



SUSTAINABILITY REPORT 2015



valenciaport



Autoridad Portuaria de Valencia

Contents

1. INSTITUTIONAL DIMENSION3

INTRODUCTION TO THE PORT AUTHORITY

AND ITS SUSTAINABILITY STRATEGY4

| | |
|---|----|
| Introduction | 4 |
| Strategy..... | 6 |
| Functions and legal status..... | 7 |
| Governance and quality management..... | 8 |
| Infrastructure and capacity..... | 15 |
| Markets..... | 18 |
| Services..... | 25 |
| Service quality | 26 |
| Integration in the transport system. Sustainable mobility | 30 |
| Institutional communication | 34 |
| Sales promotion | 38 |
| Institutional commitment | 39 |

2. ECONOMIC DIMENSION46

DESCRIPTION OF THE PORT AUTHORITY'S ECONOMIC

POLICY47

| | |
|---------------------------------------|----|
| Financial and economic situation..... | 47 |
| Business and services..... | 48 |
| Social and economic impact | 49 |

3. SOCIAL DIMENSION50

THE PORT AUTHORITY'S HUMAN RESOURCES51

| | |
|--|-----------|
| Description of the port authority's human resource policy | 51 |
| Employment at the port authority..... | 51 |
| Internal communication and participation..... | 52 |
| Training | 54 |
| Staff structure and breakdown | 58 |
| Occupational health and safety..... | 59 |
| Employment and occupational safety in the port community | 68 |
| RELATIONS WITH ITS ENVIRONMENT..... | 70 |
| Description of the port authority's policy in terms of its relations with its social environment | 70 |



1. INSTITUTIONAL DIMENSION

INTRODUCTION TO THE PORT AUTHORITY AND ITS SUSTAINABILITY STRATEGY

Introduction

Shipping plays a pivotal role in the global environment we live in. Currently, around 80% of world trade is channelled through shipping, a figure which highlights the importance of the logistics chain and of the work carried out in port facilities to boost the competitiveness of their respective hinterlands. Valenciaport is an international logistics hub serving business, and by extension, people. It is a platform connected to over 1,000 ports around the world which handles 40% of the Spanish economy's imports and exports.

Against this background, Valenciaport's throughput figures for 2015 point to a positive year for the Port Authority of Valencia, as they showcase the value the ports of Valencia, Gandia and Sagunto bring to an ever wider hinterland. We not only managed to reverse the downward trend of the previous year but also succeeded in registering record figures for container traffic and cargo in 2015. Logically, these magnificent figures were the result of a concerted effort by all the stakeholders that make up the port community.

In specific terms, Valenciaport handled over 70 million tonnes in 2015, which represents an increase of 4.44% over the previous year and constitutes the highest ever throughput figure for the Port Authority of Valencia. The extraordinary increase in the number of vehicles handled through the ports of Valencia and Sagunto, up 39.9% to around 690,000 vehicles, is also worthy of note, and it is no coincidence that the Spanish Association of Car and Lorry Manufacturers has once again named Valenciaport as the best vehicle traffic facility in Spain. In turn, container traffic, which represents the largest share of our throughput, grew by 3.90% to 4.61 million TEUs, thanks to good import-export and transit figures.

These figures consolidate Valenciaport as the leading container traffic port in Spain and in the Mediterranean and highlight how useful our facilities are as a springboard for the Valencian and Spanish economies. However, to maintain this leading position we need to keep a watchful eye on the indicators that monitor our competitiveness, and the quality and efficiency of the services we provide.

Our traffic throughput also brought with it positive economic results with net revenue in 2015 standing at €127.3 million and profit at €7.3 million. In 2015, we also worked hard to reduce our debt, bringing the figure down by 6.6%.

In 2015, the figures for cruise traffic, which is essential to our city, remained steady, rising by just 0.42% over the previous year, with a total of 374,566 passengers calling at the Port of Valencia. The Port Authority of Valencia is well aware of the potential cruise traffic has for tourism in the city, and we are already implementing business policies that will increase the number of calls at the port. In addition, we are working closely with local and regional government to design a competitive strategy to attract shipping companies and cruise passengers to Valencia that essentially centres on becoming a home port for cruises.

In 2015, and with an eye on the future, we made a decisive commitment to improving the intermodality of the facilities we manage, as this is a key issue in extending our trade hinterland and becoming more competitive. Along these lines, we actively defended the need to improve the Valencia-Saragossa rail line as soon as possible, as this is a strategic piece of infrastructure that will connect one of Spain's main inland logistics hubs, Saragossa, to Spain's leading container port. We are so convinced of the importance of this project that we have included €4 million in our business plan to improve this rail line in 2016, a year in which we will be stepping up our efforts to become more competitive in order to ensure our port continues to be a transoceanic hub.

In November, we began to draw up our Competitiveness Plan, which we hope to finish in 2016.

I would like to take advantage of these lines to refresh our collective memory about some of the milestones that marked 2015. These included the first call at our facilities by a Triple-E class vessel, the *Morten Maersk*, with a capacity of 18,340 TEUs, thus

beating the record for the largest ever ship to call at the Port of Valencia. Similarly, administrative work got underway to increase the draft at our main terminals so we can cater for continued growth in the size of vessels. One of the other major milestones in 2015 took place at the Port of Sagunto, where Intersagunto opened for business, becoming the facility's first multipurpose terminal. The new terminal, which has regular lines for container traffic and its own machinery, including six gantry cranes, can handle up to 200,000 TEUs per year.

During the year, the Port Authority of Valencia worked hard to maintain its status as a European benchmark in environmental issues. These efforts included bringing into service the new lighthouse at the Port of Valencia, an innovative project both in the materials used to build it - fibreglass and carbon fibres - and in the fact that is self-sufficient in terms of energy. This initiative was rewarded at international level, winning the infrastructure category at the JEC World 2016 Innovation Awards, the world's most prestigious composite materials' awards. 2015 also saw the completion of the European SEA TERMINALS project, whose aim was to speed up the transition of the port industry towards more efficient operating models, integrating energy as a key factor for improvement in port container terminals. In addition, the Port of Valencia's

carbon footprint was included in the Spanish Ministry of Agriculture, Food and the Environment's register of carbon footprints, compensation and projects to absorb CO₂, making us the first port authority in Spain to feature in this list.

Last but certainly not least, the Board of Directors' decision to create the Executive Committee for the Promotion of Territorial Integration reflects the firm commitment made to port-city integration during the year. This committee aims to analyse, deliberate, inform and propose initiatives and measures for sustainable, competitive development of the ports managed by the Port Authority to its Board of Directors and its Chairman.

The Port Authority of Valencia understands that the ports it manages are tools serving society and the Valencian and Spanish economies. This, together with our commitment to our immediate surroundings, continues to be the backbone of our organisation.

Aurelio Martínez Estévez
Chairman of the Port Authority of Valencia

Strategy

The port's mission, vision and values

The "2020 Strategic Plan", drawn up by the Port Authority of Valencia, henceforth the PAV, sets out a model for the future up until 2020.

This plan is designed to promote the development of the three ports it manages – Valencia, Sagunto and Gandia – so as to benefit the shipping trade of the companies in its hinterland, and to act as a tool for improving the wellbeing and quality of life of society as a whole.

The 2020 Strategic Plan was drawn up with the participation of the port community based on a comprehensive study of the strategic climate which revealed changes in the industry as a consequence of the global crisis. In this new cycle, the key to strategic planning lies in increasing the focus on sales and financial management, making infrastructure and services more competitive, and on innovation, under the aegis of the regulatory, coordinating role of the port authority.

Given the changing economic and shipping scenarios, the PAV reviews and adapts this Plan on a regular basis.

Mission

To sustainably promote the external competitiveness of the business community in the PAV's area of influence by providing quality, competitively-priced port, shipping, intermodal, and logistics infrastructures and services which are aligned with European transport policies.

- **Economic sustainability:** optimisation of revenue, costs, and investments to ensure the PAV's self-funding ability in the short and long term.
- **Social sustainability:** coordination to ensure the different agents in the port community receive fair remuneration and coexist in harmony.
- **Environmental sustainability:** minimisation of negative impacts on water and air quality, and noise levels.
- **Alignment with European transport policies,** promoting rail intermodality and short sea shipping.

Values

- **Leadership:** to be the leading Mediterranean port in traffic that has the greatest current and potential interest.
- **Commitment:** commitment to customers and the creation of added value.
- **Sustainability:** to be economically sustainable in terms of attracting traffic, increasing loyalty, and making investments.
- **Responsibility:** responsible port management based on the criteria of transparency and equal opportunities.
- **Innovation:** continuous innovation in the range of services on offer and increased efficiency.

2020 growth objectives

The PAV aims to reach the following objectives by 2020: total traffic of 90 million tonnes and 5.6 million TEUs, with containerised import-export traffic accounting for over 40% of throughput.

Strategic projects

- Ensuring economic sustainability.
- Attracting new customers, and developing, managing, and marketing new port and port-related infrastructures.
- Regulating, monitoring, and coordinating port community services.
- Institutional backing to improve port links with transport networks.
- Developing sales in its hinterland and foreland.
- Improving internal PAV management.

Functions and legal status

General description of the port authority's legal status, detailing aspects such as its ownership, competences framework, public port land management system and financing mechanisms (in line with the recast text of the Spanish Law on State-owned Ports)

The Port Authority of Valencia (PAV), which trades under the name of Valenciaport, is the public body responsible for running and managing three state-owned ports, Valencia, Sagunto, and Gandia, along an 80 km stretch of the Mediterranean coast in Eastern Spain, in line with what is set out in Royal Decree 1590/1992, of 23rd December, and in article 4 and section 8 of appendix I of the recast text of the Spanish Law on State-owned Ports and the Merchant Navy, passed by Legislative Royal Decree 2/2011, of 5th September (henceforth, also known as TRLPEMM).

The nature, competences, and functions of port authorities come under the aforementioned TRLPEMM, the harmonising legislation that brings together the extensive regulations on port issues that have been passed over the last two centuries. In article 24.1, this legal text stipulates that *"Port Authorities are public bodies among those envisaged in letter g) of section 1, article 2 of the Spanish General State Budget Law, with their own legal status and equity, and full capacity to act" which "are dependent on the Spanish Ministry of Development, through the State-owned Ports Body, and are governed by specific legislation, by the applicable provisions of the Spanish General State Budget Law, and additionally by Spanish Law 6/1997, of 14th April, on the Organisation and Functioning of Central Government."*

Thus, in the light of the interpretation of the reference made by the TRLPEMM to article 2.1.g) of the Spanish General State Budget Law 47/2003, of 26th November, we can conclude that port authorities are part of the public sector as "state bodies governed by public law" yet are different from autonomous bodies dependent on central government and public corporations, and from any other public-sector bodies depending on or linked to central government.

In short, although port authorities are not public authorities in the strict sense of the word, they are public bodies with their own legal status and equity which manage their interests according to the general principles of functional and management autonomy.

In Book I, Chapter II, Section 2, on Port Authorities, the TRLPEMM sets out:

- The regulatory framework, in terms of both public and private law, that governs port authorities.
- The role the PAV must adopt to comply with the functions it has been entrusted.
- Its organisational structure.
- Functions.
- Its economic resources.

This last point is developed in article 27 of the TRLPEMM which regulates the financing mechanisms of port authorities. According to this article, port authorities' economic resources are drawn from:

- a. Products and income from their equity, and income from the disposal of their assets.
- b. Port charges, without prejudice to what is set out in article 19.1.b) and 241A of the TRLPEMM.
- c. Income classed as private-law resources obtained from the performance of their functions.
- d. Contributions received from the Interport Compensation Fund.
- e. Resources that may be assigned to them in the Spanish General State Budget or in the budgets of other public authorities.
- f. Grants and subsidies, regardless of their origin.
- g. Funding from loans and other financial operations they may arrange.
- h. The application of the fine system.
- i. Donations and bequests and other contributions made by individuals and private bodies.
- j. Any other funds that may be attributed to them by the legal system.

Thus, it falls to port authorities to manage and administer these resources within an autonomous management framework using efficacy, efficiency, and environmental sustainability criteria, and in line with the principles set out in the TRLPEMM.

In order to correctly manage public port land, the Port Authority of Valencia uses a series of planning tools which are set out in the TRLPEMM. These are the following:

Strategic Plan: through which the Port Authority of Valencia details its development model and strategic position, i.e. it sets out its mission and the strategic objectives to be met over the next few years.

Infrastructure Master Plan: through which the port authority describes the development potential of the ports it manages over a long-term horizon (20 years or more) from an infrastructure point of view and in line with its Strategic Plan.

Business Plan: the Port Authority of Valencia's Business Plan includes a diagnosis of the current situation, port traffic forecasts, economic and financial forecasts, management objectives, environmental sustainability management indicators and objectives, staff structure and job opportunities, changes in management ratios, financial planning, public investment planning, private investment forecasts, annual profitability objectives, and correction factors for the corresponding charges and charge rebates, amongst other aspects.

Moreover, the public port land management system is also regulated in Title V of Book I of the TRLPEMM.

Governance and quality management

Functions and procedures for electing the port authority's governing bodies, such as the Chairman, General Manager, and the Board of Directors

Article 29 of the TRLPEMM lists port authority governing bodies:

"The port authority governing bodies are the following:

- a) *Governing bodies: Board of Directors and Chairman.*
- b) *Management bodies: General Manager.*
- c) *Advisory bodies: Shipping and Port Council".*

The functions and procedures through which port authority governing bodies are elected are set out in the TRLPEMM. Article 31 refers to the Chairman's appointment and functions, article 32 to the Deputy Chairman's designation and functions, and article 33 to the General Manager. In addition, article 30 details the composition and functions of the Board of Directors.

Structure of the port authority's board of directors, including information about groups and associations represented on it

The TRLPEMM maintains the new structure for port authority board of directors introduced by Spanish Law 33/2010, of 5th August, which amended Spanish Law 48/2003, by which the number of members, established in the now repealed Article 40 of Spanish Law 27/1992 on State-owned Ports and the Merchant Navy, of 24th November, was reduced.

In 2015, the composition of the Port Authority of Valencia's Board of Directors underwent a series of changes. As of 31st December 2015, it was made up of the following members:

| | | | |
|--|---|---|--|
| Mr. Aurelio Martínez Estévez ⁽¹⁾ Chairman of the PAV | <i>Ex officio member</i> | Ms. Inmaculada Rodríguez-Piñero Fernández ⁽⁵⁾ MEP, Progressive Alliance of Socialists and Democrats, European Parliament | <i>In representation of the Valencian Regional Government</i> |
| Mr. Felipe Cano Navarro Valencia Harbourmaster | <i>Ex officio member</i> | Mr. Joan Ribó i Canut ⁽⁶⁾ Mayor of Valencia | <i>In representation of the city of Valencia</i> |
| Hon. Ms. María Durá Rivas Chief Treasury Counsel | <i>Spanish Central Government representative</i> | Mr. Josep Francesc Fernández i Carrasco ⁽⁷⁾ Mayor of Sagunto | <i>In representation of the town of Sagunto</i> |
| Mr. Ignacio Arrondo Perals Director of Services and Competitiveness, State-owned Ports Body | <i>Spanish Central Government representative</i> | Mr. Francisco José Corell Grau Chairman of the Valencian Transport and Logistics Company Federation (FVET) | <i>Valencia Official Chamber of Commerce, Industry and Shipping</i> |
| Mr. Juan Carlos Moragues Ferrer ⁽²⁾ Spanish Central Government representative | <i>Spanish Central Government representative</i> | Mr. José Vicente González Pérez Chairman of the Confederation of Business Organisations in the Valencian Region (CIERVAL) | <i>In representation of the business organisations</i> |
| Mr. Vicente Boluda Fos ⁽³⁾ Chairman of the Valencian Shipping Association (ANV) | <i>In representation of the Valencian Regional Government</i> | Mr. Pedro Suárez Benavente Chairman of the PAV's Works Committee | <i>In representation of the trade union organisations</i> |
| Mr. Salvador Antonio Navarro Pradas Chairman of the Valencian Business Confederation (CEV) | <i>In representation of the Valencian Regional Government</i> | Mr. Antonio García Llusar ⁽⁸⁾ Deputy Chairman of the ANV | <i>In representation of the most important economic sectors in the port industry</i> |
| Mr. Josep Vicent Boira Maiques ⁽⁴⁾ Regional Secretary of Infrastructure and Transport | <i>In representation of the Valencian Regional Government</i> | Mr. Francesc Josep Sánchez Sánchez ⁽⁹⁾ PAV General Manager | <i>PAV General Manager (non-board member)</i> |
| | | Ms. Pilar Theureau de la Peña ⁽¹⁰⁾ PAV General Secretary | <i>Board Secretary (non-board member)</i> |

⁽¹⁾ Mr. Rafael Aznar Garrigues held the position of Chairman until 31-07-2015. Mr. Aurelio Martínez Estévez was appointed as Chairman on 31-07-2015.

⁽²⁾ Mr. Serafín Castellano Gómez held this position on the Board until 19-06-2015. Mr. Juan Carlos Moragues Ferrer was appointed on 11-09-2015.

⁽³⁾ Mr. Vicente Boluda Fos was appointed to this position on 15-05-2015. He previously represented the most important economic sectors in the port industry.

⁽⁴⁾ Mr. Victoriano Sánchez Barcaiztegui-Moltó held this position until 31-07-2015. Mr. Josep Vicent Boira Maiques was appointed on 31-07-2015.

⁽⁵⁾ This position has been held by Ms. Inmaculada Rodríguez-Piñero Fernández since 31-07-2015.

⁽⁶⁾ Ms. Rita Barberá Nolla held this position until 31-07-2015. Mr. Joan Ribó i Canut was appointed on 31-07-2015.

⁽⁷⁾ Mr. Sergio Ramón Vinuesa Franco held this position until 31-07-2015. Mr. Josep Francesc Fernández i Carrasco was appointed on 31-07-2015.

⁽⁸⁾ Mr. Vicente Boluda Fos held this position until 15-05-2015. Mr. Antonio García Llusar was appointed on 15-05-2015.

⁽⁹⁾ Mr. Ramón Gómez-Ferrer Boldova held the position of PAV General Manager until 18-12-2015. Mr. Francesc Josep Sánchez Sánchez was appointed on 18-12-2015.

⁽¹⁰⁾ Mr. Fernando Llopis Giner held the position of Board Secretary until 18-12-2015. Ms. Pilar Theureau de la Peña was appointed on 18-12-2015.

The Port Authority of Valencia's Board of Directors met on seven occasions in 2015.

The most important agreements reached at these board meetings in 2015 included:

- Approval of service quality directive for vehicle traffic at the Port of Sagunto.
- Resolution about the application made by Arcelor Mittal Sagunto, S.L. to recover the concession it holds at the Port of Sagunto.
- Resolution about the application made by Noatum Ports Valenciana, S.A.U. to extend its concession at the Port of Sagunto.
- Termination of the concession held by Terminal Polivalente Portuaria de Sagunto, S.A., at the Port of Sagunto, after the withdrawal of the concessionaire.
- Approval of the terms and conditions for auditor approval delegated to the Chairman for the possible extension of concessions.
- Authorisation for the Royal Valencia Yacht Club to carry out recreational fishing in the area included in the two concessions it holds, located in the Port of Valencia's service area.
- Update of the Port Authority of Valencia's Environmental Policy.
- Specific amendment to the Cooperation Agreement signed on 30th March 2012 between Gandia Town Council and the Port Authority of Valencia.
- Approval of the terms and conditions for the provision of a land transport commercial service.
- Concession granted to Club de Pesca Deportiva Muelle Pescadores de Valencia to occupy public port land in the Small Craft Dock at the Port of Valencia.
- Compliance given to the signing of the Valencia Local Innovation Agreement.
- Approval of the Port Authority of Valencia's information security policy.
- Substantial amendments to the concession held by INFRAPORTVA as a result of a broader concessionary purpose.
- Approval of the project to draw up the Port Authority of Valencia's 2016 Business Plan. Forecast for the end of the 2015 financial year.
- Approval of correction factors and rebates for 2016.
- Shipping and Port Councils of the ports managed by the Port Authority of Valencia: member renewal, member appointments and update of its regulations.
- Resolution about the amendment to the concessionary purpose and maximum tariffs of the concession held by INFRAPORTVA at the Port of Valencia's South Quay.
- Resolution about the definitive granting to the Gandia Fishing Guild of the public tender for an administrative concession to occupy public port land to run the Port of Gandia's Fish Market.
- Resolution about the granting of an administrative concession to the Gandia Fishing Guild to occupy public port land (17 portable buildings for vessel owners) at the Port of Gandia's Fishing Quay.
- Resolution about the granting of an administrative concession to the Gandia Fishing Guild to occupy public port land (42 portable buildings for fishing activities) at the Port of Gandia's Fishing Quay.
- Approval of the terms and conditions for the provision of a commercial service for the embarkation and disembarkation of new unregistered vehicles.
- Administrative concession granted to FERTIBERIA, S.A. for the operation of an existing industrial plant for the manufacture of fertilisers and nitrogen compounds in the Port of Sagunto's service area.
- Membership of the Declaration to support science and research.
- Approval of the Plan to collect and process vessel-generated waste at the ports managed by the Port Authority of Valencia.
- Approval of the Service Quality Directives for cruise traffic.
- Authorisation granted to Valencia Terminal Europa, S.A. to provide a commercial service for the embarkation and disembarkation of unregistered motor vehicles at the ports of Valencia and Sagunto.
- Resolution about amending the minimum volume of traffic to be handled by Galp Energía España, S.A.U., at the concession it holds at the Port of Valencia.
- Resolution about the amendment to the purpose of the concession held by NOATUM PORTS VALENCIANA, S.A.U., at the Port of Sagunto.
- Approval of a maximum subsidy for the Valenciaport Foundation for 2016.
- Extension of the mandate given to Valencia Plataforma Intermodal y Logística, S.A.
- Approval of the terms and conditions for the sale of the Valenciaport boat at public auction.

Description of the management and decision-making support systems used by the port authority, such as quality management systems, balanced scorecard management, and market specification campaigns

The Port Authority of Valencia uses the following management support systems:

Quality management system based on the ISO 9001:2008 standard

The PAV uses a quality management system to certify key internal processes, such as shipping management which covers the berthing management process at the ports of Valencia, Sagunto and Gandia, pursuant to the European ISO 9001:2008 quality standard.

This system was certified in 1999 according to the ISO 9002:1994 standard, and was updated in 2003 to meet the new ISO 9001:2000. In 2009, it was updated once again to the ISO 9001:2008 standard. In August 2015, the PAV successfully passed the Quality Management System maintenance audit based on this standard, and intends to adapt its Quality Management System to comply with the specifications of the new ISO 9001:2015 standard.

International environmental management system

As part of its aim to improve the environment, and to respond to and comply with the commitments it has taken on in its environmental policy, the PAV maintains its UNE EN ISO 14001:2004 environmental management certification, as well its registration in the EMAS standard, currently Regulation EC 1221/2009, which enables organisations to voluntarily join a community system of environmental management. This is the highest recognition available in terms of environmental management. Similarly, the PAV renewed its PERS (Port Environmental Review System) certificate in 2015. This certificate, which is supported by the European Sea Ports Organisation (ESPO), is the only environmental certification specifically aimed at the port industry.

As a result of the above, the PAV has calculated and verified the carbon footprints for the PAV-Port of Valencia, in line with ISO 14064-1:2006 for 2008, 2010 and 2012. In

addition, these figures have been registered in the Spanish Ministry of Agriculture, Food and the Environment's register of carbon footprints, compensation and projects to absorb CO₂, obtaining the "Calculation" seal.

All of these certifications demonstrate the PAV's commitment to continuous environmental improvements.

