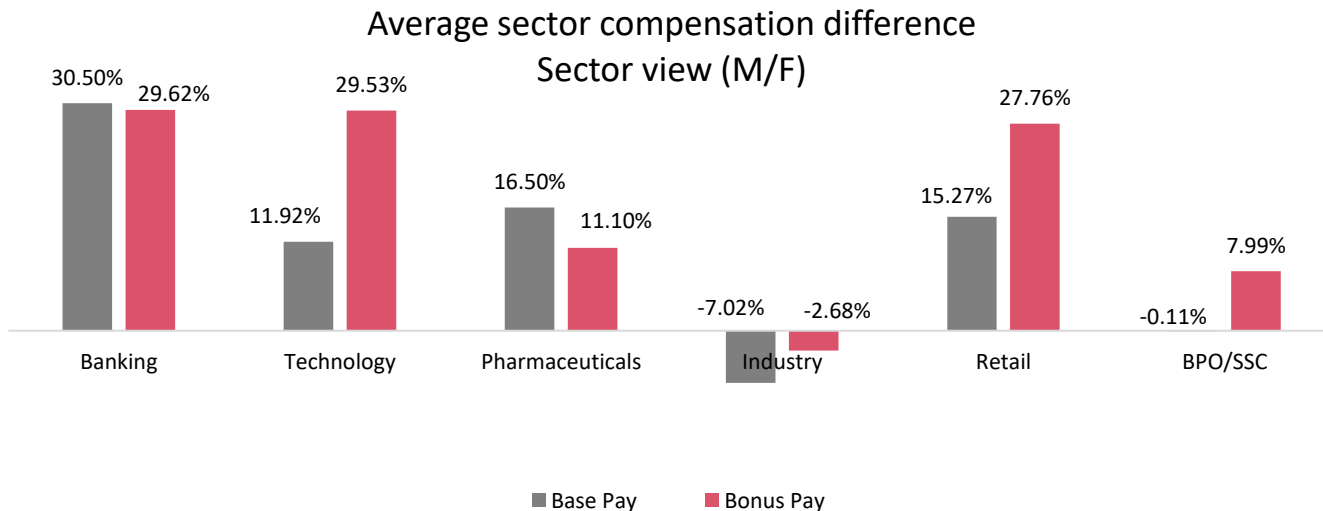## Average gender compensation difference
Job family view (M/F)

Job family	Base Pay	Bonus Pay
Operator	19.64%	32.72%
Clerk/Admin	10.65%	-19.32%
Specialist	13.91%	13.81%
Expert	12.03%	10.03%
Team Leader	12.82%	6.67%
Manager	14.94%	17.31%
Director	6.09%	6.23%

■ Base Pay ■ Bonus Pay
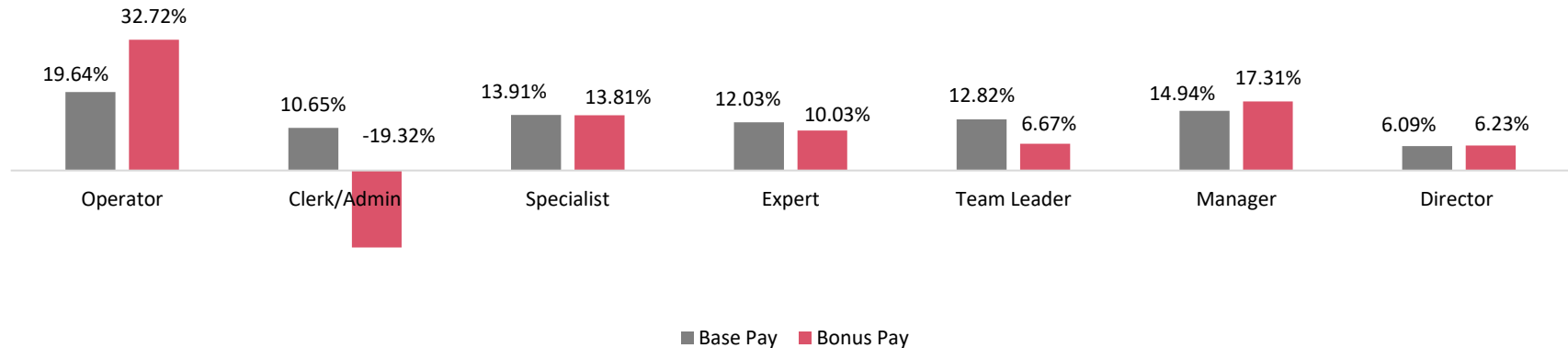
The differences are increasing with age, reflecting the heritage of older practices

