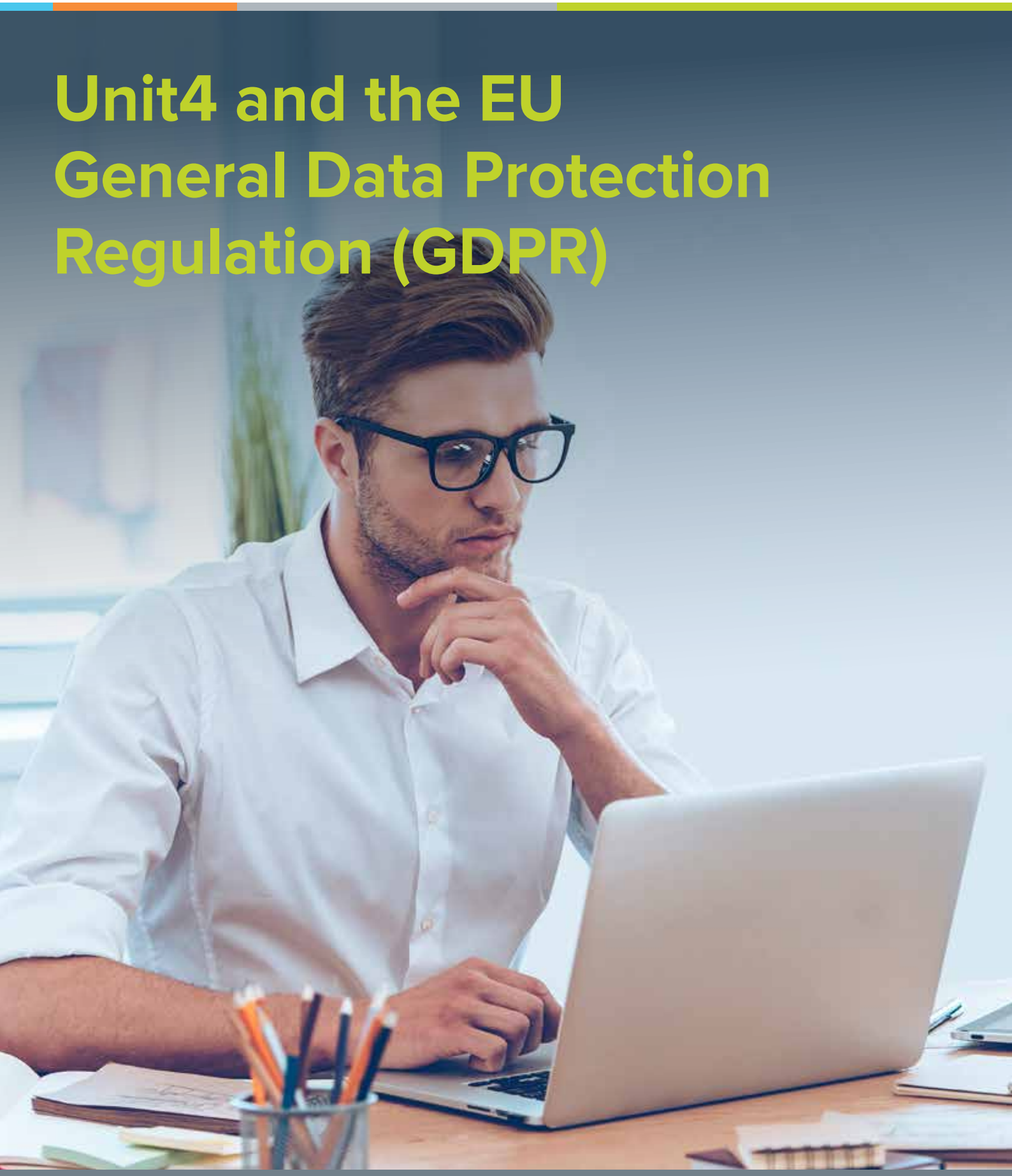
UNIT4

WHITE PAPER

Unit4 and the EU General Data Protection Regulation (GDPR)



In business for people.

Contents

3 What is GDPR?

4 GDPR definitions

5 Prepare your organization for the new regulation

7 Appendix 1: Unit4 statement on GDPR

9 Appendix 2: Unit4 data leakage protocol

10 Appendix 3: Privacy by design at Unit4 R&D

What is GDPR?

On May 25, 2018, a new European privacy regulation called The General Data Protection Regulation (GDPR) will come into effect.

