



Hatteras and the California Consumer Privacy Act

Background

The California Consumer Privacy Act (CCPA) came into effect on January 1, 2020. The state law grants California consumer residents rights over their Personal Information. These rights are: the right to know (or access), the right to delete, and the right to opt-out of sale of Personal Information that a company may collect, retain, or disclose about a consumer. Additionally, the CCPA prohibits businesses from discrimination against consumers in terms of access to services if they choose to exercise their rights under the CCPA.

The CCPA applies to for-profit entities doing business in California that collect, share, or sell California consumer residents' Personal Information and either: 1) has annual gross revenues in excess of \$25 million; 2) possesses the Personal Information of over 50,000 consumers, households, or devices; or 3) receives 50% or more of gross revenue from selling Personal Information.

Business-to-Business Exception

The CCPA is subject to a variety of amendments, including Assembly Bill 1355, which the California Governor signed on October 11, 2019 (AB 1355). AB 1355 gives business-to-business solution providers a temporary, one-year exemption from the compliance requirements. A business-to-business solution provider refers to any company focused on selling products or services to other businesses rather than to consumers.

Specifically, AB 1355 exempts flows of Personal Information that are "part of a transaction where the consumer is a natural person who is acting as an employee-owner, director, officer, or contractor of a company, partnership, sole proprietorship, nonprofit, or government agency and whose communications or transactions with the business occur solely within the context of the business conducting due diligence regarding, or providing or receiving a product or service to or from such company, partnership, sole proprietorship, nonprofit, or government agency."

Hatteras provides printing and mailing services that fall squarely within the business-to-business context. Hatteras does not monetize the Personal Information handled by Hatteras within the services it provides, nor does it require the use or sale of consumer Personal Information in rendering its services.

Likewise, Hatteras would not be considered a 'service provider' as defined in the CCPA since it is subject to the AB 1355 exemption. Hatteras will continue to monitor any further legislation that helps clarify business relationships, including the extension of AB 1355 beyond 2020.

Security

Hatteras has stringent state-of-the-art security controls designed to protect your data. Specifically, cybersecurity risks are taken very seriously at Hatteras and managed daily by our Security and Compliance Team. All employees are required to adhere to Hatteras' strict IT Security Policies, which are annually reviewed to incorporate periodic updates. Hatteras also is annually audited by third-party auditors for SOC 2 Compliance, as well as annually audited by third-party auditors for penetration and vulnerability testing.

Supporting Our Customers CCPA Requirements

While Hatteras is exempt from the CCPA, we will continue to support our customers that need to comply with these requirements. This includes implementing appropriate security controls that comply with the CCPA, as well as timely responses to data subject access requests.