

A group of children and an adult are sitting on a rooftop platform, looking at a train on tracks in the background. The children are wearing backpacks and the adult is wearing an orange jacket. The train is white and is moving away from them. The background shows a city skyline.


**Connecting Pieces  
of Your World**

**2015  
SUSTAINABILITY  
REPORT**  
AT A GLANCE

**Ansaldo STS**

A Hitachi Group Company





Ansaldo STS in brief  
Sustainability at Ansaldo STS



**COMPANY PROFILE**



**SUSTAINABILITY GOVERNANCE**



**INNOVATION**



**THE ENVIROMENT, HEALTH AND SAFETY**



**OUR PEOPLE**



**SUPPLY CHAIN**



**COMMUNITY**

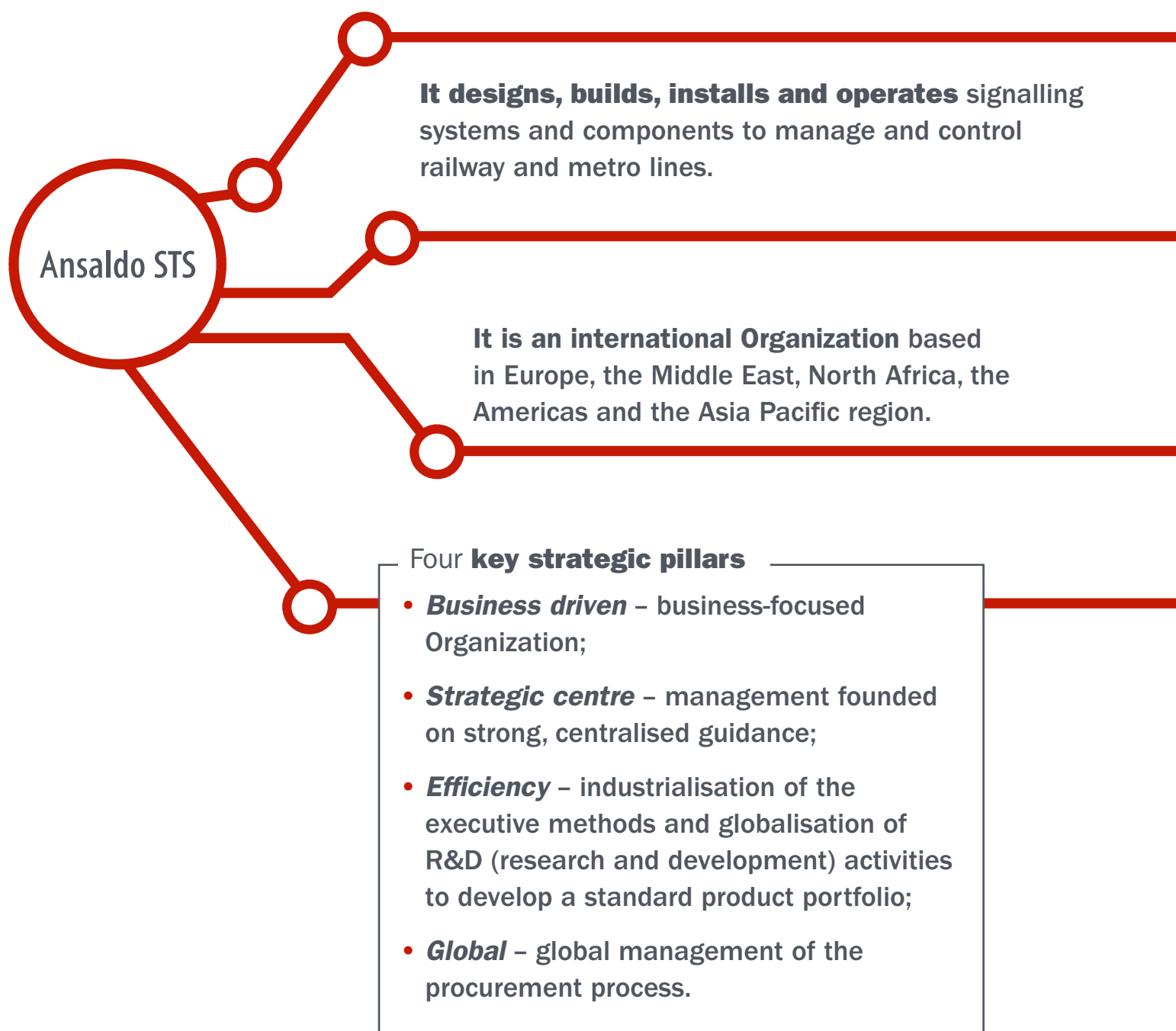


**ECONOMIC SUSTAINABILITY**

## Ansaldo STS in brief

Ansaldo STS<sup>1</sup> is active all over the world as a **contractor and supplier of turnkey services and solutions for large global projects for passenger and freight railways and metro lines.**

In addition to being known for the provision of turnkey projects for large metro lines, **Ansaldo STS has broad experience in the high speed sector as a supplier and integrator of all sub-systems: interoperable signalling and system, telecom, power supply, rolling stock integration, electrification and wayside equipment.**



1. In this report, “Ansaldo STS” and “group” mean all companies included in the 2015 consolidation scope, while “Ansaldo STS S.p.A.” means the parent.



# Sustainability at Ansaldo STS



## SUSTAINABILITY GOVERNANCE

### INTERNAL SUSTAINABILITY COMMITTEE

Composed of the managers of the main company functions, this committee defines strategic guidelines, commitments and projects for sustainable development and social responsibility. It reports directly to the CEO and General Manager and through him to the Board of Directors. By developing the CSR Manager's skills to support the activities of the committee, Ansaldo STS will make the measures aimed at achieving sustainability targets even more effective, intensifying their ongoing monitoring and reporting.

### MATERIALITY ANALYSIS

Ansaldo STS defines the content of the Sustainability Report by asking group management and its stakeholders for their opinions on the different aspects to be considered in the report. This enables the company to more thoroughly report on sustainability issues that affect its stakeholders' judgements and decisions.

