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Liquid Web™

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SOC for Service Organizations™

Liquid Web, LLC

Co-Location, Web Hosting, and Network Infrastructure Services

SOC 3

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Section 1:
Independent Service Auditor's Report

To the Management of:
Liquid Web, LLC
2703 Ena Dr.
Lansing, MI 48917

Scope

We have examined Liquid Web, LLC's ("Liquid Web") accompanying assertion titled "Liquid Web Management's Assertion" (assertion) that the controls within the Liquid Web system were effective throughout the period November 1, 2021 to October 31, 2022, to provide reasonable assurance that Liquid Web's service commitments and system requirements were achieved based on the trust services criteria relevant to security and availability (applicable trust services criteria) set forth in *TSP section 100, 2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy (trust services criteria).*

Service Organization's Responsibilities

Liquid Web is responsible for its service commitments and system requirements and for designing, implementing, and operating effective controls within the system to provide reasonable assurance that Liquid Web's service commitments and system requirements were achieved. Liquid Web has also provided the accompanying assertion about the effectiveness of controls within the system. When preparing its assertion, Liquid Web is responsible for selecting, and identifying in its assertion, the applicable trust service criteria and for having a reasonable basis for its assertion by performing an assessment of the effectiveness of the controls within the system.

Service Auditor's Responsibilities

Our responsibility is to express an opinion, based on our examination, on whether management's assertion that controls within the system were effective throughout the period to provide reasonable assurance that the service organization's service commitments and system requirements were achieved based on the applicable trust services criteria. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination included:

- Obtaining an understanding of the system and the service organization's service commitments and system requirements.

- Assessing the risks that controls were not effective to achieve Liquid Web's service commitments and system requirements based on the applicable trust services criteria.

- Performing procedures to obtain evidence about whether controls within the system were effective to achieve Liquid Web's service commitments and system requirements based the applicable trust services criteria.

Our examination also included performing such other procedures as we considered necessary in the circumstances.

Inherent Limitations

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls.

Because of their nature, controls may not always operate effectively to provide reasonable assurance that the service organization's service commitments and system requirements were achieved based on the applicable trust services criteria. Also, the projection to the future of any conclusions about the effectiveness of controls is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

Physical access was not removed timely for a material number of terminated employees during the period November 1, 2021 to October 31, 2022. Consequently, controls did not operate effectively during the period November 1, 2021 to October 31, 2022 to provide reasonable assurance that Liquid Web's service commitments and system requirements were achieved based on the trust service criterion CC6.4 - *The entity restricts physical access to facilities and protected information assets (for example, data center facilities, back-up media storage, and other sensitive locations) to authorized personnel to meet the entity's objectives.*

Opinion

In our opinion, management's assertion that the controls within Liquid Web, LLC's co-Location, web hosting, and network infrastructure services system were effective throughout the period November 1, 2021 to October 31, 2022 to provide reasonable assurance that Liquid Web service commitments and system requirements were achieved based on the applicable trust services criteria is fairly stated, in all material respects, except for the possible effects of the matter giving rise to the modification described in the preceding paragraph.

UHY LLP

Farmington Hills, MI

July 11, 2023

Section 2:

Liquid Web, LLC Management's Assertion

Management of Liquid Web, LLC's Assertion:

We are responsible for designing, implementing, operating, and maintaining effective controls within Liquid Web, LLC's ("Liquid Web") co-location, web hosting, and network infrastructure services system (system) throughout the period November 1, 2021, to October 31, 2022, to provide reasonable assurance that Liquid Web, LLC's service commitments and system requirements relevant to security and availability categories were achieved. Our description of the boundaries of the system is presented in section 3 and identifies the aspects of the system covered by our assertion.

Liquid Web's objectives for the system in applying the applicable trust services criteria are embodied in its service commitments and system requirements relevant to the applicable trust services criteria. The principal service commitments and system requirements related to the applicable trust services criteria are included in Section 3 of the report.

We have performed an evaluation of the effectiveness of the controls within the system throughout the period November 1, 2021, to October 31, 2022, to provide reasonable assurance that Liquid Web, LLC's service commitments and system requirements were achieved based on the trust services criteria relevant to the Security and Availability categories (applicable trust services criteria) set forth in *TSP section 100, 2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy* (AICPA, Trust Services Criteria). Liquid Web, LLC's objectives for the system in applying the applicable trust services criteria are embodied in its service commitments and system requirements relevant to the applicable trust services criteria.

There are inherent limitations in any system of internal control, including the possibility of human error and the circumvention of controls. Because of these inherent limitations, a service organization may achieve reasonable, but not absolute, assurance that its service commitments and system requirements are achieved.

We assert that the controls within the system were effective throughout the period November 1, 2021, to October 31, 2022, to provide reasonable assurance that Liquid Web, LLC's service commitments and system requirements were achieved based on the applicable trust services criteria, except for the matter described in the paragraph below.

