

Summary of EU AI Act Compliance for Perceptyx's Platform

Overview

Perceptyx's software platform helps employers assess employee satisfaction and includes AI powered tools to provide employee comment analysis, which analyzes open-text comments from employees to generate insights and summaries for clients. This tool uses an AI model to identify sentiments, themes, and intents from text and is considered a "limited risk" system under the EU AI Act (the "Act").

This information is for informational and educational purposes only and does not constitute legal advice. The information provided here is general in nature and may not apply to your specific situation or jurisdiction.

Legal Analysis Under the EU AI Act

The Perceptyx platform, including its Advanced AI for Text Analysis and AI Coaching functionality, is considered an AI system under the EU AI Act. This classification is based on the following characteristics:

- It is a machine-based system that runs on machines.
- It has the capability to infer from employee responses to generate outputs like analyses and insights.
- These outputs can influence physical and virtual environments for employees.
- The system is not based on simple, predefined rules but uses an AI model to identify emotions, distinguishing it from traditional software.

Conversational Listening Agent and Narrative Analysis Agent perform text-based emotion analysis without human intervention. These features are optional and available through affirmative opt-in only. These products utilize AI Agents which focus on specific, well-defined tasks.

The EU AI Act classifies AI systems into different risk categories. Based on our analysis, the Perceptyx platform is highly unlikely to fall into the higher-risk categories:

- **Prohibited AI Practice:** The platform does not meet the definition of a "prohibited AI practice." While the EU AI Act Article 5(1)(f) prohibits "emotion recognition systems," this only applies to systems that infer emotions based on a person's biometric data (*See Article Recital 44*). All Perceptyx platform AI features infer emotions or sentiment from text responses, not biometric data. Because of this, Perceptyx AI features are not considered an emotion recognition system and are therefore not subject to the act's requirements for such systems.
- **High-Risk AI System:** The platform is not classified as a "high-risk AI system" because it does not pose a significant risk to health, safety, or fundamental rights.

- **General-Purpose AI System:** It is also not a "general-purpose AI system" as it is designed for a specific range of tasks—analyzing employee satisfaction—rather than having the capability to serve a variety of purposes.

The Perceptyx platform falls into the limited-risk category under the EU AI Act, which requires Perceptyx features to comply with transparency requirements set out in Article 50 of the Act. These requirements are met by ensuring that users are aware they are interacting with an AI system through clear labelling and explicit disclaimers.