



**Datto, Inc.**

**Unified Continuity Azure Protect**

**SOC 3**

Independent Service Auditor's Report on Management's  
Description of a Service Organization's System  
Relevant to Security

November 1, 2021 to October 31, 2022



200 Second Avenue South, Suite 478  
St. Petersburg, FL 33701



## INDEPENDENT SERVICE AUDITOR'S REPORT

The Management of Datto, Inc.  
701 Brickell Avenue, Suite 400  
Miami, FL 33131

### **Scope**

We have examined Datto, Inc.'s ("Datto", or "the Company") accompanying assertion titled "Assertion of Datto, Inc. Service Organization Management" (assertion) that the controls within Datto's Continuity for Microsoft Azure Services system (system) were effective throughout the period November 1, 2021 through October 31, 2022, to provide reasonable assurance that Datto's service commitments and system requirements were achieved based on the trust services criteria relevant to security set forth in TSP section 100, *2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy (With Revised Points of Focus — 2022)*, in *AICPA Trust Services Criteria*.

### **Datto Inc.'s Responsibilities**

Datto 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 Datto's service commitments and system requirements were achieved. Datto has also provided the accompanying assertion about the effectiveness of controls within the system. When preparing its assertion, Datto is responsible for selecting, and identifying in its assertion, the applicable trust services criteria and for having a reasonable basis for its assertion by performing an assessment of the effectiveness of the controls within the system.

### **Ascend Audit & Advisory's Responsibilities**

Our responsibility is to express an opinion, based on our examination, on 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 AICPA. 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 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 Datto'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 Datto's service commitments and system requirements based on 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.

### ***Opinion***

In our opinion, management's assertion that the controls within Datto's Continuity for Microsoft Azure Services system were effective throughout the period November 1, 2021, to October 31, 2022, to provide reasonable assurance that Datto's service commitments and system requirements were achieved based on the applicable trust services criteria is fairly stated, in all material respects.

*Ascend Audit & Advisory*



St. Petersburg, FL

December 20, 2022

## ASSERTION OF DATTO, INC. SERVICE ORGANIZATION MANAGEMENT

We are responsible for designing, implementing, operating, and maintaining effective controls within Datto Service Organization's (Datto's) Continuity for Microsoft Azure Services system (system) throughout the period November 1, 2021, to October 31, 2022, to provide reasonable assurance that Datto's service commitments and system requirements were achieved based on the trust services criteria relevant to security (applicable trust services criteria) set forth in TSP section 100, *2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy (With Revised Points of Focus — 2022)*, in *AICPA Trust Services Criteria*. Our description of the boundaries of the system is presented in the 'Description of Datto, Inc.'s Continuity for Microsoft Azure Services System' and identifies the aspects of the system covered by our assertion.

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 Datto's service commitments and system requirements were achieved based on the applicable trust services criteria. Datto'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 presented in 'Principal Service Commitments and System Requirements'.

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 Datto's service commitments and system requirements were achieved based on the applicable trust services criteria.

By: /S/ Jason Manar

Jason Manar  
Chief Information Security Officer

December 20, 2022

# DESCRIPTION OF DATTO, INC.'S CONTINUITY FOR MICROSOFT AZURE SERVICES SYSTEM

## Company Overview

Datto, Inc. (Datto), founded in 2007, is a leading provider of enterprise-level technology to small and medium sized businesses. Headquartered in Miami, Florida, Datto serves an extensive and diverse client base, and has long maintained a reputation for excellence in both technologies and services qualities. Datto's cloud-based storage and data recovery services and their related controls are key differentiators in providing and maintaining a secure cloud-based storage and recovery solution to its customers.

On June 23, 2022, Kaseya, LLC purchased Datto becoming the parent company of Datto under the name Kaseya, Inc. This combination of companies brought the best of both enterprises under one umbrella with the creation of IT Complete by providing better opportunities and an industry leading set of solutions to customers.

## Services Overview

Datto Continuity for Microsoft Azure Services has numerous features to help users easily and securely store and access their data.

- Peace of mind:
  - Eliminate single-cloud risk with hourly replication to the secure, reliable Datto Cloud
- Optimal RTO/RPO:
  - Offer optimal recovery time objective (RTO) and one-hour recovery point objectives (RPO) performance with intra-day backups and a simple, four-step restore process.
- Consistent Protection:
  - Manage protections for both on-premises and Azure VM workloads from a single portal.
- Rapid File Restore:
  - Recover files in seconds - without restoring the whole disk – through an easy three-step process. Recover multiple files and folders at once.