Occupational health and safety management system based on the OHSAS 18001 standard

In addition to legal requirements, the PAV's Occupational Health and Safety Department chose the OHSAS 18001 as its management model in order to achieve continuous improvement in monitoring health and safety for PAV staff. In June 2007, the Port Authority of Valencia achieved OHSAS 18001 certification, under registration number 0101/OHS/01/2007, for the ports of Valencia, Sagunto, and Gandia, which all comply with the requirements laid down in the standard for port facility management. In 2008 and 2009, the OHSAS 18001 certification close-out visits were successfully passed. The certification was renewed in 2010 and the subsequent close-out visits were successfully passed in 2011 and 2012. The second renewal was passed in 2013 and the close-out visits were passed in 2014 and 2015.

Security management system for the supply chain based on the ISO 28000 standard

In 2011, as part of its continuous improvement strategy to enhance all the activities that make up its management system, the Port Authority of Valencia implemented a security system based on the ISO 28000 standard. This standard ensures that the organisation is committed to protecting its staff, facilities, goods, and the information it exchanges.

This initiative underlines the importance the PAV gives to the development of measures aimed at improving the security of goods and of the staff that work in the ports it manages by including best practice and existing tools in its day-to-day management so as to comply with the most demanding standards.

Existence of a management committee and its structure

- Chairman
- General Manager
- General Secretary
- Strategic Planning Director
- Infrastructure Planning Director
- Safety and the Environment Director
- Operations and Port Land Director
- Head of the Chairman's Office

The role of this committee is to discuss and coordinate strategic port activity and daily management issues, and to prepare the matters which need to be presented to the Board of Directors. The committee met on 24 occasions in 2015.

Description of sectorial technical committees that support the Board of Directors, in addition to the Shipping and Port Council, the Port Services Committee, and the Security Advisory Committee

In 2004, the Port Authority of Valencia's Board of Directors agreed to constitute two executive committees, one for Economic and Financial Affairs and another to monitor the Strategic Plan. The creation of these two committees aimed to strengthen and bring good corporate governance to the PAV, and introduce transparency in its proceedings, whilst involving the industries represented on the Board of Directors which are most closely related to the object of these committees.

As a result of the new structure of the Port Authority of Valencia's Board of Directors brought about by Spanish Law 33/2010, the composition of these two executive committees was modified at the Board Meeting held on 4th November. Since then, the committees have undergone several changes as a result of the appointment of new board members.

Executive Committee for Economic and Financial Affairs

The general aim of the Executive Committee for Economic and Financial Affairs is to advise the port authority's governing bodies on any issue that may be directly or indirectly related to economic or financial matters within the organisation.

The Committee deals with any issue related to the following:

- Matters relating to the port authority's operating and capital budgets and to long-term planning.
- The PAV's balance sheet, income statement, and financial statements.
- Issues relating to the PAV's investments and financial operations, including the incorporation of and participation in trading companies, and issues concerning credit to fund working capital.
- In general, any other matters which may be considered relevant and/or related to the PAV's economic or financial situation, and which are within the Committee's scope.

As a result of the changes that took place in 2015 in the Board of Directors, changes also took place in this Committee. At 31st December 2015, the members were as follows:

Mr. Aurelio Martínez Estévez

PAV Chairman (*ex-officio*)

Mr. José Vicente González Pérez

In representation of the business organisations

Mr. Ignacio Arrondo Peral

In representation of the State Legal Service - State-owned Ports Body

Ms. Inmaculada Rodríguez-Piñero Fernández

In representation of the Valencian Regional Government

Mr. Salvador Navarro Pradas

In representation of the Valencian Regional Government

Mr. Francesc Josep Sánchez Sánchez

PAV General Manager

Ms. Pilar Theureau de la Peña

Committee Secretary

The Executive Committee for Economic and Financial Affairs met on two occasions in 2015. One of these meetings was held jointly with the Executive Committee for Monitoring the Strategic Plan.

Executive Committee for Monitoring the Strategic Plan

The general aim of the Executive Committee for Monitoring the Strategic Plan is to advise the PAV's governing bodies on any issue that may be directly or indirectly related to its Strategic Plan.

The Committee is assisted in this by methodology and management control instruments inherent to the implementation and monitoring of the Strategic Plan, such as the Port Authority of Valencia's Balanced Scorecard Management and the PAV Business Plan.

The Committee is responsible for analysing and discussing the measures it considers necessary to improve the implementation of the Strategic Plan, and for informing and making suggestions to the Board of Directors and its Chairman on these measures.

In particular, the Committee deals with any issue related to any of the various strategic axes on which the Port Authority's Strategic Plan is based, such as:

- Efficiency and effectiveness of port services.
- The port infrastructure growth model.
- Intermodality and logistics.
- Port-city integration policy.
- Marketing and communication.
- In general, any other matter which may be considered relevant and/or related to the Strategic Plan.

As a result of the changes that took place in 2015 in the Board of Directors, changes also took place in this Committee. At 31st December 2015, the members were as follows:

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| Mr. Aurelio Martínez Estévez (Presidente) PAV Chairman <i>[ex-officio]</i> |
| Mr. Francisco José Corell Grau In representation of the Chamber of Commerce |
| Mr. Josep Vicent Boira Maiques In representation of the Valencian Regional Government |
| Mr. Salvador Navarro Pradas In representation of the Valencian Regional Government-CEV |
| Mr. Vicente Boluda Fos In representation of the Valencian Regional Government - AVE |
| Mr. Francesc Josep Sánchez Sánchez PAV General Manager |
| Ms. Pilar Theureau de la Peña Committee Secretary |

This Committee met on one occasion in 2015. This meeting was held jointly with the Executive Committee for Economic and Financial Affairs.

Executive Committee for the Promotion of Territorial Integration

In addition to the aforementioned Committees, in the Board Meeting held on 2nd October 2015, it was agreed, following a proposal made by the Chairman, to create a new Executive Committee for the Promotion of Territorial Integration. Its operating regulations were also approved at the Meeting. As envisaged in these operating regulations, an Advisory Committee for each of the ports managed by the Port Authority of Valencia has been set up within this Committee.

This Committee aims to analyse, deliberate, inform and propose initiatives and measures for sustainable, competitive development of the ports managed by the Port Authority to its Board of Directors and its Chairman.

The members of this Committee are:

| |
|---|
| Mr. Aurelio Martínez Estévez PAV Chairman (<i>ex-officio</i>) |
| Mr. Josep Vicent Boira Maiques In representation of the Valencian Regional Government |
| Mr. Juan Carlos Moragues Ferrer Spanish Central Government representative |
| Mr. Joan Ribó Canut In representation of the Valencia City Council |
| Mr. Josep Francesc Fdez. i Carrasco In representation of the Sagunto Town Council |
| Mr. Francesc Josep Sánchez Sánchez PAV General Manager |
| Ms. Pilar Theureau de la Peña Committee Secretary |

In 2015, this Committee met on one occasion.

Shipping and Port Councils

Shipping and Port Councils are plural bodies, created under the terms set out in article 34 of the TRLPEMM. These Councils aim to advise and assist the Harbourmaster's Office and the Chairman of each port authority on any matter relating to port activity and

shipping within their scope which may contribute to the correct functioning of ports and maritime trade.

These three advisory bodies were created after the Port Authority of Valencia's Board of Directors approved the regulations, composition, and functions of the Shipping and Port Councils for the three ports (Valencia, Sagunto and Gandia).

The Shipping and Port Councils have an internal structure which includes a Standing Committee, a Port Services Committee and a Security Committee. The Standing Committee is general in nature and its membership and functions are established according to the councils' regulations, with no detriment to any working groups that may also be set up. The Port Services Committee and the Security Committee are more specific in nature and their powers are also set out in the aforementioned regulations.

The mandate of the members of these Councils came to an end in 2015, having previously been renewed in 2011. Accordingly, the Port Authority of Valencia's three Shipping and Port Councils were renewed during the year. This process got underway with the Resolution made by the Board of Directors on 11th March 2015 and ended at the Board Meeting held on 2nd October 2015 when the full and alternate members who will finally make up these Shipping and Port Councils for the next four years were appointed.

In 2015, no plenary sessions of the Shipping and Port Councils of the ports managed by the Port Authority of Valencia, or of their Sub-Committees, were held.

Infrastructure and capacity

Description of the port authority's role as an infrastructure provider and reference to the landlord type model. Details of the port's general technical characteristics, such as land surface area, sheltered water surface area, surface area available for concessions, quays and their operations, and land access

The Port Authority of Valencia is responsible for managing the ports of Valencia, Sagunto, and Gandia in line with the model implemented in the Spanish state-owned port system, in which the port authority provides the areas and infrastructure that support port activity, whilst the private sector is responsible for carrying out operations and providing services in ports using the aforementioned infrastructure. Within this framework and in accordance with applicable legislation, the port authority also becomes the regulator of the private-sector activities carried out in its area of competence.

In the case of the PAV, this model has evolved towards what is known as an "advanced landlord" model, in which the port authority takes on the role as the port community leader over and above its legal functions, in order to strengthen and improve the services offered to the logistics chains that use the PAV-managed ports.

The main general technical characteristics of PAV-managed ports are given below:

| | PORT OF VALENCIA | PORT OF SAGUNTO | PORT OF GANDIA | TOTAL |
|--|--------------------------|--------------------------|------------------------|--------------------------|
| Land surface area | 5,603,186 m ² | 2,397,800 m ² | 245,000 m ² | 8,245,986 m ² |
| Surface area available for concessions | 4,159,479 m ² | 2,052,001 m ² | 182,571 m ² | 6,394,051 m ² |
| Sheltered water surface area | 5,769,000 m ² | 2,206,000 m ² | 284,000 m ² | 8,259,000 m ² |

Infrastructure underway or planned and its purpose

Major investments made in 2015

NEW LIGHTHOUSE AT THE PORT OF VALENCIA'S NORTH EXTENSION

This highly innovative lighthouse was built with composite materials based on carbon fibres and fibreglass, which make it lightweight and highly resistant to the elements. It is self-sufficient in terms of energy, and uses LED technology and solar and wind power. The new lighthouse won the innovation award given by JEC Group Paris at the JEC World international composite material fair.

Budget: €866,364.08

Start date: 16/07/14

Completion date: 01/06/15

Duration: 11 months

EXTENSION OF THE RAIL TRACKS ON THE LEVANTE QUAY AT THE PORT OF VALENCIA

Once the access roads to the Levante Quay container terminal had been completed, work began to extend the rail tracks and adapt them to standard-gauge width to enable 750-metre long freight trains to run on them.

Budget: €4,104,727

Start date: 03/04/14

Completion date: 09/04/15

Duration: 11.25 months

COMPLETION OF THE BUILDINGS AT THE NEW NAUTICAL SERVICES DOCK AT THE PORT OF VALENCIA

After the Nautical Services Dock was completed in 2009, work was started in 2011 to house the dock's users and create suitable access to the dock from the South Quay road. After the work was stopped because the contractor had not complied with deadlines, building work began again in 2015.

Amount of the tender: €1,799,233

Start date: 20/05/15

Completion date: 05/02/16

Duration: 8.5 months

REINFORCEMENT OF THE ROCKFILL ON THE NORTH BREAKWATER AT THE PORT OF GANDIA

As a result of the damage caused by recent storms which had eroded the section, slope and berm of the North Breakwater at the Port of Gandia, the structure was repaired and reinforced to ensure maximum operating capacity, safety and shelter in the Inner Dock.

Amount of the tender: €207,424.00

Start date: 17/02/15

Completion date: 26/06/15

Duration: 4.5 months

INSTALLATION OF COMMUNICATIONS INFRASTRUCTURE AND A CCTV VIDEO SURVEILLANCE SYSTEM ON THE CRUISE QUAY AT THE PORT OF VALENCIA

Telecommunications infrastructure and a CCTV video surveillance system have been installed in the new Cruise Quay area. The installation has four communications nodes, fibre optic cables, 11 fixed cameras and 5 PTZ cameras.

Amount of the tender: €193,500.00

Start date: 09/03/15

Completion date: 09/07/15

Duration: 4 months

EXTENSION OF THE MSC TERMINAL TO THE EAST AT THE PORT OF VALENCIA

This work consists of extending the MSC Terminal Valencia by around 23.000 m² to the east. It involves building the necessary infrastructure, including a perimeter rockfill breakwater and its subsequent infill, as well as a similar superstructure to that of the existing terminal, i.e. laying the road surface and crane rails and installing all the service networks.

Amount of the tender: €6,691,258.79

Start date: 24/04/15

Completion date: 23/06/2016

Duration: 14 months

DEVELOPING THE PORT OF GANDIA'S NORTH BREAKWATER

The work consists of building a pedestrian walkway on the top of the breakwater, and installing gates to control access to it.

Amount of the tender: €1,326,675.00

Start date: 22/10/15

Completion date: 31/04/16

Duration: 6.30 months

RENOVATION AND EXTENSION OF THE PORT AUTHORITY OF VALENCIA'S OFFICES ON THE CENTRE QUAY AT THE PORT OF SAGUNTO

The new building will be located on the north side of the existing building. It will have two floors, a ground floor and a first floor which will include the walkway connecting both buildings.

Amount of the tender: €1,148,759.00

Start date: 25/11/2015

Completion date: 01/09/2016

Duration: 9.25 months

Major investments for 2016

DREDGING TO INCREASE THE DEPTH OF THE PRINCIPE FELIPE QUAY AND DOCK AT THE PORT OF VALENCIA

In order to be able to handle large container ships, the dock is to be dredged to a depth of -17.6 metres and the quay depth is to be increased on a 450 metre-stretch of the public terminal's current berthing line.

Investment plan budget: €6,500,000

DREDGING TO INCREASE THE DEPTH OF THE LEVANTE QUAY AT THE PORT OF VALENCIA

This initiative will enable 18,000 TEU container ships to be handled on the last 600 metres of the Levante Quay. It consists of underpinning the quay foundations, building a rail for the landslide legs of STS cranes, improving berthing and mooring elements, and dredging the dock to a depth of -17.00 metres.

Investment plan budget: €10,500,000

DEVELOPING THE ROAD NETWORK FOR THE CRUISE QUAYS ON THE NORTH EXTENSION AT THE PORT OF VALENCIA

To prevent having to channel passenger traffic from the new cruise quays on the North Extension dock through the commercial port, a safe, convenient and attractive link to these quays needs to be provided. Accordingly, a road joining the dock building roundabout to the new cruise quays needs to be built for the coaches carrying cruise passengers.

Tender budget: €464,906.38

PERIMETER FENCE AND ACCESS CONTROL FOR THE PORT-SHIP INTERFACE IN LINE WITH THE PORT OF VALENCIA'S SECURITY PLAN

In compliance with Directive 2005/65/EC on enhancing port security, and more specifically, with the Port of Valencia's Security Plan, based on the Directive and approved by the Spanish Home Office Ministry's Secretary of State for Security in October 2013, a decision has been made to build a perimeter fence for the Turia, South and Xitá quays to enforce this control.

Nineteen access gates for vehicles will be created which will be monitored via three new control centres, under the umbrella of the Emergency Control Centre. These will include communications systems, video surveillance, automatic gate and barrier opening, and recognition by card and number plate. The project also includes building the perimeter fence and the gates and barriers, development of the areas, new portable buildings and the networks for the new services.

Tender budget: €1,311,767.57

RE-DESIGN OF THE SOUTH MOLE ROAD FOR THE NEW HEAVY GOODS TRAFFIC EXIT OUT OF THE MSC TERMINAL AT THE PORT OF VALENCIA

In preparation for the forthcoming relocation of the MSC terminal exit gates at the end of the South Quay, adjoining the nautical services dock, the South Mole road needs to be re-designed. A single-direction road adjoining the irrigation channel will be built which, after crossing the rail lines, will run alongside the former BORAX concession until it joins the exit of the Transversal Costa road and reaches the South Quay roundabout.

Tender budget: €257,000.00

RAIL CONTROL CENTRE

The increase of rail traffic at the Port of Valencia requires a control building next to the rail entry-exit gate to house all the traffic and signalling control equipment for the rail network.

The new building will consist of two floors above ground level, a roof which can be accessed for maintenance work, and an outside area with trees and a car park.

Tender budget: €535,005.26

Industrial or logistics promotion initiatives, such as participation in a Logistics Activities Area (ZAL), dry port, etc. and their purpose

In 2015, the Port Authority of Valencia continued to develop the project to create Logistics Activities Areas (ZAL) in both the ports of Valencia and Sagunto through Valencia Plataforma Intermodal y Logística, S.A. (VPI Logística). The main business of this firm is to promote, manage and operate logistics areas that boost the development of logistics activities linked to cargo handled through the docks managed by the Port Authority of Valencia.

The Port of Valencia's ZAL has a surface area of over 300,000m² devoted exclusively to logistics, and is strategically located next to the Port of Valencia and the main transport nodes.

VPI Logística is the owner of four (A1, B2, F2 and G2) of the nine plots of land assigned for logistics use at the Port of Valencia's ZAL, i.e. a total of 136,269 m², which will be made available to shipping logistics firms that wish to move to the area.



The Port Authority of Valencia manages the marketing plan for the Port of Valencia's ZAL through VPI Logística. The plan aims to attract exporters, importers, freight forwarders, and logistics operators, so that those interested can set up business at the facility.

In 2015, VPI Logística finalised the actions with regard to the procedures required for the new urban planning document for the logistics area. This will provide a new planning framework for the Port of Valencia's ZAL that is tailored to the logistics needs of an industry which has undergone considerable changes as a result of the incorporation of new processes, and which involves the consequent demand for larger area to carry out these logistics activities.

The Port of Valencia's ZAL is an interesting proposition for companies operating in shipping-related logistics and for those planning on setting up strategic distribution centres with an international outreach.

A service area is planned for the future which will give the companies located at the ZAL a greater competitive advantage. This will feature security services, supply services, landscaped and green areas, cleaning services, office rental, a bank, a hotel, restaurants, public transport, petrol station, service station, rest areas and other ancillary services.

VPI Logística, S.A. was awarded a tender for a 279,380 m² developed plot of land on the Parc Sagunt business and industrial estate on which it intends to establish the Port of Sagunto's Logistics Activities Area (ZAL). The acquisition of this plot was completed in 2011 although it has not been fully developed for administrative reasons which have delayed start up.

The Port of Sagunto's ZAL is set to be an intermodal logistics centre for import and export shipments and also aims to cater for the needs of freight forwarders, logistics operators, and importers and exporters handling this type of traffic.

In 2015, the Port Authority of Valencia continued to be a member of the Board of Directors of the Coslada Dry Port and of the Plaza terminal in Saragossa in an aim to boost rail connections to and from the Port of Valencia.

Markets

Traffic evolution over at least the last three years, represented as the total number of tonnes handled, total number of tonnes by goods groups, and as a percentage of each of these groups' totals

A total of 70,083,977 tonnes was handled in 2015 (including fish catches and supplies), which represented a 4.44% increase compared to figures for 2014. During the year, a total of 4,615,196 TEUs were handled, which was 3.9% up on the previous year. Passenger traffic rose by 7.57% to 744,923 passengers. The number of ferry passengers went up by 16.93% and cruise traffic passengers rose by 0.42%. Traffic throughput of vehicles shipped as goods increased dramatically to 689,426 units, i.e. 39.19% up on 2014, due mainly to excellent export figures.

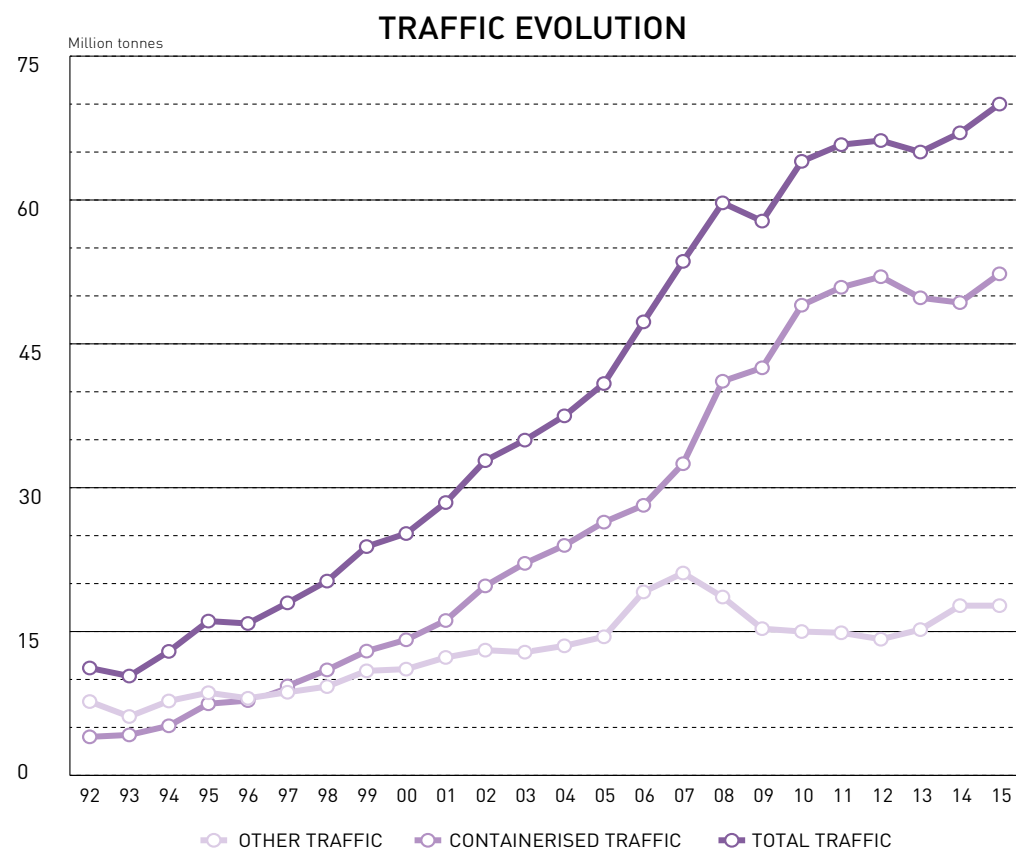
A breakdown of goods traffic reveals that liquid bulk went down by 26.94% to 3,814,375 tonnes; solid bulk went up by 0.17% to 2,684,864 tonnes; conventional general cargo rose by 14.8% to 10,834,853 tonnes, whilst container traffic rose by 6.04% to a total of 52,267,244 tonnes.

The table below shows the evolution of the three ports which make up the PAV.

| THOUSAND TONNES (including fish catches and supplies) | 2013 | 2014 | 2015 | Difference 15/14 | % |
|--|---------------|---------------|---------------|---------------------|--------------|
| Port of Valencia | 58,442 | 59,445 | 63,330 | 3,885 | 6.54% |
| Port of Gandia | 278 | 321 | 385 | 64 | 19.94% |
| Port of Sagunto | 6,291 | 7,340 | 6,369 | -971 | -13.23% |
| Total PAV | 65,010 | 67,020 | 70,083 | 3,063 | 4.57% |

The following table shows a breakdown of the different goods percentages handled, including fish catches and supplies.

| Thousand tonnes (including container tares) | 2013 | 2014 | 2015 | Difference 15/14 | % |
|---|------------------|------------------|------------------|------------------|--------------|
| General cargo | 57,943 | 58,728 | 63,102 | 4,374 | 7.45% |
| Containerised cargo | 49,789 | 49,290 | 52,267 | 2,977 | 6.04% |
| Conventional cargo | 8,154 | 9,438 | 10,835 | 1,397 | 14.80% |
| Liquid bulk | 4,165 | 5,221 | 3,814 | -1,407 | -26.95% |
| Solid bulk | 2,445 | 2,680 | 2,685 | 5 | 0.19% |
| Total | 64,553 | 66,629 | 69,601 | 2,972 | 4.46% |
| Fish catches and supplies | 457 | 391 | 483 | 92 | 23.53% |
| Total traffic | 65,010 | 67,020 | 70,084 | 3,064 | 4.57% |
| TEUs (units) | 4,327,838 | 4,441,949 | 4,615,196 | 173,247 | 3.90% |



Goods

The Port Authority of Valencia manages the ports of Valencia, Sagunto and Gandia. However, for the purposes of this study, the PAV will be taken as a single operating unit. Thus, traffic figures will be accumulated for the three ports, although the port the goods belong to may be indicated where relevant.