This regulation will be implemented in all local privacy laws across the entire EU and EEA region. It will apply to all companies selling to and storing personal information about citizens in Europe, including companies on other continents. It provides citizens of the EU and EEA with greater control over their personal data and assurances that their information is being securely protected across Europe.

The new GDPR is set to replace the Data Protection Directive 95/46/EC. The GDPR is directly applicable in each Member State and will lead to a greater degree of data protection harmonization across EU nations.

Although many companies have already adopted privacy processes and procedures consistent with the Directive, the GDPR contains a number of new protections for EU data subjects and threatens significant fines and penalties for non-compliant data controllers and processors once it comes into force.

The GDPR requires companies handling EU citizens' data to undertake major operational reform.

GDPR definitions

GDPR is all about (the protection of) Privacy. To understand the GDPR some knowledge on the “GDPR Language” is needed. The basic definitions can be found here.

Definitions:

Personal Data: means any information relating to an identified or identifiable natural person (‘data subject’); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

Data Subject: is a living individual to whom personal data relates:

Controller: means the natural or legal person, public authority, agency or other body which – alone or jointly with others– determines the purposes and means of the processing of personal data. Sometimes the purposes and means of processing personal data are, instead, determined by Union or Member State law. In that situation, the controller (or the specific criteria for nominating a controller) may also be provided for by Union or Member State law.

Processor: means a natural or legal person, public authority, agency or other body which processes personal data on behalf of the controller.

Consent: of the data subject means any freely given, specific, informed and unambiguous indication of the data subject’s wishes by which he or she, by a statement or by a clear affirmative action, signifies agreement to the processing of personal data relating to him or her.

(Personal) data breach: means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, personal data transmitted, stored or otherwise processed.

Processing: means any operation (or set of operations) that is performed on personal data or on sets of personal data, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.

Prepare your organization for the new regulation

The General Data Protection Regulation (GDPR) contains many requirements about collecting, storing, and using personal information, including how you:

- Identify and secure the personal data in your systems
- Accommodate new transparency requirements
- Detect and report personal data breaches
- Train privacy personnel and other employees

We recommend that you begin your journey to compliance with the GDPR by focusing on 10 key steps, as defined by the Dutch Privacy Authority.

1. Awareness
2. Rights of data subjects
3. Overview of processing personal information
4. Data Protection Impact Assessment (DPIA)
5. Privacy by design & privacy by default
6. Data Protection Officer
7. Data breach notification
8. Data Processing Agreements
9. Leading Privacy Authority
10. Consent and legal right to process personal data

1. Awareness

Make sure the relevant people in your organization are aware of the new privacy rules. They need to estimate what the impact of the GDPR is on your current processes, services and goods and what adjustments are needed to meet the GDPR requirements. Keep in mind that implementation can require a lot of the available manpower and resources, so get started on time.

2. Rights of data subjects

Under the GDPR, data subjects get more and improved privacy rights. Therefore, ensure that they are able to exercise their privacy rights properly. Consider existing rights, such as the right to access and the right to correction and removal.

But keep in mind new rights, such as the right to data portability. With this right, you must ensure that your data is readily available to your data subjects.

3. Overview of processing Personal Information

Record your data processing. Document what personal data you process and for what purpose. Document where this information comes from, where it is stored and with whom you share it. Under the GDPR you must be able to demonstrate that your organization is in compliance with the GDPR.

You may also need the overview, if data subjects execute their privacy rights. If they ask you to correct or delete their information, you must pass the request on to the organization(s) with which you shared their data.

4. Data Protection Impact Assessment (DPIA)

This is the process to describe the processing and assess privacy risks and determining countermeasures. A (D)PIA is only required when the processing is “likely to result in a high risk to the rights and freedoms of natural persons”.

5. Privacy by Design and Privacy by Default

- **Privacy by design** means that protection of personal data in the design of products and services.
- **Privacy by default** means that you must take technical and organizational measures to ensure that, by default, processing of personal data is optimized for the specific purpose and that no more than the minimal personal data is then processed, to achieve to predefined goal.

Unit4 R&D has translated these principles into “The 7 Foundational Pillars of Privacy by Design Incorporated into Unit4 R&D Philosophy”, which can be found here.

6. Data Protection Officer

Under the GDPR, organizations may be required to appoint a Data Protection Officer (DPO). Determine whether this applies to your organization.