Gender pay gap by age group

Average gender compensation difference
Age group view (M/F)

Age group	Base Pay	Bonus Pay
15-25	5.82%	-1.98%
26-43	23.17%	21.24%
44-54	27.28%	27.31%
over 55	27.55%	26.33%

■ Base Pay ■ Bonus Pay

From a sector perspective, the highest differences are found in Banking and Retail

Gender pay gap by sector

Average sector compensation difference
Sector view (M/F)

Sector	Base Pay	Bonus Pay
Banking	30.50%	29.62%
Technology	11.92%	29.53%
Pharmaceuticals	16.50%	11.10%
Industry	-7.02%	-2.68%
Retail	15.27%	27.76%
BPO/SSC	-0.11%	7.99%

■ Base Pay   ■ Bonus Pay

Retail sector has a 15.27% average base pay gender pay gap, with a high share of women employed especially at operator level

Focus view – Retail Sector

👩 72,911 67%
Woman FTE

🧑 36,000 33%
Man FTE

% of Men and Women in each pay quartile

73%	73%	68%	55%
27%	27%	32%	45%
Pay quartile 1	Pay quartile 2	Pay quartile 3	Pay quartile 4

4, 847 lei — 5, 721 lei
15,27%
Average Gap M vs. W

4, 143 lei — 4, 530 lei
8,55%
Median Gap M vs. W

% of Men and Women receiving bonus

73.79%
69.31%

602 lei — 833 lei
27,76%
Average Gap M vs. W

504 lei — 537 lei
6,15%
Median Gap M vs. W

18
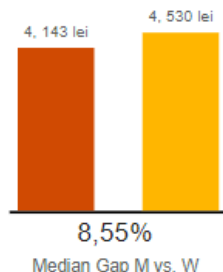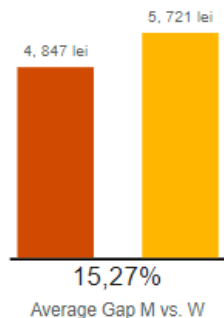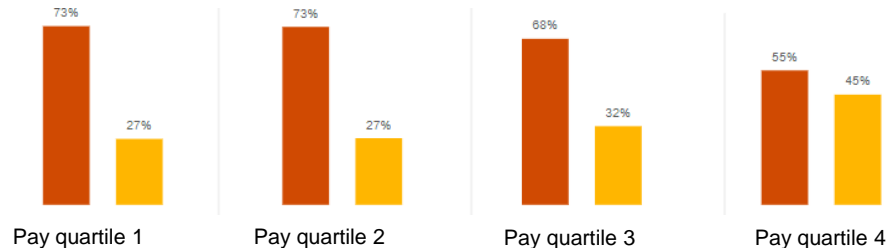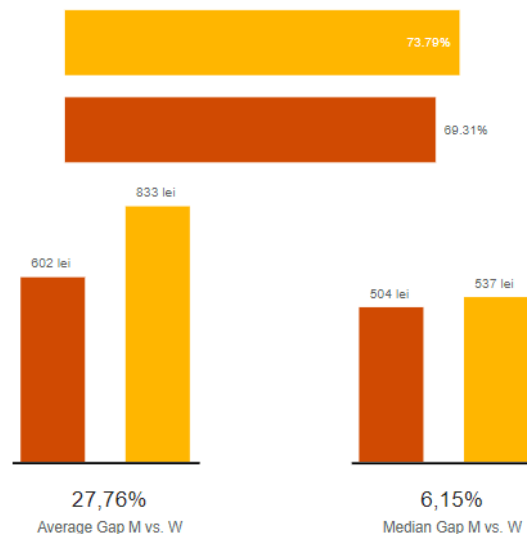
Although Banking is a women dominated sector, they tend to have lower level jobs determining a high pay gap