### STAKEHOLDER INVOLVEMENT

Ansaldo STS is committed to understanding the needs and expectations of its people and involving them in projects to develop skills and expertise. It is focused on constantly monitoring its customers' satisfaction and plays an active part in handling relations with local communities be they municipal authorities, citizen associations, users of metros and trains, companies or local labourers. It also participates in research and training projects with institutions and universities.

### SUSTAINABILITY PROGRAMME

Reporting on its commitments, investigations of the quality of its interaction with its stakeholders and the results of the materiality analysis allow Ansaldo STS to compile an annual sustainability programme that is focused on constant improvement.



## SOCIAL INNOVATION

Ansaldo STS operates daily with the aim of improving quality of life by designing new transport systems which, every day, carry millions of people and materials without polluting, by developing increasingly compact and energy-efficiency hardware, by researching new green technologies and, above all, by optimising consumption and avoiding waste.

## RESEARCH AND DEVELOPMENT FOR CUTTING EDGE PRODUCTS AND SOLUTIONS

In 2015, Ansaldo STS invested approximately €39 million in research and development to supply its customers and end users with cutting-edge products and solutions and the very best railway and urban rail transport system design and construction methods and procedures in order to increase safety and reduce their direct and indirect environmental impact.

## SAFETY AND RELIABILITY

Ansaldo STS ensures that it develops and delivers products, applications and systems that are: safe, in compliance with Italian and international laws applicable to railway systems and reliable, pursuant to its customers' needs and its internal quality standards. It achieves this through RAMS (Reliability, Availability, Maintainability & Safety) activities.

## PRODUCTS AND SOLUTIONS THAT RESPECT THE ENVIRONMENT

For Ansaldo STS, innovation is synonymous with respect for the environment: it is committed to researching products and solutions that contribute to reducing energy and raw materials consumption. It pays increasing attention to using environmentally-friendly materials, starting at the design stage.



## THE ENVIRONMENT, HEALTH AND SAFETY

### FIGHT AGAINST CLIMATE CHANGE

Ansaldo STS reports on direct and indirect greenhouse gas emissions (Scopes 1, 2 and 3) in accordance with the GHG protocol<sup>2</sup>, undertaking to decrease these emissions, in part through people mobility policies, plans to cut energy consumption and improve efficiency, use of energy from renewable sources and to manage waste effectively.

