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CONSULTATION DOCUMENT

Second-phase consultation of social partners under Article 154 TFEU on possible EU action to improve working conditions, health and safety at work and implementation of workers' rights – Quality Jobs Act

{SWD(2026) 239 final}

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1. Introduction

Europe's unique quality of life serves as a competitive advantage for our economy.[1] A key contributor to this advantage is the availability of quality jobs and well-being of EU workforce. Competitive businesses ensure that Europe continues to create quality jobs.

To remain competitive, businesses need to become more digital, more sustainable and agile. Digitalisation, the decarbonisation of the economy, geopolitical instability, and globalisation are impacting Europe's businesses and workers alike, reshaping workplaces and the way we work. For example, today, around one third of workers in the EU work outside the employers' premises[2]. Around 30 % of workers use digital devices for the entirety or most of their working time[3]. These trends, alongside demographic shifts[4] and labour shortages, make good working conditions a key factor in attracting and retaining skilled workforce.

Against this backdrop, the EU regulatory framework needs to remain fit and **future-proof to foster inclusive job quality but also to enhance businesses competitiveness**, driving productivity and long-term resilience. Europe's social market economy must continue to deliver both business opportunity and workers protection.

In her 2025 State of the Union address, the President announced that the Commission would propose a Quality Jobs Act to ensure that **modern employment keeps pace with the modern economy**. The initiative aims to modernise and simplify the EU framework in a targeted way, enhance the enforcement of existing rules, and explore opportunities to promote social dialogue and collective bargaining.

The first-phase consultation of EU social partners on a Quality Jobs Act initiative was launched on 4 December 2025, together with the Quality Jobs Roadmap, a commitment to improving job quality and creating **high-quality and future-proof jobs in Europe**. The results of the consultation are set out in this document and in **the accompanying analytical document**[5].

Having considered the views expressed by EU social partners in the first-phase consultation, the Commission has concluded that the need for EU action and its potential content should be further explored in several areas that were considered in the first phase.

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[1] Political Guidelines 2024-2029.
[2] EU-OSHA, 2025, OSH Pulse 2025: Occupational safety and health in the era of climate and digital change, OSH-pulse-2025-climate-digital-change_EN.pdf
[3] EU employment: use of digital devices - News articles - Eurostat, EU employment: use of digital devices - News articles - Eurostat
[4] According to the 2023 Eurostat Labour Force Survey, the EU-working age population is expected to decreased by around 35 million (-11 %) between 2022 and 2025.
[5] SWD(2026) 239

This document therefore launches **the second-phase consultation of the EU social partners, in accordance with Article 154(3) TFEU, on the possible content of EU action.** It brings together the main results of the first-phase consultation, deepens the analysis of the challenges identified and sets out potential avenues for EU action. It seeks the views of the European social partners on the objectives, possible avenues and possible instruments for EU action. It also asks about their willingness to enter into negotiations with a view to concluding an agreement under Article 155 TFEU. In parallel with this consultation, the Commission is continuing to gather further evidence on the challenges described.

The areas that are being considered include: (i) the right to disconnect and telework[6]; (ii) algorithmic management in the workplace; (iii) occupational health and safety risks in the workplace (including psychosocial, ergonomic and heat- and weather-related risks) and the use of display screens at work; and (iv) the protection of workers' rights in subcontracting chains and v) just transitions. In addition, the initiative looks into possibilities for better enforcement of existing rules and explores further opportunities to promote social dialogue and collective bargaining.

These areas follow up on legislative own-initiative reports by the European Parliament under Article 225 TFEU on the right to disconnect, algorithmic management and just transitions and on the non-legislative report on addressing subcontracting chains and the role of intermediaries in order to protect workers' rights.

The Quality Jobs Act initiative aims to **complement and update the EU rules in a targeted way** to adequately protect workers in the modern world of work while minimising the burden on companies, especially on small and medium-sized companies. The initiative will contribute to the simplification agenda and take into account the results of the ongoing screening and gap analysis of the existing rules but also the diversity of national systems and the need for space for implementation by the social partners.

It will take into account the **EU strategic framework on health and safety at work** 2021-2027[7], which highlighted the need to modernise the EU Occupational Safety and Health (OSH) legislative framework in order to take into account the digitalisation, **the EU Anti-Poverty Strategy** and forthcoming initiatives, including the action plan for the implementation of the **European Pillar of Social Rights, the Fair Labour Mobility Package.** The initiative will be guided by the principles laid in the Commission's Communication on a simpler, clearer, and better enforced EU rulebook[8], particularly, regulatory discipline, future-proofed and adaptive rules, implementation-focused design, consistency and coherence.

1.1. Consultation of the social partners – first phase

Between 4 December 2025 and 29 January 2026, the Commission carried out **the first-phase consultation** of the European social partners to seek their views on the possible direction of EU action to improve job quality. The consultation highlighted several areas that a future initiative could cover, including:

[6] This document does not re-examine issues on which the Commission already sought the views of the social partners in the two-phase consultation on the right to disconnect and telework carried out in 2024 and 2025, except for occupational health and safety matters, which are further detailed in Section 3.
[7] EU strategic framework on health and safety at work 2021-2027, COM(2021) 323 final.
[8] COM(2026) 380 final.

- Algorithmic management (AM) and artificial intelligence (AI) at work
- OSH at work
- Protection of workers' rights in subcontracting
- Just transition
- Enforcement and the role of social partners

The consultation complemented the consultation on the right to disconnect and telework finalised in October 2025. In addition, the social partners in the European Social Dialogue Committee for Central Government Administrations – TUNED on the trade union side and EUPAE for employers – signed a Framework Agreement on Digitalisation. The agreement contains clauses on the use of digitalisation at work, including aspects related to teleworking and the right to disconnect, health and safety and artificial intelligence. The signatory social partners have asked for it to be implemented as EU law under Article 155(2) TFEU. That request will be assessed in light of this consultation and of the Commission's decision on the content of the envisaged proposal.

34 recognised EU-level social partners sent written replies to the first-phase consultation, of which 12 were trade unions and 22 employer organisations (for a full list, see Section 1.2 of the accompanying analytical document).

In their responses, all **trade unions** agree on the need for EU legislation across all the areas presented in the first-phase consultation document. They emphasise precarious work and poor working conditions for specific categories of workers (mobile, migrant) or sectors (construction, agriculture, transport, etc.), and suboptimal enforcement of the existing acquis. They also call for EU-level intervention to guarantee a high and consistent level of protection for all workers. They highlight the need for: (i) stronger collective bargaining and social dialogue; (ii) employment-specific rules on the use of AI and algorithmic management, telework and the right to disconnect, subcontracting and just transitions, including additional measures to promote training, collective bargaining and social dialogue in the context of transitions; and (iii) comprehensive action on OSH, particularly on psychosocial risks, heat and sector-specific hazards. They also call for comprehensive action to strengthen enforcement of the EU labour law, underlining the need for stronger labour inspectorates and more effective labour inspections, effective sanctions and access to justice, and protection for workers who report abuses.

Trade unions call for upholding employment standards, workers' rights and the ability of trade unions to act effectively, while opposing the lowering of any standards and rights for reducing administrative burdens and fostering competitiveness and simplification. At the same time, they support improving clarity and accessibility of legal frameworks to facilitate implementation and enforcement.

Employer organisations also have similar positions to each other. They emphasise that the regulatory framework in the Member States is already extensive, and EU action should focus on implementation, improved enforcement at national level and reducing administrative burdens through targeted simplification proposals. They underline it is the competitiveness of EU companies that improves job quality, rather than more detailed legislation, which would slow down innovation and investment. Employer organisations consider that the EU should focus on facilitating reskilling and upskilling of the workforce. They warn against introducing additional

rules and stress that new obligations should only be introduced where there is clear, demonstrable EU added value, after a thorough competitiveness assessment. Any new rules need to preserve competitiveness and be workable for companies of all sizes, including micro-enterprises. Employer organisations underline that reducing administrative burdens – especially for SMEs – is a key condition for sustaining quality jobs. Moreover, the initiative should fully comply with Better Regulation principles including subsidiarity and proportionality.

All employer organisations emphasise that social dialogue and collective bargaining are the appropriate tools to further improve job quality where necessary and possible, in accordance with national law and practice and taking into account sectoral realities and needs. The EU should set out common objectives and broad principles, while leaving space for national and sectoral social partners to design tailored solutions. Further, employers consider that the topics presented in the first-phase consultation document touch on different areas of labour law and addressing them in a single initiative risks creating complexity, uncertainty and misunderstanding of the rules, undermining the objective of simplification.

Details of the social partners' replies to the first-phase consultation, including their views on the specific challenges and potential solutions, are presented in the **accompanying analytical document**: algorithmic management and artificial intelligence at work (Section 2), OSH at work (section 3), protection of workers' rights in subcontracting (Section 4), just transitions (Section 5) and enforcement and role of social partners (Section 6).

2. Algorithmic management and artificial intelligence at work

2.1. The challenges

The use of artificial intelligence (AI) and algorithmic management (AM) can help businesses achieve operational efficiency and strengthen their competitiveness. It can also optimise work organisation by reducing idle time and streamlining workflows. As stated in the **European Technology Sovereignty Package**, technological innovation is both a driver of economic growth and a cornerstone of Europe's just societal transition and social market economy. Digital advancements must contribute to the creation of quality jobs.[9]

Algorithmic management (AM) is commonly understood as the use of automated monitoring systems and automated decision-making systems that replace functions that managers usually perform, such as allocating tasks, pricing individual assignments, determining working schedules, giving instructions, evaluating the work performed, providing incentives or applying adverse treatment. AM, which may be AI-driven or not, is distinct from broader AI applications in other areas such as product development, logistics optimisation, or customer analytics. While AI adoption refers to the use of AI across business functions, AM specifically concerns the automated management of the workforce. AM is also distinct from the use of generative AI at work, which has spread rapidly in workplaces. AM can thus be understood as both a component of overall adoption of automation and AI and one of its most direct expressions in the organisation of work.