Focus view – Banking Sector

33,469 — 74% — Woman FTE
12,030 — 26% — Man FTE

Base Pay

% of Men and Women in each pay quartile

86% / 14% — Pay quartile 1
79% / 21% — Pay quartile 2
72% / 28% — Pay quartile 3
57% / 43% — Pay quartile 4

9, 318 lei / 13, 408 lei
30,50%
Average Gap M vs. W

7, 521 lei / 10, 625 lei
29,21%
Median Gap M vs. W

Bonus Pay

% of Men and Women receiving bonus

90.80%
90.32%

1, 538 lei / 2, 185 lei
29,62%
Average Gap M vs. W

1, 089 lei / 1, 499 lei
27,32%
Median Gap M vs. W
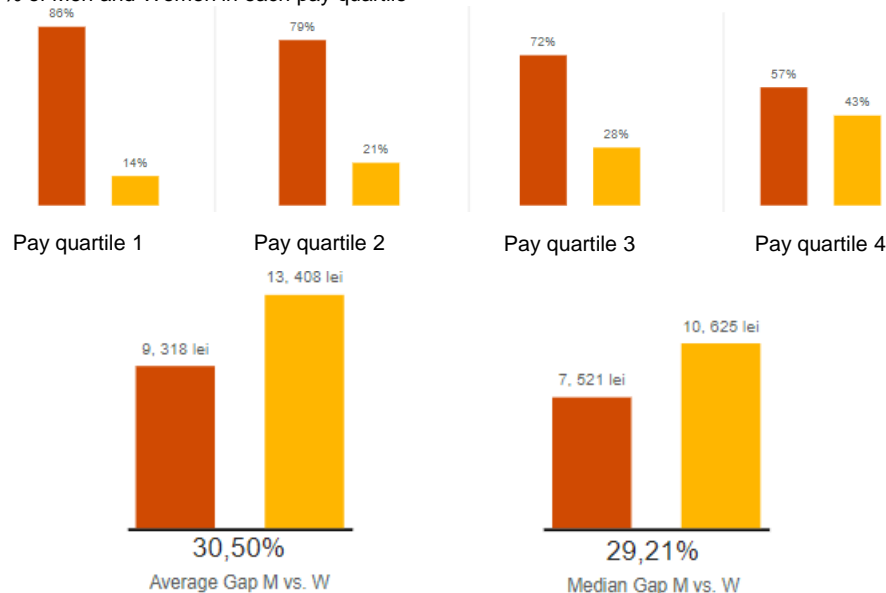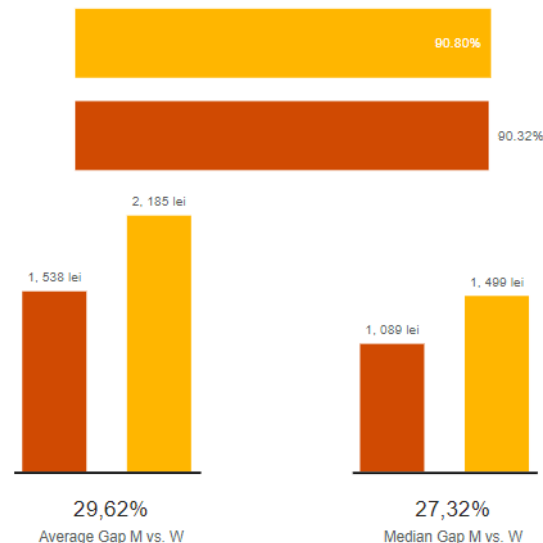
Gender distribution across pay quartiles is fair in the Industry sector, while the gender pay gap is negative

Focus view – Industry Sector

Woman FTE: 8,180 — 31%
Man FTE: 18,510 — 69%

Base Pay

% of Men and Women in each pay quartile

Pay quartile 1: 27% / 73%
Pay quartile 2: 24% / 76%
Pay quartile 3: 34% / 66%
Pay quartile 4: 38% / 62%