7. Data Breach notification

You must document all data breaches. In case of a data breach you have to inform the leading privacy authority of this breach in a well-documented way. The leading privacy authority must be able to verify that you have complied with the reporting obligation.

Unit4 has an internal data leakage protocol that can be found here. However, if Unit4 is hosting your organization's personal data, be aware that you can't just rely on Unit4's internal data leakage protocol. You need to have a data leakage process within your own organization as well.

8. Data Processing Agreement (DPA)

Did you outsource your data processing to a processor? Then evaluate whether the agreed measures in existing contracts and DPA with your processor are still sufficient and meet the requirements of the GDPR. If not, please make timely changes.

Unit4 has made a standard DPA that is compliant to the current Directive. A new DPA and addendum to current DPA will be made to be compliant to the GDPR.

9. Leading Privacy Authority

Does your organization have offices in several EU Member States? Or does your data processing affect multiple Member States? Then you only have to do deal with one privacy authority. This is called the leading Privacy Authority. If this applies to your organization, then determine which privacy authority is the one for your organization.

For Unit4, the Dutch Privacy Organization "Autoriteit Persoonsgegevens" is the leading authority.

10. Consent and legal right to process personal data

Your data processing may be based on the consent of the data subjects involved. The GDPR imposes stricter requirements for permission to process personal data. Therefore, evaluate and register the way you request permission. You must be able to prove that you have received valid permission from data subjects to process their personal data. And that it should be as easy for data subjects to withdraw their permission as to give them.

Under the GDPR, collecting and processing personal data of individuals is only legitimate in one of the following circumstances:

- Where the individual concerned, (the 'data subject'), has unambiguously given his or her consent, after being adequately informed; or
- if data processing is needed for a contract, for example, for billing, a job application or a loan request; or
- if processing is required by a legal obligation; or
- if processing is necessary in order to protect the vital interest of the data subject, for example, processing of medical data of a victim of a car accident; or
- if processing is necessary to perform tasks of public interests or tasks carried out by government, tax authorities, the police or other public bodies; or
- if the data controller or a third party has a legitimate interest in doing so, as long as this interest does not affect the interests of the data subject, or infringe on his or her fundamental rights, in particular the right to privacy. This provision establishes the need to strike a reasonable balance between the data controllers' business interests and the privacy of data subjects.

The GDPR prohibits the processing of personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, trade-union membership, and the processing of data concerning health or sex life unless one of the exception criteria is met. Does your organization process this type of personal data? Then you should gain knowledge on the exception criteria.

Appendix 1: Unit4 statement on GDPR

Privacy (and therefore GDPR) is paramount for Unit4. Unit4 is preparing its people, products and processes to comply with the requirements under the EU General Data Protection Regulation ("GDPR"), which will become effective May 25, 2018. It goes without saying that Unit4 will comply with the obligations under the GDPR as well as with obligations that may be imposed under national legislations.

This statement highlights the main topics under the GDPR and actions (to be) taken by Unit4.

Privacy by Design

Within the R&D processes for the various products of Unit4 an audit is conducted, together with an external auditing party, to determine the steps to be taken in order to implement the Privacy by Design concept in the development cycle.

The recommendations of the audit will be used as the baseline for development of new products and releases that are scheduled from May 25, 2018 onwards. In this process, the concept of Privacy by default will be considered as well. For other functions, like Support, Professional Service and Cloud Services, a review is undertaken to determine to what extent the Privacy by Design concept will impact and which measure must be put in place.

An overview of "Privacy by design at Unit4 R&D" can be found here.

Data Processing Agreements

At this moment, Unit4 is already processing personal data on behalf of its customers. This processing is done – in most cases – based on a Data Processing Agreement. These Data Processing Agreements will be reviewed and made compliant with the new requirements under the GDPR, like (without limitation) the obligation of confidentiality for employees, a description of technical and organizational measures for data security, and the accountability and audit requirements.

Processing Register

Unit4 will register all processing activities and document it in accordance with the GDPR requirements. The design and organization of the register will be handled by Unit4's internal IT department and R&D Department.

Data Security Requirements

The data security requirements under the GDPR are more or less the same as those stated in the guidance of the Dutch Data Protection Authority, which Unit4 complies with.

Data Leaks

The obligations for Unit4 to report data leaks to the Responsible Authority for the processing will be adhered to, within the 72-hour time frame provided in the GDPR. Unit4 has an internal protocol in case of data leaks, which will be updated for GDPR compliance.

