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DRAFT REPORT

with recommendations to the Commission on digitalisation, artificial intelligence and algorithmic management in the workplace – shaping the future of work
(2025/2080(INL))

Committee on Employment and Social Affairs

Rapporteur: Andrzej Buła

(Initiative – Rule 47 of the Rules of Procedure)

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with recommendations to the Commission on digitalisation, artificial intelligence and algorithmic management in the workplace – shaping the future of work (2025/2080(INL))

The European Parliament,

- having regard to Article 225 of the Treaty on the Functioning of the European Union,
- having regard to the opinion of the Committee on Legal Affairs on the proposed legal basis,
- having regard to the Commission President’s political guidelines of 18 July 2024 entitled ‘Europe’s Choice – Political Guidelines for the Next European Commission 2024-2029’,
- having regard to the Commission communication of 5 March 2025 on “The Union of Skills”,
- having regard to Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work (Framework Directive)¹,
- having regard to Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community - Joint declaration of the European Parliament, the Council and the Commission on employee representation²,
- having regard to Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union³,
- having regard to Directive (EU) 2024/2831 of the European Parliament and of the Council of 23 October 2024 on improving working conditions in platform work⁴,
- having regard to Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU)

¹ Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work (OJ L 183, 29.6.1989, p. 1).

² Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community - Joint declaration of the European Parliament, the Council and the Commission on employee representation (OJ L 80, 23.3.2002, p. 29).

³ Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union (OJ L 186, 11.7.2019, p. 105).

⁴ Directive (EU) 2024/2831 of the European Parliament and of the Council of 23 October 2024 on improving working conditions in platform work (Text with EEA relevance) (OJ L, 2024/2831, 11.11.2024, ELI: <http://data.europa.eu/eli/dir/2024/2831/oj>).

2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act)⁵,

- having regard to Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)⁶,
 - having regard to its resolution of 11 May 2023 on a roadmap towards a social Europe—two years after the Porto Social Summit (2023/2586(RSP)),
 - having regard to its resolution of 13 March 2025 on social and employment aspects of restructuring processes: the need to protect jobs and workers’ rights (2024/2829(RSP)),
 - having regard to its resolution of 11 March 2025 on the European Social Fund Plus post-2027 (2024/2077(INI)),
 - having regard to the opinion of the European Economic and Social Committee on “Pro-worker artificial intelligence” (SOC/803),
 - having regard to the Draghi and Letta reports,
 - having regard to final report of the study commissioned by the European Commission entitled “Study exploring the context, challenges, opportunities, and trends in algorithmic management” (VT-2022-035),
 - having regard to the European Added Value Assessment of xxx 2025 [forthcoming], entitled ‘Digitalisation, artificial intelligence and algorithmic management in the workplace – shaping the future of work,
 - having regard to Rules 47 and 55 of its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Employment and Social Affairs (A10-0000/2025),
- A. whereas the digital transition, driven by digitalisation, automation and artificial intelligence (AI), is profoundly reshaping labour markets, leading to the disappearance of some jobs and the emergence of new ones, and is changing the nature of tasks in the existing ones, therefore requiring continuous adaptation by businesses and workers;

⁵ Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act) (Text with EEA relevance) PE/24/2024/REV/1 (OJ L, 2024/1689, 12.7.2024, ELI: <http://data.europa.eu/eli/reg/2024/1689/oj>).