AM is increasingly deployed in European workplaces across multiple sectors, moving beyond the platform economy, and transforming labour processes across the economy. The use of AM has

[9] Commission proposes tech sovereignty package to strengthen Europe's digital autonomy and resilience.

become particularly prevalent in some sectors, such as financial services, transport, and industry.[10] The use of AM helps businesses seeking operational efficiency and competitive advantage because it can, for instance, measure and evaluate employee performance, predict staff turnover, detect emerging skills gaps, or allocate shifts in a more expedient and efficient manner. AM has the capacity to optimise work organisation, cutting out idle time and accelerating the pace of work.

To fully realise the efficiency gains offered by AM, its deployment must be safe and future-proof. If poorly designed or implemented, short-term efficiency gains may be offset, as the discretionary use of AM can have negative consequences for workers' mental and physical well-being, ultimately affecting productivity, workforce retention and business competitiveness. Reported high stress levels among workers and daily burnout, sleep disruption or emotional exhaustion due to constant algorithmic oversight can undermine workplace satisfaction and job quality rather than supporting it.[11]

Firms with more structured management practices adopt AI more broadly and extract greater productivity returns from it.[12] The way in which AI is deployed in workforce management shapes the conditions under which AI investment translates into economy-wide gains.

Ensuring that AM is fair and transparent is therefore essential to obtain employers and workers' buy-in for the latest technology. The majority of Europeans have a positive view of using robots and AI, including at workplaces (63%), but they also consider that such technologies require careful management (84%).[13] In order to sustain productivity gains, AM systems that prioritise fairness, transparency, equality and workers' well-being must be implemented. AM will be a success if it is implemented in line with the principles of the European social market economy.

The following challenges for productive deployment of AM technologies in EU workplaces have been identified:

Challenges related to transparency and information

The use of AM tools offers managers opportunities for supervision and control over production processes. To ensure successful adoption of such tools and secure acceptance among workers, it is important to introduce them in a transparent manner and avoid that automated systems operate in the background or in an opaque manner. Workers and their representatives want and need to understand which systems are in place and how algorithms are used to supervise them and to reach certain managerial decisions, impacting their working conditions. Clear and accessible information

[10] Based on ongoing analysis of the results of the AIM-WORK survey, the European Working Conditions Survey, the ESENER survey, case studies and other quantitative and qualitative evidence gathering.

[11] Ongoing analysis, including of the results of AIM-WORK and EWCS, shows a significant negative correlation between the use of AM in workplaces, and various dimensions of job quality, including autonomy and work intensification. The analysis also shows that exposure to AM consistently raises demands on workers, particularly quantitative, emotional, and time-related demands. Performance monitoring is particularly impactful. See also e.g. Surveillance and Algorithmic Control in the Call Center; Making Call Center Jobs Better: The Relationship between Management Practices and Worker Stress; The Algorithm Never Blinks: Why Contact Center AI is Creating a New Kind of Agent Burnout - CX Today.

[12] Bick, Blandin, Deming, Fuchs-Schündeln and Jessen, *Mind the Gap: AI Adoption in Europe and the U.S.*, NBER Working Paper No. 34995, March 2026.

[13] Special Eurobarometer 554, Artificial Intelligence and the future of work, April - May 2024.

on the functioning of AM systems and their main parameters can reduce the risk that algorithmic systems produce discriminatory or unequal outcomes affecting specific groups of workers.

For example, automated performance review systems, which are used for between 18-25% of workers in the EU, can suggest which workers should be offered a promotion or pay rise. This may result in fairer and more objective outcomes, provided that managers and workers have full clarity about how such outcomes are reached. And that managers exercise genuine discretion in their decisions. When workers are faced with decisions based on automated decision-making, profiling or scoring that have a big impact on their working conditions or future careers, they have an interest in understanding the reasons and criteria for such outputs. Similarly, they may want to have direct or timely access to the personal data collected or generated by automated monitoring systems regarding their work performance and productivity, so as to be able to rely on them in wage negotiations or discussions with worker representatives.

Automated workforce scheduling already covers between 10% and 29% of workers. Such systems can improve shift allocation when based on both business needs and worker preferences. However, when mis-designed, they can lead to unpredictable or unstable work schedules that could lead to stress, reduced well-being and health. Clear communication and worker participation on how such systems work and are used is key.

Existing legislation, in particular in the data protection (GDPR), the digital (AI Act) and the information and consultation directives already provide substantial safeguards to workers who are subject to algorithmic management. This includes various rights to information, participation, explanation of automated decisions, access to personal data and different risk assessments.[14] These protections have certain limitations and may be complex to navigate, raising the question if better implementation, more guidance or additional targeted rules are needed.

Challenges related to human involvement

Human-centric design and use of AI applications is one of the main objectives of the EU's digital agenda. The 'human in control' principle should guide the deployment of AM systems in EU companies, to preserve the agency of both managers and workers in labour relations and to foster trust in workplace technology.

Exercising judgment in important decisions affecting workers, such as promotion or dismissal, should take account of the complexity of workplace situations in a qualitative and not only quantitative manner. Machines cannot show empathy or flexibility to factor in workers' individual situation or out-of-the-norm needs and circumstances. Such human context is often required for positive and constructive dynamics in our workplaces. Human managers should remain accessible for workers to discuss important work-related aspects and find mutually agreeable solutions, while workers may need remedies to be able to challenge significant decisions or other outcomes based on automated decisions, recommendations or scoring.

Human control ('human-in-the-loop') over significant algorithmic decisions can reduce or mitigate the risks arising from full or partial automation, allowing humans to retain discretion and

[14] See the accompanying analytical document for a detailed analysis of the existing rules, as well as possible areas where further clarity may be needed.

responsibility. Increasing automation of management tasks risks to reduce human contacts or mutual understanding and trust between managers and workers.

Existing EU regulations, in particular the GDPR and the AI Act, incorporate a human-centric approach and contain important principles and safeguards for automated decision-making, human involvement and human oversight of high-risk AI systems, that apply in many workplace situations.[15] These protections have certain limitations and may be complex to navigate, raising the question of whether better implementation, more guidance or additional targeted rules are needed.

Challenges related to monitoring of workers

Advanced monitoring systems enable managers to exercise their prerogative of supervising and controlling work performance, while allowing them to devote more time and attention to higher-value tasks. If used with care and circumspection, such systems can contribute to more objective assessment and better protection of workers' health and safety. For instance, wearable devices used for OSH purposes, such as smart helmets or bracelets, can monitor and assess physiological parameters, such as heart rate, body temperature or workers' postures and movements, providing real-time risk detection and alerts. Biometric technology, such as facial recognition, is increasingly used to control access to sensitive premises or data, or to measure working time.

Based on advanced technology and extensive computing power, the capabilities of automated control surpass what is possible under human supervision, opening the door to constant, intensive and fine-grained data collection and intrusive surveillance. Around six in ten Europeans (63%) hold negative perceptions towards the use of digital technologies, including AI, to monitor workers, and more than seven in ten (72%) think it important to limit automated monitoring of employees.[16]

AM makes it possible to track every minute of productive work or label the rest as 'idle time', potentially impinging on workers' privacy, and exerting pressure on workers, leading to stress, anxiety and other psychosocial risks. For example, in certain warehouses, task completion is tracked by the second or fractions of a second.[17] Based on such monitoring data, algorithms can autonomously define productivity quotas or targets by which workers have to complete certain tasks or determine the rhythm of task allocation leading to an intensification of work which can put at risk health and safety.

Related risks exist for the use of neurotechnology in the workplace: non-invasive brain monitoring technology enables employers to measure employees' cognitive states, such as concentration and fatigue. This privacy-sensitive technology can allow accident prevention in high-risk work settings, but may not necessarily be justified for other purposes, such as to ensure customer satisfaction. It thus requires a careful balancing of rights and interests.

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[15] See the accompanying analytical document.

[16] Special Eurobarometer 554 (see above).

[17] In France, the Commission Nationale de l'Informatique et des Libertés (CNIL), in its decision SAN-2023-021 from 27 December 2023, found that Amazon France measured 43 'quality indicators' which correspond to the 'actions of employees likely to cause quality errors', such as placing an item in storage in a location other than that recommended or scanning articles too quickly. Among the 43 quality indicators, the so-called Stow Machine Gun indicator indicated 'the storage of an article in the 1.25 second of the storage of the previous article'.

Similarly, employers can legitimately use 'people analytics' tools to predict staff turnover and estimate hiring needs. This technology can, however, also be used to forecast the likelihood of individual workers' behaviour, such as quitting a job, taking family-related leave or joining a trade union or strikes. This raises ethical questions about the legitimacy of such predictions.

Important guardrails against intrusive and harmful monitoring already exist, such as the AI Act's prohibition of emotion recognition in the workplace or the GDPR's requirement of a lawful ground for personal data processing and its general principles of data minimisation and purpose limitation.[18] However, there are no employment-specific rules or guidance on the admissibility or conditions for certain practices such as neurotechnology in the workplace, or predictive AI to forecast individual employee behaviour or exercise of certain rights.

Challenges related to collective governance of AM

Collective rights and social dialogue are useful tools to channel conflicts and find mutually beneficial and acceptable solutions in European workplaces. They can help achieve a more consensual and trust-based approach to workplace technology and avoid harmful AM practices. Successful adoption of AM tools should avoid that vast amounts of data collected through algorithmic monitoring increase information asymmetries between employers and workers, weakening the position of workers and their representatives in collective bargaining or workplace conflicts. It is thus important that the introduction of AM tools sustains rather than erodes the ability of workers and their representatives to defend their rights collectively.

Information and consultation of worker representatives is already required for company decisions likely to lead to substantial changes in work organisation or in contractual relations, including those stemming from digital transitions, such as introducing AM in the workplace.[19] It might be useful to keep workers representatives involved in the lifecycle of AM systems in a company, such as monitoring and testing such systems if there are justified concerns about their outputs or impacts. A participatory co-design or a collaborative approach in the selection and adoption of technology has proven to be an enabler for building trust and enhancing the uptake of AM.

Challenges related to regulatory complexity, implementation and compliance

Complete and consistent implementation of the existing EU acquis applicable to algorithmic management in the workplace and the related national frameworks appears challenging for both employers and enforcement authorities, according to the evidence available.

