



tobii

## Sustainability Report 2016

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# Sustainability

## Tobii's first Sustainability Report

The basis of Tobii's sustainability agenda is to create long-term sustainable value and, through humanized technology, transform and improve lives and entire industries. One of the strongest driving forces at Tobii is to provide first-class products and services to our customers and users. As a rapidly growing organization, we have great responsibility as an employer. Tobii's employees should have a fun, stimulating and sustainable work life, and every individual should act in accordance with our values and principles of business ethics. Moreover, Tobii should advocate good work conditions among its suppliers and assume environmental responsibility in production and product handling.

In many significant aspects, our sustainability agenda is integrated in our operations, and has been for several years. In 2016, Tobii initiated a more structured sustainability program aimed at mapping and highlighting material aspects and formulating clear targets for the future.

Tobii's Sustainability Report has been prepared in accordance with the Global Reporting Initiatives (GRI) guidelines, version G4 at the Core level, refers to fiscal year 2016 and addresses primarily Tobii's operations. Tobii's efforts to exert an influence beyond the Group mainly relate to suppliers. Our ambition is to present a sustainability report every

year that details both positive and negative impacts and developments.

## Sustainability organization and governance

Tobii's sustainability team comprises representatives from several departments such as HR, Communications, Finance and Production. The team is responsible for coordinating the Group's sustainability agenda, mapping significant aspects in the operations, engaging in stakeholder dialogues, and measuring and monitoring Tobii's key sustainability issues. The team also involves Group Management and other operational areas of the organization to develop support for strategies and the implementation of practical initiatives. The sustainability plan for 2016 has been reviewed and approved by the Company's Board.

[READ MORE](#) [Questions to Tobii's Chairman of the Board in 2016 Annual Report, page 81.](#)

## Materiality analysis



In the initial phase, the sustainability team identified overall sustainability contexts and relevant stakeholders. To ascertain the most important sustainability issues, Tobii conducted a three-step materiality analysis, see illustration above.

The work of the sustainability team, the stakeholder dialogues and Tobii's day-to-day operations, values, policies and guidelines led to the identification of the following focus areas:

- Our employees
- Our social responsibility
- Business ethics at Tobii and the supply chain
- Sustainable product design and environmental impact

## Stakeholders dialogue

An ongoing, transparent stakeholder dialogue is important to Tobii. Key stakeholders that were involved in the 2016 Sustainability Report included a selection of customers, employees, owners and investors. In addition to the interviews performed by the sustainability team, feedback was gathered through continuous dialogues in various parts of the operations. Suppliers were also involved through dialogues and mutual policy compliance requirements.

	Dialogue form	Sustainability aspects	Tobii's response
<b>Customers</b>	Interviews	Customer service	More frequent contact with customers, also in the development phase
	Customer satisfaction surveys	Availability	Improved online support pages
	Ongoing dialogues	Energy consumption and CO <sub>2</sub> emissions	Online trainings
	Customer service	Quality Business ethics and environmental aspects in production and supply chain	
<b>Employees</b>	Interviews	Health and work environment	Skills development and leadership training
	Employee performance reviews	Skills development and career	Health and fitness initiatives
	Employee satisfaction surveys	Equality and diversity	Diversity team formed in Stockholm
		Business ethics and environmental aspects in production and supply chain	Refurbishment of parts of our offices
<b>Owners and investors</b>		Energy consumption and CO <sub>2</sub> emissions	Launched updated Tobii values
	Interviews	Equality and diversity	
	Meetings and dialogues about compliance, and investor surveys	Business ethics and environmental aspects in production and supply chain	Decision on the sustainability agenda and reporting in accordance with GRI as of 2016
	Roadshows and individual meetings	Energy consumption and CO <sub>2</sub> emissions	
<b>Suppliers</b>	Continuous regulatory communication	Policies and internal controls	
	Board meetings	Use of materials	
	Annual General Meeting		
	Meetings and dialogues with first-tier suppliers about compliance with Tobii's Code of Business Conduct and Ethics	Working conditions	Updated Code of Business Conduct and Ethics for suppliers
	Compliance requirement with Electronics Industry Citizenship Coalition (EICC) Code of Conduct	Health and safety	Supplier review program
		Energy consumption and CO <sub>2</sub> emissions	Decision to start working on achieving ISO 9001 and 14001:2015 certification
		Business ethics	Implementation of and compliance with EICC Code of Conduct
		Internal controls	

## Our employees

Tobii's foremost success factors are our ambitious and passionate employees combined with the open, innovative and dedicated culture that is reflected throughout our entire organization. All employees are given a high degree of freedom and responsibility, which empowers us to work toward Tobii's long-term vision: to create a world where all technology works in harmony with natural human behavior. Tobiiians are driven by curiosity and a constant will to improve, renew and surpass themselves, making Tobii a world-leading pioneer in eye tracking. To continue to attract top talent and deliver on our ambitious goals, a central focus for Tobii is to offer our employees a sustainable and inspiring work life.