⁶ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

- B. whereas the digital transition at the workplace should be steered in a manner that enhances productivity, innovation, and the competitiveness of the European economy and the common market; whereas this transition must at the same time uphold the principles of social progress, ensuring that it contributes to better working conditions, quality employment, and the well-being of all workers;
- C. whereas digital transition in the labour market is driving increasing demand for both basic and high-level digital and AI skills;
- D. whereas the rapid integration of AI systems is not matched by sufficient training, with only 15% of workers having participated in relevant training in 2023 while 42% of workers acknowledge the need to improve their AI-related skills and 61% foresee new skills requirements in the next five years; whereas those most in need of digital skills training are the ones least likely to take part in it⁷;
- E. whereas the adaptation of educational systems, including the VET sector, is essential to equip learners with the necessary skills to thrive in a competitive, digital and technologically advanced society;
- F. whereas AI and algorithmic management provide numerous opportunities for work optimisation, improved occupational health and safety as well as employee satisfaction, but come also with certain risks; whereas the use of AI and algorithmic management can reduce tedious tasks and overall workload, improve task allocation and productivity, prevent from occupational risks and introduce cost cuts;
- G. whereas it is important to address work-related risks stemming from AI and algorithmic management such as time and performance pressure, work intensification, monitoring and surveillance as well as social isolation and stress;
- H. whereas the deployment of AI and algorithmic management systems in the workplace involve the collection and processing of a large volume of employee data, which can raise concerns about data protection and privacy and require due diligence in its management;
- I. whereas it is estimated that over one-quarter of companies in the Union use at least one form of algorithmic management; whereas the uptake of algorithmic management is likely to grow significantly in the coming years⁸;
- J. whereas 62% of Europeans have a positive view of the use of robots and AI in the workplace⁹; whereas this positive approach to the use of new technologies in the workplace is more widespread among youth, working and those with higher educational level¹⁰;
- K. whereas the consultation and involvement of managers, as well as employees and their

⁷ <https://www.cedefop.europa.eu/en/publications/9201>

⁸ <https://op.europa.eu/en/publication-detail/-/publication/5afb4511-0ddf-11f0-b1a3-01aa75ed71a1/language-en> : “it can be argued that over one-quarter of companies in the EU-27 use AM” “based on the delphi survey, it is most likely that in the next 10 years, AM will grow 3% to 6% annually”

⁹ <https://europa.eu/eurobarometer/surveys/detail/3222>

¹⁰ Eurobarometer, May 2024 <https://europa.eu/eurobarometer/surveys/detail/3222>

representatives in the adoption of new technologies significantly enhance acceptance and positive perceptions, maximizing the benefits and addressing the risks of those technologies in the workplace;

- L. whereas most Europeans support rules on digital technologies in the workplace, with over 80% supporting rules on protecting workers privacy and 77% supporting involvement of workers in design and adaptation of technology¹¹;
- 1. Emphasises that every new technology shall be deployed and used with the overarching goal of serving people and shall be managed by the people in line with the irrefutable “human in control” principle;

Empowering workers with skills and knowledge

- 2. Stresses that new technologies in the workplace can constitute a competitive advantage and are proven to bring better return to the companies using them; underlines in this regard the fact that companies should be encouraged to integrate such technologies in a responsible and transparent manner ; stresses that the use of such technologies in the workplace should be meticulously overseen rather than restrained, and highlights in this regard the need for a clear regulatory framework that will ensure fair competition and avoid fragmentation of the single market;
- 3. Recognises that in-work training on new technologies introduced in the workplace, particularly those that directly affect employees' tasks and performance is essential for ensuring the well-being, safety, and professional development of workers, as well as for enhancing the overall adaptability, and the competitiveness of companies¹²; stresses that workers must be given sufficient time and support to familiarise themselves with such technologies before they are fully deployed;
- 4. Welcomes the Union of Skills initiative; calls on the Commission to ensure that the expected Quality of Jobs roadmap fully reflects the need for continuous upskilling, reskilling, and in-work training on AI and algorithmic management; stresses that all relevant initiatives aiming to support workers and companies in this transition must be adequately supported, including through sufficient financial resources at Union and national level;
- 5. Highlights the important role of the European Social Fund+ in preparing both the current and future workforce for the digital transition through investment in skills, training and inclusive employment opportunities; calls on the Commission to maintain and further strengthen the Fund in the post-2027 period in a way that will secure the access to digital upskilling and reskilling, so it can continue to serve as a key Union instrument for supporting a fair and inclusive digital transition;
- 6. Calls on the Commission and Member States to regularly monitor the demand and supply on the labour market, in cooperation with social partners, to better anticipate the future skills needed to embrace the potential of digital transition; welcomes in this

¹¹ <https://europa.eu/eurobarometer/surveys/detail/3222>

¹² Case studies: [https://healthy-workplaces.osha.europa.eu/en/media-centre/news/real-world-learnings-
implementing-worker-management-through-ai](https://healthy-workplaces.osha.europa.eu/en/media-centre/news/real-world-learnings-implementing-worker-management-through-ai)

regard the proposal for creating a European Skills Intelligence Observatory;