Employers, including SMEs, are highlighting complex existing rules, deriving from frameworks at EU and national levels as well as differences in requirements and procedures when operating in the Single Market. Existing EU regulations are enforced by different competent authorities, such as data protection supervisory authorities (GDPR) and market surveillance authorities (AI Act), which need to develop their capacities to work with labour authorities and social partners to ensure proper implementation of those rules in workplaces. Moreover, all parties – from workers and their representatives over line managers and HR departments – need the awareness, skills and capacities to responsibly use AI and AM tools in compliance with existing rules.

[18] See more detail in the accompanying analytical document.
[19] See more detail in the accompanying analytical document.

The Commission is currently gathering further evidence on the challenges identified in this section and their consequences. Further details are included in Section 2.2.3 of the analytical document accompanying this consultation document.

2.2. Need for EU action

Member States' labour markets are facing common and structural challenges driven by digitalisation, technological change and evolving forms of work organisation. The increasing use of AM offers significant opportunities for productivity growth, improved work organisation and better monitoring of the respect of workers' rights, but can also pose risks to workers' rights and working conditions across the EU.

National action alone is unlikely to fully address these challenges, as Member States may adopt differing levels of worker protection or regulate the use of innovative workplace technologies to varying degrees.[20] Currently, employers operating in more than one Member State may face multiple, potentially inconsistent requirements, while workers performing comparable tasks may enjoy different levels of protection depending on where they work. Such fragmentation complicates compliance and risks impeding the well functioning of the single market.

Moreover, in line with its horizontal nature, existing EU regulations do not focus on specific sectors or domains and contains general language which requires interpretation on how they apply in the employment field. This raises the question of whether sector-specific guidance, amendments to existing legislation, or additional targeted rules are needed. An EU initiative could clarify or, where necessary, set out minimum requirements applicable to all employers in the EU, allowing them to operate in a predictable and coherent legal landscape with common minimum labour standards. In addition or instead of minimum requirements, guidance could be developed[21] to help employers and workers understand what existing requirements mean for the deployment of AM systems.

2.3. Possible directions of EU action

- **Proposed objectives**

In light of the challenges identified above, the overall objective of EU action on AM and AI at work would be to support and enable the take-up of AI at work, in line with existing efforts, while strengthening competitiveness, promoting quality jobs and good working conditions, and protecting fundamental rights, including privacy and personal data protection.

- **Avenues for EU action**

EU action would focus on effective implementation and enforcement of existing EU protection for workers across all Member States, and on further clarifying that protection, for instance in the form

[20] In the absence of EU-level requirements specifically addressing AM, a few Member States have drawn up their own rules. Article 88 GDPR and 2(11) of the AI Act explicitly allow the maintenance or introduction of 'more specific' national rules (GDPR) or 'more favourable' EU or national rules (AI Act) in the field of employment. As a result, the conditions under which AM systems may be deployed, and the safeguards applicable to workers risk diverging significantly across the EU. This fragmentation is particularly problematic given the cross-border nature of digital technologies and business operations.

[21] Where such guidance also concerns the application of the GDPR, it would have to be done in close cooperation with the European Data Protection Board (EDPB).

of interpretative guidance. If necessary, targeted complementary measures not covered by the current rules could be considered, with a view to future-proofing the EU legal framework. Any future EU action will need to demonstrate clear added value, guaranteeing full consistency with the existing legal framework and avoiding duplication. A further consideration is simplification, as regards administrative burdens on workers and companies, and clarification of the interaction with other EU rules.

At the same time, EU action would seek to lower barriers for employers to take-up AI at work, particularly for SMEs and mid-caps, support skills and capacity building, and ensure a level playing field in the single market. It would also seek to boost innovation, and the contribution of AM to productivity and competitiveness while respecting workers' rights. In any event, it would not impose any new obligations on providers of AI systems, as these matters are already fully harmonised under the AI Act.

- *Transparency and information*

Clear, timely and understandable information on the use of AM is a precondition for trust, acceptance and uptake of these tools in the workplace, as it provides workers and employers with greater predictability and opens avenues for prevention of harm and redress in case of unfair or discriminatory outcomes. This could be achieved by building on the protection already provided by the information and consultation directives, the GDPR and the AI Act in particular.

The Commission could issue guidance to clarify the application of existing legal obligations in the context of algorithmically managed workplaces, in particular as regards information and explanation rights. Despite the protections and safeguards already provided in the existing framework,[22] workers may in some circumstances still lack timely and full information and understanding of how algorithms work, what kind of data they process and how they take decisions impacting working conditions. Direct access to their own performance scores or productivity indicators generated by AM systems would enable workers to check accuracy and relevance, to detect potential errors or biases, or to transfer that data to workers' representatives or other organisations in search for help. Lastly, assessments of the risks and impacts of AM systems under the GDPR, AI Act and OSH rules can ensure safe and fair operation.

- *Human involvement*

EU action could further strengthen the 'human in control' principle in the deployment and use of AM systems, building on the safeguards in existing legal instruments. First, ensuring that significant decisions based fully or partially on automated outputs, such as scoring or recommendations, are always subject to human review would enable workers to discuss and contest them with management. This would address the risk that decisions with significant consequences for workers are taken or determined by AM systems without sufficient and meaningful human involvement.

Second, meaningful and effective human oversight over significant decisions taken or supported by AM systems, including those that are not AI-based or deemed 'high-risk' under the AI Act could help tackle possible faults or biases. It could also ensure that breaches of workers' rights are

[22] A detailed description of the legal framework and its limitations is provided in the accompanying analytical document.

detected so that employers take appropriate corrective measures to prevent similar outcomes in the future, provided that a careful evaluation of the potential risk level of such systems is carried out.

Third, ensuring that decisions of the utmost significance, such as promotion, disciplinary action or dismissal, be taken by a human exercising genuine discretion over the final outcome, would ensure that workers' individual circumstances are properly taken into account in AM and help build trust in the system.

It is thus necessary to assess whether there are sufficient guarantees regarding the protection of workers' rights in the context of the most important decisions, or if additional EU intervention is required. EU action could clarify the application of relevant rules, including the GDPR, the AI Act and the labour law acquis, to algorithmic management to support implementation and compliance.

- *Ethical limits and proportionality*

In order to prevent potential practices from undermining workers' dignity, autonomy and fundamental rights, and to avoid disproportionate or intrusive use of AM systems, certain safeguards could be introduced where genuine gaps are identified. They could cover, for example, the deployment of neurotechnology to measure fatigue or concentration, or the use of data to predict individual behaviour of workers or the exercise of fundamental rights such as the freedom of association. Proportionality of any safeguards could be ensured with limited and justified exceptions, for example for health and safety purposes, training needs, or to comply with legal obligations.

EU action could provide guidance on the application of existing rules in the context of algorithmically managed workplaces, thereby contributing to greater legal clarity and simplification.

- *Social dialogue and collective governance*

Collective governance might be particularly important where AM affects core elements of the employment relationship, and where individual rights alone may be insufficient to address systemic risks. Workers' representatives could therefore have an enhanced role in the review of AM systems, for instance to trigger an *ex-post* audit or test of AM systems in cases of justified concerns or evidence of systemic faults or biases or excessive monitoring and other adverse effects. Such a mechanism could facilitate enforcing workers' rights and resolving issues through social dialogue systemically, rather than solely through individual complaints and administrative or judicial proceedings. These oversight arrangements would be designed in a balanced way to minimise burdens while protecting workers. These safeguards would also contribute to more trust in the use of AM and to more widespread take-up and responsible use.

Lastly, EU action could support Member States and the social partners to promote social dialogue – including by addressing the challenges in collective agreements. The EU could also support capacity building of social partners, facilitate the exchange of good practices and peer learning among Member States, awareness-raising and guidance, training and skills development, and support to enforcement authorities.

Replies to the first-phase social partner consultation

Workers' organisations argue for binding EU legislation, citing gaps in existing frameworks for addressing the challenges to protecting workers' rights and labour conditions posed by the use of

AI systems (e.g. (i) lack of clear measures to protect workers against continuous physical and mental pressure from AM; (ii) no active worker involvement in the deployment of AI systems; (iii) no effective involvement of workers and their representatives in the risk assessment of AI systems used in employment contexts; (iv) no oversight by labour inspectorates). They emphasise the importance of transparency and clarity, humans being in control, and strong worker and trade union involvement, and request that the productivity gains that result from the deployment of AM tools be fairly distributed. They highlight the need for adequate training. They plead for the Quality Jobs Act to follow the Platform Work Directive as a blueprint.

Conversely, **employers' organisations** oppose additional EU regulation, emphasising the need for consistency and effective implementation of existing rules rather than new ones. They recognise that AM and AI at work are on the rise in all sectors and companies, highlighting the importance of innovation for productivity gains and competitiveness. A call for more, better and prompt enforcement is made, under the assumption that AM is largely covered by the current EU framework. BusinessEurope supports clarifying and regrouping the different existing legal requirements to be complied with when deploying or using AM and AI at work. They warn against regulatory overlaps, which may delay AI development in the EU and undermine simplification. They also suggest that EU action to address AM take the form of non-legislative instruments to help businesses and workers adapt to the new realities of work. These instruments include targeted SME-friendly guidance on the interaction between the GDPR, AI Act and labour law, good practice exchanges, support and capacity building, such as on AI literacy. One answer that stands out as not explicitly opposing EU regulation – it comes from the education employers in the education sector.

3. Occupational safety and health at work

3.1 The challenges

The accelerated technological, economic and demographic transformations in combination increasing climate change impacts, are changing the world of work and affect workers' health and safety. Maintaining Europe's competitiveness requires a healthy, resilient and efficient workforce. Effective and up-to-date standards of occupational safety and health at work are therefore essential to help people remain active in the labour market, reduce sickness-related absences and support efficiency, which in term will contribute to addressing challenges brought by a reducing EU-working age population.

Challenges related to the scope of the Workplace Directive

At present, around one third of workers in the EU (32%)[23] work most of the time outside the employers' premises, with the share of workplaces reporting workers working from home on a regular basis rising significantly over the past five years, from 13% in 2019 to 23% in 2024[24]. The definition of 'workplace' in the Workplace Directive[25] only covers work from the employer's premises and does not cover working off-premises, including homeworking. Consequently, the

[23] EU OSHA, 2025, OSH Pulse 2025: Occupational safety and health in the era of climate and digital change, OSH-pulse-2025-climate-digital-change_EN.pdf

[24] EU OSHA, 2024, First findings of the Fourth European Survey of Enterprises on New and Emerging Risks (ESENER 2024), first-findings-esener-2024_EN.pdf.