9,840 lei — 9,194 lei
-7,02%
Average Gap M vs. W

8,634 lei — 8,368 lei
-3,18%
Median Gap M vs. W

Bonus Pay

% of Men and Women receiving bonus

95.61%
94.83%

1,390 lei — 1,354 lei
-2,68%
Average Gap M vs. W

640 lei — 640 lei
No Gap
Median Gap M vs. W

20
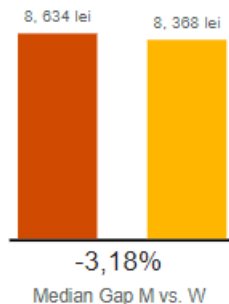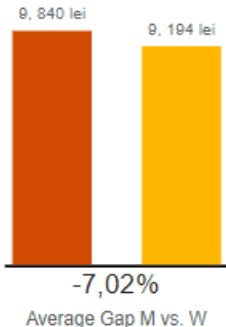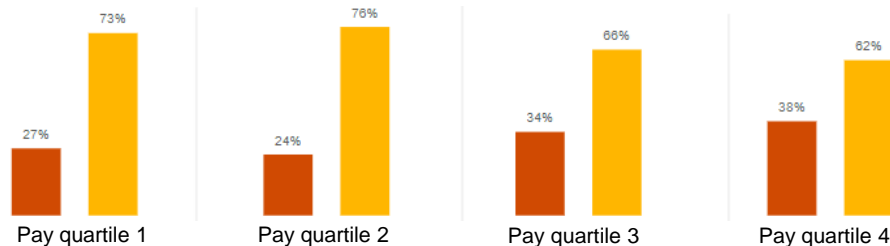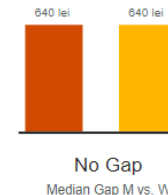
In Technology sector, pay differences are significant in the 4th pay quartile and in the bonus payments

Focus view – Technology Sector

👩 | 5,624 | 38%
Woman FTE

👨 | 9,226 | 62%
Man FTE

Base Pay

% of Men and Women in each pay quartile

- Pay quartile 1: 41% / 59%
- Pay quartile 2: 42% / 58%
- Pay quartile 3: 40% / 60%
- Pay quartile 4: 29% / 71%

14, 816 lei / 16, 820 lei — **11,92%** Average Gap M vs. W

13, 754 lei / 15, 473 lei — **11,11%** Median Gap M vs. W

Bonus Pay

% of Men and Women receiving bonus

- 69.54%
- 69.19%

1, 102 lei / 1, 564 lei — **29,53%** Average Gap M vs. W

426 lei / 853 lei — **50,04%** Median Gap M vs. W
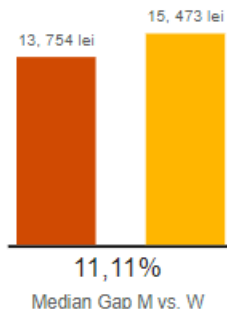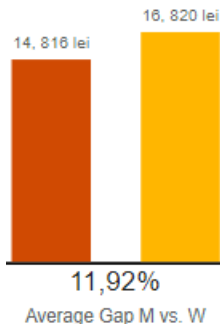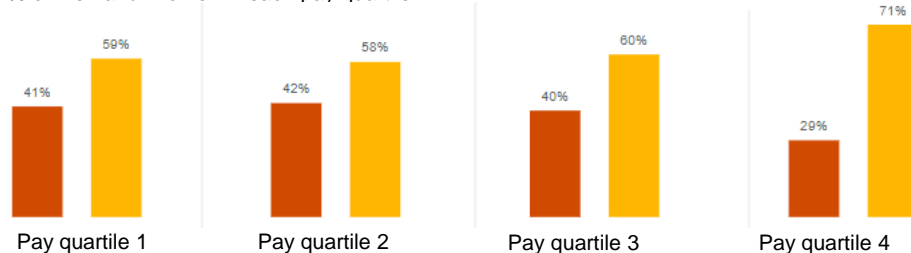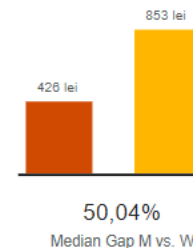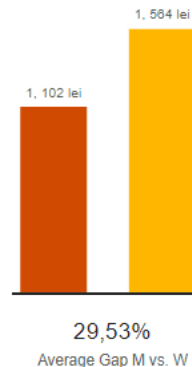
The gender distribution across quartiles, as well as the pay gap are the fairest in the BPO/SSC sector
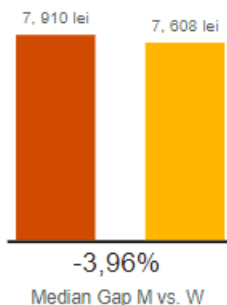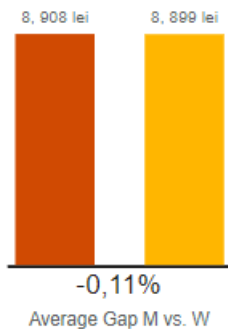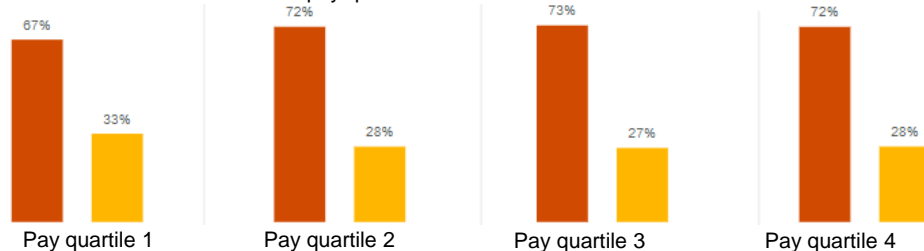
Focus view – BPO/SSC Sector