7. Is concerned that the use of AI and algorithmic management systems is contributing to the phasing out of entry-level jobs, which traditionally serve as an essential gateway into the labour market, underlines the fact that this trend risks affecting disproportionately young people and first-time jobseekers; therefore calls on the Commission and Member States to take proactive measures to ensure that young people entering the labour market are adequately supported and provided with meaningful employment opportunities in the evolving digital economy;

Creating a safe and inclusive workplace

8. Stresses that the increasing use of digital technologies in the workplace, including tools that enable constant connectivity as well as real-time monitoring and surveillance, pose numerous risks to the mental health of workers by blurring the boundaries between professional and private life; underlines the fact that such developments can lead to excessive work-related stress, burnout, a deterioration of work-life balance and increasing sentiment of social isolation;
9. Recognises that algorithmic management may raise performance pressure which can lead to serious health and safety risks, such as musculoskeletal and cardiovascular disorders or exhaustion, causing workers to overlook or disregard safety alerts, significantly increasing the risk of workplace accidents;
10. Underlines the fact that those risks should be addressed in a comprehensive manner and that any new deployment or significant change of AI tools or algorithmic management systems in the workplace should be subject to health and safety assessment and continuous monitoring, encourages Member States, in cooperation with social partners, to develop sector-specific guidance on the responsible deployment of AI in the workplace and to exchange the best practices;
11. Underlines the crucial role of social dialogue and the active involvement of employee representatives in the deployment of AI and algorithmic management technologies in the workplace; stresses that meaningful participation of workers in decision-making processes as well as provision of information and in-work training help to ensure that workers understand and confidently engage with new technologies, fostering a sense of autonomy and trust and lead to better integration of AI in the workplace;
12. Underlines the need for clear assignment of oversight responsibilities in often complex organisational structure of workplaces which will ensure accountability, facilitate effective human supervision, and enable workers to identify the human contact point in the case of any doubts, concerns, or the need for clarification;
13. Highlights that there are particular challenges that persons with disabilities, older workers and vulnerable individuals may face in adapting to new technologies in the workplace; therefore calls on the Commission and Member States to introduce inclusive and tailored support measures towards their increasing participation in the labour market and ensuring that everybody benefits from technological advancements;
14. Calls on Member States to guarantee effective reasonable accommodation for persons

with disabilities by respecting their ultimate authority to determine whether AI-based assistive technologies in the workplace meet their individual needs;

Ensuring future-proof regulatory environment

15. Stresses that if the Union aims to be at the forefront of the digital transition, it must lead by example in setting high standards for the deployment of AI in work environments, including clear rules on transparency and human oversight; welcomes, in this regard, the Directive (EU)2024/2831 on improving working conditions in platform work, which marks an important first step in regulating algorithmic management by introducing, inter alia, transparency obligations in sectors where such technologies are increasingly shaping decisions on work and workers' rights;
16. Calls on Member States and the employers for the recognition and effective implementation of the right to disconnect as a fundamental safeguard to protect workers from being permanently reachable or monitored outside of agreed working hours;
17. Underlines the fact that the increasing use of AI and algorithmic management in the workplace raises a multitude of challenges concerning the protection of employees' personal data and privacy, requiring careful consideration and appropriate regulatory responses;
18. Recognises that companies, particularly small and medium-sized enterprises (SMEs), are already facing significant challenges in navigating an increasingly complex regulatory environment; calls on the Commission to ensure that any future legislation related to algorithmic management is designed with the clear objective of simplification and ease of compliance, emphasises the need for tailored guidance, tools, and support mechanisms to help SMEs understand and implement new requirements effectively;
19. Requests that the Commission submit, on the basis of Articles 153(2), point (b), in conjunction with Article 153 (1), point (b), and Article 16(2) of the Treaty on the Functioning of the European Union, a proposal for a Directive on algorithmic management in the workplace, following the recommendations set out in the Annex hereto;
20. Considers that any financial implications of the requested proposals should be covered by existing budgetary allocations;
21. Instructs its President to forward this resolution and the accompanying recommendations to the Commission and the Council, and to the parliaments and governments of the Member States.

