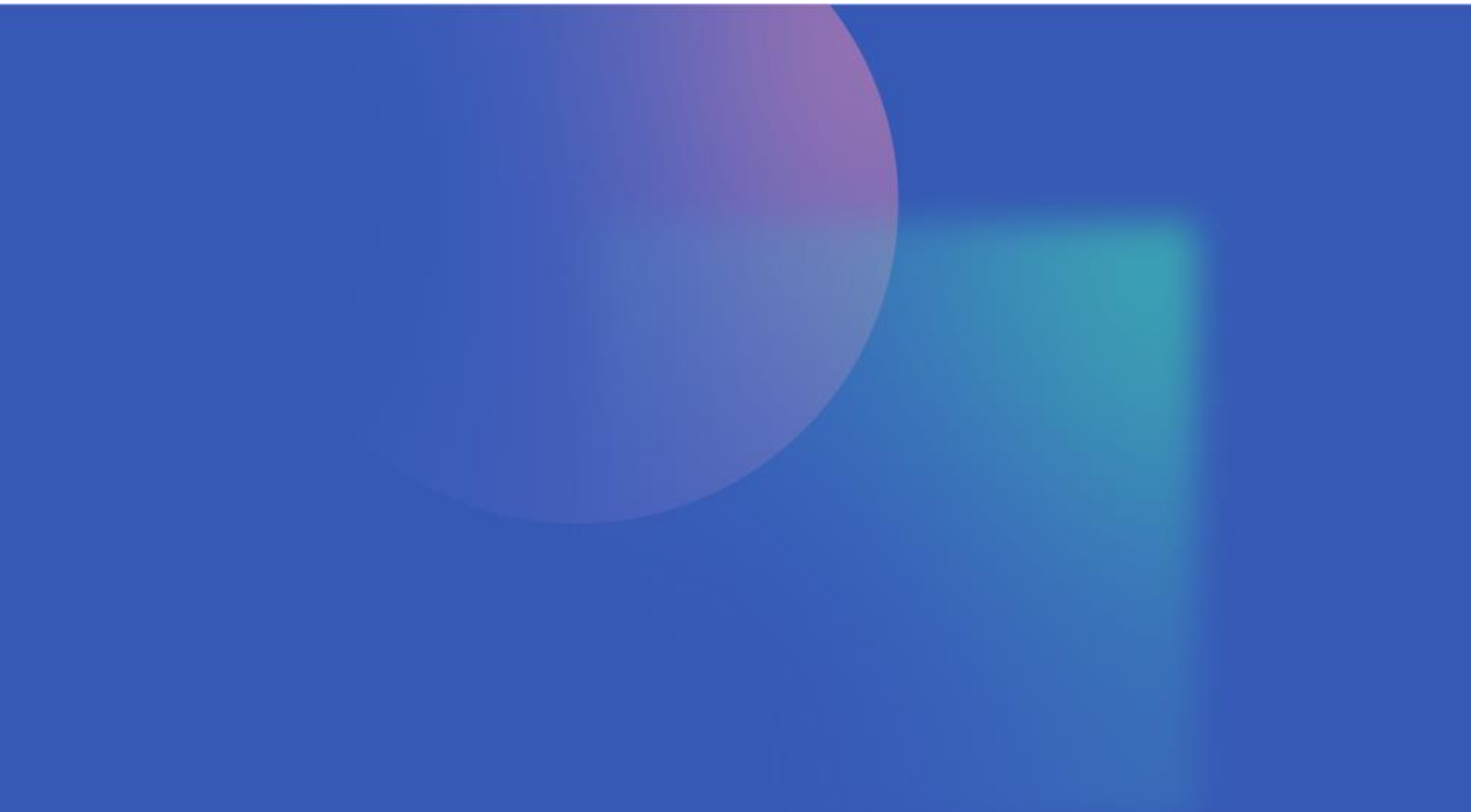
System and Organization Controls (SOC 3) Report

Management’s Report of Its Assertion on the Effectiveness of Its Controls over the Grammarly System Based on the Trust Services Criteria for Security, Availability, Confidentiality, and Privacy for the Period August 1, 2020 through March 31, 2021



grammarly

Management's Report of Its Assertion on the Effectiveness of Its Controls Over the Grammarly System Based on the Trust Services Criteria for Security, Availability, Confidentiality, and Privacy for the Period August 1, 2020 to March 31, 2021

We, the management of Grammarly, are responsible for:

- Identifying the Grammarly system (the "System") and describing the boundaries of the System, which are presented in Attachment A
- Identifying our principal service commitments and system requirements
- Identifying the risks that would threaten the achievement of Grammarly's principal service commitments and service requirements that are the objectives of our system, which are presented in Attachment B
- Identifying, designing, implementing, operating, and monitoring effective controls over the System to mitigate risks that threaten the achievement of the principal service commitments and system requirements
- Selecting the trust services categories that are the basis of our assertion

Grammarly uses Amazon Web Services ("AWS," a subservice organization) to provide physical safeguards, environmental safeguards, infrastructure support and management, and storage services. The boundaries of the System presented in Attachment A include only controls of Grammarly and excludes controls of AWS. However, the description of the boundaries of the System does present the types of controls Grammarly assumes have been implemented, suitably designed, and operating effectively at AWS. Certain trust services criteria can be met only if the AWS controls assumed in the design of Grammarly's controls are suitably designed and operating effectively along with the related controls at Grammarly. However, we perform annual due diligence procedures for third-party subservice providers, and, based on the procedures performed, nothing has been identified that prevents us from achieving our specified service commitments and system requirements.

We assert that the controls over the system were effective throughout the period August 1, 2020, to March 31, 2021, to provide reasonable assurance that the principal service commitments and system requirements were achieved based on the criteria relevant to security, availability, confidentiality, and privacy set forth in the AICPA's TSP Section 100, "2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy."

Very truly yours,

DocuSigned by:
Joe Xavier
7295BF9BD7D64B0...

Joe Xavier
Vice President of Engineering, Grammarly

Report of Independent Accountants

Management of Grammarly, Inc.

Scope

We have examined management's assertion, contained within the accompanying Management's Report of Its Assertion on the Effectiveness of Its Controls Over the Grammarly System Based on the Trust Services Criteria for Security, Availability, Confidentiality, and Privacy (the "Assertion"), that Grammarly's controls over the Grammarly System (the "System") were effective throughout the period August 1, 2020, to March 31, 2021, to provide reasonable assurance that its principal service commitments and system requirements were achieved based on the criteria relevant to security, availability, confidentiality, and privacy (applicable trust services criteria) set forth in the AICPA's TSP Section 100, "2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy."

Management's Responsibilities

Grammarly's management is responsible for its assertion, selecting the trust services categories and associated criteria on which its assertion is based, and having a reasonable basis for its assertion. It is also responsible for:

- Identifying the Grammarly system (System) and describing the boundaries of the System
- Identifying our principal service commitments and system requirements and the risks that would threaten the achievement of its principal service commitments and service requirements that are the objectives of our system
- identifying, designing, implementing, operating, and monitoring effective controls over the System to mitigate risks that threaten the achievement of the principal service commitments and system requirements

Our Responsibilities

Our responsibility is to express an opinion on the Assertion, based on our examination. 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. An examination involves performing procedures to obtain evidence about management's assertion, which includes: (1) obtaining an understanding of Grammarly's relevant security, availability, confidentiality, and privacy policies, processes, and controls; (2) testing and evaluating the operating effectiveness of the controls; and (3) performing such other procedures as we considered necessary in the circumstances. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error. We believe that the evidence obtained during our examination is sufficient to provide a reasonable basis for our opinion.

Our examination was not conducted for the purpose of evaluating Grammarly's cybersecurity risk management program. Accordingly, we do not express an opinion or any other form of assurance on its cybersecurity risk management program.

Inherent limitations

Because of their nature and inherent limitations, controls may not prevent, or detect and correct, all misstatements that may be considered relevant. Furthermore, the projection of any evaluations of effectiveness to future periods, or conclusions about the suitability of the design of the controls to achieve Grammarly's principal service commitments and system requirements, is subject to the risk that controls may become inadequate because of changes in conditions, that the degree of compliance with such controls may deteriorate, or that changes made to the system or controls, or the failure to make needed changes to the system or controls, may alter the validity of such evaluations. Examples of inherent limitations of internal controls related to security include (a) vulnerabilities in information technology components as a result of design by their manufacturer or developer; (b) breakdown of internal control at a vendor or business partner; and (c) persistent attackers with the resources to use advanced technical means and sophisticated social engineering techniques specifically targeting the entity.

Opinion

In our opinion, Grammarly's controls over the system were effective throughout the period August 1, 2020 to March 31, 2021, to provide reasonable assurance that its principal service commitments and system requirements were achieved based on the applicable trust services criteria.