👩	12,918	71%	Woman FTE
👨	5,261	29%	Man FTE

Base Pay

% of Men and Women in each pay quartile

- Pay quartile 1: 67% / 33%
- Pay quartile 2: 72% / 28%
- Pay quartile 3: 73% / 27%
- Pay quartile 4: 72% / 28%

8,908 lei / 8,899 lei — **-0,11%** — Average Gap M vs. W

7,910 lei / 7,608 lei — **-3,96%** — Median Gap M vs. W

Bonus Pay

% of Men and Women receiving bonus

73.45%
72.91%

927 lei / 1,007 lei — **7,99%** — Average Gap M vs. W

667 lei / 696 lei — **4,20%** — Median Gap M vs. W

Gender distribution across quartiles in the Pharmaceuticals sector is rather fair although the sector has an average pay gap of 16.5%

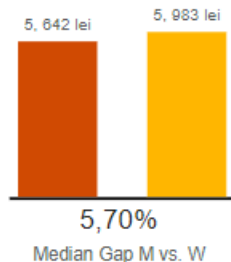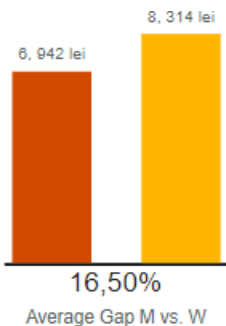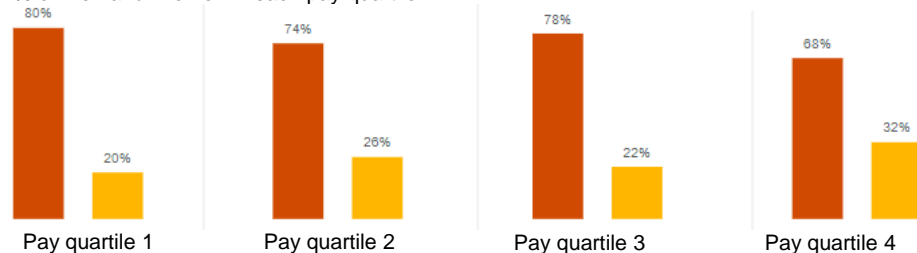**Focus view – Pharmaceuticals Sector**
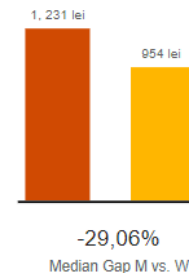
👤 11,893 | 75% — Woman FTE
👤 3,939 | 25% — Man FTE

Base Pay

% of Men and Women in each pay quartile

	Women	Men
Pay quartile 1	80%	20%
Pay quartile 2	74%	26%
Pay quartile 3	78%	22%
Pay quartile 4	68%	32%

