

CCPA & CPRA Frequently Asked Questions

This document is an overview of the California Consumer Privacy Act ("CCPA") and does not provide legal advice. The information presented may not take into account future changes in the law and regulations. We encourage you to consult with your own legal counsel to familiarize yourself with the requirements that govern your specific situation.

Introduction

At Salesforce, Trust is always our #1 value and the protection of our customers' data is paramount. We know that many organizations have questions about specific data protection and privacy laws, like the California Consumer Privacy Act ("CCPA") and the California Privacy Rights Act ("CPRA"). Below are answers to the most frequently asked questions.

What is the CCPA?

The CCPA is California's consumer data privacy law, and the first state law to comprehensively address privacy and data protection in the U.S. The law went into effect on January 1, 2020 and is enforced by the California Attorney General. Similar to the sweeping changes that came with the EU's General Data Protection Regulation ("GDPR"), the CCPA represents one of the highest standards of data protection in the United States and requires companies to carefully assess their data practices.

Essentially, the CCPA grants California residents rights over their personal information. These include the right to access or delete personal information collected by a business and the right to opt out of a business's "sale" of the individual's personal information. The opt-out right is particularly significant because the CCPA defines "sale" in very broad terms that encompass many commonplace data sharing arrangements, even where no money is exchanged. However, transfers to "service providers" are not considered "sales."

Does the CCPA affect my organization?

The CCPA applies to any "business" anywhere in the world that collects, receives or "sells" California consumers' personal information while doing business in California. It regulates the collection, use, and disclosure of personal information belonging to a "consumer," which the CCPA defines as "a natural person who is a California resident" (including residents who are temporarily out of the state). It also applies to "service providers" who process personal information on behalf of a business, and to other "third parties" who receive "sales" of personal information from a business.

What is a "business" covered by the CCPA?

A "business" is any for-profit entity that collects, and determines the purposes and means of processing, California consumers' personal information while doing business in California and that: (1) has annual gross revenues in excess of \$25 million; (2) processes the personal information of 50,000 or more consumers, households, or devices, for its own commercial purposes; or (3) earns more than half of its annual revenue from "selling" consumers' personal information.

What is considered a "sale" under the CCPA?

"Selling" is defined very broadly to cover most transfers of personal information for monetary or other value. However, unlike other transfers, a transfer to an entity that qualifies as a "service provider" under the CCPA is not considered a "sale." Transfers that are directed by the consumer or where a consumer uses a business to intentionally interact with a third party are also not considered "sales," but other exceptions are limited.

What is a "service provider" under the CCPA?

A "service provider" under the CCPA is any for-profit entity that processes a consumer's personal information on behalf of another business, which discloses the personal information for a business purpose. To be a service provider, the entity must also receive the personal information under a written contract that limits the service provider's processing to purposes specified in the contract or otherwise permitted by the CCPA. Salesforce is a service provider to its customers, and offers a Data Processing Addendum containing CCPA-specific terms.

What are my main obligations under the CCPA?

The answer largely depends on whether your organization would be a "business," a "service provider," or a "third party" under the CCPA.

For businesses, the main obligations include:

- Notifying consumers of the types of personal information collected and how that information will be used. This notice must be provided at or before the point where personal information is collected.
- Providing a more detailed privacy policy explaining personal information collection and sharing practices and describing consumers' rights.
- Providing consumers with ways to submit requests to access or delete their personal information or to know more about how it is processed and shared, and responding to those requests.
- Providing a clear and conspicuous link on the business's website entitled "Do Not Sell My Personal Information" so that consumers may exercise their right to opt-out of "sales" of their personal information, if the business sells personal information.
- Not discriminating against consumers who exercise their rights under the CCPA.
- Providing reasonable security to protect personal information from unauthorized access or acquisition.

For service providers, the main obligations include:

- Processing personal information only for the purposes specified in the written contract with the business customer, and not for the service provider's own commercial purposes.
- Deleting personal information about a consumer when instructed to do so by the business customer.

For third parties that receive personal information in a "sale," but that are not service providers, CCPA prohibits the third party from further "selling" that personal information unless the consumer received "explicit notice" and an opportunity to opt out of "sales." "Explicit notice" is not defined by the CCPA, and third parties may wish to consult their own legal counsel to assess their obligations.

What has Salesforce done to prepare for the CCPA?

Salesforce qualifies as a service provider under the CCPA, and Salesforce is dedicated to helping our customers comply with the CCPA when using our services. Salesforce's current Data Processing Addendum ("DPA") is tailored to meet global data protection laws and regulations requirements, including those under the CCPA.

Do I need a new DPA in place for the CCPA?

Customers who signed earlier versions of our DPA, or who entered into a <u>Master Subscription Agreement</u> without a DPA, can sign our current DPA at any time (see Salesforce's <u>DPA FAQs</u> for more information).

Salesforce customers' existing DPAs may already contain the necessary provisions to accommodate the CCPA. However, customers should consult their own legal counsel to make this determination.

What is the California Privacy Rights Act ("CPRA") and how can I find out more information?

Less than one year after the CCPA went into effect, California voters approved the California Privacy Rights Act ("CPRA") which is a statute that amends the CCPA. Effective January 1, 2023, the CPRA expands the privacy and data protection obligations under the CCPA, making it both more comprehensive and aligned to global standards.

The CPRA also establishes a new governing agency, the California Privacy Protection Agency ("CPPA"), whose primary duties include the implementation and enforcement of the CCPA and CPRA. Additionally, the CPPA is responsible for updating current regulations as well as adopting new ones. The CPPA's final regulations are expected by July 1, 2022 and may help to address complex privacy topics such as automated decision-making and opt-out rights under California law.

Stay tuned to our website for more CCPA/CPRA information and materials. In the meantime, you can find the official text of the CCPA/CPRA available here.