AI in the workplace: Apply existing laws and build skills for the future

Executive summary

Artificial intelligence (AI) is a defining technology for our economy, changing citizens' private and professional lives, bringing major benefits, but also challenges. Europe has taken a global lead in setting rules that ensure AI is trustworthy, safe and respectful of fundamental rights. With the adoption of the AI Act, the EU has created the world's first comprehensive regulatory framework for AI, including robust safeguards for its use in the workplace. Together with existing instruments like the GDPR and EU labour legislation, this framework provides robust guarantees that workers are protected from discrimination, undue surveillance and harmful practices.

At this stage, Europe does not need additional regulatory intervention regarding the use of AI in the workplace. It is crucial to focus first on ensuring implementation and consistent enforcement of the protective EU acquis across all Member States, to create legal certainty and foster innovation. DIGITALEUROPE and its members stand ready to support policymakers in this task, while also working to equip Europe's workforce with the skills needed to thrive in an AI-driven economy.

Our key recommendations

▶▶ Prioritise effective and consistent implementation across the EU of the existing, comprehensive legislative framework that already protects workers in their interactions with AI at their workplace, before introducing any new rules on AI use at work.

▶▶ Conduct thorough impact assessments and gap analyses before considering any new measures, ensuring that any intervention rather builds on, and clarifies existing rights. Any genuine shortcomings should be addressed first through targeted clarification within existing frameworks.

▶▶ Avoid additional, duplicative legislative initiatives – especially a directive that could lead to divergent rules at national level – resulting in legal uncertainty and Single Market fragmentation. Such a scenario could force local software variants, slow deployment and raise costs, especially for SMEs and startups.

▶▶ Invest in workforce upskilling and reskilling initiatives, supported by adequate EU funding in the next Multiannual Financial Framework, to prepare workers for AI-driven transformation.

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The right approach to AI in the workplace

DIGITALEUROPE and its members are committed to the development and deployment of responsible and human-centric AI. The EU has taken a decisive global lead in setting a comprehensive regulatory framework that prioritises trust, safety, and innovation – with the AI Act as its centre.[1] As the core legal architecture is now in place, with strong regulatory safeguards protecting citizens from abusive and intrusive AI practices, European institutions should focus on the proper implementation and enforcement of the AI Act, the General Data Protection Regulation (GDPR)[2] and the EU's long-standing labour and equality *acquis*, and refrain from introducing new legislation on the use of AI in workplace contexts.

Applicable legislation and existing safeguards

AI Act

The recently adopted AI Act has established a high-risk classification system that covers the use of AI systems in the workplace.[3] These systems must meet strict requirements, including provisions for human oversight, to ensure they are not used in ways that discriminate against or harm workers. Employees and their representatives must also be informed if any such systems are used in their workplace.[4] These obligations bind both AI providers and deployers – that is, employers – throughout the AI systems' lifecycle.

Moreover, the AI Act completely prohibits, since February 2025, the development and usage of a wide range of AI systems, including but not limited to emotional recognition technologies (notably when used at work),[5] real-time biometric identification systems, untargeted harvesting of facial recognition databases from the internet or social scoring. The AI Act reinforces protections for employees' health, safety, and fundamental rights at every level.

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[1] Regulation (EU) 2024/1689.

[2] Regulation (EU) 2016/679.

[3] Annex III, point 4, AI Act.

[4] Art. 26(7) AI Act.

[5] Art. 5(1)(f) AI Act.

As a horizontal law, supported via coordinated enforcement by the European Commission, data protection and labour authorities, the AI Act provides a scalable and protective framework across the whole EU without undermining its Single Market.

Other EU safeguards: GDPR and work-related laws

The level of protection brought by the AI Act is further and most significantly reinforced by GDPR. By giving data subjects the right to oppose automated decision-making, it guarantees that humans remain in control of workplace decisions, such as dismissals or changes to terms and conditions of employment, even when AI systems are involved.[6] The GDPR also strictly limits the collection, processing, and storage of personal employee data to what is strictly necessary. This protects employees from undue surveillance and privacy violations, independently of whether AI systems are deployed.

Additional safeguards are provided by a wide range of existing EU legislation, including the Information and Consultation of Employees Directive, the Framework Directive on Safety and Health at Work, the Working Time Directive, the Directive on Transparent and Predictable Working Conditions, the Platform Work Directive, the Work-Life Balance Directive, Employment Equality Directive, and the Equal Treatment Directive.[7] Together, these instruments form a comprehensive regulatory framework fully equipped to address the complexities and challenges of AI in the workplace.