[25] Council Directive 89/654/EEC of 30 November 1989 concerning the minimum safety and health requirements for the workplace.

current provisions create risks of insufficient and unequal OSH protection as OSH roles, rights and responsibilities for off-premises work, including homeworking, are unclear.

In addition, the Workplace Directive explicitly excludes workers in 'fields, woods and other land forming part of an agricultural or forestry undertaking but situated away from the undertaking's buildings' from the scope[26], even though they can be exposed to high OSH risks. This creates different levels of protection for agriculture workers depending on where the land is situated. In 2023, agriculture, forestry was the economic activity with the third highest incidence of fatal accidents at work in the EU, after mining and quarrying, and construction[27]. According to OSH Pulse 2025, workers in agriculture, horticulture, forestry report the highest exposure to extreme heat (35%)[28], while exposure to UV radiation affects in particular outdoor workers, such as farm workers[29]. In its opinion on the update of the Workplace Directive, the Advisory Committee on Safety and Health at Work recommended extending the scope of the Workplace Directive to a wider range of workplaces by removing exemptions such as that in Article 1(2)(e)[30].

Challenges related to new types of Display and Screen Equipment (DSE) and ways of using DSE at work

Since 1990, a growing share of industries and occupations have been using DSE. In 2025, 78% of workers across the EU used laptops, tablets, smartphones or other portable computer devices that connect to the internet for their main job[31]. However, these types of devices are not covered by the DSE Directive, namely, they are not specifically referred to in the DSE Directive's definition of display screen equipment[32] and the provisions of the Directive exclude the use of 'portable systems not in prolonged use at the workstation'[33]. Additionally, mobile DSE enables workers to work from various locations, but it is unclear if the DSE Directive offers protection outside the premises of the employer. Thus, the current provisions could limit OSH protection for workers using new types of DSE, such as tablets and laptops, for work.

Challenges related to the increased prevalence in particular of ergonomic, heat- and weather-related and psychosocial risks, including sexual harassment at work

Since the adoption of the OSH Framework Directive in 1989 and the development of the OSH acquis, psychosocial and physical risks, including ergonomic and heat- and weather-related risks, have become increasingly prevalent thus pointing to the need to further address these risks in the EU OSH acquis.

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[26] Exemption (e), Article 1(2) of the Workplace Directive. The Workplace Directive also does not apply to means of transport used outside the undertaking and/or the establishment, or workplaces inside means of transport, temporary or mobile work site, extractive industries and fishing boats. Council Directive 89/391/EEC and other relevant EU legislation in the area of transport, construction, mining and fishing applies to workers working in these sectors.

[27] Eurostat, Accidents at work - statistics by economic activity, Accidents at work - statistics by economic activity - Statistics Explained - Eurostat.

[28] EU-OSHA, 2025, OSH Pulse 2025: Occupational safety and health in the era of climate and digital change, OSH-pulse-2025-climate-digital-change_EN.pdf.

[29] EU-OSHA, 2023, Occupational cancer risk factors in Europe – first findings of the Workers' Exposure Survey, Workers' Exposure Survey on cancer risk factors in Europe – first findings.

[30] The adopted opinion is available here: Workplace Directive - ACSH (public access) - Library.

[31] EU-OSHA, 2025, OSH Pulse 2025: Occupational safety and health in the era of climate and digital change.

[32] Article 2 of Council Directive 90/270/EEC on the minimum safety and health requirements for work with display screen equipment.

[33] Article 1, point 3 exemption 'd' of Directive 90/270/EEC.

New ways of working introduced by technological developments, including the more widespread and extended use of DSE at work, have led to workers being increasingly exposed to psychosocial and musculoskeletal risk factors. In 2025, 29% of respondents to the EU-OSHA Pulse Survey reported having experienced stress, depression or anxiety caused or worsened by their work,[34] an increase from 27% in 2022[35]. Prolonged sitting and repetitive movements are the two most frequently reported risk factors linked to the use of digital technologies at work[36]. Results of the 2024 European Working Conditions Survey show that musculoskeletal problems are the most frequent health issue reported by workers in the EU, with back pain and upper limb pain both reported by around 52% of workers[37].

Climate change is another key factor affecting OSH risks at the workplace exposing workers to heat stress, ultraviolet radiation, contact with pathogens indoor and outdoor air pollution and extreme weather while working[38]. This can result in higher health costs, reduced quality of life, production losses and threats to livelihoods[38]. In 2025, one third of workers across the EU (33%) reported being exposed at work to at least one climate change-related risk factor, including exposure to extreme heat and air quality issues, intense sun exposure and extreme weather events (e.g. floods, wildfires and droughts)[39]. These risks are unevenly distributed across the labour force with heat stress disproportionately affecting outdoor workers in exposed sectors such as agriculture and construction, leading to inequality and poverty implications as incomes in these sectors are lower.

With regard to psychosocial and physical risks, according to the 2024 EU Gender-based Violence-Survey, one in three women in the EU have experienced sexual harassment at work, rising to 41,62% among young women aged 18 to 29[40].

Challenges related to workplace design and the needs of specific worker groups

Since the adoption of the Workplace Directive, workplace design and technical requirements have evolved due to technological developments. Some of the Workplace Directive's minimum requirements, such as on emergency doors, lighting systems and ventilation, have become outdated. These requirements could be updated and/or further clarified to ensure better OSH protection for workers across the EU, including in relation to the needs of specific groups, especially women and workers with disabilities.

The DSE Directive contains references to outdated technology that is no longer in use, such as diskette drives, modems, traditional typewriters and the need for stable images on screen. These are among a few other provisions that are deemed to be outdated due to technological advancements, creating the risk that certain preventive measures are no longer applicable to current types of DSE and their use.

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[34] EU-OSHA, 2025, OSH Pulse 2025: Occupational safety and health in the era of climate and digital change
[35] EU-OSHA 2022, Flash Eurobarometer - OSH Pulse - Occupational safety and health in post-pandemic workplaces
[36] EU-OSHA, 2024, First findings of the Fourth European Survey of Enterprises on New and Emerging Risks (ESENER 2024).
[37] Eurofound, 2025, European Working Conditions Survey 2024: First findings | Eurofound.
[38] EEA 2024, European Climate Risk Assessment | Publications | European Environment Agency (EEA)
[39] EU-OSHA, 2025, OSH Pulse 2025: Occupational safety and health in the era of climate and digital change.
[40] IGE, FRA, 2024, EU gender-based violence survey – key results – 2024 edition - Statistical reports - Eurostat.

Challenges related to new technical requirements and outdated elements in the Workplace and DSE Directives

Both workplaces and ways of working with DSE have evolved significantly since the adoption of the Workplace and DSE Directives. Since the Directives have remained unchanged, their technical and minimum requirements do not fully reflect those shifts. As a result, employers and labour inspectors face difficulties in implementing and enforcing OSH measures, creating the risk of limited levels of OSH protection for workers.

In addition, where workers work outside the employer's premises, including teleworkers using DSE, employers can face challenges in fulfilling their obligations as a result of their lack of control over such locations, the right to privacy and protection of personal and family life. Only 48% of establishments in the EU that report having workers working from home on a regular basis indicate that they cover such workers in their risk assessments[41].

Challenges related to the implementation of the OSH acquis

At the same time, 40% of establishments in the EU-27 report that a major difficulty in addressing OSH is the complexity of legal obligations[42]. In addition, due to some general wording, such as the use of the terms 'adequate', 'sufficient' and 'enough', some minimum requirements are unclear, creating the risk of limited levels of protection for workers and less clarity for enforcement, both for labour inspectorates, and for employers who face difficulties in implementing these requirements.

The Commission is currently gathering evidence on the existence and scope of the challenges identified and their consequences. Further details are included in Section 3.2.3 of the analytical document accompanying this consultation document.

3.2. Need for EU action

As risks to workers' health and safety are broadly similar across the EU, there is a clear role for the EU in helping Member States to address these risks consistently. In the absence of EU action, the problems identified are likely to persist and might continue to grow.

With regard to the Workplace and DSE Directives, beyond the existing EU minimum requirements, technological progress and changes in the world of work have increased the difference in workers' OSH protection across Member States, who are addressing these problems in different ways across national legislation. The resulting diverging legislative landscape may create legal uncertainty and additional compliance costs for companies, raisings the need to update EU minimum requirements to move closer towards a level playing field within the single market and to increase workers' OSH protection.

Clearer and more up-to-date EU OSH rules can also support the proper functioning of the single market and contribute to competitiveness. More consistent requirements across Member States can help reduce legal uncertainly and unnecessary compliance costs. At the same time, effective OSH protection can also contribute to higher productivity, lower absenteeism, clearer conditions for

[41] EU-OSHA, 2024, First findings of the Fourth European Survey of Enterprises on New and Emerging Risks (ESENER 2024).
[42] Ibid.

telework and greater workforce participation, thereby supporting a more resilient and thriving economy.

In addition, by updating the Directives to take account of new technological developments and ways of working, while avoiding unnecessary burdens on business and allowing companies to react flexibly to rapidly changing market circumstances – the possible initiative could further increase the added value for companies and improve the effectiveness of national enforcement authorities.

3.3. Possible directions of EU action

- **Proposed objectives**

In line with principle 10 of the European Pillar of Social Rights[43], the **objective** of the initiative is to further improve prevention of risks and the protection of safety and health in the workplace of workers of all ages and to make it fit for purpose under the current ways of working. This includes when working with display screen equipment in the context of new technological developments, as well as to further address in particular ergonomic, heat- and weather-related and psychosocial risks, including sexual harassment at work, thereby improving the quality of jobs in the EU.

- **Avenues for EU action**

A range of policy options has been identified to address the challenges described above. These policy options were developed on the basis of the evidence available at this stage, taking into account the opinions of the Advisory Committee on Safety at Work[44] and the results of the first-phase consultation of social partners.