### Culture and values

Our shared values provide guidance to all our employees in how we act to achieve commercial success and to be a world-class workplace. By doing things "the Tobii way", we reinforce our culture shaped by ambitious, resourceful employees, teamwork and passion.

In 2016, we reformulated the Tobii values that are reflected throughout our organization and that we use as guidance for the behavior of all Tobiiians.

the  
**tobii**  
way



### Amaze our customers

Happy and successful customers and end users are the keys to our own long-term success. We combine a profound understanding of our customers' needs with an exceptional ambition to deliver amazing products, services and experiences in every detail.



### Succeed together

Success is always a united effort. We work as one team with a shared purpose. We strive to keep our organization flat and informal, free from turf wars and internal politics. We are open and honest in our communication and go the extra mile to share information and help each other.



### Make it real

We want to create a better reality. We each take responsibility for bringing our ideas to life, and we have the freedom and the courage to take decisions. Once we have decided, we do it. We dig in and do the hard work needed to make ideas real.



### Beat yesterday

Challenging goals are in our DNA. To stay in the lead, we are bold and relentless in improving what we do and how we do it. Visionary innovations are just part of it – we have to drive forward in every detail. To be better today, and better still tomorrow.



### Share passion

Our passion and positive energy are contagious. By sharing them, we make our adventure together even more fun, exciting and meaningful.



### Learning culture and skills development

All Tobiiians are encouraged to develop and learn new things, both to improve their own skills and also to bring new knowledge to Tobii. Development can happen through as well we challenging work tasks, the opportunity to transition between projects and roles, but also through in-house and external training and conferences. Employees can rotate among business units at Tobii to learn new industries, broaden the exchange of knowledge and enable further career development.

Regular dialogues between managers and employees coupled with annual performance reviews ensure that employees receive the right skills development. In 2016, 93% of those who had been employed for more than one year had a performance review, and we are aiming even higher so that 100% will be included.

### Growth puts leadership in focus

Inspiring, focused leadership is central to Tobii's continued growth and success. As a result of our rapidly growing organization in 2016, an unusually high number of new managers were appointed. A key area of focus was therefore the introduction of good leadership skills to these individuals. Tobii Dynavox carried out a leadership initiative for all managers in

2016 with a follow-up scheduled for 2017. We have even higher ambitions in 2017 with respect to the introduction for new managers and additional training for existing managers. A new modular leadership program will be introduced and Tobii's leadership forum will continue to meet every sixth week to discuss relevant leadership issues and exchange best practices.

### A top-ranked employer

Tobii's strives to be a top-ranked employer in Sweden and internationally. We are very happy that Tobii since 2010, has been on Universum's ranking list of Sweden's Top 100 most popular employers. Furthermore, Tobii Dynavox received the "Top places to work" award in Pittsburgh in 2016.



Tobii advocates active knowledge sharing among colleagues. In 2016, developers from all three business units gathered at the joint developer conference Develop Beyond to inspire and learn from each other.

## Diversity and inclusion

Tobii is a highly international workplace characterized by diversity – something we consider to be a strength for both our results and work environment. A mix of individuals who have different backgrounds, experience and perspectives is key in both attracting and retaining employees, and bringing new ideas and viewpoints to Tobii.

At Tobii, we naturally treat each other with respect and curiosity to make everyone in our diversified workplace contribute with their full potential. The knowledge, skills and abilities of every individual is respected and valued, regardless of gender, gender identity, ethnicity, religion, disability, sexual orientation or age.

Tobii has zero tolerance for bullying and harassment. Tobii takes a very serious stand should anyone be exposed to such treatment. Our Work Environment Policy clearly stipulates in its guidelines how such situations are to be handled. These guidelines are explained to all employees through introductory lectures and courses regarding Tobii's Code of Business Conduct and Ethics.

## Gender equality

Tobii has high ambitions in terms of gender equality and diversity. A good mix of men and women is important to create a workplace where everyone feels comfortable and to attract new top talents to Tobii. In the Group, women make up 40% of the employees, but this varies greatly between the different business units and teams. This is particularly evident in R&D where women are underrepresented.