In sum, the EU *acquis* already provides robust and comprehensive protection against discrimination and guarantees that employees' wellbeing is preserved. It prohibits biased algorithmic decision-making and ensures that employers maintain responsibility for safeguarding employees' health, for example regarding risks such as excessive workload, job isolation, reduced autonomy, stress, insecurity, depression, and anxiety, whether these arise from traditional or AI-enabled work environments. Likewise, it ensures that workers are informed and sufficiently consulted about the use of technologies, be they powered by AI or not, that affect them in their workplace.

Way forward: enforce current frameworks and build skills for the future

Implement coherently existing laws and monitor their impact

For this existing robust framework to succeed in practice, consistent and streamlined implementation and effective enforcement are needed across all Member States. This, combined with the Commission's ongoing simplification efforts, which we strongly support, will drive forward the EU's competitiveness agenda and continue to foster growth and innovation.

High-risk AI requirements under the AI Act are set to apply from August 2026 for key workplace-related AI use cases. The full impact of the law, including measures pertaining to the employment space, can only be assessed a couple of years after that date.

Introducing additional legislation at this stage would risk adding unnecessary complexity and legal uncertainty, especially for SMEs and startups already struggling to navigate compliance with the existing *acquis*.

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[6] Art 22 GDPR.

[7] Directives 2002/14/EC, 89/391/EEC, 2003/88/EC, (EU) 2019/1152, (EU) 2024/2831, (EU) 2019/1158, 2000/78/EC and 2006/54/EC, respectively.

This is especially relevant as any additional regulatory requirements would have to be introduced by means of a directive, which can be expanded upon and implemented differently by Member States, to fit their existing labour legislation. There is, therefore, not only a risk of duplicating existing safeguards enshrined in the GDPR and the AI Act, but in fact a great likelihood of setting further divergent rules across the Single Market, creating fragmented rules for the use of AI systems in workplaces and an uneven playing field within the EU. Introducing a new Directive would run directly contrary to the Commission's efforts to reduce national barriers and simplify the deployment of AI technologies across Europe.

If any gaps in the existing framework are suspected, an in-depth analysis should first be conducted before any new proposals are considered. Should gaps be identified, the focus must be on addressing them through existing legislation and clarifying how current rights can be applied in the workplace context in the age of AI, so as to not undermine the consistency of the broader EU regulatory framework.

Invest in the workforce and the jobs of the future

DIGITALEUROPE and its members are committed to supporting Europe's workforce through upskilling and reskilling initiatives. With our corporate and national association members, we are for instance involved in several EU-funded skills projects, such as Arisa, the European AI Skills Alliance.[8] Across the EU, companies are already playing their part by leading a wide ranging numbers of initiatives to ensure that workers are equipped to adapt to technological change and benefit from the opportunities that responsible AI can bring. This includes launching mentorships, online academies and university partnerships.

The European Commission should work with Member States to further assess the impact, positive and negative, that AI will have on workers and their jobs. Such analysis should be the basis to develop inclusive education and training schemes to help upskilling and reskilling of citizens, so that their competences evolve with AI and technological change. Public-private partnerships are essential for the design and delivery of effective AI skills strategies in the EU. We are delighted to see this reflected in the EU's Union of Skills, which we strongly support.[9]

Finally, as preparations begin for the 2028-2034 Multiannual Financial Framework, a sufficient part of the future EU budget should be allocated to funding initiatives for large-scale upskilling and reskilling, covering general AI literacy and technical knowledge, as well as complementary business and soft skills. This approach will empower workers, enabling them to harness AI and digital tools effectively and responsibly, ensuring that Europe builds the jobs and competitiveness of the future.

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[8] See https://aiskills.eu/

[9] To build a true Union of Skills, we also recommend making competences portable via a Digital Skills Passport that links industry-recognised certifications and EU-recognised micro-credentials. See *DIGITALEUROPE, Closing the talent gap: Priorities for Europe's skills agenda*, available at https://www.digitaleurope.org/resources/closing-the-talent-gap-priorities-for-europes-skills-agenda/

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About DIGITALEUROPE

DIGITALEUROPE is the leading trade association representing digitally transforming industries in Europe. We stand for a regulatory and investment environment that enables European digitalizing businesses across multiple sectors and citizens to prosper from digital technologies. We wish Europe to grow, attract and sustain the world's best digital talents, investment and technology companies. Together with our members, we shape the industry policy positions on all relevant policy matters and contribute to its development and implementation. Our membership represents over 45,000 businesses who operate and invest in Europe. It includes corporations and scale-ups which are global leaders in their field of activity, as well as national trade associations from across 30+ European countries.