

Sustainability Report 2021

Configit®

Company introduction

Configit Business critical software solutions



Sustainability statement

Our software enables our customers to realize efficiency gains throughout their production processes and do what they do more precisely and with fewer errors. In that sense we are an enabler of more efficient production with less resource usage. Given the nature of our business we recognize that our greatest potential sustainability contribution lies in supporting our customers to realize sustainability gains and reduce their negative environmental impact through more sophisticated and efficient production processes. Going forward we will increase our focus on establishing transparency around the environmental gains inherent in our product and how these enable and facilitate businesses on their green transformation journey.

Serving as an enabler of efficiency gains, facilitating sustainable, responsible production is inherent to our business. At Configit, we also take responsibility for the way we operate our own business through focus on:

Ensuring a good and healthy working environment for all employees

Configit is a people-company with dedicated highly skilled employees who all contribute to the value of our business. It is a key priority for us to offer an attractive working environment where people are in focus and that supports the retention of employees. We ensure this based on our company values, having great leaders and an open and communicative culture. Our annual employee engagement survey showed a great appreciation of our strategy, skilled co-workers, and our managers. We will continue ensuring dialogues between managers and employees to ensure that everyone is treated with dignity and respect. As part of this, we are committed to creating a diverse and inclusive workplace where our employees can thrive. We are proud to employ people of all backgrounds, and unique talents and experiences are welcomed.

Reducing our environmental impact

We are conscious about the way we are operating, and do our best to ensure we minimize our environmental impact, for example through formalized procedures related to waste management, encouraging virtual meetings and being focused on when travel is a prerequisite for developing our relationship with customers and partners. We make annual measurement of our CO2e to create transparency and be able to initiate targeted reduction initiatives.

Having strong governance in place

At Configit we strive to do the right thing, and we are committed to the highest standards of ethical business and integrity. Our business rests on strong formalized governance procedures, supported by policies and training, to ensure best-practice information security and minimizing the risk of data breaches and IP infringements.



Key statistics

- CEO**
Johan Salenstedt
- Chairman**
Allan J. Vestergaard
- Headquarter**
Copenhagen, Denmark
- # of FTEs**
124
- Year acquired**
2016
- Polaris Fund**
Polaris IV
- Polaris ownership**
59%
- Revenue (DKKm)**
130
- Revenue (EURm)**
18

Management summary



“We have a unique opportunity to help reduce the environmental impact of large and complex value chains across the world”

In 2021, we continued our sustainability work to manage the impacts from conducting our business. During the year, we also took important steps to leverage the capabilities in our offering to make a positive impact.

The rise of “Green configuration”

A fast-growing trend in modern manufacturing means an increasing number of products are becoming configurable. This means that a single product has multiple options for each variation. Today, everything from cars to elevators to lighting systems have customized options. Configit’s CLM technology can enable our customers with the concept of “green configuration,” in which a configurator can be used to show the customer the environmental consequences of their configuration choices, enable them to make more environmental friendly choices and help them meet their own sustainability goals. This concept is nascent but catching on quickly and the demand for “Green configuration” is rising across sectors. Within a few years, this approach will be a necessity. We at Configit can enable this trend and we have a unique opportunity to help reduce the environmental impact of large and complex value chains across the world and make a positive impact. During the last year, we have therefor increased our focus on raising awareness of “Green configuration” via blogs, tech talks and white-papers about “Configit Sustainability Transformation in Manufacturing”.

Further strengthening our governance

It is a key priority for Configit, to demonstrate a high degree of business ethics and integrity. In 2021 we started the implementation of a Grievance system, which we truly believe will strengthen our organization further. We have improved our Information Security Management System, to enhance the strength of our ISO 27001 certification. The ISMS and the certification, which we obtained in 2019, has a great impact on how we are continuously improving the way we work, with annual internal as well as external audits. We have also made essential improvements during 2021 via establishing and implementing OKRs (Objectives and Key Results) to ensure collaborative goal setting and priority of security objectives across the company. The risk management process has been improved, as we have implemented a structured way of reporting, assessing and mitigating risks and we have trained key people in the process to ensure awareness in the daily work.