A series of initiatives were carried out in 2016 to boost gender equality at Tobii and to attract more women to us. An equality team was formed in the Group Management Team, we studied our recruitment processes and job vacancy ads and we set goals on external recruitment companies to present more women candidates. We also held numerous events and activities to boost interest in Tobii and the engineering industry among women engineers and job applicants. In 2016, women made up 41% of the new recruits.



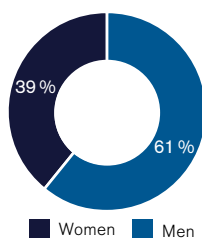
Tobii's employees often get involved in various industry events to present Tobii and the ground-breaking activities of which they are a part. In the picture: Gülis Zengin and Jenny Melander at Female Engineer Network in Stockholm, Sweden.

## Strong results in our annual employee survey

Annual employee surveys are conducted throughout the company to gather structured and quantitative feedback from Tobii's employees. All the business units and teams review the results to identify potential for further improvement, as well as to highlight areas where Tobii excels.

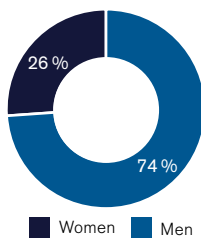
The employee survey 2016 showed a continued strong result for Tobii. The employee index, which is the proportion of questions where Tobii was given a score of 4 or 5 on a scale of 1–5, increased from 77% to 79%, which can be compared with the industry average of 63%. On top of that, Tobii's ratings improved in all categories. For instance, 87% of the employees thought their work is engaging and 90% said that they find their work meaningful.

### Gender distribution, total



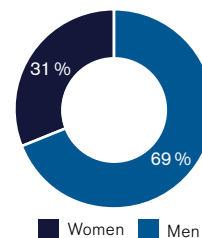
At year end, 299 of a total of 759 employees globally were women.

### Gender distribution, Sweden



At year end, 83 of 313 employees at Tobii in Sweden were women.

### Managers, total



## Health and fitness

Tobii strives to provide employees with a fun place to work and an excellent physical and psychosocial work environment. We want to make it easy for our employees to have time for exercise and physical activity in their daily lives. Therefore, we offer health and fitness benefits, subsidized gym memberships and free massage to all employees in Stockholm.

Through the Team Tobii health and fitness initiative, our Stockholm-based employees may opt to undergo an annual health checkup, attend lectures and take part in physical activities such as running technique practices, mindfulness, step-counting competitions, soccer, ping-pong, volleyball, horseback riding and yoga. The most popular activity in 2016 was the Bellmanstafetten relay race for runners in which 104 Tobiians participated.

Similar initiatives also exist at Tobii's second-largest office in Pittsburgh, where employees have had access to yoga, courses about sleep and healthy cooking, as well as weight-loss motivating activities, and at the offices in China.

## Facts about our employees

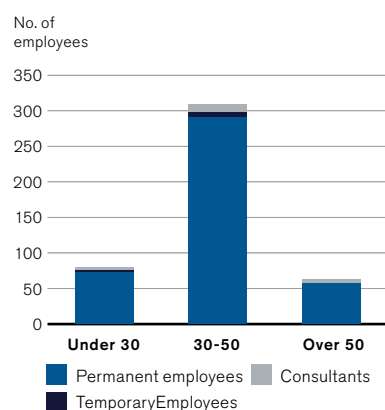
Tobii is currently in a strong phase of growth and grew by 107 full-time equivalents or 17% in 2016. At the end of the period, the Tobii Group had a total of 759 employees, corresponding to 719 recalculated to fulltime equivalents. In addition to permanent and project employees, Tobii also engages some 60 consultants. Employee turnover for permanent employees within the Tobii Group was 12% in 2016. In Sweden and USA, the countries where Tobii has the most employees, turnover was 9% and 14%, respectively. These figures can be compared with an industry standard in the IT sector in Sweden of some 15% and around 30% in the USA.