Privacy Impact Assessment (“PIA”)

Unit4 will perform a PIA in case there is a probability for a high risk for the processing of personal data and will make PIA an integral part of its processes where necessary.

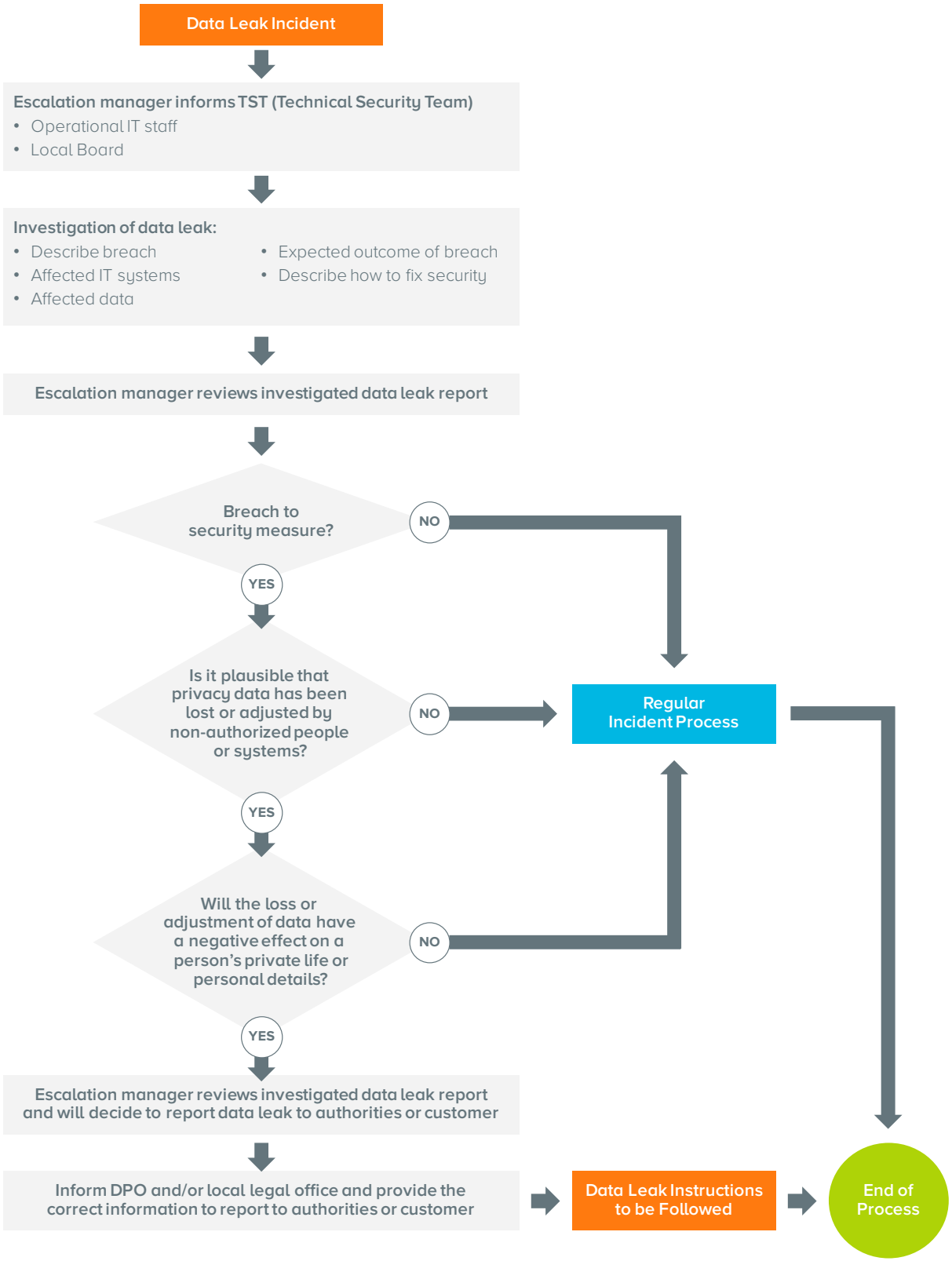
Data Protection Officer

Data protection is part of the Global Information Security function within Unit4. As such the function is responsible as Data Protection Officer for compliance to the GDPR. In certain countries where Unit4 operates, local Data Protection Officers will be put in place, ensuring compliance on a local level.

Audits and accreditations

Unit4 is assessing if and which audits and accreditations would be required for the services it provides and that may be affected by the GDPR. The accreditation may differ per product, service or country where it is offered to the public.