Liquid bulk

Valenciaport handled 3,814,375 tonnes of liquid bulk in 2015. This represents a drop of -26.94% compared to the previous year. Liquid bulk accounted for 5.44% of total port traffic, including fish catches and supplies.

The main goods were:

| (tonnes) | 2013 | 2014 | 2015 | Difference 15/14 | % |
|--|------------------|------------------|------------------|-------------------|----------------|
| Natural gas | 2,772,501 | 3,675,427 | 2,240,318 | -1,435,109 | -39.05% |
| Diesel | 407,487 | 366,436 | 477,422 | 110,986 | 30.29% |
| Chemical products | 344,017 | 360,929 | 347,631 | -13,298 | -3.68% |
| Fuel-oil | 367,939 | 386,620 | 326,309 | -60,311 | -15.60% |
| Wine, beverages, alcohol and by-products | 116,994 | 256,371 | 233,608 | -22,763 | -8.88% |
| Other liquid bulk | 155,954 | 174,915 | 189,087 | 14,172 | 8.10% |
| Total liquid bulk | 4,164,892 | 5,220,698 | 3,814,375 | -1,406,323 | -26.94% |

Solid bulk

Solid bulk throughput, which represented 3.8% of total port traffic, went up to a total of 2,684,864 tonnes in 2015, which represented an increase of 0.17% compared to the previous year. The main types of solid bulk handled were:

| (tonnes) | 2013 | 2014 | 2015 | Difference 15/14 | % |
|----------------------------------|------------------|------------------|------------------|------------------|--------------|
| Grain and flour | 811,679 | 916,332 | 922,993 | 6,661 | 0.73% |
| Cement and clinker | 520,678 | 662,274 | 721,923 | 59,649 | 9.01% |
| Natural and chemical fertilisers | 535,704 | 546,862 | 510,976 | -35,886 | -6.56% |
| Other non-metal minerals | 146,101 | 127,738 | 137,695 | 9,957 | 7.79% |
| Chemical products | 112,322 | 146,651 | 126,053 | -20,598 | -14.05% |
| Miscellaneous | 318,089 | 280,335 | 265,224 | -15,111 | -5.39% |
| Total | 2,444,573 | 2,680,192 | 2,684,864 | 4,672 | 0.17% |

Conventional general cargo

In 2015, conventional general cargo, which represented 15.45% of total port traffic, increased by 14.8% to 10,834,853 tonnes.

The main types of cargo handled in this category were:

| (tonnes) | 2013 | 2014 | 2015 | Difference 15/14 | % |
|---|------------------|------------------|-------------------|---------------------|---------------|
| Iron and steel products | 1,617,105 | 1,718,149 | 1,940,551 | 222,402 | 12.94% |
| Vehicles and parts | 891,240 | 1,109,276 | 1,515,904 | 406,628 | 36.66% |
| Machinery, tools and spare parts | 799,778 | 858,246 | 859,983 | 1,737 | 0.20% |
| Other food products | 464,970 | 564,595 | 717,643 | 153,048 | 27.11% |
| Miscellaneous | 434,661 | 393,168 | 508,890 | 115,722 | 29.43% |
| Oils and fats | 264,305 | 526,260 | 429,797 | -96,463 | -18.33% |
| Finished construction materials | 263,072 | 361,198 | 401,000 | 39,802 | 11.02% |
| Wine, beverages, alcohol and by-products | 289,529 | 327,013 | 335,378 | 8,365 | 2.56% |
| Paper and pulp | 247,945 | 316,547 | 352,739 | 36,192 | 11.43% |
| Chemical products | 251,871 | 248,835 | 334,727 | 85,892 | 34.52% |
| Wood and cork | 83,895 | 118,802 | 190,830 | 72,028 | 60.63% |
| Cement and clinker | 119,739 | 130,896 | 125,091 | -5,805 | -4.43% |
| Other goods in this group (including tares) | 2,426,103 | 2,765,056 | 3,122,320 | 357,264 | 12.92% |
| Total | 8,154,213 | 9,438,041 | 10,834,853 | 1,396,812 | 14.80% |

Containerised general cargo

In 2015, the throughput of containerised general cargo, which represented 74.6% of total port traffic, increased by 6.04% to 52,267,244 tonnes.

The main goods handled were:

| (tonnes) | 2013 | 2014 | 2015 | Difference 15/14 | % |
|---|-------------------|-------------------|-------------------|---------------------|--------------|
| Finished construction materials | 9,407,274 | 8,656,067 | 9,255,191 | 599,124 | 6.92% |
| Chemical products | 6,895,544 | 6,579,852 | 6,841,766 | 261,914 | 3.98% |
| Miscellaneous | 6,730,085 | 6,691,002 | 6,522,406 | -168,596 | -2.52% |
| Other food products | 3,603,108 | 4,143,707 | 4,553,475 | 409,768 | 9.89% |
| Machinery, tools and spare parts | 3,148,826 | 3,103,115 | 2,929,700 | -173,415 | -5.59% |
| Paper and pulp | 2,961,282 | 2,781,607 | 3,093,108 | 311,501 | 11.20% |
| Container tares | 2,186,629 | 2,282,767 | 2,308,261 | 25,494 | 1.12% |
| Iron and steel products | 1,963,706 | 1,983,507 | 2,040,931 | 57,424 | 2.90% |
| Fruit, vegetables and pulses | 1,794,720 | 1,847,971 | 1,839,770 | -8,201 | -0.44% |
| Wine, beverages, alcohol and by-products | 1,613,847 | 1,609,325 | 1,832,202 | 222,877 | 13.85% |
| Vehicles and parts | 1,131,941 | 1,059,696 | 1,235,645 | 175,949 | 16.60% |
| Grain and flour | 1,166,471 | 977,871 | 1,115,873 | 138,002 | 14.11% |
| Tobacco, cocoa, coffee and spices | 925,444 | 1,033,883 | 1,148,114 | 114,231 | 11.05% |
| Canned food | 1,003,416 | 939,265 | 1,028,599 | 89,334 | 9.51% |
| Other goods in this group (including tares) | 5,257,106 | 5,600,097 | 6,522,203 | 922,106 | 16.47% |
| TOTAL | 49,789,399 | 49,289,732 | 52,267,244 | 2,977,512 | 6.04% |

Containers (TEUs)

A total of 4,615,196 TEUs were handled in 2015. This represented a 3.90% increase compared to the previous year. 1,053,245 TEUs were loaded goods, 1,053,017 TEUs were discharged, and 2,508,934 TEUs were transit traffic.

BREAKDOWN OF CONTAINER TRAFFIC

| Breakdown of container traffic by TEUs | | | | | |
|--|-----------|-----------|-----------|------------------|---------|
| | 2013 | 2014 | 2015 | Difference 15/14 | % |
| Domestic trade | 144,262 | 162,306 | 160,386 | -1,920 | -1.18% |
| Full | 71,908 | 80,706 | 88,550 | 7,844 | 9.72% |
| Empty | 72,354 | 81,600 | 71,836 | -9,764 | -11.97% |
| Foreign | 2,025,250 | 1,822,683 | 1,945,876 | 123,193 | 6.76% |
| Embarked | 1,016,500 | 926,353 | 973,553 | 47,200 | 5.10% |
| Full | 631,901 | 672,169 | 751,825 | 79,656 | 11.85% |
| Empty | 384,599 | 254,184 | 221,728 | -32,456 | -12.77% |
| Disembarked | 1,008,750 | 896,330 | 972,323 | 75,993 | 8.48% |
| Full | 480,335 | 521,801 | 544,475 | 22,674 | 4.35% |
| Empty | 528,415 | 374,529 | 427,848 | 53,319 | 14.24% |
| Transit | 2,158,326 | 2,456,960 | 2,508,934 | 51,974 | 2.12% |
| Total container traffic | 4,327,838 | 4,441,949 | 4,615,196 | 173,247 | 3.90% |

HISTORICAL SERIES FOR CONTAINER TRAFFIC (TEUs)

| Thousand TEUs | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| DOMESTIC | 153 | 202 | 177 | 178 | 153 | 136 | 151 | 144 | 144 | 162 | 160 |
| FOREIGN | 1,554 | 1,602 | 1,831 | 1,842 | 1,676 | 1,916 | 1,950 | 2,045 | 2,025 | 1,823 | 1,946 |
| TRANSIT | 703 | 808 | 1,034 | 1,582 | 1,824 | 2,156 | 2,226 | 2,281 | 2,158 | 2,457 | 2,509 |
| TOTAL | 2,410 | 2,612 | 3,043 | 3,602 | 3,654 | 4,207 | 4,327 | 4,470 | 4,328 | 4,442 | 4,615 |

Transit traffic

In 2015, transit traffic (including equipment tares) at the Port Authority rose to 32,084,550 tonnes, representing a 4.84% increase compared to the previous year. The number of TEUs in transit went up to 2,508,934 TEUs, i.e. a rise of 2.12%.

Passenger ferries and cruise ships

Passenger transport

In 2015, regular passenger ferries ran between the Port of Valencia and the Balearic Islands. These were operated by Trasmediterránea (Ibiza, Mahon and Palma de Majorca), and Balearia (Palma de Majorca, Ibiza and San Antonio).

These ferry services carried 373,549 passengers, which represented a 16.93% increase compared to the previous year.

| Passengers | 2013 | 2014 | 2015 | Difference 15/14 | % |
|--|----------------|----------------|----------------|---------------------|---------------|
| Balearic Islands | 347,580 | 319,458 | 373,549 | 54,091 | 16.93% |
| Total regular passenger ferries | 347,580 | 319,458 | 373,549 | 54,091 | 16.93% |

Cruise ships

The number of cruise passengers rose by 0.42% compared to 2014 to 374,566 passengers. The Port of Valencia was the home port for 64,207 of these passengers, whilst 310,359 were transit passengers.

| Passengers | 2013 | 2014 | 2015 | Difference 15/14 | % |
|--------------|----------------|----------------|----------------|---------------------|--------------|
| Home port | 74,348 | 73,943 | 64,207 | -9,736 | -13.17% |
| Transit | 398,766 | 299,070 | 310,359 | 11,289 | 3.77% |
| Total | 473,114 | 373,013 | 374,566 | 1,553 | 0.42% |

Passenger vehicles

The number of passenger vehicles rose to 79,259 in 2015, which represented an increase of 19.66%.

Vessel traffic

A total of 7,728 vessels called at the PAV's ports in 2015, which meant an increase of 358 ships compared to the previous year, i.e. up 4.86%. Gross tonnage (G.T.) rose to 240.5 million tonnes, i.e. 8.30% up on the previous year.

| Vessels (number) | 2013 | 2014 | 2015 | Difference 15/14 | % |
|------------------------|---------|---------|---------|---------------------|-------|
| Vessels | 7,160 | 7,370 | 7,728 | 358 | 4.86% |
| G.T. (thousand tonnes) | 213,005 | 222,098 | 240,530 | 18,432 | 8.30% |

The following table lists the most important type of vessels:

| Type of vessels (number) | 2014 | 2015 | Difference 15/14 | % |
|--------------------------|--------------|--------------|---------------------|--------------|
| Container ships | 3,272 | 3,197 | -75 | -2.29% |
| General cargo | 1,138 | 1,168 | 30 | 2.64% |
| Ro-ro | 1,042 | 1,224 | 182 | 17.47% |
| Ropax and cruise ships | 1,169 | 1,424 | 255 | 21.81% |
| Tankers | 317 | 297 | -20 | -6.31% |
| Bulk carriers | 393 | 392 | -1 | -0.25% |
| Other | 39 | 26 | -13 | -33.33% |
| Total | 7,370 | 7,728 | 358 | 4.86% |

Vessel traffic at the different ports is shown in the following table:

| | 2013 | 2014 | 2015 | Difference 15/14 | % |
|-------------------------|---------|---------|---------|---------------------|--------|
| Valencia. – Number: | 5,806 | 6,025 | 6,267 | 242 | 4.02% |
| G.T. (thousand tonnes): | 195,403 | 203,946 | 219,136 | 15,190 | 7.45% |
| Gandia. – Number: | 165 | 170 | 159 | -11 | -6.47% |
| G.T. (thousand tonnes): | 926 | 1033 | 938 | -95 | -9.16% |
| Sagunto. – Number: | 1,189 | 1,175 | 1,302 | 127 | 10.81% |
| G.T. (thousand tonnes): | 16,676 | 17,119 | 20,456 | 3,337 | 19.49% |

Flags

Of the 7,728 vessels which called at the ports managed by the Port Authority of Valencia during 2015, 1,276 did so under the Italian flag, 862 under the Cypriot flag, and 718 under the Panamanian flag. During the same period, 415 vessels flew the Spanish flag.

Hinterland and foreland. Main countries of origin and destinations of cargo, understood as those which account for 70% of port traffic

Foreign trade

Foreign trade traffic only includes the export and import of goods. The following tables do not include the tare of the equipment that transports these goods, or transit or domestic traffic.

Exports

In 2015, export traffic grew by 2.19%. The main goods exported were as follows:

| (tonnes) | 2013 | 2014 | 2015 | Difference 15/14 | % |
|--|-------------------|-------------------|-------------------|---------------------|--------------|
| Finished construction materials | 4,693,285 | 4,631,684 | 5,004,833 | 373,149 | 8.06% |
| Chemical products | 1,223,551 | 1,404,870 | 1,395,748 | -9,122 | -0.65% |
| Wine, beverages, alcohol and by-products | 803,695 | 1,082,883 | 1,170,082 | 87,199 | 8.05% |
| Vehicles and parts | 653,187 | 743,120 | 987,950 | 244,830 | 32.95% |
| Machinery, tools and spare parts | 670,646 | 795,217 | 882,041 | 86,824 | 10.92% |
| Cement and clinker | 561,675 | 629,632 | 812,405 | 182,773 | 29.03% |
| Paper and pulp | 620,997 | 639,477 | 718,991 | 79,514 | 12.43% |
| Iron and steel products | 427,034 | 610,031 | 677,825 | 67,794 | 11.11% |
| Miscellaneous | 512,281 | 516,788 | 609,898 | 93,110 | 18.02% |
| Other food products | 278,121 | 342,217 | 413,047 | 70,830 | 20.7% |
| Other goods | 2,560,614 | 3,506,426 | 2,555,880 | -950,546 | -27.11% |
| Total | 13,005,086 | 14,902,345 | 15,228,700 | 326,355 | 2.19% |

The main export destinations, by country, were:

| (tonnes) | 2013 | 2014 | 2015 | Difference 15/14 | % |
|----------------------|-------------------|-------------------|-------------------|---------------------|--------------|
| Italy | 1,328,419 | 2,040,122 | 1,787,560 | -252,562 | -12.38% |
| China | 1,342,653 | 1,272,726 | 1,333,890 | 61,164 | 4.81% |
| Algeria | 865,897 | 1,114,698 | 1,150,153 | 35,455 | 3.18% |
| Saudi Arabia | 991,110 | 886,041 | 1,112,961 | 226,920 | 25.61% |
| The USA | 549,685 | 683,222 | 947,486 | 264,264 | 38.68% |
| Morocco | 547,159 | 598,859 | 771,796 | 172,937 | 28.88% |
| United Arab Emirates | 473,731 | 447,781 | 547,820 | 100,039 | 22.34% |
| United Kingdom | 249,212 | 330,543 | 377,711 | 47,168 | 14.27% |
| Mexico | 330,599 | 277,870 | 342,381 | 64,511 | 23.22% |
| Egypt | 154,218 | 167,737 | 288,711 | 120,974 | 72.12% |
| Brazil | 816,797 | 534,742 | 261,790 | -272,952 | -51.04% |
| Hong Kong | 237,487 | 274,747 | 256,394 | -18,353 | -6.68% |
| Russia | 265,945 | 310,769 | 246,550 | -64,219 | -20.66% |
| Turkey | 283,987 | 369,999 | 245,390 | -124,609 | -33.68% |
| Canada | 127,717 | 190,488 | 241,007 | 50,519 | 26.52% |
| France | 83,494 | 145,935 | 235,777 | 89,842 | 61.56% |
| Japan | 52,857 | 456,571 | 215,763 | -240,808 | -52.74% |
| Colombia | 140,711 | 189,169 | 207,317 | 18,148 | 9.59% |
| India | 180,520 | 242,572 | 205,260 | -37,312 | -15.38% |
| Other countries | 3,982,888 | 4,367,754 | 4,452,983 | 85,229 | 1.95% |
| Total | 13,005,086 | 14,902,345 | 15,228,700 | 326,355 | 2.19% |

Imports

Imports increased by 3.40% in 2015, to a total of 11,916,136 tonnes. The main goods imported were:

| (tonnes) | 2013 | 2014 | 2015 | Difference 15/14 | % |
|----------------------------------|-------------------|-------------------|-------------------|------------------|--------------|
| Natural gas | 1,966,449 | 2,413,087 | 1,803,714 | -609,373 | -25.25% |
| Miscellaneous | 1,331,039 | 1,458,582 | 1,502,769 | 44,187 | 3.03% |
| Iron and steel products | 1,411,220 | 1,357,364 | 1,473,264 | 115,900 | 8.54% |
| Grain and flour | 868,505 | 903,928 | 1,061,537 | 157,609 | 17.44% |
| Chemical products | 735,465 | 797,774 | 933,772 | 135,998 | 17.05% |
| Vehicles and parts | 311,828 | 516,379 | 652,147 | 135,768 | 26.29% |
| Machinery, tools and spare parts | 676,976 | 665,097 | 646,707 | -18,390 | -2.77% |
| Paper and pulp | 449,440 | 527,436 | 528,573 | 1,137 | 0.22% |
| Diesel | 394,111 | 294,370 | 473,773 | 179,403 | 60.94% |
| Natural and chemical fertilisers | 362,982 | 380,007 | 357,648 | -22,359 | -5.88% |
| Other goods | 2,044,597 | 2,210,481 | 2,482,232 | 271,751 | 12.29% |
| Total | 10,552,612 | 11,524,505 | 11,916,136 | 391,631 | 3.40% |

The most important countries of origin were:

| (tonnes) | 2013 | 2014 | 2015 | Difference 15/14 | % |
|-----------------|-------------------|-------------------|-------------------|------------------|--------------|
| China | 1,598,995 | 1,639,533 | 1,661,684 | 22,151 | 1.35% |
| Algeria | 1,180,503 | 1,707,873 | 1,526,771 | -181,102 | -10.60% |
| Italy | 919,945 | 1,181,632 | 1,398,994 | 217,362 | 18.40% |
| France | 688,393 | 678,987 | 716,956 | 37,969 | 5.59% |
| The Ukraine | 471,739 | 458,393 | 570,648 | 112,255 | 24.49% |
| Turkey | 314,655 | 456,133 | 559,272 | 103,139 | 22.61% |
| Portugal | 387,208 | 255,260 | 469,807 | 214,547 | 84.05% |
| The USA | 421,569 | 474,936 | 459,754 | -15,182 | -3.20% |
| India | 240,236 | 285,041 | 317,797 | 32,756 | 11.49% |
| Nigeria | 127,708 | 299,195 | 314,454 | 15,259 | 5.10% |
| Other countries | 4,201,661 | 4,087,522 | 3,919,999 | -167,523 | -4.10% |
| Total | 10,552,612 | 11,524,505 | 11,916,136 | 391,631 | 3.40% |

Domestic traffic

Domestic traffic (excluding transit traffic) rose by 8.92% during 2015. A total of 3,280,581 tonnes (excluding equipment tares) were loaded and discharged. Traffic to and from the Balearic Islands stood at 67.89%, whilst 16.42% was shipped to and from the Canary Islands.

Description of the main local economic sectors or activities which rely on the port for their business development

The ports managed by the PAV cater for the needs of different industries, offering shipping services for bulk, and conventional and containerised general cargo. Some of the industries served at each port include:

Port of Valencia:

- Construction material sector, including ceramic products, marble, and carved stone
- Furniture, footwear, toy, and textile industries
- Consumer goods industries (food, household, and hygiene)
- Chemical industry including frits, pigments, and waste and scrap plastic
- Wine and fruit juice industries
- Paper and pulp
- Automotive industry and automotive parts
- Food industry, including oil, grain and flour (corn and wheat)
- Tourism industry, cruise traffic

Port of Sagunto:

- Energy industry, natural gas
- Iron and steel industry for the construction, automotive, and electrical appliance industries
- Cement industry
- Fertiliser industry
- Automotive industry
- Food industry.

Port of Gandia:

- Paper and pulp
- Chemical industry
- Wood boards
- Food industry (fruit and vegetables)

Services

Describe the private sector’s role in service provision and port operations, including types of services, and describe the port authority’s role and that of the private sector. Describe the port authority’s regulatory and monitoring role, with reference to the tools it has at its disposal

In terms of services, recent legal reforms have boosted the private sector’s role within a framework of free, fair competition. It is the port authority’s responsibility to establish the conditions under which services must be provided and to define the necessary requirements so that a company can apply to provide these services in its ports.

In the case of port services, the port authority, based on a binding report from the State-owned Ports Body, regulates the provision of these services through the approval of specific requirements. Compliance with these requirements, which include the minimum numbers of staff and equipment the service provider must offer, leads to the granting of a licence to provide the service in question. In terms of commercial services, the same philosophy is applied with the sole difference that instead of specific requirements, the port authority sets out the specific conditions for these services. These conditions include all the requirements the provider must comply with.

The service provider can start operations as soon as the corresponding licence or authorisation has been granted, and must aim to offer a comprehensive service, tailoring its resources to cater for demand.

The port authority is responsible for monitoring compliance with the specifications for each service. Port services are monitored primarily through the Annual Plan and through the information the service provider is obliged to give the port authority on a regular basis. In the case of commercial services, monitoring is also done through the information the service provider is obliged to give the port authority on a regular basis.

On the other hand, from the perspective of activities associated with occupancy licences, the charges for new licences are calculated in accordance with legally established criteria and limits. Compliance with these limits and with the minimum traffic requirements promised in the concession and authorisation licences is monitored and supervised.

Number of companies that operate in the port under concession, authorisation or licence

The numbers of companies that operated in the ports managed by the PAV in 2015 under concession, authorisation or licence are shown in the tables below:

| Service providers offering port services in 2015 | |
|--|---------------------|
| Type of service | Number of companies |
| Port pilot service | 3 |
| Tug boat service | 1 |
| Mooring service | 3 |
| MARPOL service | 4 |
| Passenger service | 4 |
| Stevedoring service | 15 |

| Service providers offering commercial services in 2015 | |
|--|---------------------|
| Type of service | Number of companies |
| Ship supplies | 18 |
| Water supply service for vessels | 3 |
| Fuel supply service for vessels | 15 |
| Technical assistance services for vessels | 14 |
| Boat shuttle service to vessels | 5 |
| Non-vessel generated waste water collection service | 1 |
| Urban and inert waste collection service | 4 |
| Collection of non-regulated MARPOL waste | 10 |
| Collection of other regulated MARPOL waste | 1 |
| Sale and maintenance of fire extinguishers | 2 |
| On-board sales of telephony products | 2 |
| Loading and unloading vehicles off trains | 1 |
| Other | 8 |

| Companies that operated in the ports under concession or authorisation in 2015 | | | | |
|--|------------------|-----------------|----------------|-------|
| | Port of Valencia | Port of Sagunto | Port of Gandia | Total |
| No. authorised companies | 34 | 21 | 21 | 76 |
| No. concession companies | 28 | 20 | 6 | 54 |
| Total per port | 62 | 41 | 27 | 130 |

Percentage of real land surface areas, defined as land for commercial use under concession

| | |
|---|--------------|
| Surface area available for concessions (m²) | 6,394,051 m² |
| Surface area under concession (m²) | 4,498,060 m² |
| RATIO (%) | 70.35% |

Total number of tonnes handled in the port, which correspond to concession or authorised cargo terminals, as a percentage of total goods traffic

In 2015, 99.16% of goods traffic throughput was handled at concession or authorised cargo terminals.