### Focus 2017

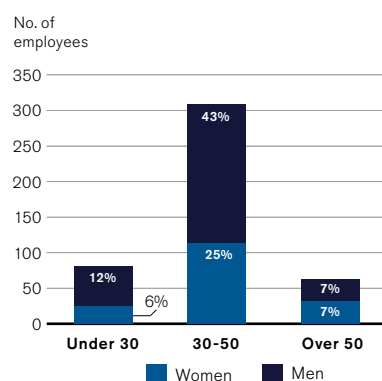
Leadership training for new and established managers  
Set up an equality team, with employees from all parts of the organization, whose aim is to define targets and strategies for Tobii's equality agenda  
Events and recruitment campaigns to attract female engineers  
Continued health and fitness initiatives

### Number of employees by age and form of employment



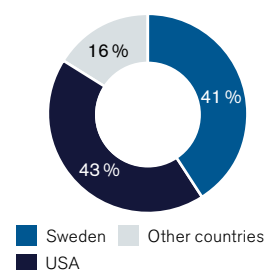
The number of employees by age and form of employment is based on employee responses in the employee survey.

### Share of employees, women/men



The share of women and men per age group is based on employee responses in the employee survey.

### Total number of employees by region





## Business ethics

Tobii strives to be a transparent and responsible company that cultivates confidence, collaboration and commitment. High standards in terms of business ethics are crucial in maintaining a good reputation and repeat customers. Accordingly, Tobii is steadfast in advocating good work conditions for our employees and those of our suppliers, and has zero tolerance for corruption and violations of human rights.

### Tobii's Code of Business Conduct and Ethics

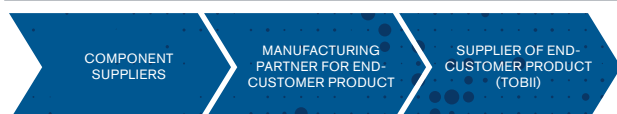
Tobii's Code of Business Conduct and Ethics defines the principles and policies of business ethics that the organization is to follow. This includes the Environmental Policy, Employer Policy, Anti-corruption Policy, Export Policy, Information Policy, Insider Trading Policy, Supplier Policy and Whistle Blower Policy. Our Code of Business Conduct and Ethics is based on the Universal Declaration of Human Rights adopted by the UN, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the International Labor Organization's Conventions and Recommendations and the Swedish Corporate Governance Code.

Training in the Code of Business Conduct and Ethics is compulsory for all Tobii employees and is arranged through introductory lectures for new employees as well as an online course in which each employee confirms that they will comply with the Code of Business Conduct and Ethics.

### Community engagement at the heart of our business

Communication is a fundamental human need and a basic human right. The ability to communicate is also essential in terms of freedom of speech and participation in society. Every day, Tobii Dynavox's assistive technology for

### Supply chain for production of hardware products to end customers for Tobii Dynavox, Tobii Pro and Tobii Tech



### Supply chain for eye-tracker platform production

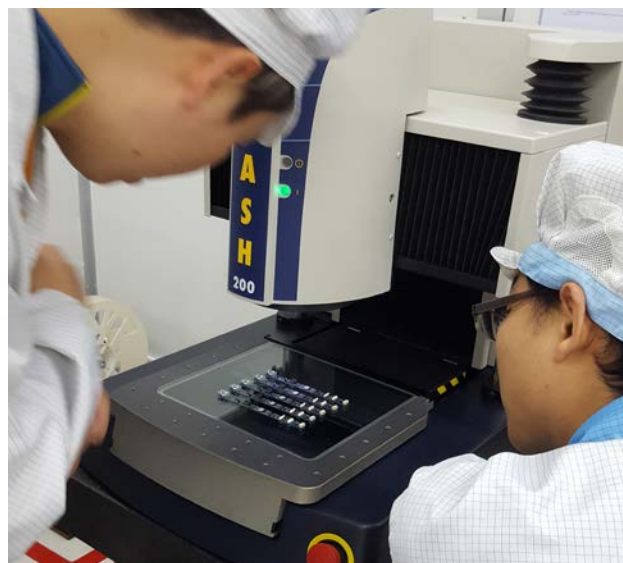


#### Focus 2017

Carry out audits at Tobii's suppliers based on criticality and share of Tobii's purchases

Quarterly follow-up to measure supplier improvements

Training for all new employees in Tobii's Code of Business Conduct and Ethics



communication helps tens of thousands of people to express themselves and live more independent lives. In 2016, close to 15,000 more people were given the opportunity to communicate aided by one of our communication solutions.

Tobii is committed to spreading knowledge and influencing perceptions and laws to promote changes in a society where communication is far from a given right for all. In 2015, Tobii backed an amendment to a law in the USA that made it easier to secure funding for assistive technology for communication. The dialogue with decision-makers and politicians continued in 2016. Our ambition is to increase our activities to influence public opinion and decision-makers in the future.