We have an ongoing focus on our development processes, which provide clear guidance on how to

respect software copyrights. We ensure this by using a well-defined Free and Open-Source Software Policy to ensure and integrate Free and Open-Source Software (FOSS). Both are part of our onboarding of new developers, and we ensure that all developers understand and sign the policies and procedures when updates are made.

Ensuring a healthy and safe work environment

In 2021 we worked hard on ensuring a healthy and safe working environment. The Covid-19 situation was monitored closely to ensure our employees’ wellbeing during the pandemic. Being in a situation where everyone had to work remotely for longer periods, it was essential for us to be in close contact with our employees. We strengthened our communication with our co-workers, and we focused on how to support each of them depending on their individual situation. We conducted a Health and Safety survey including questions about physical and mental health and the Covid-19 situation. The result was overall positive, our employees experienced support and we have planned further initiatives to ensure that we improve in 2022. In 2021, we repeated the annual employee survey to track employee engagement. It showed, that we have created more clarity of our direction as a company, that our managers clearly demonstrate our values – and that we are a great company to work in due to our technology, the smart colleagues, and our culture. We will continue enhancing this in 2022.

Reducing our impact on the environment








We continued to track the development of our CO2e baseline in 2021 to monitor our impact on the climate and we continued to work to reduce our own emissions during the year.








With kind regards,

Johan Salenstedt

Configit is working on specific sub-targets and relevant business actions

Concrete focus on the UN SDGs

SDG/SUB-TARGETS	DESCRIPTION	EXAMPLES OF BUSINESS ACTIONS
<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div><div>3.4</div></div>	By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.	<ul style="list-style-type: none">• Taking responsibility to protect consumers and end-users from any potentially negative health impacts from ingredients, products, services and marketing activities
<div><div>5</div><div>GENDER EQUALITY</div><div></div><div>5.5</div></div>	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making.	<ul style="list-style-type: none">• Gender-sensitive recruitment and retention practices• Internal targets for the number of women at each level and position
<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div><div>8.4</div></div>	Improve global resource efficiency in consumption and production and decouple economic growth from environmental degradation.	<ul style="list-style-type: none">• More efficient use of energy, water, materials and other resources• Formalized sustainable procurement policies and supplier Code of Conduct
<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div><div>8.8</div></div>	Protect labor rights and promote safe and secure working environments for all workers, in particular women migrants, and those in precarious employment.	<ul style="list-style-type: none">• Policies committed to health and safety• Ensuring consistent practices in own supply chains• Monitoring and reporting on compliance of labor rights practices
<div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div><div>9.1</div></div>	Develop sustainable and resilient infrastructure to support economic development and human well-being, with a focus on affordable and equitable access.	<ul style="list-style-type: none">• Ensuring resource efficiency, resilience and sustainability in transport, buildings, information and communication technology
<div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div><div>11.5</div></div>	Reduce the number of people affected by disasters, including water-related disasters, with a focus on protecting people in vulnerable situations.	<ul style="list-style-type: none">• Supporting post-disaster reconstruction efforts of local and national authorities
<div><div>12</div><div>RESPONSIBLE CONSUMPTION</div><div></div><div>12.1</div></div>	Implement the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.	<ul style="list-style-type: none">• Establishing sustainable production and consumption programs