Physical access was not removed timely for a material number of terminated employees during the period November 1, 2021 to October 31, 2022. Consequently, controls did not operate effectively during the period November 1, 2021 to October 31, 2022 to provide reasonable assurance that Liquid Web's services commitments and system requirements were achieved based on the trust service criterion CC6.4 - *The entity restricts physical access to facilities and protected information assets (for example, data center facilities, back-up media storage, and other sensitive locations) to authorized personnel to meet the entity's objectives.*

Nick Campbell
Senior Director of Security and Architecture
Liquid Web, LLC

Section 3:

Liquid Web, LLC's Description of the Boundaries of its Co-Location, Web Hosting, and Network Infrastructure Services System

OVERVIEW

Liquid Web, LLC ("Liquid Web") was founded in 1997 as a privately held managed co-location, web hosting, and network infrastructure services company and was acquired in 2015 by the private equity firm Madison Dearborn Partners. Liquid Web has four data center facilities, two located in Lansing, Michigan, one located in Phoenix, Arizona, and one in Amsterdam. Liquid Web is a leader in the professional web hosting market with an unwavering dedication to providing the best hosting products available. Liquid Web has over 30,000 clients served in over 150 countries.

DESCRIPTION OF THE SERVICE OFFERINGS PROVIDED

Hosting Services

- Dedicated web hosting - Private servers wholly allocated to the customer and fully managed by Liquid Web
- Shared web hosting - Dedicated or virtual servers shared between multiple customers
- Virtual private servers - Dedicated virtual servers
- Colo - Ability to collocate equipment in Liquid web owned data centers

Network Services

- Load Balancing (Dedicated Load Balancers with Active/Active Redundancy)
- Managed File Replication Services
- Redundant Firewalls I Automatic Failover
- Virtual Private Network (VPN)
- Unmetered Bandwidth Solutions
- Content Delivery Network (CDN)

Backup/Storage Solutions

- Guardian Continuous Data Protection
- Storage Area Network (SAN)
- Terabyte Backup
- Dedicated Server Service Level Agreement (SLA)

PRINCIPAL SERVICE COMMITMENTS AND SYSTEM REQUIREMENTS

The organization's management designs its processes and procedures related to co-location, web hosting, and network infrastructure services system to meet its objectives. Those objectives are based on the service commitments that the organization's management makes to user entities, the laws, and regulations that govern the provision of the colocation services system, and the financial, operational, and compliance requirements that the organization has established for the services. Principle service commitments include:

- Co-location Services: Providing public networking connections to equipment and maintaining physical and environmental security controls to protect hosted systems.
- Web Hosting Services: Management of servers, switches, and firewalls use to provide the web hosting services, as well as, physical and environmental security controls over the managed systems.

- Network Infrastructure Services: Management of servers, switches, and firewalls use to provide the web hosting services, initial network configuration, network support, and physical and environmental security controls over the managed systems.

The organization's management establishes operational requirements that support the achievement of security and availability commitments, relevant laws and regulations, and other system requirements. Such requirements are communicated via the organization's system policies and procedures and contracts with customers. Information security policies define an organization-wide approach to how systems and data are protected. These include policies around how the service is designed and developed, how the system is operated, how the internal business systems and networks are managed, and how employees are hired and trained. In addition to these policies, procedures have been documented on how to carry out specific manual and automated processes required in the operation and development of the system.

COMPONENTS OF THE SYSTEM

Infrastructure

Liquid Web data centers are designed with redundancy installed at every level, ensuring that a failure at any level will not affect customer servers. Liquid Web data center power is conditioned and reliable through the use of centralized Uninterruptible Power Supplies (UPS) solutions backed by generators. Data centers exclusively utilize premium Tier-1 bandwidth providers, ensuring minimal latency and fast connections to all points of the global internet.

The physical machines that provide hosting services for clients may be either dedicated (private servers wholly allocated to the customer) or virtual (share services between several customers). In addition, redundant network firewalls, routers and servers are installed to ensure network equipment failures do not impact customers' availability to their servers.

The Liquid Web network has been designed to accommodate clients demanding the highest quality network performance. There is a central focus on redundancy allowing our network to rapidly self-heal failures without interruptions to connectivity. Our redundancy is multi-tiered with N+1 internal device elements as well as entirely redundant chassis allowing any routing device to fail without interrupting client data connectivity. All core routing and switching equipment is state of the art Cisco.

Software

The following systems comprise of the co-location, web hosting, and network infrastructure services system:

- Identity management System for network and VPN access
- Wordpress for content management
- Security monitoring software including a portfolio of network and system security tools and applications
- Availability monitoring software including a robust set of proprietary system level health and service monitoring tools

People

Liquid Web has organized the company into following distinct operating units which are listed below and further defined in the Organizational Structure section below:

- Executive Management
- Heroic Support® Team
- Platform Team
- Security Team
- Advance Services Team
- Sonar Monitoring™ Team
- Systems Restore Team

Processes and Procedures

Liquid Web's policies and controls cover all critical aspects of employment, including hiring, training and development, performance appraisals, and terminations. In addition, all employees have access to an employee handbook, policies, and procedures which define appropriate ethical behavior. Changes to these documents are communicated to existing personnel in writing.

A sanction policy exists within the Acceptable Use Policy, which includes workforce conduct standards regarding acceptable use of Liquid Web's resources. A performance review is performed and documented by each department head on an annual basis.

Data

Liquid Web does not manage, access, transfer, or move client data or content.

Audit Logs and System Log Files - Liquid Web system and network user activity, system activity, and systems diagnostics are captured in audit logs and system logs that are retained within the system and/or forwarded to monitoring and reporting tools for analysis.