### Business ethics in the supply chain

Tobii's Code of Business Conduct and Ethics stipulates that Tobii will always comply with the highest applicable standard in all areas in which the Company operates. The EICC Code of Conduct is a code of conduct for companies in the electronics industry. It aims to establish that all companies throughout the supply chain assume environmental and ethical responsibility, that working conditions within the supply chain are safe and that workers are treated with respect and dignity. In 2016, Tobii implemented and complied to the EICC Code of Conduct and updated its own Code of Business Conduct and Ethics and Supplier Policy in accordance with the EICC Standard.

Tobii started to roll out its revised Supplier Policy in 2016. Initially, Tobii prioritized suppliers that account for the largest portion of Tobii's purchases. Together with an external consulting agency, Tobii prepared an audit tool to ensure that the suppliers meet the code of conduct. As the audit of sub-contractors' compliance will begin in 2017, data on labor and human rights in the supply chain is not available for 2016.



## Sustainable product design and environmental impact

For Tobii, sustainable product design means offering high-quality products with economic and environmental efficiency throughout the entire supply chain, from design and production to sales and delivery. Tobii's environmental impact is relatively small, but it is still a priority to continuously strive toward reducing our footprint. Tobii takes the entire value chain into account, but recognizes transportation and product design are areas where we have the greatest impact.

### Customer experience

Satisfied, committed customers are key to Tobii's long-term economic sustainability and an important aspect for the organization. Tobii maintains an ongoing dialogue with its customers to improve commitment and customer satisfaction and thereby boost the levels of repeat customers and recommendations. Customer feedback represents extremely valuable input to Tobii's product development process in terms of optimizing our products to meet the needs of the end users.

In 2016, all three of Tobii's business units carried out customer satisfaction surveys. The format ranged from surveys via software or e-mail to qualitative interviews. Another important channel for feedback is customer support via phone, e-mail, online and social media. The surveys revealed that, aside from Tobii's products and services, the customers put a premium on friendly response and service, delivery times and support.

### Product design

Tobii strives to use materials that are renewable and recyclable whenever possible. Tobii complies with the regulations for the production of consumer electronics and uses only components that meet the RoHS2 and REACH standards.

As far as Tobii is aware, no conflict minerals are used in Tobii's products.

The choice of materials is defined in the early phase of product development and design. Therefore, it is important that hardware developers and product owners are aware of the consequences of the choice of design and materials. In 2016, Tobii identified a need for an eco-design training activity for the relevant staff to ensure that the environmental aspect is an integral part of future product development.

### Recycling

Scrapping of Tobii's products adheres to the recycling rules that apply for consumer electronics. Tobii complies with the European WEE, battery and packaging directives since 2015.

### CO<sub>2</sub> emissions from travel and transportation

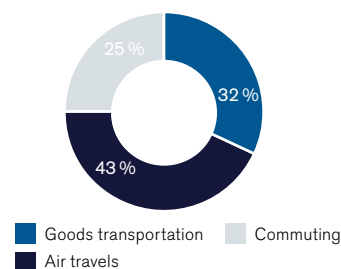
The transportation sector accounts for a large part of the world's CO<sub>2</sub> emissions. Assuming responsibility for minimizing these emissions is an important and prioritized issue for Tobii. In 2016, Tobii carried out a situation analysis of its CO<sub>2</sub> emissions. The analysis included Tobii's transport activities and its employees' travel to and from work as well as business travel by plane. Tobii offset the CO<sub>2</sub> emissions that arose in conjunction with the transportation of products in 2016 through a system approved by The Carbon Neutral Company.

The majority of Tobii's products are manufactured in South East Asia and are shipped to customers in Asia, Europe and North America. In 2016, Tobii worked to streamline its transport activities through volume freight to logistics hubs in Europe and North America, and by using transportation alternatives that have less environmental impact.

#### Focus 2017

- Continue customer satisfaction surveys
- Eco-design training for the relevant employees
- Reduce travel by improving tools for video conferencing
- Start ISO 14001 and 9001:2015 certification
- Analyze the renewable and recyclable materials in Tobii's products
- Review the environmental impact of product packaging