Service quality

Information channels made available by the port authority to ensure that operators who wish to provide services in the port or apply for a concession are clearly aware of the conditions required to operate in the port, and of the administrative procedures that regulate this process, such as availability of the services’ regulatory conditions on the internet, sectorial information sessions, etc.

Anyone interested in providing a service in the ports managed by the Port Authority of Valencia should contact the PAV’s Operations and Port Land Department, either in person at its offices, or by telephone or e-mail. Interested parties will be given a copy of the specific requirements and/or specific conditions needed to provide the service in question and will be informed of the procedures that have to be followed in order to obtain the licence or authorisation.

The specific requirements and specific conditions for any of the services can be downloaded directly from the port authority’s web site which sets out the requirements that must be met by potential applicants, the documentation that must be submitted and the application procedure. Legislative references and applicable regulations can also be consulted there. Likewise, the database of registered service providers offering port services at the PAV can also be consulted on the port authority’s web site. This will shortly be extended to include the database of registered service providers offering commercial services at the PAV.

An e-mail address is also available, should any interested parties have any queries or require any information about port or commercial services: sportuarios@valenciaport.com.

In terms of granting public land occupancy licences, the legal procedures set out in the recast text of the Spanish Law on State-owned Ports and the Merchant Navy must be followed, as these ensure compliance with the principles of transparency and free competition for the interested parties. In some cases, the procedure is a tender put out by the PAV, whilst in others it responds to a request made by an interested party.

Initiatives promoted by the port authority aimed at improving efficiency, service quality, and goods service performance

The initiatives implemented by the PAV to make port community businesses more competitive by using tools that enable improvements in efficiency, service quality, and goods and vessel service performance include the following:

Quality Mark: External quality

External quality encompasses quality management in the port community, where different groups (port authority, freight forwarders, shipping agents, stevedores, hauliers, Customs, official services, etc.) are part of a single process which provides a specific service to the end customer, i.e. the shipowner, or the importer or exporter.

As a result, the customer receives a global impression of service quality which gives an indication of the efficiency of the port as a whole.

In order to convey this global impression of service quality and meet customer requirements, the Port Authority of Valencia created a Quality Mark (QM), the objective of which is to group together all the companies in the port community that are prepared to provide quality services by complying with standards which deliver a predetermined level of quality for each of the service processes provided.

To date, the Quality Mark has been implemented in the ports of Valencia and Sagunto. Both ports have Quality Committees whose members represent the port community in each port.

These Quality Committees are responsible for identifying the key services requested by customers, establishing the standards that must be guaranteed to the customer, and the commitments that must be undertaken by the members of the port community participating in the Quality Mark. These make up the service guarantees included in the Procedures Manual which, together with the User Rules (a document that defines the basic rules of the system), constitute the Quality Mark documentation. The Quality Mark guarantees at the ports of Valencia and Sagunto are as follows:

- Berthing of vessels as scheduled (Valencia and Sagunto)
- Supplies delivered to vessel without delay (Valencia and Sagunto)
- Fast processing of bills of lading (Valencia and Sagunto)
- Safe arrival of goods at customer facilities (Valencia)
- Delivery of containers at the agreed time (Valencia)
- Containers shipped on the agreed vessel (Valencia)
- Goods inspection at the Goods Health Inspection Border Post (Valencia)
- Result of the Offloading/Outturn Report two days after operations have been completed (Sagunto)

Moreover, the organisations belonging to the Quality Mark must also commit to other general guarantees defined by the Quality Committees and included in the Procedures Manual.

Should any guarantee not be complied with, the Quality Mark shall, by means of complaints submitted by customers, analyse the causes and issue a written notification within a week detailing the reason and the corrective action to remedy the non-compliance.

In order to improve port services, the Quality Committees set up specific working groups to carry out studies into possible opportunities for improvement. Each working group is made up of the different stakeholders playing a part in the process under study. In 2015, the working groups implemented specific measures to respond to the different challenges that arose during the year. These included:

- An update of the 2015 working calendar for the various groups in the port community, including bank holidays and the dates on which the working day is different from a standard day.
- A set of measures to reduce the transit times of goods inspected at the Customs Facility. The implementation of these measures managed to reduce total inspection times at this facility by 20%.
- A set of measures to speed up the goods inspection process at the Goods Health Inspection Border Post (GHIBP), eliminating waiting times in presenting documents when the containers arrive at the facility and between goods inspections when two or more bodies are involved.

- Assessment and prioritisation of the improvement measures proposed in the survey on the “Appraisal of port-rail services at the Port of Valencia”, identifying improvement measures to include in the ValenciaportPCS rail transport application.
- Development of the figure of the logistics operator in the QM System via the inclusion of specific commitments in the two Guarantees in which it is involved: Goods Safety and Container Flows.
- Analysis and proposals to improve the release of empty containers to transport agents at the terminals and to resolve any incidents that may occur.
- Comparative study of the figure of the container positioning coordinator in different Spanish ports.

All the companies included in the Quality Mark are audited by an independent certification body. This body checks that the system complies with specific standards and guarantees, ensuring a predefined level of service quality. The Quality Mark currently has 134 member companies; 112 of these at the Port of Valencia, and the other 22 at the Port of Sagunto.

Promoting the Quality Mark Quality System abroad

The Quality Mark Quality System (QMQS) is recognised at international level and has been adapted for the Port of Altamira (Mexico), the Port of Lazaro Cárdenas (Mexico), the Port of Callao (Peru) and the Port of Guayaquil (Ecuador). In addition, key processes have been re-engineered at the ports of Buenaventura (Colombia) and Puerto Cabello (Venezuela) based on the Quality Mark’s working method at the Port of Valencia.

ValenciaportPCS

As part of its policy to improve information exchange processes in the shipping industry, the Port Authority of Valencia has its own Port Community System (ValenciaportPCS), a technological platform which enables electronic data exchange and e-commerce services with its customers.

This internet-oriented platform was built to comply with high availability requirements and offer business users SOA services to interconnect them more easily.

ValenciaportPCS handles procedures with the port authority, single-window access services, services to speed up customs, and services between port community members.

The use of valenciaportPCS provides innumerable benefits to the port community including:

- Easy access to integrated logistics and customs information at sea, in the port, and on land, thus allowing operations and records to be tracked and traced, and authorising access to other agents involved in the process.
- Increasingly sophisticated management, thus speeding up document generation and processing.
- More efficient transactions, which optimise handling and improve response times, generating cost savings of up to 50%.
- Access to and communication with shipping companies is unified, thus standardising information and communication with them through the INTTRA and GT Nexus platforms, and operating as a single window.
- Fewer mistakes. Errors inherent to manual systems are eliminated as data does not have to be entered several times into different media (telephone, fax, etc.).
- User-friendly system, allowing the integration of company systems, as well as direct use via the valenciaportPCS customer application.

Thus, valenciaportPCS has become an essential tool in the modernisation of logistics management for port community companies. valenciaportPCS can be used to carry out information, commercial, and operational transactions associated with goods transport, giving users easy access to integrated logistics information, speeding up the contracting of logistics services and increasing operational management efficiency.

Currently, over 500 companies in the port community use valenciaportPCS on a daily basis.

Quality Directives

In addition, in order to adapt to existing international market conditions and their evolution, the Port Authority of Valencia has drawn up and approved the following specific service quality directives to further increase the quality of the services provided:

- Container traffic
- Vehicle traffic at the Port of Valencia
- Vehicle traffic at the Port of Sagunto
- Cruise traffic
- Multipurpose goods handling

In addition, it has adopted the following generic service quality directives:

- Shipping companies
- Port pilot service
- Tug boat service
- Mooring and unmooring service
- Vessel-generated waste collection service
- Solid and liquid bulk traffic
- Conventional general cargo traffic
- Ro-ro traffic

These are complemented with the demands placed on port service providers to commit to the levels of quality and performance stipulated in the specific requirements, or the standards they offer, if these are more stringent, and which must include ISO 9001 certification, at the very least.

Number of authorised companies, concessionaires and port service providers that have applied for rebates to promote improvements in service quality. Traffic throughput these companies generate

In 2015, a total of nine companies applied for rebates to promote improvements in service quality. These companies accounted for 81.04% of total PAV throughput.

Description of the initiatives promoted by the port authority to receive and deal with complaints or suggestions from the port's end customers, and to assess customers' degree of satisfaction with the services provided by the port

The Port Authority of Valencia has created a Quality Mark to cater for the needs of its customers. The Quality Mark aims to bring together all the companies in the port community that are prepared to provide quality-assured services by complying with standards which deliver a predefined level of quality for each of the processes involved in the services provided.

Should any service guarantee included in the Procedures and User Rules not be complied with, the Quality Mark shall, via the complaints submitted by customers, analyse the causes and issue a written notification within a week detailing the reason and the corrective action to remedy the non-compliance. The contact details to submit complaints as a result of non-compliance with service guarantees included in the Procedures and User Rules are as follows:

Quality Mark

Contact person: Emilio Aliaga

Tel. No.: (34) 96 393 95 42

Fax: (34) 96 393 95 43

e-mail: marcadegarantia,valenciaport.com

In 2015, two complaints were received about the Mark's commitment to Transparent Invoicing, as well as complaints about services not included in the Quality Mark. Despite this, the Quality Mark Department takes charge of all the complaints received, collecting the information required to solve any issues, agreeing on improvements with the different stakeholders that ensure that non-compliance of the service provided does not happen again, and informing the end customer of the measures taken.

Running the Quality Mark System involves holding meetings with port service providers to analyse and coordinate processes in which the different groups participate, as well as assessing the quality of the service provided and reaching agreements to solve problems and deal with complaints made by private stakeholders and public bodies that have responsibilities in the port environment.

Agreeing to comply with commitments means that port operators joining the Quality Mark system must maintain a record of incidents for every guarantee. These records revealed that there were a total of 1,065 seal control incidents at container terminals in 2015. In addition, a total of 210 incidents related to containers entering or leaving port terminals were reported to the Quality Mark by shipping agents and hauliers.

ValenciaportPCS also has a customer service centre (CAU) to solve any technical incidents which may arise from the use of this platform. Suggestions made to improve the services offered through ValenciaportPCS are also taken into account. The contact details for the CAU, which appear on the ValenciaportPCS web site, are as follows:

Customer service centre (CAU):

e-mail: cau.valenciaportpcs.net

Tel. No.: 902 88 44 24 or 10001 from the internal corporate network.

In the "Contacting the CAU" section of www.valenciaportpcs.com, there is a form for technical queries and other enquiries about how to use the ValenciaportPCS platform. In addition, the CAU provides customer service for the port and logistics community responding to specific claims over possible incidents occurring during the release and acceptance of containers at the terminals (overland closing time system).

There is also a suggestions box on the valenciaportpcs.com web site for users to put forward ideas and give comments.

Integration in the transport system. Sustainable mobility

Current road and rail access, and initiatives envisaged to improve this, as well as a description of the strategies adopted by the port authority to promote port-rail intermodality in terms of infrastructure, operational coordination, and sales management



PORT OF VALENCIA

The Port of Valencia is connected to the A-7 and A-3 motorways and the rest of the national road network via the V-30 (Valencia bypass), providing road access to the entire Iberian Peninsula and Europe.

Access to local hinterland:

- To the north, towards Sagunto, via the V-21 and the A-7 motorways.
- To the south, towards Silla, via the V-31 motorway and the CV-500 road.

Access to the following corridors:

- North-South: including the A-7/AP-7/E-15 motorway from Barcelona-Algeciras, which provides access to:
 - » The regions of Aragon, Castile-Leon and the north of Spain via the A-23 toll-free motorway at Sagunto.
 - » The south of Castile la Mancha, via the A-35 toll-free motorway at Jativa.
 - » The southern Mediterranean coast via the AP-7 toll motorway.
- East-West: mainly via the A-3 toll-free motorway (Valencia-Madrid) which leads onto the A-43 toll-free motorway to Lisbon, on the stretch near Atalaya.

PORT OF SAGUNTO

The Port of Sagunto is linked to the national road network via the V-23 toll-free motorway and the CV-309 road, providing access to:

- The northeast of the peninsula: from the A-23 toll-free motorway via the V-23 toll-free motorway.
- North-South corridor: the A-7 toll-free motorway from Barcelona-Algeciras which links up to the A-23 toll-free motorway.
- Valencian coast: via the V-21 toll-free motorway, from the CV-309 and the V-23 toll-free motorway.

PORT OF GANDIA

The Port of Gandia is connected to the national road network via the N-337 leading onto the N-332 trunk road which then links up to:

- The AP-7/E-15 toll motorway via the Xeraco exit to the north and the Oliva exit to the south.
- The west of the Iberian Peninsula via the CV-60 road, which links up to the A-35 toll-free motorway.

In terms of the strategies adopted by the port authority to promote port-rail intermodality infrastructure, operational coordination, and sales management, Article 36 of Spanish Law 39/2003, of 17th November, on the Rail Industry stipulates the regime applicable to existing rail infrastructure in public ports and attributes certain rail infrastructure administration functions to the port authorities that manage them. The same article states that this infrastructure must be connected to the national rail network, and also be governed by an agreement signed by ADIF and the port authority of each public port, with prior authorisation from the Spanish Minister of Development. On 24th October 2011, this agreement was signed for the Port of Valencia. The aforementioned agreement includes a monitoring committee which meets twice a year.

In 2015, the Port Authority of Valencia continued with its strategy to improve rail and port intermodality through four basic lines of action:

1) Improving rail infrastructure inside the port facility

The Port Authority of Valencia is carrying out a project, entitled CONNECT VALENCIAPORT, which is partially subsidised by the European Union through the Connecting Europe Facility funding instrument. The Port of Valencia is one of the most important intermodal nodes in the European TEN-T network and aims to improve its connectivity and rail accessibility through this project. The CONNECT VALENCIAPORT is in line with the objectives of both the Mediterranean Corridor and the Port Authority of Valencia, which aim to integrate the Port of Valencia into a network of Spanish and European rail infrastructure to improve the competitiveness of the cluster located in its hinterland.

The project tackles the major problems affecting the infrastructure at the Port of Valencia, centring especially on the need for the interoperability of rail infrastructure, boosting the port's connectivity with its hinterland via the standard-gauge width rail link to the Mediterranean Corridor and increasing the capacity of the infrastructures to cater for long train convoys (750 m). In addition, this improves safety by removing five level crossings and achieves greater control over rail operations within the port facility.

The main objectives are:

- To improve rail connectivity with the Port of Valencia's hinterland.
- To connect the Port of Valencia and its terminals with standard-gauge width to the Mediterranean Corridor network.
- To improve the Port of Valencia's rail infrastructure so that it can carry trains up to 750 metres long at all the terminals.
- To improve the Port of Valencia's internal rail network.
- To increase the capacity to run trains at the Port of Valencia.
- To improve the efficiency of rail operations at the Port of Valencia.
- To improve the safety and control over the trains arriving and departing at the Port of Valencia.

The project will be completed in December 2019. It aims to increase the share of rail traffic at the Port of Valencia, make companies in the Port of Valencia's hinterland more competitive, reduce costs and increase the efficiency of rail operations within the port.

2) Creation of its own rail management model

In February 2010, the Port Authority of Valencia took on the capacity allocation and traffic management of its internal rail network. This has improved the use of this facility and has contributed to making rail freight operators more competitive.

In 2015, the PAV continued to work with ADIF to improve rail management inside the port in the areas it is responsible for, drawing up the Network Information Document that ADIF has to include in its Network Declaration.

3) Institutional backing/institutional policy focused on linking the ports of Valencia and Sagunto to standard-gauge European transport networks and on developing international rail freight corridors

The PAV shares and participates in the policies advocated by the European Union for rail freight to take on a more important role in international goods transport, as mentioned above.

The Port Authority is to invest €4 million to improve the Sagunto-Teruel-Saragossa line, which is essential for connections to its hinterland and the development of territorial policy. This investment will be funded by the Port Land Accessibility Financial Fund.

In addition, support continued for the development of the Mediterranean Corridor, given that when goods arrive at Mediterranean ports their distribution is limited as a result of the different rail gauges in Spain and the rest of Europe.

In line with the above, according to the agreement reached by the European Parliament and the Council, the Mediterranean and Atlantic corridors will be included on the list of nine priority projects for the core network (also known as the basic network) which must be finished in 2030 and will be co-funded by the EU (in both cases, funding will be 40%).

The PAV has permanent representation in the Mediterranean Corridor Forum and the Rail Freight Corridor 6 - Mediterranean Corridor Terminal Advisory Group.

4) Improving rail transport / sales policy aimed at enhancing the PAV's rail freight services

The development of rail connections is essential if the Port Authority of Valencia is to increase its share of traffic in specific areas of Spain.



The PAV has already made efforts along these lines:

- A 30% rebate on the goods charge for containers, platforms and new vehicles that enter or leave the port facility by rail.
- It is a member of the Board of Directors of the Coslada Dry Port and of Noatum Rail Terminal Zaragoza, in order to boost rail connections to the Port of Valencia.
- Work on projects in the Port of Valencia's Quality Mark Rail Service Technical Committee.
- The number of vehicles transported by rail has risen by almost five compared with the previous year, thanks especially to significant increases in freight with brands such as Opel and Renault. In addition, meetings have been held with several rail freight operators to encourage other brands to use the train as a transport service to and from the Port of Valencia.
- It plans to invest €4 million to improve the rail line between Valencia-Teruel-Saragossa and €31 million to develop rail access to the Port of Sagunto.

Description of the strategies adopted by the port authority to promote Ro-ro traffic

In 2015, Ro-ro traffic reached 8.54 million tonnes, increasing by 12.38% over 2014, with a total of 319,135 ITUs, of which 112,753 ITUs were shipped via Motorways of the Sea.

Main facts and figures:

- In 2015, a total of 689,426 vehicles were handled, representing a rise of 39% compared to 2014. The largest increases came from higher Ford vehicle exports and Fiat vehicle imports.
- The PAV has approved the terms and conditions to turn the new unregistered vehicle handling service into a commercial service.
- Consolidation of the Höegh Autoliners and Grimaldi services in Sagunto for the export of Ford vehicles to the USA and the UK. Business was also brisk in terms of Toyota imports.

- Ford requested the concession of 100,000 m² of extra space on the Xitá Quay to cater for the increase in traffic.
- Rebates on the vessel charge and goods charge (trailers) were established for Ro-ro traffic.
- As members of the Spanish Association for the Promotion of Short Sea Shipping (SPC-SPAIN), the PAV took an active role in board meetings, association meetings and conferences organised to promote SSS.
- Consolidation of traffic on the Motorways of the Sea from Valencia to Italy thanks to the high frequency of the services operated by Grimaldi.
- Optimisation of the Grimaldi service to West Africa thanks to the addition of a fourth ship to the service.
- An increase in traffic with North Africa thanks to the launch of the COTUNAV shipping company service between Sagunto and Tunis. In addition, Neptune Lines started a new direct short sea shipping service between the French port of Sete and the Port of Sagunto.

Evolution of rail freight in and out of the port over the three last years, as a percentage of total land traffic; in addition to the Ro-ro traffic coming in and going out of the port as a percentage of total general import-export cargo over the last three years

The Port of Valencia's rail connection ensures access to any production area on the Iberian Peninsula and Europe. There is a two-track railway inside the port premises which branches off to the different quays.

In 2015, 2,520,405 tonnes of goods were transported by rail, of which 1,253,311 tonnes were discharged from vessels, whilst 1,267,094 tonnes were loaded onto vessels. Total land traffic stood at 35,499,486 tonnes (excluding shipping transit and goods transported by pipeline). Thus, rail freight accounted for 7.10% of total traffic. A total of 146,668 TEUs were transported by rail, which represented 6.96% of the total number of containers transported by land, which stood at 2,106,262 TEUs.

In 2015, 8,419,473 tonnes of Ro-ro traffic were loaded or discharged (excluding transit). This represented 27.14% of the total amount of general cargo that was loaded and discharged.

| Type of traffic | 2013 | 2014 | 2015 | Difference 15/14 | % |
|--|------------|------------|------------|---------------------|--------|
| Rail (t) | 1,799,474 | 2,189,175 | 2,520,405 | 331,230 | 15.13% |
| Road (t) | 29,239,285 | 31,246,616 | 32,979,081 | 1,732,465 | 5.54% |
| Total land traffic (t) | 31,038,759 | 33,435,791 | 35,499,486 | 2,063,695 | 6.17% |
| Rail traffic as a percentage of total land traffic | 5.80 | 6.55 | 7.10 | | |
| Rail (TEUs) | 111,000 | 136,386 | 146,668 | 10,282 | 7.54% |
| Road (TEUs) | 2,058,512 | 1,848,603 | 1,959,594 | 110,991 | 6.00% |
| Total land traffic (TEUs) | 2,169,512 | 1,984,989 | 2,106,262 | 121,273 | 6.11% |
| Rail traffic as a percentage of total land traffic | 5.12 | 6.87 | 6.96 | | |
| Ro-ro (tonnes) excluding transit) | 6,198,958 | 7,535,291 | 8,419,473 | 884,182 | 11.73% |
| General cargo loaded/ discharged (t) | 26,584,321 | 28,131,195 | 31,022,775 | 2,891,580 | 10.28% |
| Ro-ro traffic as a percentage of general cargo loaded/discharged | 23.32 | 26.79 | 27.14 | | |

Institutional communication

List of stakeholders identified by the port authority

The three priority stakeholder groups identified by the PAV are:

Internal group: the PAV’s competitiveness depends on its staff, as they are the people that carry out and implement the actions envisaged in the Business Plan. Our workforce is one of our main assets, and we thus consider the professional development and training of our staff to be key elements.

The domestic and foreign port and logistics community: customers (carriers, shipping agents, freight forwarders, and customs agents), other authorities related to the port sector (Customs, Foreign Health Department, Plant Health Service, etc.), port industry associations, hauliers, companies providing port services (including technical and nautical services: tug boats, mooring and pilotage services; vessel-generated waste collection service; passenger services, and goods handling services: loading/discharging, stowing/unstowing, transit), and in general, all of the stakeholders that are involved in the shipping chain.

Citizens: society as a whole, represented by public bodies, the media, and teaching institutions, as well as other civil society organisations and neighbourhood groups, especially those from adjoining districts and the immediate surroundings of the three ports.

Communication with stakeholders and their participation model

The communication framework for stakeholder groups and the tools used to encourage dialogue and interaction with them, thus promoting their participation, is shown below:

| | |
|----------------|--|
| Internal group | Works Committee Equality Standing Committee Local Competence-based Management Committee Occupational Health and Safety Committee Pension Plan Monitoring Committee Loans and Advances Committee Work Wear Committee Social Purposes Committee Sports Committee Cultural Committee Executive Committee Business Transformation Committee Business Plan Committee Strategic Monitoring Committee (BSC) Budget Committee Information Systems Strategic Committee Infrastructure Committee Quality Committee Area/departmental committees Resource Allocation Committee Employee Portal Notice boards Formal and informal meetings in and between departments e-mails and teamwork in shared projects |
| Port community | Quality Committees at the ports of Valencia and Sagunto Shipping and Port Councils at the ports of Valencia, Sagunto, and Gandia APORTEM-Solidarity Port project meetings Participation in professional associations and meetings Training and information conferences Working meetings Own publications Valenciaport portal ValenciaportPCS European projects |
| Citizens | Regular working meetings with their main representatives Participation in citizen, economic and academic forums Informative sessions and press releases in the media Regular press conferences after board meetings Guided tours around the port's facilities |

Stakeholders' main concerns and worries

The internal group's main concerns continue to centre on job stability and working conditions, as well as the development of their careers.

The port community's concerns have shifted to improving land-based connectivity, and the intermodality of the three PAV ports to enable better, more efficient penetration throughout the territory as well as speeding up inspection services in order to increase customer loyalty and improve services and efficiency to make the three ports more competitive and attract new traffic.

Citizens' concerns focus on issues related to the impact of port activities on their local surroundings, as well as the model and evolution of port-city relations, and especially urban development issues in the areas next to the port such as road management, future actions in the south, and the scope of the agreements reached between the PAV and other government authorities that have jurisdiction over spatial planning. This group is also interested in cruise traffic issues given the direct impact this has on the city.