**ANNEX TO THE MOTION FOR A RESOLUTION:
RECOMMENDATIONS AS TO THE CONTENT OF THE PROPOSAL REQUESTED**

TEXT OF THE LEGISLATIVE PROPOSAL REQUESTED

Proposal for a

DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on algorithmic management in the workplace

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 153(2), point (b), in conjunction with Article 153 (1), point (b), and Article 16(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure³,

Whereas:

- (1) The unprecedented scale, depth and rapid pace of the transformation, and its profound impact on the work patterns present cross cutting challenges that transcend national borders and need to be addressed at Union level.
- (2) Algorithmic management systems should be understood as tools and enablers that serve both employers and workers by improving efficiency, facilitating decision-making, and supporting better work organisation. When used responsibly and transparently, such systems can contribute to more balanced and informed workplace practices. Their careful deployment under a common set of Union rules should unlock their potential ensuring implementation in a manner that upholds fundamental rights, fosters trust and promotes the overall well-being of workers.
- (3) Lack of clear comprehension of the functioning of algorithmic management systems impedes the workers from effectively asserting their data rights, which further reinforces the imbalance of power in favour of the employer. There is evidence that involving workers and their representatives in consultations improves both performance

¹ OJ ...

² OJ ...

³ Positionn of the European Parliament ...

and working conditions⁴.

- (4) The AI Act represents a significant step forward in regulating high-risk artificial intelligence systems, it remains nevertheless insufficient to fully address the challenges posed by algorithmic management in the workplace. Although it classifies work-related AI tools as high-risk, its primary focus is on market placement, product safety, and compliance obligations for providers and users, and not on the employer– worker relationship. Moreover, the AI Act does not apply to algorithmic management systems that are not AI-based, leaving a regulatory gap in addressing the broader impact of digital management tools on workers’ rights, working conditions, and social dialogue.
- (5) Regulation (EU) 2016/679 of the European Parliament and of the Council⁵ [General Data Protection Regulation] dates back to 2016 and was not specifically designed to address the particular challenges of data protection in the workplace, and since then technological and workplace realities have evolved significantly, necessitating an update and reinforcement of data protection provisions applicable to employment, as it currently leaves room for interpretation. Article 15(1), point (h), of Regulation (EU) 2016/679, which lays down the transparency requirements for and the limitations of data processing, only provides for clear prohibitions in the case of fully automated decision-making processes, which are therefore not sufficient in most employment-related contexts. What is more, Regulation (EU) 2016/679 adopts individualistic approach and does not grant collective rights. Since the entry into force of Regulation (EU) 2016/679, Article 88 on the protection of workers' personal data has been poorly implemented and remains largely ineffective in nearly all Member States⁶.
- (6) Directive 2002/14/EC of the European Parliament and of the Council⁷ [Information and Consultation Directive] provides only general information on the collective right to consultation while Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019⁸ [Directive on Transparent and Predictable Working Conditions] does not explicitly mention the right to information on algorithmic management systems and is not specific enough to address the complexity of the algorithmic management system. Those directives do not guarantee workers’ right to information on functioning, logic, or impact of algorithmic systems on their work organisation and evaluation and fail to involve workers.
- (7) There are roughly 20 million solo self-employed persons in the Union, accounting for almost 10% of workforce⁹. They lack access to full social protection but are equally

⁴ OECD 2023. https://www.oecd.org/en/publications/the-impact-of-ai-on-the-workplace-main-findings-from-the-oecd-ai-surveys-of-employers-and-workers_ea0a0fe1-en.html;
<https://www.eurofound.europa.eu/en/publications/2020/european-company-survey-2019-workplace-practices-unlocking-employee-potential>;

⁵ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

⁶ Abraha H. (2023), Article 88 GDPR and the Interplay between EU and Member State Employee Data protection rules, *The Modern Law Review*

⁷ Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community - Joint declaration of the European Parliament, the Council and the Commission on employee representation (OJ L 80, 23.3.2002, p. 29).