SDG/SUB-TARGETS	DESCRIPTION	EXAMPLES OF BUSINESS ACTIONS
<div><div>12</div><div>RESPONSIBLE CONSUMPTION</div><div></div><div>12.4</div></div>	Achieve environmentally sound management of chemicals and wastes throughout their lifecycle and significantly reduce their release to air, water and soil.	<ul style="list-style-type: none">• Tracking and reporting waste generated.• Implement mitigation measures.• Understanding the waste caused by the design of products and services
<div><div>12</div><div>RESPONSIBLE CONSUMPTION</div><div></div><div>12.5</div></div>	Implementing circular business models such as using renewable, bio-based or fully recyclable inputs, recovering resources, extending product lifecycle.	<ul style="list-style-type: none">• Implement use of recycled materials in production and enable proof of content• Develop products designs to align with requirements for circularity
<div><div>12</div><div>RESPONSIBLE CONSUMPTION</div><div></div><div>12.7</div></div>	Ensuring suppliers apply sustainable principles in the procurement contracts through evidence-based approaches such as supplier sustainability audits.	<ul style="list-style-type: none">• Develop sustainability policy and share with suppliers• Include environmental aspects in supplier audits
<div><div>12</div><div>RESPONSIBLE CONSUMPTION</div><div></div><div>12.8</div></div>	Provide relevant information on the use, environmental attributes, maintenance and disposal of products to enable consumers to make informed decisions.	<ul style="list-style-type: none">• Provide customers with information about products from a life-cycle perspective• Improve customer communication to promote responsible waste handling
<div><div>13</div><div>PROTECT THE PLANET</div><div></div><div>13.1</div></div>	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	<ul style="list-style-type: none">• Identifying climate change induced risks and opportunities• Disclosing and reducing GHG emissions.• Working with suppliers on their emissions
<div><div>13</div><div>PROTECT THE PLANET</div><div></div><div>13.3</div></div>	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	<ul style="list-style-type: none">• Raising awareness and understanding among clients and employees about climate change
<div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div></div><div>16.5</div></div>	Substantially reduce corruption and bribery in all their forms.	<ul style="list-style-type: none">• Developing policies and programs to effectively address all forms of corruption• Prohibiting bribery in any form, whether direct or indirect

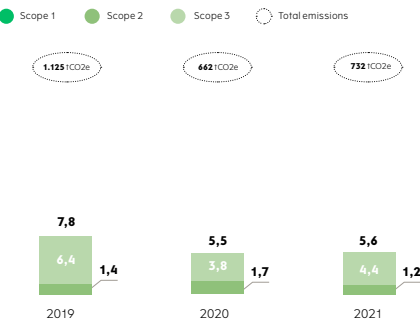
Sustainability metrics

Polaris cross-portfolio KPIs



Climate action

CO2e intensity gram/DKK revenue



No Scope 1 emissions in Configit's CO2e baseline. The reduction between 2019 and 2020 is driven by a 50-60% reduction in canteen use and business travel.

This level has been maintained in 2021 with a further reduction in travel in 2021. The levels are not completely comparable as we introduced measurements of waste and Azure services in Scope 3 in 2021.

GRI: 305-1a, 305-2a, 305-3a, 305-4a

Climate Action Management

Scope 1 & 2
Estimated activity-based calculations.

Scope 3
Main categories included. Further categories to be added in years to come.

Strategy & targets
Targets are defined for all areas except for KPI 1, which is work in progress, but will be assessed on an annual basis as we gain more insight and increase number of measurement categories.

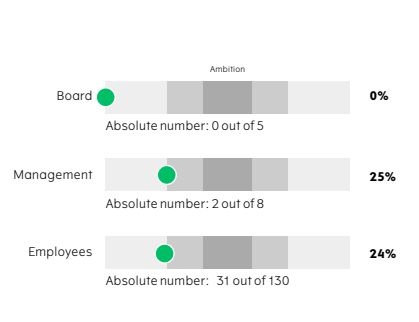
Initiatives
Initiatives have been defined and key initiatives have been initiated.

TCFD
TCFD analysis not undertaken: Climate related risks & opportunities deemed low.



Gender equality

% of women in the company



Configit is focused on improving the gender balance across the organization, for example when recruiting, we look for candidates of the underrepresented gender and request recruiters to search for and present candidates of the underrepresented gender. As the market for IT people is stretched in general, we do our best to invite candidates for informal meetings about our positions to get them interested. Configit is aiming at being gender agnostic.