Coordination and cooperation projects with other authorities

| AGREEMENTS IN FORCE IN 2015 | CO-SIGNING AUTHORITIES | YEAR SIGNED |
|---|---|-------------|
| Cooperation agreement to develop an educational cooperation programme | University of Valencia (<i>Estudi General</i>) Port Authority of Valencia | 1991 |
| Cooperation agreement 1/94 between the Valencian Regional Ministry of Public Administration's Home Office Directorate General and the PAV to act in emergencies and catastrophes at the ports of Valencia, Gandia and Sagunto | Valencian Regional Ministry of Public Administration's Home Office Directorate General Port Authority of Valencia | 1994 |
| Cooperation Framework Agreement between the University of Valencia (<i>Estudi General</i>), the PAV and the Valencia University-Business Foundation to organise internships for university students | Valencia University-Business Foundation ADEIT, University Of Valencia (<i>Estudi General</i>) Port Authority of Valencia | 1997 |
| Cooperation Framework Agreement between the PAV and the universities of Valencia (<i>Estudi General</i>), Alicante, Jaime I and Miguel Hernández | University of Valencia <i>Estudi General</i> University of Alicante University of Jaime I University of Miguel Hernández Port Authority of Valencia | 1997 |
| Cooperation agreement between the PAV and the Spanish Maritime Safety Agency to coordinate and manage shipping and port traffic at the ports of Valencia, Sagunto and Gandia | Spanish Maritime Safety Agency Port Authority of Valencia | 1997 |
| Cooperation agreement between the Spanish Ministry of Development, the Valencian Regional Government, Valencia City Council, and the PAV to modernise the Port of Valencia's infrastructures | The Spanish Ministry of Development Valencia City Council Valencian Regional Government Port Authority of Valencia | 1997 |
| Agreement between Ford, La Florida-Business to organise work experience placements in companies | Ford España, S.A. Port Authority of Valencia | 1997 |
| Agreement on the implementation of the DGPS area network-North Mediterranean network | Port Authority of Castellon Port Authority of Tarragona Port Authority of Barcelona Port Authority of the Balearic Islands Port Authority of Valencia | 1999 |
| Cooperation Framework Agreement between the Madrid Pontificia Comillas University and the PAV (Master's degree) | Madrid Pontificia Comillas University Port Authority of Valencia | 2002 |
| Cooperation Framework Agreement between Valencia Tourism and Convention Bureau, Ciudad de las Artes y de las Ciencias, S.A., the PAV and the Valencia Province Hotel and Catering Business Federation | Ciudad de las Artes y las Ciencias, S.A. Valencia Province Hotel and Catering Business Federation Valencia Tourism and Convention Bureau Foundation Port Authority of Valencia | 2002 |
| Cooperation agreement between the Spanish Maritime Safety Agency and the PAV | Spanish Maritime Safety Agency (SASEMAR) Port Authority of Valencia | 2003 |
| Cooperation Framework Agreement between the Universidad Politécnica de Valencia and the PAV to establish joint participation in education and employment issues through an educational cooperation programme | Universidad Politécnica de Valencia Port Authority of Valencia | 2004 |
| Cooperation agreement between the Fundación Comunidad Valenciana-Región Europea and the PAV | Fundación Comunidad Valenciana-Región Europea Port Authority of Valencia | 2004 |
| Legal assistance agreement between the Spanish Central Government (Spanish Ministry of Justice, Government Attorney's Office-Directorate for State Legal Service) and the PAV | Spanish Ministry of Justice, Government Attorney's Office-Directorate for State Legal Service Port Authority of Valencia | 2004 |

| AGREEMENTS IN FORCE IN 2015 | CO-SIGNING AUTHORITIES | YEAR SIGNED |
|---|--|-------------|
| Cooperation Framework Agreement with the Universidad Politécnica de Valencia | Universidad Politécnica de Valencia Port Authority of Valencia | 2005 |
| Agreement between the PAV, the Central Government Office in the Valencian Region and the Valencia 2007 Consortium for the transfer of the Phytosanitary Inspection Service | Valencia 2007 Consortium Central Government Office in the Valencian Region Port Authority of Valencia | 2005 |
| Membership of an agreement to group businesses together for training purposes | The Valencian Region Foundation for Research, Promotion and Port Studies (Valenciaport Foundation) Infoport, S.A. Transcoma Travima Port Authority of Valencia | 2007 |
| Cooperation agreement between Sagunto Town Council and the Port Authority of Valencia | Sagunto Town Council Port Authority of Valencia | 2009 |
| Agreement between the Spanish Tax Agency and the Port Authority of Valencia for the collection via enforced recovery of the public resources of this port authority | Spanish Tax Agency Port Authority of Valencia | 2009 |
| General cooperation protocol between the Valencian Regional Ministry of the Environment, Water, Town Planning and Housing and the PAV for the extension of the Port of Sagunto | Valencian Regional Ministry of the Environment, Water, Town Planning and Housing Port Authority of Valencia | 2010 |
| Appendix to the Cooperation Agreement of 26 th April 2002 between the Port Authority of Valencia and the Pontificia Comillas University for the "Development of the Expert in Customs Management course" | Madrid Pontificia Comillas University Port Authority of Valencia | 2010 |
| Connection agreement between the Spanish Railway Infrastructure Management Body (ADIF), the State-owned Ports Body and the PAV to connect the public port of Valencia's rail infrastructure to the Spanish national network in application of Spanish Law 39/2003, of 17 th November, on the Railway Industry | State-owned Ports Body, Spanish Railway Infrastructure Management Body (ADIF) Port Authority of Valencia | 2011 |
| Educational cooperation agreement between the Port Authority of Valencia and the Pontificia Comillas University | Madrid Pontificia Comillas University Port Authority of Valencia | 2012 |
| Specific agreement to develop a cooperation agreement between the Universidad Politécnica de Valencia and the Port Authority of Valencia for a project entitled "Plan to Monitor the Evolution of the Beaches to the North and South of the Port of Valencia after the completion of the external works to expand the port" | Universidad Politécnica de Valencia Port Authority of Valencia | 2012 |
| Cooperation agreement between Gandia Town Council and the Port Authority of Valencia | Gandia Town Council Port Authority of Valencia | 2012 |
| Agreement for the free transfer of specific port authority assets to Valencia City Council | Valencia City Council Port Authority of Valencia | 2013 |
| Cooperation agreement between Gandia Town Council and the Port Authority of Valencia | Gandia Town Council Port Authority of Valencia | 2014 |
| Agreement between the Port Authority of Valencia and the Valencian Region Foundation for Research, Promotion and Port Studies (Valenciaport Foundation), to grant a subsidy to carry out the activities corresponding to 2015. | The Valencian Region Foundation for Research, Promotion and Port Studies (Valenciaport Foundation) Port Authority of Valencia | 2015 |

Technical and business associations the port authority belongs to or in which it takes an active role

One of the ways of channelling the Port Authority of Valencia’s commitment to its environment is its participation in:

International and European organisations

- The International Association of Ports and Harbours (IAPH)
- European Sea Ports Organisation (ESPO)
- The Association of Mediterranean Cruise Ports (MEDCRUISE)
- The Association for the Promotion of the Mediterranean’s Great Freight Axis – FERRMED
- The International Association of Cities and Ports (AIVP)
- EUROPHAR European Group (Promoting environmental protection and safety in ports)
- The World Association for Waterborne Transport Infrastructure (PIANC)
- The Association for the Collaboration between Ports and Cities (RETE)
- The SMDG Foundation (User Group for Shipping Lines and Container Terminals)
- The International Harbour Masters’ Association (IHMA)
- The International Port Law Association
- International Port Community Systems Association (IPCSA)

Local, regional and national organisations

- The Association for Management Progress (APD)
- The Spanish Chamber of Commerce in Hong Kong
- The Valencian Business Confederation (CEV)
- The Valencian Businessowners Association (AVE)
- The Camp del Morvedre Businessowners Association (ASECAM)
- The Valencia Propeller Club
- The Spanish Association of Accounting and Business Administration (AECA)
- Institute of Computer Technology (ITI)

Sales promotion

Description of the initiatives carried out by the port authority for the port’s commercial promotion. Refer to the target sectors and to possible field work carried out for market prospection

In 2015, the Port Authority of Valencia took part in different sectorial events to boost the organisation’s visibility, better its competitive trade position and strengthen the image of the Valenciaport brand.

In 2015, the Port Authority of Valencia had its own stand at eight fairs: CEVISAMA, SEATRADE CRUISE MIAMI, INTERMODAL SOUTH AMERICA, TRANSPORT LOGISTICS MUNICH, BREAK BULK, SIL, ECOFIRA and SEATRADE EUROPE.

The PAV’s promotional material is updated on a yearly basis in Spanish and English. The new image of our sales brochure has been warmly received by our customers and is an important tool to promote and publicise our value proposition.

In 2015, the PAV continued to place advertisements in the press, and maintained a high profile in international publications specialising in deep-sea container traffic, such as Lloyd’s List, Containerisation International, and Port Strategy. One-off advertisements were also placed in specialised cruise industry media such as Cruise Insight and Seatrade Cruise. National advertising centred on logistics and port media as well as specific adverts to promote the Quality Mark. In line with previous years, paper and the internet were the chosen media, both in terms of newsletters and web sites.

Sales promotion expenses, expressed as a total amount and as a percentage of total operating expenses

| Sales promotion expenses | |
|--|---------------|
| Expenses | 1,276,331,58 |
| Operating expenses | 99,187,357,83 |
| Sales promotion expenses as a percentage of total operating expenses | 1.29% |

Institutional commitment

Description of communication and service provision projects using the internet or other electronic media aimed at optimising port management, providing information to stakeholders, and facilitating customer and supplier management

In order to improve the customer service given to clients and the general public, and comply with Spanish Law 11/2007 on universal electronic access to public services, the Port Authority has its own e-Office, which in the near future, will have 25 services for industry professionals and the general public. The following services are already up and running:

- New user registration.
- User access (with credentials and digital certificate).
- User management:
 - Profile
 - My records
 - My registrations
- Notice board
- Electronic register
- Suggestions and complaints
- Secure verification code (CSV)
- Third party representations and authorisations
- Notifications
- Communications
- Resolutions
- List of port service providers

In December 2015, the PAV's web site was launched in Valencian.

In addition, the PAV carries out its electronic data exchange and e-commerce services through its Port Community System-ValenciaportPCS. This platform groups together processing of port authority transactions, single-window access services, services to speed up customs, and services between port community members to improve the efficiency of the port and shipping business.

ValenciaportPCS provides the following services:

- **Call request:** allows single-window access to the PAV, the Merchant Navy, and other authorities. This service is used to make call requests, manage vessel technical data sheets, receive summary declarations and manifest numbers, receive vessel clearance, and receive berthing and anchoring permits.
- **Dangerous goods:** allows single-window access to the PAV, the Merchant Navy, and connectivity to the Spanish Dangerous Goods Centre to process the notifications of dangerous goods entering the facility, as well as the reception of the corresponding authorisation. Dangerous goods declarations for vessels can also be managed.
- **Summary declarations:** allows single-window access to the PAV and Customs. Summary declarations for temporary storage and cargo manifests can be sent, and responses from Customs and the PAV can be handled.
- **Loading and discharge lists:** this service provides operators with vessel loading and discharge orders and can receive terminal confirmations for container and vehicle traffic through ValenciaportPCS.
- **Paperless export clearance:** shipping agents inform Customs of the goods that are to be loaded onto vessels. In ValenciaportPCS, the Customs Authority checks whether the goods are authorised or not.
- **Automated paperless import clearance:** this service manages goods exits with automated customs controls through smart gates. The APG gate system connects to ValenciaportPCS, which processes the goods' operational and customs data,

and to Customs so that automated exits can be given in real time. This service is available for all types of cargo.

- **Land transport:** 99% of the land transport of containers in Valenciaport is managed through ValenciaportPCS. This means around two million individual electronic documents per year. The issuing of electronic orders has enabled several of Valenciaport's container terminals to implement gate automation processes.
- **Rail transport:** ValenciaportPCS can also manage container rail freight, with the implementation of train loading and discharge, and the exchange of information between shipping lines and port terminals.
- **Customs traceability:** customs traceability data is received, managed, and sent to customers through the track and trace system, and is then interlinked with other services.
- **Track and trace:** users can check the overall status of their goods or container through ValenciaportPCS. This includes checking operational data, customs traceability and port procedures.
- **Call queries:** the expected, authorised, in-process, and completed calls can be looked up free of charge on the web site.

Figures for the platform in 2015 included:

- 4,574,970 containers (TEUs) loaded or discharged through ValenciaportPCS, i.e. 99.1% of total traffic.
- 1,841,098 containers collected or delivered at the Valencia and Sagunto terminals, transport for which was managed through ValenciaportPCS.
- 166,050 dangerous goods shipments handled through ValenciaportPCS using dangerous goods notifications.
- 10,255 electronic berthing authorisations in ValenciaportPCS.
- 48,603,943 messages exchanged through ValenciaportPCS.

As a result of integration with the INTTRA and GT Nexus technological platforms, which bring together the world's main carriers, ValenciaportPCS provides its company users with a single window for sending and receiving shipping documents to and from the world's major shipping companies.

As part of the on-going improvement process at the heart of the PAV's management model, a total of 24 improvement packages were implemented in 2015, enhancing the services currently offered. In addition, the ValenciaportPCS web site was redesigned and a new user interface was defined.

R&D&I projects, including their objectives and achievements, promoted by the port authority or in which it takes an active role, and the institutions it cooperates with in these projects. Total economic resources assigned: expenses and investments, expressed as a total in euros and as a percentage of the port authority's total expenses and investments

The Port Authority of Valencia took part, either directly or indirectly, in the following R&D&I projects:

Greencranes – Promoting Energy Efficiency and Green Technologies in the Berthing Operations of Port Community SMEs. This project aims to develop pilot projects at container terminals to test new technologies and alternative fuels (LNG, hydrogen, Tier 4 diesel and other eco-fuels) that may help to mitigate climate change and reduce greenhouse gas emissions.

B2MOS – Business to Motorways of the Sea. This project aims to improve information exchanges between public and private organisations, and promote operational cooperation to make Motorways of the Sea more efficient; encourage the development of TEN-T Motorways of the Sea networks, and enhance European cohesion by simplifying the administrative procedures that affect outlying and outermost regions and reducing intracommunity trade barriers.

Monalisa 2.0 – This project's main objective is to promote Motorways of the Sea (MoS) in the European Union (EU) through the application of a series of measures encouraging maritime safety and safety in ports, which are part of the EU's maritime transport policies.

Greenberth – Promoting the Role of Port Community SMEs in Energy Efficiency and Green Technologies for Berthing Operations. The aim of the Greenberth project is

to encourage SME access to opportunities in the port sector in the introduction of solutions to improve energy management and the implementation of renewable energies, with a special focus on port-vessel operations.

SEA TERMINALS - SMART, ENERGY EFFICIENT AND ADAPTIVE PORT TERMINALS.

The main objective of this project is to speed up the transition of the port industry towards more efficient operating models, integrating energy as a key factor for improvement in PCTs. The project's starting point are the lessons learned from the Greencranes project, the results of which demonstrate that efficient management of energy consumption and the use of alternative fuels is viable, and that this generates major benefits.

CAPACITY4RAIL - INCREASING CAPACITY4RAIL NETWORKS THROUGH ENHANCED INFRASTRUCTURE AND OPTIMISED OPERATIONS.

The aim of this project is to deliver innovative research that will prepare the rail industry to tackle future challenges. The initiative builds on the results of previous projects and programmes to deliver technical demonstrations, guidelines and recommendations. These will be the basis for future research and investment, increasing the capacities of rail networks.

FUTUREMED - FREIGHT AND PASSENGERS SUPPORTING INFOMOBILITY SYSTEMS FOR A SUSTAINABLE IMPROVEMENT OF THE COMPETITIVENESS OF PORT-HINTERLAND SYSTEMS OF THE MED AREA.

This project aims to enhance the competitiveness of ports in the Mediterranean by improving their accessibility and links to their hinterland through technology and procedural innovations that guarantee the sustainability of transport.

CONTAIN - CONTAINER SECURITY ADVANCED INFORMATION NETWORKING.

The main objective of this project is to establish and set up a container surveillance system in a global context. The idea is to develop container surveillance mechanisms throughout the logistics chain, i.e. door to door, which enable the detection of anomalies along its route thus monitoring both the path it should follow as well as those involved in the route. The project's objective is to monitor illegal goods as well as any other aspects that may affect the security of transport.

CYSM - COLLABORATIVE CYBER/PHYSICAL SECURITY MANAGEMENT SYSTEM.

The project's main aim is to substantially enhance the protection of ports' critical information infrastructures (CII), taking into account their dual cyber-physical

nature. It will analyse the whole spectrum of ports' CII threats, including both direct and indirect threats, identifying their interdependencies, correlations, extent and impact levels. It also aims to provide a dynamic management methodology for port CIIs considering their physical-cyber nature and will evaluate physical and cyber risks against the requirements specified in the International Ship and Port Facilities Security Code (ISPS code, physical security) and the ISO 27001 standard on Information Security Management Systems (cyber security).

SIDRA - SMART IDENTIFICATION AND DETECTION OF RADIOACTIVE ANOMALIES.

The project aims to enhance the ability to detect and identify radioactive material in shipping and land transport (especially at border checkpoints) thus reducing the number of false alarms and increasing the integration of information sources and technologies related to goods transport.

COSTA - CO2 AND OTHER SHIP TRANSPORT EMISSIONS ABATEMENT THROUGH LNG, GREENING MOS AND ICT.

The project's objectives are mainly to identify in the medium term (2020 horizon) and long term (2030 horizon) the obstacles (technical, logistic, environmental, etc.) which limit or prevent the use of LNG as the main fuel for merchant vessels in the Mediterranean, Atlantic Ocean and Black Sea, in order to establish solutions and recommendations to overcome the constraints identified in both cases and develop a master plan for each of the horizons.

BUNKER LOGIX - FLEXIBLE LNG BUNKERING VALUE CHAIN IN THE SPANISH MEDITERRANEAN COAST.

The general objective of the project is to help and establish what is required to overcome the existing barriers in the supply chain for fuelling vessels and ships in the Mediterranean basin with LNG. The study deals with the technical, operative, economic and legal aspects of LNG bunkering in vessel operations in order to enable medium term deployment.

CO-EFFICIENT - COLLABORATIVE FRAMEWORK FOR ENERGY EFFICIENT SME SYSTEMS.

The basic objective of this project is to implement behavioural and technological changes in manufacturing and logistics industry SMEs in the regions participating in the project and in the MED area, thus generating positive externalities for the economies of these regions and for the environment in line with the principles of sustainable development.

SUSPORTS - DELIVERING SUSTAINABLE ENERGY SOLUTIONS FOR PORTS. The objective of Susports is to identify energy solutions that enable ports to manage their

energy flows, ensuring energy quality whilst substantially reducing consumption and greenhouse gas emissions, without jeopardising the range of port logistics services offered. To achieve this, the project aims to monitor and model the energy flows associated with container traffic in two ports, the Port of Felixstowe and the Port of Valencia.

INTE-TRANSIT - INTEGRATED AND INTEROPERABLE MARITIME TRANSIT MANAGEMENT SYSTEM. The project's overall aim is to improve the information management systems currently in use between ports and their logistics activities areas by setting out an integrated management system that includes public and private sector organisations. This model will be based on a common and harmonized process and indicator map for the Mediterranean. Inte-Transit will also promote an ICT solution to monitor and position port containers, enhancing cargo traceability, visibility and transparency.

MEDITA - MEDITERRANEAN INFORMATION TRAFFIC APPLICATION. The project is based on the establishment of a network between ports and dry ports that provides easier and faster movements of goods in the Mediterranean, using low cost technologies like passive RFID UHF. The proposed network is an extension of the network created in the MOS4MOS project, with the addition of procedural and technological aspects. The project aims to analyse the type of goods, their origins and destinations, and the volumes transported.

STIMULO - MULTIMODAL SMART LOGISTICS TRANSPORT SYSTEM. The project's aim is to build smart traffic management services through real-time forecasts of the status of the transport system's components (infrastructure, vehicles, goods, users, etc.).

MEDNET - MEDITERRANEAN NETWORK FOR CUSTOM PROCEDURES AND SIMPLIFICATION OF CLEARANCE IN PORTS. The objective of this initiative is to improve interoperability and supply chains, develop a common framework for the understanding of customs procedures and vessel clearance, and promote the implementation of information systems in ports.

SMILE - SMART GREEN INNOVATIVE URBAN LOGISTICS FOR ENERGY EFFICIENT MEDITERRANEAN CITIES. The general aim of this project is to contribute to the development of smart, energy-efficient Mediterranean cities.

eMAR - E-MARITIME STRATEGIC FRAMEWORK AND PILOT IMPLEMENTATION. The project strategy consists of combining a top-down route with a bottom-up itinerary through the implementation of a pilot project that includes the interaction and updating of existing applications via the eMAR platform. This aims to ensure that existing systems and capacities are taken into account and that efforts focus on identifying differences and gaps and then finding ways to eliminate them, and specifying future policies and standardisation and research actions.

The PAV is also involved in other research, development, and innovation activities. For example, it is the General Secretary of the Europhar EEIG.

The following table shows expenses corresponding to R&D&I projects in 2015:

| R&D&I expenses | |
|---|--------|
| Innovation expenses (thousand €) | 3,124 |
| Operating expenses (thousand €) | 99,187 |
| Innovation expenses as a percentage of total operating expenses | 3.15% |

Foundations, cultural initiatives, courses, seminars, training programmes and other social programmes promoted or supported by the port authority, and the total financial resources assigned: expenses and investments, expressed as a total in euros and as a percentage of the port authority's total expenses and investments

The list of foundations in which the PAV cooperated or took part in 2015 is as follows:

- The Valencian Foundation for Advanced Studies.
- The King James I Awards Foundation.
- The Valencian Region Port Institute for Study and Cooperation (FEPORTS)
- The Valencian Region Foundation for Research, Promotion and Port Studies (Valenciaport Foundation).

In terms of courses, seminars and teaching programmes, the PAV continued to be involved in the training and teacher work experience agreements signed with the Universidad Politécnica de Valencia, the University of Valencia, and other universities in the Valencian Region. In addition, the PAV, together with the University of Comillas, taught the 23rd Port Management and Intermodal Transport Master's degree. The PAV also continued to take part in the United Nations Conference on Trade and Development's (UNCTAD) TrainForTrade port training programme.

The PAV cooperates with various associations and social initiatives in its area of influence in line with its Corporate Social Responsibility policy. In 2015, it took part in and/or sponsored the following initiatives:

With business associations related to ports and the economy:

- 14th ASCER Ceramic Awards
- 14th Camp del Morvedre Business Meeting - ASECAM
- King James I Awards - Economy category

Sporting and cultural events in the port environment:

- 30th Port of Sagunto Half Marathon
- 28th "Pas Ras" race at the Port of Valencia
- 26th International Paella Competition for the logistics industry

- Maritime Falla Association
- Christ of the Grao district religious brotherhood association - Festival of the Cross
- Nazaret Music and Dance Centre
- Maritime Holy Week
- 15th Sagunto Classical Culture Workshops
- Festivity of Our Lady of Mount Carmel - Valencia Naval Command
- 25th Citizens Week - Neighbourhood Associations Federation
- Camp de Morvedre Micro-Story Competition
- "A different gaze" charity race in Sagunto

In addition, actions to promote relations with our immediate surroundings were organised between staff and other port community members:

- Staff promoted and took part in special lottery draws for the Spanish Cancer Association and the Spanish Red Cross.
- Donation of office furniture and promotion of voluntary work - Nazaret Arca de Noé Association.
- Campaign to collect clothes, food, personal hygiene products, classroom material, and toys for Christmas - Santiago Apostol School.
- Campaign to collect baby clothes, food, personal hygiene products, and toys for Christmas - Santa Ana day care centre for children in Nazaret.
- Campaign to collect food, hygiene products, toys and essential items - Casa de la Caridad.
- Campaign to collect children's hygiene products and baby food - Casa Cuna Santa Isabel.
- Campaign to collect clothes, household goods, food, personal hygiene products, and cleaning products to cater for the basic needs of sub-Saharan immigrants - Peter Maurin Shelter.
- Campaign to collect clothes, food, classroom material, hygiene and cleaning products, and toys for families living in extreme poverty who are looked after in the areas surrounding the port - Alanna Foundation.