⁸ Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union (OJ L 186, 11.7.2019, p. 105).

⁹ https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20200615-1?utm_source=chatgpt.com

subject to automated decision-making, monitoring, and performance evaluation. To ensure fairness, and prevent exploitation, in all forms of modern work, the provisions of this directive should apply to solo self-employed persons.

- (8) This Directive should establish common Union minimum standards for the use of algorithmic management in the workplace, ensuring increased transparency and legal certainty across Member States. By creating a level playing field for all companies, including small and medium-sized enterprises, the directive should aim to support a fair and responsible uptake of algorithmic management tools. It will furthermore enhance clarity and predictability for workers and solo self-employed persons, enriching their working experience, fostering trust in digital technologies, and helping to mitigate the potential risks associated with algorithmic decision-making in employment contexts,

HAVE ADOPTED THIS DIRECTIVE:

Article 1

Subject matter and scope

1. This Directive lays down minimum requirements for the transparent use of algorithmic management in the workplace.
2. This Directive applies to every worker and employer in the Union as well as solo self-employed persons and the relevant procurers of services.

Article 2

Definitions

For the purposes of the Directive, the following definitions apply:

1. ‘algorithmic management’ means the use of automated systems to monitor, supervise, evaluate, or make or support decisions—by electronic means—regarding the work performance and working conditions of workers including systems that process personal data to oversee activities within the work environment, as well as systems that take or support decisions significantly affecting workers or solo self-employed persons, such as the organisation of work assignments, earnings, safety and health, working time, access to training, promotion, and contractual status;
2. ‘worker’ means a person who is deemed to have an employment contract or an employment relationship as defined by the Union and national law, including collective agreements and national practice;
3. ‘solo self-employed person’ means a person who has no employment contract or employment relationship, and who relies primarily on his or her own personal labour for the provision of the services concerned;
4. ‘employer’ means the natural or legal person who is party to employment contracts or

employment relationships with workers, in accordance with national law and practice;

5. 'procurer of services' means a natural or legal person who is party to a contractual agreement with a solo self-employed person for the provision of specific services or tasks.

Article 3

Transparency and right to information

1. Member States shall ensure that employers and procurer of services provide, respectively, their workers and the solo self-employed persons with whom they have a contract, and their representatives, with information, in writing, concerning the use or planned use of systems for algorithmic management in the workplace.
2. The information referred to in paragraph 1 shall include:
 - (a) a clear statement that algorithmic management systems are in use or intend to be introduced, including a general description of their purpose;
 - (b) the categories of data collected and processed by such systems in relation to the workers or solo self-employed persons, including their behaviour and performance-related data, as well as the types of actions or activities monitored;
 - (c) a clear indication of whether the data collected is used to carry out automated decision-making, and, where applicable, a description of the nature and scope of such decisions.
3. The information referred to in paragraph 1 shall be provided at the following times:
 - (a) on or before the first working day to workers and on the first day of the contract to the solo self-employed persons;
 - (b) before the introduction of changes substantially affecting working conditions, the organisation of work or monitoring and evaluating work performance;
 - (c) at any time upon their request.
4. The information referred to in paragraph 1 shall be provided in a clear and easily understandable manner. Member States shall ensure that employers and procurer of services provide the information in a manner that is adapted to the level of digital literacy reasonably expected of the workers or solo self-employed persons to understand, and that it avoids the use of unnecessarily technical or complex language.

Member States shall ensure that the information referred to in paragraph 1 is provided in formats accessible to people with disabilities.

5. The provision of information pursuant to this Article shall be limited to what is strictly necessary for the worker or solo self-employed person to carry out their work, to understand how algorithmic systems influence decisions affecting them, and to exercise

their rights.

Article 4

Consultation

1. Member States shall ensure that the deployment of new systems of algorithmic management, or such updates to existing systems, which directly affect workers' remuneration, working arrangements, or working time, are deemed to be decisions likely to lead to substantial changes in work organisation or in contractual relations and as such are subject to consultation pursuant to Article 4(2), point (c), of Directive 2002/14/EC.
2. Such consultation shall include:
 - (a) the objectives behind the deployment or update and the work processes and the workers affected;
 - (b) changes in workload, work intensity, scheduling, working time, flexibility, or job content;
 - (c) effects on occupational health and safety;
 - (d) types of data collected;
 - (e) measures in place to detect and mitigate bias or discriminatory outcome;
 - (f) human oversight mechanisms;
 - (g) training and support measures for the workers affected and solo self-employed persons affected.