GRI: 405-1(i)

Gender Equality Management

Tracking
Tracking in place on gender across the organization, at different tenures.

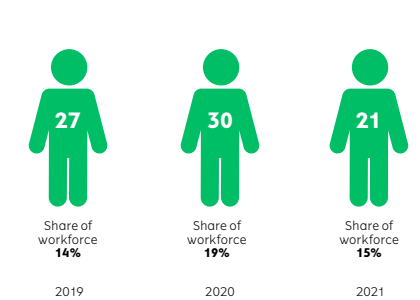
Strategy & targets
Targets have been defined and approved by the BoD.

Initiatives
Initiatives defined and approved by the BoD.



Employee turnover

Employee-initiated turnover (total attrition)



We succeeded in decreasing the attrition close to the level in 2019, although the pandemic and the market for highly skilled IT professionals has been a major challenge.

We expect the turnover to decrease more due to the end of the pandemic and our progress and results of our strategic direction of Configit including our supporting values.

SASB: Adapted from HC-DY-330a.1

Employee Turnover Management

Tracking
Tracking in place on employee-initiated turnover.

Strategy & targets
Target is equal to 2019 level: 14%.

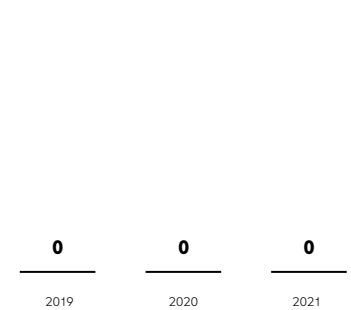
Initiatives
Initiatives defined to ensure a healthy work environment and employee engagement.

Portfolio company-specific KPIs and initiatives



Data security

Number of data breaches



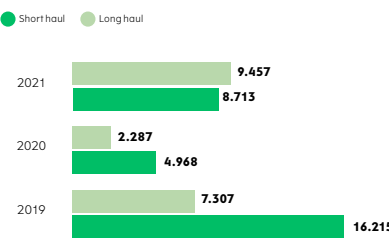
Being compliant in relation to GDPR is a priority in Configit. We have implemented a number of processes to support this compliance, amongst them ISMS and Cybersecurity policies as well as regular training for employees involved. All employees have been trained - and new employees are trained as part of the onboarding process - including a final test.

SASB: Adapted from TC-SI-230a.1



Business travel

Kilometers per employee

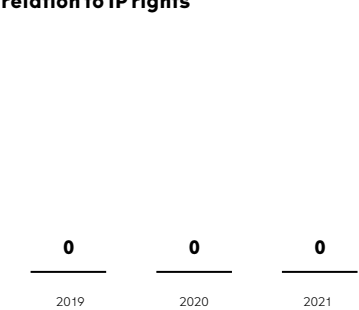


We have in 2020 adapted our travel policy to discourage flights. 2020 and 2021 were unusual years and as such cannot be used as a basis for comparison. Travel has been greatly decreased due to Covid-19 travel restrictions. Going forward we expect to see a lower travel intensity compared to 2019 due to changes in the approach to travel (culture change as a result of Covid-19).



Data security

Number of paid fines in relation to IP rights



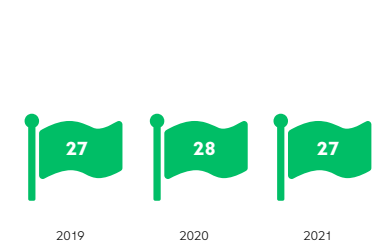
Constantly reviewing the software we develop, ensuring the uniqueness of our product and that intellectual rights of others are not infringed and is a natural key priority in Configit. We use software, but more importantly education to ensure this.