### INTEGRATED QUALITY, SAFETY AND ENVIRONMENT SYSTEM

Ansaldo STS has an Integrated Management System (IMS) for the quality, safety and environment, which integrates all group processes in one single structure, enabling the Organization to operate with shared objectives. It has also certified its individual sites in accordance with UNI EN ISO 14001 and OSHAS 18001 standards.

### WORKERS' HEALTH AND SAFETY

Promoting the health and safety of its workers is a strategic commitment for Ansaldo STS. The company also tracks "near misses" – which are accidents without consequences resulting from undesired or unexpected situations, which could potentially harm people or things – to identify the appropriate solutions before a real accident happens.

2. The Greenhouse Gas Protocol (GGP) is the most widely used international accounting tool for government and business leaders to understand, quantify and manage greenhouse gas emissions.



## OUR PEOPLE

### PEOPLE CARE

“People care” is one of our five central values in our Organization. “People Care” is a far-ranging concept for Ansaldo STS which covers worker wellbeing as both professionals and as people. It focuses on work environments and monitors relations between managers and their teams and between colleagues. Ansaldo STS offers a wide range of benefits and services.

### TRAINING AND PROFESSIONAL GROWTH

Ansaldo STS considers professional, managerial and specialist training a fundamental lever to enhance its people’s skills. The Global Job System is applied to the entire workforce and interacts with the Performance Development Plan to plan career objectives and individual development paths that match new business contexts.



## SUPPLY CHAIN

### SUPPLY CHAIN SUSTAINABILITY

Ansaldo STS is committed to defining, sharing and implementing a sustainability roadmap for its supply chain to promote a sustainable business culture with its suppliers. The aim is to progressively improve the economic, environmental and social impact (labour and safety practices, respect for human rights and the development of local communities) along the entire supply chain.



## COMMUNITY

### RESEARCH PROGRAMMES WITH INSTITUTIONS AND PARTNERSHIPS WITH UNIVERSITIES

Ansaldo STS contributes to our society’s technological advancement by participating in research projects with Italian and EU institutions and training projects with universities on issues such as safety, energy efficiency, satellite signalling and the monitoring of railway transport system infrastructure.

## CORPORATE AND SUSTAINABILITY COMMUNICATION

This is the seventh Ansaldo STS Sustainability Report edition in accordance with the Global Reporting Initiative guidelines and with certification by an independent auditor. Ansaldo STS adheres to the Global Compact and is a founding sponsor of the Global Compact Network Italy Foundation. It also participates in the Carbon Disclosure Project and is on UNIFE's Sustainable Transport Committee.



## ECONOMIC SUSTAINABILITY

### BUSINESS STRATEGY AND MODEL

Ansaldo STS's economic sustainability is its strategic answer to the macroeconomic context and transportation market trends, based on a business model that develops distinctive abilities and the necessary skills to boost the company's competitiveness in markets.

### CORPORATE GOVERNANCE

Ansaldo STS's corporate governance system is designed to maximise value, monitor business risks and achieve transparency with the market, balancing the interests of all its shareholders, with specific attention to minor ones.







**Company  
profile**



## In summary



Revenues

**+6%**

(from € 1,303 million  
to € 1,384 million)

Net profit

**+15%**

(from € 81 million  
to € 93 million)



**-8.3%**

GHG  
production  
(from 2014  
to 2015)



**34.3%**

electrical  
energy from  
renewable  
sources



**+11.8%**

R&D investments  
(€ 36.9 million  
expensed directly)



**+4.8%**

economic  
value  
distributed to  
stakeholders  
(€1,354 million)