Restricted use

This report is intended solely for the information and use of Grammarly and user entities of Grammarly's Services and is not intended to be, and should not be, used by anyone other than these specified parties.

Ernst + Young LLP

San Jose, California

June 7, 2021

Attachment A – Description of the Boundaries of Grammarly

Company background

Max Lytvyn, Alex Shevchenko, and Dmytro Lider founded Grammarly in 2009 with the goal of helping people communicate more effectively. Focusing first on supporting students' grammar and spelling through a subscription-based product, they soon saw the potential of how Grammarly could help in all circumstances—from professional writing to everyday correspondence. Since then, the company has grown the capabilities of an AI-powered writing assistant to go far beyond grammar and spelling into supporting complex aspects of language and communication so that all people can be understood as they intend. Grammarly's growth and further investment in cutting-edge language research have been helped along by more than $200 million in funding, led by General Catalyst.

Grammarly is headquartered in San Francisco and has offices in Kyiv, New York City, and Vancouver. Grammarly's mission-driven team is connected by their EAGER values—ethical, adaptable, gritty, empathetic, and remarkable. Team members are deliberate about applying these values to everything Grammarly does—whether it's committing to an inclusive and learning-oriented work environment, supporting Grammarly users with compassion and integrity, or thoughtfully creating a secure product that connects people.

Product overview

Grammarly's digital writing assistant helps 30 million people and 30,000 teams write more clearly and effectively every day by offering detailed, real-time suggestions on correctness, clarity, engagement, and delivery. The product supports users wherever they type—via a web editor, native desktop apps, browser extensions, mobile keyboards, an iPad app, and a Microsoft Office add-in. A free version of the assistant, introduced in 2015, provides access to essential writing support for anyone who needs to communicate in English. For organizations of all sizes, Grammarly Business helps teams accelerate business results through better communication. This enterprise offering includes tailored administrative controls and custom features.

Scope

The scope of this report includes the following Grammarly client applications for user entities of Grammarly (collectively known as "organization customers", "customers", or "users"):

- **The Grammarly Editor**: Grammarly’s intuitive text editor is a central place on the web to write. Users can customize the types of writing suggestions they see based on their goals.
- **Native desktop application**: Grammarly’s desktop application replicates the experience of the Grammarly Editor for users who prefer not to access Grammarly’s writing interface through their browser. Native apps are available for Windows and macOS.
- **Grammarly browser extension**: Whether a user works in Chrome, Firefox, Safari, or Edge, Grammarly’s browser extension offers suggestions anywhere they type, including Google Docs, Zendesk, LinkedIn, Twitter, and Medium.
- **Grammarly for Microsoft Office**: Grammarly’s add-in for Microsoft Office brings Grammarly’s writing suggestions directly to a user while they write in Word or Outlook. (On Mac, the add-in is only available for Word.)
- **The Grammarly Keyboard**: For polished writing on the go, the Grammarly Keyboard offers suggestions—including real-time ideas for synonyms to diversify word choice on the go—directly through a user’s mobile device. Keyboards are available for Android and iOS.
- **Grammarly for iPad**: Grammarly's iPad app optimizes the Grammarly Keyboard and the Grammarly Editor specifically for tablet users.
- **Expert Writing Service**: Offered to Grammarly Premium users looking to gain extra confidence in their work, Grammarly’s expert writing service gives users the option to submit a piece of text for editorial review by a team of writing experts.

Organizational structure

Grammarly has defined structures and reporting lines, outlined clear areas of authority, and assigned responsibilities in order to achieve its company-wide objectives. This structure includes clearly delineated operational practices of teams and functions across the organization, including Security, Engineering, Product, IT Support, Legal, People, Sales, Marketing, Finance, Language Technology, Workplace Experience, and Customer Support.