SASB: Adapted from TC-SI-520a.1



Diversity & inclusion

Number of nationalities in Configit DK

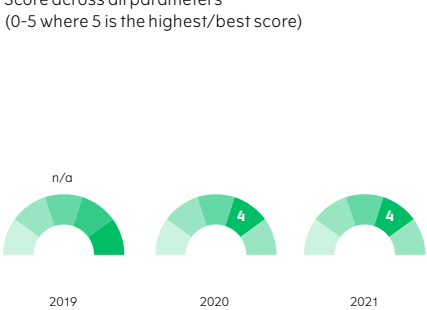


At Configit we value diversity and is proud that with only 130 employees, we represent 27 different nationalities.



Employee engagement

Employee engagement
Score across all parameters
(0-5 where 5 is the highest/best score)



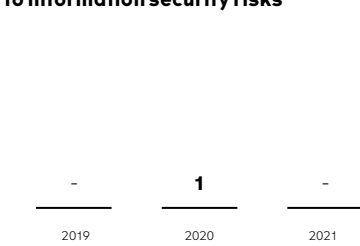
The result of the annual employee engagement survey 2021 improved positively (+0,2) from 2020. The survey covers the following areas: Assignments, conditions, growth opportunities, teamwork, management, communication and strategy.

SASB: Adapted from TC-SI-330a.2



Information system management

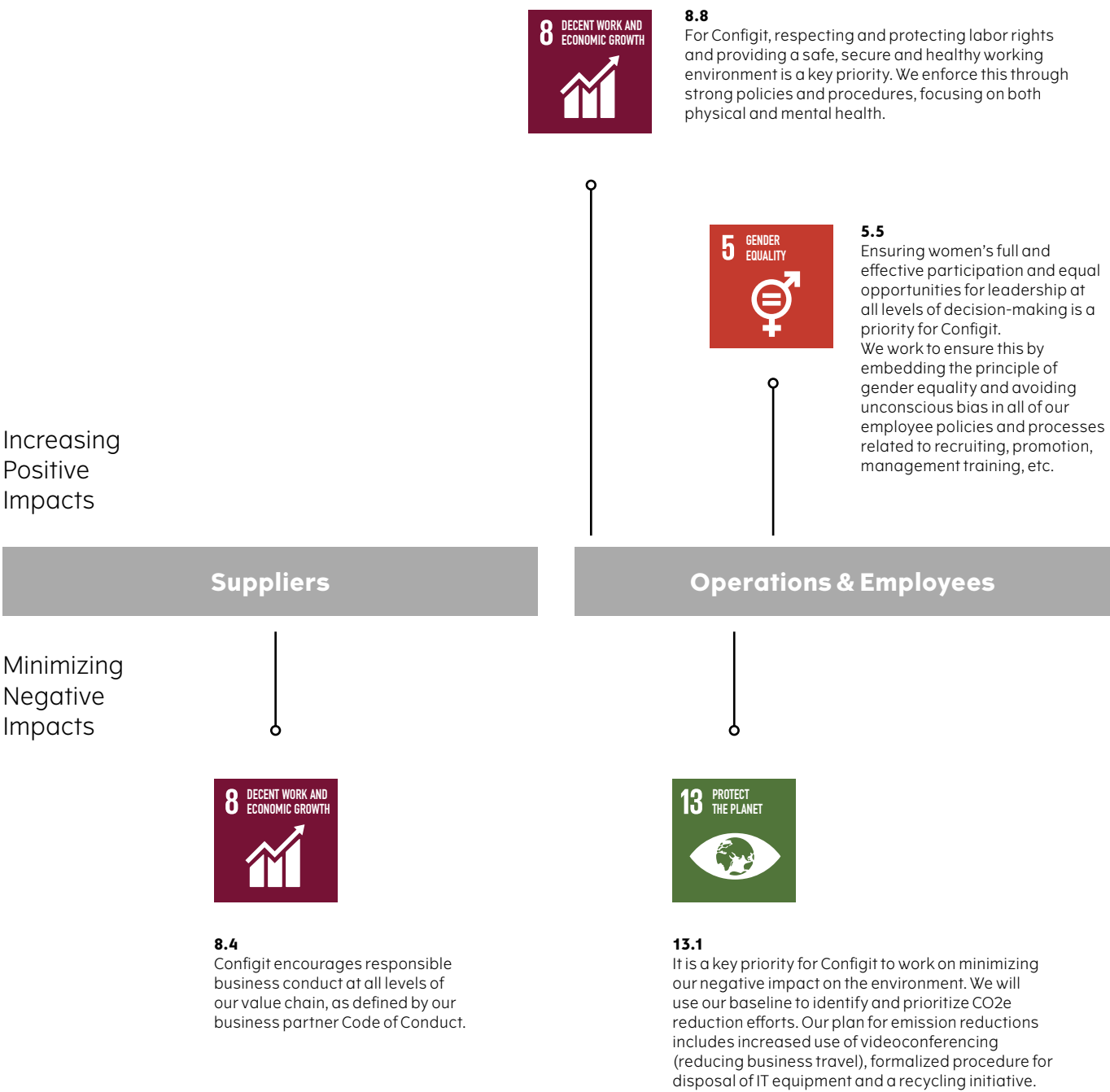
Audit – Number of non-conformities related to information security risks