**0.14**

frequency of  
injuries at  
office sites



**0.27**

frequency of  
injuries at  
production sites







**Sustainability  
Governance**



35

**new sustainability objectives** defined in 2016 (+60%)

22

**reported objectives:**  
19 met and 3 postponed  
due to the organisational change

**New materiality matrix**

New economic, social and environmental **risk - benefit analysis**



Reporting of Ansaldo STS France, US and Australia **CSR local initiatives**



**Global Compact** membership for the fifth year

**Founding sponsor** of the Global Compact Network Italy foundation

**Involvement of local communities:**  
the Honolulu, Lima and Copenhagen metro experience



**Innovation**

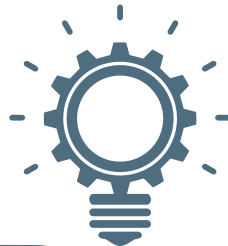


€ **36.9** million  
(+11.8%) invested in R&D  
directly allocated to profit  
or loss

**77** authorised **family patents**  
**13** patents under evaluation



Leadership in  
**ERTMS satellite  
technologies**



**WTIMS** – Real time  
monitoring system  
of infrastructure and  
rolling stock



**TCCS™ – Train Conformity  
Check System** the multi-  
functional portal for the  
automated identification of  
defects on moving trains



**Safety and reliability** of  
products, applications and  
systems. Top level (SIL4) for  
critical applications

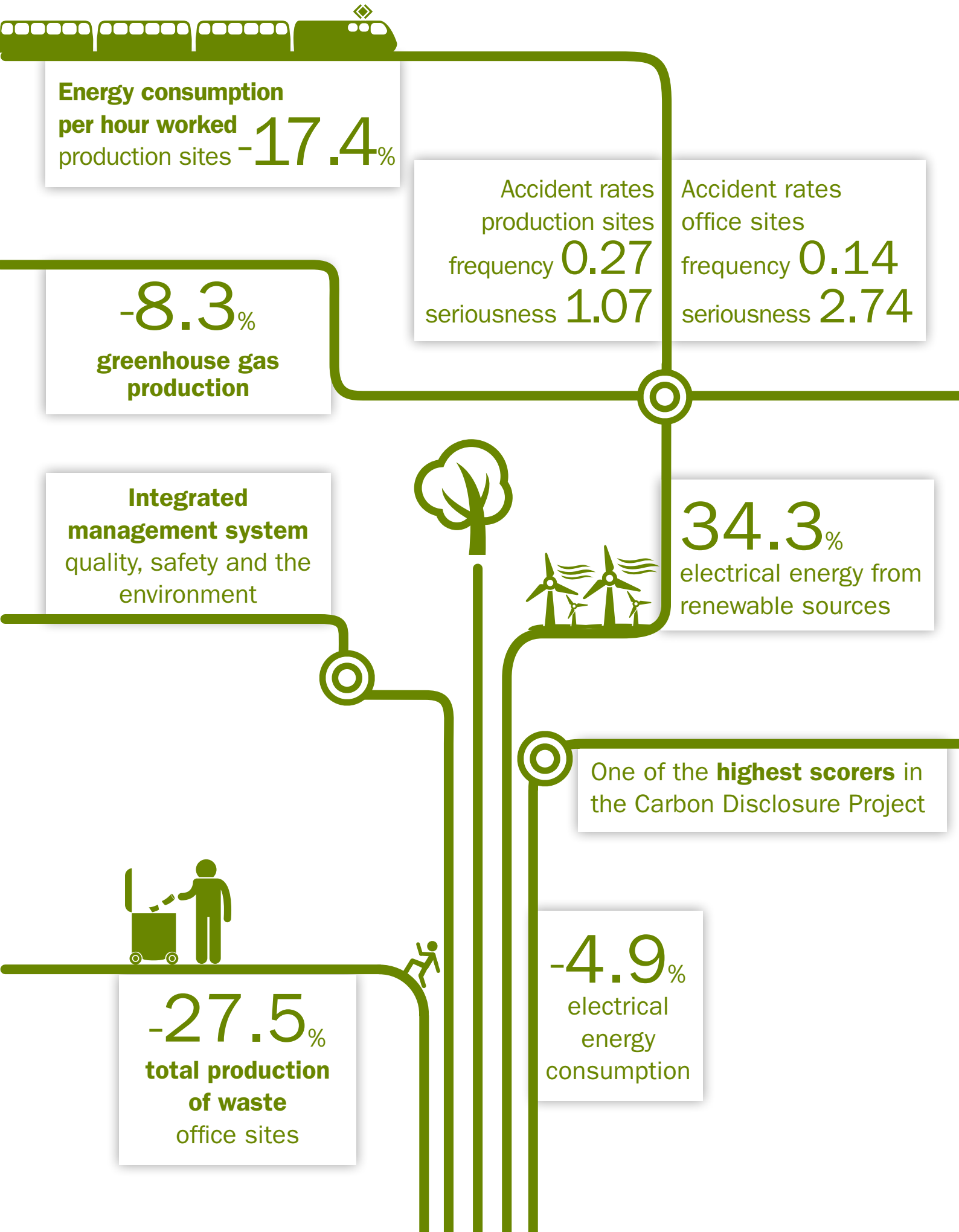
Innovation and  
technology for **energy  
efficiency** and **reduced  
consumption of raw  
materials**