6, 942 lei / 8, 314 lei
16,50%
Average Gap M vs. W

5, 642 lei / 5, 983 lei
5,70%
Median Gap M vs. W

Bonus Pay

% of Men and Women receiving bonus

95.40%
86.46%

1, 651 lei / 1, 857 lei
11,10%
Average Gap M vs. W

1, 231 lei / 954 lei
-29,06%
Median Gap M vs. W

3 Opportunity for more detailed insights

Individual company analysis available at a click of a button

PwC's Gender Pay Gap dashboard can rapidly give you a view of the gap within your own company. Company level data is available to be analysed granularly, at multiple levels, as well as benchmarked with market data in an easy to use dashboard.

Detailed, high quality data at your fingertip
- We work with an interactive, insights-enabling solution (PowerBI dashboard)
- We use a reliable, internationally validated measurement approach
- We are able to include company specific metrics together with benchmark data
- Contact us for more details

Our tool allows you to focus on 2 areas:

1 Identify current gap within the company by analyzing the data based on a proven and tested methodology (drill down options available)

2 Benchmark data against relevant sample (e.g. against sector or against a preferred sample of comparators)
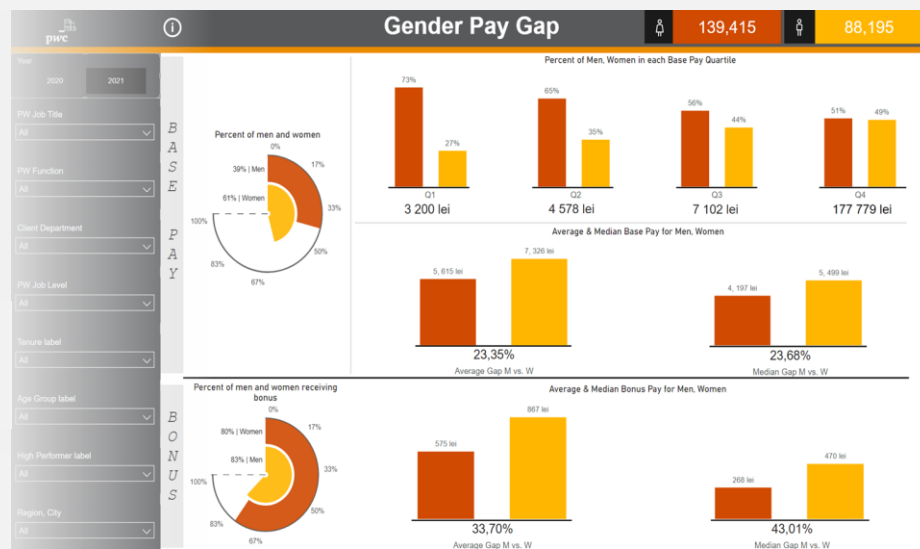
Reach us at ro_paywell@pwc.com

EQUAL-SALARY Certification
Contact us now to be among the first certified Romanian companies!

How does it work?

1. Statistical analysis
The **quantitative analysis** determines whether there is an unexplained remuneration gap between women and men. An in-depth analysis highlights individual cases where a remuneration difference is observed - the "special cases". For certification to progress to the next phase, the remuneration difference must be significantly less or equal to 5% with an adjusted R^2 of ≥0.9.

2. Desktop review & on-site visit
The **desktop review and on-site visit** (carried out by PwC) evaluates the fairness of remuneration within the organisation (with a particular focus on the special cases flagged during the statistical analysis):
- Management commitment to equal pay between women and men
- Integration of the fair remuneration strategies within HR policies and practices
- Employees' perception of your remuneration policy

3. Certification
If the organisation meets all the above requirements, the **EQUAL-SALARY Foundation issues the Certification Label** which is valid for **3 years.** The EQUAL-SALARY Label can be used in all of your communication such as its website, recruitment advertisements, letter heads, annual reports.

4. Monitoring visit
Once certified, the organisation must complete **two further monitoring visits** to demonstrate its ongoing commitment to a fair, non-discriminatory remuneration policy between men and women, and **fulfilment of actions identified through the on site visit**.