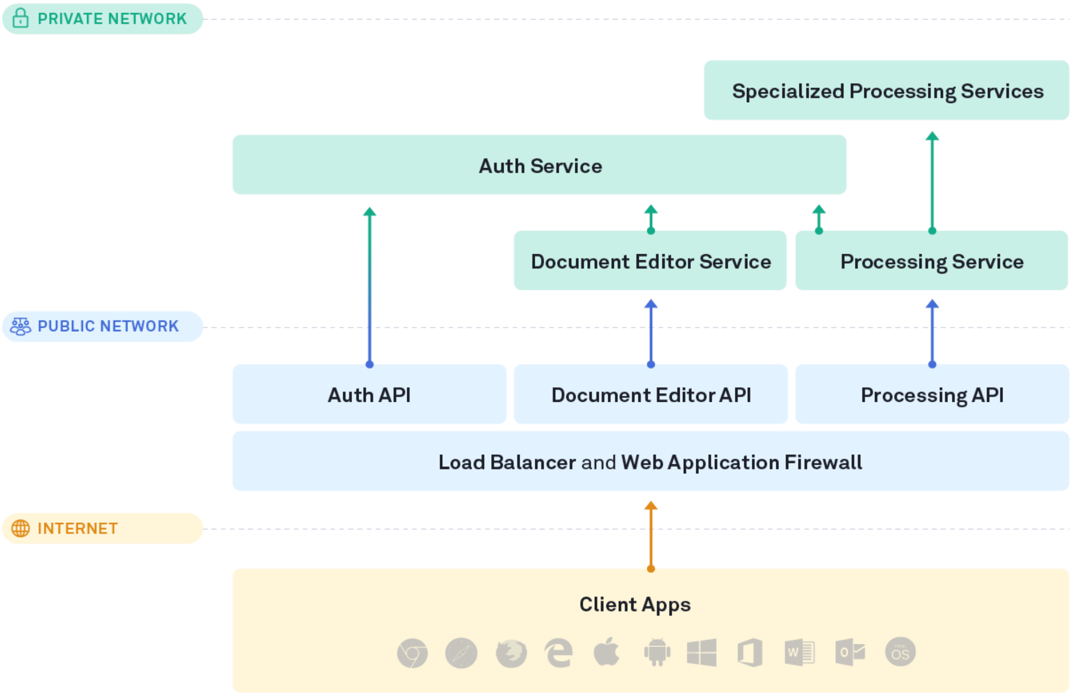
The following teams are relevant for this report:

- **Board of Directors**: Responsible for establishing and overseeing company strategy.
- **Executive team**: Responsible for overseeing all company operations.
- **Security team**: Comprises three teams responsible for ensuring security across the company.

  - **Security Operations team**: Supports Grammarly's security program by taking ownership over monitoring tools, and incident response, and by running a complex cloud infrastructure security toolkit.
  - **Application Security team**: Collaborates with Grammarly Engineering to share advanced security expertise and to help ship product offerings with industry-level application security.
  - **Governance, Risk, and Compliance team**: Establishes and coordinates security processes and practices across the organization in compliance with industry security standards.
- **Platform team**: Considers custom requirements and constraints to provide an optimal company-wide infrastructure toolkit that helps engineers focus on product development and maximize value for end users.
- **Engineering organization**: A collaborative group of technical teams responsible for building and supporting Grammarly's product ecosystem. Also referred to as Grammarly Engineering.
- **IT Support team**: Provides assistance with hardware issues, software licenses and management, office network laptop support, and other requests relating to information technology.
- **People team**: Comprises multiple teams delivering company-wide programs and solutions for Grammarly's team. The People Operations, the Learning and Development team, and the People Partners address organizational learning needs, deliver benefits and team support systems, develop and manage people programs, implement global compensation and benefits strategies, manage diversity and inclusion programs, and provide coaching and partnership solutions to meet business needs. The Recruiting team oversees Grammarly's hiring processes and operations.
- **Customer Support team**: Provides timely, empathetic help that keeps the customer's needs at the forefront of every interaction.
- **Legal team**: Provides legal review and support for all aspects of Grammarly's product ecosystem and global company policies.

Principal architecture

Grammarly’s product infrastructure comprises the following main components:



- **Client Apps** are Grammarly’s product offerings that could be installed and used on different platforms.
- **Load Balancer** and **Web Application Firewall** are AWS services used to distribute traffic across a number of servers to increase capacity and reliability as well as, to filter, monitor, and block traffic.
- **Authentication API**, **Document Editor API**, and **Processing API** are application programming interfaces that facilitate interaction between users and relevant Grammarly services.
- **Authentication Service** authenticates both internal and external users of Grammarly by login/password, single sign-on (“SSO”) via SAML, or social sign-on with Google or Facebook.
- **Document Editor Service** facilitates users’ ability to create, edit, and save documents via the Grammarly Editor or desktop apps.
- **Processing Service and Specialized Processing Services** manage connections from all client apps (such as the browser extension and mobile keyboard) to provide writing suggestions from Grammarly.