## System Description

### Principal Service Commitments and System Requirements

Datto's security commitments to customers are documented and communicated to customers in the Terms and Conditions and the description of service documents published on the customer-facing website. The principal Security commitments include, but are not limited to:

- Maintain appropriate administrative, physical, and technical safeguards to protect the security and integrity of the Datto Continuity for Microsoft Azure Services platform and the customer data in accordance with Datto's security requirements.
- Perform annual third-party security and compliance audits of the environment, including, but not limited to:
  - Reporting on Controls at a Service Organization Relevant to Security (SOC 2) examinations.
  - International Organization for Standardization (ISO) 27001:2013 certification reviews.
- Use formal HR processes, including background checks, code of conduct and company policy acknowledgements, security awareness training, disciplinary processes, and annual performance reviews.
- Follow formal access management procedures for the request, approval, provisioning, review, and revocation of Datto personnel with access to any production systems.
- Prevent malware from being introduced to production systems.
- Continuously monitor the production environment for vulnerabilities and malicious traffic.
- Use industry-standard secure encryption methods to protect customer data at rest and in transit.
- Transmit unique login credentials and customer data via encrypted connections.
- Maintain a disaster recovery and business continuity plan to ensure availability of information following an interruption or failure of critical business processes.
- Maintain and adhere to a formal incident management process, including security incident escalation procedures.
- Maintain confidentiality of customer data and notify customers in the event of a data breach.
- Identify, classify, and properly dispose of confidential data when retention period is reached and/or upon notification of customer account cancellation.

Datto establishes system and operational requirements that support the achievement of the principal service commitments, applicable laws and regulations and other system requirements. These requirements are communicated in Datto's policies and procedures, system design documentation, and/or in customer contracts. Information Security policies define how systems and data are protected. These policies are updated as appropriate based on evolving technologies, changes to the security threat landscape, and changes to industry standards, provided any updates do not materially reduce the service commitments or overall service provided to customers as described in the customer contracts.

Datto regularly reviews the security and performance metrics to ensure these commitments are met. If material changes occur that reduce the level of security commitments within the agreement, Datto will notify the customer via the Datto website or directly via email.

## Components of the System

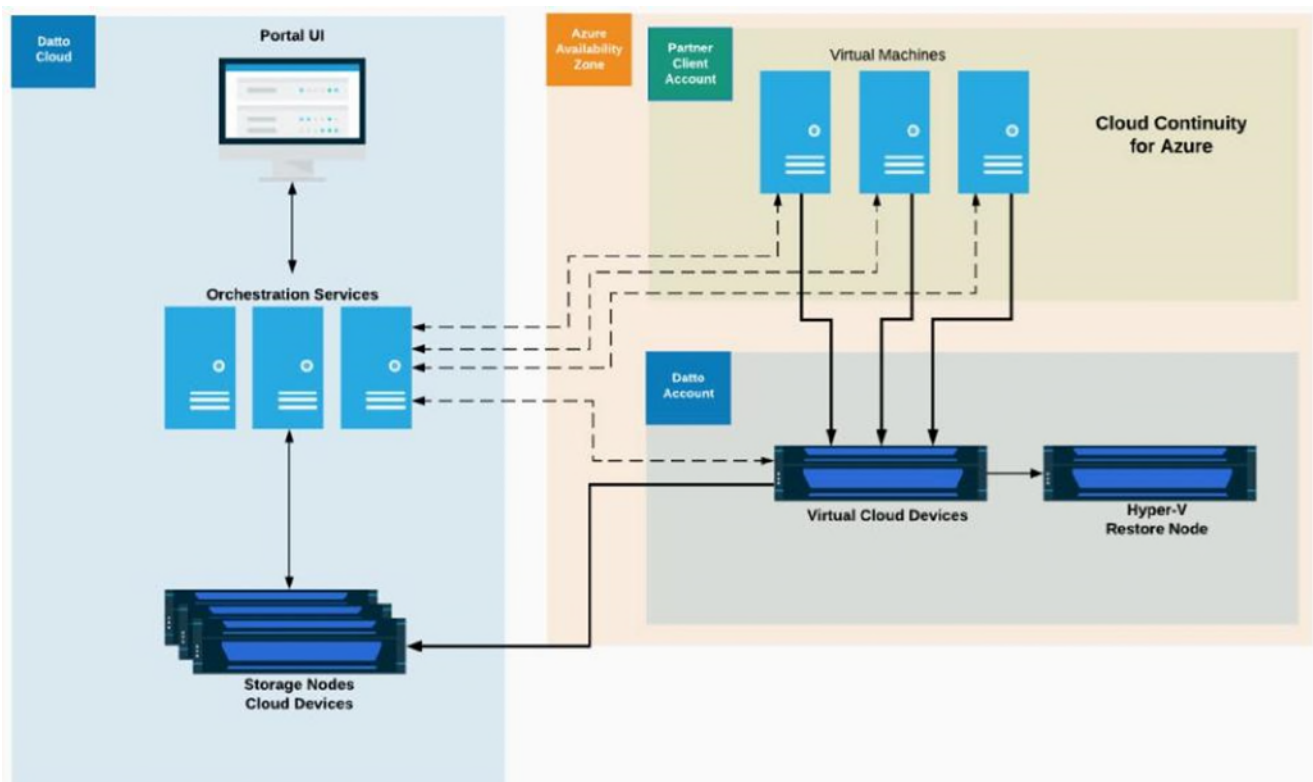
The System is comprised of the following components:

