



## The McGraw-Hill Companies adopt customer privacy policy

The McGraw-Hill Companies, the US-based global publishing, financial services and media corporation, has adopted a corporate-wide privacy policy to protect customer data. The company, publisher of *Standard & Poor's* and *Business Week*, believes that it now provides sufficient guarantees for adequate protection in transfers of personal data as required by the EU Data Protection Directive (see p. 12).

The policy can be seen, not just as an attempt to avoid governmental regulation in the USA, but also as an effort to comply with the EU Data Protection Directive's requirement for adequate protection in transborder data flows. McGraw-Hill is clearly hoping that its policy will allow the application of one of the derogations under Article 26 of the Directive which allows transfers of personal data if contractual clauses offer sufficient safeguards for the protection of personal data.

The corporate policy is a result of a year long process that started with the creation of an on-line Privacy Task Force in August 1996. The Task Force had identified that the previous policy of 1978, which applied only to print media, was not sufficient. The new text includes both paper-based and on-line products. With the current emphasis on electronic publishing and commerce, the company hopes that its policy could serve as a model for other companies in the field. It has sponsored a conference in early March to promote privacy policies among other publishers.

The policy makes a distinction between personally identifiable data, such as e-mail addresses and billing information, and the subset of sensitive data. The definition of personal data includes "clickstream" data which reveals how an on-line service has been used. Sensitive data includes personal financial information, social security number, mother's maiden name, stock portfolio, information on someone's specific medical condition and most information on children.

It is recognised that sensitive data requires additional protection. Therefore, no sensitive data will, under any circumstances, be distributed outside The McGraw-Hill Companies for external use. The customers will also have a right to forbid

the sharing of their sensitive data between the McGraw-Hill companies.

Other privacy principles included in the policy are the rights to subject access and rectification of false data, notification of collection and use of data, and collection limitation. The company implemented its policy by the end of 1997 in the USA and aims to extend it to McGraw-Hill operations in over 30 countries worldwide by the end of October this year. The policy means:

- the training of employees who handle personal data in any paper or electronic media
- the appointment of privacy officials in all business units to supervise policy and ensuring compliance with the policy
- the inclusion of privacy awareness material in every employee's orientation package
- the establishment of a privacy steering committee with representatives of all business units, including legal and audit, to which all those launching new websites must submit their privacy policies before going on the web
- an active audit policy which includes random and frequent audits of all company web sites
- only employees with legitimate need to access personal data will be able to do so.

The privacy policy can only be effective if customers are informed of their rights. McGraw-Hill intends to inform subscribers to print periodicals once a year about the policy and its implications. Customers using on-line products will be able to view privacy information via a link posted on every on-line product and web-site. Another method that the company is considering using in order to inform the customer is to include a notification of this policy with each invoice.

McGraw-Hill promises that when its employees collect personal information, customers will be offered the opportunity to opt-out so that their information will not appear on any external lists.

**For more information on McGraw-Hill's privacy policy, see [http://www.mcgraw-hill.com/corporate/news\\_info/privacy/index.html](http://www.mcgraw-hill.com/corporate/news_info/privacy/index.html) or contact Cindy Braddon, Vice-President, and co-chair, Privacy Steering Committee. Tel: + 1 202 383 3701 E-mail: [cbrad@mh.com](mailto:cbrad@mh.com) This report is based on a *Privacy & American Business* conference session, October 1997.**