Oana Munteanu

Director
PwC Romania
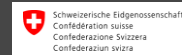oana.munteanu@pwc.com

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In collaboration with:

pwc
Switzerland

EQUAL SALARY

UNIVERSITÉ DE GENÈVE

Recognised by:

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

European Commission

EQUAL-SALARY CERTIFIED
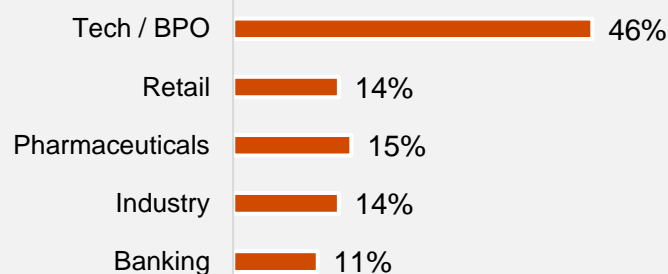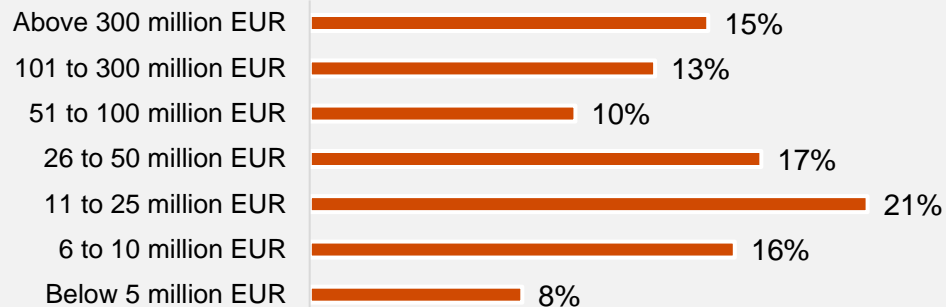
EQUAL-SALARY GLOBALLY CERTIFIED

4 Appendix

Sample analysis – demographic breakdown

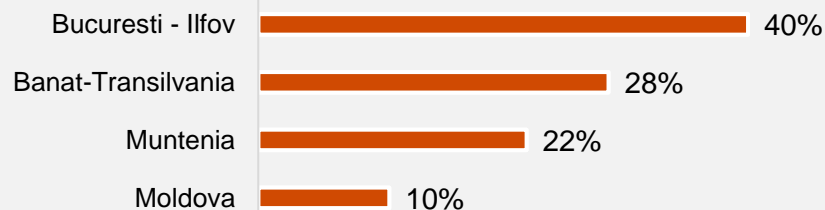## Breakdown by sector (% of participants)

- Tech / BPO: 46%
- Retail: 14%
- Pharmaceuticals: 15%
- Industry: 14%
- Banking: 11%

Breakdown by company's turnover (% of participants)

- Above 300 million EUR: 15%
- 101 to 300 million EUR: 13%
- 51 to 100 million EUR: 10%
- 26 to 50 million EUR: 17%
- 11 to 25 million EUR: 21%
- 6 to 10 million EUR: 16%
- Below 5 million EUR: 8%

Breakdown by headcount (% of participants)

- Over 3000 emp.: 14%
- 1001 to 3000 emp.: 15%
- 501 to 1000 emp.: 15%
- 101 to 500 emp.: 33%
- Below 100 emp.: 23%
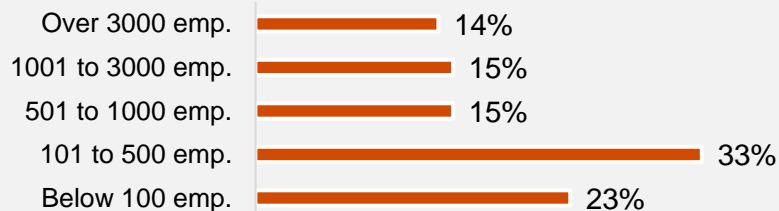
Breakdown by region (% job holders)

- Bucuresti - Ilfov: 40%
- Banat-Transilvania: 28%
- Muntenia: 22%
- Moldova: 10%

Source: PayWell 2023 Salary & Benefits survey, 183 companies

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