- Infrastructure (facilities, equipment, and networks)
- Software (systems, applications, and utilities)
- Data (transaction streams, files, databases, and tables)
- People (developers, operators, users, and managers)
- Procedures (automated and manual)

## Infrastructure

The backbone infrastructure of the Datto Continuity for Microsoft Azure Services system utilizes Azure virtual cloud devices alongside a Hyper V node for restorations. Backup data is replicated to a physically separate storage system in the Datto cloud. This replication provides additional levels of data protection and durability to assure data availability in the face of a disaster.

End User and Partner visibility to stored backup data in the Datto cloud is provided through the Partner Portal which offers status, management, and restoration service capabilities. The Datto Continuity for Microsoft Azure Services is additionally supported by several other infrastructures, services, and application components. The components of the services are represented in the diagram that follows:



Name	Description
Storage Node	Storage nodes are utilized for both primary and secondary data storage for End User backup data. Storage nodes also execute Datto Cloud recovery services.
Orchestration Services	The orchestration services are the Datto cloud applications that communicate with and trigger actions on Azure devices. Agents running on the protected machines also communicate with the orchestration services.
Virtual Cloud Devices	The virtual cloud devices orchestrate taking backups, running verifications, and replicating backups to the Datto cloud.
Hyper-V Restore Node	The Hyper-V restore nodes are used by the Azure devices to spin up virtualizations for advanced verification.
DattoSystem Database (not pictured)	DattoSystem is the main database supporting most facets of the Datto Continuity for Microsoft Azure Services offering. Contents consist of metadata about systems, agents, and service levels amongst other information.
RLY (relay, not pictured)	RLY is used as a secure “jump server” to SSH into various nodes in the Datto Cloud. Devices also periodically check-in to RLY to see if anyone is attempting to remotely initiate a connection.

## Software

All Datto cloud nodes are running Ubuntu 20.04. The primary technology stacks being utilized are PHP, Symfony, Javascript, Python, Apache2, NGINX, ZFS 0.8.4, KVM/QEMU, Bash, and C++. The application being used to sync data between nodes, Speedsync, is developed in-house by Datto Engineering.

The development, testing, and migration of application changes to production systems are according to change control processes. Application development is based on NIST guidelines. Formalized procedures guide code development and testing. Additional staging and test systems can be brought online in a separate cloud platform. No development and test environments interact with the production environment. Developers and employees with production code deployment duties are separate.

Datto has deployed a variety of solutions and tools to minimize security vulnerabilities associated with code development and code evaluation prior to deployment to the production environment. Access to source code is restricted through the configuration of GitLab; Datto performs a route audit of GitLab users to validate the appropriateness of access to the system. Red Canary CWB is also utilized for threat detection in the Datto cloud.

## Data

Datto stores various types of customer and company data in the cloud solution platform. Sensitive data is protected through secure encryption methodologies.