Article 5

Prohibited practices

1. Member States shall ensure that employers and procurer of services are prohibited from processing personal data concerning:
 - (a) the emotional or psychological state of workers or solo self-employed persons;
 - (b) neurosurveillance;
 - (c) private conversations;
 - (d) the behaviour of workers or solo self-employed persons while off-duty or in private rooms;

- (e) the prediction of the exercise of fundamental rights, including the freedom of association, the right of collective bargaining and action or the right to information and consultation as laid down in the Charter of Fundamental Rights of the European Union;
 - (f) inferences of the racial or ethnic origin, migration status, political opinions, religious or philosophical beliefs, disability, state of health, trade union membership or sexual orientation.
2. Nothing in this Directive shall be interpreted as permitting practices that are otherwise prohibited under the Regulation (EU) 2016/679 or Regulation (EU) 2024/1689 of the European Parliament and of the Council¹⁰.

Article 6

Human oversight and review

1. Member States shall ensure that employers and procurer of services maintain effective human oversight at all times over all algorithmic management systems deployed in the workplace. Member States shall also ensure that employers and procurer of services designate, and inform workers, solo self-employed persons, and their representatives, thereof, the entity responsible for monitoring the functioning and impact of such systems, including the compliance of such systems with the applicable legal, health and safety and ethical standards, as well as for reviewing their decisions.
2. Member States shall ensure that workers and solo self-employed persons, upon request, have the right to obtain from the employer or the procurer of services , an oral or written explanation regarding any decision affecting the essential aspects of their employment or contractual relationship, including the allocation of tasks, the evaluation of performance, working time scheduling, remuneration, and disciplinary measures, where any decision relating to such matters has been taken or has been substantially influenced by an algorithmic system.

The explanation referred to in paragraph 1 shall be provided within a reasonable time and in a format that is accessible and comprehensible to the worker or solo self-employed person concerned.

3. Member States shall ensure that decisions concerning the initiation or termination of an employment or contractual relationship, the renewal or non-renewal of a contractual agreement, and any changes in remuneration are not taken solely on the basis of algorithmic management. Such decisions shall also be subject to review and final determination by a human supervisor.
4. Member States shall ensure that the representatives of workers and of solo self-

¹⁰ Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act) (Text with EEA relevance) PE/24/2024/REV/1 (OJ L, 2024/1689, 12.7.2024, ELI: <http://data.europa.eu/eli/reg/2024/1689/oj>).

employed persons may request the employer or procurer of services to trigger a review of the functioning of the algorithmic management systems in place where there is a justified concern that such systems exhibit systemic biases or faults or pose a threat to the mental or physical well-being of workers or solo self-employed persons or to health and safety at the workplace.

Article 7

Occupational health and safety

1. Without prejudice to Directive 89/391/EEC and related directives in the field of safety and health at work, Member States shall ensure that the employers:
 - (a) evaluate the risks of algorithmic management system to their safety and health, in particular as regards possible risks of work-related accidents, psychosocial and ergonomic risks as well as undue pressure put on employer;
 - (b) assess whether the safeguards of those systems are appropriate for the risks identified in view of the specific characteristics of the work environment;
 - (c) introduce appropriate preventive and protective measures.

Article 8

Responsibilities of competent national authorities

1. Member States shall task their respective labour inspectorates with overseeing the safe and non-discriminatory use of algorithmic management systems in the workplace.
2. The labour inspectorates shall be tasked with monitoring, controlling and assessing:
 - (a) the safety of algorithmic systems used in employment contexts, in particular with regard to their impact on the physical and mental health of workers;
 - (b) the absence of bias and discrimination in the design, deployment or functioning of such systems;
 - (c) the impact of algorithmic management systems on working time and performance pressure put on workers;
 - (d) compliance with relevant provisions of this Directive and other applicable Union and national law, including provisions related to occupational health and safety and equal treatment.
3. Member States shall ensure that their labour inspectorates are provided with adequate resources, powers, and technical expertise to effectively carry out their functions.