The policy options under consideration include both non-legislative and legislative options. The legislative options could be the following:

➢ *Extending the scope of the Workplace Directive*

This policy measure would extend the scope of the Workplace Directive to cover off-premises workplaces, by including homework/telework while ensuring that employers' responsibilities remain proportionate to and corresponding to their means of influence over the workplace, and without creating undue obstacles to workers who wish to homework/telework. Such extension of the scope could be conditional, depending on whether worker's amount of work outside the employer's premises is significant. In such a case, the Workplace Directive's annexes, which set out its minimum requirements, would not apply when the worker would homework/telework.

➢ *Enlarging and updating the scope and the definitions of the DSE Directive*

This policy measure would update the definition of DSE workstation and DSE worker, removing elements that are outdated, such as DSE portable systems and typewriters. It would also extend the scope of the DSE Directive to include laptops and tablets used for work, while not reducing workers' rights and protections.

[43] The right to a healthy, safe and well-protected work environment and data protection.
[44] The adopted opinions are available here: Workplace Directive - ACSH (public access) - Library, DSE Directive: ACSH (public access) - Library.

- *Addressing specific risks, in particular psychosocial (including sexual harassment at work), ergonomic and heat- and weather--related risks*

This policy measure would consider, within an existing obligation to conduct a risk assessment as set in Directive 89/391/EEC, addressing specific risks, such as **psychosocial, and ergonomic** risks.

The policy measure could also develop minimum requirements to address in particular ergonomic risks such as adapting the dimensions of the workplace to the workers, the work performed and the equipment used or ensuring that adequate measures are in place to prevent musculoskeletal disorders. It could also develop minimum requirements to prevent psychosocial risks, including sexual harassment at work; and on workplace design that could protect against third party violence. A combination of these measures could also be envisaged.

As to risks related to **inclement weather conditions and high temperatures**, policy measures could address them as part of an existing obligation to conduct a risk assessment as set in in Directive 89/391/EEC, or by updating minimum requirements in the Workplace Directive to better address heat- and weather-related OSH risks, proportionate to the means of influence of the employer.

- *Removing existing exemptions in the Directives*

This policy measure would remove existing exemptions in the Directives, such as areas where specific legislation does not exist, i.e. agriculture, namely "fields, woods and other land forming part of an agricultural or forestry undertaking but situated away from the undertaking's buildings"[45], or where the exemptions are outdated (i.e. DSE portable systems, typewriters).

- *Ensuring inclusive OSH protection*

This policy measure would add a provision to the Workplace Directive reiterating the obligation on employers to consider and address the specific needs of women and vulnerable groups, such as persons with disabilities.

- *Updating and enhancing minimum requirements and merging the Workplace and DSE Directives*

This policy measure would update the current minimum requirements in the Directives that are outdated due, among other things, to technological and societal developments, while not reducing workers' rights and protection. Additional requirements could be introduced to further increase OSH protection, such as using sliding doors as emergency exits if they have a specific emergency mode, or maintenance of fire equipment. Furthermore, merging the Workplace and Display Screen Directives may streamline the provisions and simplify the requirements for employers.

As non-legislative option, the Commission could draw up **non-binding EU guidance** to help employers, workers and relevant Member State institutions **apply and comply with the Directives**. It could also provide guidance on the issues encountered based on the problem analysis, in areas such as telework, psychosocial risks and other topics.

[45] The current Workplace Directive 89/654/EEC (Article 1, point 2(e) does not cover fields, woods and other land forming part of an agricultural or forestry undertaking but situated away from the undertaking's buildings.

The legislative options could be accompanied by EU guidance, drawn up after the adoption of the Quality Jobs Act, to help implement the changes. In particular, this could include capacity-building and compliance support for sectors currently exempted[46], where sector-specific conditions may require further guidance to ensure effective compliance.

Replies to the first-phase social partner consultation

Workers' organisations, especially ETUC, and sectoral workers' organisations call for binding legislation on psychosocial risks, occupational heat, extreme weather, musculoskeletal disorders, gender-based violence and harassment at work. They want workload to be assessed and underline the importance of working time organisation and work-life balance. Workers' organisations underline that OSH policies should aim to promote well-being, dignity and the ability of all workers, irrespective of gender, age, health status and background, to thrive in inclusive workplaces. IndustriALL asks for legislative initiatives for all relevant climate-related risks.

Employers argue that the existing EU OSH *acquis* already provides a robust framework. EU support should prioritise the provision of practical tools to help companies and workers identify and manage OSH-related risks, while stating that a revision of and update to the Workplace and Display Screen Equipment Directives can be considered. Employer organisations at sectoral level also highlight that OSH risks vary considerably from one sector to another. BusinessEurope supports merging the Workplace Directive and Display Screen Equipment Directive and adding a clarification that the risk assessments referred to in Framework Directive 89/31/EEC also cover ergonomic and psychosocial risks. Legal feasibility, proportionality and the preservation of flexible work arrangements should be taken into account. SMEunited considers that an update of the current Workplace Directive could be considered, while employers' obligations should not go beyond providing information to workers.

4. Protection of workers' rights in subcontracting chains

4.1. The challenges

Subcontracting benefits the labour market by enhancing efficiency and innovation by providing specialised expertise and enabling companies to focus on core competencies, adapt quickly and remain competitive. It allows SMEs to take on projects or contracts which they could not fully cover alone. Subcontracting is a legitimate business model under civil law arrangement involving a legal contract between a (main) contractor and a subcontractor.

Cost pressures may appear in subcontracting chains, particularly where contracts are awarded primarily on the basis of price, with potential implications for working conditions and health and safety at work. In labour intensive industries, such as construction, transport and logistics, food processing and agriculture, subcontracting may provide flexibility and efficiency gains, while, in other cases, also creating incentives that contribute to downward pressure on labour costs along the subcontracting chain.

The challenges described below that have been identified in subcontracting, including when involving labour intermediation, are part of the ongoing evidence gathering, which will complete the analysis.

[46] Such as fields, woods and other land forming part of an agricultural or forestry undertaking but situated away from the undertaking's buildings.

Challenges to workers and sectors most affected

In certain sectors, there is a higher risk of non-compliance with relevant labour and health and safety regulations or of negative effects on working conditions in subcontracting. These are often sectors with high labour demand and labour-intensive activities, such as construction, agriculture, food and meat processing, logistics and transport, hospitality, cleaning or personal care. For some jobs in these sectors, work can also involve lower pay. The characteristics of the most affected sectors may include more frequent reliance on labour intermediaries, low-skilled workforce, high-turnover jobs, use of precarious contracts and the workforce being more prone to labour exploitation[47] and abuse. These sectors also include mobile workforce (posted workers, EU mobile workers, non-EU nationals, including irregular migrant workers), who may be particularly vulnerable to labour law infringements, exploitation and human trafficking due to language barriers, limited knowledge of their rights and potential remedies. Their dependence and reluctance to complain or cooperate may increase where subcontractors also control accommodation and transport.

Challenges related to long and complex subcontracting chains

Protecting labour rights and enforcing health and safety rules can be especially challenging in long and complex subcontracting chains due to the possible lack of transparency and accountability in these chains. The available research suggests that in complex cross-border subcontracting chains or where labour intermediaries are involved, it is more difficult to detect which employer is liable, due to a lack of transparency and accountability[48]. Existing reports suggest that the longer and more complex the subcontracting chain, the greater the risk of fraud and abuse could be[49]. Subcontracting may result in workers performing similar tasks being covered by different collective agreements from those for workers employed directly by the main contractor. Reports also point out the risks connected with labour intermediation, a problem that also occurs in subcontracting chains but is not limited to it.

Challenges related to labour intermediation in cross-border mobility

The use of labour intermediation (temporary work agencies and private employment agencies), especially but not only in long and complex subcontracting chains in cross-border provision of services, is sometimes connected with risks of non-compliance with labour law requirements, risks of exploitation and of complex enforcement. Beyond the area of temporary work agencies, already regulated in EU labour law and through the posting enforcement directive, specific challenges emerge when the intermediary does not become a party to the employment relationships. Labour intermediation often involves a vulnerable mobile workforce and is prevalent in sectors with higher risks of labour exploitation and abuse. Challenges include working conditions, payment of fees by workers (eg. high recruitment fees, inflated or exploitative fees for administrative tasks by the intermediary), absence of quality standards, dependency on the intermediary, e.g. regarding legal status and lack of support system in the host state.

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[47] European Commission, fourth report on the progress made in the fight against trafficking in human beings (COM(2022)0736); European Commission, fifth report on the progress made in the fight against trafficking in human beings (COM(2025)0008).

[48] European Commission, Study supporting the Monitoring of the Posting of Workers Directive 2018/975/EU and of the Enforcement Directive 2014/67/EU, 2023, p. 32-33, 89, 137.

[49] Ibid.

Challenges related to complicated/insufficient enforcement and legal recourse

While all employers in subcontracting chains must apply EU labour law and EU law on health and safety at work, enforcing these standards and ensuring legal recourse continue to be challenging. National enforcement authorities can face difficulties in identifying the employer responsible in long and complex subcontracting chains. These difficulties may be exacerbated where third country national workforce is involved due to limited language proficiency, limited knowledge of applicable employment arrangements, and reluctance to complain or cooperate due to fear of retaliation, loss of status or deportation and return (in the case of illegally staying third-country nationals). As a result, inspections can be time-consuming and often reactive rather than preventive, imposing sanctions complicated and enforcement of rights by workers and, where possible, by workers' representatives, if at all pursued, burdensome. Mobile worker may face additional obstacles to claim rights after leaving the Member State.

The Commission is currently gathering evidence on the existence and scope of the challenges identified and their consequences. Further details are included in Section 4.2.3 of the analytical document accompanying this consultation document.

4.2. Need for EU action

The current evidence suggests that, in the absence of EU action, the above challenges are likely to persist. For posting of workers, and in light of the implementation of Article 12 of Directive 2014/67/EU[50], Member States are taking action to address the challenges of subcontracting, also beyond the construction sector[51]. Some Member States have also addressed the issue of subcontracting beyond the posting of workers[52]. At the same time, the challenges in subcontracting chains, including when involving labour intermediaries, may not be adequately addressed by Member States' individual actions alone as value chains are often cross-border in an integrated EU labour market[53]. Downward pressure on labour costs along the value chain may affect competition between businesses and, in some cases, create challenges for maintaining EU social standards.

