

## Perceptyx Data Protection & AI Transparency Overview

This document provides a high-level overview of the Perceptyx platform's privacy practices, data protection standards, and Artificial Intelligence (AI) functionalities. It is designed to assist in evaluating the Perceptyx Platform's compliance with local co-determination rights and statutory requirements.

### Perceptyx Insights Platform General Information

Perceptyx provides a SaaS, web-based People Insights Platform designed to deliver employee survey and analytics solutions. The platform enables organizations to collect, analyze, and act on employee feedback to drive business outcomes. Perceptyx utilizes Artificial Intelligence (AI) to deliver advanced analytics and actionable insights across its platform for employee experience and sentiment analysis. Our core comment analysis offerings use proprietary machine learning models and Natural Language Processing (NLP) on tasks like classification of open-ended comments and tagging with themes, sentiment, and intent labels.

Our Generative AI features are optional, opt-in features designed to enhance the user experience through summarizing comments, conversational listening surveys, interactive learning, and personalized coaching. Customers maintain complete control over the activation and deactivation of generative AI features.

### Overview of Product Capabilities

The platform is organized internally around three operational capability areas: Discover, Activate, and Develop.

- **Discover** is our core survey offering and may include survey design, deployment, and feedback collection across event-based, lifecycle, crowdsourcing, and 360-degree channels.
- **Activate** is Perceptyx's employee activation agent, designed to transform how organizations act on insight. The three key features of Activate are action-planning, the delivery of intelligent behavioral "nudges" to managers and employees through email and collaboration tools, and on-demand coaching (available through opt-in only.) Customers determine which levels of the organization receive nudges.
- **Develop** is an AI-native learning and skill verification tool which includes personalized learning experiences and conversational assessment of comprehension.

## AI Models and Training

- **Proprietary Models:** Perceptyx uses proprietary machine learning models for comment analysis (sentiment, theme detection, and intent labeling). These models are built and trained by internal Perceptyx teams using anonymized datasets.
- **Generative AI:** For optional generative features, Perceptyx utilizes OpenAI, Anthropic, and Google as subprocessors. Perceptyx has its own licenses to use these generative AI providers and does not use public offerings.
- **Privacy AI:** Perceptyx applies our Named Entity Recognition (NER) mask to comment data prior to processing to identify and mask names found within free-text survey comments.
- **Training Data:** Customer data is never used to train or fine-tune Perceptyx or subprocessor AI models.

## System Architecture & Security

Perceptyx utilizes a secure architecture designed to protect employee feedback.

- **Information Security Management System (ISMS):** Perceptyx has established an ISMS based on the ISO 27001 standard. Our ISMS is ISO 27001 certified, demonstrating our compliance with rigorous international standards for information security. Our ISO certificate is available to customers in our [Trust Center](#).
- **SOC 2 Type II Compliance:** Perceptyx undergoes annual SOC 2 Type II audits, providing an independent assessment of our security and privacy controls. Our SOC 2 Type II audit report is available to customers upon request.
- **Technical and Organizational Measures (TOMs):** Robust TOMs are implemented to secure personal data against unauthorized access and are located at <https://go.perceptyx.com/security-terms>
- **Hosting:** Data is hosted in Perceptyx's secure AWS environment (eu-central-1) in Frankfurt, Germany for EU-based customers.
- **System Logs:** Perceptyx centralizes audit logs from production systems, applications, databases, servers, load balancers, network traffic, endpoints, and IAM/privileged-user activity into Splunk Cloud and Datadog. Captured events include authentication, authorization, configuration changes, and administrative/privileged actions, with filters and alarms configured to flag deviations from established baselines. Logs are retained for one year, and access is restricted to prevent unauthorized deletion or tampering.

## Privacy and Data Protection

Perceptyx is committed to protecting the Personal Data of our customers and their employees.