Infrastructure provider

All Grammarly server infrastructure is hosted in Amazon Web Services (“AWS”) data centers located in the United States in the US East region (North Virginia).

As an infrastructure provider and solutions partner, AWS helps Grammarly in supporting the scalability, availability, and durability of Grammarly’s platform and services.

Grammarly is registered for an enterprise support plan, the highest tier of the AWS support program, which provides rapid response from the AWS team (responses come as fast as within 15 minutes). A signed contract agreement between AWS and Grammarly is maintained to uphold the agreed responsibility and agreement between AWS and Grammarly. As a part of the plan, AWS provides consulting support to Grammarly’s engineering teams regarding specific use cases and applications. This high-touch support also includes design reviews and architectural guidance.

Network security

Only a small number of Grammarly’s servers and network ports that are used for the provisioning of services are accessible from the internet. These are protected behind load balancers and a web application firewall (“WAF”). All components that process user data operate in Grammarly’s private network inside Grammarly’s secure cloud platform.

User data encryption and isolation

Customers’ data is encrypted in transit and at rest. The management of cryptographic keys for Grammarly assets follows the Key Management Requirements in the company’s Cryptographic and Encryption Policy.

Each Grammarly user’s data is isolated logically from other users’ data. Each user is assigned a unique user ID upon account creation; user data, such as documents stored in the Grammarly Editor, is associated with this user ID. A user must be logged in to their Grammarly account—and any client request must be authenticated and authorized—in order for the user to access their data. Organization accounts through Grammarly Business are also isolated logically via unique organization IDs. Authorized members of an organization’s account are the only ones who have access to the administrative features in their account, and they do not have access to any other organizations’ accounts. User access rights and authority levels are verified for every administrative action or request to access restricted information.

Supporting software, services, and tools

The table below lists the software, services, and tools that support Grammarly's control environment and its offerings to customers.

Component	Service
Computing	AWS EC2, AWS Lambda
Hosting	AWS S3, EBS
Container orchestration	AWS ECS, AWS Fargate
Databases	AWS DynamoDB AWS RDS AWS ElastiCache AWS Redshift
Storage services	AWS Simple Storage Service (S3) AWS Elastic Block Store (EBS) AWS Elastic File System (EFS)
Log management and SIEM	Sumo Logic
Monitoring	AWS CloudWatch Opsgenie Panopta Graphite in Grafana
IdM and access management service	Okta
Security and audit	AWS CloudTrail AWS GuardDuty AWS Inspector AWS Security Hub
DDoS protection	AWS Shield, AWS Shield Advanced
Endpoint protection	CrowdStrike
Vulnerability management	Black Duck, Detectify
Bug bounty platform	HackerOne
Vendor risk management	BitSight
Code and release management	GitLab, Artifactory

Component	Service
Corporate communication	GSuite, Slack, Zoom
Team collaboration	Atlassian Jira and Confluence Cloud
VPN service	F5 BIG-IP
Payment system	PayPal, Braintree
Customer support system	Zendesk, Drift
Customer management	Salesforce
Talent performance	Lattice
Learning and development	EverFi
Hiring	Greenhouse
HRIS	BambooHR
Password management	1Password
Corporate asset management	Jamf Pro

AWS is a subservice organization and is contractually bound to implement applicable security, confidentiality, privacy, and availability controls. Grammarly performs a review of the SOC 2 report at least annually, which includes an assessment of complementary user entity controls, subservice organizations, and mapping of the controls to key risks. Any exceptions identified in the SOC 2 report are evaluated for impact. During procurement of these third-party services and products that might affect the information security of Grammarly assets, Grammarly performs vendor and system security risk assessment to understand risks related to the new system and to adequately confirm that safeguards and controls are established. The remaining systems, services, and tools identified above are only applicable to support certain controls and criteria.

A variety of additional SaaS systems listed in the overview above are also managed by third-party vendors and are used by Grammarly, including Paypal, Braintree, Drift, and Salesforce, among others. These vendors are support tools that do not impact Grammarly's ability to meet the trust services criteria.