EXPLANATORY STATEMENT

The modern workplace is undergoing a profound transformation driven by digitalisation, automation and the rapid advancement of artificial intelligence (AI). Algorithmic management (AM) systems are increasingly deployed to assist employers to supervise, evaluate and allocate work, reshaping how decisions are made across sectors. While these technologies offer opportunities to improve efficiency, productivity and working conditions, they also introduce new risks and challenges, particularly concerning transparency, accountability, health and safety, and workers' fundamental rights. The fast pace of this transformation often outstrips the capacity of existing legal frameworks to provide adequate safeguards, leaving workers exposed and employers uncertain about their obligations.

The rapporteur believes that the European Union must take proactive steps to navigate this transformation in a way that supports both economic competitiveness and social progress. The deployment of algorithmic management systems in the workplace must be human-centred, respectful of rights and inclusive by design. To that end, the EU needs to ensure that all workers and solo self-employed persons alike, have access to clear information, appropriate training, and meaningful participation in decisions affecting their working lives. At the same time, companies, particularly SMEs, need a stable and harmonised regulatory environment that is simple, transparent, and supportive of innovation and fair competition.

The rapporteur considers that a dedicated framework directive is the most effective legal instrument to address these challenges. While existing instruments such as the AI Act, the General Data Protection Regulation, the Directive on Transparent and Predictable Working Conditions, and the Information and Consultation Directive provide some relevant safeguards, they do not comprehensively address the specific issues posed by algorithmic management in the employer–worker relationship. A directive will allow the EU to close these regulatory gaps by establishing minimum standards that ensure greater legal certainty, foster trust in technology, and promote fairness in the digital transformation of work.

To this end, the rapporteur proposes a directive that sets out clear rules on transparency, consultation and human oversight in the use of algorithmic management systems. It includes provisions that:

- define algorithmic management and establish its scope of application to both workers and solo self-employed persons;
- ensure workers receive timely, clear, and accessible information on how algorithmic systems function and how they affect their work;
- require consultation with worker representatives before the introduction of new systems or substantial updates that affect remuneration, work organisation, or working time;
- ban specific harmful data practices, such as monitoring emotional states or private behaviour;
- mandate that key decisions, such as hiring, termination, and pay changes, remain subject to human review;

- introduce specific health and safety obligations to prevent undue pressure and psychosocial risks;
- assign responsibilities to national labour inspectorates for the oversight of the safe and non-discriminatory use of algorithmic management tools.

The rapporteur emphasises that this proposal for a directive is not intended to stifle innovation or burden businesses with unnecessary bureaucracy. On the contrary, by setting clear, proportionate, and future-proof standards, it will support a fair and effective integration of new technologies in the workplace. It will help companies, including SMEs, adapt confidently to the digital era, promote a level playing field across the internal market, and ensure that workers are equipped, protected, and empowered in the face of ongoing change. In doing so, the directive contributes to a modern, competitive, and socially responsible European labour market.

ANNEX: ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT

Pursuant to Article 8 of Annex I to the Rules of Procedure, the rapporteur declares that he received input from the following entities or persons in the preparation of the draft report:

Entity and/or person
BusinessEurope
ETUC
Move.Eu
Indeed
Cemeet
Industriall
Addeco
Eurocadres
Technology Industries Finland
Polish Confederation Lewiatan
Polish Ministry of Labour and Social Policy
Eurocommerce
Mc Donalds Poland
Valerio De Stefano, Canada Research Chair in Innovation, Law and Society, Osgoode Hall Law School, Toronto, Canada
European Disability Forum
EU-OSHA

The list above is drawn up under the exclusive responsibility of the rapporteur.

Where natural persons are identified in the list by their name, by their function or by both, the rapporteur declares that he has submitted to the concerned natural persons the European Parliament's Data Protection Notice No 484 (<https://www.europarl.europa.eu/data-protect/index.do>), which sets out the conditions applicable to the processing of their personal data and the rights linked to that processing.