**ECO-DESIGN - Reuse and  
recyclability of materials**  
- Compliance with the  
REACH regulation - **Life  
Cycle Assessment**



## **The Enviroment, Health and Safety**





Energy consumption  
per hour worked  
production sites -17.4%

Accident rates  
production sites  
frequency 0.27  
seriousness 1.07

Accident rates  
office sites  
frequency 0.14  
seriousness 2.74

-8.3%  
greenhouse gas  
production

Integrated  
management system  
quality, safety and the  
environment

34.3%  
electrical energy from  
renewable sources

One of the **highest scorers** in  
the Carbon Disclosure Project



-27.5%  
total production  
of waste  
office sites

-4.9%  
electrical  
energy  
consumption



Our people





94.8% of total open-ended contracts

€322 million  
Economic value distributed to employees (+1.6%)

95% of employees in the competency assessment and development plan

78,222  
total hours of training  
(average of 20.7 per employee)



**Global Job System**  
the competence management system for all employees, with performance assessment

**People Care**  
listening, motivation, multi-cultural environment, growth and development programmes, benefits, fair remuneration



**Knowledge Owners**  
talent selection and development

“50-50” funding of 50% of an executive course at one of the top ten business schools in the world

The **emotional intelligence** training module launched for key resources



## Supply Chain



Passenger  
not cross





**3,017** active suppliers in 2015

€ **870.2** million ordered in 2015



Estimated remuneration of € **470** million for supply chain labour



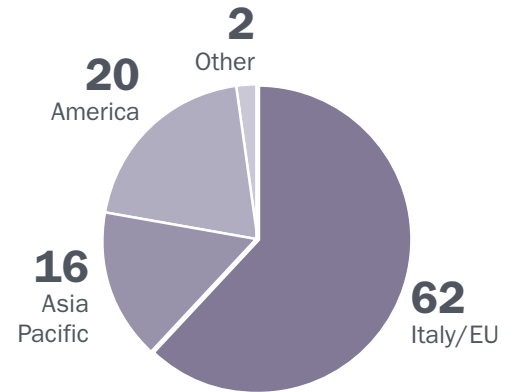
**Interdisciplinary qualification process** coordinated by Supplier Qualification & Monitoring, which involves the technical office, Procurement, Quality and the Health Safety and Environmental function



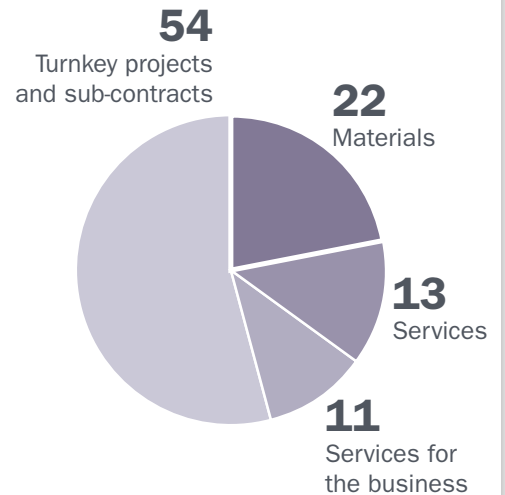
**170** new qualified suppliers



#### GEOGRAPHICAL BREAKDOWN OF ORDERS (%)



#### TYPES OF SUPPLIES (%)



**Qualification questionnaire integrated with HSE aspects**  
adoption of ISO 14001 and OHSAS 18001 management systems; application of REACH/ROHS/RAEE; regulations data on accidents, non conformities, training and emergencies