- APOSTEM campaign for vulnerable children in May. The collection was shared out amongst the organisations which look after deprived children in the areas surrounding the Port of Valencia.
- Blood donation campaign in the port community - Valencian Region Blood Transfusion Centre.
- Donation of promotional material for charity auction - Spring Fair.
- Cooperation with the Sagunto food bank: food donations and encouraging port community companies to take part.

Through the personal involvement of staff and members of the port community via contributions in kind and the financial contributions of companies in the sector, several tonnes of food, personal hygiene products, household products, thousands of items of clothing, classroom material for the 2015-2016 school year, and hundreds of games and toys were collected and distributed according to the needs and profiles of the aforementioned organisations with whom the PAV cooperates on a regular basis, and whose activities it follows.

By supporting activities like these, the PAV strengthens the involvement of the port community with its local environment and encourages social awareness and the active, personal and voluntary participation of its staff in charitable causes.

Another of the social initiatives that has become a firm fixture on the calendar over the last few years is Maritime Day, which involves a guided boat trip around the Port of Valencia's facilities for PAV employees and their families. On this occasion, the PAV again invited the organisations that make up the APOSTEM project to participate in the event, so that its employees and port community staff and their families could get to know each other.

The 3rd Children's Christmas Card Competition was held once again to design the PAV's official 2014-2015 Christmas card. The competition was open to family members of PAV staff and its subsidiaries and the winning cards were chosen by the PAV staff.

Description of programmes or projects aimed at improving the port-city interface and total economic resources allocated to this concept: expenses and investments, expressed as a total in euros and as a percentage of the port authority's total expenses and investments

The Port Authority of Valencia, as part of its port-city integration policy and in terms of the Port of Valencia's service area to the south of the facility, aims to implement projects that are much more ambitious than those originally included in the former agreement of 1986. However, all these actions will still be based on the following principle of cooperation and respect that featured in that agreement: "based on the city's recognition of the vital importance of the role the Autonomous Port plays in the economy and urban development of Valencia, and on the port's desire to make a major contribution to finding a suitable solution to the needs of the city for its seafront". The spirit of this statement was stressed again in the agreement to transfer assets signed in April 2013.

At the end of the year, an Executive Committee for the Promotion of Territorial Integration was set up. This Committee, proposed by the Chairman at the Board Meeting, aims to enhance the coordination between the different authorities that are responsible for land planning to design solutions to improve access and connectivity to the three ports managed by the PAV (Valencia, Sagunto and Gandia). As a result, each port has set up an advisory committee, the aim of which is to find efficient solutions to the seafront issues each town or city may have.

In this context, the Valencia City Council and the Port of Valencia continued to work on what was required in terms of content for the Port Authority of Valencia to draft the Special Plan for the South Area. As part of this process, the port authority has set up a channel for residents' associations to communicate and participate with the PAV through the Valencia Residents' Association Federation, with whom it maintains regular contact.

At the Port of Gandia, work began on developing the outer breakwater and building a pedestrian walkway on the top.

Total financial resources: expenses and investments assigned to security and safety, expressed as a total in euros and as a percentage of the port authority’s total expenses and investments. Describe the items or initiatives included

| Safety and security expenses and investments | |
|---|--------|
| Safety and security expenses (thousand €) | 5,146 |
| Operating expenses (thousand €) | 99,187 |
| % of safety and security expenses as a percentage of total operating expenses | 5.19% |
| | |
| Safety and security investment (thousand €) | 0 |
| Total investment | 13,863 |
| % of safety and security investment as a percentage of total investment | 0% |

Total financial resources: expenses and investments assigned to environmental issues, expressed as a total in euros and as a percentage of the port authority’s total expenses and investments. Describe the items or initiatives included

| Environmental expenses and investments | |
|---|--------|
| Environmental expenses (thousand €) | 997 |
| Operating expenses (thousand €) | 99,187 |
| % of environmental expenses as a percentage of total operating expenses | 1.01% |
| | |
| Environmental investment (thousand €) | 0 |
| Total investment (thousand €) | 13,863 |
| % of environmental investment as a percentage of total investment | 0% |



2. ECONOMIC DIMENSION

DESCRIPTION OF THE PORT AUTHORITY'S ECONOMIC POLICY

Economic sustainability is essential for the Port Authority of Valencia to comply with its mission. Thus, one of its main aims is to optimise revenue, costs, and investments to ensure its self-funding ability in the short and long term.

To ensure economic sustainability, the PAV has set itself the challenge of improving profitability and raising revenue (over and above inflation and traffic growth), fine-tuning investments and costs to ensure economic self-sufficiency, and providing infrastructures and services that enable income to grow. It has included these objectives in its Strategic Plan.

Financial and economic situation

Yearly return, expressed as a percentage of yearly profit (loss) divided by the average of non-current assets, as defined in the 22nd final provision of Spanish Law 2/2012 of 29th June on the General State Budget

| | 2015 |
|---|--------------|
| Adjusted profit (loss) for the year (thousand €) | 12,924 |
| Average of net non-current assets (thousand €) | 1,146,007 |
| RATIO (Adjusted profit (loss) for the year / Average net non-current assets)*100 | 1.13% |

Changes in EBITDA in euros, in total throughput, in the EBITDA-throughput ratio and in the EBITDA percentage difference compared to the previous year (ending on 31st December) for at least the last three years

| | 2013 | 2014 | 2015 |
|--------------------------------------|-------------|-------------|-------------|
| EBITDA (thousand €) | 67,680 | 75,058 | 64,433 |
| EBITDA % difference | -10.54% | 10.90% | -14.16% |
| Throughput in tonnes | 65,009,905 | 67,019,770 | 70,083,977 |
| RATIO (EBITDA/tonne)(€/tonne) | 1.04 | 1.12 | 0.92 |

Debt servicing, expressed as 100 x (debt amortisation + interest)/ cash flow

| | 2015 |
|--|---------------|
| Depreciation and amortisation (thousand €) | 35,769 |
| Interest (thousand €) | 11,844 |
| Total | 47,613 |
| Cash flow before interest (thousand €) | 65,335 |
| RATIO (%) | 72.88% |

Inactive assets, defined as land and natural properties that have not been used during the year to which an economic, social or environmental value can be assigned, expressed as a percentage of their net carrying value divided by the net average of non-current assets for the year

| | 2015 |
|---|--------------|
| Land which has not been used (thousand €) | 62,874 |
| Average net non-current assets (thousand €) | 1,146,007 |
| RATIO (%) | 5.49% |

Changes in operating expense and operating revenue ratios over at least the last three years

| | 2013 | 2014 | 2015 |
|---------------------------------|---------------|---------------|---------------|
| Operating expenses (thousand €) | 95,961 | 97,895 | 99,187 |
| Operating revenue (thousand €) | 117,608 | 120,934 | 127,277 |
| RATIO (%) | 81.59% | 80.95% | 77.93% |

Level and structure of investments

Changes in public investment made by the Port Authority and cash flow ratios over at least the last three years

| | 2013 | 2014 | 2015 |
|--------------------------------------|---------------|---------------|---------------|
| Total public investment (thousand €) | 25,107 | 11,527 | 13,863 |
| Cash flow (thousand €) | 49,909 | 59,840 | 53,491 |
| RATIO (%) | 50.31% | 19.26% | 25.92% |

Changes in the ratios between private investment and public investment made by the Port Authority over at least the last three years

| | 2013 | 2014 | 2015 |
|---------------------------------|----------------|----------------|----------------|
| Private investment (thousand €) | 34,434 | 33,326 | 46,489 |
| Public investment (thousand €) | 25,107 | 11,527 | 13,863 |
| RATIO (%) | 137.15% | 289.11% | 335.35% |

Asset renewal, expressed as the ratio between annual investment volume and the average of net non-current assets for the year (as per Spanish Law 2/2012 of 29th June on the General State Budget)

| | 2013 | 2014 | 2015 |
|--|--------------|--------------|--------------|
| Public investment (thousand €) | 25,107 | 11,527 | 13,863 |
| Average of net non-current assets (thousand €) | 1,122,188 | 1,148,034 | 1,146,007 |
| RATIO (%) | 2.24% | 1.00% | 1.21% |

Business and services

Changes in revenue from occupancy and activity charges and the ratios between occupancy and activity charges and net revenue over at least the last three years

| | 2013 | 2014 | 2015 |
|---|---------------|---------------|---------------|
| Net revenue (thousand €) | 117,608 | 120,934 | 127,277 |
| Occupancy charge (thousand €) | 22,764 | 23,916 | 24,092 |
| 100 x (occupancy charge/net revenue) | 19.36% | 19.78% | 18.93% |
| Activity charge (thousand €) | 11,716 | 12,187 | 12,934 |
| 100 x (activity charge/net revenue) | 9.96% | 10.08% | 10.16% |

Added value generated and productivity

Changes in net revenue per employee (average annual workforce) over at least the last three years

| | 2013 | 2014 | 2015 |
|------------------------------------|------------|------------|------------|
| Net revenue (thousand €) | 117,608 | 120,934 | 127,277 |
| Average annual workforce | 398 | 403 | 409 |
| Net revenue / No. employees | 295 | 300 | 311 |

Changes in EBITDA per employee (average annual workforce) over at least the last three years

| | 2013 | 2014 | 2015 |
|-------------------------------|------------|------------|------------|
| EBITDA (thousand €) | 67,680 | 75,058 | 64,433 |
| Average annual workforce | 398 | 403 | 409 |
| EBITDA / No. employees | 170 | 186 | 158 |

Social and economic impact

Estimate of the number of direct, indirect, and related jobs created by the port community. Refer to the study and method used to reach this figure

The following figures provide an estimate of the number of direct, indirect, and related jobs created by the port community based on the data which appears in the study entitled “Economic and social effects of the Port of Valencia”, carried out by the Valenciaport Foundation in conjunction with the International Economy Institute. The study uses the “Input-output analysis” method which shows the impact of infrastructures on the local manufacturing community. The figures are as follows:

| | Direct | Indirect | Related | TOTAL |
|------|--------|----------|---------|--------|
| Jobs | 11,020 | 1,950 | 6,830 | 19,800 |

Estimate of the port community’s gross added value. Refer to the study and method used to reach this figure

In terms of the economic impact of port activity, the gross added value of the port community, according to the data compiled in the aforementioned study “Economic and social effects of the Port of Valencia”, is estimated as follows:

| | Direct | Indirect | Related | Total |
|------------------|-----------|----------|---------|-----------|
| Gross salaries | 507,763 | 113,616 | 61,545 | 682,924 |
| Gross surplus | 501,080 | 159,802 | 81,333 | 742,215 |
| Tax income | 23,381 | 9,065 | 4,515 | 36,961 |
| GAV | 631,121 | 171,949 | 91,010 | 894,080 |
| Total production | 1,260,241 | 290,613 | 189,441 | 1,740,296 |



3. SOCIAL DIMENSION

THE PORT AUTHORITY’S HUMAN RESOURCES

Description of the port authority’s human resource policy

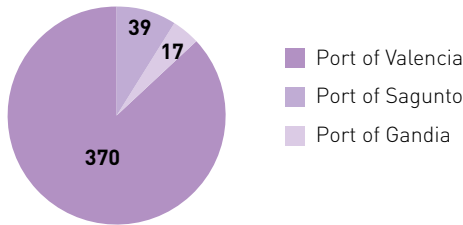
Human resources are one of the keys to competitiveness. The Port Authority of Valencia’s Human Resources Department focuses on three main areas to achieve its objectives: employee training, in-house communication, and internal and external recruitment processes.

Employment at the port authority

Total number of port authority employees

| CHANGES IN THE TOTAL NUMBER OF PORT AUTHORITY EMPLOYEES ¹ | | | |
|--|------|------|------|
| | 2013 | 2014 | 2015 |
| Average annual workforce | 407 | 403 | 409 |

As explained above, the Port Authority of Valencia manages the ports of Valencia, Sagunto and Gandia. A breakdown of staff at the three different PAV ports² is shown in the following table:



1 The criterion to calculate this figure has been changed. Data for previous years has been supplemented with this new criterion.
2 This graph and the following graphs refer to the workforce at 31st December 2015. This may differ from the average annual workforce.

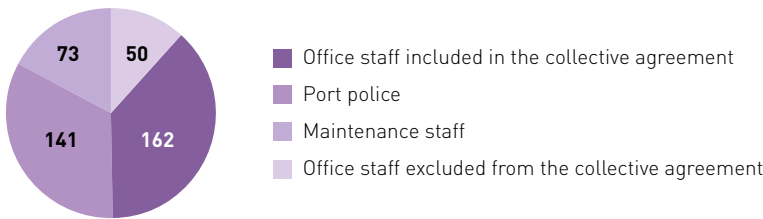
Number of temporary staff as a percentage of the total number of permanent staff. In order to calculate this indicator, temporary contracts to cover excess production have been excluded from the total number of temporary employees

| CHANGES IN THE PERCENTAGE OF TEMPORARY PORT AUTHORITY STAFF | | | |
|---|-------|-------|-------|
| | 2013 | 2014 | 2015 |
| Percentage of temporary staff | 11.26 | 15.47 | 20.00 |

The PAV has a stable working environment. 83.30% of staff members had permanent contracts whilst the remaining 16.70% who were on temporary contracts were covering for other staff. In addition, and as required by law, 2% of the PAV labour force is made up of staff with some kind of disability.

Breakdown of staff by area, i.e. port police, maintenance staff, office staff included in the collective agreement and those excluded from it

The breakdown of PAV staff by area is shown in the chart below:

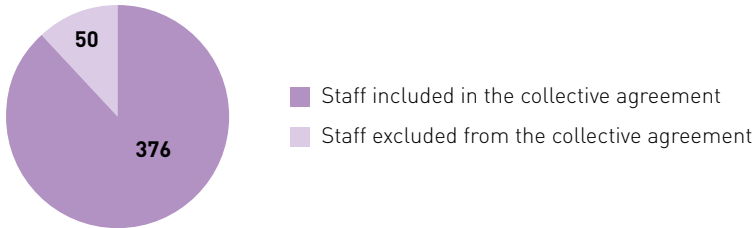


Thus, 88.26% of PAV staff were included in the collective agreement, whilst 11.74% were excluded from it.

| Breakdown of staff by area in 2015 | |
|---|--|
| Area | Percentage of average annual workforce |
| Office staff excluded from the collective agreement | 11.74% |
| Office staff included in the collective agreement | 38.03% |
| Maintenance staff | 17.14% |
| Port police | 33.10% |

Percentage of staff included in the collective agreement

The number of PAV staff included in the collective agreement or excluded from it is as follows:



Internal communication and participation

Worker representation mechanisms and communication with management

As set out in Article 30 of the Spanish Legislative Royal Decree 2/2011 of 5th September under which the recast text of the Spanish Law on State-owned Ports and the Merchant Navy was passed, the PAV staff are represented on the PAV’s Board of Directors by a trade union representative. This representative belongs to the Comisiones Obreras trade union.

Mechanisms for staff to participate in improving the port authority’s operational processes (suggestions system, regular meetings to coordinate activities, quality groups, etc.)

Human resource managers meet on a regular basis with the Works Council to report on the latest human resource developments and to resolve any staff queries or issues that may arise.

In 2008, and according to Spanish Organic Law 3/2007, an Equality Standing Committee was set up to create a space for dialogue and communication. The committee is made up of equal numbers of members of employees’ and PAV management representatives, and its main goal is to design and draw up an Equality Plan, monitor and assess it, and publicise it amongst staff so that they are aware of its existence.

The PAV has various other committees which work on improving the running of the company. The members of these committees are also drawn from company management and employees’ representatives:

- **The Local Competence-Based Management Committee** ensures compliance with the 2nd Collective Agreement.
- **The Occupational Health and Safety Committee** ensures that occupational health and safety regulations are adhered to.
- **The Pension Plan Control Committee** ensures that pension plan regulations are adhered to.
- **Loans and Advances Committee**
- **Work Wear Committee**

At the PAV, there are also several Works Council sub-committees whose members are all company employees:

- **The Social Affairs Committee** manages funds made available by the company for the social purposes set out in the 2nd Collective Agreement.
- **The Sports Committee** organises activities and sporting events for staff members and their families.
- **The Culture Committee** promotes and organises cultural activities for staff members, mainly during the Our Lady of Mount Carmel festivity.

In addition, PAV employees have a suggestions box on the employees' portal, for use as a communication tool. All the suggestions made by PAV employees are analysed and answered. There is also a customer service facility which channels all the information technology incidents detected by PAV employees.

In addition, a series of committees have been set up to promote relations and communication between different departments and with senior management, avoid duplication between the different departments, deploy a customer-internal supplier philosophy, and enhance the decision-making process. These are shown below:

- **The Executive Committee** defines the PAV's strategies and the processes required to implement them, and transmits them to the Board of Directors for their approval.
- **The Business Transformation Committee** monitors the business transformation project and adopts the main decisions required to implement it.
- **The Business Plan Committee** establishes the Business Plan guidelines and checks its contents.
- **The Strategic Monitoring Committee (BSC)** monitors strategy and the Business Plan using BSC indicators.
- **The Budget Committee** approves and monitors the global expenditure and investment budget as a whole and per PAV responsibility centre, as well as any modifications it may require.
- **The Infrastructure Committee** coordinates infrastructure and draws up, monitors and updates the Investment Plan.

- **The Quality Committee** approves and monitors the quality management systems.
- **Area/departamental** committees coordinate and inform the various departments and areas of the latest developments.
- **The Resource Allocation Committee** ensures compliance with efficient allocation of resources based on the activities carried out in the PAV's different departments, and makes decisions about exceptional cases.
- **The Information Systems Strategic Committee** sets out the PAV's Information Systems strategy and objectives and ensures they are met.

In addition, nine working groups were set up in 2015 to implement continuous improvements in the PAV's various internal processes, draw up procedures, and gradually implement a process-oriented vision in the PAV. These are multi-disciplinary groups (as the majority of their members come from different departments).

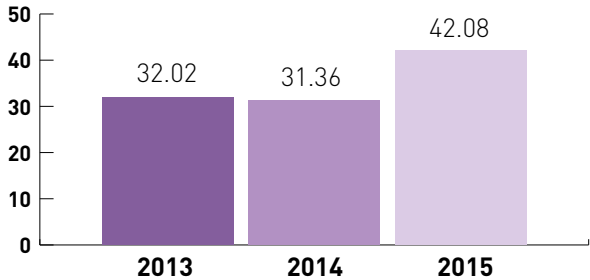
The working groups created in 2015 were:

1. Working groups to develop internal departmental procedures and the subsequent automation of processes:
 - a. With Operations-Port Police Control Centre (Ship and Train)
 - b. With Invoicing (Goods and Passengers)
2. Working groups involving various departments to deal with a specific issue or a particular project. The names of these groups and their main objective are listed below:
 - a. Improving the damage management process (Service Management)
 - b. Cadastral information management and its subsequent impact (General Manager's Office / General Secretariat)
 - c. New invoices (Invoicing)
 - d. Procurement (General Secretariat)
 - e. Workshop access (Operational Safety)
 - f. Review of Port Police Regulations (Human Resources)
 - g. Coordination between the Quality and Human Resource Management departments to improve procedures that are applicable to the entire organisation (Quality-Human Resource Management)

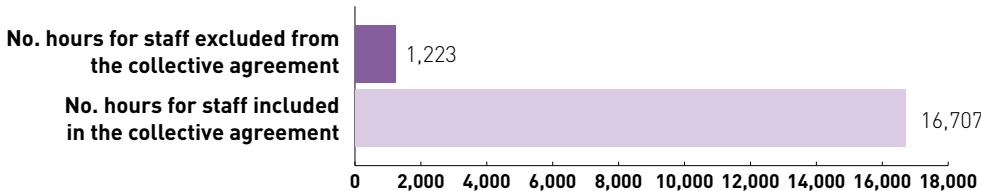
Training

Changes in the average number of training hours per employee. Differentiate between staff included in the collective agreement and those excluded from it

In 2015, the average number of training hours per employee was 42.08. A total of €132,042.85 was spent on training courses, which represents an average investment of €309.95 per employee. The following graph shows changes in the average number of training hours per employee over the last three years:



This graph shows the number of hours spent on training courses by staff included in the collective agreement and those excluded from it:



In 2015, the average number of training hours for staff included in the collective agreement and those excluded from it was as follows:

| | Total no. hours | No. employees | Average |
|--|-----------------|---------------|---------|
| Staff included in the collective agreement | 16,707 | 376 | 44.43 |
| Staff excluded from the collective agreement | 1,223 | 50 | 24.46 |

Number of training courses related to the competence-based management system (as set out in the current collective agreement)

It should be underlined at this point that the 2nd State-owned Ports and Port Authority Collective Agreement places great emphasis on the importance of training, and especially on the 30 specific competences which are considered essential and common to all the ports in the Spanish port system. In this context, with the support of the State-owned Ports Body, the port authorities have set up a teletraining platform in conjunction with AGON TEC, which enables PAV staff to participate in distance learning as well as classroom-based courses. The PAV Human Resources Department has set up a training room with computers featuring the latest technology and internet connections in order to facilitate access to the courses available through this platform. Since 2008, the Competence-based Management Examining Board has ensured the transparency of all examinations taken through the teletraining platform.