- **Roles:** Perceptyx acts as the data processor for our customers. The customer remains the data controller and directs Perceptyx to collect and process customer employee data.
- **Purpose Limitation:** Data collection is strictly limited to specified, explicit, and legitimate purposes.
- **Data Minimization:** We ensure collected data is adequate, relevant, and strictly limited to what is necessary for the intended purpose.
- **Onward Transfers:** Perceptyx has executed data processing agreements and required transfer mechanisms, such as Standard Contractual Clauses, with each of its subprocessors. Perceptyx also maintains registration with the Data Privacy Framework.
- **Respondent Confidentiality:** Perceptyx protects respondents' confidentiality through aggregation, by only reporting data at the group level and not displaying individual responses. Individual survey responses are not attributed to a named employee in reports. All results are rolled up into groups that meet strict minimum reporting thresholds. Our Named Entity Recognition (NER) model is automatically applied to detect and mask names in survey comments prior to processing by third-party AI models.
- **Privacy Notices:** Customers, as the data controllers, are responsible for providing users with their own privacy notices and collecting any legally required consents. If customers choose to include a privacy policy in such notice, the policy should be the customer's privacy policy and not Perceptyx's. Perceptyx supports the notice and consent process by providing fully customizable privacy notice templates to meet each customer's specific requirements. Distribution of privacy notices is available through multiple methods including via email, as part of an employer portal, prior to the start of the survey on the welcome page, or as a footer.
- **Data Subject Categories:** The customer ultimately determines the categories of data Perceptyx will collect. Perceptyx does not recommend collecting Sensitive Data categories. Typical categories of data generally collected and processed include:
  - First name
  - Last name
  - Employee ID
  - Other information as requested by a customer
  - Other information submitted by an employee as part of a survey
- **Alternative Survey Options:** Customers may elect fully anonymous, unattributed surveys, though this may limit the insights available.

## Data Classification and Retention

- **Classification:** Perceptyx maintains an internal Data Classification policy and applies protections accordingly. Customer data is classified as confidential within the Perceptyx environment.
- **Customer Data Retention:** Data retention periods are defined by the underlying agreement with the customer. Generally, customer data is retained for the duration of the underlying agreement or until a formal deletion request is received.
- **Log Retention:** Perceptyx retains audit logs for a period of one year.
- **Deletion:** Upon request or contract termination, data is deleted or returned. Perceptyx will provide a certificate of deletion upon request.

## Artificial Intelligence Safeguards

### Bias Mitigation and Ethics

- **Bias Mitigation:** Bias mitigation is built into model development: demographic imbalance is addressed via pre-processing augmentation (e.g., pronoun replacement) and over/under sampling, with noise injection for robustness. The Perceptyx Data Science team conducts ongoing bias assessments and remediation. Generative outputs are RAG-grounded to reduce stereotyped or unfounded content.
- **Non-Censorship:** The system does not censor or suppress employee feedback; all comments are surfaced to administrators while sensitive topics (e.g., harassment) are redirected to human HR resources rather than handled by the AI.
- **Monitoring:** Internal quality tests are run regularly to monitor accuracy, improve system performance, and refine responses over time.

### Transparency and Explainability

- **Feature Labelling:** AI-assisted and AI-generated content is labeled within the platform ensuring users are aware they are interacting with an AI system.
- **Prompt Logging:** User inputs and outputs are securely retained enabling the Perceptyx Data Science team to trace and explain results of the AI system.

### AI Governance

- **EU AI Act:** We have analyzed the Perceptyx Platform, including advanced Generative AI features with the advice of outside counsel, and consider it a “limited risk” system under the EU AI Act. Note, this is Perceptyx’s internal assessment, and customers are advised to conduct their own analysis in alignment with internal risk guidance. The full analysis is available on the Perceptyx [Trust Center](#).

- **Governance:** Perceptyx is establishing a formal AI governance framework based on the ISO 42001 standard. Development of formal governance documentation is an ongoing activity as we prepare for ISO 42001 certification.
- **Certification:** We are actively pursuing ISO 42001 certification which is targeted for the end of 2026.

## Key Definitions

- **Personal Data:** Any information relating to an identified or identifiable natural person.
- **Sensitive Data:** Sometimes called “special category data” refers to personal data that carries a heightened risk of harm, discrimination, or damage if disclosed, misused, or improperly processed. Common categories include racial or ethnic origin, political opinions or affiliation, trade union membership, genetic or biometric data, financial information, or national identification numbers.
- **Artificial Intelligence (AI):** A broad area of computer science that deals with the creation of smart machines capable of performing tasks that typically require human intelligence.
- **Generative AI (GenAI):** A class of AI models that can create new, original content, such as text, images, music, or code, based on the patterns and structures learned from training data.

## Review Artifacts

The following additional documents can be made available upon request:

| Artifact                                       | Description                                                    |
|------------------------------------------------|----------------------------------------------------------------|
| AI Data Flow Diagrams                          | Visual representation of how data flows within the AI features |
| Architecture Diagrams                          | High-level system overview                                     |
| Perceptyx Transfer Impact Assessment (TIA)     | Cross-border data transfer assessment                          |
| Perceptyx Record of Processing Activity (ROPA) | GDPR compliance documentation                                  |