A clear and predictable framework for subcontracting is important to ensure that these benefits translate into sustainable competitiveness. By promoting legal certainty and preventing unfair competition based on lower labour standards, such a framework can help create a level playing field for businesses while supporting quality working conditions and guaranteeing respect for the protection of the workers' rights.

A minimum level of protection for workers' rights in subcontracting chains would enhance job quality and fairer labour practices in sectors with higher risk of non-compliance with relevant

[50] The Posting Enforcement Directive 2014/67/EU sets out a liability mechanism for employers who are direct subcontractors in the construction sector. It covers unpaid net minimum wages and contributions due to common funds of social partners. Member States may take other appropriate enforcement measures to tackle fraud and abuse of workers' rights in direct subcontracting.

[51] Based on the 2024 study on the application and implementation of Directive (EU) 2018/957, a majority of Member States have put in place a joint and several liability scheme for unpaid wages, and liability is applied to all sectors in 13 Member States, going beyond the requirements of the Directive.

[52] For example, in 2015 Germany introduced a subcontracting liability mechanism for statutory minimum wages that applies to all workers.

[53] See Article 12 of Directive 2014/67/EU, in case posted workers are involved in the chain.

labour and health and safety regulations. EU action could promote fair competition among companies while ensuring workers' rights remain protected.

A common approach at EU level could strengthen enforcement of workers' rights in subcontracting including liability mechanisms, and more targeted inspections and controls, as described below in section 4.3 and section 6. This would contribute to a more effective implementation and enforcement of workers' rights in subcontracting chains (including when labour intermediaries are involved) by preventing, sanctioning and facilitating remedies for violations of these rights. Member State action alone cannot adequately address these challenges as value chains are often cross-border in an integrated EU labour market.

4.3. Possible directions of EU action

- **Proposed objectives**

The overall objective of the initiative in this area is to limit risks of breaches of labour rights and labour exploitation and to better enforce fair working conditions in subcontracting chains, including when involving labour intermediaries. The initiative would also address principle 5 of the European Pillar of the Social Rights (secure and adaptable employment) and principle 6 (wages).

- **Avenues for EU action**

National measures protecting labour and implementing health and safety rules in subcontracting and labour intermediation are diverse and cover a wide range of protective measures. The EU rules on the posting of workers, labour migration and sanctions in case of employment of illegally staying third-country nationals include provisions to prevent and address abuses of labour rights in subcontracting. These provisions are in the Posting Enforcement Directive (2014/67/EU), the Employers' Sanctions Directive (2009/52/EC), and the Seasonal Workers Directive (2014/36/EU) (for detailed analysis see Section 4.1.1 of the accompanying analytical document). The EU rules on labour intermediation include the Temporary Agency Work Directive (2008/104/EC).

An EU initiative would take the diversity of national approaches into account and would be designed in full respect of national competence, the diversity of national industrial relations and the autonomy of social partners. The possible avenues for EU action are considered with due regard to evidence available at this stage of the policymaking process and the results of the first-phase consultation of social partners.

By ensuring that EU businesses in the high-risk sectors, regardless of their location or supply chain structure, fulfil common baseline requirements for applying labour rights and working conditions, the measures would reduce the risk of unfair competition in the Single Market. Firms already fulfilling high standards would face a lower risk of being undercut by competitors exploiting weaker enforcement or regulatory gaps in subcontracting arrangements. Over time, this could increase competitiveness for compliant businesses by shifting competition toward innovation, quality and efficiency.

The extent of this effect and potential consequences on EU productivity and competitiveness of companies or sectors, and the wider EU will be carefully considered by the Commission as part of its ongoing evidence-gathering and assessment activities. The analysis will also cover the potential administrative burden on main contractors and the risks for smaller firms that lack the legal and

compliance capacity of larger ones, as well as potential obstacles to participation in public procurement and the potential impact on cross-border operations.

The specific options under consideration include:

- *Identification of high-risk sectors*

Identification of high-risk sectors could be envisaged to ensure a targeted intervention where risks for workers are significantly higher in subcontracting in relation to non-compliance with relevant labour and health and safety regulations. The policy choice remains regarding the relevant criteria for determining high-risk sectors (e.g. incidence of wage arrears, degree of coverage of collective agreements), and regarding whether and to what extent Member States and/or the social partners could identify those sectors or whether they could be set out in the EU instrument.

- *Enforcement, including targets for controls by authorities on the basis of risk assessments*

National enforcement authorities could be required to set appropriate targets for controls and inspections, where needed, in consultation with social partners, for those high-risk sectors and their subcontracting chains. This could be done on the basis of risk assessment for at-risk activities or sectors with regular review mechanisms, to detect and remedy breaches of workers' rights in subcontracting chains. The need for stronger controls and inspections of employers' compliance with labour law and health and safety requirements may also be identified where workers employed by businesses in subcontracting chains are not covered by collective agreements. This could be accompanied by efforts to strengthen the capacity of enforcement authorities and equality bodies, including through multi-authority coordination.

Measures to be introduced in the area of enforcement could include the obligation or guidance for main contractors aimed at improving visibility of subcontracting chains and labour intermediaries for enforcement authorities, such as registries. Any such transparency measures should however minimise compliance burdens, ensure proportionality and data minimisation, respect trade secrets and only serve enforcement or liability limiting purposes. These measures would complement existing initiatives on the use of social ID cards.[54]

- *Liability provisions – mechanisms, scope and limitations*

Introducing liability provisions throughout the subcontracting chain would provide workers with additional options to enforce their rights against a contractor in the subcontracting chain if their subcontracted employer does not comply with its obligations and violates workers' rights (e.g. in cases of unpaid wages). The provision on liability in subcontracting chains for posted workers in Article 12 of Directive 2014/67/EU (direct subsidiary liability) or for seasonal workers in Article 17 of Directive 2014/36/EU or for illegally staying third country national workers in Article 8 of the Directive 2009/52/EC provide reference points.

Key elements of any such provisions would need to take into consideration:

- the liability mechanism itself (for further distinctions between direct, subsidiary, joint and several liability, see Section 4.5.2.2. of the accompanying analytical document);

[54] Physical or digital tools used to verify the identity of workers and employers. Their use is at present not harmonized at EU level.

- the areas to which the liability measures apply (e.g. unpaid minimum wages, unpaid wages, social security contributions);
- Conditions for limitations or exoneration of liability such as national measures on compliance with the applicable collective agreements;
- As for all avenues, Better Regulation principles and criteria – including proportionality, subsidiarity coherence with the existing acquis, and EU added value – are essential for identifying the preferred options and instruments. Any provisions should not go beyond what is necessary to protect workers, respecting freedom to provide services and freedom of establishment, as well as burden on small and medium-sized enterprises.

➢ *Occupational health and safety (OSH) in subcontracting high-risk sectors*

Currently, there is a lack of awareness and proper application and enforcement of the existing obligation under OSH legislation for coordination between all employers who share a workplace, including in subcontracting arrangements. Specific safeguards could be introduced for OSH when subcontractors, and potentially other external undertakings or establishments and/or the self-employed, work on the same site, in particular in high-risk sectors.

The potential policy options range from: (i) tasking the Advisory Committee on Safety and Health at Work with further analysis, (ii) recalling existing rules on cooperation, coordination, information and training[55] when sharing the workplace and (iii) issuing specific guidance for high-risk sectors, to (iv) appointing safety and health coordinators where workers of subcontractors, and potentially other external undertakings or establishments and/or the self-employed, work at the same site in high-risk sectors (e.g. as already prescribed for the construction sector)[56]. The circumstances under which employers may themselves take responsibility for coordination would also need to be considered. Any coordination obligation should be triggered by actual worksite risks, and could not lead to the exclusion of small undertakings from multi-employer worksites. Member States could provide sectoral-level or territorial coordination support mechanisms – including shared coordinator pools, training programmes and model coordination plans – that are also accessible to small and micro-enterprises.

➢ *Other avenues*

Protection of workers in labour intermediation could, where appropriate, be recognised and reflected in various measures, such as registration or certification requirements. This is to be done in respect for freedom to provide services and freedom of establishment, while ensuring proportionality and avoiding unnecessary administrative burdens for small and medium-sized enterprises.

Replies to the first-phase social partner consultation

Workers' organisations call for EU legislation to tackle abuses of workers' rights in subcontracting and labour intermediation, including: (i) full chain liability; (ii) limitations on the length of subcontracting chains and a ban on subcontracting of core business; (iii) regulated intermediation; (iv) equal treatment of all workers performing the same activities; (v) access to

[55] Articles 6(4), 10(2) and 12(2) of Council Directive 89/391/EEC; Article 3(1) of Council Directive 92/57/EEC; Article 3(3) of Council Directive 92/104/EEC; Article 3(3) of Council Directive 92/91/EEC.
[56] Articles 3 to 6 of Council Directive 92/57/EEC.

workplaces for trade unions and workers' representatives; (vi) decent accommodation; and (vii) enforcement measures (ETUC, IndustriALL, UNI Europa, EFFAT, ETF, EFBWW).

Employer organisations strongly oppose restrictions at EU level that limit subcontracting. They argue that this could weaken companies' competitiveness and productivity and interfere with the freedom to conduct a business guaranteed in Article 16 of the Charter of Fundamental Rights of the EU. They stress that joint and several liability can conflict with the national industrial models established in many Member States by the social partners. Employers consider that action should be taken to improve enforcement by strengthening labour inspectorates and other relevant authorities, and by promoting best practices and guidance for companies and workers (BusinessEurope, CEI-Bois, SMEunited, FIEC).

5. Just transitions

5.1. The challenges

Efficient reallocation of labour is essential to foster economic growth as it allows workers to move from declining sectors into expanding, high-productivity industries. In the face of rapid technological changes and fragmented geopolitical landscapes, a dynamic and versatile labour force will be even more important as it will ensure that an economy can swiftly adapt to new supply chain realities and digital transformations, which will be essential for the EU to maintain its global competitiveness. However, at the same time, the transition may create uneven economic and social impacts, with potential sectoral job impacts, regional disparities, and skills gaps being key challenges. Investments in up- and reskilling, are essential for just transitions.