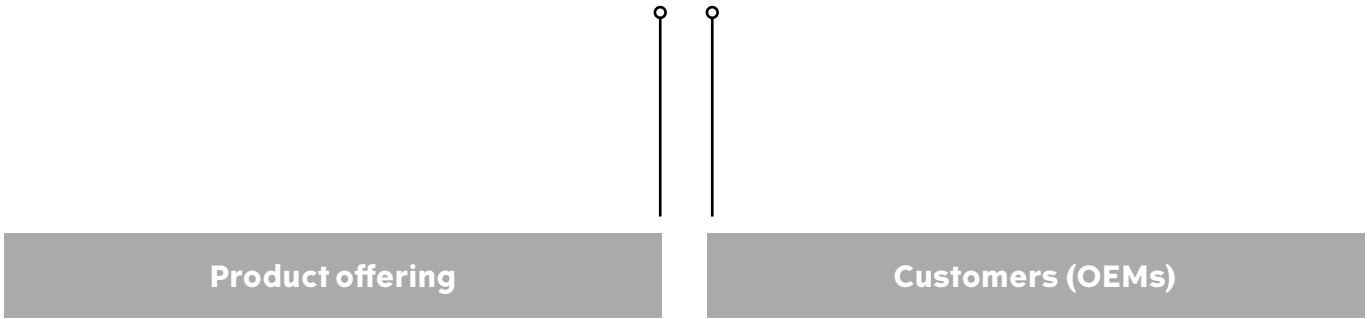
We have strengthened our way of working with risk and established processes and guidelines in order for Executive Management to have an ongoing overview of risks, prioritization and mitigation in a timely manner. We are planning our re-certification in October 2022.

The Sustainable Development Goals

Configit’s contribution to the SDGs



13.1 and 12.1
Sustainability is an inherent element of Configit's product, since the very core of our software is to enable our customers to increase efficiency in their supply chains and reduce scrap and resource usage, oftentimes also with fewer IT systems. Serving as an enabler for efficiency gains and thereby a reduced environmental footprint, and in this way support and accelerate the green transition for our customers, is where our largest contribution and impact potential lies.



The Sustainable Development Goals

Configit’s contribution to the SDGs

Increasing positive impacts

Concrete initiatives in progress



- Conduct annual salary reviews to ensure salaries among employees are purely based on job experience and performance. Address any differences if they occur
- Incorporate unconscious bias and discrimination training elements in management training
- Review and update attraction and retention procedures and processes, hereunder: staff manual, promotion guidelines, promotion criteria and job postings
- Track gender equality across the organization, to improve representation for example by requiring recruiters to present candidates reflecting underrepresented gender for a given position



- Update staff manual to include section on safe and healthy working condition
- Ensure a flexible work environment, allowing employees to accommodate their preferences, as we believe it fosters a better and healthier working environment
- Update employee engagement survey annually to ensure follow-up discussions