#### Tobii's CO<sub>2</sub> emissions, %



# GRI-Index

## Standard disclosures

Indicator	Description	Page	Comments
<i>Strategy and analysis</i>			
G4-1	Statement from the most senior decision-maker about the relevance of sustainability and the Company's strategy for addressing sustainability	81	Comments from Kent Sander, Chairman of the Board.
<i>Organizational profile</i>			
G4-3	The name of the company	45	
G4-4	The primary brands, products and/or services	7	Tobii Dynavox, Tobii Pro, Tobii Tech
G4-5	Location of headquarters	45	
G4-6	Countries where the company operates, and name of countries where either the company has significant operations or that are specifically relevant to the sustainability topics covered in the report	26	
G4-7	Nature of ownership and legal form	28	
G4-8	Markets served by the company	10, 16, 21	
G4-9	The reported scale of the organization	45-46, 51	
G4-10	The total number of employees by employment contract, employment conditions, region and gender	36	
G4-11	Percentage of employees covered by collective bargaining agreements		Not applicable. Tobii has no collective bargaining agreements, but offers employment terms and benefits that are on par with or exceed the industry's collective bargaining agreements such as ITP-2.
G4-12	Description of the company's supply chain	37	In its operations, Tobii makes use of two supply chains; one chain is for Tobii Dynavox, Tobii Pro and Tobii Tech and their production of the end-consumer hardware, and the other chain is for the manufacturing of integration platforms.
G4-13	Significant changes during the reporting period regarding size, structure, ownership or supply chain		Not applicable
G4-14	Description of whether and how the precautionary approach is addressed by the company.	38	
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the company subscribes or endorses	37	In 2016, Tobii signed the EICC Code of Conduct.
G4-16	Membership of organizations and industry associations		Khronos, VCCI, Swedish Optical Society, Swedish Society for Automated Image Analysis (SSBA) and ISAAC.
<i>Identified material aspects and boundaries</i>			
G4-17	Entities included in the company's financial statements and information as to whether any entity is not included in the non-financial statements	45	
G4-18	Process for defining the report content and relevant aspects	31	
G4-19	Identified material aspects	31	
G4-20	Material aspects' boundaries within the company	31	
G4-21	Material aspects' boundaries outside the company	31	
G4-22	Report the effect of restatements of information provided in previous reports and the reasons for such restatements		Not applicable
G4-23	Significant changes from previous periods in the scope and aspect boundaries		Not applicable
<i>Stakeholder engagement</i>			
G4-24	List of stakeholder groups	32	

G4-25	Basis for identification and selection of stakeholders	31-32
G4-26	Approach to communication with stakeholders	32
G4-27	Key topics raised through stakeholder engagement	32

#### Report profile

G4-28	Reporting period	45	January 1 – December 31, 2016
G4-29	Publication date of most recent report		Not applicable
G4-30	Reporting cycle		Calendar year
G4-31	Contact point regarding the report	40	Sara Hyléen, Corporate Communications Director, sara.hyleen@tobii.com
G4-32	CRI Content Index for 'In accordance' – Core	40	
G4-33	Policy and practice for external audit		The report is not externally audited.

#### Governance

G4-34	Report the governance structure for the company	82-87	Corporate Governance Report
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#### Ethics and integrity

G4-56	The company's values, principles, standards and norms of behavior	33, 37	
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#### Specific standard disclosures

Indicator	Description	Page	Comments
<i>Environmental</i>			
G4-DMA	Materials	38	
G4-EN2	Percentage of recycled input materials	38	Due to an absence of collected data, full disclosure is not possible. The collection of data is planned to be conducted in 2017.
G4-DMA	Transport	38	
G4-EN30	Significant environmental impacts of transporting products and employees as well as business trips	38	
<i>Labor practices and terms</i>			
G4-DMA	Training and education	34	
G4-LA11	Percentage of employees that have had a performance review, by employee category and gender	34	Is not reported per employment terms or gender.
G4-DMA	Diversity and equal opportunities	35	
G4-LA12	Composition of the board, management and employees according to gender, age group and employment category	35-36, 88-89	
G4-DMA	Supplier assessment for labor practices	37	
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	37	Due to an absence of collected data, full disclosure is not possible. The review of sub-contractors' compliance with labour practices criteria will begin during 2017.
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	37	Due to an absence of collected data, full disclosure is not possible. The review of sub-contractors' compliance with labour practices criteria will begin during 2017.
<i>Human rights</i>			
G4-DMA	Supplier human rights assessment	37	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	37	Due to an absence of collected data, full disclosure is not possible. The review of sub-contractors' compliance with human rights criteria will begin during 2017.
G4-HR11	Significant actual and potential negative human rights impact in the supply chain and actions taken	37	Due to an absence of collected data, full disclosure is not possible. The review of sub-contractors' compliance with human rights criteria will begin during 2017.
<i>Product responsibility</i>			
G4-DMA	Product and service labeling	38	
G4-PR5	Results of customer satisfaction surveys	38	



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