Figures for online training carried out in 2014 are shown below and differentiate between general online training and competence-based management online training:

| General Training 2015 | | | | | | | | |
|---|-----------|------------|-------------|--------------|--|--|--|--|
| Training courses | Women | Men | Hours Women | Hours Men | Staff included in the collective agreement | Staff excluded from the collective agreement | Hours for staff included in the collective agreement | Hours for staff excluded from the collective agreement |
| Languages | 8 | 30 | 414 | 1,532 | 22 | 16 | 1,372 | 574 |
| VAT and Company Tax International Operations | - | 2 | - | 24 | - | 2 | 24 | - |
| ABC of People Management | - | 1 | - | 72 | - | 1 | - | 72 |
| Adapting to ISO standard | 1 | - | 7 | - | - | 1 | - | 7 |
| Refresher course for PFSOs | - | 4 | - | 48 | 4 | - | 48 | - |
| PAV Equality Plan | 2 | 92 | 6 | 276 | 88 | 6 | 264 | 18 |
| Port Police Continuous Training | 5 | 125 | 110 | 2,750 | 130 | - | 2,860 | - |
| Software Development Project | - | 1 | - | 16 | 1 | - | 16 | - |
| SQL Server 2014 | 1 | 2 | 20 | 40 | 3 | - | 60 | - |
| Intermodal Transport | - | 1 | - | 39 | 1 | - | 39 | - |
| Master's degree in Port Management and Intermodal Transport | 1 | - | 146 | - | 1 | - | 146 | - |
| Port Facility Security Officers | - | 4 | - | 120 | 3 | 1 | 90 | 30 |
| Advanced Course for Safety Managers | - | 4 | - | 2,040 | 3 | 1 | 1,530 | 510 |
| Maintenance of Rail Intersections | - | 19 | - | 342 | 19 | - | 342 | - |
| Master's degree in Port Management and Intermodal Transport | - | 1 | - | 381 | 1 | - | 381 | - |
| Intermodal Transport | - | 1 | - | 361 | 1 | - | 361 | - |
| FTFE Continuous Training | - | 1 | - | 8 | 1 | - | 8 | - |
| Project Management | - | 1 | - | 70 | 1 | - | 70 | - |
| Total | 18 | 289 | 703 | 8,119 | 279 | 28 | 7,611 | 1,211 |

| Competence-based online training 2015 Staff included in the collective agreement | | | | | | |
|---|-------|-----|----------------|--------------|--------------|-----------------|
| Training courses | Women | Men | Hours Women | Hours Men | Total people | Total no. hours |
| Sales and marketing Level 1 | - | 6 | - | 60 | 6 | 60 |
| Sales and marketing Level 2 | 1 | 7 | 20 | 140 | 8 | 160 |
| Accounting and auditing Level 1 | 1 | 6 | 15 | 90 | 7 | 105 |
| Accounting and auditing Level 2 | 2 | 3 | 100 | 150 | 5 | 250 |
| Fishing activity management Level 1 | 2 | 11 | 30 | 165 | 13 | 195 |
| Goods management Level 1 | 1 | 10 | 15 | 150 | 11 | 165 |
| Goods management Level 2 | - | 6 | - | 300 | 6 | 300 |
| Financial, economic, and budget management Level 1 | 1 | 2 | 10 | 20 | 3 | 30 |
| Financial, economic, and budget management Level 2 | - | 1 | - | 20 | 1 | 20 |
| Logistics and intermodality Level 1 | - | 5 | - | 75 | 5 | 75 |
| Logistics and intermodality Level 2 | 1 | 7 | 50 | 350 | 8 | 400 |
| Environment Level 1 | - | 6 | - | 90 | 6 | 90 |
| Environment Level 2 | 1 | 6 | 50 | 300 | 7 | 350 |
| Navigation Level 1 | 2 | 12 | 20 | 120 | 14 | 140 |
| Port Services and Operations Level 1 | 2 | 5 | 30 | 75 | 7 | 105 |
| Port Services and Operations Level 2 | 1 | 6 | 50 | 300 | 7 | 350 |
| Occupational Health and Safety Level 1 | - | 5 | - | 75 | 5 | 75 |
| Occupational Health and Safety Level 2 | 2 | 7 | 100 | 350 | 9 | 450 |
| Labour relations Level 1 | 1 | 8 | 20 | 160 | 9 | 180 |
| Labour relations Level 2 | 2 | 11 | 80 | 440 | 13 | 520 |
| Port sector and strategy Level 1 | 1 | 12 | 15 | 180 | 13 | 195 |
| Port sector and strategy Level 2 | 1 | 7 | 40 | 280 | 8 | 320 |
| Industrial safety Level 1 | 1 | 10 | 15 | 150 | 11 | 165 |
| Industrial safety Level 2 | 3 | 5 | 150 | 250 | 8 | 400 |
| Navigational aid systems Level 1 | 4 | 17 | 80 | 340 | 21 | 420 |
| Navigational aid systems Level 2 | 2 | 23 | 80 | 920 | 25 | 1,000 |
| Passenger traffic Level 1 | 2 | 8 | 30 | 120 | 10 | 150 |
| Passenger traffic Level 2 | - | 12 | - | 600 | 12 | 600 |

Competence-based online training 2015
Staff included in the collective agreement

| Training courses | Women | Men | Hours Women | Hours Men | Total people | Total no. hours |
|------------------------------|-----------|------------|--------------|--------------|--------------|-----------------|
| Databases Level 1 | 1 | 1 | 14 | 14 | 2 | 28 |
| Databases Level 2 | 1 | - | 30 | - | 1 | 30 |
| Spreadsheets Level 1 | 1 | - | 15 | - | 1 | 15 |
| Spreadsheets Level 2 | - | 4 | - | 100 | 4 | 100 |
| Internet Level 1 | - | 6 | - | 60 | 6 | 60 |
| Online presentations Level 1 | - | 1 | - | 10 | 1 | 10 |
| Online presentations Level 2 | - | 1 | - | 25 | 1 | 25 |
| Word processing Level 1 | - | 4 | - | 40 | 4 | 40 |
| Word processing Level 2 | 1 | 6 | 25 | 150 | 7 | 175 |
| Total | 38 | 247 | 1,084 | 6,669 | 285 | 7,753 |

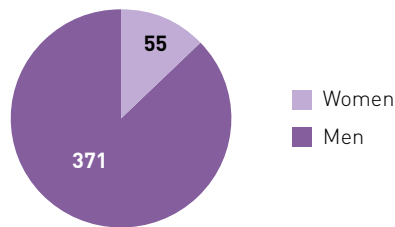
Occupational Health and Safety Training 2015

| Training courses | Women | Men | Hours Women | Hours Men | Staff included in the collective agreement | Staff excluded from the collective agreement | Hours for staff included in the collective agreement | Hours for staff excluded from the collective agreement |
|---|-----------|------------|-------------|--------------|--|--|--|--|
| First aid | 4 | 121 | 12 | 363 | 125 | - | 375 | - |
| Road safety risks | - | 34 | - | 102 | 34 | - | 102 | - |
| Noise exposure risks | - | 4 | - | 12 | 4 | - | 12 | - |
| VDU risks | 1 | 5 | 3 | 15 | 5 | 1 | 15 | 3 |
| Self-Protection Plan | 4 | 126 | 8 | 252 | 130 | - | 260 | - |
| Electromagnetic fields | 8 | 19 | 24 | 57 | 24 | 3 | 72 | 9 |
| Ergonomics | - | 4 | - | 12 | 4 | - | 12 | - |
| Basic CPR and semi-automatic external defibrillator course 6 hours | 2 | 44 | 12 | 264 | 46 | - | 276 | - |
| Basic CPR and semi-automatic external defibrillator course 12 hours | 2 | 14 | 24 | 168 | 16 | - | 192 | - |
| Working at a height 2 hours | - | 6 | - | 12 | 6 | - | 12 | - |
| Working at a height 3 hours | - | 5 | - | 15 | 5 | - | 15 | - |
| Total | 21 | 382 | 83 | 1,272 | 399 | 4 | 1,343 | 12 |

Staff structure and breakdown³

Number of women as a percentage of the total number of employees

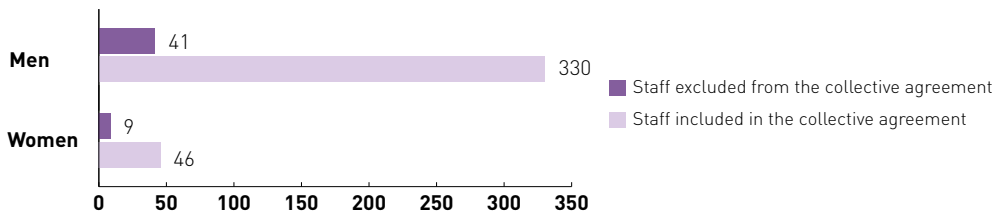
The number of men and women working at the PAV is shown below:



Thus, in 2015, the number of women as a percentage of the total number of employees was 12.91%.

Number of women excluded from the collective agreement as a percentage of the total number of employees and as a percentage of the total number of employees excluded from the collective agreement

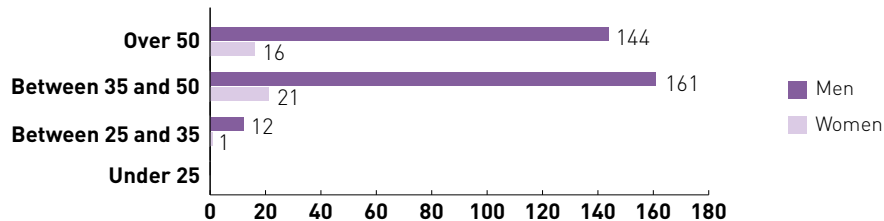
The number of staff by gender included in the collective agreement or excluded from it is as follows:



| | |
|---|--------|
| Female staff excluded from the collective agreement | 18.00% |
|---|--------|

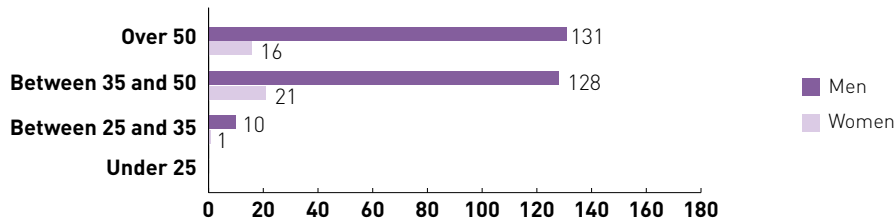
Percentage of permanent staff over 50 years of age

The following graph shows a breakdown of permanent staff at the PAV by age range and gender:

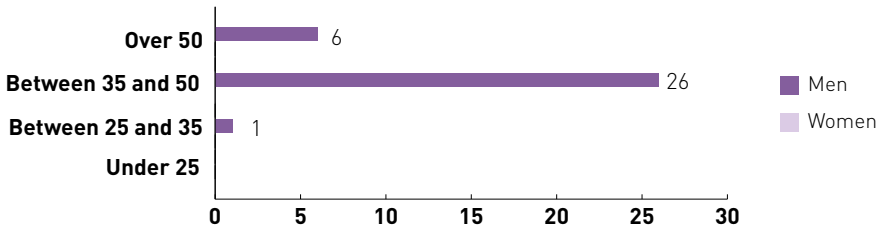


The following graphs provide the same information by port: Valencia, Sagunto and Gandia.

Port of Valencia

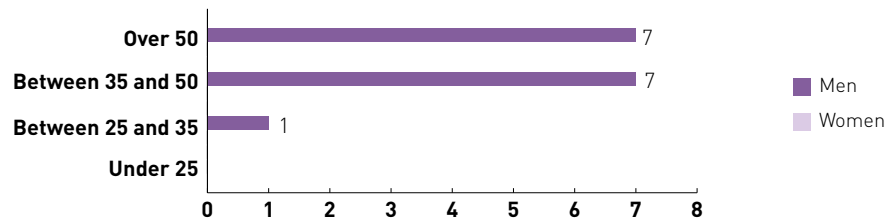


Port of Sagunto



³ The following graphs refer to the workforce at 31st December 2015. This may differ from the average annual workforce.

Port of Gandia



Thus, in 2014, the percentage of permanent staff over 50 years of age was as follows:

| | |
|-----------------------------------|--------|
| Permanent staff → 50 years of age | 45.07% |
|-----------------------------------|--------|

Percentage of permanent staff under 30 years of age

The percentage of permanent staff under 30 years of age was as follows:

| | |
|-----------------------------------|-------|
| Permanent staff ← 30 years of age | 0.85% |
|-----------------------------------|-------|

Occupational health and safety



The Port Authority of Valencia has an occupational health and safety policy. In 2015, the Occupational Health and Safety Department was assessed by a number of statutory and voluntary inspections and audits, as part of the activities carried out to constantly improve our management system. In addition to legal requirements, the PAV's Occupational Health and Safety Department has chosen the OHSAS 18001 as its management model in order to achieve continuous improvement in monitoring health and safety for its employees. This is further evidence of the PAV's commitment to occupational health and safety management and its policy of corporate social responsibility.

In June 2007, the Port Authority of Valencia achieved OHSAS 18001 certification, with registration number 0101/OHS/01/2007, for the ports of Valencia, Sagunto and Gandia, all of which comply with the requirements laid down in the standard for port facility management. In 2008 and 2009, the OHSAS 18001 certification close-out visits were successfully passed. The certification was renewed in 2010 and the subsequent close-out visits were successfully passed in 2011 and 2012. The second renewal was passed in 2013 and the close-out visits were passed in 2014 and 2015.

Changes in the annual accident frequency index (FI), expressed as the ratio between the number of accidents involving sick leave in a year and the total number of hours worked in the same year, calculated as:

| Changes in the annual accident frequency index (FI) | | | |
|---|-------|-------|------|
| | 2013 | 2014 | 2015 |
| No. accidents involving sick leave per million hours worked | 14.72 | 11.32 | 9.05 |

Article 115 of the Spanish Social Security General Law defines an accident at work as:

“Any personal injury sustained by a worker on the occasion of or as a consequence of the work he/she does as a salaried employee”. This definition includes both injuries sustained in the workplace and also those which occur when workers are on their normal route to or from work.

Procedure in the event of an accident at work

■ Accidents during working hours

The procedure to be followed in the event of an accident occurring during working hours is:

1. The incident is reported to the ECC so that it can send an ambulance to the scene of the accident.
2. The ECC reports the accident to the Medical Service and moves the victim to the Medical Service's facilities using the PAV's own resources or an emergency ambulance if required.
3. Once the injured person has arrived at the PAV's Medical Service, he/she is given first aid and his/her injuries are assessed. Any necessary extra diagnostic tests are carried out at our facilities.
4. If necessary, the patient will be sent to the 9 de Octubre Hospital for further diagnosis and consultation with other specialists.

Suitable treatment will begin after the diagnosis has been made. The progress of injuries will be monitored and checked by the PAV's Medical Service.

Official medical certificates for sick leave and a subsequent return to work will be given by the PAV's Medical Service and sent to the Human Resources Department for processing.

■ Accidents outside the working hours of the PAV's Medical Service

In the event of an accident occurring outside the working hours of the PAV's Medical Service, the procedure is as follows:

1. The incident is reported to the ECC so that it can send an ambulance to the scene of the accident.
2. The injured person is taken to the 9 de Octubre Hospital, where he/she is attended to immediately and a decision is made about whether he/she should be admitted or sent home.
3. The accident response is coordinated and supervised by the PAV's medical team.
4. The PAV's Medical Service monitors the patient's progress.

Changes in the annual accident severity index (SI), expressed as the ratio between the number of working days lost through accidents in a year and the total number of hours worked in the same year, calculated as:

| Changes in the annual accident severity index (SI) | | | |
|--|------|------|------|
| | 2013 | 2014 | 2015 |
| No. working days lost per thousand hours worked | 0.31 | 0.55 | 0.01 |

Control of accident rates

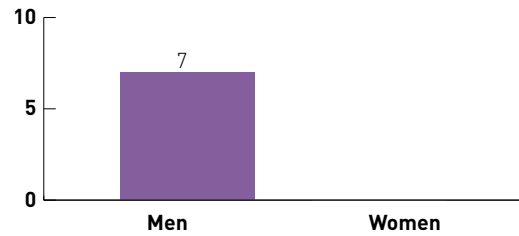
In addition to the corresponding investigation of each accident, quarterly and annual statistical analyses are carried out in order to track changes in accident rates over the years. The Spanish Occupational Health and Safety Institute's Technical Health and Safety Note No. 236 sets out the methods for calculating accident frequency and severity indexes.

Article 12.7 of Royal Decree 1993/1995 states that the PAV, as its own Mutual Society, Centralised Accident Service, is obliged to provide such data and statistics as may be requested by the Social Security health service and is also subject to the inspection and control of this health service.

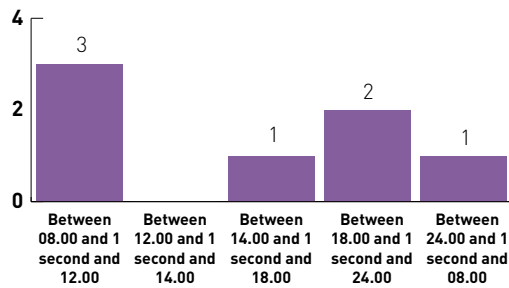
In 2015, there were seven work accidents at the PAV, only one of which resulted in sick leave.

Statistical study of accidents

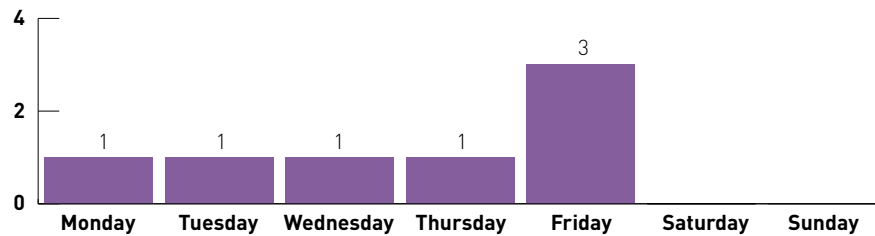
Accidents at work with sick leave (by gender)



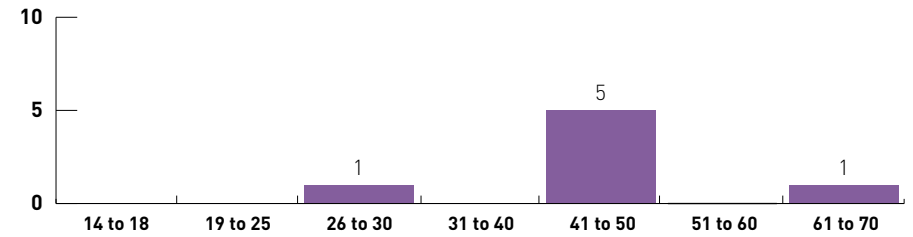
Accidents at work with sick leave (by times of day)



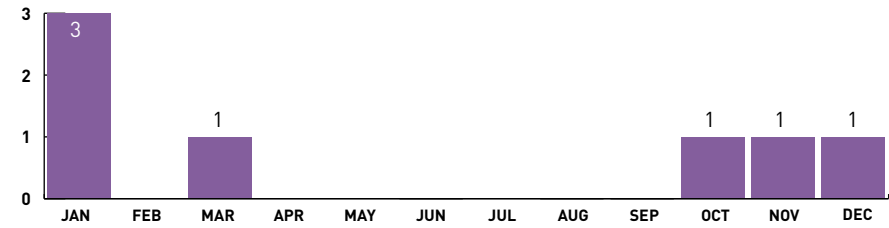
Accidents at work with sick leave (by day of the week)



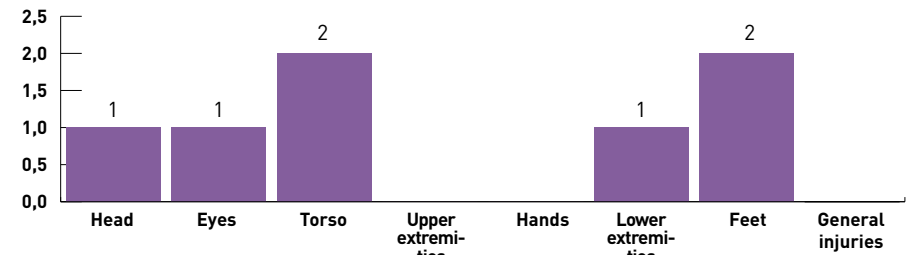
Accidents at work with sick leave (by age)



Accidents at work with sick leave (by month)



Accidents at work with sick leave (by part of the body)



Work-related illnesses

Article 116 of the Spanish Social Security Law defines a work-related illness as one which is a result of performing, as a salaried employee, any of the activities set out in the table in the Appendix to Spanish Royal Decree 1299/2006, dated 10th November, and which is caused by the elements and substances indicated in this table for each illness.

No work-related illnesses were found among PAV staff in 2015.

Changes in the annual absenteeism index, expressed as the ratio between the number of calendar days lost through sick leave and the number of employees, calculated as:

| Changes in the annual absenteeism index (AI) | | | |
|--|-------|-------|-------|
| | 2013 | 2014 | 2015 |
| Percentage of days lost through sick leave | 3.89% | 1.85% | 1.70% |

Occupational health and safety training, expressed as the total number of training hours divided by the number of employees

| Occupational health and safety training in 2015 | | |
|---|---|--------------------------------|
| Total no. training hours | Total no. employees (average annual workforce) | Average no. hours per employee |
| 1,301 | 409 (according to Human Resources Dept.) | 3.18 |

Training is essential in generating a positive occupational health and safety culture.

The course content, scheduled by the Occupational Health and Safety Department, focuses on operational techniques in health and safety management, and is

designed to help students work on the material and human aspects of the topic. It includes both general and specific themes from across the health and safety spectrum: health and safety at work, ergonomics and psychosociology, industrial hygiene and occupational medicine.

The following training courses were given in 2015:

- Risks incurred when working at a height. 11 employees.
- Noise exposure. 4 employees.
- Ergonomics. 4 employees.
- Road safety risks. 34 employees.
- Risks associated with working in offices and with VDUs. 6 employees.
- Basic CPR and semi-automatic external defibrillator handling course. 62 employees.
- First aid course. 125 employees.
- Port Emergency Plan. 130 employees.
- Electromagnetic field technical prevention training course. 27 employees.

In addition, members of the Occupational Health and Safety Department are encouraged to update and build on their skills and knowledge. In 2015, staff from the PAV's Occupational Health and Safety Department took part in:

- Safety at Work Conference: "Emerging Biological Risks" SVMST & AMTCV. 26th February. Valencia. 1 member of staff attended.
- 4th International Occupational Health and Safety Conference. Managerial challenges in the new economic scenario. 18th and 19th June. 3 members of staff attended.

Cooperation with CIERVAL's Occupational Health and Safety Monitoring Project

The Port Authority of Valencia, through its Occupational Health and Safety Service, takes part in the Valencian Region's Occupational Health and Safety Monitoring Project.

The Monitoring Project is a tool aimed at offering a continuous diagnosis of the results of the Valencian Region's occupational health and safety model.

On one hand, a descriptive comparative analysis is drawn up of the main progressive indicators from the official public statistics on work accident rates in the Valencian Region.

On the other, the tool reports changes in work accident rates and reveals the latest company developments, based on surveys carried out at a range of firms.

Its objectives are to:

- Analyse and assess the evolution of work accident rates in the Valencian Region.
- Check the suitability of policies and actions implemented to control and reduce work accidents at companies in the Valencian Region.
- Detect company needs in terms of occupational health and safety.
- Create a tool for transmitting the vision of businesses, in terms of occupational health and safety.

The aim of the project is to achieve greater institutional coordination and define and integrate future actions and strategies.

Number of safety emergency drills and number of security emergency drills

Occupational health and safety is the set of techniques and procedures designed to identify and then eliminate or minimise risks which may lead to work accidents or health problems.

In compliance with prevailing legislation and our internal policy, the Occupational Health and Safety Department uses a series of techniques to minimise or eliminate the risks inherent to the workplace. These techniques are classified as:

Proactive techniques: these aim to prevent accidents or incidents from happening. They identify the hazards inherent to certain jobs and seek to eliminate them. If this is not possible, the hazards are evaluated and efforts are made to control them by means of technical and organisational modifications.

Types:

- Risk assessment

Article 16 of the Spanish Law 31/1995 on Occupational Health and Safety stipulates that the planning of preventive actions in a company must be based on an initial assessment of risks to the health and safety of its staff. This assessment should be generalised and should take into account the type of business activity and special hazards to which certain workers may be exposed.

This risk assessment forms the basis of occupational health and safety.

In 2015, the Occupational Health and Safety Department reviewed all the risk assessments for all PAV jobs.

- Safety inspections

Safety inspections involve the direct and structured observation of facilities and productive processes to detect potential accident hazards. They are carried out by using checklists that are specific to each job and help to keep the workplace safe by identifying and remedying potential hazards.

The frequency of inspections depends on how dangerous the job is, and can be monthly, quarterly or yearly.

Observations made during the inspection, any hazards identified and the applicable corrective measures are all documented, and regular checks are made to monitor the effectiveness of the measures implemented.

During 2015, three different safety inspections of workplace conditions were carried out and the relevant measures were implemented.

Reactive techniques: these come into play once an accident has taken place, and are designed to determine its causes and put forward and implement preventive measures to stop it from occurring again.

At the PAV, the Occupational Health and Safety Department's safety experts investigate accidents in compliance with prevailing legislation. They examine the causes of each accident or incident so that suitable corrective measures can be implemented to ensure that it does not happen again, and also check the effectiveness of the preventive measures that have been implemented.

In 2015, 10 accident investigations were carried out and appropriate, specific measures were implemented in each case. The number of security and safety emergency drills and exercises is shown in the table below:

| | |
|-------------------------------|----|
| No. security emergency drills | 20 |
| No. safety emergency drills | 10 |

As a continuation of the Port Emergency Plan from previous years, six emergency drills were carried out at the following buildings at the ports of Valencia, Sagunto, and Gandia, with the aim of maximising health and safety for PAV employees:

- Port Emergency Plan activation drill at the management building at the Port of Sagunto due to an ammonia leak caused by a truck overturning near the PAV management building.
- Port Emergency Plan activation drill at the management building at the Port of Gandia due to a fire in Dock Building No. 16 (PAV Service Warehouse).
- Port Emergency Plan activation drills at the management complex (Phase I, Phase II, Phase III and Phase IV), Port of Valencia
- Port Emergency Plan activation at the Occupational Health and Safety Department building due to a fire on the first floor of the building, in the rehabilitation area.
- Workshop Emergency Plan activation drill due to a simulated security incident.
- Port Emergency Plan activation drill at the Clocktower building.