Datto retains confidential information to meet legal and regulatory requirements and confidentiality commitments. Requirements for data retention are specified contractually via the customer-specific Datto Terms and Privacy Policy. Sensitive data is secured any time it must be transmitted or received via open, public networks. All connectivity to the Datto Cloud utilizes OpenSSH with AES-256-bit encryption to protect backed-up data in transit. Encryption practices



protect information involved in the Datto Continuity for Microsoft Azure Services solution from incomplete transmission, misrouting, unauthorized message alteration, unauthorized disclosure, unauthorized message duplication, and replay.

## People

The organizational structure includes a separation of administrative, technology, finance, customer experience, general counsel, revenue, and marketing functions. The overall organization supports the framework for an effective control environment, and is comprised of the following functional areas:

*Executive Management* provides strategic direction and leadership for Datto. Executive Management oversees and is ultimately responsible for all aspects of service delivery (including business development, marketing, and quality assurance), and all corporate services functions including but not limited to operations, finance, engineering, internal IT support, human resources, legal, facilities, and customer success.

*Human Resources* is responsible for managing all functions related to recruiting and hiring, benefits, employee relations, performance management, resource management, and career assistance. The Human Resources team partners proactively with Executive Management and business units to ensure that all initiatives are appropriately aligned with Datto's mission, vision, and values.

*Internal IT Support (ITS)* team provides IT services to all internal employees to the Datto ecosystem. ITS has overall responsibility and accountability for the enterprise computing environment, including single sign on, corporate software, corporate applications, operating system issues, software license requests, and network connectivity. IT personnel work closely with the end users of other functional areas to develop and implement guidelines and procedures to ensure that the enterprise computing environment is functioning both efficiently and effectively with regard to the Company's business objectives and requirements.

*Internal Operations* provides support to all internal employees at Datto regarding workforce solutions, office services, facilities, and productions. Internal Operations assists with conference room support, office supplies, physical network infrastructure, HVAC, building access, and internal video projects.

*Quality Assurance* seeks better methods and processes to help ensure the delivery of quality products. The Quality Assurance team is responsible for ensuring that Datto's suite of core backup products function correctly and achieve their intended business goals, ensuring quality in Datto's internal and external websites, and test all projects that come out of the research and development team.

*Information Security* management avoids losses in confidentiality, integrity, and availability of Datto end user data and critical services through governance activities and maturation in people, process, and technology. The Information Security team is responsible for incident response, intrusion detection, security information dissemination, vulnerability reporting and testing, red team operations, user awareness training, and governance, risk, and compliance.

*Software Engineering* strives to innovate, architect, and implement solutions for the most interesting problems in the business continuity and backup space. Datto SE continues to break into new areas of technology and expertise in order to keep Datto in the frontlines of the MSP market, while also providing solutions to problems that no other company has ever solved.

*Partner Success* is focused on Datto's customers' overall health, product adoption, and driving improvement to the customer experience. Partner Success works through two main channels: reactive and proactive engagement. The reactive side is related to escalations, billing issues, credit requests, dial downs, and cancellations. Proactive campaigns focus on product adoption, releases, and general product awareness leveraging health and adoption score models.

*Marketing* is responsible for the strategic deployment of the Datto brand and for building awareness through multiple media channels including the Internet, public relations, advertising, industry associations, and direct mail. Finance is primarily responsible for the accuracy of financial reporting. Finance personnel are responsible for corporate treasury matters, client invoicing and payment applications, payroll, and procurement processing. Finance provides support and assistance as needed to client services.

Datto is committed to equal opportunity of employment and all employment decisions are based on merit, qualifications, and abilities. Employment-related decisions are not influenced or affected by an employee's race, color, nationality, religion, sex, marital status, family status, sexual orientation, disability, or age. Datto endorses a work environment free from discrimination, harassment, and sexual harassment.

## **Procedures**

Datto has the following formalized policies and procedures:

- Anti-Corruption Policy
- Asset Management Policy
- Business Continuity and Disaster Recovery Plan
- Change Management Policy
- Code of Conduct
- Confidentiality Agreement
- Data Governance Policy
- Electronic Data Destruction Policy
- Employee Handbook
- Enterprise Encryption Policy
- Hiring and Termination Checklist
- Incident Response Plan
- Information Risk Management Policy
- Information Security Policy
- Offboarding Process
- Onboarding Process
- Patch Management Policy
- Vendor Risk Management Policy
- Vulnerability Assessment Policy

## **Disclosures**

No security incidents were detected or reported during the audit period that would affect Datto's service commitments or system requirements.