The affected control objective / criteria are included below along with the expected minimum controls expected to be in place at AWS:

AWS control activity	Applicable criteria
AWSCA-1.10: AWS has a process in place to review environmental and geo-political risks before launching a new region.	CC2.1; CC3.1; CC3.2; CC3.3; CC3.4; CC4.1; CC4.2; CC5.1; CC5.2; CC5.3; CC9.1; CC9.2; A1.2
AWSCA-2.1: User access to the internal Amazon network is not provisioned unless an active record is created in the HR System by Human Resources. Access is automatically provisioned with least privilege per job function. First time passwords are set to a unique value and changed immediately after first use.	CC6.2; CC6.3
AWSCA-2.2: IT access above least privileged, including administrator accounts, is approved by appropriate personnel prior to access provisioning.	CC6.2; CC6.3; CC6.7; CC6.8
AWSCA-2.3: IT access privileges are reviewed on a periodic basis by appropriate personnel.	CC6.1; CC6.2; CC6.3; CC6.7; CC6.8
AWSCA-2.4: User access to Amazon systems is revoked within 24 hours of the employee record being terminated (deactivated) in the HR System by Human Resources.	CC6.1; CC6.2; CC6.3
AWSCA-2.5: Password configuration settings are managed in compliance with Amazon.com's Password Policy.	CC6.1
AWSCA-2.6: AWS requires two-factor authentication over an approved cryptographic channel for authentication to the internal AWS network from remote locations.	CC6.1; CC6.6
AWSCA-3.1: Firewall devices are configured to restrict access to the computing environment and enforce boundaries of computing clusters.	CC6.1; CC6.6; CC6.7; CC7.1; CC8.1
AWSCA-3.4: AWS performs external vulnerability assessments at least quarterly, identified issues are investigated and tracked to resolution in a timely manner.	CC3.2; CC3.3; CC3.4; CC4.1; CC6.8; CC7.1; CC7.2
AWSCA-3.5: AWS enables customers to articulate who has access to AWS services and resources (if resource-level permissions are applicable to the service) that they own. AWS prevents customers from accessing AWS resources that are not assigned to them via access permissions. Content is only returned to individuals authorized to access	CC6.1

AWS control activity	Applicable criteria
the specified AWS service or resource (if resource-level permissions are applicable to the service).	
AWSCA-4.4: S3-Specific – S3 generates and stores a one-way salted HMAC of the customer encryption key. This salted HMAC value is not logged.	CC6.1; CC6.7
AWSCA-4.7: KMS-Specific – The key provided by KMS to integrated services is a 256-bit key and is encrypted with a 256-bit AES master key unique to the customer's AWS account.	CC6.1; CC6.7
AWSCA-5.1: Physical access to data centers is approved by an authorized individual.	CC6.4; CC6.7
AWSCA-5.2: Physical access is revoked within 24 hours of the employee or vendor record being deactivated.	CC6.4; CC6.7
AWSCA-5.3: Physical access to data centers is reviewed on a quarterly basis by appropriate personnel.	CC6.4; CC6.7
AWSCA-5.4: Physical access points to server locations are recorded by closed circuit television camera (CCTV). Images are retained for 90 days, unless limited by legal or contractual obligations.	CC6.4
AWSCA-5.5: Physical access points to server locations are managed by electronic access control devices	CC6.4; A1.2
AWSCA-5.6: Electronic intrusion detection systems are installed within data server locations to monitor, detect, and automatically alert appropriate personnel of security incidents.	CC7.2; CC7.3; A1.2
AWSCA-5.7: Amazon-owned data centers are protected by fire detection and suppression systems.	A1.2
AWSCA-5.8: Amazon-owned data centers are air conditioned to maintain appropriate atmospheric conditions. Personnel and systems monitor and control air temperature and humidity at appropriate levels.	A1.2

AWS control activity	Applicable criteria
AWSCA-5.9: Uninterruptible Power Supply (UPS) units provide backup power in the event of an electrical failure in Amazon-owned data centers.	A1.2
AWSCA-5.10: Amazon-owned data centers have generators to provide backup power in case of electrical failure.	A1.2
AWSCA-5.13: All AWS production media is securely decommissioned and physically destroyed prior to leaving AWS Secure Zones.	CC6.5; CC6.7; C1.2
AWSCA-6.1: AWS applies a systematic approach to managing change to ensure changes to customer-impacting aspects of a service are reviewed, tested and approved. Change management standards are based on Amazon guidelines and tailored to the specifics of each AWS service.	CC6.1; CC6.8; CC7.5; CC8.1
AWSCA-6.6: AWS performs deployment validations and change reviews to detect unauthorized changes to its environment and tracks identified issues to resolution.	CC6.8; CC7.1; CC8.1
AWSCA-6.7: Customer information, including personal information, and customer content are not used in test and development environments.	CC8.1
AWSCA-7.7: AWS provides customers the ability to delete their content. Once successfully removed the data is rendered unreadable.	CC6.5; C1.2
AWSCA-10.3: AWS contingency planning and incident response playbooks are maintained and updated to reflect emerging continuity risks and lessons learned from past incidents. The AWS contingency plan is tested on at least an annual basis.	CC2.2; CC3.2; CC3.3; CC3.4; CC5.3; CC7.3; CC7.4; CC7.5; CC9.1; A1.1; A1.2; A1.3
AWSCA-11.2: AWS has a program in place for evaluating vendor performance and compliance with contractual obligations.	CC1.1; CC1.4; CC2.3; CC4.1; CC9.2