In addition, a series of safety drills was carried out in 2015, in conjunction with port community companies. These included:

- A fire drill on a passenger ship in conjunction with the Harbourmaster's Office and Sasemar, as part of the European Monalisa 2.0 project.
- Hydrocarbon spill on a ship located in the anchoring area, with activation of the Maritime Internal Plan (green phase).
- A fire drill on board a ship berthed at the Noatum Container Terminal Valencia.
- A fire drill in the paint store at the Royal Valencia Yacht Club dry dock.

Security drills carried out in 2015 included:

Port of Valencia

PAV internal drills:

- A drill including the identification, monitoring and transfer of passengers evacuated from a ship due to a fire on board (part of Sarex 25-15).
- A drill including the detection, pursuit and detention of an intruder at the CEMEX port facility.

Drills involving the PAV and external bodies:

- Seven exercises to transfer victims to the Emergency Control Centre.
- A drill to check the contact details of all the port facility security officers.
- Start up of the container scanner.

Port of Sagunto

PAV internal drills:

- A practice drill to check the cage effect at the port facility.

Drills involving the PAV and external bodies:

- Four exercises to check the contact details of port facility security officers.

Port of Gandia

Drills involving the PAV and external bodies

- Two drills to check communications and CCTV.
- Four red alert activation drills.

Ergonomics and psychosociology applied to the workplace

Ergonomics is the science of wellbeing and comfort and is based on adapting the job to the person who does it.

Applied psychosociology deals with organisational factors which may affect the physical, psychological or social wellbeing and health of workers, and the performance of their jobs.

The Occupational Health and Safety Department advises and suggests global changes in aspects which can enhance working conditions and reduce psychosocial risk factors.

The following ergonomic evaluations were carried out in 2015:

- Study of lighting levels and thermohygrometric conditions at the Cullera lighthouse.
- Ergonomic study of workstations in booths 1 and 2 at the Port of Valencia.
- Study of lighting levels and thermohygrometric conditions in booths 1 and 2 at the Port of Valencia.
- Study of lighting levels and thermohygrometric conditions at the Valencia lighthouse.
- Study of lighting levels and thermohygrometric conditions at the Canet lighthouse.
- Study of lighting levels and thermohygrometric conditions in workstations at the ECC.
- Ergonomic study at the ECC.

Ergonomic studies are not confined to implementing corrective measures. Once they have been implemented, the PAV's Occupational Health and Safety Department then checks the effectiveness of the measures adopted to correct and eliminate hazards.

In the field of psychosociology applied to the workplace, five psychiatric/psychological reports were drawn up by a specialist in order to adapt workstations.

Industrial hygiene

Industrial hygiene can be defined as a set of actions geared towards identifying, evaluating, and controlling chemical, physical, and biological agents in the working environment which may cause illness, have a detrimental effect on health and wellbeing, or create significant discomfort among workers.

In 2015, the Occupational Health and Safety Department carried out numerous industrial hygiene actions:

Port of Valencia

- Regular checks of working conditions.
- Quarterly microbiological and air quality checks in medical service facilities, changing rooms, and other facilities in PAV buildings (Valencia, and Valencia and Cullera lighthouses). In addition to the quarterly checks, extra checks were carried out during July and August at the Sports Centre because the swimming pool was open.
- Control and prevention of Legionnaires' disease, cleaning and disinfection of hot and cold water systems in May, in compliance with Spanish Royal Decree 865/2003.
- Regular checks in June and December for the detection of Legionnaires' disease and, where necessary, the implementation of appropriate measures (Valencia, and Valencia and Cullera lighthouses).
- Control and prevention of Legionnaires' disease, tests in PAV-owned buildings, and treatment where necessary.
- Regular checks of booths 1 and 2.
- Evaluation of noise levels in pump rooms at the Port of Valencia.

- Evaluation of noise levels in the HVAC room at the Port of Valencia.
- Evaluation of noise levels at the mechanical facilities workshop.
- Evaluation of dust levels in booths A1 and A2.
- Evaluation of gas levels in booths A1 and A2.
- Evaluation of noise levels in booths A1 and A2.
- Evaluation of noise levels at the Cullera lighthouse.
- Evaluation of noise levels at the Valencia lighthouse.
- Measurement of electromagnetic fields at the Port of Valencia.

Port of Sagunto

- Microbiological and air quality checks in buildings in March, June, September, and December.
- Control and prevention of Legionnaires' disease, cleaning and disinfection of hot and cold water systems in May, in compliance with Spanish Royal Decree 865/2003.
- Regular checks for the detection of Legionnaires' disease in June and December, and, where necessary, the implementation of appropriate measures (Sagunto and Canet lighthouse).
- Evaluation of noise levels in the hydrant pump rooms at the Port of Sagunto.
- Measurement of noise levels in the port police booth at the Port of Sagunto.
- Measurement of noise levels at the Canet lighthouse.
- Measurement of gas levels in the port police booth at the Port of Sagunto.
- Measurement of dust levels in the port police booth at the Port of Sagunto.
- Measurement of electromagnetic fields at the Port of Sagunto.
- Regular checks of the booth at the Port of Sagunto.

Port of Gandia

- Microbiological and air quality checks in buildings in March, June, September, and December.

- Control and prevention of Legionnaires' disease, cleaning and disinfection of hot and cold water systems in May, in compliance with Spanish Royal Decree 865/2003.
- Regular checks for the detection of Legionnaires' disease in June and December and, where necessary, the implementation of appropriate measures at the Port of Gandia.
- Evaluation of noise levels in the hydrant pump rooms at the Port of Gandia.
- Regular checks of working conditions.
- Measurement of electromagnetic fields at the Port of Gandia.

Health monitoring

Health monitoring is one of the instruments used in occupational medicine to control and supervise the impact that working conditions have on employees' health. It is an integral part of the company's overall Occupational Health and Safety Plan.

Health examinations

Medical check-ups show the impact of job hazards on workers' health. Their goal is to detect problems as early as possible in order to analyse and evaluate working conditions.

Under no circumstances may health problems be used to discriminate against workers. The types of health examinations which are carried out by the Occupational Health and Safety Department are set out in legislation, supported by article 22 of the Spanish Law on Occupational Health and Safety and article 37 of the Occupational Health and Safety Service Regulation. They are as follows:

- Initial check-up: for all staff starting work at the PAV, whether on permanent or temporary contracts.
- Specific regular medical check-up.
- Check-up after lengthy absence.
- Check-up due to change in job or task.

In addition, the PAV's Medical Service also offers a range of health examinations, even though these are not required by law, in order to safeguard the health of all workers:

- Check-up at the request of the worker.
- Check-up suggested by the Medical Service.
- Orthopaedic check-up.

The following medical check-ups were performed in 2015:

- Regular annual check-ups: 376 (89.52% of the total PAV workforce)
- Initial check-ups: 69
- Check-up after lengthy absence: 25
- Check-up due to change in job: 2
- Proposed by the Medical Service: 0

A total of 472 medical check-ups were carried out in 2015, each specifically tailored to the risks inherent to each employee's particular job.

Health campaigns

Their goal is to promote workers' health by encouraging improvements in various aspects of their lifestyles.

Membership of the Health Promotion Business Programme

In 2005, the Valencian Regional Health Ministry started up a programme run by the General Directorate for Public Health, designed to promote the health and safety of company employees through health and safety services.

The PAV's Occupational Health and Safety Department met the entry requirements and joined the Health Promotion Business Programme. This means it now receives expert advice and support material for health promotion within the company, as well as training on related issues and regular information about specific health promotion campaigns.

The goals were to:

- Make workers more health-conscious by optimising health promotion activities run by the Medical Service.
- Lay down guidelines for vaccinations for work-related hazards and also for the public at large or specific groups of adults.
- Develop action protocols for specific issues or pathologies that could affect certain PAV employees, and inform workers about them.
- Establish formal means of cooperation between the PAV's Occupational Health and Safety Department staff and members of the public health care system in both primary and specialised care.

Membership of the programme is completely voluntary, and this underlines the commitment of the PAV's Occupational Health and Safety Department to seeking out continuous improvement in the working conditions of all company employees.

Campaigns

The Occupational Health and Safety Department regularly runs health information campaigns, consisting of training and informative talks about preventive health and hygiene measures. The Department provides medical control, advice, and preventive treatment for each campaign.

The following health campaigns were run during the year:

- Help with cutting down on or stopping smoking.
- The early detection of melanoma for management and administrative staff.
- Preventing insect bites.
- Preventing mycosis in lower limbs.
- Study and prevention of osteoporosis.
- Preventing sun exposure.
- Preventing asymptomatic lung cancer.

- Preventing colorectal cancer.
- Prevention of flu and seasonal flu vaccination campaign.
- Skin protection campaign.
- Diphtheria-tetanus, hepatitis A and B, and pneumococcal vaccination campaigns.
- Eye test campaign.
- Health campaigns.
- Prevention of seasonal asthenia campaign.
- 2015 blood donation campaign.

Epidemiological studies

In 2015, the epidemiological study on colorectal cancer was completed within the framework of the colorectal prevention campaign carried out among PAV staff.

Cardio-protected area

The PAV has been certified by the Spanish Occupational Medicine, Health and Safety Association, as being a cardio-protected area, complying with current safety legislation in autonomous regions and in accordance with official recommendations.

The Port Authority of Valencia's Occupational Health and Safety Department passed the audit, and has held cardio-protected area certification since 2012. This is renewed on an annual basis. The PAV is a pioneer in this area, which represents yet another step forward in its policy to strengthen occupational health and safety in the company.

Employment and occupational safety in the port community

Brief description of the type of safety and training conditions or requirements included in the conditions for the specific requirements of port services, in the award conditions and in the concession and authorisation licences

The Port Authority of Valencia requires those applying for licences or authorisations to provide services to submit the following documentation:

- Statement declaring that they are familiar with the applicable legislation on occupational health and safety, for the coordination of activities stipulated in article 24 of Spanish Law 31/1995, of 8th November, on Occupational Health and Safety, and Royal Decree 171/2004 on the coordination of business activities developing it.
- Statement declaring that the applicants are familiar with the Port Authority of Valencia's Occupational Safety Regulations, and their commitment to inform both their staff, and any companies and third parties they may contract, of these regulations.

In the case of port service licences, specific requirements include the following conditions for training staff assigned to the service:

- They must be suitably technically qualified.
- They must have the training and experience required to carry out their functions.
- They must have the qualifications and certificates required by current regulations.
- They must know what equipment the company has, know where it is located, and how to operate it.

With regard to the general safety conditions and requirements established in the award conditions or in the concession or authorisation licences, irrespective of the application of additional requirements in the specific terms and conditions according to the type of activity to be carried out on public port land, the general terms and conditions stipulate the following:

5a. Concurrence of other titles

"Likewise, the concessionaire must comply with current provisions affecting the public land awarded under concession, and the work and activities carried out on this land, especially those corresponding to planning licences and conditions, as well as those related to areas or facilities which are in the interest of national defence, ensuring that work carried out does not hinder the competences corresponding to the authorities in terms of safety and security, surveillance, combating pollution or any others."

24a.- Health and safety measures

"The concessionaire must comply with the occupational health and safety obligations set out in Spanish Law 31/1995, of 8th November, on Occupational Health and Safety and the corresponding development regulations, and especially with what is set out in terms of the coordination of business activities, as the titleholder of the workplace, in Spanish Royal Decree 171/2004, of 30th January, which is developed in Article 24 of the aforementioned Law relating to the coordination of business activities.

According to what is set out in current safety and emergency control legislation, the concessionaire shall provide the port authority with a safety report which shall be taken into account by the aforementioned authority when drawing up the port's internal emergency plan. The concessionaire shall also comply with all its other relevant obligations in this area."

38a.- Personal data protection

"For these purposes, the delivery of any interested party to the PAV of any documentation containing personal data should guarantee the implementation of the necessary security measures in line with Title VIII of Royal Decree 1720/2007, of 21st December, which adopted the regulation to develop the Spanish Data Protection Law (LOPD), and in particular, the measures aimed at preventing the theft of, loss of or wrongful access to the information during its transfer."

Description of the business activity coordination mechanisms available in the port community on occupational health and safety within the port

The PAV has its own Occupational Health and Safety Service. Thus, it has a business activity coordination office.

Before the companies contracted by the PAV start work, and after the required documentation has been received, in line with Article 24 of the Spanish Occupational Health and Safety Law and its Royal Decree 171/2004, the Occupational Health and Safety Service analyses this documentation and gives its conformity or non-conformity according to the Occupational Health and Safety Management Procedure (PGP 08 "Procurement procedure") which is briefly described below:

- Companies are given the Occupational Safety Regulations for carrying out work at the PAV.
- Companies are given the Occupational Health and Safety Requirements for external contractors and adaptation to the Organic Data Protection Law.
- External companies are asked to provide their occupational health and safety plans.
- The Occupational Health and Safety documents provided by the contracted companies are requested and monitored.
- Reports are sent to the various departments about contractor compliance with the aforementioned requirements.
- Meetings are held with managers from different companies to explain the PAV's Safety Regulations. The Occupational Health and Safety Department is on hand to answer company queries.
- The safety measures adopted in the work carried out by contracted companies are monitored.

RELATIONS WITH ITS ENVIRONMENT

Description of the port authority's policy in terms of its relations with its social environment

Main challenges, management initiatives and programmes promoted by the port authority in relation to its social environment in aspects such as improving the port-city interface, the port's presence in cultural and technical education, initiatives to publicise the port's activity and communication with citizens

The PAV maintains its commitment to implementing corporate social responsibility (hereinafter CSR) in Valenciaport as a strategy which is recognised for contributing to sustainable development, encouraging enhanced integration with the environment, and bringing the port community closer together through actions that strengthen links with society in the port's area of influence. This strategy has involved leading and taking part in initiatives, such as the APOSTEM-Valencia Solidarity Port project, which have a positive impact both on the general public and the port community.

This line of work is in keeping with the Spanish Strategy for Corporate Social Responsibility 2014-2020 for companies, government, and other organisations, which encourages them to move towards a more competitive, productive, sustainable and inclusive society and economy, as well as with European policies on increasing sustainable development contributions, and especially with the Renewed EU Strategy on CSR, which urges Member States to drive national social responsibility policies.

The Strategy's objectives include aligning and strengthening the commitments of companies and government with the needs and concerns of Spanish society, as well as contributing to reinforcing the sustainable management models that help companies to be more competitive on one hand, and government to be more efficient on the other.

Ten lines of action have been defined to achieve these objectives, drawing together 60 measures of differing priorities which include government engagement in the process. The Strategy recognises the important role that these measures can and must play in

promoting, encouraging, publicising and supporting social responsibility in companies and other organisations, paying close attention to the way they work and the model they use. Accordingly, this forces organisations to apply the same criteria in their own companies and to lead by example. Similarly, government should ensure that social responsibility permeates all the layers of the manufacturing community without this becoming an extra burden, so that they can become examples of responsible organisations across their areas of influence.

Accordingly, the PAV continues to bring its activities into line with the national framework by undertaking and organising voluntary labour, social and environmental initiatives that directly benefit the hinterland of its ports, thus boosting its contribution to sustainable development and anticipating possible changes in legislation.

Therefore, and in line with the strategy deployed in recent years, the PAV's objective is to optimise the resources dedicated to CSR activities, adding to the actions undertaken and extending them to the entire port community. This involves carrying out several initiatives that include planning and developing CSR-related activities for Valenciaport's hinterland.

After three years of hard work, the APOSTEM-Valencia Solidarity Port project has proved to be a stable cooperation framework for a cluster of companies and professional organisations from the Port of Valencia which together promote the introduction of CSR by jointly implementing different actions.

In 2015, eight general meetings were held in the facilities of different project members to launch proposals, coordinate actions, and report back on previous initiatives. Six coordination meetings of the Actions Committee were also held to choose projects and organise the initiatives. In addition, four operational meetings were held to tackle the inventory, distribution and delivery of contributions in kind. The year saw an improvement in management processes, which was reflected in the need for fewer meetings, greater member independence in carrying out the agreed tasks, and a stronger framework of mutual trust. The experience gained, the long-term participation of members and their constant cooperation is strengthening the cohesion of the cluster from a new perspective, as well as speeding up the implementation of its activities.

Continuous monitoring of the social reality in the districts around the Port of Valencia enables the port community's intentions to support the most disadvantaged groups in

the areas closest to the Port of Valencia to be suitably channelled, in conjunction with and through local charity organisations. At the same time, support is given to the most committed organisations that best cater for the needs of local society, prioritising the criteria used to choose projects.

Against this background, numerous meetings and conversations have been held with over 15 NGOs interested in receiving and channelling the help of the Port of Valencia, and with representatives from a variety of bodies and from civil society that work with the most vulnerable groups. Along these lines, the most frequent contacts are with NGOs that cooperate with the PAV on a regular basis, including visits to their centres.

The number of activities continues to grow, they have a greater social impact and there are a larger number of beneficiaries, which results in greater effectiveness. Stable relations are maintained with the following social bodies:

- Santiago Apóstol School: <http://www.santiagoapostolcabanyal.es>. A Unique Educational Action Centre (CAES) with limited economic resources and space. It is located in the Cabanyal district of Valencia, and in 2015, catered for 160 minors living in socially deprived circumstances who are at risk of dropping out of basic schooling. In general, their housing does not have even basic living conditions, or electricity or drinking water, in many cases. The school's teaching staff organises activities to help and encourage this group to create healthy habits.
- Juan Manuel Montoya School: <http://juanmanuelmontoya.edu.gva.es>. This Unique Educational Action Centre, located in the La Punta district of the city, caters for over 180 minors who live in settlements in highly precarious conditions. They run similar programmes and have the same needs.
- Ausias March School: <http://www.cpausiasmarch.org>. This Unique Educational Action Centre, located in the Nazaret district of the city, caters for 120 children between 3 and 12 years of age mainly from Nigeria, Rumania and South America.

99% of these minors live at the risk of social exclusion, come from broken homes and have precarious living conditions. The centre runs 20 integrated care programmes, and a shower and change of clothes programme.

- Santa Ana Children's Day Care Centre. This centre is run by the Santa Ana Charity Sisters Congregation in the Nazaret district. They cater for infants and toddlers and their families through a psychological and educational prevention and early intervention programme for children up to three years of age who are at risk of social exclusion, referred by the Regional Welfare Ministry.
- Nazaret Arca de Noé Association: <http://elarcanaazaret.org>. This NGO is very well known in the Nazaret district, given its inclusive social and educational work in catering for children and young people in situations of inequality and helping them in their personal and social development.
- Peter Maurin (men) and Dorothy Day (women) shelters for Sub-Saharan immigrants. <http://www.isotrabajo.org/casa-peter-maurin-presentacion> and <http://www.isotrabajo.org/casa-de-acogida-dorothy-presentacion>. Two shelters near the port run with the support of the Labour Social Institute that offer temporary housing to immigrants who want to work and make progress in society, helping them integrate in the Valencian Region via tailored social, cultural inclusion and employability plans.
- Alanna Association and Foundation: <http://www.alanna.org.es>. Non-profit organisations that complement each other in the development of social and educational programmes aimed at social and labour inclusion for female war refugees, victims of gender violence, and those living in slums, mainly women in situations of extreme hardship in the areas around the port and in the rest of the city.
- Novaterra Foundation: <http://www.novaterra.org.es>. This is a civil initiative organised by organisations and individuals to combat poverty and social exclusion by supporting disadvantaged people through a tailored itinerary that includes reception, training in social and job skills, and assistance and mediation for social inclusion and employability.

Relevant charity initiatives of note undertaken with the port community in the framework of the APOSTEM-Valencia Solidarity Port project included the following:

- We now support three centres which provide appropriate nourishment, via breakfast and/or afternoon snacks for students: Santiago Apóstol School in the Cabanyal district, Ausías March school in Nazaret and Juan Manuel Montoya school in the La Punta district.
- A collection point for food donations made during the shipping industry’s International Paella Competition, staffed by the Alanna Foundation.
- The International Paella Competition organised a charity initiative with the “Amigos de la Calle” Association (<http://amigosdelacalle.es>), which collected food to prepare meals which they hand out on four routes on the streets of Valencia every Sunday. In addition, in the weeks before the event, 500 neckerchiefs, badges and typical Falla smocks were given out with the APOSTEM logo on them in exchange for voluntary donations. All of the money collected was used throughout the year to buy food for breakfasts and afternoon snacks for schools. Support was given to the Alanna Foundation with the collection of non-perishable items of food for the organisation to donate to the families it helps. Coffee vending machines were installed with the proceeds going to buy food for breakfasts and afternoon snacks in the aforementioned centres.
- Management of a €1,500 donation from 50% of the sale of the COACAV book entitled “Los Tratados de Libre Comercio” for projects supported by APOSTEM.
- Inclusion of a charity initiative in the 2015 “Cross Escolar” school race, organised by the Poblats Marítims Athletics Club. The money raised from donations went towards purchasing trainers and sweatshirts for children that play in the Nazaret Arca de Noé Association’s mixed football teams.
- In addition to the established charity aspect of the 28th Pas Ras race at the Port of Valencia, efforts were made to increase company involvement in the event by encouraging them to organise and prepare the race held on 13th December. The number of runners from the port industry continued to rise and totalled over 135.
- Selection of organisations and projects to benefit from the money collected at the Propeller Club’s Charity Dinner.

With regard to cultural and educational activities, in addition to those set up as a result of the signing of the agreements mentioned in previous sections, other actions were carried out with government authorities and other types of professional organisations and institutions to carry out research and innovation projects on safety, the environment, port training, and new technologies, amongst others, as well as to create awareness of the port’s function.

The PAV also promoted its activities by continuing to run guided boat trips around its facilities for schools and specialised training centres, as well as for the general public.

In 2015, a total of 5,659 people went on 148 boat trips around the Port of Valencia.

| TYPE OF VISITS | NUMBER OF VISITS | NUMBER OF VISITORS |
|----------------------|------------------|--------------------|
| PRIMARY SCHOOLS | 20 | 1,425 |
| SECONDARY SCHOOLS | 29 | 1,058 |
| TECHNICAL VISITS | 58 | 1,701 |
| INSTITUTIONAL VISITS | 30 | 451 |
| CSR | 11 | 1,024 |
| TOTAL | 148 | 5,659 |

Finally, in keeping with this policy, the Port Authority of Valencia continued to be a member of the United Nations Global Compact in order to promote and publicise its values. This international voluntary initiative aims to strengthen the commitment of its signatories towards the respect and promotion of the following decalogue of universally accepted principles:

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights, within their sphere of influence.

Principle 2: Businesses should make sure they are not complicit in human rights abuses.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: Businesses should support the elimination of all forms of forced and compulsory labour.

Principle 5: Businesses should support the effective abolition of child labour.

Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation.

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

In short, long-term objectives, such as the search for sustainable growth and improving the environment, make up the foundations on which our lines of action are based, complementing each other and defining our plans and proposals.

Port authority initiatives to provide disabled access (including passenger service licence conditions, passenger terminal concession and authorisation conditions, and specific initiatives in public areas)

The initiatives carried out by the PAV to provide disabled access in public areas (roads and buildings) include:

- Dropped kerbs on pavements on public roads and pedestrianised areas.
- Disabled parking spaces in car parks.
- In buildings:
 - » Alternative disabled access to buildings via legally-compliant ramps.
 - » Specially adapted toilets for people with reduced mobility

Concessionaires and authorisation holders are responsible for complying with current legislation on eliminating architectural barriers in their facilities. In this case, the Infrastructure Management Department ensures that the projects presented for authorisation comply with current legislation on this issue.