The Clean Industrial Deal includes measures to further facilitate industrial adjustment by decarbonising production processes and products. This applies especially in energy-intensive industries, such as steel, metals and chemicals, that urgently need support to decarbonise, switch to clean energy, and tackle high costs, unfair global competition and complex regulations.

Challenges related to sector-specific job losses in key industries

Since 2024, a new wave of restructuring events has led to net job losses in some sectors as a result of increased global competition and accelerated structural transformations, including the green and digital transitions. While overall employment in the EU continued to expand, these job losses have been significant in key industries, particularly car manufacturing, oil and gas extraction, postal services and telecommunications. Net job losses (100 000 in 2024 and 70 000 in 2025) due to restructuring represent a small share of total EU employment (0.05% and 0.04%, respectively). However, the concentration in specific sectors and countries (e.g. Germany, the Netherlands, and Sweden) creates localised economic and social strain. Conversely, some countries (e.g. France, Ireland, Poland, Portugal, Romania) have seen net job gains due to restructuring events, highlighting uneven impacts across the EU.

Challenges related to the protection of workers and the anticipation and management of change during restructuring

As set out below in Section 5.2, the EU legal framework sets minimum standards for workers' involvement in restructuring. However, enforcement and implementation on the ground vary and workers and trade unions are not always involved before restructuring processes are announced. Not all Member States have strong social dialogue traditions, with strong collective bargaining,

effective enforcement of information and consultation rights, works councils, mandatory social plans, early consultation rights and frameworks to anticipate and manage change. The 2013 EU Quality Framework for anticipation of change and restructuring promotes early warning systems, social dialogue and transition support, but it is not sufficiently known and applied by stakeholders.

Challenges related to skills mismatches and training gaps

As industries and job profiles transform, the twin transitions demand new skills and competences, so reskilling of workers is essential. In their replies to the first-phase consultation, both sides of industry emphasised a need for stronger support in reskilling, job transitions and mitigating social impacts, particularly in vulnerable regions.

5.2. Need for EU action

Ensuring a just transition towards green and digital economies does not follow a one-size-fits-all approach. Each community, workers in situations of vulnerability, and region faces unique challenges based on their social, political, economic and geographical context. Governments at all levels – national, regional and local – employers and workers' organisations are all agents of change in the just transition. Businesses play an important role in identifying risks and tapping into opportunities, including training and developing new skills of the workforce. Trade unions play a key role in achieving a just transition, helping to ensure that workers' needs and perspectives are represented throughout the process. To cushion the side effects of economic transitions, adequate funding is essential.

It is important to anticipate and manage change through social dialogue and collective bargaining to ensure a just transition, protect and create quality jobs, reduce the negative effects of restructuring, and address upskilling and reskilling needs.

The existing EU framework, comprising legal protection of workers' rights, funding instruments and soft-law guidance, is comprehensive. Restructuring is subject to various EU legal instruments (Directive 2002/14/EC on information and consultation; Directive 98/59/EC on collective redundancies; Directive 2001/23/EC on transfer of undertakings; the recently revised European Works Council Directive). The recent screening of these rules concluded that the EU legal framework is fit for purpose and that the key information and consultation Directives do not need to be amended. These instruments provide for protection while leaving sufficient flexibility in an area that heavily depends on targeted responses to unique social, political, economic and geographical challenges.

Further legislative action would risk creating overlaps and leave less scope for effective involvement of social partners and flexible and tailor-made solutions that reflect that reflect the specific circumstances of individual sectors and companies.

With regard to training of workers, the EU takes actions to support workers' training. However, a general right cannot be introduced as such measure would fall within scope of Article 166 TFEU, which explicitly excludes the Union from adopting measures on harmonisation. EU law nevertheless requires that training required by law must be provided by the employer free of cost, count as working time and, where possible, take place during working hours[57]. Additional guidance and other measures to support more effective implementation on the ground would be useful, as

[57] Article 13 of Directive 2019/1152/EC on transparent and predictable working conditions.

well as specific actions on promotion of collective bargaining on anticipation and management of change, and on training[58].

Priority should thus be given to better implementation and enforcement of the existing legal framework. The use of EU funds (the European Social Fund Plus - ESF+, the Just Transition Fund, the European Globalisation Adjustment Fund - EGF, and Erasmus+) should be facilitated to strengthen skills development and support job transition, quality job creation, encouraging social dialogue and collective agreements and monitoring impacts, e.g. via the recently launched Fair Transition Observatory.

Given recent restructuring trends, EU measures to ensure these transformations are managed in a forward-looking and socially fair and inclusive way would benefit companies, workers, and ultimately the whole economy. Some of the challenges faced by companies and workers affected by restructuring are similar across the EU. Therefore, action at EU level could help stakeholders navigate these structural changes.

5.3 Possible directions of EU action

- **Proposed objective**

The overall objective of this initiative is to encourage a socially fair and inclusive approach to the anticipation of change and restructuring, in the context of the twin transition. The involvement of all relevant stakeholders is essential to reduce the possible harmful consequences of these transformations on workers and companies, in particular through collective bargaining to anticipate and manage change. The initiative would address principle 4 of the European Pillar of Social Rights (active support to employment) and principle 5 (secure and adaptable employment), as well as principles relating to equal opportunities.

- **Avenues for EU action**

Recent EU initiatives to support workers affected by restructuring, like the Skills Guarantee (2025) and the revised EGF, will strengthen anticipatory support for workers at risk of job loss and facilitate upskilling and reskilling within European companies. In addition, the proposed European Competitiveness Fund should play an important role in supporting skilling, in the future, including through horizontal measures and project-specific upskilling and reskilling activities, alongside support from the European Social Fund.

Potential EU action could build on the 2013 voluntary EU Quality Framework for the anticipation of change and restructuring. It would aim at fostering the anticipation and management of restructuring processes, with a focus on just transition, early intervention when there is a threat of restructuring, timely information and consultation of workers, promotion of collective bargaining and proactive, inclusive and socially responsible management of change. It could facilitate implementation, and scale up key practices to provide training and facilitate job transitions, in cooperation with public authorities and services. Moreover, EU action could consider other means to provide an EU added value, such as peer learning and capacity-building on effective

[58] An updated mapping of implementation of the three main EU information and consultation instruments (Directives 2002/14/EC, 98/59/EC and 2001/23/EC) was carried out by the European Labour Law Network (2025) and results were presented and discussed with stakeholders at an Annual Conference in March 2026.

enforcement procedures. In 2026, the Commission will discuss with social partners a way forward, in line with its commitment in the Clean Industrial Deal.

In this context, potential EU action could thus encourage Member States and social partners to support and improve social dialogue on anticipating change and managing restructuring at the appropriate levels, including in the relevant sectors and enterprises.

Replies to the first-phase social partner consultation

In their responses to the first-phase consultation, **trade unions** call for a new binding framework on just transitions in the world of work. ETUC, supported by EFFAT, ETF and IndustriALL, calls for complementary, expansive and binding measures to ensure effective anticipation, worker involvement and social dialogue. IndustriALL cites the failure of EU-level negotiations on a social partner just transition agreement in the gas sector in May 2024, underscoring the limits of voluntary approaches. ETUC and ETUCE calls for a right to training for all workers and stresses that education systems must be at the centre of strategies to equip the workforce.

Employers consider that a comprehensive set of EU rules already exists and stress that transitions are essential for ensuring business viability. They emphasise that job quality in the transitions needs to be improved through strengthened skills development, mobility pathways and social protections mechanisms. Employers oppose a general EU right to training, stressing that training is a national competence They recognise the added value of guidance on the existing framework and available EU funding, and of the Fair Transition Observatory in promoting best practices and exchanges among countries and stakeholders.

6. Enforcement and the role of social partners

Enforcement and effective implementation of rights protected under EU law are central to ensuring a fair and competitive labour market and they remain one of the Commission's key priorities. Suboptimal enforcement of labour rights leaves workers without protection and disproportionately affects those who are already in vulnerable situations, such as non-EU workers, including illegally staying third-country nationals. For employers, it creates unfair competition between those who comply with laws and respect workers' rights and those who undercut rights to gain competitive advantage. For national authorities, weak enforcement of labour rights may create the perception of ineffective authorities, undermining trust in government institutions. Poor enforcement encourages informal employment, leading to reduced tax revenues and social security contributions. Labour inspectorates play a crucial role in enforcing labour rights. If adequately equipped, they can leverage the potential of 'smart labour inspections' through technology, data analytics and innovative methodologies, increasing the efficiency, transparency and effectiveness of enforcement.

Under Articles 153 and 155 TFEU, the social partners play a key role in implementing the EU social *acquis* in several ways, e.g. through collective agreements, which may include enforcement mechanisms that ensure compliance in practice. Member States may entrust management and labour, at their joint request, with implementing EU directives. Strong social dialogue and collective bargaining help improve working conditions and health and safety at work, contributing to a competitive, resilient and inclusive social market economy. Several recent EU initiatives aim to strengthen social dialogue at both EU and national level, notably the Council Recommendation

on strengthening social dialogue in the EU[59] and the Directive on adequate minimum wages[60]. Stronger enforcement would further complement collective bargaining's key role in upward convergence of working conditions by raising the floor for workers' protection. With due regard to the principles of subsidiarity and proportionality, and while respecting the diversity of national systems and the autonomy of the social partners, the EU initiative would include appropriate enforcement provisions. It would recognise the strong role of social partners in implementing social legislation under the Treaties.

With regard to AM and AI at work, it is important to ensure interoperability and coordination between the role of data protection authorities (for GDPR), market supervision authorities (for AI Act) and labour inspectorates (for working conditions). This would entail efforts to reduce interface costs for employers and ensure clarity for workers and their representatives.

Possible options range from entrusting the social partners with implementation of measures to improve capacity building of social partners and encourage the use of collective agreements, to requiring Member States to ensure that information on the rights and obligations in national provisions transposing the Quality Jobs Act is made publicly available. The information would need to be presented in a clear, comprehensive and easily accessible way, especially for workers most vulnerable to abuse of rights and discrimination. Additionally, Member States could be required to ensure that employers, including undertakings in subcontracting chains, provide workers, for whom traditional face-to-face communication is limited, with the possibility to contact or be contacted by trade unions or employee representatives.

