

MATERIAL ISSUES

Refining our priorities

Through our unique business offering and practices, we are working to be recognized as a leading contributor to a sustainable world

2018 materiality matrix

Relevance to stakeholder			
High		<ul style="list-style-type: none"> — Responsible sourcing — Human rights 	<ul style="list-style-type: none"> — Products, solutions and services — Energy efficiency and climate change — Integrity
	<ul style="list-style-type: none"> — Resource efficiency — Stakeholder engagement 		<ul style="list-style-type: none"> — Safe, healthy and secure operations
		<ul style="list-style-type: none"> — Right materials 	<ul style="list-style-type: none"> — Developing our people
Medium			
		Impact on ABB	
		Medium	High

Identification of key stakeholder issues

In 2010 and 2011 ABB conducted a major stakeholder survey that helped it fundamentally reassess a range of material issues. Among the survey's 600 respondents were senior ABB executives, employees from ABB businesses in different countries, customers, and external stakeholders with specialized knowledge in key sustainability areas such as climate change, the environment and human rights.

We also benchmarked the key sustainability focus areas of peer companies and mapped regulatory risks and macro trends to help us establish a comprehensive view of current sustainability issues. We then scored the relevance of the key issues identified to stakeholders and mapped ABB's material sustainability-related issues.

The resulting materiality matrix shaped the development of our 2020 sustainability strategy; we continue to use this matrix, with only minor changes.

External stakeholder panel

Since 2015, ABB has sought input and advice from an external stakeholder panel that reviews our material sustainability issues, our approach to sustainable development and our annual Sustainability Report. Panel members represent our key market and non-market stakeholders and are selected for their knowledge and skills related

ABB's "bottom-up" approach represents a new and innovative way for global businesses to review and determine their material issues

Shankar Venkateswaran – TERI
[ABB Stakeholder Panel](#)

to sustainable development issues. We strive to achieve geographical and gender balance in the composition of the panel. In 2018, five of the seven panel members had served in previous years.

Panel meetings are held via conference call and chaired by an external facilitator. The majority of panel members join these calls; those who are unable to participate are interviewed separately at a later date.

As in years past, in 2018 the panel's feedback helped to shape our Sustainability Report and provided input for the further development of our programs. The statement released by this year's panel is available [online](#).

A changing world

ABB's transformation plan, in combination with the approaching conclusion of our 2020 sustainability targets, requires us to take further action. To develop ABB's post-2020 sustainability objectives, we have initiated a process to formally engage with key stakeholders and embarked on a comprehensive materiality review. We aim to complete interviews with more than 600 stakeholders to understand and address what is important to ABB and its external stakeholders going forward.