Management’s monitoring control over sub-service providers

Due diligence procedures are in place upon engagement and at least annually for third-party service providers.

The Security and Legal teams evaluate third-party services regarding their compliance with Grammarly requirements for security, availability, confidentiality, and privacy. This includes a review of the service's SOC 2 report along with the ISO/IEC 27000 family and other applicable certifications, assessment of the service's security maturity score in Grammarly's vendor risk management platform, checking if any data breaches associated with the service have been noted in recent years, and other verifications. Only when the security review is completed does the service request go to the Legal team, which proceeds with the signing of a Data Privacy Addendum with the vendor and ascertains that other legal, security, and privacy provisions are outlined in the service contract. These provisions include, but are not limited to, requirements for secure information processing, actions that would be taken in case of a data breach, the right to audit the vendor's security, and other relevant requirements to protect the information of Grammarly and user entities of Grammarly.

Relevant aspects of the control environment

Governance and oversight

Grammarly is committed to maintaining customer trust as well as compliance with the applicable regulatory requirements. To support this objective, its Board of Directors is assembled from highly qualified individuals who lead with core values of ethics and integrity, establish the company's strategic goals, and monitor the company's performance. The Board of Directors includes members independent of Grammarly's management team, and so are able to provide an impartial perspective in evaluations and decision-making.

Grammarly's Board of Directors reviews the results of the formal audit program, which includes independent audits of information security and financial statements along with, corrective measures for remediation.

Grammarly's Board of Directors has established and maintained the company's five-year strategic goals. From these strategic goals, the Executive team further establishes annual goals. Then all other Grammarly's teams prepare and consolidate quarterly Objectives and Key Results ("OKR") plans.

People management

To support Grammarly's achievement of established objectives, the People team creates an annual hiring plan that is updated quarterly and approved by the Executive team.

Grammarly's recruitment process evaluates prospective new hires by their competency to perform their roles as well as their demonstration of established company values. To maintain these standards, candidates undergo comprehensive evaluation against detailed requirements by different stakeholders, including the hiring manager, the recruiter, experts in relevant domains, and the executive-level manager.

All new employees and contractors who have access to Grammarly services undergo background verification checks as a part of the hiring process. This step validates that those who work at Grammarly uphold a high degree of ethics, can produce work of the necessary quality, add qualitatively to corporate culture, and establish product security for customers.

All existing employees undergo a semi-annual performance review process, which includes an assessment of their technical and soft-skill competency by peers and managers.

Integrity and ethical values

Grammarly's control environment originates from the highest levels of the company—executives and other members of senior leadership play active roles in establishing the organization's core values.

Every employee is provided with details about Grammarly's history, product, and standards of communication, as well as Grammarly's policies governing the organization, which operates in alignment with EAGER values: ethical, adaptable, gritty, empathetic, and remarkable. During onboarding, as well as on a periodic basis, all Grammarly employees receive training to promote awareness about information security, anti-harassment practices, values-based behavior, and unconscious bias.

Security organization

Grammarly is committed to securely delivering its services and protecting customer information with ethics and integrity. To support these commitments, Grammarly has established various organizational units to develop and implement security throughout the organization.

The Security Strategy team oversees the development of Grammarly's approach to security, including organizational and technical measures. To establish effective operation of these measures, the team meets quarterly to review information-security objectives, risk-assessment results, independent audit results, security vulnerabilities, and information-security or privacy incidents.

Dedicated teams have been established to monitor and protect the Grammarly control environment by responding to and preventing issues. The Governance, Risk, and Compliance ("GRC") team is responsible for corporate compliance and risk management. The Security Operations ("SecOps") team is responsible for security monitoring and the fortification of Grammarly's infrastructure to protect against cyber-attacks. The Application Security ("AppSec") team is responsible for guiding secure design, development, and implementation of the Grammarly product ecosystem, and for management of Grammarly's bug bounty program.