**75** audits in 2015 on strategic suppliers







Community



**Founding member of Shift2Rail**

Public/private European partnership to manage and coordinate railway research

**12** European research projects

**8** Italian research projects

in signalling, safety, infrastructure monitoring and energy efficiency

Participation in the **technological districts** in Liguria (SIIT) and Campania (DATILO) and the TOPIN workshop for innovative opto-electronic technologies

**27 events**

trade fairs, conferences, launches and conventions



Participation in the **Embedded and INSIST university/company networks of excellence** on ICT, Energy and Transport



**1<sup>st</sup> in Italy**

in the KWB Webranking Industry



**Master agreements and partnerships with the universities** of Genoa, Turin, Rome, Milan, Paris, Dresden, Madrid and Basilicata

Member of **UNIFE committees for sustainability and communication**



LinkedIn: growth in followers from **10,000** to **53,700** at the end of 2015





**Economic  
sustainability**



**Revenue** +13% from € 1,230 million to € 1,384 million (2013\*-2015)

**EBIT** +16% **ROS** from 9.5% to 9.8% (2013\*-2015)

**Net profit** +24% from € 75 million to € 93 million (2013\*-2015)

**EVA** +21% from € 54 million to € 66 million (2013-2015)

**Net financial debt** +38% from €245 million to €339 million (2013\*-2015)

**V2A programme:**  
**Lean** (cost optimisation),  
**New Road** (purchase cost reduction), **Top Line** (new market opportunities)

**Project Lifecycle Management**  
 processes to control operating risks

**Order portfolio** +15% from € 5,567 million to € 6,410 million (2013\*-2015)

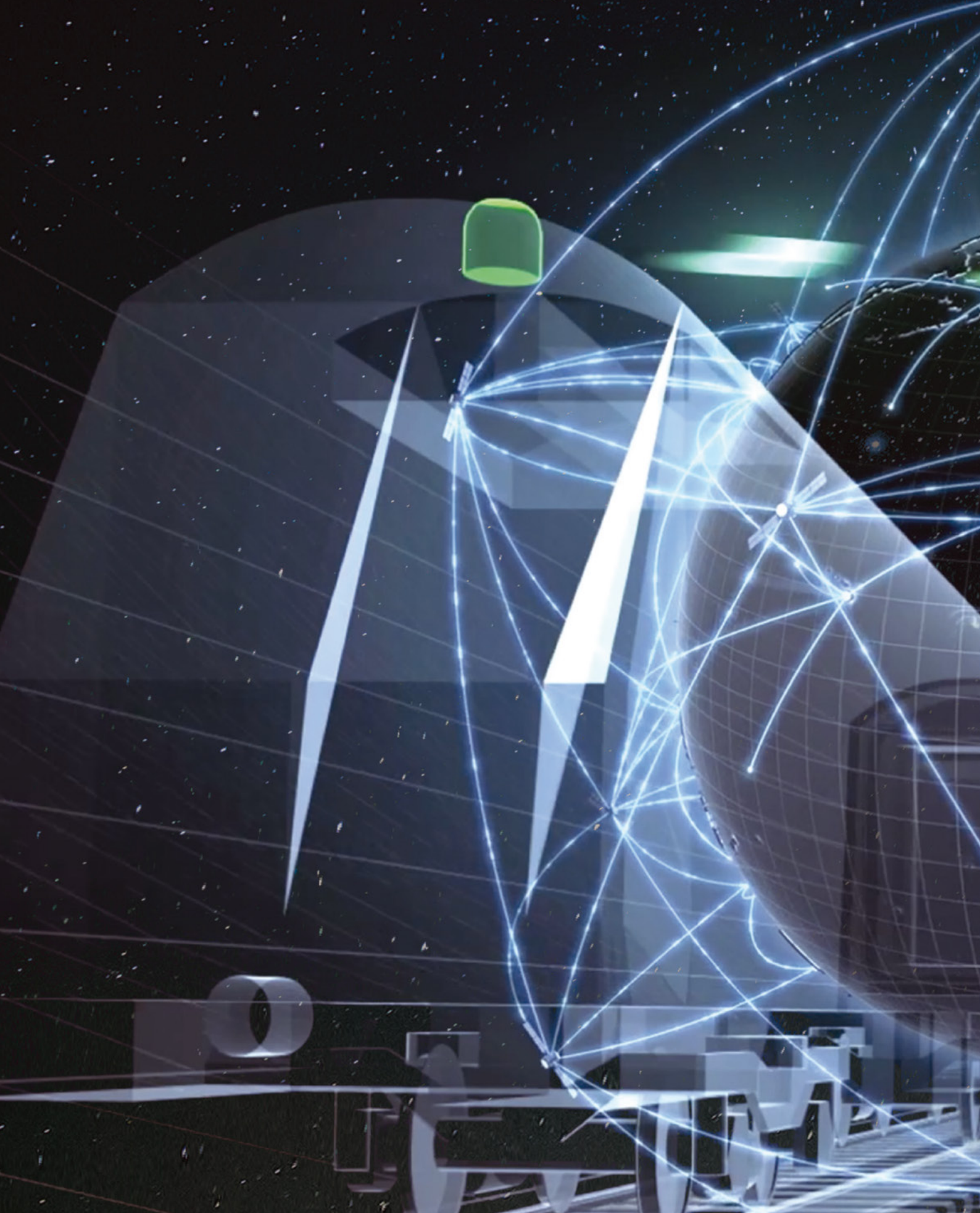
**Share performance** +26% from € 7.85 to € 9.87 (2013\*-2015)