Appendix 2:
Unit4 data leakage protocol



Appendix 3: Privacy by design at Unit4 R&D

Background

The General Data Protection Regulation (GDPR) is a harmonized approach to meet data privacy laws across Europe. GDPR addresses data protection by design as a legal obligation for data controllers and processors; and introduces the obligation of data protection by default.

Privacy by design focuses on embedding privacy protection measures in products and throughout the development process of products, processes, or services that could use personal data. While privacy by design has long been considered a best practice, it will be mandatory under GDPR.

Unit4 R&D Approach

Unit4 R&D believes the goals are best accomplished as part of an overall approach to protect privacy. One of the actions to achieve that is the assessment performed on yearly basis to identify/verify the product risk considering several aspects. One of the categories used to define the product risk index refers to the required levels of **confidentiality** and **integrity** for the data stored by the application.

Unit4 R&D recognizes the importance of privacy by design and by default approaches in minimizing privacy risk and building trust. Unit4 R&D adheres to previous privacy regulations and is in the process of incorporating privacy by design foundational principles as part of the software development lifecycle (SDLC). Our aim is to enhance and strengthen our built-in principles.

The 7 foundational pillars of privacy by design incorporated into Unit4 R&D philosophy

1st Pillar – Proactive and preventive

Our approach makes people, process and technologies primary agents to implement and enhance privacy protections. To provide privacy built into our products, Unit4 R&D is committed to provide training to its staff. Data protection, privacy by design and application security are part of the ongoing training curriculum.

2nd Pillar – Privacy by default

Privacy by default refers to implement mechanisms to ensure that only personal information needed for each specific purpose are processed "by default". It is a design concept, broadly defined, to prohibit the collection, display or sharing of any personal data without the explicit consent from the data subject. In a more detailed view, includes the most restrictive privacy settings by default. In other words, even if the user does nothing; privacy remains intact.

This concept is part of our standard requirements for new features and products. Our policy is to allow more control over privacy rather than less. Customers have the possibility to configure Unit4 products to meet their internal requirements.

Unit4 R&D is reviewing our privacy and cookies policies to comply with GDPR requirements.

3rd Pillar – Embedded into design

Development guidelines and procedures about privacy by design is available in our internal technical knowledge base that is devoted to all Unit4 products.

Unit4 R&D works towards privacy embedded into the design, architecture and functionality from the very beginning.

Privacy becomes an integrated part of the system and not at the expense of less functionality.

4th Pillar – Full functionality

At Unit4 R&D, all efforts are made to assure privacy, security and functionality are implemented in our products. We are in the process of implementing the culture of the positive-sum concept, which means that there is no prevalent concept. Privacy should be considered at an early stage and throughout the software development lifecycle.

5th Pillar – End-to-end security

Our approach considers security a vital aspect to assure privacy. Unit4 R&D has developed guidelines for implementing security, as part of the software development lifecycle, based on security frameworks from OWASP. We are in the process of implementing the standard fully and training our staff.

Unit4 has a Security Community with representatives from each product and other related areas. We have a Global Penetration Testing Program that ensures that security tests are performed on each major release of relevant products – based on risk and lifecycle – by an external and independent vendor. The purpose is to uncover and actively exploit vulnerabilities to prove or disprove real-world attack vectors.

6th Pillar – Visibility and transparency

Unit4 R&D provides our customers visibility and transparency by conducting and making available independent third-party audits and certifications.

We are providing our customers full transparency and visibility by producing documentation of the released functionality. If any 3rd party components that are handling private data are used, these will be specified in a data processor agreement.

7th Pillar – Respect for user privacy

Unit4 R&D is tying up privacy by design and by default to its core software development values. We believe that by following a user-centric approach; the other principles will fall into place.

We want to help our customers to meet their own GDPR compliance requirements by providing highly configurable functionality.

About Unit4

Unit4 is a leading provider of enterprise applications empowering people in service organizations. With annual revenue of close to 600M Euro and more than 4200 employees worldwide, Unit4 delivers ERP, industry-focused and best-in-class applications. Thousands of organizations from sectors including professional services, public services, not-for-profit, real estate, wholesale, financial services and education benefit from Unit4 solutions. Unit4 is in business for people.

unit4.com

Unit4
Papendorpseweg 100
3528 BJ Utrecht,
The Netherlands

T +31 88 247 17 77
E info.group@unit4.com

WP171026dINT