Grammarly maintains a company-wide Security Champions program to embed a security specialist on each Engineering team to implement and scale security effectively for Grammarly's product offerings. Security Champions own each team's security backlog, make decisions affecting security, spread their knowledge within the team, communicate with other Security Champions, and notify the Security team about any potential security concerns. Grammarly has established a formal audit program that includes periodic independent audits. This program validates the design and operational effectiveness of security across Grammarly processes, infrastructure, and product offerings. Audits assess management processes (e.g., governance, risk, and assurance processes and activities) and the implementation of security controls (e.g., passwords, encryption, access and change management) through control testing. The Security Strategy team reviews all audit results and decides on the appropriate corrective measures to improve Grammarly's security posture.

Policies and procedures

Grammarly's GRC team maintains a Policy Central with all documents that are required for the performance of business processes and related security aspects. Such processes include, but are not limited to, security risk assessment; information classification; and vendor, access, and change management. These documents range in detail—from policies defining the company's overall approach in managing a specific area to detailed guidelines offering specific instructions to responsible staff members.

Policies require approval of the Information Security System Manager ("ISMS" Manager) and relevant functional heads. Such documents are reviewed annually or in cases of relevant changes to the existing processes, technologies, or organizational structure.

Documents become effective when they are published on the Policy Central portal and are announced to the company in the relevant corporate Slack channel. The portal is available to all employees beginning their onboarding.

Information classification and handling

Grammarly has implemented an Information Classification and Handling policy as well as respective processes for identification, classification, and management of Grammarly's information and respective services that process this information.

Risk management

Through a formal risk management program, Grammarly continuously identifies, assesses, resolves, and monitors risks to information security, privacy, and fraud that could have an impact on Grammarly, compliance with the regulatory requirements, or customers' data security. The Security team monitors the risk management program on an ongoing basis. The ISMS Manager and Security team define lessons learned to improve the risk management program and periodically present the results to the Security Strategy team that includes the company's executives.

Attachment B - Principal Service Commitments and System Requirements

Grammarly designs its processes and procedures that support the product ecosystem in scope for this report to meet objectives of Grammarly product offerings based on the following trust services criteria: security, availability, confidentiality, and privacy.

Those objectives are based on the service commitments that Grammarly makes to user entities; the laws and regulations that govern the provision of services; and the financial, operational, and compliance requirements that Grammarly has established for its control system.

Security, availability, confidentiality, and privacy commitments to user entities are described and communicated in detail in Grammarly's Terms of Service and Privacy Policy, as well as on its Security landing page and its User Trust Guidelines, which are all available to end users and organization customers on Grammarly's public website. The Terms of Service and Privacy Policy are also described and communicated on Grammarly's sign-up page, browser extension stores, and through the iOS, Mac, and Android app stores. The same security, availability, confidentiality, and privacy commitments detailed in the Terms of Service and Privacy Policy are also defined in the Master Service Agreements ("MSA") with enterprise customers.

The security, availability, confidentiality, and privacy commitments include, but are not limited to, the following:

- **Product Security:** Grammarly has a range of security controls designed to keep the Grammarly system secure, protect customers' data against unauthorized access and guide necessary changes. These controls include, but are not limited to, implementing security processes and tools for change, vulnerability, and incident management to prevent, detect, and remediate security threats and vulnerabilities.
- **System Availability**: Grammarly monitors its systems' availability to customers by using cloud hosting in multiple availability zones across AWS regions, maintains optimal infrastructure performance through continuous monitoring, and establishes backups and Disaster Recovery Plans for quick and effective recovery in case of an incident.
- **Data Security and Confidentiality**: Security and confidentiality controls at Grammarly are designed to address the relevant criteria to protect confidential information. Such controls include establishing and maintaining an information classification and handling policy, business impact analysis and risk assessment processes, proper access management, and encryption and other practices to restrict access to customers' data.

- **Privacy Process:** A range of privacy controls are designed to address the privacy criteria of Grammarly’s product offerings and to protect customers’ personal information. Such privacy controls include maintenance of a public Privacy Policy, providing a privacy notice to customers when there is a major change in the Privacy Policy, public communication about Grammarly’s sub-processors and changes to them, timely responses to customer requests, and maintenance of an established procedure to notify customers of breaches.