**Customer Satisfaction:**  
 a system of customer monitoring, control, reporting and discussion tools

**€ 1,354 million** (+4.8%)  
 Value distributed to stakeholders

\* Restated Figures following the application of IFRS11 governing joint arrangements qualified as joint ventures, which are consolidated with the equity method as of 1 January 2014 (date of implementation by the Ansaldo STS Group). The 2013 figures have been updated to ensure a consistent comparison of the data compared.

We Move People and Freight Safely







**For information on the Sustainability Report,  
please contact:**

**Registered Office:** Via Paolo Mantovani, 5  
16151 Genoa - Italy

**E-mail:** andrea.razeto@ansaldo-sts.com

**External Communication Department:**

Tel. no. +39 010 655 2068 - Fax no. +39 010 655 2055

This Sustainability Report has been prepared  
with the contribution and coordination of

Andrea Razeto

Vice President External Communication

 **Ansaldo STS** External Communications Dept.


and

Ulderico Zona

Sr Vice President HSE & Facility Management,  
Supply Planning, Construction & Maintenance

Alfredo Tommasone

HSE Coordinator - Major Entity Italy HSE Manager

 **Ansaldo STS** HSE & Facility Management Dept.

The 2015 Sustainability Report is available online at:  
[www.ansaldo-sts.com](http://www.ansaldo-sts.com)

Advisors on procedures and reporting:  
Studio Badalotti per il Bilancio Sociale S.r.l.

Strategic concept, Graphic design and Realisation:



**MERCURIO**<sub>GP</sub>  
[www.mercuriogp.eu](http://www.mercuriogp.eu)

Respecting the environment, Ansaldo STS has printed  
this Sustainability Report on paper produced from  
responsibly managed forests, according to FSC® criteria  
(Forest Stewardship Council® )

Printed in October 2016





# Ansaldo STS

A Hitachi Group Company

ANSALDO STS S.p.A.  
Registered Office:  
16151 Genoa  
Via Paolo Mantovani, 3 - 5  
Paid-in Share Capital Euro 100,000,000  
R.E.A. n. 421689  
Register of Enterprises of Genoa  
Tax Code 01371160662

[www.ansaldo-sts.com](http://www.ansaldo-sts.com)

A Hitachi Group Company