

MATERIAL ISSUES

# Priorities, actions and initiatives

Each of our businesses takes careful stock of its actions, operations, supply chains and interactions with stakeholders to assess their impact on sustainability

## 2019 materiality matrix

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

### Identification of key stakeholder issues

The process of determining the materiality of stakeholder issues has included review, particularly on the part of our external stakeholder panel. The current framework was based on surveys carried out in 2010 and 2011, supplemented with additional reviews in 2013 and 2014 and an annual stakeholder panel review. 2020 will be the last year in which to deliver on that framework.

Our key sustainability focus areas are regularly benchmarked against standards provided by industry organizations such as the World Business Council for Sustainable Development (WBCSD). ABB updates its benchmarks continuously in multiple ways. These include tracking the key sustainability focus areas of peer companies and mapping regulatory risks and macroscopic trends. These practices enable us to establish a comprehensive approach to current sustainability issues and adjust our strategies and modes of implementation accordingly.

We are presently developing an updated materiality matrix for each of our five businesses. These will be used to shape the Group’s materiality matrix, targets and focus areas for our post 2020 sustainability strategy. Until that process is complete, our current materiality matrix is still in use, with only minor adjustments.

### ABB’s external stakeholder panel

Our external stakeholder panel was first formed in 2015. Since that time, it has provided advice and input on sustainability issues and has regularly reviewed our materiality matrix and our annual Sustainability Report.

The members of the panel are selected to represent our key stakeholders and are chosen on the basis of their expertise in matters of sustainable development. They are also selected to reflect issues of gender balance and geographical balance. In 2019, the six serving panel members had all served in previous years. The regular meetings of the panel are conducted by means of conference calls and are chaired by an external facilitator. Most of the panel participates in any given meeting and any member who is unable to do so is subsequently interviewed individually.

In 2019, the panel’s feedback played an important part in providing direction for our Sustainability Report and influenced the continuing development of our sustainability programs. The statement released by this year’s panel may be found [online](#).