- Facilitate and accelerate the green transformation of our customers’ production by using our software
- Educate our customers on how they can use our software to create transparency around sustainable configurations of their products towards their end-consumers



Status on initiatives

- We check and compare reviews based on performance aligned with the specific job positions and identify issues. So far, we have had very few cases.
- We will train all managers to avoid bias and discrimination on an on-going basis. This year we will focus on the flexible working policy and related biases.
- Career paths are being updated to create clarity on requirements for promotions. Job postings are updated including non-discrimination statements. We ask recruiters to search for all genders for all positions.
- Tracking of gender diversity, age and nationalities are incorporated in all HR reporting to management and board. Explicit plans made to recruit more employees of the underrepresented gender, who will match our job profiles in 2022.

- The results of the Health & Safety assessments and the plan for 2022 are available on our intranet for all employees. Plans to train managers and employees in First Aid and screenwork management.
- We followed up on the experiences with the “Flexible Work Policy” established in 2020 via engagement survey, discussions with employees and managers and are making plans to adapt for the future.
- Employee engagement survey has been conducted, 91% of employees participated in the survey, and we improved our overall rating. We will work to improve collaboration, planning and knowledge sharing.

- In 2021 we had initiatives to raise awareness among our customers, partners, and other stakeholders via online tech talks and white papers. In 2022 we will continue this journey and “Green configuration” will be a topic on our annual CLM summit.

Minimizing negative impacts

Concrete initiatives in progress



- Disclose and expand upon current CO2e baseline coverage to continue to improve the depth of data collection to support decision making on carbon reduction initiatives
- Use the CO2e baseline to set GHG reduction targets and priorities for emission reduction efforts



- Implement Business Relationship Code of Conduct
- Implement supplier Code of Conduct for IT suppliers to ensure they adhere to our policies especially in relation to GDPR and our ISMS as well as IP protection

Status on initiatives

- CO2e baseline updated in 2021 and analyzed to monitor progress and to analyze relevant actions.
- Initiative to encourage virtual meetings where possible has been supported by the recent pandemic. The practical knowledge gained will influence travel frequency and the way we work going forward,
- The Code of Conduct for Business partners has been developed and sent to customers and vendors.
- Each significant IT supplier is evaluated annually prior to our annual Audit to ensure they live up to the standards required. This evaluation includes adhering to our Code of Conduct, a list of the validated suppliers in our Policy Handbook – which is part of our ISO 27001.