Further options include establishing specific obligations for labour inspections. The initiative could require Member States to provide for effective, non-discriminatory labour inspections and ensure that enforcement authorities both for labour law and health and safety at work have sufficient resources, for instance to meet specific targets for inspections, while improving cooperation among national bodies (for example, labour, tax, social security, equality bodies, market surveillance and data protection authorities). In cases where labour inspectorates lack powers, Member States could be required to ensure alternative and adequate enforcement mechanisms in line with national systems. Regarding effective sanctions mechanisms, the initiative could set out rules on proportionate, effective and dissuasive sanctions, with regard to any new rights established under the Quality Jobs Act.

Additionally, the initiative could promote the responsible use of AI for targeting inspections to enhance their overall effectiveness, with the necessary human involvement and staff training. It could also consider better coordination between labour inspectorates through interconnected registries and better data exchange. To boost enforcement efforts to implement the policy measures chosen, the Commission, together with the Senior Labour Inspectors' Committee, could consider carrying out specific action to support enforcement in the area of OSH. Action to ensure more interconnected registries and better data exchange between inspectorates could also be considered, including with the support of the European Labour Authority, with the aim of tackling abuses and ensuring real-time data sharing.

Replies to the first-phase social partner consultation

[59] Council Recommendation of 12 June 2023 on strengthening social dialogue in the European Union (C/2023/1389).
[60] Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union.

Both **trade unions** and **employer organisations** recognise a need for better enforcement of existing EU and national legislation.

ETUC highlights that weak and uneven enforcement of EU labour law remains a major challenge. EU action could strengthen the implementation and enforcement of workers' rights. EFFAT and EFBWW call for binding EU minimum standards for labour inspections.

Employers stress that clarity and simplicity of regulation are key components to facilitate compliance.

7. Simplification

Simpler rules and reducing unnecessary regulatory burdens are important for a more competitive and attractive Europe that is able to sustain quality jobs. The Commission has a comprehensive set of instruments that support the drive towards simplification, including a target to lower the administrative burden by at least 25% for all businesses, and by at least 35% for SMEs.

The Commission also screens EU laws to simplify them where necessary. In the area of labour law, in 2025-2026, the Commission has been gathering evidence from stakeholders and practitioners on the implementation of the legislation on information and consultation of workers. In relation to health and safety at work, the Commission will publish in 2026 the assessment of the practical application of the EU OSHA acquis. In 2027, the Commission will review the implementation of Directive (EU) 2019/1152 on transparent and predictable working conditions in the European Union.

The Quality Jobs Act will build on the findings gathered so far, notably on labour law and occupational safety and health in 2026. It will also have regard to the 'simplicity by design' principle, so that the rules are easy to understand and can be applied by all employers. It will be complemented by other relevant initiatives with simplification potential, such as the forthcoming Fair Labour Mobility package.

The Commission can draw up standards for compliance documentation and risk assessments together with the social partners. When multiple enforcement authorities are involved (such as data protection authorities, labour inspectorates, and equality bodies), Member States should ensure cooperation and facilitate the application of the once-only principle. This will also help reduce administrative and compliance burdens stemming from existing overlapping or unclear rules. It is also important to tailor obligations to the size and capacity of employers, especially for SMEs and micro-enterprises.

With a view to further simplification without weakening workers' protection, the initiative will build on a thorough analysis of the OSH acquis, including the forthcoming review of the implementation of the OSH Framework Directive and related directives.

To reduce administrative burden, the Commission will consider extending the reporting period for Member States to submit to the Commission on the practical implementation of the EU OSH Directives[61]. Furthermore, the merging of the Workplace and Display Screen Directives could

[61] Provisions that require reporting can be found in point 1 of Article 17a of Council Directive 89/391/EEC, Article 9a of the Council Directive 92/29/EEC on medical treatment on board vessels, Article 17a of Council Directive 94/33/EC on the protection of young people at work, Article 22 of Directive 2009/148/EC on asbestos at work, and Article 10a of Directive 91/383/EEC on temporary employment relationship.

streamline the provisions and simplify the requirements for employers who, for example, would only need to show compliance with one merged Directive in front of labour inspectorates or other relevant institutions.

An effective contribution in terms of simplification could also be made by improving the interface between the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and OSH (in particular CAD[62] and CMRD)[63], which are the primary pieces of legislation regulating chemicals in the EU. They apply without prejudice to each other and, although positive synergies between these two pieces of legislation exist, the coexistence of values both from REACH restrictions and OSH legislation for the same substance has been mentioned by stakeholders as possibly leading to administrative burdens and a lack of clarity. Better interaction between REACH and OSH would also contribute to safer and quality jobs. To this end, the Commission is discussing possible options for improvement.

On subcontracting, any initiative would need to consider the cumulative effect of the policy options (notably for SMEs). Where relevant, the initiative should apply the once-only principle, to avoid cross-border contractors incurring recurring costs related to repeated verification of compliance documentation. Further simplification could be achieved by improving mutual recognition and interconnection of national sectoral social ID cards.

In their replies to the first-phase consultation, many **employers** support simplification in this policy area, with some focusing on implementation and enforcement of existing frameworks. They highlight that that clarity and simplicity of regulation are key components to facilitate compliance. **BusinessEurope** presented a package of proposals, among others, in the area of working time regulation. They also called for: (i) deletion of several amendments in the recently revised Directive on European Works Councils; (ii) simplified provisions in the Directive on Transparent and Predictable Working Conditions and in the Platform Work Directive; and (iii) the removal of requirements on OSH from the REACH regulation.

On the **workers' side**, ETUC and other trade unions oppose simplification that erodes established workers' rights and protections, while supporting improved legal clarity, accessibility and enforcement of existing rules. More specifically, ETUC has warned against reopening the Working Time Directive and asks for zero-hour contracts to be banned. ETUC and EFBWW ask for implementation of social ID and labour cards in high-risk sectors, which should be interoperable with future initiatives (ESPASS) on labour mobility.

8. Relevant EU policy instruments

The Quality Jobs Act is intended to complement the EU rules by setting minimum standards that ensure targeted protection of workers and enhance job quality. A range of policy options exists to achieve this objective.

Depending on the policy options that are ultimately pursued, the initiative could comprise a legislative proposal, which could take the form of a directive based on Article 153 TFEU. Other relevant legal bases could be used for specific areas, such as Article 16(2) TFEU for some policy options pertaining to data protection issues related to AM and AI at work. A directive could be used to establish minimum requirements and procedural safeguards for the use of AM and AI

[62] Chemical Agents Directive (Directive 98/24/EC).
[63] Carcinogens, Mutagens and Reprotoxic substances Directive (Directive 2004/37).

systems in employment contexts. On occupational safety and health at work, a directive could provide minimum requirements to update the existing OSH legislative landscape to match the current workplace and workforcce characteristics, while at the same time easing its implementation through streamlined rules. On subcontracting, a directive could introduce relevant measures, where appropriate, on: (i) fostering accountability and effective enforcement in the subcontracting chain; (ii) introducing liability mechanisms, covering aspects such as pay and social security contributions; and (iii) introducing minimum requirements for labour intermediaries.

Non-legislative measures could, for instance, take the form of a Council recommendation or a Commission recommendation addressed to Member States and/or interpretative guidance in the form of a Commission communication on various aspects of the policy options in the respective areas of job quality and existing EU legislation linked to aspects of job quality. Across the areas presented above, the Commission could support further capacity building of the social partners. For AM and AI at work, guidance on applying the existing rules in the GDPR (by the European Data Protection Board), on the rules on information and consultation of workers and on the rules of the AI Act could further clarify their application in the workplace, allowing more effective and streamlined compliance and enforcement. For OSH, non-legislative options could focus on effective implementation and enforcement of EU legislation and include guidance, for example, on the issues such as OSH in telework (among further possible action on telework), psychosocial risks and other topics. For subcontracting, guidance setting out a framework for subcontracting chain governance in risk sectors could be envisaged. The Commission could further clarify existing rules and specify the legal scope for national action. On the just transition, non-legislative action would promote collective bargaining and social dialogue to manage change; a Commission or Council recommendation on restructuring could be envisaged.

In light of the scope and complexity of the initiative, a package combining several binding and non-binding instruments could also be considered. Across the areas presented above, the Commission could support further capacity building of the social partners, notably throught the European Social Fund.

EU legislative action sets minimum standards in the labour and social affairs field. The initiative would take account of the diversity of national systems, allowing sufficient space for implementation by the social partners, and would limit the burden on companies. The guiding principle for selecting the appropriate policy instruments is proportionality and Better Regulation principles and criteria in general. Action will not go beyond what is necessary to achieve the objectives effectively, including as regards the choice of policy instruments. Consistency with the existing policy framework, such as for information and consultation is another key consideration.

It should be stressed that none of these prior considerations prevent the social partners from negotiating an agreement on some of the areas assessed for the Quality Jobs Act. Such an agreement may be implemented, in line with Article 155 TFEU, autonomously in accordance with the procedures specific to management and labour and the Member States, or by a Council decision on a proposal from the Commission, if so requested by social partners.

9. Next steps

In accordance with Article 154(3) TFEU, the Commission must consult management and labour on the content of the planned initiative. The initiative could address the challenges related to

improving working conditions, health and safety at work and implementation of workers' rights – Quality Jobs Act.

For this second phase of the consultation, the Commission would welcome the views of social partners on the questions set out below.

1. What are your views on the **objectives** of possible EU action set out in this consultation document (Sections 1 to 7)?
2. What are your views on the **possible avenues** for EU action set out in this consultation document (Sections 1 to 7)?
3. What are your views on the **possible instruments** presented in this consultation document (Section 8)?
4. Are the European social partners **willing to enter into negotiations** with a view to concluding an agreement under Article 155 TFEU on any of the elements set out in this consultation document?

The Commission will take into account the results of this consultation in its further work on an EU initiative to improve working conditions, health and safety at work and implementation of workers' rights – Quality Jobs Act. In particular, if the social partners decide (as provided for under Article 154(4) TFEU) to negotiate between themselves on all or some of the areas identified in this consultation, the Commission will suspend its work on drawing up an EU initiative for the relevant areas.