Appendix

Scope/ Category	Description	Calculation method & key assumptions	Data source, supplier engagement & data quality	Emission factor source(s) and publication(s)	Next steps in coming years
Scp. 1	CO2e emissions from driving in (leased) company vehicles	Not relevant since Configit does not have any company owned or leased vehicles	-	-	-
Scp. 2	CO2e emissions from purchased power for facilities	Location-based: Electricity and heating consumption based on sqm. and national averages of electricity consumption per sqm. in offices; Electricity consumption in DK office based on actual consumption in 2020; Market-based: Identical to location-based as electricity consumption has been estimated	Sqm. per office; Average power purchase (UK Department Energy & Climate, German Energy Agency)	IEA 2021; Energinet, Foreløbig miljødeklaration, 2021; Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020	Actual electricity/ heating/ cooling consumption and collection of supplier-specific emission factors from electricity provider
Scp. 2	CO2e emissions from electricity for EV (leased) vehicles	Not relevant given Configit does not have any company owned or leased electric vehicles	-	-	-
Scp. 3, Cat. 1	CO2e emissions from purchased goods & services	Overview of number of products purchased for IT; Amount of food & beverages; Spend on cleaning and other services	Purchase overview from general ledger	DEFRA, Indirect emissions from the supply chain1 2011; Apple, Product Environmental Report; Lenovo, Product Carbon Footprint; Dell, Product Carbon Footprint; CONCITO (2021): Den store klimadatabase, version 1	Collect activity-based data on cloud services
Scp. 3, Cat. 2	CO2e emissions from capital goods	No CAPEX investments were made in 2021	-	-	-
Scp. 3, Cat. 3	CO2e emissions from fuel- and energy related activities	Power consumption based on Scope 2	Same as Scope 2	IEA 2021; DEFRA, UK government GHG conversion factors for company reporting 2021; Energinet, Foreløbig miljødeklaration 2021; HOFØR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020	-
Scp. 3, Cat. 4	CO2e emissions from upstream distribution & transportation	Assumed negligible and has therefore not been prioritised to be included	-	-	-
Scp. 3, Cat. 5	CO2e emissions from waste from operations	Amount of paper waste collected from DK office; Extrapolated to include other offices based on sqm.	Weight of paper-based waste from paper shredder	-	Collect actual data on paper waste from other offices and include additional waste streams (e.g., food waste and electronic waste from offices)
Scp. 3, Cat. 6	CO2e emissions from business travel	Flights: Passenger.km provided by travel agency; Cars: Business-related milage from travel allowances; Trains: Based on spend; Hotel stays: Number of overnight stays provided by travel agency	General ledger; Travel agency; Skattestyrelsen	DEFRA, UK government GHG conversion factors for company reporting 2021; DSB Miljøopgørelse 2021	-
Scp. 3, Cat. 7	CO2e emissions from employee commuting	Not included due to lack of data availability	-	-	Employee commuting to be integrated – either survey-based or assumption-based
Scp. 3, Cat. 8	CO2e emissions from upstream leased assets	Since Operational Control approach is selected, emissions related to leased assets are accounted for in Scope 1 and Scope 2	-	-	-
Scp. 3, Cat. 9	CO2e emissions from downstream distribution & transportation	Not relevant given Configit's business model	-	-	-
Scp. 3, Cat. 10	CO2e emissions from processing of sold products	Not relevant as Configit does not sell any intermediary goods	-	-	-
Scp. 3, Cat. 11	CO2e emissions from use of sold products	Configit does not sell any physical products	-	-	-
Scp. 3, Cat. 12	CO2e emissions from end-of-life treatment of sold products	Configit does not sell any physical products	-	-	-
Scp. 3, Cat. 13	CO2e emissions from downstream leased assets	Configit does not lease out assets	-	-	-
Scp. 3, Cat. 14	CO2e emissions from franchises	Not relevant as Configit has no franchises	-	-	-
Scp. 3, Cat. 15	CO2e emissions from investments	Not relevant given Configit's business model	-	-	-

KPI/Initiative	Calculation metric used in sustainability report	SASB Code	SASB definition	Comment on adoptions from standard SASB definition
Data security	Number of data breaches	TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Configit only delivers B2B software solutions and we handle limited amount of personally identifiable information; KPI has been adapted to reflect type of product delivered
IP Protection	Number of paid fines in relation to IP rights	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	Adjusted to align with existing internal KPI
Employee engagement	Scope from 1-5, covering the following areas: assignments, conditions, growth opportunities, teamwork, management, communication, strategy (average across areas are used)	SV-PS-330a.3	Employee engagement as a percentage	Score across all parameters; Adapted to align with existing internal KPI and data already collected and tracked in the organisation
Business travel	KM per employee (split into short-haul and long-haul)	n/a	n/a	n/a
Diversity & Inclusion	Number of nationalities in Configit	n/a	n/a	n/a
Information System Management	Number of non-conformities related to information security risks	n/a	n/a	n/a

Configit's unique contribution to sustainability lies in supporting our customers in reducing their negative environmental impact through the development of an end-to-end configuration platform . By providing global manufacturers visibility into their products, components, and supply chains, Configit delivers a blueprint we call "Green Configuration" that helps organizations design, manufacture, sell and service products using the most efficient materials and processes available. It is our vision that all Configit customers will implement Green Configuration options for their customers.

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